



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



Annual Report 年報

2019

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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. Artem Matyushok (*appointed on 5 February 2020*)

Mr. Brett Ashley Wight (*appointed on 5 February 2020*)

Mr. Liu Wengang (*appointed on 1 November 2019*)

Mr. Xing Bin

Mr. Lam Wah (*re-designated from executive Director to non-executive Director on 31 August 2019*)

### NON-EXECUTIVE DIRECTOR

Mr. Lam Wah (*re-designated from executive Director to non-executive Director on 31 August 2019*)

Mr. Wong Hin Shek (*resigned on 12 April 2019*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ip Mei Shun (*appointed on 12 April 2019*)

Mr. Leung Tsz Wing

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

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

Mr. Yip Tai Him (*resigned on 12 April 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

Artem Matyushok先生(於二零二零年  
二月五日獲委任)

Brett Ashley Wight先生(於二零二零年  
二月五日獲委任)

劉文剛先生(於二零一九年十一月一日  
獲委任)

邢濱先生

林華先生(於二零一九年八月三十一日  
由執行董事調任為非執行董事)

### 非執行董事

林華先生(於二零一九年八月三十一日  
由執行董事調任為非執行董事)

王顯碩先生(於二零一九年四月十二日  
辭任)

### 獨立非執行董事

葉美順先生(於二零一九年四月十二日  
獲委任)

梁子榮先生

張國智先生(於二零一九年二月二十八日  
獲委任)

陳繼榮先生(於二零一九年二月二十八日  
辭任)

葉棣謙先生(於二零一九年四月十二日  
辭任)

### AUDIT COMMITTEE

Mr. Leung Tsz Wing (appointed on 28 February 2019) (Chairman)

Mr. Ip Mei Shun (appointed on 12 April 2019)

Mr. Zhang Guozhi (appointed on 28 February 2019)

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

Mr. Yip Tai Him (resigned on 12 April 2019)

### REMUNERATION COMMITTEE

Mr. Ip Mei Shun (appointed on 12 April 2019) (Chairman)

Mr. Leung Tsz Wing

Mr. Zhang Guozhi (appointed on 28 February 2019)

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

Mr. Yip Tai Him (resigned on 12 April 2019)

### NOMINATION COMMITTEE

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

Mr. Ip Mei Shun (appointed on 12 April 2019)

Mr. Leung Tsz Wing

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

Mr. Yip Tai Him (resigned on 12 April 2019)

### COMPANY SECRETARY

Mr. Zhou Danqing (appointed on 31 August 2019)

Mr. Lam Wah (resigned on 31 August 2019)

### 審核委員會

梁子榮先生(於二零一九年二月二十八日  
獲委任)(主席)

葉美順先生(於二零一九年四月十二日  
獲委任)

張國智先生(於二零一九年二月二十八日  
獲委任)

陳繼榮先生(於二零一九年二月二十八日  
辭任)

葉棣謙先生(於二零一九年四月十二日  
辭任)

### 薪酬委員會

葉美順先生(於二零一九年四月十二日  
獲委任)(主席)

梁子榮先生

張國智先生(於二零一九年二月二十八日  
獲委任)

陳繼榮先生(於二零一九年二月二十八日  
辭任)

葉棣謙先生(於二零一九年四月十二日  
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)

葉美順先生(於二零一九年四月十二日  
獲委任)

梁子榮先生

陳繼榮先生(於二零一九年二月二十八日  
辭任)

葉棣謙先生(於二零一九年四月十二日  
辭任)

### 公司秘書

周丹青先生(於二零一九年八月三十一日  
獲委任)

林華先生(於二零一九年八月三十一日  
辭任)

# 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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### AUDITOR

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

### SHARE INFORMATION

#### *Ordinary share listing*

Place of listing	Main Board of The Stock Exchange of Hong Kong Limited
Stock code	1372
Board lot size	1,000 shares

### WEBSITE OF THE COMPANY

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

### 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

### 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54樓

### 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

### 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	1,000股

### 公司網址

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

### FINANCIAL HIGHLIGHTS

### 財務摘要

		Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度
<b>Financial Performance (HK\$'000)</b>	<b>財務表現(千港元)</b>		
Revenue	收入	459,109	743,414
Gross (loss)/profit	毛(虧)/利	(52,556)	11,782
Gross (loss)/profit margin	毛(虧)/利率	(11.4%)	1.6%
Loss attributable to owners of the parent	母公司擁有人應佔 虧損	(905,423)	(703,767)
		<b>31 December 2019 二零一九年 十二月三十一日</b>	<b>31 December 2018 二零一八年 十二月三十一日</b>
<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	64,777	26,971
Goodwill (Note 1)	商譽(附註1)	16,557	297,552
Intangible assets (Note 1)	無形資產(附註1)	—	88,618
Total assets	總資產	439,095	1,307,390
Liability component of convertible bonds (Note 1)	可換股債券之 負債部分(附註1)	386,333	352,411
Promissory notes (Note 1)	承兌票據(附註1)	553,985	512,387
Total liabilities	總負債	1,413,850	1,400,349
Net liabilities	負債淨值	(974,755)	(92,959)
Current ratio (Note 2)	流動比率(附註2)	0.3	1.3
Gearing ratio (Note 3)	槓桿比率(附註3)	N/A 不適用	N/A 不適用
Return on equity (Note 4)	股本回報率(附註4)	N/A 不適用	N/A 不適用

# 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 2019 is not available because the Group reported a negative equity attributable to owners of the parent as at 31 December 2019.
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 2019.

### 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。由於本集團於二零一九年十二月三十一日錄得母公司擁有人應佔權益為負數，故無法提供二零一九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。由於本集團於二零一九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 2019.

### BUSINESS OVERVIEW

During the year ended 31 December 2019, the Group has engaged in two business segments, which are (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"). In April 2019, the Group planned to tap into the industrial hemp planting business in the People's Republic of China (the "PRC") via an acquisition from its controlling shareholder, but such plan did not succeed.

For the year ended 31 December 2019, the Group recorded a consolidated revenue amounted to approximately HK\$459.1 million as compared to that of 2018 of approximately HK\$743.4 million, representing approximately HK\$284.3 million or 38.2% decrease. The loss for the year ended 31 December 2019 attributable to owners amounted to approximately HK\$905.4 million whereas the loss for the year ended 31 December 2018 attributable to owners amounted to approximately HK\$703.8 million. The loss was mainly attributable to the following factors:

- (i) The gross loss of approximately HK\$52.6 million was recorded for the year ended 31 December 2019 as compared to the gross profit of approximately HK\$11.8 million for the year ended 31 December 2018, which was due to:
  - (a) a decline of approximately 38.2% in revenue. This is primarily resulted from the decrease in the sales of automotive engines by the Group to the automotive engines business customers of the Group due to the further delay in their full resumption of production as they have shortage in supply due to their suppliers' concern on their payment ability.

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」）截至二零一九年十二月三十一日止年度的全年業績。

### 業務回顧

截至二零一九年十二月三十一日止年度，本集團從事兩個業務分部，即(i)開發、生產及銷售汽車發動機之業務（「汽車發動機業務」）；及(ii)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」）。於二零一九年四月，本集團計劃透過向控股股東作出收購以開拓於中華人民共和國（「中國」）的工業大麻種植業務，但該計劃尚未成功。

截至二零一九年十二月三十一日止年度，本集團錄得綜合收入約459,100,000港元，對比二零一八年的約743,400,000港元，減少約284,300,000港元或38.2%。於二零一九年十二月三十一日止年度，擁有人應佔年度虧損為約905,400,000港元，而擁有人截至二零一八年十二月三十一日年度應佔年度虧損約為703,800,000港元。虧損主要由於以下因素：

- (i) 截至二零一九年十二月三十一日止年度錄得毛損約52,600,000港元，而截至二零一八年十二月三十一日止年度的則為毛利約11,800,000港元，此乃由於：
  - (a) 收入減少約38.2%所致，主因是本集團對本集團汽車發動機業務客戶的汽車發動機銷售減少，因為供應商憂慮其付款能力導致其供應短缺，致使其再度延後全面恢復生產。

# Director's Statement

## 董事報告

- (b) a provision of impairment loss of approximately HK\$33.1 million for the Group's inventory of the Automotive Engines Business. Such impairment loss is primarily attributable to the increased uncertainty on the realizability of the inventory due to the further delay in the full resumption of production of the automobile engines business customers.
- (ii) The impairment loss in the fair value of the intangible assets and goodwill of approximately HK\$88.0 million and HK\$275.8 million respectively (2018: approximately HK\$430.9 million and HK\$174.9 million respectively) in relation to the acquisition of the Automotive Engines Business. Such impairment loss is primarily attributable to the increased uncertainty on the future cashflow from the business segment as a result of the further delay in the full resumption of production of the automotive engines business customers as abovementioned.
- (iii) Additional expected credit loss of approximately HK\$349.4 million (2018: approximately HK\$125.3 million) was made to the accounts and bills receivables due from the automotive engines business customers for the year ended 31 December 2019, which is attributable to the increased uncertainty on the repayment of the accounts and bills receivables due to the further delay in the full resumption of production of the automobile engines business customers as abovementioned.
- (b) 本集團汽車發動機業務的存貨減值虧損撥備約33,100,000港元。有關減值虧損主要源於汽車發動機業務客戶再度延後全面恢復生產，致使能否變現存貨的不穩定因素增加。
- (ii) 收購汽車發動機業務相關的無形資產及商譽公允價值的減值虧損分別為約88,000,000港元及275,800,000港元(二零一八年：分別為約430,900,000港元及174,900,000港元)。該減值虧損乃主要由於上述汽車發動機業務客戶再度延後全面恢復生產，導致該業務部門未來現金流量的不確定性增加。
- (iii) 截至二零一九年十二月三十一日止年度，額外預期信貸虧損約349,400,000港元(二零一八年：約125,300,000港元)計入汽車發動機業務客戶結欠的應收賬款及應收票據，此乃由於上述汽車發動機業務客戶再度延後全面恢復生產，致使應收賬款及應收票據還款的不穩定因素增加。

### AUTOMOTIVE ENGINES BUSINESS

The Group recorded a deteriorating performance of the Automotive Engines Business for the year ended 31 December 2019.

As the final products of the Automotive Engines Business are specifically designed for only a few customers (the "Automotive Engines Business Customers") in the PRC, operation status of such Automotive Engines Business Customers will have a crucial impact on the performance of the Automotive Engines Business. The management of the Group had noticed that the key Automotive Engines Business Customers were experiencing unsatisfactory performance and financial difficulties, which were caused by the reduction of excessive production capacity policy and the de-leveraging policy in the PRC in 2018. Then in 2019, the negotiations of the resumption arrangement between the Automobile Engines Business Customers and all of their own suppliers along the supply chain were still ongoing as some suppliers had concerns over the payment ability of the Automotive Engines Business Customers. Thus, the plan for full resumption of production of the Automotive Engines Business Customers had been handicapped due to shortage in the supply of automotive parts. The Automotive Engines Business Customers needed to undergo further financial and operational restructuring to address the suppliers' concern but such restructuring was still in progress. The delay in the full resumption of production of the Automotive Engines Business Customers caused the revenue of the Group for the year ended 31 December 2019 decreased significantly.

On 10 September 2019, the management of the Group found, from public information channel, that a winding-up petition (the "Winding-up Petition") has been filed against one Automotive Engines Business Customer, namely Baic Yinxiang Automobile Co., Ltd.\* (北汽銀翔汽車有限公司, "Baic Yinxiang"). The Winding-up Petition was accepted and publicised by a court on 10 September 2019. Upon noticing the Winding-up Petition, the management of the Group has (i) conducted site visits to the Automotive Engines Business and Baic Yinxiang; and (ii) engaged a qualified PRC lawyer to monitor progress of the Winding-up Petition. As informed by Baic Yinxiang, it was in the progress of negotiating with local government for financial and operational restructuring, but success of such negotiation was not guaranteed.

### 汽車發動機業務

截至二零一九年十二月三十一日止年度，本集團的汽車發動機業務狀況每況愈下。

由於汽車發動機業務的最終產品是專門為中國的少數客戶(即「汽車發動機業務客戶」)設計的，因此此類汽車發動機業務客戶的經營狀況將對汽車發動機業務的績效產生至關重要的影響。本集團管理層注意到主要汽車發動機業務客戶的狀況及財務困境均不令人滿意，這是由於於二零一八年，中國產能過剩政策減少及去槓桿政策所致。隨後於二零一九年，汽車發動機業務客戶與其供應鏈上所有供應商仍在磋商恢復安排，因為部分供應商憂慮汽車發動機業務客戶的付款能力。因此，汽車發動機業務客戶的全面恢復生產計劃因汽車零件供應短缺而受到影響。汽車發動機業務客戶需要進行進一步財務及運營重組(惟該重組仍在進行)以解決供應商的擔憂。汽車發動機業務客戶全面恢復生產延期導致本集團截至二零一九年十二月三十一日止年度的收益大幅下跌。

於二零一九年九月十日，本集團管理層透過公開信息渠道發現一份針對一名汽車發動機業務客戶(即北汽銀翔汽車有限公司(「北汽銀翔」))的破產申請(「該破產申請」)已被提交。該破產申請於二零一九年九月十日被法院受理及公開。本集團管理層於收到破產申請後，已(i)對汽車發動機業務及北汽銀翔進行實地考察；及(ii)聘請合格的中國律師監督破產申請進度。據北汽銀翔告知，目前正與地方政府就財務及業務重組進行談判，但不能保證談判的成功。

## Director's Statement 董事報告

During the year ended 31 December 2019, the revenue of the Automotive Engines Business was approximately HK\$81.3 million (2018: approximately HK\$276.5 million), represented approximately 17.7% of the total revenue of the Group. Average monthly production sharply decreased approximately 83.7% from 1,108 units per month for the year ended 31 December 2018 to 181 units per month for the year ended 31 December 2019.

Excluding the provision for impairment loss for inventory amounting to approximately HK\$33.1 million for the year ended 31 December 2019 (2018: approximately HK\$4.0 million) and the amortisation of intangible assets amounting to approximately HK\$1.2 million for the year ended 31 December 2019 (2018: approximately HK\$26.4 million), the gross profit margin of the Automotive Engines Business decreased from approximately 10.9% for the year ended 31 December 2018 to approximately 2.5% for the year ended 31 December 2019. The decline in gross profit margin was a result of the significant drop of sales volume in automotive engines.

Due to the unsatisfactory performance and negative prospects of the Automotive Engines Business, the Group recorded (i) an impairment loss in the fair value of the intangible assets of approximately HK\$88.0 million (2018: approximately HK\$430.9 million) in relation to its acquisition of the Automotive Engines Business; (ii) an impairment loss in the fair value of the goodwill of approximately HK\$275.8 million (2018: approximately HK\$174.9 million) in relation to its acquisition of Automotive Engines Business; and (iii) an expected credit loss of approximately HK\$349.4 million (2018: approximately HK\$125.3 million) to the accounts and bills receivables due from the Automotive Engines Business Customers for the year ended 31 December 2019. This led to a further deterioration of the financial performance of the Automotive Engines Business. Nonetheless, the Company would like to emphasise that the impairment loss and the expected credit loss are non-cash items and have no effect on the Group's daily operations and cash flow.

截至二零一九年十二月三十一日止年度，汽車發動機業務的收入約為81,300,000港元(二零一八年：約276,500,000港元)，佔本集團總收入的約17.7%。月平均產量乃由截至二零一八年十二月三十一日止年度的每月1,108台驟降約83.7%至截至二零一九年十二月三十一日止年度的每月181台。

截至二零一九年十二月三十一日止年度，撇除存貨減值虧損撥備約33,100,000港元(二零一八年：約4,000,000港元)及截至二零一九年十二月三十一日止年度，無形資產攤銷約1,200,000港元(二零一八年：約26,400,000港元)，汽車發動機業務的毛利率由截至二零一八年十二月三十一日止年度的約10.9%減少至截至二零一九年十二月三十一日止年度的約2.5%。毛利率降低乃由於汽車發動機銷量大幅下滑。

由於汽車發動機業務狀況欠佳且前景負面，本集團(i)有關收購汽車發動機業務的無形資產公允價值減值虧損約88,000,000港元(二零一八年：約430,900,000港元)；(ii)有關收購汽車發動機業務的商譽公允價值減值虧損約275,800,000港元(二零一八年：約174,900,000港元)；及(iii)截至二零一九年十二月三十一日止年度應收汽車發動機業務客戶之應收賬款及票據的預期信貸虧損約349,400,000港元(二零一八年：約125,300,000港元)。這導致汽車發動機業務的財務狀況每況愈下。儘管如此，本公司仍將強調，減值虧損及預期信貸虧損為非現金項目，因此對本集團的日常運營及現金流概無影響。

### CIVIL ENGINEERING AND CONSTRUCTION BUSINESS

As of 31 December 2019, the Group had 12 significant projects in progress. Four of them were building construction and maintenance projects while the remaining were civil engineering construction projects. During the year ended 31 December 2019, the revenue of Group's civil engineering works and building construction and maintenance works were approximately HK\$377.8 million, representing a decrease of 19.1% as compared to the year ended 31 December 2018. The overall gross loss margin of this segment was 5.3% for the year ended 31 December 2019, as compared to the gross profit margin of 2.6% for the year ended 31 December 2018.

### WITHDRAWAL FROM ENTERING INTO THE INDUSTRIAL HEMP PLANTING BUSINESS

During the year ended 31 December 2019, the Group has been actively looking for opportunities which can provide sound diversification prospects. With an optimistic view for the prospect of the industrial hemp sector, the Company has decided to invest in the industrial hemp planting and processing business through a series of acquisitions in mid-2019.

However, due to the reduced optimism for the outlook of the global economic and business environment, the Group would require more time to obtain sufficient financing to support the Group's development plan in respect of the industrial hemp business. The Group has subsequently disposed of all of its interests in the industrial hemp business. The Group had no intension to re-initiate entering into the industrial hemp planting business.

### OUTLOOK

The Group expects the delay in the restructuring and resumption of production of the Automotive Engines Business Customers will continue to adversely affect the Automotive Engines Business in 2020, and the COVID-19 outbreak will further delay the restructuring negotiation and progress. There will be a dimmer hope that the Automotive Engines Business Customers can resume their full production in 2020 despite a strong support from the local government to the industry. The Group will continue to closely monitor the progress of their restructuring and consider necessary action or measure to protect the interest of our shareholders.

### 土木工程及建造業務

截至二零一九年十二月三十一日，本集團有12個重大在建項目，其中四個為樓宇建造和保養項目，其餘為土木工程建造項目。截至二零一九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377,800,000港元，較截至二零一八年十二月三十一日止年度減少19.1%。該分部於截至二零一九年十二月三十一日止年度的整體毛虧率為5.3%，而截至二零一八年十二月三十一日止年度毛利率為2.6%。

### 不再發展工業大麻種植業務

於截至二零一九年十二月三十一日止年度，本集團積極尋找可帶來穩健的多元化發展前景的機會。由於看好工業大麻行業的前景，本公司於二零一九年中期決定透過一系列收購投資工業大麻種植及加工業務。

然而，由於略為看淡全球經濟及營商環境的前景，本集團或需更多時間取得足夠融資以支持本集團工業大麻業務的發展計劃。本集團其後出售工業大麻業務的所有權益。本集團並無計劃重新發展工業大麻種植業務。

### 前景

本集團預計，汽車發動機業務客戶的重組及恢復生產延期將繼續對二零二零年的汽車發動機業務產生不利影響，而新冠肺炎疫情將進一步延後重組談判及進度。儘管地方政府大力扶持汽車行業，但汽車發動機業務客戶不大可能於二零二零年全面恢復生產。本集團將繼續密切監控彼等的重組進度及考慮保障股東權益的必要行動或措施。

# Director's Statement

## 董事報告

On the other hand and for the construction business, although the operating environment in Hong Kong 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.

Looking ahead, the Directors are cautious about the prospect of the Group's operation and business in 2020 and will continue to pursue costs control initiatives in its 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.

In February 2020, the Group intended to perform a strategic portfolio review of its business after the continuous deterioration in performance of the Automotive Engines Business. Management of the Group will assess strategic options in Hong Kong and internationally, focusing on new business opportunities involving construction and the potential diversification of the business. The Company will make further announcement(s) in relation to the above matters as and when appropriate.

### 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.

**Liu Wengang**  
*Executive director*  
Hong Kong, 8 May 2020

另一方面，雖然香港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。

展望未來，董事對本集團營運及業務於二零二零年的前景感到審慎，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。

由於汽車發動機業務的表現持續下滑，於二零二零年二月，本集團計劃檢視業務的戰略組合。本集團管理層將以建造相關的新商機及業務多元化為重點，評估香港及國際層面的戰略選項。本公司會適時就上述事項另行發布公告。

### 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**  
**劉文剛**  
香港，二零二零年五月八日

# Summary of Significant Contracts on Hand

## 重大手頭合約概要

The following table summarises our significant contracts on hand for the civil engineering and construction business as at 31 December 2019:

下表概述我們於二零一九年十二月三十一日有關土木工程及建造業務的重大手頭合約：

Particulars of the contract 合約詳情		Contract sum 合約金額 HK\$ million 百萬港元
<b><u>Roads and drainage works</u></b>		
<b><u>道路及渠務工程</u></b>		
Provision of external cable construction works and outside telecommunications plant maintenance services	提供戶外電纜建設及電訊站維修保養	— (Note 1) (附註1)
Provision of Barrier-free Access Facilities for Highway Structures — Phase 3 Contract 8	為道路構築物提供無障礙通道設施 — 第三期第八份合約	203
Provision of Barrier-free Access Facilities for Highway Structures — Phase 3 Contract 9	為道路構築物提供無障礙通道設施 — 第三期第九份合約	173 (Note 2) (附註2)
<b><u>Utilities civil engineering works</u></b>		
<b><u>公用設施土木工程</u></b>		
Term contract for provision of civil engineering works for the telecommunication networks and associated facilities	提供電訊網絡及相關設施之土木工程定期合約	— (Note 1) (附註1)
Provision of integrated field works for field services in NTC region	提供NTC區域綜合網絡敷設服務	— (Note 1) (附註1)
Provision of Integrated Field Works for Field Services in KLA & KLB regions	於KLA&KLB區提供綜合網絡敷設服務	— (Note 1) (附註1)
Construction and Maintenance of Trenching/ Cable Laying and Contractual Works in the Areas of Hong Kong, Ap Lei Chau, Lamma Island and any Outlying Island	香港、鴨脷洲、南丫島及任何離島的線坑／電纜鋪設的建造及保養及合約工程	— (Note 1) (附註1)



# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW AND FINANCIAL REVIEW

During the year ended 31 December 2019, the Group has engaged in two business segments, which are (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”). In April 2019, the Group planned to tap into the industrial hemp planting business in the People’s Republic of China (the “PRC”) via an acquisition from its controlling shareholder, but such plan did not succeed.

### REVENUE AND LOSS FOR THE YEAR

For the year ended 31 December 2019, the Group recorded a consolidated revenue amounted to approximately HK\$459.1 million as compared to that of 2018 of approximately HK\$743.4 million, representing approximately HK\$284.3 million or 38.2% decrease. The loss for the year ended 31 December 2019 attributable to owners amounted to approximately HK\$905.4 million whereas the loss for the year ended 31 December 2018 attributable to owners amounted to approximately HK\$703.8 million. The loss was mainly attributable to the following factors:

- (i) The gross loss of approximately HK\$52.6 million was recorded for the year ended 31 December 2019 as compared to the gross profit of approximately HK\$11.8 million for the year ended 31 December 2018, which was due to:
  - (a) a decline of approximately 38.2% in revenue. This is primarily resulted from the decrease in the sales of automotive engines by the Group to the automotive engines business customers of the Group due to the further delay in their full resumption of production as they have shortage in supply due to their suppliers’ concern on their payment ability.
  - (b) a provision of impairment loss of approximately HK\$33.1 million for the Group’s inventory of the Automotive Engines Business. Such impairment loss is primarily attributable to the increased uncertainty on the realisability of the inventory due to the further delay in the full resumption of production of the automobile engines business customers.

### 業務回顧及財務回顧

截至二零一九年十二月三十一日止年度，本集團從事兩個業務分部，即(i)發展生產及銷售汽車發動機(「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」)。於二零一九年四月，本集團計劃通過從控股股東的收購中開拓中華人民共和國(「中國」)的工業大麻種植業務，但該計劃尚未成功。

### 年內收入及虧損

截至二零一九年十二月三十一日止年度，本集團錄得綜合收入約459,100,000港元，對比二零一八年的約743,400,000港元，收入減少約284,300,000港元或38.2%。截至二零一九年十二月三十一日止年度，擁有人應佔年度虧損為約905,400,000港元，而擁有人截至二零一八年十二月三十一日止年度應佔年度虧損約為703,800,000港元。虧損主要由於以下因素：

- (i) 截至二零一九年十二月三十一日止年度錄得毛損約52,600,000港元，而截至二零一八年十二月三十一日止年度則為毛利約11,800,000港元，此乃由於：
  - (a) 收益減少約38.2%。主因是本集團對本集團汽車發動機業務客戶的發動機銷售減少，因為供應商憂慮其付款能力導致其供應短缺，致使其再度延後全面恢復生產。
  - (b) 本集團汽車發動機業務的存貨減值虧損撥備約33,100,000港元。有關減值虧損主要源於汽車發動機業務客戶再度延後全面恢復生產，致使能否變現存貨的不穩定因素增加；

# Management Discussion and Analysis

## 管理層討論及分析

### REVENUE AND LOSS FOR THE YEAR (Continued)

- (ii) The impairment loss in the fair value of the intangible assets and goodwill of approximately HK\$88.0 million and HK\$275.8 million respectively (2018: approximately HK\$430.9 million and HK\$174.9 million respectively) in relation to the acquisition of the Automotive Engines Business. Such impairment loss is primarily attributable to the increased uncertainty on the future cashflow from the business segment as a result of the further delay in the full resumption of production of the automotive engines business customers as abovementioned.
- (iii) Additional expected credit loss of approximately HK\$349.4 million (2018: approximately HK\$125.3 million) was made to the accounts and bills receivables due from the automotive engines business customers for the year ended 31 December 2019, which is attributable to the increased uncertainty on the repayment of the accounts and bills receivables due to the further delay in the full resumption of production of the automobile engines business customers as abovementioned.

Basic and diluted loss per share for the year ended 31 December 2019 were approximately HK\$452.7 cents (2018: basic and diluted loss per share of approximately HK\$351.9 cents).

### IMPAIRMENT

As a result of the deteriorating performance of the Group's Automotive Engines Business, the Group recorded (i) an impairment loss in the fair value of the intangible assets of approximately HK\$88.0 million (2018: approximately HK\$430.9 million); (ii) an impairment loss in the fair value of goodwill of approximately HK\$275.8 million (2018: approximately HK\$174.9 million); and (iii) an expected credit loss of approximately HK\$349.4 million (2018: approximately HK\$125.3 million) to the accounts and bills receivables for the Automotive Engines Business.

The above impairment and loss are recognized after the impairment assessment performed by the Board as at 31 December 2019 with reference to valuations performed by Moore Transaction Services Limited, an independent professionally qualified valuer. Details of the valuation approach, key assumptions and inputs are set up in note 16, 17, 19 and 20 to the financial statement.

### 年內收入及虧損(續)

- (ii) 收購汽車發動機業務相關的無形資產及商譽公允價值的減值虧損分別約88,000,000港元及275,800,000港元(二零一八年:分別約430,900,000港元及174,900,000港元)。該減值虧損乃主要由於上述汽車發動機業務客戶再度延後全面恢復生產,導致該業務部門未來現金流量的不確定性增加。
- (iii) 截至二零一九年十二月三十一日止年度,額外預期信貸虧損約349,400,000港元(二零一八年:約125,300,000港元)計入汽車發動機業務客戶結欠的應收賬款及應收票據,此乃由於上述汽車發動機業務客戶再度延後全面恢復生產,致使應收賬款及應收票據還款的不穩定因素增加。

截至二零一九年十二月三十一日止年度,每股基本及攤薄虧損為約452.7港仙(二零一八年:每股基本及攤薄虧損約351.9港仙)。

### 減值

由於本集團汽車發動機業務業績下滑,本集團錄得(i)無形資產公允價值的減值虧損約88,000,000港元(二零一八年:約430,900,000港元);(ii)商譽公允價值減值虧損約275,800,000港元(二零一八年:約174,900,000港元);及(iii)汽車發動機業務的應收賬款及應收票據的預期信貸虧損約349,400,000港元(二零一八年:約125,300,000港元)。

於二零一九年十二月三十一日,經參考獨立專業合資格估值師Moore Transaction Services Limited之估值,董事會進行減值評估後,確認上述減值及虧損。估值方法、關鍵假設及輸入數據之詳情載列於財務報表附註16、17、19及20。

### BUSINESS SEGMENT

#### Automotive Engines Business

The Group recorded a deteriorating performance of the Automotive Engines Business for the year ended 31 December 2019.

As the final products of the Automotive Engines Business are specifically designed for only a few customers (the “Automotive Engines Business Customers”) in the PRC, operation status of such Automotive Engines Business Customers will have a crucial impact on the performance of the Automotive Engines Business. The management of the Group had noticed that the key Automotive Engines Business Customers were experiencing unsatisfactory performance and financial difficulties, which were caused by the reduction of excessive production capacity policy and the de-leveraging policy in China in 2018. Then in 2019, the negotiations of the resumption arrangement between the Automobile Engines Business Customers and all of their own suppliers along the supply chain were still ongoing as some suppliers had concerns over the payment ability of the Automotive Engines Business Customers. Thus, the plan for full resumption of production of the Automotive Engines Business Customers had been handicapped due to shortage in the supply of automotive parts. The Automotive Engines Business Customers needed to undergo further financial and operational restructuring to address the suppliers’ concern but such restructuring was still in progress. The delay in the full resumption of production of the Automotive Engines Business Customers caused the revenue of the Group for the year ended 31 December 2019 decreased significantly.

On 10 September 2019, the management of the Group found, from public information channel, that a winding-up petition (the “Winding-up Petition”) has been filed against one Automotive Engines Business Customer, namely Baic Yinxiang Automobile Co., Ltd.\* (北汽銀翔汽車有限公司, “Baic Yinxiang”). The Winding-up Petition was accepted and publicized by a court on 10 September 2019. Upon noticing the Winding-up Petition, the management of the Group has (i) conducted site visits to the Automotive Engines Business and Baic Yinxiang; and (ii) engaged a qualified PRC lawyer to monitor progress of the Winding-up Petition. As informed by Baic Yinxiang, it was in the progress of negotiating with local government for financial and operational restructuring, but success of such negotiation was not guaranteed.

#### 業務分部

##### 汽車發動機業務

截至二零一九年十二月三十一日止年度，本集團的汽車發動機業務狀況每況愈下。

由於汽車發動機業務的最終產品是專門為中國的少數客戶(即「汽車發動機業務客戶」)設計的，因此此類汽車發動機業務客戶的經營狀況將對汽車發動機業務的績效產生至關重要的影響。本集團管理層注意到主要汽車發動機業務客戶的狀況及財務困境均不令人滿意，這是由於於二零一八年，中國產能過剩政策減少及去槓桿政策所致。隨後於二零一九年，汽車發動機業務客戶與其供應鏈上所有供應商仍在磋商恢復安排，因為部分供應商憂慮汽車發動機業務客戶的付款能力。因此，汽車發動機業務客戶的全面恢復生產計劃因汽車零件供應短缺而受到影響。汽車發動機業務客戶需要進行進一步財務及運營重組(惟該重組仍在進行)以解決供應商的擔憂。汽車發動機業務客戶全面恢復生產延期導致本集團截至二零一九年十二月三十一日止年度的收益大幅下跌。

於二零一九年九月十日，本集團管理層透過公開信息渠道發現一份針對一名汽車發動機業務客戶(即北汽銀翔企業有限公司(「北汽銀翔」))的破產申請(「該破產申請」)已被提交。該破產申請於二零一九年九月十日被法院受理及公開。於二零一九年九月十日，破產申請已獲法院接受並公佈。本集團管理層於收到破產申請後，已(i)對汽車發動機業務及北汽銀翔進行實地考察；及(ii)聘請合格的中國律師監督破產申請進度。據北汽銀翔告知，目前正與地方政府就財務及業務重組進行談判，但不能保證談判的成功。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS SEGMENT (Continued)

#### Automotive Engines Business (Continued)

During the year ended 31 December 2019, the revenue of the Automotive Engines Business was approximately HK\$81.3 million (2018: approximately HK\$276.5 million), represented approximately 17.7% of the total revenue of the Group. Average monthly production sharply decreased approximately 83.7% from 1,108 units per month for the year ended 31 December 2018 to 181 units per month for the year ended 31 December 2019.

Excluding the provision for impairment loss for inventory amounting to approximately HK\$33.1 million for the year ended 31 December 2019 (2018: approximately HK\$4.0 million) and the amortization of intangible assets amounting to approximately HK\$1.2 million for the year ended 31 December 2019 (2018: approximately HK\$26.4 million), the gross profit margin of the Automotive Engines Business decreased from approximately 10.9% for the year ended 31 December 2018 to approximately 2.5% for the year ended 31 December 2019. The decline in gross profit margin was a result of the significant drop of sales volume in automotive engines.

Due to the unsatisfactory performance and negative prospects of the Automotive Engines Business, the Group recorded (i) an impairment loss in the fair value of the intangible assets of approximately HK\$88.0 million (2018: approximately HK\$430.9 million) in relation to its acquisition of the Automotive Engines Business; (ii) an impairment loss in the fair value of the goodwill of approximately HK\$275.8 million (2018: approximately HK\$174.9 million) in relation to its acquisition of the Automotive Engines Business; and (iii) an expected credit loss of approximately HK\$349.4 million (2018: approximately HK\$125.3 million) to the accounts and bills receivables due from the Automotive Engines Business Customers for the year ended 31 December 2019. This led to a further deterioration of the financial performance of the Automotive Engines Business. Nonetheless, the Company would like to emphasize that the impairment loss and the expected credit loss are non-cash items and have no effect on the Group's daily operations and cash flow.

#### 業務分部(續)

##### 汽車發動機業務(續)

截至二零一九年十二月三十一日止年度，汽車發動機業務的收入約為81,300,000港元(二零一八年：約276,500,000港元)，佔本集團總收入的約17.7%。月平均產量乃由截至二零一八年十二月三十一日止年度的每月1,108台減少約83.7%至截至二零一九年十二月三十一日止年度的每月181台。

截至二零一九年十二月三十一日止年度，撇除存貨減值虧損撥備約33,100,000港元(二零一八年：約4,000,000港元)及截至二零一九年十二月三十一日止年度，無形資產攤銷約1,200,000港元(二零一八年：約26,400,000港元)，汽車發動機業務的毛利率由截至二零一八年十二月三十一日止年度的約10.9%減少至截至二零一九年十二月三十一日止年度的約2.5%。毛利率降低乃由於汽車發動機銷量大幅下滑。

由於汽車發動機業務狀況欠佳且前景負面，本集團(i)有關收購汽車發動機業務的無形資產公允價值減值虧損約88,000,000港元(二零一八年：約430,900,000港元)；(ii)有關收購汽車發動機業務的商譽公允價值減值虧損約275,800,000港元(二零一八年：約174,900,000港元)；及(iii)截至二零一九年十二月三十一日止年度應收汽車發動機業務客戶之應收賬款及票據的預期信貸虧損約349,400,000港元(二零一八年：約125,300,000港元)。這導致汽車發動機業務的財務狀況每況愈下。儘管如此，本公司仍將強調，減值虧損及預期信貸虧損為非現金項目，因此對本集團的日常運營及現金流概無影響。

### BUSINESS SEGMENT (Continued)

#### 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 2019, the revenue of Group's civil engineering works and building construction and maintenance works were approximately HK\$377.8 million (2018: approximately HK\$466.9 million). For the year under review, included in the turnover was: (i) revenue from civil engineering works of approximately HK\$310.9 million (2018: approximately HK\$389.8 million); and (ii) revenue from building construction and maintenance works of approximately HK\$66.9 million (2018: approximately HK\$77.1 million).

The overall gross loss margin of this segment was 5.3% for the year ended 31 December 2019 (2018: gross profit margin of 2.6%). As of 31 December 2019, the Group had 12 significant projects in progress (2018: 13). Four of them were building construction and maintenance projects while the remaining were civil engineering construction projects.

As of 31 December 2019, the total contract sum and the total outstanding values of the Group's substantial projects in progress were approximately HK\$566.1 million and HK\$300.1 million respectively.

During the year ended 31 December 2019, the Group was awarded with the following new substantial contracts:

- Provisional of External Cable Construction Works & Outside Telecommunications Plant Maintenance Services
- District Term Contract for Maintenance, Improvement and Vacant Flat Refurbishment for Kowloon West & Sai Kung (1) 2020/2022
- Construction of superstructure Works at Sections 4 of Tseung Kwan O Depot phase II

### 業務分部(續)

#### 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。

截至二零一九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377,800,000港元(二零一八年：約466,900,000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310,900,000港元(二零一八年：約389,800,000港元)；及(ii)來自樓宇建造和保養工程的收入約為66,900,000港元(二零一八年：約77,100,000港元)。

該分部於截至二零一九年十二月三十一日止年度的整體毛虧率為5.3% (二零一八年：毛利率2.6%)。截至二零一九年十二月三十一日，本集團有12個(二零一八年：13個)重大在建項目，其中4個為樓宇建造和保養項目，其餘為土木工程建造項目。

截至二零一九年十二月三十一日止年度，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566,100,000港元及300,100,000港元。

截至二零一九年十二月三十一日止年度，本集團獲授以下新的重大合約：

- 臨時外部電纜施工工程及電信設備維護服務
- 九龍西區及西貢區保養、改善及空置單位翻新工程的分區定期合約(1) 二零二零／二零二二年度
- 將軍澳車廠II期第4段上層建築工程施工

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS SEGMENT (Continued)

#### Withdrawal from entering into the industrial hemp planting business

During the year ended 31 December 2019, the Group has been actively looking for opportunities which can provide sound diversification prospects. With an optimistic view for the prospect of the industrial hemp sector, the Company has decided to invest in the industrial hemp planting and processing business through the acquisition of 70% of the shares of Yunnan Tairui Biotechnology Co., Ltd. (“Yunnan Tairui”) and 60% of the shares of Qiubei Woma Agricultural Development Co., Ltd. (“Qiubei Woma”) to capture the potential growth of the industry during the year ended 31 December 2019.

In order to seize the first-mover advantage in the industrial hemp sector, the minority shareholders of Yunnan Tairui and Qiubei Woma (the “Other Shareholders”) had put forward a tight project timeline for the development plan of the industrial hemp business. However, due to the reduced optimism for the outlook of the global economic and business environment, the Company would require more time to obtain sufficient financing to support the Group’s development plan in respect of the industrial hemp business. After considering the differences with respect to the expected project timeline between the Group and the Other Shareholders and the change in market sentiment, and after further discussion with the Other Shareholders, who had a strong desire to implement the development plan soonest possible, the Group had subsequently disposed of Yunnan Tairui and Qiubei Woma. No material gain or loss was incurred for the Group in the acquisition and disposal of Yunnan Tairui and Qiubei Woma.

As at the date of this report, the Group had no intension to re-initiate entering into the industrial hemp planting business.

### 業務分部(續)

#### 退出工業大麻種植業務

截至二零一九年十二月三十一日止年度，本集團積極尋找可帶來穩健的多元化發展前景的機會。由於看好工業大麻行業的前景，於截至二零一九年十二月三十一日止年度，本公司已決定投資工業大麻種植及加工業務，透過收購雲南太瑞生物科技有限公司（「雲南太瑞」）70%股份及丘北沃麻農業開發有限公司（「丘北沃麻」）60%股份，捕捉行業潛在增長。

為了把握在工業大麻行業早著先機的優勢，雲南太瑞及丘北沃麻之少數權益股東（「其他股東」）已為工業大麻業務的發展計劃提出緊迫的項目時間表。然而，由於略為看淡全球經濟及營商環境的前景，本公司或需更多時間取得足夠融資以支持本集團工業大麻業務的發展計劃。經考慮本集團與其他股東對預期項目時間表之落差以及市場氣氛轉變，加上與其他股東的進一步磋商後明白彼等強烈希望盡快落實發展計劃，本集團其後出售雲南太瑞及丘北沃麻。本集團收購及出售雲南太瑞及丘北沃麻概無產生重大收益或虧損。

於本公告日期，本集團無意重新開始從事工業大麻種植業務。

# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECT

The management of the Group remained cautious and conservative on the prospects in the year 2020.

For the past year 2019, the economy has shown signs of recession. Global growth was much lower and entered a window of weakness, due to the U.S.–China trade conflict and Brexit uncertainty. Protests against the political establishment in Hong Kong have led to a more challenging and more uncertain business environment. Worse still, the COVID-19 outbreak gave a larger impact, first leading to a serious concern on public health and then significantly damaging confidence in the economic prospects. In the late 2019, economic activity was slowing down in the PRC, and declining at the sharpest rate in Hong Kong in over a decade.

Looking into future, the economy is expected to remain battered amid the COVID-19 outbreak. Meanwhile, in politics, pro-democracy protests in Hong Kong have seemingly taken a back seat due to fears of the virus spreading, but there is no guarantee that such protest will not re-initiate.

The Group expects the delay in the restructuring and resumption of production of the Automotive Engines Business Customers will continue to adversely affect the Automotive Engines Business in 2020, and the COVID-19 outbreak will further delay the restructuring negotiation and progress. There will be a dimmer hope that the Automotive Engines Business Customers can resume their full production in 2020 despite a strong support from the local government to the industry. The Group will continue to closely monitor the progress of their restructuring and consider necessary action or measure to protect the interest of our shareholders.

On the other hand and for the construction business, although the operating environment in Hong Kong 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 Company 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.

### 前景

本集團管理層對二零二零年的前景持穩健審慎態度。

於過去的二零一九年，經濟呈現衰退跡象。由於中美貿易衝突及英國脫歐的不確定性，全球經濟增長更趨緩慢並進入疲軟期。對香港政治體制的抗議引致更具挑戰性及不確定性的商業環境。尤有甚者，COVID-19疫情引致更大的影響，首先引致對公共衛生的密切關注，其次嚴重破壞人們對經濟前景的信心。於二零一九年年末，中國的經濟活動放緩，因此香港經濟以十年來最高速度衰退。

展望未來，於COVID-19爆發期間，預期經濟仍將遭受重創。與此同時，在政治上，由於擔心病毒傳播，香港的民主抗議活動似乎退居次要地位，但不能保證該抗議活動不會再次發生。

本集團預期，於二零二零年汽車發動機業務客戶重組及延後恢復生產將繼續對汽車發動機業務產生不利影響，且COVID-19的爆發將再度延後重組談判及進展。儘管當地政府大力支持汽車行業，但汽車發動機業務客戶能在二零二零年全面恢復生產仍希望渺茫。本集團將繼續密切監察其重組進度，並考慮採取必要行動或措施以保障股東利益。

另一方面，雖然香港的經營環境預期將會持續數年步履維艱，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，本公司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。

# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECT (Continued)

Looking ahead, the Directors are cautious about the prospect of the Group's operation and business in 2020 and will continue to pursue costs control initiatives in its 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.

In February 2020, the Group intended to perform a strategic portfolio review of its business after the continuous deterioration in performance of the Automotive Engines Business. Management of the Group will assess strategic options in Hong Kong and internationally, focusing on new business opportunities involving construction and the potential diversification of the business. The Company will make further announcement(s) in relation to the above matters as and when appropriate.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations, financials and prospects are affected by risks and uncertainties. The risk factors listed below may directly or indirectly lead to significant differences in the Group's operating performances, financial positions and development prospects from its expected or past performances. These factors are not comprehensive, and there may be other risks and uncertainties that are not known by the Group or may not be noticeable at present, but may become significant in the future.

#### Business Risk

Performance of all business segments of the Group may be affected by fluctuations in market prices and market demands of the Group's final products and services. On the other hand, raw materials or outsourced services which are provided by the Group's suppliers are subject to price fluctuations. The Group does not enter into any material contracts to hedge against such price fluctuations. Therefore, any increases in these raw materials or outsourced services will exert pressures on the Group's production costs, gross profits and final prices that the Group in turn charges the customers. If the Group fails to adapt and respond successfully to the changing demands and supplies, it may adversely affect the business performance and development prospects.

### 前景(續)

展望未來，董事對本集團營運及業務於二零二零年的前景感到審慎，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。

於二零二零年二月，在汽車發動機業務業績持續下滑之後，本集團計劃對其業務進行戰略組合審查。本集團管理層將評估香港及國際策略性方案，關注建造及業務潛在多元化的新業務商機。本公司將於適當時候就上述事項作出進一步公告。

### 主要風險及不確定性

本集團的營運、財務狀況及前景均可能受到風險及不確定因素的影響。下文載列的風險因素可能直接或間接導致本集團的經營業績、財務狀況及發展前景與預期或過往業績有重大差異。此等因素並不全面，亦可能存在其他不為本集團所知或目前可能並不重大但日後可能轉為重大的風險及不確定因素。

#### 業務風險

市場價格的波動以及本集團最終產品及服務的市場需求可能會影響本集團所有業務部門的業績。另一方面，本集團供應商提供的原材料或外包服務可能會受到價格波動的影響。本集團並無訂立任何重大合約以對沖該等價格波動。因此，該等原材料或外包服務的任何增加都將對本集團的生產成本、毛利潤及最終價格施加壓力，進而由本集團向客戶收取費用。倘本集團未能適應及成功應對不斷變化的需求及供應，則可能對業務表現及發展前景造成不利影響。

### PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

#### Industry Risk

All business segments of the Group are operated in industries which are highly competitive. Competition may intensify as the Group's competitors expand their product or service, lower their prices, or increase their qualities. There may be new competitors entering the Group's existing markets as well. If the Group does not compete successfully against existing and new competitors, the Group may not be able to maintain its existing business scale and operation performance.

#### Policy Risk

Some business segments of the Group must abide by various policies and regulations. For example, the civil engineering and construction business is subject to compliance requirements imposed by the Hong Kong government. The regulators may require the Group to apply for new licenses, and impose new rules, regulations or requirements. Changes in policies and regulations will affect the development of the Group's business, such as increasing compliance costs and reducing business opportunities.

#### Credit Risk

All business segments of the Group allow a credit for their customers' payment. All trade and other receivables are accounted by their carrying amounts less expected credit loss. In the past, the Group has experienced significant delay in the payment of the trade and other receivables, especially in the Automotive Engines Business, and therefore some credit loss has been recognized in the financial statements of the Group in accordance with the accounting standards. However, the impaired amounts of the trade and other receivables do not represent the Group's maximum exposure to credit risk. Recoverability of such receivables depends on a lot of factors, including the general economy, government policies, investor confidences, and most importantly, the business performances and financial positions of each debtor.

#### Liquidity Risks

As discussed before, the Group recorded net current liabilities and net liabilities as at 31 December 2019, indicating that the Group was exposed to liquidity risk. Despite that the Group has some measures to raise additional working capital to finance its operation, there is always a risk that the Group cannot meet its financial obligations as they fall due.

### 主要風險及不確定性(續)

#### 行業風險

本集團所有業務分部均參與高度競爭行業營運。隨著本集團競爭對手擴大產品或服務、降低價格、或提高產品質量，競爭可能會加劇。亦可能有新的競爭對手進入本集團現有市場。倘本集團未能與現有及新競爭對手成功競爭，則本集團可能無法維持其現有業務規模及營運業績。

#### 政策風險

本集團若干業務部門須遵守各項政策法規。例如，土木工程及建築業務須遵守香港政府的合規要求。監管機構可能會要求本集團申請新牌照，並強加新規章制度或要求。政策法規的變化會影響本集團業務的開展(如增加合規成本及減少商機)。

#### 信貸風險

本集團所有業務部門均允許為其客戶付款提供信貸。所有貿易及其他應收賬款均按其賬面值減預期信貸虧損計量。過去，本集團在支付貿易及其他應收賬款方面存在重大延遲，尤其是在汽車發動機業務方面，因此，根據會計準則，若干信貸虧損已於本集團的財務報表中確認。然而，貿易及其他應收賬款的減值並不代表本集團的最大信貸風險。該等應收賬款的可收回性取決於諸多因素，包括總體經濟、政府政策、投資者信心、最重要的是各債務人的業務表現及財務狀況。

#### 流動資金風險

如上文所述，於二零一九年十二月三十一日，本集團錄得流動負債淨值及負債淨值，表明本集團面臨流動性風險。儘管本集團採取了一些措施籌集額外營運資金來為其營運提供資金，但始終存在本集團無法履行其到期債務的風險。

# Management Discussion and Analysis

## 管理層討論及分析

### PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

#### Other Risks

Some risks are not noticeable from the daily operations of the Group, but they can have a material adverse impact on the Group. For example, the harshening business environment from the U.S.-China trade conflicts, the sharp decrease in Hong Kong economy after the local political movements, and the recent COVID-19 outbreak. These kinds of events may interrupt the Group's operations, increase prices of raw material and outsourced services, and deteriorate other risks and uncertainty that the Group are facing. All such events are outside control of the Group and there is no guarantee that the Group's responsive measures are sufficient to protect the Group's interests. Given the complexity and materiality of these events, the Group is of the view that their impacts may take a longer time to fully emerge.

#### DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31 December 2019 (2018: Nil).

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

As at 31 December 2019, the Group had cash and cash equivalents of approximately HK\$64.8 million, representing an increase of approximately 140.2% from approximately HK\$27.0 million as at 31 December 2018. The increase 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 inflow from operating activities of the Civil Engineering and Construction 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.

### 主要風險及不確定性(續)

#### 其他風險

若干風險於本集團日常運營中並不明顯，但會對本集團造成重大不利影響。例如，中美貿易戰加劇的商業環境惡化、當地政治變動後香港經濟急劇下滑，以及近期爆發的新冠肺炎疫情。該等事件可能中斷本集團營運、提高原材料及外包服務的價格，並加劇本集團面臨的其他風險及不確定性。所有此類事件均不受本集團控制，且不能保證本集團的響應措施足以保護本集團的利益。鑒於該等事件的複雜性及重要性，本集團認為其影響可能需要更長的時間才能完全顯現出來。

#### 股息

董事會並不建議支付截至二零一九年十二月三十一日止年度之任何末期股息(二零一八年：無)。

#### 資金結構、財務資源、流動資金及槓桿比率

於二零一九年十二月三十一日，本集團的現金及現金等值物約為64,800,000港元，較於二零一八年十二月三十一日的約27,000,000港元增加約140.2%。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)本集團土木工程及建造業務的經營活動產生現金流入淨額。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。

# Management Discussion and Analysis

## 管理層討論及分析

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

As at 31 December 2019, the total assets were approximately HK\$439.1 million, representing a decrease of approximately 66.4% from approximately HK\$1,307.4 million as at 31 December 2018. The significant decrease was mainly due to (i) the decrease in accounts and bills receivables and contract assets in aggregate of approximately HK\$446.9 million as mainly because of the expected credit loss of approximately HK\$349.4 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\$275.8 million and approximately HK\$88.0 million made in 2019 respectively.

As at 31 December 2019, the total liabilities were approximately HK\$1,413.9 million, representing an increase of approximately 1.0% from approximately HK\$1,400.3 million as at 31 December 2018.

As at 31 December 2019, the convertible bonds had a carrying amount of approximately HK\$761.9 million (2018: approximately HK\$728.0 million), in which approximately HK\$375.6 million was recognized as equity and approximately HK\$386.3 million was recognized as current liabilities. As at 31 December 2019, the promissory notes had a carrying amount of approximately HK\$554.0 million (2018: approximately HK\$512.4 million) recognized as current liabilities. On 8 November 2019, the Company and the then holder of the convertible bonds and the promissory notes, Power Expert Global Limited ("Power Expert"), entered into an amendment agreement, pursuant to which (i) the maturity date of the convertible bonds shall be extended for 5 years to 4 February 2025; and (ii) the term of the promissory notes will be changed to perpetual and the interest rate will be fixed at 5% per annum with effect from 5 February 2020, payable annually and the interest accrued on or before 4 February 2020 shall be payable on 4 February 2025. This proposed amendment took effect on 14 January 2020. Following the amendment, majority of the convertible bonds and the promissory notes is expected to be re-categorized as non-current liabilities.

### 資金結構、財務資源、流動資金及槓桿比率(續)

於二零一九年十二月三十一日，總資產約為439,100,000港元，較於二零一八年十二月三十一日的約1,307,400,000港元減少約66.4%。大幅減少主要由於(i)汽車發動機業務收入減少主要由於應收賬款及應收票據及合約資產合共減少約446,900,000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349,400,000港元；及(ii)二零一九年作出商譽及無形資產減值分別為約275,800,000港元及約88,000,000港元。

於二零一九年十二月三十一日，總負債約為1,413,900,000港元，較於二零一八年十二月三十一日的約1,400,300,000港元增加約1.0%。

於二零一九年十二月三十一日，可換股債券賬面值為約761,900,000港元(二零一八年：約728,000,000港元)，其中約375,600,000港元確認為權益及約386,300,000港元確認為流動負債。於二零一九年十二月三十一日，承兌票據賬面價值約554,000,000港元(二零一八年：約512,400,000港元)確認為流動負債。於二零一九年十一月八日，本公司與當時可換股債券及承兌票據持有人巧能環球有限公司(「巧能環球」)訂立修訂協議，據此，(i)可換股債券的到期日應延長5年至二零二五年二月四日；及(ii)本承兌票據的期限將改為永久性，利率將固定為每年5%，自二零二零年二月五日起生效，每年支付一次，並於二零二零年二月四日或之前產生利息。該修正案於二零二零年一月十四日生效。修訂之後，大多數可換股債券及承兌票據預期將重新分類為非流動負債。

# Management Discussion and Analysis

## 管理層討論及分析

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

Interest-bearing bank and other borrowings of the Group comprised (1) other loans from independent third parties of approximately HK\$53.9 million (2018: approximately HK\$57.5 million) with the contractual interest of 5.0% to 12.0% per annum; and (2) bank loans of approximately HK\$4.1 million (2018: approximately HK\$12.8 million) with an interest rate of the Hong Kong Inter-Bank Offered Rate 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 2019, the Group had banking facilities of approximately HK\$42.8 million (2018: approximately HK\$52.8 million) which approximately HK\$30.0 million was not utilized and was secured by corporate guarantees.

As at 31 December 2019, the net current liabilities were approximately HK\$980.8 million, as compared to approximately HK\$130.7 million of net current assets as at 31 December 2018. The decrease in net current assets was primarily attributable to (i) the reclassification of the convertible bonds of carrying amount of approximately HK\$386.3 million and promissory notes of carrying amount of approximately HK\$554.0 million from non-current liabilities to current liabilities as at 31 December 2019; (ii) an expected credit loss of approximately HK\$349.4 million was recognized on the accounts and bills receivables of the Automotive Engines Business in 2019.

Current ratio of the Group has significantly deteriorated to approximately 0.3 as at 31 December 2019 (2018: approximately 1.3). Current ratio is calculated by dividing current assets by current liabilities. Such deterioration was mainly due to the classification of the convertible bonds and the promissory notes as current liabilities. However, following an amendment on the terms of the convertible bonds and the promissory notes which took effect on 14 January 2020, the repayment date of the convertible notes was extended to 4 February 2025 and the promissory notes was changed to perpetual. Such amendments will lead to an improvement on the general liquidity of the Group, including the net current assets/liabilities positions and current ratio.

### 資金結構、財務資源、流動資金及槓桿比率(續)

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約53,900,000港元(二零一八年:約57,500,000港元),合約年利率介乎5.0%至12.0%;及(2)銀行貸款約4,100,000港元(二零一八年:約12,800,000港元),每年按香港銀行同業拆息加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。

於二零一九年十二月三十一日,本集團有銀行融資約42,800,000港元(二零一八年:約52,800,000港元),該筆款項中約30,000,000港元尚未動用並由企業擔保作出抵押。

於二零一九年十二月三十一日,流動資產淨值約為980,800,000港元,而二零一八年十二月三十一日約為130,700,000港元。流動資產淨值減少乃主要由於:(i)於二零一九年十二月三十一日將賬面值約386,300,000港元的可換股債券及賬面值約554,000,000港元的承兌票據從非流動負債重新分類為流動負債;(ii)於二零一九年就汽車發動機業務的應收賬款及應收票據確認預期信貸虧損約349,400,000港元。

本集團的流動比率於二零一九年十二月三十一日大幅下降約0.3(二零一八年:約1.3)。流動比率按流動資產除以流動負債計算。該下降乃主要由於可換股債券及承兌票據歸類為流動負債。然而,修訂可換股債券及承兌票據的條款(於二零二零年一月十四日生效)之後,可換股債券還款日期延至二零二五年二月四日,承兌票據改為永久性。該等修訂將改善本集團整體流動資金,包括流動資產淨額/負債狀況及流動比率。

# Management Discussion and Analysis

## 管理層討論及分析

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

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 2019 is not available because the Group reported a negative equity attributable to owners of the parent as at 31 December 2019 (2018: not available).

### GOING CONCERN

Despite the Group incurred a net loss of HK\$906,245,000 for the year ended 31 December 2019 and had net current liabilities and net liabilities of HK\$980,762,000 and HK\$974,755,000, respectively as at 31 December 2019, and the expected impact from the coronavirus disease 2019 (“COVID-19”) pandemic, which has also resulted in the temporary closure of its automotive business operation in the PRC. 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) On 8 November 2019, the Company and Power Expert Global Limited (“Power Expert”), the then holder of the convertible bonds and promissory notes, entered into an amendment agreement, pursuant to which (a) the maturity date of the convertible bonds shall be extended for 5 years to 4 February 2025; and (b) the term of the promissory notes will be changed to perpetual and the interest rate will be fixed at 5% per annum with effect from 5 February 2020, details of which are set out in notes 26 and 27 to the financial statement;

### 資金結構、財務資源、流動資金及槓桿比率(續)

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。於二零一九年十二月三十一日，資產負債比率並不適用，原因為本集團於二零一九年十二月三十一日錄得母公司擁有人應佔權益為負數(二零一八年：不適用)。

### 持續經營關注

儘管本集團於截至二零一九年十二月三十一日止年度產生虧損淨額906,245,000港元，及本集團於二零一九年十二月三十一日擁有流動負債淨額及負債淨值分別為980,762,000港元及974,755,000港元，及二零一九年冠狀病毒病(「COVID-19」)大流行的預期影響，這也導致其在中國的汽車業務營運暫停。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) 於二零一九年十一月八日，本公司與巧能環球有限公司(「巧能環球」)(時為可換股債券及承兌票據之持有方)訂立修訂協議，據此，(a)可換股債券的到期日應延長5年至二零二五年二月四日；及(b)本承兌票據的期限將改為永久性，利率將固定為每年5%，自二零二零年二月五日起生效，其詳情載於本財務報表附註附註26及27；

# Management Discussion and Analysis

## 管理層討論及分析

### GOING CONCERN (Continued)

- (ii) subsequent to the end of reporting period, a major shareholder of the Company has agreed to provide additional funding by a shareholder's loan of not less than HK\$58,600,000 from 1 January 2019 to 31 March 2021 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. As of the reporting date, such shareholder loan amounted to HK\$8,750,000 was drawn down by the Group after 1 January 2020;
- (iii) subsequent to the end of reporting period, Power Expert and its shareholder, Mr. Liu Chang, has agreed to provide undertaking and continuous financial support by loans with market interest rate to the Group as and when required prior to 31 March 2021. Despite the fact that Power Expert ceased to be holder of convertible bonds and promissory notes on 3 February 2020, Power Expert still confirm to provide such financial support to the Group;
- (iv) the restructuring of the customers of the Automotive Engine Business and their negotiation with local government and their shareholders are still ongoing. The process started from 2018 and the whole supply chain, includes the suppliers of the Automotive Engines Business, understand the time needed for the completion of the restructuring would be long and no radical actions were taken previously. It is not expected that they will take such actions against the Group's subsidiary engaging in the Automotive Engines Business unless the restructuring exercise is proved to be a failure, which is not expected to happen in the next 12 months after the end of reporting period, for the details of the progress of the restructuring, details of which are set out in note 16 to the financial statement; and
- (v) various cost control measures have been taken by the Group to tighten the costs of operations and various general and administrative expense.

### 持續經營關注(續)

- (ii) 於報告期末後，本公司一名主要股東已同意其自二零一九年一月一日起至二零二一年三月三十一日，通過適時提供不少於58,600,000港元的股東貸款以向本集團提供額外資金支持，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。截至本報告日期，於二零二零年一月一日後，本集團已提取該股東貸款8,750,000港元；
- (iii) 於報告期末後，巧能環球及其股東劉昌先生同意於二零二一年三月三十一日之前根據需要通過市場利率貸款提供財務支援予本集團。儘管巧能環球於二零二零年二月三日不再持有可換股債券及承兌票據，但巧能環球仍確認提供財務支援予本集團；
- (iv) 汽車發動機業務客戶重組及與地方政府及其股東的談判仍在進行。該流程始於二零一八年，整個供應鏈(包括汽車發動機業務供應商)知悉完成重組所需時間尚久，且先前沒有採取任何激進行動。預期彼等將不會對本集團從事汽車發動機業務之附屬公司採取此類行動，除非重組工作證實失敗(預期重組工作於報告期結束後的未來12個月內不會發生)，重組進展之詳情載於本財務報表附註16；及
- (v) 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。

# Management Discussion and Analysis

## 管理層討論及分析

### GOING CONCERN (Continued)

The directors of the Company believe that, taking into account the above factors, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the end of the reporting period. However, should the above financing or support be unavailable, the Group may be unable to continue as a going concern, in which case adjustments might have to be made to the carrying amounts of the Group's assets to state them at their recoverable amounts, and to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

### CONVERTIBLE BONDS AND PROMISSORY NOTES

On 4 February 2016, the Company issued (i) zero coupon convertible bonds with an aggregate principal amount of approximately HK\$390.0 million; and (ii) promissory notes in the aggregate principal amount of approximately HK\$410.0 million to Power Expert Global Limited ("Power Expert") as part of the consideration for the acquisition of 100% equity interest in Well Surplus Enterprises Limited and its subsidiaries in October 2015.

On 8 November 2019, the Company and Power Expert entered into an amendment agreement, pursuant to which (i) the maturity date of the convertible bonds shall be extended for 5 years to 4 February 2025; and (ii) the term of the promissory notes will be changed to perpetual and the interest rate will be fixed at 5% per annum with effect from 5 February 2020, payable annually and the interest accrued on or before 4 February 2020 shall be payable on 4 February 2025. Further details of the amendment are set out in the Company's announcement dated 8 November 2019 and the Company's circular dated 19 December 2019. This proposed amendment took effect on 14 January 2020.

On 3 February 2020, the Company received (i) a duly-executed transfer notice from Power Expert notifying the Company that Power Expert has agreed to transfer the convertible bonds to LE Group Holdings Pte. Ltd. Later ("LEGH"); and (ii) an assignment notice from Power Expert notifying the Company that Power Expert has agreed to assign the promissory notes to LEGH. The Company has given its consent on the transfer and issued new certificates of the convertible bonds and the promissory notes to LEGH.

### 持續經營關注(續)

本公司董事認為，考慮到上述因素，本集團自報告期末起至少未來12個月將擁有足夠的營運資金以滿足其目前需求。然而，倘上述融資或支持不可用，則本集團可能無法持續經營，在這種情況下，可能需要對本集團資產的賬面值進行調整，以按其可收回金額列示該等資產，及為可能產生的任何進一步負債提供準備金，並將其非流動資產及非流動負債分別重分類為流動資產及流動負債。該等調整的影響並未反映於本綜合財務報表中。

### 可換股債券及承兌票據

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」)發行(i)本金總額為約390,000,000港元的零息可換股債券；及(ii)本金總額為約410,000,000港元的承兌票據，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。

於二零一九年十一月八日，本公司與巧能訂立修訂協議，據此，(i)可換股債券的到期日應延長五年至二零二五年二月四日；及(ii)本承兌票據的期限將改為永久性，利率將固定為每年5%，自二零二零年二月五日起生效，每年支付一次，並於二零二零年二月四日或之前產生利息。該修正案詳情載列於本公司日期為二零一九年十一月八日之公告及本公司日期為二零一九年十二月十九日之通函。該修正案於二零二零年一月十四日生效。

於二零二零年二月三日，本公司從巧能收到(i)妥為簽立的轉讓通知，知會本公司巧能已同意將可換股債券轉讓予LE Group Holdings Pte. Ltd. (「LEGH」)；及(ii)轉讓通知，知會本公司巧能已同意將承兌票據轉讓予LEGH。本公司已同意轉讓事項，並已發行可換股債券及承兌票據新證書予LEGH。

# Management Discussion and Analysis

## 管理層討論及分析

### TRANSACTIONS WITH CONNECTED AND/OR RELATED PARTIES

On 15 April 2019, Global Harvest Inc (a wholly owned subsidiary of the Company) entered into an agreement with Mr. Jiang Jianhui (the controlling Shareholder), for the purchase of 100% of the total issued shares of Links Wonder Investment Holdings Limited ("Links Wonder"). The target group held a permit by the relevant government authority of Yunnan Province, the PRC, for industrial hemp processing for up to the production capacity of 50 tonnes of cannabidiol.

On 6 May 2019, Xingyu Keji (Shenzhen) Company Limited\* (興御科技(深圳)有限公司, a then indirect wholly-owned subsidiary of the Company) entered into an agreement with Mr. Jiang Jianhui (the controlling Shareholder), for the purchase of 60% of the total issued shares of Qiubei Woma. The target company has certain binding agreements with certain local farmers in the Yunnan Province, the PRC, for the planting of the industrial hemp. Pursuant to the planting agreements, the target company was to provide industrial hemp seeds, training and technical support for the said local farmers for planting and upon harvest, these local farmers were obliged to sell the industrial hemp to the target company at a pre-determined price.

As the abovementioned two transactions involved the same vendor and formed a series of transactions conducted within the past 12-month period, they were required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. Upon aggregation, as all of the applicable percentage ratios (as defined in the Listing Rules) were less than 5% and the total consideration was less than HK\$3,000,000, the transactions were thus fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements.

On 27 June 2019, the Group disposed of its interests in Links Wonder and Qiubei Woma to an independent third party. No material gain or loss was incurred for the Group in the acquisition and disposal of Links Wonder and Qiubei Woma.

As at 31 December 2019, shareholder loans amounted to approximately HK\$29.7 million were provided to the Group for its working capital. The shareholder loans were conducted on normal commercial terms or better, and were not secured by the assets of the Group.

More information about the transactions with connected and/or related parties are set out in note 38 to the financial results.

### 與關連方及／或關聯方之交易

於二零一九年四月十五日，Global Harvest Inc. (本公司一間全資附屬公司) 與姜建輝先生(控股股東)訂立協議，收購 Links Wonder Investment Holdings Limited (「Links Wonder」) 100% 已發行股份。目標集團持有中國雲南省有關政府機構授予許可，以進行工業大麻加工，最高產能為50噸大麻二酚。

於二零一九年五月六日，興御科技(深圳)有限公司(時為本公司一間間接全資附屬公司)與姜建輝先生(控股股東)訂立協議，收購丘北沃麻60%已發行股份。目標公司與中國雲南省部分當地農民達成若干具約束協議，以進行工業大麻加工。根據種植協議，目標公司將為上述當地農民提供工業大麻種子、培訓及技術支持，因此於收穫後，當地農民有義務以預定價格將工業大麻出售予目標公司。

由於上述兩宗交易涉及同一賣方，並於過去12個月內形成一系列交易，因此須根據上市規則第14A.81條的規定進行合併。合併後，由於所有適用百分比(定義見上市規則)均低於5%，且代價總額低於3,000,000港元，因此該等交易獲全面豁免遵守申報、年度審核、公告、通函及獨立股東批准規定。

於二零一九年六月二十七日，本集團將其於Links Wonder及丘北沃麻的權益出售予獨立第三方。本集團於收購及出售Links Wonder及丘北沃麻事項中未產生重大損益。

於二零一九年十二月三十一日，已向本集團提供股東貸款約29,700,000港元作為其營運資金。股東貸款按一般商業條款或更佳條款進行，且不以本集團資產作抵押。

與關連方及／或關聯方交易之詳情載列於財務業績附註38。

# Management Discussion and Analysis

## 管理層討論及分析

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed, the Group did not have any material acquisition or disposals of subsidiaries, associates and joint venture for the year ended 31 December 2019 (2018: nil).

### SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2019, the Group did not have any significant investment or capital assets (2018: nil).

### PLEDGE OF ASSETS

As at 31 December 2019, the Group did not have any pledge of assets (2018: nil).

### CONTINGENT LIABILITIES

Detail of the Group's contingent liabilities are set out in note 36 to the financial results.

### 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 2019, the Group had approximately 452 employees (2018: 611) 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.

### 重大收購及出售附屬公司、聯營公司及合營公司事項

截至二零一九年十二月三十一日止年度，除所披露外，本集團概無任何重大收購或出售附屬公司、聯營公司及合營公司事項（二零一八年：無）。

### 重大投資及資本資產

於二零一九年十二月三十一日，本集團概無任何重大投資或資本資產（二零一八年：無）。

### 資產抵押

於二零一九年十二月三十一日，本集團概無任何資產抵押（二零一八年：無）。

### 或然負債

本集團之或然負債之詳情載於財務業績附註36。

### 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

於二零一九年十二月三十一日，本集團於香港及中國擁有約452名（二零一八年：611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）。

# Management Discussion and Analysis

## 管理層討論及分析

### NO OTHER MATERIAL CHANGE

Save as disclosed, 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 2018.

### EVENTS AFTER THE REPORTING PERIOD

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

### 無其他重大變化

除披露外，自刊發本公司截至二零一八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。

### 報告期後事項

除所披露外，報告期後直至本公告日期概無其他重大報告期後事項。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS

#### Executive directors

**Mr. Artem Matyushok**, aged 39, was appointed as an executive Director and the Chief Executive Officer of the Company on 5 February 2020. He holds a Bachelor of Science from Northern Kentucky University in Kentucky, the United States and a Bachelor of Economics from the Peoples Friendship University of Russia in Russia. He is currently an Executive Committee member and Chief Investment Officer of the group of LE Group Holdings Pte Ltd ("LE Group") and its subsidiaries, being responsible for company strategy, portfolio management and investments. Prior to this role, he held various roles with the PJSC Rosneft Oil Company, recently being Global Head of Mergers and Acquisitions and Business Development. In addition, he held positions as Project Director and Manager of Merger and Acquisitions and Project Financing at Royal Dutch Shell PLC. He has executed numerous high-profile M&A transactions; he has considerable experience in establishing joint ventures and has over the years built a considerable experience in infrastructure development projects.

LE Group is the holder of (i) the zero-coupon convertible bonds in the aggregate principal amount of HK\$390,000,000 issued by the Company on 4 February 2016; and (ii) the promissory notes issued by the Company on 4 February 2016 in the aggregate principal amount of HK\$410,000,000.

Mr. Matyushok is also the Chief Executive Officer of the Company.

### 董事

#### 執行董事

**Artem Matyushok**先生，39歲，於二零二零年二月五日獲委任為本公司執行董事及行政總裁。Matyushok先生擁有美國肯塔基州北肯塔基大學的理學學士學位及俄羅斯的俄羅斯人民友誼大學的經濟學學士學位。Matyushok先生目前為LE Group Holdings Pte Ltd (「LE集團」)的執行委員會成員及投資總監，負責公司策略、投資組合管理及投資事宜。於擔任上述職務前，Matyushok先生近期曾在私營合資股份公司(PJSC)俄羅斯石油公司(Rosneft Oil Company)擔任各種職務，包括擔任併購及業務發展全球主管。此外，Matyushok先生曾在荷蘭皇家殼牌公司(Royal Dutch Shell PLC)擔任項目總監以及併購及項目融資經理。Matyushok先生已進行多個備受矚目的併購交易；彼在成立合營企業方面擁有豐富經驗，且多年來在基建發展項目方面積累豐富經驗。

LE集團為(i)本公司於二零一六年二月四日發行本金總額為390,000,000港元的零息可換股債券；及(ii)本公司於二零一六年二月四日發行本金總額為410,000,000港元的承兌票據的持有人。

Matyushok先生亦擔任本公司行政總裁。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS (Continued)

#### Executive directors (Continued)

**Mr. Brett Ashley Wight**, aged 45, was appointed as an executive Director on 5 February 2020. He is currently an Executive Committee member and Executive Director of the group of LE Group and its subsidiaries. He has more than 20 years' international experience in law, engineering, construction and the delivery of major engineering and construction projects. He was a lawyer with Blake Dawson Waldron (now Ashurst) focusing on major projects especially in transport, energy, mining and engineering. He has extensive experience advising on projects including sporting complexes, commercial developments, energy, mining and engineering projects. He was also a board member of an established multi-national engineering and construction company that undertook major projects throughout Australia, Asia and the Middle East. Such projects included airports, stadiums, industrial facilities, process plants and public infrastructure. He has significant experience in developing and executing company strategy, business development, planning, procurement, finance and project management.

LE Group is the holder of (i) the zero-coupon convertible bonds in the aggregate principal amount of HK\$390,000,000 issued by the Company on 4 February 2016; and (ii) the promissory notes issued by the Company on 4 February 2016 in the aggregate principal amount of HK\$410,000,000.

**Mr. Liu Wengang**, aged 39, was appointed as an executive Director on 1 November 2019. He joined the Group in October 2019 and was appointed as the Chief Investment Officer. He is principally responsible for the capital, financing, fund and financial management of the Group and participates in investment decisions. He obtained a Master Degree of Economy from Capital University of Economics and Business in the People's Republic of China and a Bachelor Degree of Economy from Tianjin University of Finance and Economics. He worked in an auditory firm and financial institutions before joining the Group, and is experienced in capital and financing management.

Mr. Liu is also a full-time employee of a wholly-owned subsidiary of the Company and director of two wholly-owned subsidiaries of the Company.

### 董事(續)

#### 執行董事(續)

**Brett Ashley Wight**先生，45歲，於二零二零年二月五日獲委任為本公司執行董事。Wight先生現為LE集團及其附屬公司的執行委員會成員及執行董事。Wight先生在法律、工程、建築及交付大型工程及建築項目方面擁有逾20年國際經驗。Wight先生為Blake Dawson Waldron（現稱Ashurst）的律師，該公司專責大型項目，尤其是運輸、能源、採礦及工程領域。彼於諮詢體育綜合項目、商業發展項目、能源、採礦及工程項目等方面擁有豐富經驗。Wight先生亦為一間具規模的跨國工程及建築公司的董事會成員，該公司在澳洲、亞洲及中東承接大型項目。有關項目包括機場、體育館、工業設施、加工廠房及公共基建。彼於發展及執行公司策略、業務發展、規劃、採購、融資及項目管理方面擁有豐富經驗。

LE集團為(i)本公司於二零一六年二月四日發行本金總額為390,000,000港元的零息可換股債券；及(ii)本公司於二零一六年二月四日發行本金總額為410,000,000港元的承兌票據的持有人。

**劉文剛**先生，39歲，於二零一九年十一月一日獲委任為本公司執行董事。劉先生於二零一九年十月加入本集團，獲委任為首席投資官。彼主要負責本集團之資本、融資、資金及財務管理以及參與投資決策。劉先生於中華人民共和國首都經濟貿易大學取得經濟學碩士學位，並於天津財經大學取得經濟學學士學位。於加入本集團前，彼於核數師行及金融機構任職，並在資本及融資管理方面擁有豐富經驗。

劉先生亦擔任本公司一間全資附屬公司之全職僱員及本公司兩間全資附屬公司之董事。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS (Continued)

#### Executive directors (Continued)

**Mr. Xing Bin**, aged 31, was appointed as an executive Director on 11 September 2015. He holds a Bachelor's Degree of Business Administration in Accounting from Peking University. He has over 8 years of solid experiences in the field of finance from his past work experiences.

#### Non-executive director

**Mr. Lam Wah**, aged 43, was appointed as an executive Director on 12 November 2018 and re-designated from an executive Director to a non-executive Director on 31 August 2019. He 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. He 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 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.

### 董事(續)

#### 執行董事(續)

**邢濱先生**，31歲，於二零一五年九月十一日獲委任為本公司執行董事。彼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八年的紮實經驗。

#### 非執行董事

**林華先生**，43歲，於二零一八年十一月十二日獲任命為執行董事並於二零一九年八月三十一日由執行董事獲重新任命為非執行董事。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。彼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。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層履歷

### DIRECTORS (Continued)

#### Independent non-executive directors

Mr. Ip Mei Shun, aged 45, was appointed as an independent non-executive Director on 12 April 2019. He is also a chairman of the remuneration committee of the Company, a member of each of the audit committee and the nomination committee of the Company. He is currently the Managing Partner of Avantfaire Investment Management Limited, which is licensed by the Hong Kong Securities and Futures Commission for carrying out Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. He started my career at Hong Kong Exchanges & Clearing Ltd (HKEx) followed by Hong Kong Monetary Authority (HKMA) during the period between 1997 and 2004. He was then employed by Canadian Imperial Bank of Commerce (CIBC) and Toronto-Dominion Bank (TD) in Canada during the period between 2004 and 2008. He has been working in Hong Kong again since then. He served as the assistant vice president of Citigroup Global Markets Asia Limited from 2008 to 2010, and the director of CTBC Private Bank responsible for investment advisory and portfolio management from 2012 to 2017. He obtained an MBA degree from the Schulich School of Business at York University in Canada, an MSc Systems Engineering & Engineering Management degree from the Chinese University of Hong Kong, and a BSc Finance degree from the City University of Hong Kong. He also holds the designations of Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), Certified Private Wealth Professional (CPWP) and Certified International Wealth Manager (CIWM).

### 董事(續)

#### 獨立非執行董事

葉美順先生，45歲，於二零一九年四月十二日獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會主席、本公司審核委員會及提名委員會成員。彼現為先行投資管理有限公司(獲香港證券及期貨事務監察委員會(「證監會」)授牌可從事第四類(就證券提供意見)與第九類(資產管理)受規管活動)的管理合夥人。於一九九七年至二零零四年期間，葉先生先後於香港交易及結算所有限公司及香港金融管理局任職。於二零零四年至二零零八年期間，其隨後受聘於加拿大帝國商業銀行及加拿大多倫多道明銀行。此後，葉先生再次於香港工作。自二零零八年至二零一零年彼於花旗環球金融亞洲有限公司擔任副主席助理，自二零一二年至二零一七年彼於中國信托私營銀行擔任董事，負責投資顧問及組合管理。葉先生於加拿大約克大學舒立克商學院獲得工商管理碩士學位，於香港中文大學獲得系統工程與工程管理碩士學位，以及於香港城市大學獲得金融學學士學位。彼亦持有特許金融分析師、金融風險管理師、註冊私人財富管理師以及國際認證財富管理師頭銜。

# 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 36, was appointed as an independent non-executive Director on 28 November 2018. He 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. He is currently the Managing Partner of Avantfaire Investment Management Limited, a licensed corporation authorised by the Securities and Futures Commission conducting regulated activities of advising on securities and asset management in Hong Kong. He 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 14 years of experience in direct investment, private equity, fund raising and financial reporting. He 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 54, was appointed as an independent non-executive Director on 28 February 2019. He 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. He graduated from Renmin University of China and obtained a bachelor's degree in law in 1991. He 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). He 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**，36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。彼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。彼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。彼於德勤•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14年經驗。彼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**，54歲，於二零一九年二月二十八日獲任命為獨立非執行董事。彼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。彼於一九九一年畢業於中國人民大學並取得法學學士學位。彼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。彼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 40, is the Contracts Manager of the 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 11 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 40, is the Project Manager of the 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 11 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 50, is the Environmental and Quality Manager of the 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 16 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**，40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11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**，40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11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**，50歲，為本集團的環境和質素經理，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16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。

### COMPLIANCE WITH THE CG CODE

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

For the year ended 31 December 2019, 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. For the year ended 31 December 2019, the Company has not appointed the chairman and chief executive officer, and the roles and functions of the chairman and chief executive officer have been performed by all the executive Directors collectively. On 5 February 2020, Mr. Artem Matyushok was appointed as the chief executive officer of the Company. The Company is looking for suitable candidates to fill the vacancy of the chairman 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 Director 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.

Code provision E.1.2 of the CG Code requires the chairman of the Board should attend the annual general meeting of the Company. Since the Company has not appointed a chairman of the Board for the year ended 31 December 2019, no chairman of the Board attended the annual general meeting of the Company held on 12 June 2019 (the “2019 AGM”), and other members of the Board (including executive Directors, the chairman of each of the Audit Committee and the Remuneration Committee and the members of the Nomination Committee) attended the 2019 AGM to ensure effective communication with the shareholders of the Company.

### 遵守企業管治守則

本集團致力維持高水平的企業管治，以保障本公司股東權益及提升企業價值及問責性。本公司自二零一三年十二月十一日（其股份首次開始於聯交所買賣日期）起已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）。

截至二零一九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。截至二零一九年十二月三十一日止年度，本公司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。於二零二零年二月五日，Artem Matyushok先生獲委任為本公司行政總裁。本公司正在尋覓合適人選填補本公司主席的職務空缺，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。

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。截至二零一九年十二月三十一日止年度，由於本公司尚未委任董事會主席，因此概無董事會主席出席本公司於二零一九年六月十二日舉行的股東週年大會（「二零一九年股東週年大會」），且其他董事會成員（包括執行董事、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）均有出席二零一九年股東週年大會，確保與本公司股東的有效溝通。

# Corporate Governance Report

## 企業管治報告

Code provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. One independent non-executive Director was unable to attend the 2019 AGM due to his business commitment. Nevertheless, two other independent non-executive Directors attended the 2019 AGM to ensure a balanced understanding of the views of shareholders.

Code provision A.4.2 of the CG Code requires that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Mr. Xing Bin, an executive Director, was first appointed as a Director at a meeting of the Board held on 11 September 2015 and was re-elected as a Director at the annual general meeting of the Company held on 23 August 2016. In accordance with the CG Code, Mr. Xing should have been subject to retirement at the 2019 AGM. However, the Company inadvertently did not notice the status of Mr. Xing's directorship. As a result, Mr. Xing did not retire at the 2019 AGM and has continued to act as a Director and his name has continued to appear on the register of directors of the Company as a Director since the conclusion of the 2019 AGM. In order to rectify the non-compliance with the CG Code, the Company held a Board meeting to confirm the appointment of Mr. Xing as a Director to remove any doubt of Mr. Xing's status as a Director and Mr. Xing shall be re-elected as a Director at the next general meeting of the Company. A Board meeting from which Mr. Xing has abstained from attending and voting was held on 10 February 2019 and the Board has confirmed the appointment of Mr. Xing as a Director. An extraordinary general meeting is convened to consider and to approve the re-election of Mr. Xing as an executive Director.

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

企業管治守則守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應定期出席董事會及由彼等擔任委員會成員的委員會會議並積極參與會務，以彼等之技能、專業知識及不同的背景及資格作出貢獻。彼等亦應出席股東大會，對股東意見有公正的了解。一名獨立非執行董事因有公務在身而未能出席二零一九年股東週年大會。儘管如此，其他兩名獨立非執行董事已出席二零一九年股東週年大會以確保對股東意見有公正的了解。

企業管治守則守則條文第A.4.2條規定，每名董事(包括有指定任期的董事)應輪流退任，至少每三年一次。執行董事邢濱先生於二零一五年九月十一日舉行的董事會會議上首次獲委任為董事，並於二零一六年八月二十三日舉行的本公司股東週年大會上獲重選為董事。根據企業管治守則，邢先生本須於二零一九年股東週年大會上輪值告退。然而，本公司因無心之失，未有注意到邢先生的董事身份。因此，邢先生並無於二零一九年股東週年大會上退任，並繼續擔任董事，而其名字於二零一九年股東週年大會結束後繼續在本公司的董事登記冊上顯示為董事。為糾正不遵守企業管治守則，本公司須舉行董事會會議，藉以確認委任邢先生為董事，以消除任何對邢先生的董事身份的疑問，且須於本公司下屆股東大會上獲重選為董事。董事會會議已於二零一九年二月十日舉行，當中邢先生已放棄出席及投票，且董事會已確認委任邢先生為董事。本公司將召開股東特別大會，藉以考慮及酌情批准重選邢先生為執行董事。

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。

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting the required standard set out in the model code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the "Model Code"). The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code for the year ended 31 December 2019, all Directors confirmed their respective full compliance with the required standard as set out in the Model Code during the year ended 31 December 2019.

### 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

From 1 January 2019 to the date of this report:

- (i) Mr. Chan Kai Wing has resigned as the independent non-executive Director, the chairman of each of the Audit Committee and the Nomination Committee and the member of the Remuneration Committee with effect from 28 February 2019;

### 董事的證券交易

本公司已採納董事進行證券交易相關的行為守則，其條款不遜於上市規則附錄十所載上市發行人董事進行證券交易規定的標準守則（「標準守則」）。本公司已就截至二零一九年十二月三十一日止年度之任何不遵守標準守則之事宜向所有董事作出特別查詢，而所有董事已確認彼等各自於截至二零一九年十二月三十一日止年度一直遵守標準守則所載的規定標準。

### 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

自二零一九年一月一日至本報告日期：

- (i) 陳繼榮先生已辭任獨立非執行董事、審核委員會主席、提名委員會主席及薪酬委員會成員，自二零一九年二月二十八日起生效；

# Corporate Governance Report

## 企業管治報告

- (ii) Mr. Zhang Guozhi has been appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 28 February 2019;
  - (iii) Mr. Leung Tsz Wing has been appointed as the chairman of the Audit Committee with effect from 28 February 2019;
  - (iv) Mr. Wong Hin Shek has resigned as a non-executive Director with effect from 12 April 2019;
  - (v) Mr. Yip Tai Him has resigned as an independent non-executive Director, the chairman of the Remuneration Committee and the member of each of the Audit Committee and the Nomination Committee with effect from 12 April 2019;
  - (vi) Mr. Ip Mei Shun has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 12 April 2019;
  - (vii) Mr. Lam Wah was re-designated from an executive Director to a non-executive Director with effect from 31 August 2019;
  - (viii) Mr. Liu Wengang was appointed as an executive Director with effect from 1 November 2019;
  - (ix) Mr. Artem Matyushok was appointed as an executive Director and the chief executive officer of the Company with effect from 5 February 2020; and
  - (x) Mr. Brett Ashley Wight was appointed as an executive Director with effect from 5 February 2020.
- (ii) 張國智先生已獲委任為獨立非執行董事、提名委員會主席、審核委員會成員及薪酬委員會成員，自二零一九年二月二十八日起生效；
  - (iii) 梁子榮先生已獲委任為審核委員會主席，自二零一九年二月二十八日起生效；
  - (iv) 王顯碩先生已辭任非執行董事，自二零一九年四月十二日起生效；
  - (v) 葉棣謙先生已辭任獨立非執行董事、薪酬委員會主席、審核委員會成員及提名委員會成員，自二零一九年四月十二日起生效；
  - (vi) 葉美順先生已獲委任為獨立非執行董事、薪酬委員會主席、審核委員會成員及提名委員會成員，自二零一九年四月十二日起生效；
  - (vii) 林華先生已由執行董事調任為非執行董事，自二零一九年八月三十一日起生效；
  - (viii) 劉文剛先生獲委任為執行董事，自二零一九年十一月一日起生效；
  - (ix) Artem Matyushok先生獲委任為本公司執行董事兼行政總裁，自二零二零年二月五日起生效；及
  - (x) Brett Ashley Wight先生獲委任為執行董事，自二零二零年二月五日起生效。

As at the date of this report, the Board is composed of eight Directors, including four 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 33 to 38 of this annual report.

於本報告日期，董事會由八名董事組成，包括四名執行董事、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33至38頁「董事及高級管理層履歷」一節。

Upon specific enquiry by the Company and following confirmations from the Directors, 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 2019.

For the year ended 31 December 2019, 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.

經本公司具體查詢及董事確認後，截至二零一九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。

截至二零一九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」一節所披露的內容外，董事會成員之間不存在任何關係(包括財務、業務、家庭或其他重大或相關關係)。

# Corporate Governance Report

## 企業管治報告

### Chairman and Chief Executive Officer

For the year ended 31 December 2019, the Company has not appointed a chairman and chief executive officer, and the roles and functions of the chairman and chief executive officer have been performed by all the executive Directors collectively.

On 5 February 2020, Mr. Artem Matyushok was appointed as the chief executive officer of the Company. The Company is looking for suitable candidates to fill the vacancy of the chairman of the Company, and will issue a further announcement as and when appropriate.

### 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 2019.

### 主席及行政總裁

截至二零一九年十二月三十一日止年度，本公司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。

於二零二零年二月五日，Artem Matyushok 先生獲委任為本公司行政總裁。本公司正在尋覓合適人選填補本公司主席的職務空缺，並將於適當時候另行刊發公告。

### 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二零一九年十二月三十一日止年度進行培訓之記錄。

# Corporate Governance Report

## 企業管治報告

During the year ended 31 December 2019, all Directors pursued continuous professional development and relevant details are set out below:

於截至二零一九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 董事姓名		Types of training 培訓類別
<b>Executive Directors</b>		
Mr. Artem Matyushok (appointed on 5 February 2020)	Artem Matyushok 先生 (於二零二零年二月五日獲委任)	Not applicable 不適用
Mr. Brett Ashley Wight (appointed on 5 February 2020)	Brett Ashley Wight 先生 (於二零二零年二月五日獲委任)	Not applicable 不適用
Mr. Liu Wengang (appointed on 1 November 2019)	劉文剛先生 (於二零一九年十一月一日獲委任)	B
Mr. Xing Bin	邢濱先生	B
<b>Non-executive Director</b>		
Mr. Lam Wah (re-designated from executive Director to non-executive Director on 31 August 2019)	林華先生 (於二零一九年八月三十一日由執行董事調任為非執行董事)	A, B
<b>Independent non-executive Directors</b>		
Mr. Ip Mei Shun (appointed on 12 April 2019)	葉美順先生 (於二零一九年四月十二日獲委任)	A, B
Mr. Leung Tsz Wing	梁子榮先生	A, B
Mr. Zhang Guozhi (appointed on 28 February 2019)	張國智先生 (於二零一九年二月二十八日獲委任)	A, B

Remarks:

備註：

A — Attending seminars/conferences/forums

A — 出席研討會／會議／論壇

B — Reading journals/updates/articles/materials

B — 閱讀期刊／最新資訊／文章／資料

# Corporate Governance Report

## 企業管治報告

### 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或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。

### 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 19 Board meetings during the year ended 31 December 2019.

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 and the executive Director(s) to prepare the meeting notice and agenda. Each Director may include any item in the agenda. Save for urgent matters which require the Board's or a committee's immediate attention and therefore lead to a short notice of a meeting, 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.

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）。

本公司於截至二零一九年十二月三十一日止年度已召開及舉行十九次董事會會議。

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。公司秘書協助主席及執行董事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。除需要董事會或委員會立即處理並因此導致會議短期通知的緊急事項外，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 2019, 19 Board meetings, 3 Audit Committee meetings, 6 Remuneration Committee meetings, 5 Nomination Committee meetings and one general meeting were held. Details of individual Directors' attendance at these meetings are set out in the following table:

於截至二零一九年十二月三十一日止年度，共舉行十九次董事會會議、三次審核委員會會議、六次薪酬委員會會議、五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：

Name of Director 董事姓名	Board meeting 董事會會議	Attended/Eligible to attend 已出席次數／可出席次數			General meeting 股東大會
		Audit Committee meeting 審核委員會會議	Remuneration Committee meeting 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	
<b>Executive Directors 執行董事</b>					
Mr. Artem Matyushok (appointed on 5 February 2020)	Artem Matyushok 先生 (於二零二零年二月五日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Brett Ashley Wight (appointed on 5 February 2020)	Brett Ashley Wight 先生 (於二零二零年二月五日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Liu Wengang (appointed on 1 November 2019)	劉文剛先生 (於二零一九年十一月一日獲委任)	2/2	N/A 不適用	N/A 不適用	0/0
Mr. Xing Bin	邢濱先生	18/19	N/A 不適用	N/A 不適用	1/1
<b>Non-executive Director 非執行董事</b>					
Mr. Lam Wah	林華先生	18/18	N/A 不適用	N/A 不適用	1/1
Mr. Wong Hin Shek (resigned on 12 April 2019)	王顯碩先生 (於二零一九年四月十二日辭任)	3/4	N/A 不適用	N/A 不適用	0/0
<b>Independent non-executive Directors 獨立非執行董事</b>					
Mr. Ip Mei Shun (appointed on 12 April 2019)	葉美順先生 (於二零一九年四月十二日獲委任)	13/14	2/2	3/3	3/3
Mr. Leung Tsz Wing	梁子榮先生	17/19	2/3	5/6	5/6
Mr. Zhang Guozhi (appointed on 28 February 2019)	陳繼榮先生 (於二零一九年二月二十八日辭任)	16/17	2/2	5/5	5/5
Mr. Chan Kai Wing (resigned on 28 February 2019)	葉棣謙先生 (於二零一九年四月十二日辭任)	2/2	0/0	1/1	1/1
Mr. Ip Tai Him (resigned on 12 April 2019)	張國智先生(於二零一九年 二月二十八日獲委任)	3/5	0/1	2/3	1/3

### 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.

The biographies of the senior management are disclosed in the section headed “Biographical Details of Directors and Senior Management” in this annual report.

Details of the remuneration of each of the Directors for the year ended 31 December 2019 are set out in note 9 to the financial statements. Remuneration paid to the senior management (excluding the Directors) for the year ended 31 December 2019 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.

## 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 2019, the Audit Committee was made up of three independent non-executive Directors, namely Mr. Leung Tsz Wing (chairman of the Audit Committee), Mr. Ip Mei Shun and Mr. Zhang Guozhi. Mr. Leung Tsz Wing was the Chairman of the Audit Committee. Mr. Leung Tsz Wing is a member of the Hong Kong Institute of Certified Public Accountants and holds Chartered Financial Analyst (CFA) designation, and therefore possesses the appropriate accounting qualifications and experiences in financial matters.

### 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。

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。

截至二零一九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。截至二零一九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分保障，以防承受潛在負債。

### 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。

於二零一九年十二月三十一日，審核委員會由三名獨立非執行董事組成，即梁子榮先生(審核委員會主席)、葉美順先生及張國智先生。梁子榮先生為審核委員會主席。梁子榮先生為香港會計師公會會員，持有特許金融分析師頭銜，因此，具有合適的會計資格及財務事宜的經驗。

# Corporate Governance Report

## 企業管治報告

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 2019, the Audit Committee held 3 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;
- 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;

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，以商討有關審核計劃及審閱本公司的年報及賬目。於截至二零一九年十二月三十一日止年度，審核委員會舉行了三次會議。

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；
- 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；

- 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.
- 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 2019 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二零一九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 2019, the Remuneration Committee was made up of three independent non-executive Directors, namely Mr. Ip Mei Shun (chairman of the Remuneration Committee), Mr. Leung Tsz Wing and Mr. Zhang Guozhi. Mr. Ip Mei Shun 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 2019, 6 meetings of the Remuneration Committee were held.

### 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。

於二零一九年十二月三十一日，薪酬委員會由三名獨立非執行董事，即葉美順先生（薪酬委員會主席）、梁子榮先生及張國智先生組成。葉美順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。於截至二零一九年十二月三十一日止年度，薪酬委員會舉行了六次會議。

# Corporate Governance Report

## 企業管治報告

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.

### 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 2019, the Nomination Committee was made up of three independent non-executive Directors, namely, Mr. Zhang Guozhi (chairman of the Nomination Committee), Mr. Ip Mei Shun and Mr. Leung Tsz Wing. Mr. Zhang Guozhi was the Chairman of the Nomination Committee.

The Nomination Committee meets at least once a year. During the year ended 31 December 2019, 6 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;

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。

### 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。

於二零一九年十二月三十一日，提名委員會由三名獨立非執行董事，即張國智先生（提名委員會主席）、葉美順先生及梁子榮先生所組成。張國智先生為提名委員會主席。

提名委員會將每年最少一次會面。於截至二零一九年十二月三十一日止年度，提名委員會舉行六次會議。

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；

- To review the policy concerning diversity of the Board as appropriate, to review the measurable objectives set for implementing the board diversity policy and the progress made towards achieving those objectives, and to disclose the review results in the annual corporate governance report.
- 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;
- 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.
- 酌情檢討有關董事會多元化政策，檢討為實施董事會多元化政策而設定的可衡量目標，以及實現這些目標所取得的進展，並在年度企業管治報告中披露其審查結果。
- 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；
- 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.

### 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。

# Corporate Governance Report

## 企業管治報告

- 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.
- 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。

## 2. Nomination Process

### Appointment of New Director

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

## 2. 提名程序

### 委任新董事

- 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。
- 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。
- 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。

- 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.

### Re-election of Director at General Meeting

- 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.
- 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.
- 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.

### BOARD DIVERSITY POLICY

In order to strengthen the business development of the Company, enhancement of the effectiveness and performance of the Board are the fundamental and vital elements. The Company believes that diversity at the Board level can intensify these fundamental elements. The Board diversity shall consider from, including but not limited to, age, gender, educational background, professional experience, skills, knowledge and length of service. All the appointments of the Board members shall be based on the positive contribution to be brought by the proposed candidate to the Company, its subsidiaries and/or its affiliated companies of the group.

- 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。

### 於股東大會重選董事

- 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。
- 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。
- 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。

### 董事會多元化政策

為了加強本公司的業務發展，提高董事會效率及績效是基本且至關重要的因素。本公司認為，董事會層面的多元化可以強化該等基本要素。董事會多元化應從(包括但不限於)年齡、性別、教育背景、專業經驗、技能、知識及服務年限考慮。董事會成員的所有委任均應根據候選人對本公司、其附屬公司及／或本集團附屬公司的積極貢獻作出。

# Corporate Governance Report

## 企業管治報告

It is set out below a list of measurable objectives for selection of candidates. The list is only an indication of factors relevant to the selection of candidates to be considered by the Nomination Committee and shall not be regarded as conclusive nor exhaustive in nature. Where appropriate, the Nomination Committee may take into account and/or further adopt and/or weight against one another such factor(s) relevant to the business to be transacted.

- Age: 18 or over.
- Gender: Welcome both genders with no preference for any particular proportion.
- Professional qualification: At least one independent non-executive Director shall possess appropriate professional qualifications in finance and accounting and meets the requirements of the Listing Rules.
- Composition: One third of the Board or minimum three members shall be independent non-executive Directors to meet the requirements of the Listing Rules.
- Service period: Independent non-executive Directors' tenure (as at the date of re-appointment) could be relevant to the determination of a non-executive Directors' independence. Re-appointment of independent non-executive Director serving more than 9 years should be in full compliance with the Listing Rules requirements.
- Other experience: Knowledge and experience which may contribute to the business of the Company.
- Any other relevant factors

As at the date of this report,

- four Directors were within the age range of 30-39, three Directors were within the age range of 40-49, and one Director was within the age range of 50-59;
- eight Directors were male and nil Director was female;
- two Directors possessed appropriate professional qualifications in finance and accounting and meets the requirements of the Listing Rules;

以下列表列載了甄選候選人的可衡量目標。該列表僅列出與提名委員會考慮甄選候選人有關因素，並不應被視為結論性的或詳盡的。在適當情況下，提名委員會可能需要考慮及／或進一步採取及／或衡量其他與處理業務相關的因素。

- 年齡：18歲或以上。
- 性別：歡迎任何男女，沒有傾向任何特定的比例。
- 專業資格：至少一名獨立非執行董事必須具備適當的財務及會計專業資格，且符合上市規則的要求。
- 組成：董事會成員人數的三分之一或至少三名成員須為獨立非執行董事，以符合上市規則的要求。
- 服務年期：擔任獨立非執行董事年期（計算至獲續聘之日）足以作為一個釐定非執行董事的獨立性之考慮界線。續聘在任已超過9年的獨立非執行董事時，應完全符合上市規則的要求。
- 其他經驗：有助於本公司業務的知識及經驗。
- 任何其他相關因素

於本報告日期，

- 四名董事年齡介乎30至39歲，三名董事年齡介乎40至49歲，及一名董事年齡介乎50至59歲；
- 八名董事為男性，且並無女性董事；
- 兩名董事具備適當的財務及會計專業資格，且符合上市規則的要求；

- three Directors, being over one third of the Board, were independent in accordance with the Listing Rules;
  - four Directors served the Board for less than one year, three Directors served the Board for over one year but less than two years, and one Director served the Board for over four years but less than five years;
  - all Directors contributed to the business of the Company with their own knowledge and experience.
- 根據上市規則，三名董事(超過董事會成員人數的三分之一)為獨立人士；
  - 四名董事於董事會任職少於1年，三名董事於董事會任職超過1年但少於2年，及一名董事於董事會任職超過4年但少於5年；
  - 全體董事憑藉其自身的知識及經驗為本公司業務作出貢獻。

The Nomination Committee acknowledged that there was an imbalance between the male and female Directors. Consideration of such fact would be taken into account for selection and appointment of future candidates.

提名委員會承認，董事男女不均。在挑選及委任未來候選人時將考慮這一事實。

### 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。

### 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 2019, 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.

### 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二零一九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。

The external auditor of the Company acknowledges his reporting responsibilities in the Independent Auditor's Report on the financial statements for the year ended 31 December 2019 as set out in the Independent Auditor's Report on pages 103 to 113 of the annual report.

本公司之外聘核數師在本年報第103至113頁的獨立核數師報告中，載有彼等有關截至二零一九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。

# Corporate Governance Report

## 企業管治報告

### AUDITOR'S REMUNERATION

In respect of the year ended 31 December 2019, the remuneration paid and payable to the Company's external auditor, Zenith CPA Limited, is set out below:

### 核數師酬金

截至二零一九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 千港元
Audit service 審核服務	1,311

No non-audit services have been provided by the Company's external auditor, Zenith CPA Limited, for the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，本公司外聘核數師誠豐會計師事務所有限公司未提供任何非審核服務。

### 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 programs and budget of the accounting, internal audit and financial reporting functions.

### 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。

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.

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。

The Company conducted review of the risk management and internal control systems of the Group for the year ended 31 December 2019, 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.

本公司對本集團截至二零一九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。

The Board has reviewed the effectiveness of the risk management and internal control systems of the Group annually and considered that the systems were appropriate.

### COMPANY SECRETARY

On 31 August 2019, Mr. Lam Wah resigned as the company secretary of the Company, and Mr. Zhou Danqing was appointed as the company secretary of the Company.

During the year ended 31 December 2019, Mr. Zhou Danqing 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 recognizes the importance of timely disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

For the year ended 31 December 2019, the Company reviewed and updated its policy for communication with its shareholders and investor relations.

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.

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，並認為該等系統屬適用。

### 公司秘書

於二零一九年八月三十一日，林華先生辭任本公司之公司秘書，且周丹青先生獲委任為本公司之公司秘書。

於截至二零一九年十二月三十一日止年度，周丹青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資料以供股東及投資者作出知情投資決策的重要性。

截至二零一九年十二月三十一日止年度，本公司已審閱並更新與股東及投資者關係的溝通政策。

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。

# Corporate Governance Report

## 企業管治報告

### RIGHTS OF SHAREHOLDERS

- **The right to attend the annual general meeting and to receive information**

The annual general meeting of the Company provides opportunity for shareholders to communicate directly with the Directors. The Chairman and the chairman of the Board committees will attend the annual general meeting to answer shareholders' questions. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. 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.

Copies of the reporting documents, including financial statements, the Directors' report and the auditor's report must be sent to members at least 21 working days before the annual general meeting of the Company.

- **The right to convene an extraordinary general meeting**

Any 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 shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

### 股東權利

- **出席股東週年大會及接獲資料之權利**

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。倘彼等未能出席，則其須邀請該委員會之其他成員（或倘該人士未能出席，則其正式委任之代表）出席。該等人士須於股東週年大會上回答提問。獨立董事委員會主席（如有）亦須於任何股東大會上回答提問，以批准須取得獨立股東批准之關連交易或任何其他交易。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。

報告文件（包括財務報表、董事報告及核數師報告）之副本須於本公司股東週年大會召開前至少二十一個工作日送交各股東。

- **召開股東特別大會之權利**

任何一位或以上於遞呈要求日期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）十分之一的股東於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。

若遞呈後21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。

- **The voting powers at the shareholders' meetings**  
Every shareholder has the right to vote at the shareholders meetings subject to provisions on the Articles.

- **The power to elect and re-elect Directors and auditors**

The shareholders could hold individual Directors (or the Board as a whole) to account for their actions by voting against their re-election. The Articles provides at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of 3, 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.

For the Directors to retire by rotation, and if they wish, they may submit themselves for re-election at the annual general meeting. The retiring Directors are eligible for reappointment to the office.

The shareholders also have the right to approve (or reject) the appointment of the auditors each year. The Company may by an ordinary resolution passed at a general meeting remove a person from the office of auditor despite any agreement between the person and the Company or anything in the Articles.

- **The right to receive information of the Company**  
The Company shall keep shareholders informed of certain developments and to obtain shareholder approval for certain transactions in accordance with the Listing Rules. In these cases, the Company must communicate with its shareholders and seek their support.

- **The right to communicate with the Company**  
The Chairman or the executive Director should ensure that the views of the shareholders are communicated to the Board as a whole and the Chairman or the executive Director should discuss strategy and governance with the major shareholders.

Non-executive Directors should be given the opportunity to attend general meetings with major shareholders, and should be expected to attend general meetings if requested by major shareholders.

- **於股東大會表決之權力**  
在組織章程細則條文的規限下，每名股東均有權於股東大會表決。

- **選舉及重選董事及核數師之權力**

股東可透過投票反對個別董事(或整個董事會)連任以讓彼等為自己的行為負責。組織章程細則規定，於每屆股東周年大會上，當時為數三分之一之董事(或如董事人數並非三(3)的倍數，則須為最接近但不少於三分之一之數目)須輪席退任，每位董事須每三年至少須在股東周年大會上輪席退任一次。

倘輪席退任的董事願意，則可在股東週年大會上再次當選。退任董事有資格競選連任。未經股東按規定批准，本公司不得同意董事任職期限超過或可能超過三年的任何規定。

股東亦有權每年批准(或拒絕)委任核數師。儘管核數師與本公司訂立任何協議或組織章程細則有任何規定，本公司可透過在股東大會上通過普通決議案罷免任何人士的核數師職務。

- **接獲公司資料之權利**  
本公司須根據上市規則向股東通報若干發展情況，並就若干交易取得股東批准。在該等情況下，本公司必須與股東溝通，並尋求股東支持。

- **與公司溝通之權利**  
董事長或執行董事應確保將股東的意見傳達予全體董事會成員，而董事長或執行董事應與主要股東討論戰略及治理事宜。

非執行董事應有機會出席與主要股東的股東會議，並根據主要股東的要求(如有)出席股東大會。

# Corporate Governance Report

## 企業管治報告

### CONSTRUCTIVE USE OF GENERAL MEETINGS

- **Effectiveness of general meetings**

Shareholders should be given the opportunity to send in written questions before the meeting. There should be a circulation of a brief summary of points raised at the annual general meeting to all shareholders after the event. The Board should dispatch a circular accompanying the annual general meeting notice, which contains comprehensive information on the business to be transacted at the meeting, together with summary procedure governing voting at the annual general meeting and frequently asked questions regarding voting procedures.

The Company should arrange for the notice of the annual general meeting and the related papers to be sent to the shareholders at least 21 working days before the meeting. For other general meetings this should be at least 14 working days in advance.
- **Giving shareholders an opportunity to ask questions**

The Chairman should attend the annual general meeting. He/she should also invite the chairmen of the audit, nomination and remuneration committees and any other committees (as appropriate) to be available to answer questions at the annual general meeting. In addition, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders.
- **Voting procedure**

At any general meeting, the Company proposes a separate resolution on each substantially separate issue and in particular proposes a resolution at the annual general meeting relating to the report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote.

### 建設性的股東大會

- **股東大會的有效性**

股東應有機會於股東大會前以書面形式提問。於股東週年大會後，應在股東週年大會上向所有股東分發要點摘要。董事會應寄發股東週年大會通函及通告，當中載有會上擬處理事項的全面資料，連同股東週年大會上表決相關的簡要程序以及表決程序的常見問題。

本公司應安排於召開股東大會前至少21個工作日向股東發送股東週年大會通知及有關文件。召開其他股東大會須至少提前14個工作日發出通知。
- **股東有機會提問**

董事會主席應出席股東週年大會，並邀請審核委員會、提名委員會、薪酬委員會及任何其他委員會(視何者適用而定)的主席在股東週年大會上回答提問。此外，獨立非執行董事及其他非執行董事應出席股東大會，對股東的意見有公正的了解。
- **表決程序**

在任何股東大會上，本公司須就每項實際獨立的事宜個別提出議案，尤其是在股東週年大會上就報告及賬目提出決議案。就每項決議案而言，受委代表委任表格應為股東提供選項以指示彼等之受委代表投票贊成或反對該決議案或棄權。

At any general meeting there should also be a separate resolution to each substantially separate issue. The Company should avoid “bundling” resolutions unless they are interdependent and linked forming one significant proposal. Where the resolutions are “bundled”, the Company should explain the reasons and material implications in the notice of meeting.

In the context of voting by proxy and poll results, the Company should ensure that all valid proxy appointments received are properly recorded and counted. For each resolution, after a vote has been taken, except where taken on a poll, the Company should ensure that the following information is given at the meeting and made available as soon as reasonably practicable on a website which is maintained by or on behalf of the company.

The Company should announce the poll results as soon as possible and at least 30 minutes before the commencement of the Exchange’s morning session or any pre-opening session on the business day following the general meeting. The poll results announcement must include: the number of shares entitling the holder to attend and vote at the general meeting; shares entitling the holder to attend and abstain from voting in favour; shares of holders that are required under the Listing Rules to abstain from voting; shares actually voted for a resolution and shares actually voted against a resolution.

### SHAREHOLDERS’ ENQUIRES

Shareholders should direct their questions about their shareholdings to the Company’s registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

Shareholders and the investment community may at any time make a request for the Company’s publicly available information. The designated contacts and addresses to enable them to make query in respect of the company are:

Contact: the Board of Directors  
Address: Room 1001, 10/F., Wing On Centre, 111 Connaught Road Central, Hong Kong  
Fax: (852) 3728 8710

在任何股東大會上，須就每項實際獨立的事宜個別提出決議案。除非有關決議案之間相互依存及關連，合起來方成一項重大建議，否則本公司應避免「捆扎」決議案。若要「捆扎」決議案，本公司應在會議通告解釋原因及當中涉及的重大影響。

倘由受委代表投票表決，本公司應確保接獲的全部有效受委代表委任書妥為記錄及計數。就每項決議案進行表決後，除投票表決外，本公司應確保在股東大會上提供以下資料，並在合理可行下盡快在由或代表本公司維護的網站上公佈。

本公司盡於股東大會後盡快，且須於會議後首個營業日的早市或任何開市前時段開始交易之前至少30分鐘刊登公告，公布投票表決的結果。投票表決結果的公告須包括：持有人有權出席大會並於會上就決議案表決的股份總數；持有人有權出席大會但放棄表決贊成決議案的股份總數；上市規則規定須放棄表決權的股份持有人所持股份總數；實際表決贊成及實際表決反對決議案的股份總數。

### 股東查詢

股東應就其股權作出之提問送交本公司之登記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54樓。

股東及投資團體可隨時要求提供本公司的公開信息。彼等就本公司作出查詢之指定聯繫人及地址為：

聯繫人： 董事會  
地址： 香港干諾道中111號永安中心10樓1001室  
傳真： (852) 3728 8710

# 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 2019. 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

於截至二零一九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。

The Directors are pleased to present their report together with the audited financial statements of the Group for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding. During the year ended 31 December 2019, 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 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 114 to 115 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 2019, 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 also set out in the "Management Discussion and Analysis" of this annual report.

### ENVIRONMENTAL POLICY

The Group's commitment to protecting the environment is well reflected by its continuous efforts in promoting green measures and awareness in its daily business operations. The Group encourages environmental protection and promote awareness towards environmental protection to the employees. The 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.

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

董事欣然提呈其報告連同截至二零一九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。於截至二零一九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

本集團截至二零一九年十二月三十一日止年度的業績載於本年報第114至115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、截至二零一九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亦載於本年報「管理層討論及分析」。

### 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 the Group that has a significant impact on the business and operations of the Group.

### RELATIONSHIPS WITH STAKEHOLDERS

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

The Group also understands that it is important to maintain good relationship with business partners to achieve its long-term goals. Accordingly, 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 the Group and its business partners.

### FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2019 (2018: 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 236 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二零一九年十二月三十一日止年度派付末期股息(二零一八年：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236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 26, 27, 29 and 30 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 year ended 31 December 2019.

### 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 year ended 31 December 2019.

### MAJOR CUSTOMERS AND SUPPLIERS

Major Customers During the year ended 31 December 2019, the largest customer accounted for approximately 42.5% (2018: approximately 22.3%) of the Group's total revenues. The five largest customers accounted for approximately 98.8% (2018: approximately 74.7%) of the Group's total revenues for the year ended 31 December 2019.

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 the 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26、27、29及30。

### 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，本集團於截至二零一九年十二月三十一日止年度內概無訂立或存在股票掛鈎協議。

### 管理合約

於截至二零一九年十二月三十一日止年度，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

於截至二零一九年十二月三十一日止年度，最大客戶佔本集團的總收入約42.5%（二零一八年：約22.3%）。截至二零一九年十二月三十一日止年度，五大客戶佔本集團的總收入約98.8%（二零一八年：約74.7%）。

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)

The Group's five largest suppliers, being its suppliers for Automotive Engines Business and sub-contractors for Civil Engineering and Construction segment, together accounted for approximately 71.6% (2018: approximately 46.6%) of the Group's total cost of sales charged to the Group for the year ended 31 December 2019. The largest supplier accounted for approximately 38.5% (2018: approximately 20.7%) of the total cost of sales charged to the Group for the year ended 31 December 2019.

Other than as set out in the paragraph above, none of the 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 year ended 31 December 2019 are set out in note 14 to the financial statements.

### RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2019 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 2019 (2018: 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.

### TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's listed securities.

### 主要客戶及供應商(續)

截至二零一九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71.6%(二零一八年：約46.6%)。截至二零一九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38.5%(二零一八年：約20.7%)。

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、廠房及設備

本集團於截至二零一九年十二月三十一日止年度內的物業、廠房及設備變動詳情載於財務報表附註14。

### 儲備

本集團於截至二零一九年十二月三十一日止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

於二零一九年十二月三十一日，本公司並無任何可供分派予股東的儲備(二零一八年：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。

### 稅項減免

本公司尚不知悉股東因持有本公司上市證券而獲得的任何稅項減免。

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

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

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

Name of shareholders 股東姓名／名稱	Notes 附註	Nature of interest 權益性質	Number of ordinary shares/ underlying shares held ／ 所持有普通股／ 相關股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比
Mr. Jiang Jianhui 姜建輝先生	(a) (a)	Interest in a controlled corporation 受控法團權益	150,000,000	75.0%
Youth Force Asia Ltd Youth Force Asia Ltd	(a) (a)	Beneficial owner 實益擁有人	150,000,000	75.0%
Mr. Arrab Chalid Arrab Chalid先生	(b) (b)	Interest in a controlled corporation 受控法團權益	195,000,000	97.5%
LE Group Holdings Pte Ltd LE Group Holdings Pte Ltd	(b) (b)	Beneficial owner 實益擁有人	195,000,000	97.5%

Notes:

- (a) Youth Force Asia Ltd is wholly-owned by Mr. Jiang Jianhui. As such, Mr. Jiang Jianhui is deemed to be interested in the 150,000,000 shares owned by Youth Force Asia Ltd by virtue of the SFO.
- (b) On 3 February 2020, the Company received a duly-executed transfer notice from Power Expert Global Limited to transfer all convertible bonds, in the principal amount of HK\$390,000,000 issued by the Company, to LE Group Holdings Pte Ltd. LE Group Holdings Pte Ltd is wholly-owned by Mr. Arrab Chalid. As such, Mr. Arrab Chalid 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 LE Group Holdings Pte Ltd by virtue of the SFO.

### 主要股東於股份及相關股份中的權益

於本年報日期，本公司根據證券及期貨條例第336條存置的權益登記冊所記錄佔本公司已發行股本5%或以上的權益如下：

#### 於本公司已發行股份／相關股份的好倉

附註：

- (a) Youth Force Asia Ltd由姜建輝先生全資擁有。因此，姜先生根據證券及期貨條例被視為於Youth Force Asia Ltd擁有的150,000,000股股份中擁有權益。
- (b) 於二零二零年二月三日，本公司從巧能環球有限公司收到將本公司已發行本金為390,000,000港元的全部可換股債券轉讓予LE Group Holdings Pte Ltd的妥為簽立的轉讓通知。LE Group Holdings Pte Ltd由Arrab Chalid先生全資擁有。因此，根據證券及期貨條例，Arrab Chalid先生被視為透過其於本公司已發行本金額為390,000,000港元之可換股債券之權益於LE Group Holdings Pte Ltd擁有之195,000,000股相關股份中擁有權益。

# Report of the Directors

## 董事會報告

### 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 2019.

### SUFFICIENCY OF PUBLIC FLOAT

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

### HIGH CONCENTRATION OF SHAREHOLDING

On 10 May 2019, the Securities and Futures Commission (the "SFC") published an announcement on its website, informing the public that the SFC had recently completed an enquiry into the shareholding of the Company. The SFC's findings suggested that as at 23 April 2019, a group of 19 Shareholders held an aggregate of 31,154,000 Shares, representing 15.6% of the issued Shares. Such shareholding, together with 150,000,000 Shares (representing 75.0% of the issued Shares) held by the controlling shareholder of the Company, represented 90.6% of the issued Shares as at 23 April 2019. Therefore, only 18,846,000 Shares (representing 9.4% of the issued Shares) were held by other shareholders.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares. Further, as a result of high concentration of shareholding, the Company's securities may not have a genuine market or its shareholding may have concentrated in the hands of a few Shareholders.

### 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二零一九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董事於本年報日期所知，本公司已維持上市規則規定的最低公眾持股量。

### 股權高度集中

於二零一九年五月十日，證券及期貨事務監察委員會（「證監會」）在其網站上發佈公告，向公眾披露證監會最近完成對本公司之股權分佈的查訊。證監會的查訊結果顯示，於二零一九年四月二十三日，有19名股東合共持有31,154,000股本公司股份，相當於本公司之已發行股本之15.6%。有關股權連同由本公司控股股東持有之150,000,000股（佔已發行股份75.0%），相當於本公司二零一九年四月二十三日已發行股份總額之90.6%。因此，本公司只有18,846,000股（佔已發行股份9.4%）由其他股東持有。

鑒於股權高度集中於數目不多之股東，即使少量股份成交，本公司股份價格亦可能大幅波動，股東及有意投資者於買賣股份時務請審慎行事。此外，由於股權高度集中，本公司證券可能沒有真正的市場，或其股權可能僅集中於少數股東手中。

### DIRECTORS

The Directors who held office during the year and up to the date of this Annual Report are as follows:

#### Executive Directors:

Mr. Artem Matyushok (*appointed on 5 February 2020*)

Mr. Brett Ashley Wight (*appointed on 5 February 2020*)

Mr. Liu Wengang (*appointed on 1 November 2019*)

Mr. Xing Bin

Mr. Lam Wah (*re-designated from executive Director to non-executive Director on 31 August 2019*)

#### Non-executive Directors:

Mr. Lam Wah (*re-designated from executive Director to non-executive Director on 31 August 2019*)

Mr. Wong Hin Shek (*resigned on 12 April 2019*)

#### Independent Non-executive Directors:

Mr. Ip Mei Shun (*appointed on 12 April 2019*)

Mr. Leung Tsz Wing

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

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

Mr. Yip Tai Him (*resigned on 12 April 2019*)

### 董事

於年內及直至本年報日期，在任董事如下：

#### 執行董事：

Artem Matyushok先生

(於二零二零年二月五日獲委任)

Brett Ashley Wight先生

(於二零二零年二月五日獲委任)

劉文剛先生

(於二零一九年十一月一日獲委任)

邢濱先生

林華先生(於二零一九年八月三十日由

執行董事調任為非執行董事)

#### 非執行董事：

林華先生(於二零一九年八月三十一日由

執行董事調任為非執行董事)

王顯碩先生

(於二零一九年四月十二日辭任)

#### 獨立非執行董事：

葉美順先生

(於二零一九年四月十二日獲委任)

梁子榮先生

張國智先生

(於二零一九年二月二十八日獲委任)

陳繼榮先生

(於二零一九年二月二十八日辭任)

葉棣謙先生

(於二零一九年四月十二日辭任)

# Report of the Directors

## 董事會報告

### CHANGE OF DIRECTORS

From 1 January 2019 to the date of this Annual Report:

- (i) Mr. Chan Kai Wing has resigned as an independent non-executive Director, the chairman of each of the Audit Committee and the Nomination Committee and the member of the Remuneration Committee with effect from 28 February 2019;
- (ii) Mr. Zhang Guozhi has been appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 28 February 2019;
- (iii) Mr. Leung Tsz Wing has been appointed as the chairman of the Audit Committee with effect from 28 February 2019;
- (iv) Mr. Wong Hin Shek has resigned as a non-executive Director with effect from 12 April 2019;
- (v) Mr. Yip Tai Him has resigned as an independent non-executive Director, the chairman of the Remuneration Committee and the member of each of the Audit Committee and the Nomination Committee with effect from 12 April 2019;
- (vi) Mr. Ip Mei Shun has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 12 April 2019;
- (vii) Mr. Lam Wah was re-designated from an executive Director to a non-executive Director with effect from 31 August 2019;
- (viii) Mr. Liu Wengang was appointed as an executive Director with effect from 1 November 2019;
- (ix) Mr. Artem Matyushok was appointed as an executive Director and the chief executive officer of the Company with effect from 5 February 2020; and
- (x) Mr. Brett Ashley Wight was appointed as an executive Director with effect from 5 February 2020.

### 董事變動

自二零一九年一月一日至本年度報告日期：

- (i) 陳繼榮先生已辭任獨立非執行董事、審核委員會主席、提名委員會主席及薪酬委員會成員，自二零一九年二月二十八日起生效；
- (ii) 張國智先生已獲委任為獨立非執行董事、提名委員會主席、審核委員會成員及薪酬委員會成員，自二零一九年二月二十八日起生效；
- (iii) 梁子榮先生已獲委任為審核委員會主席，自二零一九年二月二十八日起生效；
- (iv) 王顯碩先生已辭任非執行董事，自二零一九年四月十二日起生效；
- (v) 葉棣謙先生已辭任獨立非執行董事、薪酬委員會主席、審核委員會成員及提名委員會成員，自二零一九年四月十二日起生效；
- (vi) 葉美順先生已獲委任為獨立非執行董事、薪酬委員會主席、審核委員會成員及提名委員會成員，自二零一九年四月十二日起生效；
- (vii) 林華先生已由執行董事調任為非執行董事，自二零一九年八月三十一日起生效；
- (viii) 劉文剛先生獲委任為執行董事，自二零一九年十一月一日起生效；
- (ix) Artem Matyushok先生獲委任為本公司執行董事兼行政總裁，自二零二零年二月五日起生效；及
- (x) Brett Ashley Wight先生獲委任為執行董事，自二零二零年二月五日起生效。

### REASONS RELATED TO THE COMPANY'S AFFAIRS GIVEN BY A DIRECTOR FOR RESIGNATION OR NOT SEEKING RE-APPOINTMENT

For the year ended 31 December 2019, all directors who resigned or did not seek re-appointment confirmed that there was no reason related to the Company's affairs.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Latest biographical details of the Directors and senior management of the Company are set out in Director and Senior Management Biographies of this Annual Report.

### DISCLOSURE OF CHANGE IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

Save as disclosed above and in the section headed "Directors and Senior Management Biographies", there was no change in information of the Directors and chief executives of the Company up to the date of this Annual Report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Board has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate the Directors' securities transactions. The Company had made specific enquiry of all Directors regarding any non-compliance with the Model Code for the period under review, and they all have confirmed their respective full compliance with the required standard set out in the Model Code during the year ended 31 December 2019.

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

As at 31 December 2019, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities & Futures Ordinance (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code.

### 董事辭任或不尋求連任之與公司事務相關的原因

截至二零一九年十二月三十一日止年度，所有辭任或不尋求連任董事均確認概無與本公司事務相關的原因。

### 本公司董事及高級管理層履歷

本公司董事及高級管理層之最新履歷詳情載列於本年報「董事及高級管理層履歷」一節。

### 披露董事及行政總裁資料之變動

除本年報「董事及高級管理層履歷」一節所披露者外，截至本公司本年報日期，任何須根據上市規則第13.51B(1)條予以披露的本公司董事及行政總裁資料概無任何變動。

### 上市發行人董事進行證券交易之標準守則

董事會已採納上市規則附錄十所載標準守則，以規管董事的證券交易。本公司已就回顧期內任何不遵守標準守則之事宜向所有董事作出特別查詢，而彼等各自確認彼等於截至二零一九年十二月三十一日止年度一直遵守標準守則所載的規定標準。

### 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

於二零一九年十二月三十一日，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(「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條或根據標準守則須載入該條文所述登記冊的權益或淡倉。

# Report of the Directors

## 董事會報告

### 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.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2019, 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.

### ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received, from each independent non-executive Director, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

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

The emoluments of Directors and senior management are recommended by the remuneration committee and determined by taking into consideration of their duties and responsibilities with the Company, the market rate and their time, effort and expertise to be input into the Group's affairs and the Company's performance.

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.

### 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

於年內，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。

### 董事於競爭業務的權益

於截至二零一九年十二月三十一日止年度，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。

### 年度獨立性確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認根據上市規則第3.13條所載之獨立性指引，本公司認為全體獨立非執行董事均為獨立人士。

### 董事及五位最高薪酬人士的薪酬

董事及高級管理層的薪酬乃由薪酬委員會推薦，經考慮彼等於本公司的職責及責任、市價及彼等就本集團業務付出之時間、努力及專業知識以及本公司業績釐定。

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。

### 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%。

# Report of the Directors

## 董事會報告

### 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.

### 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。

### SHARE OPTION SCHEME (Continued)

#### 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.

### 購股權計劃(續)

#### 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。

Name or category of participant	As at 1 January 2019	Number of share options 購股權數目			As at 31 December 2019	Date of grant	Exercise	
		Granted	Exercised	Lapsed/ Cancelled/ Forfeited/ 已失效/ 已註銷/ 已沒收			price	Exercise period
參與者姓名 或類別	於二零一九年 一月一日	已授出	已行使	於二零一九年 十二月三十一日	授出日期	行使價 HK\$ 港元	行使期	
Director 董事								
Mr. Lam Wah 林華先生	—	500,000	—	500,000	—	26 April 2019 二零一九年四月二十六日	7.128 26 April 2019–25 April 2024 二零一九年四月二十六日至 二零二四年四月二十五日	
Others 其他人士	—	11,500,000	—	11,500,000	—	26 April 2019 二零一九年四月二十六日	7.128 26 April 2019–25 April 2024 二零一九年四月二十六日至 二零二四年四月二十五日	

### 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 2019 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.

### 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，於截至二零一九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

### TRANSACTIONS WITH CONNECTED AND/OR RELATED PARTIES

On 15 April 2019, Global Harvset Inc (a wholly owned subsidiary of the Company) entered into an agreement with Mr. Jiang Jianhui (the controlling Shareholder), for the purchase of 100% of the total issued shares of Links Wonder Investment Holdings Limited ("Links Wonder"). The target group held a permit by the relevant government authority of Yunnan Province, the PRC, for industrial hemp processing for up to the production capacity of 50 tonnes of cannabidiol.

On 6 May 2019, Xingyu Keji (Shenzhen) Company Limited\* (興御科技(深圳)有限公司, a then indirect wholly-owned subsidiary of the Company) entered into an agreement with Mr. Jiang Jianhui (the controlling Shareholder), for the purchase of 60% of the total issued shares of Qiubei Woma Agricultural Development Co., Ltd. ("Qiubei Woma"). The target company has certain binding agreements with certain local farmers in the Yunnan Province, the PRC, for the planting of the industrial hemp. Pursuant to the planting agreements, the target company was to provide industrial hemp seeds, training and technical support for the said local farmers for planting and upon harvest, these local farmers were obliged to sell the industrial hemp to the target company at a pre-determined price.

As the abovementioned two transactions involved the same vendor and formed a series of transactions conducted within the past 12-month period, they were required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. Upon aggregation, as all of the applicable percentage ratios (as defined in the Listing Rules) were less than 5% and the total consideration was less than HK\$3,000,000, the transactions were thus fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements.

On 27 June 2019, the Group disposed of its interests in Links Wonder and Qiubei Woma to an independent third party. No material gain or loss was incurred for the Group in the acquisition and disposal of Links Wonder and Qiubei Woma.

### 與關聯方及／或關連方的交易

於二零一九年四月十五日，Global Harvset Inc(本公司一間全資附屬公司)與姜建輝先生(控股股東)就購買Links Wonder Investment Holdings Limited(「Links Wonder」)已發行股份總數之100%訂立協議。目標集團持有中國雲南省有關政府機構授出之工業大麻加工許可，最高產能為50噸大麻二酚。

於二零一九年五月六日，興御科技(深圳)有限公司(時為本公司之間接全資附屬公司)與姜建輝先生(控股股東)就購入丘北沃麻農業開發有限公司(「丘北沃麻」)已發行股份總數之60%訂立協議。目標公司已與中國雲南省若干當地農戶就種植工業大麻簽訂若干具約束力的協議。根據種植協議，目標公司將向上述當地農戶提供工業大麻籽、培訓及技術支援，而在收成後，該等當地農戶須按預先協定的價格向目標公司出售工業大麻。

由於上述兩項交易涉及同一賣方且構成於過去12個月期間內進行的一系列交易，該等交易須根據上市規則第14A.81條彙總計算。於彙總計算後，所有適用百分比(定義見上市規則)均少於5%，且總代價少於3,000,000港元，故該等交易全面豁免申報、年度審閱、公告、通函及獨立股東批准規定。

於二零一九年六月二十七日，本集團將Links Wonder及丘北沃麻的權益出售予獨立第三方。本集團收購及出售Links Wonder及丘北沃麻並無產生重大收益或虧損。

\* For identification purpose only

### TRANSACTIONS WITH CONNECTED AND/OR RELATED PARTIES (Continued)

As at 31 December 2019, shareholder loans amounted to approximately HK\$29.7 million were provided to the Group for its working capital. The shareholder loans were conducted on normal commercial terms or better, and were not secured by the assets of the Group.

Save for disclosed, the Company did not have any connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules for the year ended 31 December 2019.

More information about the transactions with related parties are set out in note 38 to the financial results. None of these related party transactions constitutes “connected transactions” or “continuing connected transactions” as defined under Chapter 14A of the Listing Rules and therefore there is no disclosure requirements in accordance with 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 2019, 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 Annual 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 2019. As at the date of this Annual Report, the Audit Committee comprises three members including Mr. Leung Tsz Wing (Chairman), Mr. Ip Mei Shun and Mr. Zhang Guozhi all being independent non-executive Directors.

### 與關聯方及／或關連方的交易 (續)

於二零一九年十二月三十一日，已向本集團提供股東貸款約29,700,000港元作為其營運資金。股東貸款按一般商業條款或更佳條款進行，且不以本集團資產作抵押。

除所披露者外，截至二零一九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。

有關關連方交易的更多資料，請參閱財務業績附註38。根據上市規則第14A章，該等關連人士交易均不構成「關連交易」或「持續關連交易」，因此，根據上市規則第14A章，並無披露規定。

### 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。於截至二零一九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，報告期後及直至本年報日期概無其他重大事項。

### 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二零一九年十二月三十一日止年度的綜合業績。於本年報日期，審核委員會由三名成員組成，包括梁子榮先生(主席)、葉美順先生及張國智先生，彼等均為獨立非執行董事。

# Report of the Directors

## 董事會報告

### CHANGE OF AUDITOR IN ANY OF THE PRECEDING THREE YEARS

On 14 December 2018, Ernst & Young (“EY”) has resigned as the auditor of the Company with effect from the same date, as the Company and EY could not reach a consensus on the audit fee for the year ending 31 December 2018. The Company appointed Zenith CPA Limited as the auditor of the Company with effect from 14 December 2018 to fill the casual vacancy following the resignation of EY.

### AUDITOR

The consolidated financial statements for the year ended 31 December 2019 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  
Bisuz Technology Group International Limited

Liu Wengang  
*Executive director*

Hong Kong, 8 May 2020

### 於過去三年核數師變動

於二零一八年十二月十四日，由於本公司與安永會計師事務所（「安永」）未能就截至二零一八年十二月三十一日止年度之審核費用達成共識，安永已辭任本公司核數師一職，自同日起生效。本公司已委任誠豐會計師事務所有限公司為本公司的核數師，自二零一八年十二月十四日起生效，以填補安永辭任後的臨時空缺。

### 核數師

誠豐會計師事務所有限公司已審核截至二零一九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應屆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應屆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  
劉文剛

香港，二零二零年五月八日

# 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 fifth “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

Due to the delay in resumption of the operation of the Automotive Engines Business in Chongqing, the performance regarding environmental protection, social responsibility and governance issue of automotive engines production base in Chongqing is excluded in the scope.

### 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(ii)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五份「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

由於重慶汽車發動機業務恢復運營的延遲，故重慶汽車發動機生產基地的環境保護、社會責任及管治問題方面的表現並不包括在該範圍內。

# 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 2019 to 31 December 2019.

### STAKEHOLDER ENGAGEMENT

The Group places high value on communication with stakeholders. To ensure the Group to operate in a sustainable manner, we engage our stakeholders regularly to understand the business impacts we bring to them and how they expect us to tackle our impacts. Our business activities involve a diverse range of stakeholders, including but not limited to shareholders, investors, clients, employees, contractors and suppliers. To understand their concerns, we employ a multi-channel approach to gather feedback and strive for continuous improvement. The information we gathered and analyzed was not only the summary of the environmental and social works carried out by the Group during 2019, 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

本報告為二零一九年一月一日至二零一九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。為確保本集團以可持續方式運營，我們定期與利益相關方進行接觸，以了解我們為彼等帶來的業務影響以及彼等期望我們如何應對我們的影響。我們的業務活動涉及各種各樣的利益相關方(包括但不限於股東、投資者、客戶、員工、承包商及供應商)。為了解彼等之擔憂，我們採用多渠道的方法來收集反饋並努力不斷改進。我們收集和分析的資料不僅是對本集團於二零一九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)

Shareholders and Investors 權益人	Clients 客戶	Employees 僱員	Sub-contractors and Suppliers 分包商及供應商
<b>Interests and concerns</b> <b>利益及關注</b>			
<ul style="list-style-type: none"> <li>— Financial results</li> <li>— 財務業績</li> <li>— Sustainability business development</li> <li>— 業務可持續發展</li> <li>— Environmental responsibility</li> <li>— 環境責任</li> <li>— Company transparency</li> <li>— 公司透明度</li> <li>— Return on investment</li> <li>— 投資回報率</li> <li>— Corporate strategy and governance</li> <li>— 企業戰略與治理</li> <li>— Risk management</li> <li>— 風險管理</li> </ul>	<ul style="list-style-type: none"> <li>— Sustainability performance</li> <li>— 可持續發展表現</li> <li>— Robust project management</li> <li>— 強大的項目管理</li> <li>— Full compliance with regulations</li> <li>— 完全符合法規</li> <li>— Quality product offerings</li> <li>— 優質的產品</li> <li>— Health and safety-Ethical marketing</li> <li>— 健康與安全道德營銷</li> </ul>	<ul style="list-style-type: none"> <li>— Career development</li> <li>— 職業發展</li> <li>— Health and safety</li> <li>— 健康與安全</li> <li>— Remuneration and benefits</li> <li>— 薪酬與福利</li> <li>— Sustainability development</li> <li>— 可持續發展</li> </ul>	<ul style="list-style-type: none"> <li>— Corporate contribution</li> <li>— 對企業的貢獻</li> <li>— Product quality</li> <li>— 產品質量</li> <li>— Environmental responsibility</li> <li>— 環境責任</li> <li>— Long-term partnership</li> <li>— 長期合作關係</li> <li>— Ethical business practices</li> <li>— 商業道德規範</li> <li>— Assessment criteria</li> <li>— 評估標準</li> </ul>
<b>Actions and initiatives undertaken</b> <b>採取的行動及措施</b>			
<ul style="list-style-type: none"> <li>— Organised the annual general meeting to engage with shareholders</li> <li>— 組織股東參與股東週年大會</li> <li>— Published annual report, interim report, Company announcements and circulars and other required disclosure in a timely manner</li> <li>— 刊發年度報告、中期報告、本公司公告與通函及其他需及時披露的資料</li> <li>— Conducted a review of the Group's risk management and internal control systems</li> <li>— 審核本集團的風險管理及內部監控系統</li> </ul>	<ul style="list-style-type: none"> <li>— Received customer feedback and continued to implement a systematic approach to ensure effective and preventive actions are taken for health, safety and product quality</li> <li>— 收到客戶反饋並繼續實施系統方法，以確保採取有效的預防措施用於健康、安全及產品質量</li> </ul>	<ul style="list-style-type: none"> <li>— Conducted a regular performance appraisals</li> <li>— 進行定期表現評核</li> <li>— Frequent meetings</li> <li>— 密切會議溝通</li> <li>— Training programs</li> <li>— 培訓計劃</li> </ul>	<ul style="list-style-type: none"> <li>— Closely Communicated with suppliers on safety and environmental requirements</li> <li>— 就安全及環境要求與供應商密切溝通</li> <li>— Order/contract execution</li> <li>— 訂單／合同執行</li> <li>— Conducted regular onsite and factory visits and meeting</li> <li>— 實行定期現場及工廠訪問並召開會議</li> </ul>

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CARING FOR ENVIRONMENT

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.

#### Emission

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:

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

##### Green Management

Environmental responsibility is an integral part of our construction operations. 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)

### 保護環境

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：

#### 香港土木工程及建造業務

##### 綠色管理

環境責任是我們建設運營不可或缺的一部分。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)

### CARING FOR ENVIRONMENT (Continued)

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

##### Green Management (Continued)

In addition, we are increasingly concentrating on the principles of sustainable construction and have established a strong track record in executing green building projects. Our environmental management system was accredited ISO 14001 certification. Under its rigorous framework, we take a systematic approach to managing our resources efficiency and emissions control in order to drive continuous improvement. We place particular significance on assessing our environmental data, such as energy and material use, carbon emissions, water consumption and waste production.

##### Water Consumption Management

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.

##### Noise Control Management

Noise is one of the material environmental aspects in the Group's construction work operation. During construction, the operation of machinery and equipment and the construction processes create noise, which may affect the people nearby. In managing the impact of construction noise on the surrounding environment, we strictly adhere to relevant laws and regulations as well as the Noise Control Ordinance and its established noise control guidelines for both subcontractors and our employees to reduce the noise generated from construction and controls the affecting areas of the noise.

### 保護環境(續)

#### 香港土木工程及建造業務(續)

##### 綠色管理(續)

此外，我們持續關注可持續施工原則，並在執行綠色建築項目方面建立良好記錄。我們的環境管理體系獲得了ISO 14001認證。在其嚴格的框架下，我們採取系統的方法管理我們的資源利用效率及排放控制以推動持續升級。我們尤為重視對我們環境數據(如能源和材料使用、碳排放、水消耗及廢物產生)的評估。

##### 水資源消耗管理

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。

##### 噪音控制管理

噪音是本集團建築工程業務營運中的重要環境層面之一。於施工期間，機器及設備的操作以及施工過程所產生的噪音，可能會影響附近的人士。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以及《噪音管制條例》及其為分包商及僱員制定的噪音管制指引，以減少施工產生的噪音及控制噪音影響範圍。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CARING FOR ENVIRONMENT (Continued)

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

##### Noise Control Management (Continued)

- Monitor noise intensity regularly and obtaining a valid Construction Noise Permit (CNP) ahead of the construction works especially for projects involving night-time works or percussive piling to ensure compliance with the Noise Control Ordinance.
- Well plan and improve construction processes to reduce unnecessary knocking and cutting works.
- 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.
- Inspect and maintain all equipment in order to comply with permitted noise level.

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, the possible environmental impacts of waste generated during the course of its operations such as site clearance, excavation works, construction and fitting out works. 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. To mitigate environmental impacts by adopting the right waste management strategy, prioritizing avoidance and minimisation of waste generation, reuse of materials, recovery and recycling. Waste treatment and disposal are only the last resort. Specific measures include:

### 保護環境(續)

#### 香港土木工程及建造業務(續)

##### 噪音控制管理(續)

- 定期監察噪音強度，並於建築工程開始前取得有效的建築噪音許可證(CNP)，尤其是對於涉及夜間施工或撞擊式打樁的項目，以確保符合《噪音管制條例》。
- 精心策劃並改進施工流程，以減少不必要的敲擊及切割工作。
- 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。
- 檢查並維修所有設備，以符合認許的噪音水平。

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，指在其運營過程中產生的廢物可能對環境造成的影響，如場地清理、挖掘工程、施工及裝修工程。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。通過採用正確的廢物管理策略、優先避免及儘量減少廢物產生、資料再利用、回收和再循環來減輕環境影響。廢物處理和處置僅為最後的辦法。具體措施包括：

### CARING FOR ENVIRONMENT (Continued)

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

##### Management of Construction Waste (Continued)

- Formulating proper work plans and site management practices to prevent over-ordering of materials and cross contamination of reusable and recyclable materials to minimized the waste;
- 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;
- Monitoring the performance of our subcontractors to ensure their compliance with our environmental requirements;
- Both the Group and subcontractors carry out classified collection and disposal of waste by segregating waste materials into inert, non-inert and chemical waste;
- Construction inert waste is disposed to public fill for reuse, while non-inert waste is reused and recycled by qualified waste collectors;
- The common user disposal containers will be for the disposal of controlled waste (i.e. non-hazardous industrial or special waste) and will be situated in both the construction and site establishment areas;
- Notice has been posted which clearly states which materials can or cannot be disposed of through the common user disposal skips; and
- Waste skips and other receptacles will be checked during the routine safety and environmental inspections.

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.

### 保護環境(續)

#### 香港土木工程及建造業務(續)

##### 管理建築廢料(續)

- 制定適當的工作計劃和現場管理措施，以防止材料的過度訂購以及可重複使用和可回收材料的交叉污染，最大限度地減少浪費；
- 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；
- 監控分包商的表現，確保其遵守環境要求；
- 本集團及分包商通過將廢料分類為惰性、非惰性及化學廢料進行廢料的分類收集及處置；
- 於公共堆填區處置建築惰性廢料，以便再用；而非惰性廢料則由合資格的廢料收集者重新利用及回收；
- 一般用途棄置容器，用作處理受控廢料(即無害工業或特殊廢料)，並將該容器放置建築及地盤建立區；
- 已刊登告示，清楚列明是否可予以棄置於一般用途廢料桶內的物料；及
- 於日常安全及環境視察／審核時檢查廢料桶及其他容器之棄置物。

截至本財政年度止年度，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

### CARING FOR ENVIRONMENT (Continued)

#### Energy Conservation

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.

#### Green Office Policy

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:



Air Conditioning  
冷氣

- Switch off air conditioning system when out in use;
- Strictly control the air condition temperature by maintaining temperature of air conditioners to the standard of 25.5 degrees in general conditions; and
- Install solar films on windows.



Lighting  
電燈

- Retrofit fluorescent lamps with LED lamps;
- Encourage the use of natural light whenever possible;
- Clean lighting tubes/bulbs periodically;
- Arrange lighting zoning to ensure that only required lighting is switched on; and
- Post the reminder slogan "Turn lights off when not in use".



Office Equipment  
辦公設備

- Electric appliances are required to turn-off when unattended, reduce the standby energy consumption of office equipment such as computer;
- Maintain equipment properly to reduce energy consumption; and
- Purchase office equipment with high energy efficiency labels.

#### 保護環境(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。為減少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。

#### 綠色辦公政策

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：

- 不用時關閉空調系統；
- 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；及
- 在窗戶上安裝太陽能膜。

- 用LED燈代替普通白熾燈泡；
- 鼓勵盡可能使用自然光；
- 定期清潔照明燈管/燈泡；
- 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。

- 無人時須關閉電器，減少電腦等辦公設備的待機耗能；
- 正確維護設備以減少能耗；及
- 購買具有高能效標籤的辦公設備。

### CARING FOR ENVIRONMENT (Continued)

#### Energy Conservation (Continued)

To raise the environmental awareness of our employees and drive behavioural change, employees are asked to make a pledge online about creating a greener workplace. Green office stickers and posters are used to remind them to develop greener office.

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 2% in total as compared with previous reporting period.

### 保護環境(續)

#### 資源利用(續)

為了提高員工的環保意識並推動行為改變，要求員工在網上做出有關創建綠色工作場所的承諾。使用綠色辦公室貼紙及海報提醒彼等發展綠色辦公。

香港總辦公室及工程業務總辦公室於溫室氣體排放(「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合共減少2%。



#### 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

### CARING FOR ENVIRONMENT (Continued)

#### Energy Conservation (Continued)

##### 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 increased compared with previous year as the management visit Chongqing for closely follow up with the resumption of the Automotive Business Customers and seek for exposure of new business opportunity in China and overseas.

### 保護環境(續)

#### 資源利用(續)

##### 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勤行程及人手調配，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。

於本報告年度，香港總辦事處溫室氣體排放(「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>與上年相比有所增加，乃由於管理層訪問重慶，密切跟踪汽車發動機業務客戶恢復情況並尋求中國和海外的新商機。

	2019 二零一九年	2018 二零一八年
Scope 3 GHG Emissions <sup>3</sup> (kg of CO <sub>2</sub> ) 範圍3溫室氣體排放 <sup>3</sup> (千克二氧化碳)	4,859	2,101

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.

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。

### CARING FOR ENVIRONMENT (Continued)

#### Resources Conservation

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:

### 保護環境(續)

#### 節約資源

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：

#### Resources Conservation

##### 節約資源

 <p>Paper 紙張</p>	<ul style="list-style-type: none"> <li>• Collect waste copy paper</li> <li>• Use internet fax</li> <li>• Reuse used envelopes for internal mailing</li> <li>• Prioritize electronic media over printed media</li> <li>• Encourage 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</li> <li>• Printer toner cartridges used by the Hong Kong Headquarter are regularly recycled by the suppliers</li> <li>• Use double-sided printing/photocopying</li> <li>• Default office printing as duplex in offices</li> <li>• Minimise spare provisions when printing</li> <li>• Use of recycle paper whenever possible</li> <li>• Set wider page margins so that more text would be filled in each page</li> <li>• Reuse paper printed on one side for manuscript paper or printing paper</li> <li>• Use e-mails as much as possible and reduce paper usage on fax</li> <li>• Use electronic supporting medium, such as tablet and projector</li> </ul>	<ul style="list-style-type: none"> <li>• 收集廢複印紙</li> <li>• 使用網絡傳真</li> <li>• 重複使用用過的信封進行內部郵寄</li> <li>• 優先使用電子工具置而非打印工具</li> <li>• 鼓勵最大限度地減少水、紙張及打印機等辦公資源的使用，並以電子方式存儲圖紙及產品資料，以便於資料搜索、管理和共享</li> <li>• 香港總部使用的打印機碳粉盒由供應商定期回收</li> <li>• 使用雙面打印/複印</li> <li>• 默認辦公室打印為辦公室雙面打印</li> <li>• 在打印時盡量減少備件</li> <li>• 盡可能使用再生紙</li> <li>• 設置更寬的頁邊距，以便在每頁中填充更多文本</li> <li>• 將一側打印過的紙重新用作原稿紙或打印紙</li> <li>• 盡可能使用電子郵件，減少傳真紙消耗</li> <li>• 使用電子支持媒體，例如平板電腦及投影儀</li> </ul>
 <p>Plastic 塑料</p>	<ul style="list-style-type: none"> <li>• Collect reusable plastic packaging material</li> <li>• Encourage suppliers to recollect the packaging material reusable tableware</li> <li>• Provide sufficient</li> <li>• Promote "bottle-water free" culture</li> </ul>	<ul style="list-style-type: none"> <li>• 收集可重複使用的塑料包裝材料</li> <li>• 鼓勵供應商回收包裝材料可重複使用的餐具</li> <li>• 供應充足</li> <li>• 提倡「無瓶裝水」文化</li> </ul>
 <p>WEEE<sup>1</sup> 廢電器電子產品<sup>1</sup></p>	<ul style="list-style-type: none"> <li>• Purchase multi-function devices, such as printing, scanning, photocopy and fax</li> <li>• Donate or dispose of WEEE through proper schemes</li> <li>• Assign designated areas for WEEE collection</li> </ul>	<ul style="list-style-type: none"> <li>• 購買多功能設備，如打印、掃描、影印及傳真機</li> <li>• 通過適當的計劃捐贈或處置WEEE</li> <li>• 分配指定的WEEE收集區域</li> </ul>
 <p>Water 水資源</p>	<ul style="list-style-type: none"> <li>• Ensure no leaky taps in the office</li> <li>• Adopt water taps with automatic sensors</li> <li>• Install toilet with dual flush cistern systems</li> <li>• Constantly reminds employees to conserve water by putting up water conservation labels in washrooms, and rest areas such as "Please turn off the tap after washing hands" and "It is everybody's responsibility to save water."</li> <li>• Carry out regular leakage test on piping and check for overflowing tanks, worn tap washers and other defects of the system</li> </ul>	<ul style="list-style-type: none"> <li>• 確保辦公室沒有漏水的水龍頭</li> <li>• 採用帶有自動傳感器的水龍頭</li> <li>• 安裝帶有雙沖水箱系統的馬桶</li> <li>• 通過在洗手間和其他區域張貼節水標籤，如「洗手後請關閉水龍頭」和「節水是每個人的責任」的方式不斷提醒員工節水</li> <li>• 定期對管道進行洩漏測試，並檢查水箱是否溢出水龍頭是否磨損及系統其他缺陷</li> </ul>
 <p>Miscellaneous 其他</p>	<ul style="list-style-type: none"> <li>• Make surplus materials/equipment available to other departments before disposal</li> <li>• Centrally monitor common consumable items to avoid duplication in purchase</li> <li>• Use web-conferencing to avoid travel</li> </ul>	<ul style="list-style-type: none"> <li>• 處置前將多餘的材料/設備提供給其他部門</li> <li>• 集中監控普通耗材，避免重複購買</li> <li>• 使用網絡會議避免差旅</li> </ul>

During the current reporting year, the paper consumption of Hong Kong headquarter office and Construction business headquarter office are 75 kg and 1,138 kg respectively which decreased by 26% in total as compared with previous reporting period.

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75千克及1,138千克，較上一個報告期間減少26%。

# Environmental, Social and Governance Report

## 環境·社會及管治報告

### CARING FOR PEOPLE

#### Employment and labour practices

Our team of 452 employees (31 December 2018: 611) 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452名(二零一八年十二月三十一日: 611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。

### CARING FOR PEOPLE (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

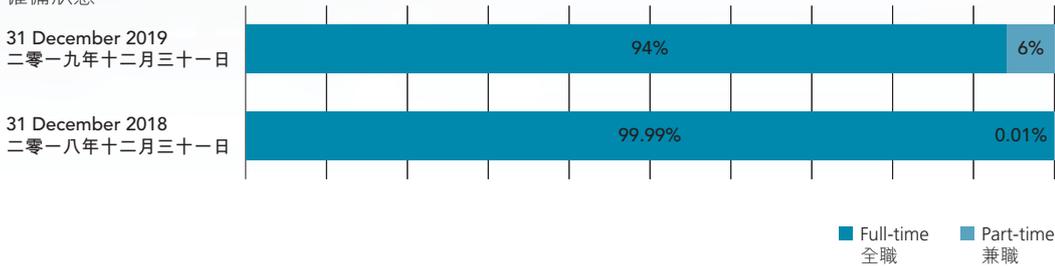
## 環境·社會及管治報告

### CARING FOR PEOPLE (Continued)

#### Employment and labour practices (Continued)

As at 31 December 2019, the Group had 452 employees (31 December 2018: 611), with details as follows:

#### Employment status 僱傭狀態

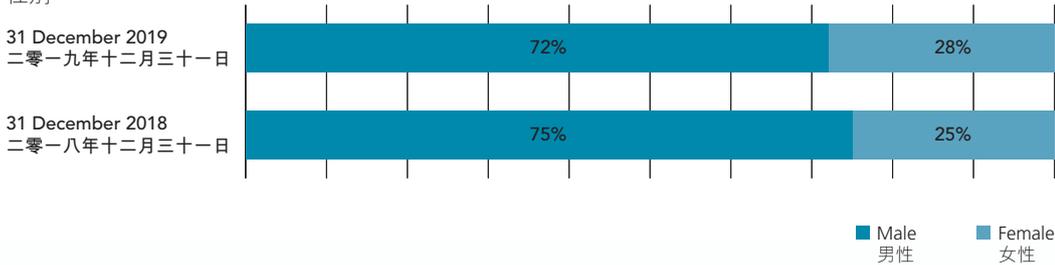


### 社會責任(續)

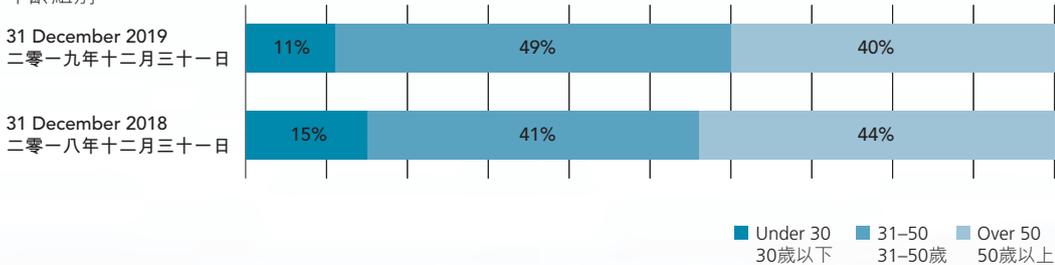
#### 僱傭及勞工常規(續)

於二零一九年十二月三十一日，本集團有452名(二零一八年十二月三十一日：611名)僱員，詳情如下：

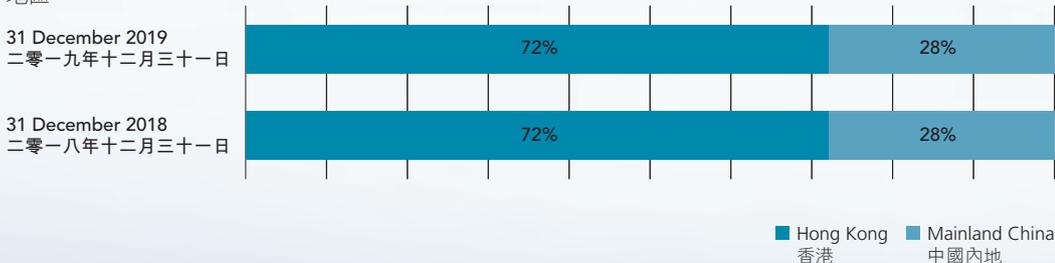
#### Gender 性別



#### Age Group 年齡組別



#### Region 地區



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CARING FOR PEOPLE (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. The Nomination Committee acknowledged that there was an imbalance between the male and female Directors. Consideration of such fact would be taken into account for selection and appointment of future candidates.

As at 31 December 2019 and 2018, details of our Board as follows:

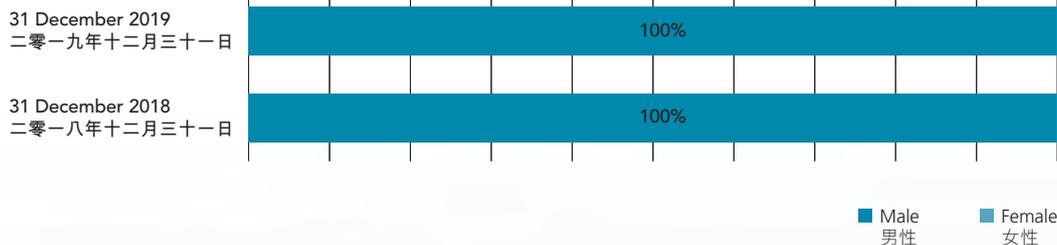
### 社會責任(續)

#### 僱傭及勞工常規(續)

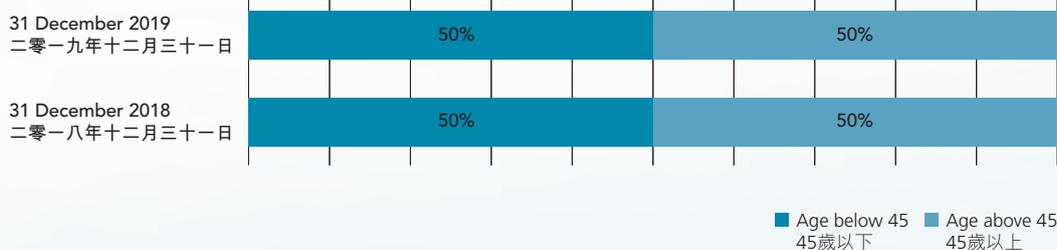
除僱員層面外，我們亦相信董事會成員多元化對加強本集團的可持續發展起著重要作用。成立提名委員會不僅是為遵守聯交所相關守則條文的條款，亦是為不時檢討董事會的架構、人數、組成及多元化。在設定董事會成員的最佳組合時，會參考本集團業務模式和特定需求，從一系列多元化範疇進行考慮，包括但不限於性別、年齡、文化、種族、教育背景、專業經驗、知識及技能。提名委員會明白，男女董事之間存在失衡。於選擇及任命未來候選人時將考慮該事實。

於二零一九年及二零一八年十二月三十一日，董事會的詳情如下：

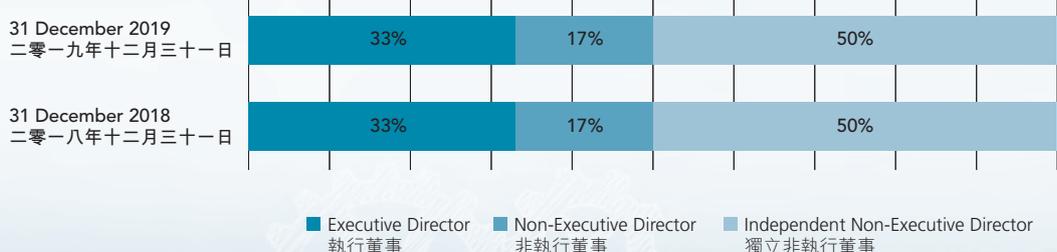
#### Gender 性別



#### Age 年齡



#### Designation 職位



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CARING FOR PEOPLE (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.

In respect of construction business operation, we have been formulating effective plans and initiatives to cultivate a safety culture within the Group.

The table below shows our approach and initiatives:

### 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。

在建築業務運營方面，我們一直在製定有效的計劃及措施，以在本集團內部培養安全文化。

下表列示我們的方法及措施：



**Enhance workplace safety**  
提高工作場所安全性

- ✓ **Survey by behaviour-based safety working group**  
基於行為安全工作組進行的調查
- ✓ **Independent site inspections**  
獨立現場檢查
- ✓ **Reinforce noise monitoring and control**  
加強噪音監控



**Strengthen safety training**  
加強安全培訓

- ✓ **Health, Safety & Environment management training course for sub-contractors in-charge**  
健康、安全與環境管理負責分包商培訓課程
- ✓ **Sharing of good site practices**  
分享良好的現場實踐



**Promote a safety culture**  
提倡安全文化

- ✓ **Onsite dissemination of safety messages by senior management**  
高級管理層現場發佈安全資訊
- ✓ **The Health, Safety and Environment (HSE) Target Seminar**  
健康、安全與環境(HSE)目標研討會

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.

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。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。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CARING FOR PEOPLE (Continued)

#### Health and safety (Continued)

Prior to construction project commencement:

- Risk assessment is conducted on each project and subcontractor 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

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

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.

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.

### 社會責任(續)

#### 健康與安全(續)

於建築項目開始之前：

- 我們於首先對各項目及分包商進行風險評估，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

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

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。

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。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CARING FOR PEOPLE (Continued)

#### Health and safety (Continued)

In both the current and prior reporting year, the Group achieved the goal of zero fatalities.

#### Safety performance

Civil Engineering and Construction Business in Hong Kong	香港土木工程及建造業務
Fatalities	死亡宗數
Number of lost time injuries	損失工時工傷宗數
Lost time injuries frequency rate	誤工傷工率

### 社會責任(續)

#### 健康與安全(續)

於本報告年度及上一報告年度，本集團實現零死亡目標。

#### 安全表現

Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度
0	0
5	7
2.5	3.4

#### 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.

The Group devotes resources to employees' development as we believe that enhancing their knowledge and skills adds value to our business operations. Training programmes are organized for all employees by the human resources department and the operating officer. Besides internal training, the Group provides subsidies and special leave to employees applying for Graduate Training Scheme and other Continuing Professional Development courses. In addition, we strongly support the nurturing of young talents who are determined to develop their careers in the construction and engineering industry.

#### 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。

本集團致力投放資源於僱員的發展，因為我們相信提高彼等的知識及技能將為我們的業務營運增值。人力資源部及營運主任為所有僱員舉辦培訓計劃。除內部培訓外，本集團為申請研究生訓練計劃及其他持續專業發展課程的僱員提供津貼及特別假期。此外，我們大力支持栽培有志於建築工程行業發展的青年人才。

### CARING FOR PEOPLE (Continued)

#### 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.

#### 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 2019 and 2018, there were zero reported cases of discrimination and unethical labor practices.

### 社會責任(續)

#### 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。

#### 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。當發現有不合該程序的情況，定必立即展開調查。

於二零一九年及二零一八年兩個年度，並無接獲有關歧視及不道德勞工行為的報告。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CARING FOR PEOPLE (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; and (ii) 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.

#### 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.

### 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；及(ii)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。

#### 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。

### CARING FOR PEOPLE (Continued)

#### Supply chain management (Continued)

##### 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 2019, 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.

#### 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.

### 社會責任(續)

#### 供應鏈管理(續)

##### 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。於二零一九年全年，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。

#### 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。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### CARING FOR PEOPLE (Continued)

#### 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 2019 and 2018.

#### Community

##### Community investment

We understands 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.

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)

##### 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。於二零一九年及二零一八年兩個年度，憑藉實施清晰的政策，本集團並無有關賄賂或貪污案件。

##### 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，大力推動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 114 to 235, which comprise the consolidated statement of financial position as at 31 December 2019, 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 2019, 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114至235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二零一九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 貴集團於二零一九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 net financial statements, which indicates that the Group incurred a net loss of HK\$906,245,000 for the year ended 31 December 2019, and as of that date, had net current liabilities of HK\$980,762,000 and net liabilities of HK\$974,755,000. These 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.

### 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

我們茲提述綜合淨財務報表附註2，當中列明貴集團於截至二零一九年十二月三十一日止年度錄得虧損淨額906,245,000港元，且於該日擁有流動負債淨額980,762,000港元及負債淨額974,755,000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。

### 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.

### 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。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

#### Key audit matter

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

##### *Impairment assessment of goodwill and intangible assets*

As at 31 December 2019, the carrying amounts of the Group's goodwill and intangible assets amounted to HK\$16,557,000 and nil, 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 goodwill and intangible assets with reference to the recoverable amount of the Automotive Engines CGU.

A provision for impairment of goodwill and intangible assets of HK\$275,821,000 and HK\$88,042,000 respectively, in respect of the Group's Automotive Engines CGU was made for the year ended 31 December 2019.

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 the Group's cash flow projections based on the financial budgets covering a five-year period approved by management. The projection is largely based on management's expectations and estimates of future results of sale of automotive engines.

Disclosures in relation to goodwill and intangible assets are included in notes 4, 16 and 17 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 projections;
- 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.

### 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

##### 商譽及無形資產減值評估

於二零一九年十二月三十一日，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」)擁有商譽及無形資產賬面值分別為16,557,000港元及零港元。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商譽及無形資產是否出現減值跡象。

截至二零一九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275,821,000港元及88,042,000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對貴集團現金流量預測。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。

有關商譽及無形資產的披露資料載於綜合財務報表附註4、16及17。

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。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

#### Key audit matter

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

##### *Recoverability of accounts and bills receivables*

As at 31 December 2019, accounts and bills receivables amounted to HK\$207,206,000, representing 47% of the Group's total assets as at 31 December 2019. The loss allowance charged to the profit and loss account for the year was HK\$349,156,000, and cumulative loss allowance of accounts and bills receivables carried as at 31 December 2019 was HK\$491,000,000. 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 in 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.

We focused on the impairment assessment of accounts and bills receivables as a key audit matter because (i) the material amounts involved, and (ii) the significant judgement and assumptions involved in the determination of loss allowance under the expected credit losses model.

Disclosures in relation to accounts and bills receivables are included in notes 4 and 20 to the consolidated financial statements.

Our procedures in relation to management's judgements used in the recoverability of accounts and bills receivables included:

- Understanding and evaluating the operating effectiveness of key internal controls which govern credit control, debt collection and estimate of expected credit losses;
- Testing on a sample basis the ageing of accounts and bills receivables as at year end;
- 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 in principal payments, and assessing the probability that the customers will enter bankruptcy with reference to available information;
- Evaluating the level of provision made by management for accounts and bills receivables using forward-looking and historical information; and
- 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.

### 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

於二零一九年十二月三十一日，應收賬款及應收票據為207,206,000港元，佔本集團於二零一九年十二月三十一日資產總額的47%。計入本年度損益賬的虧損撥備為349,156,000港元，而於二零一九年十二月三十一日的應收賬款及應收票據之累計虧損撥備為491,000,000港元。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、本金拖欠經驗、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。

我們將應收賬款及應收票據的減值評估作為關鍵審計事項，由於(i)涉及重大金額，及(ii)涉及根據預期信貸虧損模型釐定虧損撥備的重大判斷及假設。

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20。

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。

# Independent Auditor's Report

## 獨立核數師報告

### 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.

### 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。

### 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。

# Independent Auditor's Report

## 獨立核數師報告

### 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。

### 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  
8 May 2020

### 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  
二零二零年五月八日

# 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 2019

截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>REVENUE</b>	<b>收入</b>	6	<b>459,109</b>	743,414
Cost of sales	銷售成本		(511,665)	(731,632)
Gross (loss)/profit	毛(虧)/利		(52,556)	11,782
Other income and gains, net	其他收入及收益淨額	6	4,985	86,357
Administrative expenses	行政開支		(428,153)	(180,834)
Research and development costs	研發成本		(842)	(6,163)
Finance costs	財務費用	7	(82,065)	(75,107)
Impairment of goodwill	商譽減值	16	(275,821)	(174,933)
Impairment of intangible assets	無形資產減值	17	(88,042)	(430,928)
<b>LOSS BEFORE TAX</b>	<b>除稅前虧損</b>	8	<b>(922,494)</b>	(769,826)
Income tax credit	所得稅抵免	11	16,249	66,059
<b>LOSS FOR THE YEAR</b>	<b>年內虧損</b>		<b>(906,245)</b>	(703,767)
<b>OTHER COMPREHENSIVE LOSS</b>	<b>其他全面虧損</b>			
Other comprehensive loss 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：			
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		(5,094)	(56,699)
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>全面虧損總額</b>		<b>(911,339)</b>	(760,466)

# 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 2019  
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss attributable to:	以下人士應佔虧損：			
Owners of the parent	母公司擁有人		(905,423)	(703,767)
Non-controlling interests	非控股權益		(822)	—
			(906,245)	(703,767)
Total comprehensive loss attributable to:	以下人士應佔全面虧損總額：			
Owners of the parent	母公司擁有人		(910,517)	(760,466)
Non-controlling interests	非控股權益		(822)	—
			(911,339)	(760,466)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔每股虧損	13		
Basic (HK cents)	基本(港仙)		(452.7)	(351.9)
Diluted (HK cents)	攤薄(港仙)		(452.7)	(351.9)

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2019

於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	32,120	38,592
Right-of-use assets	使用權資產	15(a)	3,252	—
Goodwill	商譽	16	16,557	297,552
Intangible assets	無形資產	17	—	88,618
Accounts and bills receivables	應收賬款及應收票據	20	—	256,395
<b>Total non-current assets</b>	<b>非流動資產總值</b>		<b>51,929</b>	<b>681,157</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	9,895	106,804
Contract assets	合約資產	19	60,623	197,521
Accounts and bills receivables	應收賬款及應收票據	20	207,206	260,859
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	21	44,665	34,078
Cash and cash equivalents	現金及現金等值物	22	64,777	26,971
<b>Total current assets</b>	<b>流動資產總值</b>		<b>387,166</b>	<b>626,233</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Accounts payable	應付賬款	23	313,300	340,760
Tax payable	應付稅項		92	2,776
Other payables and accruals	其他應付款及預提費用	24	55,686	87,728
Interest-bearing bank and other borrowings	計息銀行及其他借款	25	57,980	64,255
Lease liabilities	租賃負債	15(b)	552	—
Convertible bonds	可換股債券	26	386,333	—
Promissory notes	承兌票據	27	553,985	—
<b>Total current liabilities</b>	<b>流動負債總值</b>		<b>1,367,928</b>	<b>495,519</b>
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>	<b>流動(負債)/資產淨值</b>		<b>(980,762)</b>	<b>130,714</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>(928,833)</b>	<b>811,871</b>

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2019  
於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 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	24	29,752	7,944
Interest-bearing other borrowings	計息借款	25	—	6,000
Lease liabilities	租賃負債	15(b)	2,820	—
Convertible bonds	可換股債券	26	—	352,411
Promissory notes	承兌票據	27	—	512,387
Deferred tax liabilities	遞延稅項負債	28	13,350	26,088
<b>Total non-current liabilities</b>	<b>非流動負債總值</b>		<b>45,922</b>	<b>904,830</b>
<b>Net liabilities</b>	<b>負債淨值</b>		<b>(974,755)</b>	<b>(92,959)</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	29	2,000	2,000
Equity component of convertible bonds	可換股債券之權益部分	26	375,576	375,576
Reserves	儲備	31	(1,352,331)	(470,535)
<b>Deficiency in assets</b>	<b>資產虧絀</b>		<b>(974,755)</b>	<b>(92,959)</b>

Liu Wengang  
劉文剛  
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 2019

截至二零一九年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Share capital	Share premium	Statutory surplus reserve	Exchange fluctuation reserve	Equity component of convertible bonds	Share option reserve	(Accumulated loss)/retained profits	Subtotal	Non-controlling interest	(Deficiency in assets)/total equity
		股本	股份溢價	公積金	外匯波動儲備	可換股債券之權益部分	購股權儲備	／保留溢利	小計	非控股權益	／總權益
		HK\$'000	HK\$'000	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	千港元	千港元
				(note 31(a)) (附註31(a))			(note 31(b)) (附註31(b))				
At 1 January 2018	於二零一八年一月一日	2,000	45,486	34,863	34,634	390,716	—	174,948	682,647	—	682,647
Loss for the year	本年度虧損	—	—	—	—	—	—	(703,767)	(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)	—	(56,699)
Total comprehensive income for the year	本年度全面收入總額	—	—	—	(56,699)	—	—	(703,767)	(760,466)	—	(760,466)
Extinguishment of convertible bonds	消除可換股債券	—	—	—	—	(15,140)	—	—	(15,140)	—	(15,140)
Transfer to retained profits*	轉移至保留溢利*	—	—	(34,863)	—	—	—	34,863	—	—	—
Transfer from retained profits	轉移自保留溢利	—	—	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)	—	(92,959)
At 1 January 2019	於二零一九年一月一日	2,000	45,486	1,085	(22,065)	375,576	—	(495,041)	(92,959)	—	(92,959)
Loss for the year	年內虧損	—	—	—	—	—	—	(905,423)	(905,423)	(822)	(906,245)
Other comprehensive income for the year:	年內其他全面收入：										
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	—	—	—	(5,094)	—	—	—	(5,094)	—	(5,094)
Total comprehensive income for the year	本年度全面收入總額	—	—	—	(5,094)	—	—	—	(910,517)	(822)	(911,339)
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	—	—	—	—	8,375	8,375
Injection of capital by non-controlling shareholders of subsidiaries	附屬公司非控股股東注資	—	—	—	—	—	—	—	—	4,545	4,545
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	—	(12,098)	(12,098)
Equity-settled share option arrangements	以股權結自之購股權安排	—	—	—	—	—	28,721	—	28,721	—	28,721
Transfer of share option reserve upon the cancellation of share options	取消購股權後轉讓購股權儲備	—	—	—	—	—	(28,721)	28,721	—	—	—
At 31 December 2019	於二零一九年十二月三十一日	2,000	45,486	1,085	(27,159)	375,576	—	(1,371,743)*	(974,755)	—	(974,755)

\* These reserve accounts comprise the consolidated negative reserve of HK\$1,352,331,000 (2018: HK\$470,535,000) 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1,352,331,000港元(二零一八年：正470,535,000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 2019  
截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營業務產生的現金流量</b>		
Loss before tax	除稅前虧損	(922,494)	(769,826)
Adjustments for:	就下列項目作出調整：		
Finance costs	財務費用	82,065	75,107
Interest income	利息收入	(5)	(7)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,223	6,398
Depreciation of right-of-use assets	使用權資產折舊	3,161	—
Amortisation of intangible assets	無形資產攤銷	1,236	26,371
(Gain)/loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的(收益)/虧損	(92)	209
Gain on disposal of subsidiaries	出售附屬公司之收益	(1,682)	—
Gain on extinguishment of convertible bonds	消除可換股債券的收益	—	(80,757)
Impairment of goodwill	商譽減值	275,821	174,933
Impairment of intangible assets	無形資產減值	88,042	430,928
Impairment of accounts and bill receivables	賬款及應收票據減值	349,156	125,130
Reversal of impairment of contract assets	合約資產減值撥回	(312)	(232)
Provision for inventories	存貨撥備	33,140	3,963
Equity-settled shared option expense	以權益結算的購股權開支	28,721	—
		(57,020)	(7,783)
Decrease/(increase) in inventories	存貨減少/(增加)	63,755	(47,991)
Decrease/(Increase) in contract assets	合約資產減少/(增加)	137,210	(131,404)
(Increase)/decrease in accounts and bills receivables	應收賬款及應收票據(增加)/減少	(39,108)	531,426
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款增加	(3,376)	(14,976)
Decrease in accounts payable	應付賬款減少	(27,460)	(328,917)
Decrease in other payables and accruals	其他應付款及預提費用減少	(25,633)	(25,670)
Cash generated from/(used in) operations	經營所得/(所用)的現金	48,368	(25,315)
Interest received	已收利息	5	7
Interest paid	已付利息	(6,545)	(6,275)
PRC corporate income tax refunded/(paid)	退還/(已付)中國企業所得稅	827	(12,697)
Hong Kong profits tax paid	已付回香港利得稅	—	(12)
Net cash flows from/(used in) operating activities	經營業務所得/(所用)的現金流量淨額	42,655	(44,292)

# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2019

截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資業務產生的現金流量</b>		
Additions of items of property, plant and equipment	添置物業、廠房及設備項目	(15,928)	(2,491)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	108	5
Acquisition of subsidiaries	收購附屬公司	596	—
Disposal of subsidiaries	出售附屬公司	(1,055)	—
Net cash flows used in investing activities	投資業務使用的現金流量淨額	(16,279)	(2,486)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資業務產生的現金流量</b>		
New interest-bearing bank and other borrowings	新增計息銀行及其他借款	600	22,490
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款	(7,610)	(3,933)
Principal portion of lease payment	租賃付款本金部分	(3,025)	—
Non-controlling interests arising from additional capital injection	額外注資產生的非控股權益	4,545	—
Advances from a shareholder	股東墊款	22,209	—
Net cash flows from financing activities	融資活動產生的現金流量淨額	16,719	18,557
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值物增加／(減少)淨額</b>	<b>43,095</b>	<b>(28,221)</b>
Cash and cash equivalents at beginning of year	年初的現金及現金等值物	21,706	68,623
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	(24)	(18,696)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末的現金及現金等值物</b>	<b>64,777</b>	<b>21,706</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS</b>	<b>現金流量表所列之現金及現金等值物結餘分析</b>		
Cash and bank balances	現金及銀行結餘	64,777	26,971
Bank overdrafts	銀行透支	—	(5,265)
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列之現金及現金等值物	64,777	21,706

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 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 year, the Group was principally engaged in the following principal activities:

- Development, production and sale of the automotive engines (the “Automotive Engines Business”); and
- 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。

於本報告年度，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」)；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」)。

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 2019

二零一九年十二月三十一日

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

#### Information about subsidiaries

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

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

The table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year 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.

### 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 主要業務	Percentage of equity attributable to the Company 本公司應佔 權益百分比	
	Direct 直接	Indirect 間接
Development, production and sale of automotive engines 開發、生產及 銷售汽車發動機	—	100
Civil engineering works and building construction and maintenance works 土木工程以及樓宇 建造及保養業務	—	100
Leasing of equipment for construction works 租賃工程設備	—	100

\* 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。

表格列出董事認為主要影響本年度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。

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 2. BASIS OF PRESENTATION

Despite the Group incurred a net loss of HK\$906,245,000 for the year ended 31 December 2019 and had net current liabilities and net liabilities of HK\$980,762,000 and HK\$974,755,000, respectively as at 31 December 2019, and the expected impact from the coronavirus disease 2019 (“COVID-19”) pandemic, which has also resulted in the temporary closure of its automotive business operation in the PRC. 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) On 8 November 2019, the Company and Power Expert Global Limited (“Power Expert”), the then holder of the convertible bonds and promissory notes, entered into an amendment agreement, pursuant to which (a) the maturity date of the convertible bonds shall be extended for 5 years to 4 February 2025; and (b) the term of the promissory notes will be changed to perpetual and the interest rate will be fixed at 5% per annum with effect from 5 February 2020, details of which are set out in notes 26 and 27 to the financial statement;
- (ii) subsequent to the end of reporting period, a major shareholder of the Company has agreed to provide additional funding by a shareholder’s loan of not less than HK\$58,600,000 from 1 January 2019 to 31 March 2021 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. As of the reporting date, such shareholder loan amounted to HK\$8,750,000 was drawn down by the Group after 1 January 2020;

### 2. 編制基準

儘管本集團於截至二零一九年十二月三十一日止年度產生虧損淨額906,245,000港元，及本集團於二零一九年十二月三十一日擁有流動負債淨額及負債淨值分別為980,762,000港元及974,755,000港元，及二零一九年冠狀病毒病(「COVID-19」)大流行的預期影響，這也導致其在中國的汽車業務營運暫停。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) 於二零一九年十一月八日，本公司與巧能環球有限公司(「巧能環球」)(時為可換股債券及承兌票據之持有方)訂立修訂協議，據此，(a)可換股債券的到期日應延長5年至二零二五年二月四日；及(b)本承兌票據的期限將改為永久性，利率將固定為每年5%，自二零二零年二月五日起生效，其詳情載於本財務報表附註附註26及27；
- (ii) 於報告期末後，本公司一名主要股東已同意其自二零一九年一月一日起至二零二一年三月三十一日，通過適時提供不少於58,600,000港元的股東貸款以向本集團提供額外資金支持，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。截至本報告日期，於二零二零年一月一日後，本集團已提取該股東貸款8,750,000港元；

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 2. BASIS OF PRESENTATION (Continued)

- (iii) subsequent to the end of reporting period, Power Expert and its shareholder, Mr. Liu Chang, has agreed to provide undertaking and continuous financial support by loans with market interest rate to the Group as and when required prior to 31 March 2021. Despite the fact that Power Expert ceased to be holder of convertible bonds and promissory notes on 3 February 2020, Power Expert still confirm to provide such financial support to the Group;
- (iv) the restructuring of the customers of the Automotive Engine Business and their negotiation with local government and their shareholders are still ongoing. The process started from 2018 and the whole supply chain, includes the suppliers of the Automotive Engines Business, understand the time needed for the completion of the restructuring would be long and no radical actions were taken previously. It is not expected that they will take such actions against the Group's subsidiary engaging in the Automotive Engines Business unless the restructuring exercise is proved to be a failure, which is not expected to happen in the next 12 months after the end of reporting period, for the details of the progress of the restructuring, details of which are set out in note 16 to the financial statement; and
- (v) various cost control measures have been taken by the Group to tighten the costs of operations and various general and administrative expense.

The directors of the Company believe that, taking into account the above factors, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the end of the reporting period. However, should the above financing or support be unavailable, the Group may be unable to continue as a going concern, in which case adjustments might have to be made to the carrying amounts of the Group's assets to state them at their recoverable amounts, and to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

### 2. 編制基準(續)

- (iii) 於報告期末後，巧能環球及其股東劉昌先生同意於二零二一年三月三十一日之前根據需要通過市場利率貸款提供財務支援予本集團。儘管巧能環球於二零二零年二月三日不再持有可換股債券及承兌票據，但巧能環球仍確認提供財務支援予本集團；
- (iv) 汽車發動機業務客戶重組及與地方政府及其股東的談判仍在進行。該流程始於二零一八年，整個供應鏈(包括汽車發動機業務供應商)知悉完成重組所需時間尚久，且先前沒有採取任何激進行動。預期彼等將不會對本集團從事汽車發動機業務之附屬公司採取此類行動，除非重組工作證實失敗(預期重組工作於報告期結束後的未來12個月內不會發生)，重組進展之詳情載於本財務報表附註16；及
- (v) 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。

本公司董事認為，考慮到上述因素，本集團自報告期末起至少未來12個月將擁有足夠的營運資金以滿足其目前需求。然而，倘上述融資或支持不可用，則本集團可能無法持續經營，在這種情況下，可能需要對本集團資產的賬面值進行調整，以按其可收回金額列示該等資產，及為可能產生的任何進一步負債提供準備金，並將其非流動資產及非流動負債分別重分類為流動資產及流動負債。該等調整的影響並未反映於本綜合財務報表中。

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 3.1 BASIS OF PREPARATION

These financial statements 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 (“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 (collectively referred to as the “Group”) for the year ended 31 December 2019. 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

該等財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、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(統稱「本集團」)截至二零一九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(即賦予本集團當前指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 2019

二零一九年十二月三十一日

### 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)所收代價之公允價值、(ii)所保留任何投資之公允價值及(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 2019

二零一九年十二月三十一日

### 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 9	<i>Payments Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

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

- (a) 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 account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

### 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9號(修訂本)	具有負補償的提前還款特性
香港財務報告準則第16號	租賃
香港會計準則第19號(修訂本)	計劃修訂、縮減或支付
香港會計準則第28號(修訂本)	聯營公司及合營企業的長期權益
香港(國際財務報告詮釋委員會) — 詮釋第23號	所得稅處理方法的不確定性
二零一五年至二零一七年期間的年度改進	對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號的修訂

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。

- (a) 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，並要求承租在單一資產負債表內模型下對所有租賃進行會計處理，以確認並計量使用權資產及租賃負債，惟若干確認豁免除外。根據香港財務報告準則第16號的出租人會計處理與香港會計準則第17號基本保持不變。出租人繼續使用與香港會計準則第17號類似的原則將租賃分類為經營租賃或融資租賃。

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

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

#### (a) (Continued)

HKFRS 16 did not have any significant impact on leases when the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

#### New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

### 3.2 會計政策的變動及披露(續)

#### (a) (續)

當本集團作為承租人時，香港財務報告準則第16號對出租人並無重大影響。

本集團於二零一九年一月一日首次採納日期採用修訂追溯法採用香港財務報告準則第16號。根據該方法，該準則已獲追溯應用，而首次採納的累計影響作為對保留利潤於二零一九年一月一日期初結餘的調整。二零一八年的比較資料並無獲重列，並將繼續根據香港會計準則第17號及相關詮釋呈報。

#### 租賃的新定義

根據香港財務報告準則第16號，若合約表明在一段時間內為換取代價而擁有控制一項已識別資產的使用權，則該合約為租賃或包含租賃。倘客戶有權從使用已識別資產中獲取絕大部分經濟利益及有權主導已識別資產的使用，則表示擁有控制權。本集團選擇使用過渡可行權宜方法，僅在首次應用日期對先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號識別為租賃的合約應用該準則。根據香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號並無識別為租賃的合約不予重估。因此，香港財務報告準則第16號項下租賃的定義僅適用於在二零一九年一月一日或之後訂立或變更的合約。

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

#### (a) (Continued)

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for leasehold land and building. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

#### Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in lease liabilities. The right-of-use assets were 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 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

### 3.2 會計政策的變動及披露(續)

#### (a) (續)

作為承租人 — 先前分類為經營租賃的租賃

採納香港財務報告準則第16號的影響性質

本集團擁有各種租賃土地及樓宇租賃合約。作為承租人，本集團先前按該租賃是否評估為已將其資產所有權的絕大部分回報和風險轉予本集團，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團就所有租賃應用單一的方法確認和計量使用權資產和租賃負債，惟就低價值資產租賃(按個別租賃基準選擇)租賃期為12個月或以下的租賃(「短期租賃」)(按相關資產類別選擇)的兩種選擇性豁免除外。自二零一九年一月一日開始的租期內，本集團沒有按直線法確認經營租賃的租金支出，惟確認未使用租賃的使用權資產及應計利息折舊(及減值(如有))負債(作為融資成本)。

#### 過渡的影響

於二零一九年一月一日的租賃負債按剩餘租賃付款的現值確認，並使用於二零一九年一月一日的增量借款利率貼現並計入租賃負債。使用權資產按租賃負債的金額計量，並以任何緊接二零一九年一月一日前在財務狀況表確認的租賃有關的預付或應計租賃付款的金額予以調整。

所有此等資產均於該日期按香港會計準則第36號作減值評估。本集團選擇在財務狀況表內獨立呈列使用權資產。

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## 財務報表附註

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

#### (a) (Continued)

As a lessee — Leases previously classified as operating leases (Continued)

Impact on transition (Continued)

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Using a single discount rate to portfolio of leases with reasonably similar characteristics
- Excluding the initial direct costs from the measurement of the right-of-use asset at date of initial application

#### Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

### 3.2 會計政策的變動及披露(續)

#### (a) (續)

作為承租人 — 先前分類為經營租賃的租賃(續)

過渡的影響(續)

於二零一九年一月一日應用香港財務報告準則第16號時，本集團使用以下選擇性可行權宜方法：

- 對租期於初始應用日期起計十二個月內結束的租賃應用短期租賃豁免
- 倘合約包含延長／終止租賃的選擇權，則事後釐定租賃期限
- 對具有合理相似特徵的租賃組合使用單一貼現率
- 從首次使用日的使用權資產計量中扣除初始直接成本

#### 於二零一九年一月一日之財務影響

於二零一九年一月一日採納香港財務報告準則第16號產生的影響如下：

		HK\$'000 千港元
<b>Assets</b>	<b>資產</b>	
Increase in right-of-use assets	使用權資產增加	3,882
Increase in total assets	總資產增加	3,882
<b>Liabilities</b>	<b>負債</b>	
Increase in lease liabilities	租賃負債增加	3,882
Increase in total liabilities	總負債增加	3,882

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## 財務報表附註

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二零一九年十二月三十一日

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

#### (a) (Continued)

##### Financial impact at 1 January 2019 (Continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

		HK\$'000 千港元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	4,326
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的加權平均增量借款利率	10.9%
Discounted operating lease commitments as at 1 January 2019	於二零一九年一月一日的貼現經營租賃承擔	3,882
<b>Lease liabilities as at 1 January 2019</b>	<b>於二零一九年一月一日的租賃負債</b>	<b>3,882</b>

(b) 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 did not have any significant impact on the financial position or performance of the Group.

### 3.2 會計政策的變動及披露(續)

#### (a) (續)

##### 於二零一九年一月一日之財務影響(續)

於二零一九年一月一日的租賃負債與二零一八年十二月三十一日的經營租賃承擔的對賬如下：

(b) 香港(國際財務報告詮釋委員會)－詮釋第23號於稅項處理涉及影響香港會計準則第12號應用的不確定性(通常稱為「不確定稅項狀況」)時，處理該情況下的利得稅(現時及遞延)的會計處理。該詮釋不適用於香港會計準則第12號範圍以外的稅項或徵稅，尤其亦不包括不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理以下事項：(i)實體是否考慮分開處理不確定稅項；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率；以及(iv)實體如何考慮事實及情況變動。該詮釋不會對本集團的財務狀況或業績產生任何重大影響。

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二零一九年十二月三十一日

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

The Group has not applied the following new and amendments to 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>1</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</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>3</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>2</sup>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</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.

### 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(修訂本)	業務之釋義 <sup>1</sup>
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革 <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)(修訂本)	投資者與其聯營公司或合營企業之資產出售或投入 <sup>3</sup>
香港財務報告準則第17號	保險合約 <sup>2</sup>
香港會計準則第1號及香港會計準則第8號(修訂本)	重大性之釋義 <sup>1</sup>

<sup>1</sup> 適用於二零二零年一月一日或之後開始的年度期間

<sup>2</sup> 適用於二零二一年一月一日或之後開始的年度期間

<sup>3</sup> 尚未釐定強制生效日期，惟可予採納

有關預期適用於本集團之香港財務報告準則之詳情如下。

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

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. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. 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)

香港財務報告準則第3號之修訂本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。由於該等修訂預期適用於首次應用日期或之後發生的交易或其他事件，故本集團於過渡日期將不受該等修訂的影響。

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂本旨在解決銀行同業拆息改革對財務申報之影響。該等修訂提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂規訂公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。該等修訂適用於二零二零年一月一日或之後開始的年度期間。提早採納已獲批准。預期該等修訂將不會對本集團的財務報表造成任何重大影響。

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

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

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)

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)之修訂本針對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)之間有關投資者與其聯營公司或合營企業之間資產出售或投入兩者規定之不一致情況。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或投入構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂已前瞻應用。香港會計師公會已於二零一六年一月剔除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)之修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂現時可供採納。

香港會計準則第1號及香港會計準則第8號之修訂本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。

### 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.

#### 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.

### 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。

#### 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價值計量，該公允價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價值的總和。就各業務合併而言，本集團選擇是否以公允價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價值計量。收購相關成本於產生時支銷。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations and goodwill (Continued)

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.

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.

### 3.4 主要會計政策概要(續)

#### 業務合併及商譽(續)

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價值重新計量，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價值確認。分類為資產或負債的或然代價按公允價值計量，公允價值變動於損益確認。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。

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價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價值，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。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations and goodwill (Continued)

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.

#### 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, deferred tax 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.

### 3.4 主要會計政策概要(續)

#### 業務合併及商譽(續)

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。

#### 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、遞延稅項資產金融資產除外)，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價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。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of non-financial assets (Continued)

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.

#### 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);

### 3.4 主要會計政策概要(續)

#### 非金融資產減值(續)

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。

#### 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)；

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties (Continued)

(b) (Continued)

- (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.

#### 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.

### 3.4 主要會計政策概要(續)

#### 關聯方(續)

(b) (續)

- (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。

#### 物業、廠房及設備及折舊

物業、廠房及設備(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、廠房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、廠房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、廠房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。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment and depreciation (Continued)

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%

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 and 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、廠房及設備及折舊(續)

折舊乃使用直線法按其估計可使用年期撇銷每項物業、廠房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%

倘一項物業、廠房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、廠房及設備(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、廠房及設備，並準備使用。

### 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價值。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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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease terms of land and building.

### 3.4 主要會計政策概要(續)

#### 租賃(自二零一九年一月一日起適用)

本集團於合約開始時評估合約是否是或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約是或包含租賃。

#### 本集團作為承租人

本集團就所有租賃應用一項單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

#### (a) 使用權資產

使用權資產於租賃開始日期(即有關資產可供使用日期)予以確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、已產生初始直接成本及於開始日期或之前作出之租賃付款減任何已收取租賃優惠。於土地及樓宇的租期內，使用權資產按直線法折舊。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (applicable from 1 January 2019) (Continued)

##### Group as a lessee (Continued)

##### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

### 3.4 主要會計政策概要(續)

#### 租賃(自二零一九年一月一日起適用)(續)

##### 本集團作為承租人(續)

##### (b) 租賃負債

租賃負債於租賃開始日期按租期內作出的租賃付款的現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於某一指數或比率的可變租賃付款及剩餘價值擔保項下預期支付金額。租賃付款亦包括本集團合理確定將予行使購買選擇權的行使價及終止租賃的罰款(倘租期反映本集團行使終止選擇權)。並非取決於某一指數或比率的可變租賃付款於觸發付款的事件或條件發生期間確認為開支。於計算租賃付款現值時，倘租賃中所隱含的利率不易釐定，則本集團於租賃開始日期使用增量借款利率。於開始日期後，租賃負債金額有所增加，以反映利息增加及就所付租賃付款作出調減。此外，倘出現修改、租期變動、租賃付款變動(例如某一指數或比率變動導致未來租賃付款變動)或購買相關資產選擇權的評估變動，則租賃負債的賬面值將予重新計量。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (applicable from 1 January 2019) (Continued)

##### Group as a lessee (Continued)

##### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. (Alternatively) When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

#### Leases (applicable before 1 January 2019)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases.

### 3.4 主要會計政策概要(續)

#### 租賃(自二零一九年一月一日起適用)(續)

##### 本集團作為承租人(續)

##### (c) 短期租賃及低價值資產租賃

本集團對其機器及設備的短期租賃(即自開始之日起租期為12個月或更短的租賃,且不包含購股權租賃)採用短期租賃確認豁免。其亦將低價值資產租賃的確認豁免適用於被視為低價值的辦公設備及筆記本電腦租賃。(或者)當本集團就一項低價值資產簽訂租約時,本集團決定是否在租賃基礎上將租賃資本化。短期租賃及低價值資產租賃的租賃付款在租賃期內按直線法確認為費用。

#### 租賃(於二零一九年一月一日前適用)

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。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

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 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. amounts and bills 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" 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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

### 3.4 主要會計政策概要(續)

#### 投資及其他金融資產

##### 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。

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，本集團初始按公允價值加(倘屬並非按公允價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」所載政策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價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。現金流量不屬於純粹為支付本金及利息的金融資產(不論其業務模式如何)均按公允價值透過損益進行分類及計量。

# Notes to Financial Statements

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (Continued)

##### Initial recognition and measurement (Continued)

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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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 amortised cost (debt instruments)

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.

### 3.4 主要會計政策概要(續)

#### 投資及其他金融資產(續)

##### 初始確認及計量(續)

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。按攤銷成本分類及計量的金融資產於商業模式下持有，其目的是持有金融資產以收集合約現金流量，而以公允價值計量且其變動計入其他綜合收益的金融資產，以收取合約現金流量及出售為目的，按照商業模式持有。不屬於上述業務模式的金融資產透過損益按公允價值分類及計量。

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。

##### 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)

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。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Derecognition of financial assets

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

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

The Group recognises an allowance for expected credit losses (“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

本集團確認對並非按公允價值計入損益的所有債務工具預期信貸虧損(「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 (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(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 (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.

#### Financial liabilities

##### 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, in the case of loans and borrowings and payables, 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(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。

#### 金融負債

##### 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價值進行初始確認並就貸款及借款及應付款而言，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。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial liabilities (Continued)

##### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

##### Financial Liabilities at amortised cost (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.

##### 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(續)

##### 後續計量

金融負債的後續計量視乎其下列分類而定：

##### 按攤銷成本計值之金融負債(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。

##### 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價值；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

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

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.

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

### 3.4 主要會計政策概要(續)

#### 解除確認金融負債

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

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。

#### 準備

倘因過往事件而產生的現時責任(法律或推定)，且將來極可能需要流出資源以應付有關責任時，則確認為準備，惟責任所涉及數額須能可靠估計。

當折現的影響屬重大時，所確認準備的金額乃為預期履行責任所需的未來開支於報告期末的現值。因時間流逝而導致折現的現值增加的數額，乃計入損益表的財務費用項下。

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## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

#### 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)

#### 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。

#### 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

### 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

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 recognised over time and 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.

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.

### 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，則會按公允價值確認補助。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

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按時間確認並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。

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。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue from other sources

Consultancy 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.

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;

#### Other income

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.

#### Contract assets

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. Contract asset are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

#### Contract liabilities

A contract liability is recognised a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfer control of the related goods or services to the customer).

### 3.4 主要會計政策概要(續)

#### 其他來源收入

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。

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；

#### 其他收入

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。

#### 合約資產

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。合約資產需進行減值評估，其詳情包含於金融資產減值之會計政策中。

#### 合約負債

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(即將有關貨品或服務的控制權轉移至客戶)。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contract costs

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.

#### 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 30 to the financial statements.

### 3.4 主要會計政策概要(續)

#### 合約成本

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。

#### 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價值計算。公允價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30。

### 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.

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.

### 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價值時均不予考慮，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價值。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價值，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。

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，猶如有關條款未經修改。此外，會就任何增加以股份為基礎付款之總公允價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。

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Share-based payments (Continued)

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.

##### 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.

### 3.4 主要會計政策概要(續)

#### 以股份為基礎付款(續)

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。

##### 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。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Other employee benefits (Continued)

##### Pension schemes (Continued)

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.

##### Borrowing costs

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.

### 3.4 主要會計政策概要(續)

#### 其他僱員福利(續)

##### 退休福利計劃(續)

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。

##### 借貸成本

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。

# Notes to Financial Statements

## 財務報表附註

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### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

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).

### 3.4 主要會計政策概要(續)

#### 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。

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)。

### 3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies (Continued)

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.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, 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.

### 3.4 主要會計政策概要(續)

#### 外幣(續)

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。

### 4. 主要會計判斷及估計

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判斷、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。

# Notes to Financial Statements

## 財務報表附註

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### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

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 19 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.

#### 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 2019 was HK\$16,557,000. Further details are given in note 16.

### 4. 主要會計判斷及估計(續)

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19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。

#### 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。於二零一九年十二月三十一日，商譽的賬面值為16,557,000港元。進一步詳情載於附註16。

#### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

##### 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.

##### 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 19 and 20 to the financial statements, respectively.

#### 4. 主要會計判斷及估計(續)

##### 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(即其公允價值減出售成本及使用價值兩者中的較高者)時，則存在減值。公允價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。

##### 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19及20。

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## 財務報表附註

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### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

### 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 gain on disposal of subsidiaries, finance costs as well as corporate and unallocated corporate income or expenses are excluded from such measurement.

### 4. 主要會計判斷及估計(續)

#### 租賃 — 估算增量借款利率

本集團尚無法輕易釐定租賃內含利率，因此，本集團使用增量借款利率（「增量借款利率」）來計量租賃負債。增量借款利率是本集團在類似期限內借款或取得類似的證券時必須支付的利率，以及在類似的經濟環境中獲取與使用權資產價值相近的資產所需的資金。因此，增量借款利率反映了本集團「必須支付」的費用，這就要求在沒有可觀察到的費率可用（如未進行融資交易的附屬公司）或需要對其進行調整以反映租賃條款及條件時進行估計。本集團使用可觀察到的輸入數據（如市場利率）（如適用）估算增量借款利率，且需要進行某些特定於實體的估算。

### 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，惟有關計量不包括出售附屬公司之收益、財務費用以及企業及未分配企業收入或開支。

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## 財務報表附註

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### 5. SEGMENT INFORMATION (Continued)

### 5. 分部資料(續)

		Automotive engines 汽車發動機		Civil engineering and construction 土木工程及建造		Total 總計	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Segment revenue	分部收入	81,293	276,514	377,816	466,900	459,109	743,414
Segment results	分部業績	(761,824)	(746,607)	(38,693)	(9,074)	(800,517)	(755,681)
Gain on disposal of subsidiaries	出售附屬公司之收益					1,682	—
Corporate and unallocated income	企業及未分配收入					—	80,757
Corporate and unallocated expenses	企業及未分配開支					(41,594)	(19,795)
Finance costs	財務費用					(82,065)	(75,107)
Loss before tax	除稅前虧損					(922,494)	(769,826)
Other segment information:	其他分部資料:						
Bank interest income	銀行利息收入	4	6	1	1	5	7
Impairment of goodwill	商譽減值	(275,821)	(174,933)	—	—	(275,821)	(174,933)
Impairment of intangible assets	無形資產減值	(88,042)	(430,928)	—	—	(88,042)	(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	(349,368)	(125,256)	212	126	(349,156)	(125,130)
Reversal of impairment of contract assets	合約資產減值撥回	—	—	312	232	312	232
Provision for inventories	存貨撥備	(33,140)	(3,963)	—	—	(33,140)	(3,963)
Depreciation of property, plant and equipment	物業、廠房及設備 折舊	(5,684)	(5,547)	(266)	(677)	(5,950)	(6,224)
Depreciation of right-of-use assets	使用權資產折舊	(1,060)	—	(1,457)	—	(2,517)	—
Amortisation of intangible assets	無形資產攤銷	(1,236)	(26,371)	—	—	(1,236)	(26,371)
Capital expenditure	資本支出	(127)	(1,593)	(26)	(466)	(153)	(2,059)

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 5. SEGMENT INFORMATION (Continued)

#### Geographical information

##### (a) Revenue from external customers

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
PRC	中國	81,293	276,514
Hong Kong	香港	377,816	466,900
		<b>459,109</b>	<b>743,414</b>

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
PRC	中國	48,522	680,139
Hong Kong	香港	3,407	1,018
		<b>51,929</b>	<b>681,157</b>

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
PRC	中國	81,293	276,514
Hong Kong	香港	377,816	466,900
		<b>459,109</b>	<b>743,414</b>

上述收入資料乃基於客戶所在地。

##### (b) 非流動資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
PRC	中國	48,522	680,139
Hong Kong	香港	3,407	1,018
		<b>51,929</b>	<b>681,157</b>

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, is set out below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A <sup>#</sup>	客戶A <sup>#</sup>	82,068	111,651
Customer B <sup>@</sup>	客戶B <sup>@</sup>	—	131,921
Customer C <sup>*</sup>	客戶C <sup>*</sup>	160,740	165,952
Customer D <sup>*</sup>	客戶D <sup>*</sup>	83,442	84,039

<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.

### 6. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers	與客戶之間的合約產生的收入	459,109	743,414

### 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收入的10%或以上，如下所示：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
客戶A <sup>#</sup>	82,068	111,651
客戶B <sup>@</sup>	—	131,921
客戶C <sup>*</sup>	160,740	165,952
客戶D <sup>*</sup>	83,442	84,039

<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. 收入、其他收入及收益淨額

收入之分析如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
與客戶之間的合約產生的收入	459,109	743,414

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 6. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

(i) Disaggregated revenue information

For the year ended 31 December 2019

### 6. 收入、其他收入及收益淨額 (續)

(i) 分拆收入資料：

截至二零一九年十二月三十一日  
止年度

Segments	分部	Automotive engines 汽車發動機 HK\$'000 千港元	Civil engineering and construction 土木工程及建造 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Type of goods or services</b>	<b>貨物或服務類別</b>			
Sales of goods	貨物銷售	81,293	—	81,293
Construction services	建造服務	—	66,945	66,945
Civil engineering services	土木工程服務	—	310,871	310,871
Total revenue from contracts with customers	與客戶之間的合約產生的收入總額	81,293	377,816	459,109
<b>Geographical markets</b>	<b>地區市場</b>			
Hong Kong	香港	—	377,816	377,816
PRC	中國	81,293	—	81,293
Total revenue from contracts with customers	與客戶之間的合約產生的收入總額	81,293	377,816	459,109
<b>Timing of revenue recognition</b>	<b>確認收益的時間</b>			
Goods transferred at a point of time	於某一時間點轉移之貨物	81,293	—	81,293
Services transferred over time	隨時間轉移之服務	—	377,816	377,816
Total revenue from contracts with customers	與客戶之間的合約產生的收入總額	81,293	377,816	459,109

# Notes to Financial Statements

## 財務報表附註

31 December 2019  
二零一九年十二月三十一日

### 6. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

(i) Disaggregated revenue information (Continued)

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(續)

截至二零一八年十二月三十一日  
止年度

Segments	分部	Automotive engines 汽車發動機 HK\$'000 千港元	Civil engineering and construction 土木工程及建造 HK\$'000 千港元	Total 總計 HK\$'000 千港元
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
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

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 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。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 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	5	7
Consultancy fee income	顧問費收入	480	1,580
Government subsidies*	政府補助*	1,225	4,154
Gain/(loss) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益/(虧損)	92	(209)
Gain on extinguishment of convertible bond (note 26)	註銷可換股債券之收益(附註26)	—	80,757
Gain on disposal of subsidiaries	出售附屬公司之收益	1,682	—
Sundry income	雜項收入	1,501	68
		<b>4,985</b>	<b>86,357</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或然事件。

# Notes to Financial Statements

## 財務報表附註

31 December 2019  
二零一九年十二月三十一日

### 7. FINANCE COSTS

An analysis of finance costs is as follows:

### 7. 財務費用

財務費用分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	404	—
Interest on bank and other borrowings	銀行及其他借款利息	6,141	6,275
Interest on promissory notes	承兌票據利息	41,598	38,469
Imputed interest on convertible bonds	可換股債券之推算利息	33,922	30,363
		82,065	75,107

# Notes to Financial Statements

## 財務報表附註

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### 8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

### 8. 除稅前虧損

本集團之除稅前虧損已扣除/(計入)下列各項：

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of sales:			
Cost of inventories sold		79,283	246,466
Provision for inventories		33,140	3,963
Amortisation of intangible assets	17	1,236	26,371
Contract costs		398,006	454,832
		511,665	731,632
Research and development costs		842	6,163
Impairment of accounts and bills receivables*	20	349,156	125,130
Reversal of impairment of contract assets*	19	(312)	(232)
Depreciation of property, plant and equipment**	14	6,223	6,398
Depreciation of right-of-use assets	15(a)	3,161	—
Auditor's remuneration		1,311	1,700
Employee benefit expense (excluding directors' and chief executive's remuneration (note 9))#		34,255	38,733
Equity-settled share option expense (excluding directors' and chief executives' remuneration (note 9))		27,369	—
Minimum lease payments under operating leases		—	3,157

\* 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.

\*\* The depreciation of property, plant and equipment of HK\$1,339,000 (2018: HK\$4,366,000) for the year included in "cost of inventories sold" provided above.

# The employee benefit expense of HK\$11,922,000 (2018: HK\$13,509,000) for the year included in "cost of sale" provided above.

\* 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」。

\*\* 年內物業、廠房及設備折舊1,339,000港元(二零一八年：4,366,000港元)計入上文所載「已售存貨成本」。

# 年內僱員福利開支11,922,000港元(二零一八年：13,509,000港元)計入上文所載「銷售成本」。

# Notes to Financial Statements

## 財務報表附註

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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：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fees	袍金	433	432
Other emoluments:	其他薪酬：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,063	8,819
Pension scheme contributions	退休福利計劃供款 (定額供款計劃)	45	47
Equity-settled share option expense	股權結算購股權費用	1,352	—
		3,460	8,866
		3,893	9,298

During the year, a director was granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 30 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

於年內，一名董事就彼為本集團提供的服務根據本公司的購股權計劃獲授購股權，有關進一步詳情載於財務報表附註30。該等購股權的公允價值已於歸屬期內在損益確認，有關公允價值乃於授出日期釐定，而計入本年度財務報表的金額已計入上述董事及最高行政人員酬金披露內。

# Notes to Financial Statements

## 財務報表附註

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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 附註	Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 HK\$'000 千港元	Pension scheme contributions 退休福利 計劃供款 HK\$'000 千港元	Equity- settled share option expense 購股權費用 HK\$'000 千港元	Total remuneration 總酬金 HK\$'000 千港元
<b>2019</b>	<b>二零一九年</b>						
Mr. Chan Kai Wing	陳繼榮先生	(i)	24	—	—	—	24
Mr. Yip Tai Him	葉棣謙先生	(ii)	41	—	—	—	41
Mr. Leung Tsz Wing	梁子榮先生		144	—	—	—	144
Mr. Zhang Guozhi	張國智先生	(iii)	120	—	—	—	120
Mr. Ip Mei Shun	葉美順先生	(iv)	104	—	—	—	104
			<b>433</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>433</b>
<b>2018</b>	<b>二零一八年</b>						
Ms. Chu Yin Yin	朱燕燕女士	(v)	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	(vi)	13	—	—	—	13
			<b>432</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>432</b>

Notes:

- (i) Resigned on 28 February 2019
- (ii) Resigned on 12 April 2019
- (iii) Appointed on 28 February 2019
- (iv) Appointed on 12 April 2019
- (v) Resigned on 28 November 2018
- (vi) Appointed on 28 November 2018

附註：

- (i) 於二零一九年二月二十八日辭任
- (ii) 於二零一九年四月十二日辭任
- (iii) 於二零一九年二月二十八日獲委任
- (iv) 於二零一九年四月十二日獲委任
- (v) 於二零一八年十一月二十八日辭任
- (vi) 於二零一八年十一月二十八日獲委任

# Notes to Financial Statements

## 財務報表附註

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二零一九年十二月三十一日

### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (b) Executive directors and non-executive directors

### 9. 董事及最高行政人員酬金 (續)

#### (b) 執行董事及非執行董事

	Notes 附註	Salaries, allowances and benefits		Pension scheme	Equity-settled share option	Total remuneration
		Fees	in kind	contributions	expense	
		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
2019	二零一九年					
Executive directors	執行董事					
Mr. Xing Bin	邢濱先生	—	360	18	—	378
Mr. Lam Wah	林華先生 (i)	—	993	12	1,352	2,357
Mr. Liu Wengang	劉文剛先生 (ii)	—	300	3	—	303
		—	1,653	33	1,352	3,038
Non-executive directors	非執行董事					
Mr. Wong Hin Shek	王顯碩先生 (iii)	—	170	6	—	176
Mr. Lam Wah	林華先生 (i)	—	240	6	—	246
		—	410	12	—	422
		—	2,063	45	1,352	3,460

Notes:

- (i) Re-designated as non-executive director and resigned as executive director on 31 August 2019
- (ii) Appointed on 1 November 2019
- (iii) Resigned on 12 April 2019

附註：

- (i) 於二零一九年八月三十一日調任為非執行董事及辭任執行董事
- (ii) 於二零一九年十一月一日獲委任
- (iii) 於二零一九年四月十二日辭任

# Notes to Financial Statements

## 財務報表附註

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### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (b) Executive directors and a non-executive director (Continued)

	Notes	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share option expense	Total remuneration
	附註	袍金	薪金、津貼及實物利益	退休福利計劃供款	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
<b>2018</b>						
<b>二零一八年</b>						
<b>Executive directors</b>	<b>執行董事</b>					
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
<b>Non-executive director</b>	<b>非執行董事</b>					
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

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2018: Nil).

於年內，概無董事放棄或同意放棄任何酬金安排(二零一八年：無)。

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## 財務報表附註

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### 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2018: two) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining four (2018: three) non-director, highest paid employees for the year are as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼和實物福利	6,630	5,726
Discretionary performance-related bonuses 與表現掛鈎的酌情花紅	666	2,946
Pension scheme contributions 退休福利計劃供款	195	192
	<b>7,491</b>	<b>8,864</b>

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	2019 二零一九年	2018 二零一八年
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	2	—
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	—	1
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	1	—
HK\$2,500,001 to HK\$3,000,000 2,500,001港元至3,000,000港元	1	1
HK\$4,000,001 to HK\$4,500,000 4,000,001港元至4,500,000港元	—	1
	<b>4</b>	<b>3</b>

### 10. 五名最高薪酬僱員

於年內，五名最高薪酬僱員包括一名（二零一八年：兩名）董事，彼等的酬金詳情載於上文附註9。於年內，其餘四名（二零一八年：三名）最高薪酬而非董事的僱員的酬金詳情如下：

酬金介乎下列組別的最高薪酬而非董事的僱員人數如下：

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### 11. INCOME TAX

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 December 2019 (2018: Nil). Bisu Yunbo, a wholly-owned subsidiary of the Group in the PRC, is subject to a preferential corporate income tax ("CIT") rate of 15% (2018: 15%). Tax on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

### 11. 所得稅

截至二零一九年十二月三十一日止年度，本集團未在香港產生任何應課稅利潤，因此未提供香港利得稅（二零一八年：無）。本集團於中國之一間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（二零一八年：15%）。其他地區應課稅溢利之稅項乃按本集團經營所在司法權區之現行稅率計算。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current charge for the year	年度即期費用		
PRC CIT tax charge	中國企業所得稅支出	—	2,546
Overprovision in prior years — PRC	上一年超額撥備 — 中國	(3,511)	—
Deferred (note 28)	遞延(附註28)	(12,738)	(68,605)
<b>Total tax credit for the year</b>	<b>年度稅項抵免總額</b>	<b>(16,249)</b>	<b>(66,059)</b>

A reconciliation of the tax expense applicable to loss 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：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before tax	除稅前虧損	(922,494)	(769,826)
At the statutory/applicable rates of different jurisdictions	按不同司法權區之法定／適用稅率計算	(184,725)	(129,877)
Lower tax rate enacted by local authority	地方當局製定的較低稅率	41,837	13,333
Income not subject to tax	毋須課稅的收入	(102)	(14,041)
Expenses not deductible for tax	不可扣稅開支	130,303	64,464
Overprovision in prior years	上一年超額撥備	(3,511)	—
Others	其他	(51)	62
<b>Tax credit</b>	<b>稅項抵免</b>	<b>(16,249)</b>	<b>(66,059)</b>

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### 12. DIVIDEND

The directors do not recommend the payment of any final dividend in respect of the year (2018: Nil).

### 13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to owners of the parent of HK\$905,423,000 (2018: HK\$703,767,000) and the weighted average number of ordinary shares in issue during the reporting period.

The calculation of the diluted loss per share amounts is based on the loss 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 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 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(二零一八年:無)。

### 13. 母公司擁有人應佔每股虧損

每股基本虧損乃根據母公司擁有人應佔年內虧損905,423,000港元(二零一八年:溢利703,767,000港元)及報告期間已發行普通股之加權平均數計算。

每股攤薄虧損乃基於母公司擁有人應佔年內虧損計算,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的計算基於:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss	虧損		
Loss attributable to owners of the parent, used in basic loss per share calculation	用於計算每股基本虧損的母公司擁有人應佔虧損	(905,423)	(703,767)
Interest on convertible bonds	可換股債券之利息	33,922	30,363
Loss 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	(871,501)	(673,404)

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### 13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (Continued)

The calculations of basic and diluted loss per share are based on:

### 13. 母公司擁有人應佔每股虧損 (續)

每股基本及攤薄虧損的計算基於：

		Number of shares 股數	
		2019 二零一九年	2018 二零一八年
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	用於計算每股基本及攤薄虧損之年內已發行普通股加權平均數	200,000,000	200,000,000

The computation of diluted loss per share for the year ended 31 December 2019 and 2018 does not assume the impact of the convertible bonds outstanding since their assumed conversion would result in a decrease in loss per share.

截至二零一九年及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、廠房及設備

		Leasehold improvements 租賃改善 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、固定裝置及辦公設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2019	二零一九年 十二月三十一日						
At 31 December 2018 and 1 January 2019:	於二零一八年 十二月三十一日及 二零一九年一月一日:						
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
At 1 January 2019, net of accumulated depreciation	於二零一九年一月一日， 扣除累計折舊	349	34,764	3,031	430	18	38,592
Additions	添置	8,187	52	279	919	6,491	15,928
Acquisition of subsidiaries (note 32)	收購附屬公司(附註32)	—	—	152	1,007	522	1,681
Disposals	出售	—	—	—	(16)	—	(16)
Disposal of subsidiaries (note 33)	出售附屬公司(附註33)	(8,187)	—	(338)	(1,799)	(6,946)	(17,270)
Transfer	轉讓	—	67	—	—	(67)	—
Depreciation provided during the year (note 8)	年內折舊撥備(附註8)	(78)	(5,566)	(319)	(260)	—	(6,223)
Exchange realignment	匯兌調整	—	(527)	(48)	3	—	(572)
At 31 December 2019, net of accumulated depreciation	於二零一九年 十二月三十一日， 扣除累計折舊	271	28,790	2,757	284	18	32,120
At 31 December 2019:	於二零一九年 十二月三十一日:						
Cost	成本	388	50,589	4,586	495	18	56,076
Accumulated depreciation	累計折舊	(117)	(21,799)	(1,829)	(211)	—	(23,956)
Net carrying amount	賬面淨值	271	28,790	2,757	284	18	32,120

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## 財務報表附註

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### 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

### 14. 物業、廠房及設備(續)

		Leasehold improvements	Machinery and equipment	Furniture, fixtures and office equipment 傢俬、 固定裝置及 辦公設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		租賃改善 HK\$'000 千港元	機器及設備 HK\$'000 千港元	辦公設備 HK\$'000 千港元	汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 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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### 15. LEASES

#### The Group as lessee

The Group leases office premises for its daily operations. The lease term is two years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased annually to reflect current market rentals.

#### (a) Right of use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Office premises 辦公場所 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	3,882
Additions	添置	2,546
Depreciation charge	折舊費用	(3,161)
Exchange alignment	匯兌調整	(15)
At 31 December 2019	於二零一九年十二月三十一日	3,252

#### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		Office premises 辦公場所 HK\$'000 千港元
Carrying amount at 1 January 2019	於二零一九年一月一日之賬面值	3,882
New leases	新租賃	2,546
Accretion of interest recognised during the year (note 7)	年內確認的利息增加(附註7)	404
Payments	付款	(3,429)
Exchange realignment	匯兌調整	(31)
Carrying amount at 31 December 2019	於二零一九年十二月三十一日之賬面值	3,372
Analysed into:	分析為:	
Current portion	即期部分	552
Non-current portion	非即期部分	2,820

### 15. 租賃

#### 本集團作為承租人

本集團為日常營運租賃辦公場所。租賃期限為兩年，可以選擇在重新協商所有條款後續訂租賃。租賃付款通常按年增加以反映當前的市場租金。

#### (a) 使用權資產

於年內，本集團使用權資產賬面值及變動情況如下：

#### (b) 租賃負債

於年內，租賃負債賬面值及變動情況如下：

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### 15. LEASES (Continued)

#### The Group as lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2019 二零一九年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	404
Depreciation charge of right-of-use assets	使用權資產折舊費用	3,161
Total amount recognised in profit or loss	計入損益總額	3,565

### 16. GOODWILL

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost and net carrying amount:	成本及賬面淨值：		
At 1 January	於一月一日	297,552	498,343
Acquisition of subsidiaries (note 32)	收購附屬公司 (附註32)	419	—
Disposal of subsidiaries (note 33)	出售附屬公司 (附註33)	(419)	—
Impairment during the year	年內減值	(275,821)	(174,933)
Exchange realignment	匯兌調整	(5,174)	(25,858)
At 31 December	於十二月三十一日	16,557	297,552

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.

### 15. 租賃(續)

#### 本集團作為承租人(續)

(c) 就租賃於損益中確認的金額如下：

### 16. 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」)。

### 16. GOODWILL (Continued)

#### Impairment test of goodwill

For the year ended 31 December 2019

The full resumption of production of the Automotive Engines Business Customers encountered further delay during 2019 due to the shortage in supply due to the suppliers' concern on the payment ability of the Automotive Engines Business Customers. The Automotive Engines Business Customers need to undergo further financial and operational restructuring to address the suppliers' concern but such restructuring is still in progress as of the reporting date. Based on discussion with the Automotive Engines Business Customers, only the restructuring of one of the Automotive Engines Business Customers, namely Baic Yinxiang Automobile Co., Ltd.\* (北汽銀翔汽車有限公司, "Baic Yinxiang") is making progress but the result of the restructuring is still uncertain. Moreover, it is expected the COVID-19 outbreak will further delay the restructuring negotiation and progress.

In view of the above situations, the Board performed an impairment assessment as at 31 December 2019 and recognised impairment losses of HK\$275,821,000 (2018: HK\$174,933,000) in connection with goodwill allocated to Automotive Engines CGU for the year ended 31 December 2019 ("2019 Annual Valuation"). The impairment losses are made based on the results of impairment tests for the goodwill using their value in use calculation with reference to a valuation performed by Moore Transaction Services Limited ("Moore"), (formerly known as "Moore Stephens Advisory Services Limited"), an independent professionally qualified valuer. The following describes each key assumption on which management has based, to undertake impairment testing of goodwill:

- (a) the cash flow projections from 1 January 2020 to 31 December 2024 (the "Forecast Period") on management expectation of future business performance and prospects of the Automotive Engines CGU;

### 16. 商譽(續)

#### 商譽之減值測試

截至二零一九年十二月三十一日止年度

由於供應短缺，供應商擔憂汽車發動機業務客戶的支付能力，因此於二零一九年，汽車發動機業務客戶再度延後全面恢復生產。汽車發動機業務客戶需要進行進一步財務及運營重組(惟該重組仍在進行)以解決供應商的擔憂。於本報告日期，根據與汽車發動機業務客戶的討論，僅重組其中一位汽車發動機業務客戶，即北汽銀翔汽車有限公司\* (「北汽銀翔」)正在進行，惟重組結果仍不確定。此外，預計新型冠狀病毒的爆發將再度延後重組談判及進度。

鑒於上述情況，董事會已於二零一九年十二月三十一日進行減值評估，並就截至二零一九年十二月三十一日止年度分配至汽車發動機現金產生單位的商譽確認減值虧損275,821,000港元(二零一八年：174,933,000港元)(「二零一九年度評估」)。減值虧損乃基於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Moore Stephens Advisory Services Limited (「Moore」)(前稱「馬施雲諮詢有限公司」)進行的估值而作出。下文描述管理層進行商譽減值測試時所根據的各項主要假設：

- (a) 根據管理層對汽車發動機現金產生單位未來業務表現及前景的預期而得出的自二零二零年一月一日至二零二四年十二月三十一日(「預測期間」)的預測現金流量；

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### 16. GOODWILL (Continued)

#### Impairment test of goodwill (Continued)

For the year ended 31 December 2019 (Continued)

- (b) since only the restructuring on BAIC Yinxiang is making progress, the uncertainty about the resumption of the operations of other Automotive Engines Business Customers is very high. It is therefore assumed only BAIC Yinxiang can resume its operations during the Forecast Period. Therefore, only potential cashflow from the purchase plan of BAIC Yinxiang is considered in the projected cashflow during the Forecast Period;
- (c) given the restructuring of BAIC Yinxiang is still in progress, it is assumed BAIC Yinxiang can only resume its operations and execute its purchasing plan from 2021 onwards;
- (d) downward adjustments of 70% on the revenue from the purchasing plan of BAIC Yinxiang were made by the management considering the historical difference between the actual purchase from BAIC Yinxiang and the past purchase plans as well as the uncertainty of the success of the restructuring. The forecasted revenue during the Forecast Period ranges from approximately HK\$104,037,000 for the year ending 31 December 2021 to HK\$229,330,000 for the year ending 31 December 2024;
- (e) the net (loss)/profit margin of (1.4)% to 6.4% throughout the Forecast Period were estimated by the management based on the historical gross profit margin and fixed overheads with downward adjustments considering higher marketing expenses in the future. The forecasted net loss during the Forecast Period ranges from HK\$1,476,000 to net profit HK\$14,741,000 from the year ending 31 December 2021 to the year ending 31 December 2024;

### 16. 商譽(續)

#### 商譽之減值測試(續)

截至二零一九年十二月三十一日

止年度(續)

- (b) 由於僅北汽銀翔正在進行重組，故其他汽車發動機業務客戶恢復營運存在很大不確定性。因此，假設僅北汽銀翔可於預測期間恢復營運。因此於預測期間，僅北汽銀翔採購計劃之潛在現金流量被視為預測現金流量；
- (c) 鑒於北汽銀翔仍在進行重組，故假設北汽銀翔僅可於二零二一年後恢復營運並執行其採購計劃；
- (d) 管理層經考慮北汽銀翔的實際採購與過往採購計劃的歷史差額以及重組成功的不確定性，而對北汽銀翔的採購計劃收益下調70%。預測期間的預測收益介乎截至二零二一年十二月三十一日止年度的約104,037,000港元至截至二零二四年十二月三十一日止年度的229,330,000港元；
- (e) 預測期間的(1.4)%至6.4%的淨(虧)/利率由管理層根據歷史毛利率及固定經常性開支進行估計，並考慮到日後營銷開支較高而作出下調。預測期間自截至二零二一年十二月三十一日止年度至截至二零二四年十二月三十一日止年度介乎預測虧損淨額1,476,000港元至溢利淨額14,741,000港元；

### 16. GOODWILL (Continued)

#### Impairment test of goodwill (Continued)

For the year ended 31 December 2019 (Continued)

- (f) the post-tax discount rate of 18.43% based on the weighted average cost of capital representing the weighted average return attributable to all of the operating assets of the CGU; the pre-tax discount rate of 20.20% determined by an iterative computation so that the value in use determined using pre-tax cash flows and a pre-tax discount rate equals value in use determined using post-tax cash flows and a post-tax discount rate; and
- (g) the growth rate beyond 2024 was 2.5% which did not exceed the long-term average growth rate of the industry.

The inputs and assumptions used in the 2019 Annual Valuation has the following significant changes from those previously adopted in 2018:

- (a) the assumed date of the resumption of operation was delayed from 1 July 2019 to 1 January 2021 due to the delay in the restructuring of the Automotive Engines Business Customers;
- (b) only BAIC Yinxiang is assumed to resume its operation while in 2018 all Automotive Engines Business Customers were assumed to resume their operations. This change of assumption is mainly due to the lack of progress and therefore high uncertainty of the success of the restructuring of Automotive Engines Business Customers other than BAIC Yinxiang; and
- (c) downward adjustment from the purchase plan of BAIC Yinxiang increased from 50% in 2018 to 70% in 2019 due to the increased uncertainty of the success of the restructuring of BAIC Yinxiang given the further delay in the plan as well as the obstacles from the suppliers in the supply chain.

### 16. 商譽(續)

#### 商譽之減值測試(續)

截至二零一九年十二月三十一日止年度(續)

- (f) 基於加權平均資本成本的18.43%的稅後貼現率，即現金產生單位所有營運資產應佔加權平均回報；以迭代計算釐定的20.20%的稅前貼現率，以便使用稅前現金流量及稅前貼現率釐定的使用價值等於使用稅後現金流量及稅後貼現率釐定的使用價值；及
- (g) 二零二四年後的增長率為2.5%，並未超出行業長期平均增長率。

二零一九年度評估中所使用的輸入數據及假設較先前於二零一八年所採納者有如下重大變動：

- (a) 由於汽車發動機業務客戶推遲重組，故恢復營運的假定日期自二零一九年七月一日推遲至二零二一年一月一日；
- (b) 假設僅北汽銀翔恢復運營，而於二零一八年則假設所有汽車發動機業務客戶均恢復運營。這一假設變動主要是由於進展緩慢，因此北汽銀翔以外的汽車發動機業務客戶能否成功重組存在高度不確定性；及
- (c) 北汽銀翔的採購計劃下調幅度由二零一八年50%增加至二零一九年的70%，乃由於計劃進一步推遲以及受供應鏈中供應商的牽制導致北汽銀翔成功重組的不確定性增加。

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### 16. GOODWILL (Continued)

#### Impairment test of goodwill (Continued)

For the year ended 31 December 2018

For the year ended 31 December 2018, the Board performed an impairment assessment with reference to a valuation performed by Moore (the "2018 Annual Valuation") because the Board considered that it was necessary to recognise an impairment loss on goodwill and intangible assets, in light of i) the negative market growth of automobile sales in the PRC in 2018; ii) the financial difficulties encountered by the Automotive Engines Business Customers and; iii) the risk and time required for the Automotive Engines Business Customers to complete the negotiation of the resumption arrangement with all suppliers along the supply chain to resume normal operation.

The discounted cash flow method under income approach was adopted by Moore in the 2018 Annual Valuation. The 2018 Annual Valuation was based on the following key assumptions and input:

- (a) the projected cash flow from 31 December 2019 to 31 December 2023 (the "2018 Forecast Period") on management expectation of future business performance and prospects of the CGU;
- (b) the revenue for the 2018 Forecast Period projected by the management based on the purchasing plan of the major customers of the CGU with the downward adjustments of 50% made by the management considering the historical difference between the actual purchase from the major customers and the past purchase plans;
- (c) the net profit margin for the 2018 Forecast Period was estimated by the management based on the historical net profit margin with downward adjustments considering higher marketing expenses in the future;

### 16. 商譽(續)

#### 商譽之減值測試(續)

截至二零一八年十二月三十一日

止年度

截至二零一八年十二月三十一日止年度，董事會參考Moore的估值(「二零一八年年度估值」)進行了減值評估，因為董事會認為有必要確認商譽及無形資產的減值虧損，鑒於i)二零一八年中國汽車銷售市場出現負增長；ii)汽車發動機業務客戶遇到的財務困難；及iii)汽車發動機業務客戶完成與供應鏈上所有供應商的恢復安排談判以恢復正常運營所需的風險及時間。

於二零一八年年度估值中，Moore根據收入法計算貼現現金流量。二零一八年年度估值基於以下關鍵假設及輸入數據：

- (a) 根據管理層對現金產生單位未來業務表現及前景的預期而得出的自二零一九年十二月三十一日至二零二三年十二月三十一日(「二零一八年預測期間」)的預測現金流量；
- (b) 考慮到主要客戶的實際購買與過去的購買計劃之間的歷史差異，管理層根據現金產生單位主要客戶的購買計劃預測的二零一八年預測期的收入，向下調整了50%；
- (c) 管理層根據歷史淨利潤率估算了二零一八年預測期淨利潤率，並在考慮到未來營銷費用增加的情況下向下調整；

### 16. GOODWILL (Continued)

#### Impairment test of goodwill (Continued)

For the year ended 31 December 2018 (Continued)

- (d) the post-tax discount rate of 18.38% based on the weighted average cost of capital representing the weighted average return attributable to all of the operating assets of the CGU; the pre-tax discount rate of 21.42% determined by an iterative computation so that the value in use determined using pre-tax cash flows and a pre-tax discount rate equals value in use determined using post-tax cash flows and a post-tax discount rate; and
- (e) the growth rate beyond the 2018 Forecast Period was 2.5% which did not exceed the long-term average growth rate of the industry.

The inputs and assumptions used in the 2018 Annual Valuation has the following significant changes from those previously adopted:

- (a) the post-tax discount rate adopted increased from 16.96% for the valuation for the year ended 31 December 2017 to 18.38% for 2018 Annual Valuation to reflect the deterioration in the operation and financial stability of the major clients of the CGU; and
- (b) the cash flow forecast for the 2018 Forecast Period was adjusted downward by the management in 2018 Annual Valuation compared with 2017 to reflect the slowdown of the growth in automobile industry in the PRC and the deterioration in operation of the major clients of the CGU due to the financial difficulties encountered by the Automotive Engines Business Customers as well as the risk and time required for them to complete the negotiation of the resumption arrangement with all suppliers along the supply chain to resume normal operation.

### 16. 商譽(續)

#### 商譽之減值測試(續)

截至二零一八年十二月三十一日止年度(續)

- (d) 根據資本加權平均成本計算的稅後貼現率為18.38%，資本加權平均成本代表現金產生單位所有經營資產的加權平均回報率；通過迭代計算釐定的稅前貼現率為21.42%，因此，使用稅前現金流量及稅前折扣率釐定的使用價值等於使用稅後現金流量及稅後折扣率釐定的使用價值；及
- (e) 超過二零一八年預測期的增長率為2.5%（未超過該行業的長期平均增長率）。

與先前採用的方法相比，二零一八年年度評估中使用的輸入數據及假設具有以下重大變化：

- (a) 所採納的稅後貼現率由截至二零一七年十二月三十一日止年度的估值的16.96%增加至二零一八年年度估值的18.38%，以反映現金產生單位的主要客戶營運狀況及財務穩定性惡化情況；及
- (b) 管理層對二零一八年預測期的現金流量預測較二零一七年進行了下調，以反映中國汽車工業增長放緩以及由於汽車發動機遇到財務困難，現金產生單位主要客戶的經營狀況惡化業務客戶以及完成與供應鏈上所有供應商談判恢復安排以恢復正常運營所需的風險及時間。

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## 財務報表附註

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二零一九年十二月三十一日

### 16. GOODWILL (Continued)

#### Impairment test of goodwill (Continued)

The recoverable amount of the Automotive Engines CGU from the impairment assessment using the above key assumptions against the carrying amount of the Automotive Engines CGU as at 31 December are analysed below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Recoverable amount of CGU per valuation	根據估值得出現金產生單位之可收回金額	48,000	461,058
Carrying amount of the CGU:	現金產生單位之賬面值：		
Property, plant and equipment	物業、廠房及設備	31,443	38,574
Intangible assets	無形資產	—	88,618
Goodwill	商譽	16,557	297,552
		48,000	424,744
Headroom Available	可用空間	—	36,314

While the management has taken a conservative estimate in performing the impairment assessment, the recoverable amount of the Automotive Engines CGU equals to the carrying amount of the Automotive Engines CGU as at 31 December 2019. Therefore, any unfavorable reasonably possible change in the key assumptions indicated above on which the management had based its determination of the CGU's recoverable amount may cause further impairment loss during the year.

Based on the impairment assessment for the year ended 31 December 2019, the Board estimated that the Automotive Engines Business Customers would generate to the Group an aggregate revenue of HK\$Nil, HK\$104,037,000 and HK\$135,416,000 for the years ending 31 December 2020, 2021 and 2022 and an aggregate net (loss)/profit before any impairment loss and amortisation of intangible assets and goodwill of HK\$(11,286,000), HK\$(1,476,000) and HK\$2,571,000 for the years ending 31 December 2020, 2021 and 2022.

### 16. 商譽(續)

#### 商譽之減值測試(續)

於十二月三十一日，汽車發動機現金產生單位的可收回金額(採用上述主要假設作出減值評估後得出)及汽車發動機現金產生單位的賬面值分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Recoverable amount of CGU per valuation	根據估值得出現金產生單位之可收回金額	48,000	461,058
Carrying amount of the CGU:	現金產生單位之賬面值：		
Property, plant and equipment	物業、廠房及設備	31,443	38,574
Intangible assets	無形資產	—	88,618
Goodwill	商譽	16,557	297,552
		48,000	424,744
Headroom Available	可用空間	—	36,314

在管理層採取保守估計進行減值評估的情況下，汽車發動機現金產生單位於二零一九年十二月三十一日的可收回金額等於汽車發動機業務現金產生單位的賬面值。因此，於年內，管理層確定現金產生單位的可收回金額所依據的上述主要假設可能出現的任何不利且合理的變動均可能導致進一步的減值虧損。

根據截至二零一九年十二月三十一日止年度的減值評估，董事會估計汽車發動機業務客戶於截至二零二零年、二零二一年及二零二二年十二月三十一日止年度為本集團帶來的總收入分別為零港元、104,037,000港元及135,416,000港元，於截至二零二零年、二零二一年及二零二二年十二月三十一日止年度為本集團帶來的(虧損)/溢利淨額(未計及無形資產及商譽的任何減值虧損及攤銷)合共為(11,286,000)港元、(1,476,000)港元及2,571,000港元。

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## 財務報表附註

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二零一九年十二月三十一日

### 17. INTANGIBLE ASSETS

### 17. 無形資產

		Customer contracts 客戶合約 HK\$'000 千港元
<b>31 December 2019</b>	<b>二零一九年十二月三十一日</b>	
Net carrying amount:	賬面淨值：	
At 1 January 2019	於二零一九年一月一日	88,618
Amortisation provided during the year (note 8)	年內已撥備的攤銷(附註8)	(1,236)
Impairment during the year	年內減值	(88,042)
Exchange realignment	匯兌調整	660
At 31 December 2019	於二零一九年十二月三十一日	—
At 31 December 2019:	於二零一九年十二月三十一日：	
Cost	成本	658,096
Accumulated amortisation and impairment	累計攤銷及減值	(658,096)
Net carrying amount	賬面淨值	—
<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)
At 31 December 2018	於二零一八年十二月三十一日	88,618
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

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## 財務報表附註

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### 17. INTANGIBLE ASSETS (Continued)

Customer contracts represent certain automotive engine sales framework agreements (the “Automotive Engine Sales Framework Agreements”) entered into by Well Surplus Enterprises Limited and its subsidiaries (the “Automotive Engines Group”) 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.

For the year ended 31 December 2019, an impairment loss of HK\$88,042,000 (2018: HK\$430,928,000) was recognised and the full carrying amount of the intangible assets was impaired and provided as at 31 December 2019.

In view of the same reasons as disclosed in note 16 above, the Board assessed the impairment loss on the intangible assets, which were essentially the value of the automotive engine sales framework agreement and the supplemental agreements with the Automotive Engines Business Customers which would expire in 2022. By applying the same key assumptions as the impairment test of the goodwill which detailed in note 16 above, the present value of the estimated free cash flow arising from the sales to the Automotive Engines Business Customers from 2020 to 2022 (2018: 2019 to 2022) was extracted from the valuation report prepared by Moore to determine the impairment loss on the intangible assets. Since the present value extracted was negative, management consider there is no recoverable amount from the intangible assets and a full impairment loss was provided.

### 17. 無形資產(續)

客戶合約指由Well Surplus Enterprises Limited及其附屬公司(「汽車發動機集團」)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。

截至二零一九年十二月三十一日止年度，已確認減值虧損為88,042,000港元(二零一八年：430,928,000港元)且無形資產的賬面值全部減值併計提。

鑒於上文附註16中披露的相同原因，董事會評估了無形資產的減值虧損，該減值虧損實質上為汽車發動機銷售框架協議和與汽車發動機業務客戶的補充協議的價值，該協議將於二零二二年到期。通過採用與上文附註16中詳述的商譽減值測試相同的關鍵假設，自二零二零年至二零二二年(二零一八年：二零一九年至二零二二年)銷售予汽車發動機業務客戶的估計自由現金流量的現值為摘錄自馬施雲為釐定無形資產減值損失所作的估值報告。由於提取的現值為負數，管理層認為無形資產無可收回金額，併計提了全額減值虧損。

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## 財務報表附註

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### 18. INVENTORIES

### 18. 存貨

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	原材料	6,581	105,942
Finished goods	製成品	3,314	862
		<b>9,895</b>	<b>106,804</b>

### 19. CONTRACT ASSETS

### 19. 合約資產

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元
Contract assets arising from:	來自以下各項的 合約資產：			
Construction services	建造服務	4,006	44,118	44,118
Civil engineering services	土木工程服務	56,718	153,816	188,173
		<b>60,724</b>	197,934	232,291
Impairment	減值	(101)	(413)	(645)
		<b>60,623</b>	197,521	231,646

The excess of cumulative revenue recognised in profit or loss over the cumulative billings for construction or civil engineering services are recognised as contract assets. Included in contract assets for construction or civil engineering services are retention receivables. Upon completion of construction or civil engineering work and acceptance by customer, the amounts recognised as contract assets are reclassified to accounts receivables. The decrease in contract assets in 2019 and 2018 was the result of decrease in ongoing provision for both construction and/or civil engineering services at the end of each of the years. The Group's trading terms and credit policy with customers are disclosed in note 20 to the financial statements.

於損益中確認的累計收入超過建築或土木工程服務累計賬單部分確認為合約資產。建築或土木工程服務合約資產中包括應收保證金。待客戶完成建築或土木工程及接納後，確認為合約資產的金額重新分類至應收賬款。二零一九年及二零一八年的合約資產減少乃由於於各年末建築及／或土木工程服務的持續撥備減少所致。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20。

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## 財務報表附註

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### 19. CONTRACT ASSETS (Continued)

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	54,599	172,972
After one year	一年後	6,024	24,549
<b>Total contract assets</b>	<b>總合約資產</b>	<b>60,623</b>	<b>197,521</b>

The movements in the loss allowance for impairment of contract assets are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At beginning of year	於年初	413	645
Reversal of impairment of losses (note 8)	減值虧損撥回(附註8)	(312)	(232)
At end of year	於年末	101	413

Included in the above impairment allowance for contract assets is an allowance for an individually impaired contract asset of HK\$101,000 (2018: HK\$413,000) which was considered in default due to indicators which showed that the Group unlikely to receive the outstanding contractual amount in full. Except for the specific impairment allowance mentioned above, 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 expected credit losses of contract assets were minimal as at 31 December 2019 and 2018.

### 19. 合約資產(續)

於十二月三十一日就合約資產的收回或結算的預期時間如下：

合約資產減值虧損撥備變動如下：

上述合約資產減值撥備包括個別減值合約資產101,000港元(二零一八年：413,000港元)的準備金，其被視為默認由於指標顯示本集團不大可能全額收取未償還的合約金額。除上述特定減值撥備外，於各報告日期使用準備金矩陣進行減值分析，以衡量預期信貸虧損。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，截至二零一九年十二月三十一日及二零一八年十二月三十一日，合約資產的預期信貸虧損微乎其微。

# Notes to Financial Statements

## 財務報表附註

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### 19. CONTRACT ASSETS (Continued)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

		2019 二零一九年	2018 二零一八年
Expected credit loss rate	預期信貸虧損比率	0.00%–4.85%	0.03%–9.85%
		HK\$'000 千港元	HK\$'000 千港元
Gross carrying amount	賬面總值	60,724	197,934
Expected credit losses	預期信貸虧損	101	413

### 20. 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. The Group does not hold any collateral or other credit enhancements over its accounts and bills receivables balances and they are non-interest bearing.

### 19. 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：

### 20. 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價值相若。本集團並無就其應收賬款及應收票據結餘持有任何抵押品或其他信用增級，且彼等為免息。

# Notes to Financial Statements

## 財務報表附註

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### 20. ACCOUNTS AND BILLS RECEIVABLES (Continued)

During the year ended 31 December 2019, bills receivables amounted to HK\$475,078,000 were overdue and returned to the Automotive Engines Business Customers and are reclassified to accounts receivables for impairment assessment accordingly.

### 20. 應收賬款及應收票據(續)

截至二零一九年十二月三十一日止年度，應收票據475,078,000港元已逾期並退還予汽車發動機業務客戶，並重新分類至應收賬款。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accounts receivable	應收賬款	698,306	178,221
Bills receivable	應收票據	—	483,485
		698,306	661,706
Impairment	減值	(491,100)	(144,452)
		207,206	517,254
Represented by:	呈列為：		
— non-current assets	— 非流動資產	—	256,395
— current assets	— 流動資產	207,206	260,859
		207,206	517,254

During the year of 2018, 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. However, due to the further delay in the restructuring and resumption of operations of the Automotive Engines Business Customers, the Automotive Engines Business Customers further postponed their repayments. As of the end of reporting period, there was no new agreement is reached on the new repayment schedule of the Automotive Engines Business Customers due to the delay and uncertainty of the restructuring and resumption of its operations.

於二零一八年，本集團與汽車發動機業務客戶就592,615,000港元未償還賬款及應收票據的還款期進行重新談判，其中該等客戶已同意自2019年7月1日起，以12個月分期付款的方式償還其未償還賬款。然而，由於汽車發動機業務客戶的重組和恢復運營再度延遲，汽車發動機業務客戶再度推遲還款。截至本報告期末，由於重組和恢復運營的延遲及不確定性，因此未就汽車發動機業務客戶的新還款計畫達成新協議。

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.

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。

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## 財務報表附註

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### 20. ACCOUNTS AND BILLS RECEIVABLES (Continued)

The ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice or delivery date and net of loss allowance, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 3 months	三個月內	32,218	146,768
4 to 6 months	四至六個月	117	2,390
Over 6 months	六個月以上	174,871	2,272
		<b>207,206</b>	<b>151,430</b>

The maturity profile of bills receivable, based on the issue date and net of loss allowance, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
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>

The movements in the loss allowance for impairment of accounts and bills receivables are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At beginning of year	於年初	144,452	19,322
Impairment losses (note 8)	減值虧損(附註8)	349,156	125,130
Exchange realignment	匯兌調整	(2,508)	—
At end of year	於年末	<b>491,100</b>	<b>144,452</b>

### 20. 應收賬款及應收票據(續)

於報告期末，應收賬款按發票或交付日期及扣除虧損撥備後之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 3 months	三個月內	32,218	146,768
4 to 6 months	四至六個月	117	2,390
Over 6 months	六個月以上	174,871	2,272
		<b>207,206</b>	<b>151,430</b>

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：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
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>

應收賬款及應收票據減值虧損撥備變動如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At beginning of year	於年初	144,452	19,322
Impairment losses (note 8)	減值虧損(附註8)	349,156	125,130
Exchange realignment	匯兌調整	(2,508)	—
At end of year	於年末	<b>491,100</b>	<b>144,452</b>

# Notes to Financial Statements

## 財務報表附註

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### 20. ACCOUNTS AND BILLS RECEIVABLES

#### (Continued)

#### Impairment

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses on remaining 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.

Set out below is the information about the credit risk exposure on the Group's accounts and bills receivables using a provision matrix:

### 20. 應收賬款及應收票據(續)

#### 減值

於各報告日期使用撥備矩陣進行減值分析，以計量剩餘應收賬款及應收票據之預期信貸虧損。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。

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：

		Pass due 逾期			Total 總計
		Current 即期	1-3 months 一至三個月	Over 3 months 三個月以上	
2019	二零一九年				
Expected credit losses rate	預期信貸虧損率	0.6%	0.0%	73.7%	70.3%
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Gross carrying amount	賬面總值	32,236	117	665,953	698,306
Expected credit losses	預期信貸虧損	18	—	491,082	491,100
2018	二零一八年				
Expected credit losses rate	預期信貸虧損率	20.2%	23.8%	24.0%	21.8%
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Gross carrying amount	賬面總值	358,774	254,116	48,816	661,706
Expected credit losses	預期信貸虧損	72,370	60,366	11,716	144,452

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## 財務報表附註

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### 20. ACCOUNTS AND BILLS RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's accounts and bills receivables by business segments:

### 20. 應收賬款及應收票據(續)

下文列載按業務分部劃分的本集團應收賬款及應收票據信貸風險的資料：

		Civil Engineering & Construction 土木工程及建造		Automotive Engines 汽車發動機		Total 總值	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Gross amount	總額	33,125	68,634	665,181	593,072	698,306	661,706
Impairment	減值	(18)	(231)	(491,082)	(144,221)	(491,100)	(144,452)
		33,107	68,403	174,099	448,851	207,206	517,254

The Group engaged Moore Transaction Services Limited ("Moore"), (formerly known as Moore Stephens Advisory Services Limited) to perform an independent assessment report to provide references to the Group for the assessment of expected credit loss of accounts and bills receivables for the Company in accordance to HKFRS 9.

Concerning the civil engineering and construction segment, since the customers were mainly institutions related with the Hong Kong Government, public companies or associates of public companies, Moore Stephens have obtained or estimated their relevant credit ratings and determined the relevant default and recovery rates according to historical statistics. The Group has also considered possible changes in the macro economy and other factors which may result in different default behavior and credit risks of the debtors as compared to its historical performance. Based on the available information as of the time, it was not expected there could be changes in the credits of the customers in this segment.

本集團委聘Moore Transaction Services Limited (「Moore」)(前稱為馬施雲諮詢有限公司)進行獨立評估報告，為本集團根據香港財務報告準則第9號評估本公司應收賬款及應收票據的預期信貸虧損提供參考。

關於土木工程及建造業務分部，由於客戶主要為與香港政府有關的機構、上市公司或上市公司的關聯人士，因此馬施雲獲得或估計彼等相關信用等級，並根據歷史統計資料釐定相關的違約率及回收率。本集團亦考慮了宏觀經濟的可能變動及其他因素，與其歷史表現相比，該等些變化可能導致債務人的違約行為及信貸風險有所不同。根據當時有憑證資料，預期該分部中的客戶信用不會發生變化。

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## 財務報表附註

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### 20. ACCOUNTS AND BILLS RECEIVABLES (Continued)

Concerning the Automotive Engines segment, for the year ended 31 December 2018, the customers were experiencing financial difficulties due to the suspension of capital supply and it is expected the associated credit risk would increase materially. Meanwhile, a restructuring agreement was made among the debtors, banks and local government which would provide financing to the debtors to resume their normal operations. Considering the above two factors together with the financials of the debtors provided, a lowest credit rating of CCC grade was assigned to the debtors. Relevant default rate of 40.31% and recovery rate of 38.43% were determined according to historical statistics of the market.

For the year ended 31 December 2019, the full resumption of production of the Automotive Engines Business Customers encountered further delay during 2019 due to the shortage in supply due to the suppliers' concern on the payment ability of the Automotive Engines Business Customers. The Automotive Engines Business Customers need to undergo further financial and operational restructuring to address the suppliers' concern but such restructuring is still in progress. Based on discussion with the Automotive Engines Business Customers, as of the reporting date, only the restructuring of one of the Automotive Engines Business Customers, namely Baic Yinxiang Automobile Co., Ltd.\* (北汽銀翔汽車有限公司, "BAIC Yinxiang") is making progress but the result of the restructuring is still uncertain. Moreover, it is expected the COVID-19 outbreak will further delay the restructuring negotiation and progress. Considering the above factors, default rate of 100% was assigned to all Automotive Engines Business Customer. Relevant recovery rates of 38.6%, which is determined according to historical statistics of the market for a lowest credit rating of CCC grade, was assigned to BAIC Yinxiang and 12.5%, which is estimated from the average recovery rate from liquidation cases in China, was assigned to other Automotive Engines Business Customers.

Expected credit losses for both segments were calculated according to the above basis and impairment loss were made accordingly to determine the carrying amount of accounts and bills receivables.

### 20. 應收賬款及應收票據(續)

關於汽車發動機業務，截至二零一八年十二月三十一日止年度，由於資本供應中斷，客戶遇到財務困難，預期相關的信用風險將大幅增加。同時，債務人、銀行及地方政府之間達成了一項重組協議，該協議將為債務人提供資金以恢復其正常運作。考慮到以上兩個因素以及所提供債務人的財務狀況，將CCC級的信用等級定為最低。根據市場歷史統計資料釐定相關違約率為40.31%及回收率為38.43%。

截至二零一九年十二月三十一日止年度，由於供應短缺，供應商擔憂汽車發動機業務客戶的支付能力，因此於二零一九年，汽車發動機業務客戶再度延後全面恢復生產。汽車發動機業務客戶需要進行進一步財務及運營重組(惟該重組仍在進行)以解決供應商的擔憂。於本報告日期，根據與汽車發動機業務客戶的討論，僅重組其中一位汽車發動機業務客戶，即北汽銀翔汽車有限公司\*(「北汽銀翔」)正在進行，惟重組結果仍不確定。此外，預計新型冠狀病毒的爆發將再度延後重組談判及進度。鑒於上述情況，所有汽車發動機業務客戶的默認率為100%。根據CCC級最低信用等級市場的歷史統計釐定，相關回收率為38.6%，分配予北汽銀翔；根據中國清算案件的平均回收率估計，相關回收率為12.5%，分配予其他汽車發動機業務客戶。

根據上述基礎計算兩個分部的預期信貸虧損，並相應計提減值虧損，以釐定應收賬款及應收票據的賬面值。

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## 財務報表附註

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### 20. ACCOUNTS AND BILLS RECEIVABLES (Continued)

The major impaired and overdue accounts and bills receivables were from the Automotive Engines segment. In order to recover these impaired and overdue accounts and bills receivables, the Group has taken up and will take the following actions:

- Demanding letters were sent to the customers for the overdue balances.
- Regularly communicate with the customers on the latest development of the restructuring exercise.
- Site visits to the customers were performed regularly to verify the restructuring progress and closely communicate to the customers.
- As disclosed in the announcement dated 11 September 2019, a winding-up petition has been filed by a creditor against BAIC Yinxiang, which was accepted and publicised by a court on 10 September 2019. The Group has then engaged a local legal adviser to represent the Group in the process to ensure the rights of the Group would be protected.
- The Group has not filed winding-up petition against the customers due to the consideration of the long-term relationship with the customers as well as the understanding that the restructuring plan was still in progress. It is also advised by the local legal advisor that cost of initiation of court action will be very high and the rights of the Group would not be infringed if other creditors file the wind-up petition earlier than the Group. Having said that, the Group will continue to monitor the situation and seek legal advice on appropriate actions steps in the future to best recover the accounts and bills receivables.

### 20. 應收賬款及應收票據(續)

主要的減值及逾期應收賬款及應收票據來自汽車發動機分部。為了收回該等減值及逾期應收賬款及應收票據，本集團已採取並將採取以下行動：

- 已向客戶發出催款函，要求支付逾期餘額。
- 定期與客戶溝通重組活動的最新進展。
- 定期對客戶進行現場訪問，以核實重組進度並與客戶密切溝通。
- 誠如二零一九年九月十一日之公告所披露，一位債權人向北汽銀翔提交清盤呈請，並於二零一九年九月十日獲法院接受並公佈。隨後本集團委聘當地法律顧問，代表本集團受理確保本集團權利受到保護的程序。
- 由於考慮到與客戶的長期關係以及了解到重組計畫仍在進行中，本集團尚未對客戶提出清盤申請。當地法律顧問亦建議，倘其他債權人比本集團更早提交清盤申請，提起訴訟的成本將非常高，本集團的權利不會受到侵犯。儘管如此，本集團仍會繼續監察有關情況，並就日後採取的適當行動步驟尋求法律意見，以便以最佳方式收回應收賬款及應收票據。

# Notes to Financial Statements

## 財務報表附註

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### 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Prepayments	預付款項	1,203	517
Deposits and other receivables	按金及其他應收款	43,462	33,561
		<b>44,665</b>	<b>34,078</b>

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2019 and 2018, the loss allowance was assessed to be minimal.

### 21. 預付款項、按金及其他應收款

上述結餘包含的金融資產乃與近期並無欠繳及逾期賬款記錄的應收賬款有關。於二零一九年十二月三十一日及二零一八年十二月三十一日，虧損撥備被評估為微乎其微。

### 22. CASH AND CASH EQUIVALENTS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	64,777	26,971

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$1,568,000 (2018: HK\$1,597,000). 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.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

### 22. 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1,568,000港元（二零一八年：1,597,000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。

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。

# Notes to Financial Statements

## 財務報表附註

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### 23. 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:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 3 months	三個月內	47,144	101,069
4 to 6 months	四至六個月	359	28,187
Over 6 months	超過六個月	265,797	211,504
		<b>313,300</b>	<b>340,760</b>

At 31 December 2019, retentions payable included in accounts payable amounted to HK\$8,444,000 (2018: HK\$13,348,000) 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. 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：

於二零一九年十二月三十一日，應付賬款中包含的應付保留款項為8,444,000港元(二零一八年：13,348,000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價值相若。

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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### 24. OTHER PAYABLES AND ACCRUALS

### 24. 其他應付款及預提費用

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accruals of costs for contract work	合約工程成本的 預提費用	27,743	52,333
Other payables	其他應付款 (a)	15,803	17,504
Accruals	預提費用	12,140	16,115
Due to a shareholder	應付一名股東款項 (b)	29,752	7,500
Due to a director	應付一名董事款項 (c)	—	2,220
		<b>85,438</b>	<b>95,672</b>
Represented by:	代表:		
— non-current liabilities	— 非流動負債	29,752	7,944
— current liabilities	— 流動負債	55,686	87,728
		<b>85,438</b>	<b>95,672</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價值相若。

Notes:

附註:

- (a) Other payables are non-interest-bearing and are expected to be settled within one year.
- (b) The amount was unsecured, interest-free and repayable in 2022.
- (c) The amount was unsecured, interest-free and had no fixed terms of repayment.

- (a) 其他應付款不計息及預期將於一年內結付。
- (b) 該款項為無抵押、免息及應於二零二二年償還。
- (c) 該款項為無抵押、免息及並無固定還款期。

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## 財務報表附註

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### 25. INTEREST-BEARING BANK AND OTHER BORROWINGS

### 25. 計息銀行及其他借款

		2019 二零一九年			2018 二零一八年		
		Contractual interest rate (%) per annum 合約年利率 (%)	Maturity 到期日	HK\$'000 千港元	Contractual interest rate (%) per annum 合約年利率 (%)	Maturity 到期日	HK\$'000 千港元
<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% 銀行港元最優惠利率-1% 或香港銀行同業拆息+1%	On demand 按要求	5,265
Bank loans — unsecured	銀行貸款 — 無抵押	HIBOR +1.75% to 2.5% 香港銀行同業拆息 +1.75%至2.5%	2020 二零二零年	4,080	HIBOR +1.75% to 2.5% 香港銀行同業拆息 +1.75%至2.5%	2019 二零一九年	7,490
Other loans — unsecured	其他貸款 — 無抵押	10%-12%	2020 二零二零年	53,900	10%-12%	2019 二零一九年	51,500
				57,980			64,255
<b>Non-current</b>	<b>非流動</b>						
Other loans — unsecured	其他貸款 — 無抵押	—	—	—	5%	2020 二零二零年	6,000
				57,980			70,255

Notes:

- (a) During the reporting period, there is no overdraft facilities of the Group. As at 31 December 2018, the Group's overdraft facilities amounting to HK\$6,000,000 of which HK\$5,265,000 had been utilised.
- (b) The Group's interest-bearing bank and other borrowings are repayable within one year (2018: one to two years).
- (c) A corporate guarantee was given by the Company for the outstanding balance of bank loans of HK\$12,715,000 (2018: HK\$12,755,000) as at 31 December 2019.
- (d) All borrowings are in Hong Kong dollars.

附註：

- (a) 於報告期內，本集團無透支額度。於二零一八年十二月三十一日，本集團的透支額度為6,000,000港元，已動用其中的5,265,000港元。
- (b) 本集團的銀行及其他計息借款須於一年內(二零一八年：一至兩年)償還。
- (c) 本公司就於二零一九年十二月三十一日尚未償還銀行貸款結餘12,715,000港元(二零一八年：12,755,000港元)提供企業擔保。
- (d) 所有借款以港元計值。

# Notes to Financial Statements

## 財務報表附註

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### 26. 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. 可換股債券

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

		Liability component 負債部分 HK\$'000 千港元	Equity component 權益部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於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 (note 6)	消除可換股債券之收益(附註6)	(65,617)	(15,140)	(80,757)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	352,411	375,576	727,987
Interest expense (note 7)	利息開支(附註7)	33,922	—	33,922
At 31 December 2019	於二零一九年十二月三十一日	<b>386,333</b>	<b>375,576</b>	<b>761,909</b>

The details of the outstanding principal amount of the convertible bonds is as follows:

有關尚未償還可換股債券本金額詳情如下：

		HK\$'000 千港元
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、二零一八年十二月三十一日、二零一九年一月一日及二零一九年十二月三十一日	390,000

# Notes to Financial Statements

## 財務報表附註

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### 26. CONVERTIBLE BONDS (Continued)

A reconciliation of the principal amount of the convertible bonds to their fair value upon completion of the Engines Acquisition is as follows:

		HK\$'000 千港元
Principal amount	本金額	390,000
Fair value adjustment	公允價值調整	336,698
Fair value	公允價值	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.

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 were extinguished by approximately HK\$65,617,000 and HK\$15,140,000 respectively, based on revaluation upon the date of execution on 12 March 2019. As at 31 December 2019, the convertible bonds had a carrying amount of HK\$761,909,000 (2018: HK\$727,987,000), in which HK\$375,576,000 was recognised as equity and HK\$386,333,000 was recognised as current liabilities. No convertible bonds were converted during the year ended 31 December 2018 and 2019 and the outstanding principal amount of the convertible bonds was HK\$390,000,000.

### 26. 可換股債券(續)

發動機收購完成後，可換股債券本金額與其公允價值之對賬如下：

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。

於二零一八年三月十三日，本公司將可換股債券之到期日由二零一八年二月四日延長兩年為二零二零年二月四日（「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十二日（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。於二零一九年十二月三十一日，可換股債券的賬面值為761,909,000港元（二零一八年：727,987,000港元），其中375,576,000港元被確認為權益及386,333,000港元被確認為流動負債。截至二零一八年十二月三十一日及二零一九年十二月三十一日止年度，概無可換股債券被轉換，可換股債券的未償還本金為390,000,000港元。

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### 26. CONVERTIBLE BONDS (Continued)

On 8 November 2019, the Company and the then holder of the convertible bonds, Power Expert Global Limited, entered into an amendment agreement, pursuant to which the maturity date of the convertible bonds shall be extended for 5 years to 4 February 2025. Further details are set out in the Company's announcement dated 8 November 2019 and the Company's circular dated 19 December 2019. This proposed amendment took effect on 14 January 2020. Following the amendment, majority of the convertible bonds is expected to be re-categorised as non-current liabilities.

In February 2020, the Company received a duly-executed transfer notice from Power Expert notifying the Company that Power Expert has agreed to transfer the convertible bonds to LE Group Holdings Pte. Ltd. ("LEGH"), an independent third party. The Company has given its consent on the transfer and issued new certificates of the convertible bonds to LEGH.

### 27. PROMISSORY NOTES

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

### 26. 可換股債券(續)

於二零一九年十一月八日，本公司與當時可換股債券持有人巧能環球有限公司訂立修訂協議，據此，可換股債券的到期日應延長五年至二零二五年二月四日。詳情載於本公司日期為二零一九年十一月八日之公告及本公司日期為二零一九年十二月十九日之通函。該擬議修訂於二零二零年一月十四日生效。修訂後，大多數可換股債券有望重新歸類為非流動負債。

於二零二零年二月，本公司從巧能收到妥為簽立的轉讓通知，知會本公司巧能已同意將可換股債券轉讓予獨立第三方LE Group Holdings Pte. Ltd. ([LEGH])。本公司已同意轉讓事項，並已發行可換股債券新證書予LEGH。

### 27. 承兌票據

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
First Note	第一票據	235,372	216,908
Second Note	第二票據	318,613	295,479
		553,985	512,387

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。

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### 27. PROMISSORY NOTES (Continued)

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.

On 8 November 2019, the Company and Power Expert entered into an amendment agreement, pursuant to which the term of the promissory notes will be changed to perpetual and the interest rate will be fixed at 5% per annum with effect from 5 February 2020, payable annually and the interest accrued on or before 4 February 2020 shall be payable on 4 February 2025. Further details are set out in the Company's announcement dated 8 November 2019 and the Company's circular dated 19 December 2019. This proposed amendment took effect on 14 January 2020.

On 3 February 2020, the Company received an assignment notice from Power Expert notifying the Company that Power Expert has agreed to assign the promissory notes to LE Group Holdings Pte. Ltd. ("LEGH"). The Company has given its consent on the transfer and issued new certificates of the promissory notes to LEGH.

As at 31 December 2019, the promissory notes with carrying amount of HK\$553,985,000 (2018: HK\$512,387,000) was reclassified as current liabilities.

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.

### 27. 承兌票據(續)

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。

於二零一九年十一月八日，本公司與巧能環球訂立修訂協議，據此，本承兌票據的期限將改為永久性，利率將固定為每年5%，自二零二零年二月五日起生效，每年支付一次，且於二零二零年二月四日或之前產生的利息應於二零二五年二月四日償還。詳情載列於本公司日期為二零一九年十一月八日之公告及本公司日期為二零一九年十二月十九日之通函。該修正案於二零二零年一月十四日生效。

於二零二零年二月三日，本公司從巧能環球收到妥為簽立的轉讓通知，知會本公司巧能環球已同意將可換股債券轉讓予LE Group Holdings Pte. Ltd. (「LEGH」)。本公司已同意轉讓事項，並已發行可換股債券新證書予LEGH。

於二零一九年十二月三十一日，承兌票據賬面價值553,985,000港元(二零一八年：512,387,000港元)重新分類為流動負債。

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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### 28. DEFERRED TAX

The movements in deferred tax liabilities during the year are as follows:

### 28. 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價值調整	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於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)	年內在損益扣除／(計入)的遞延稅項(附註11)	—	(10)	(68,595)	(68,605)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	13,349	1	12,738	26,088
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)	—	—	(12,738)	(12,738)
At 31 December 2019	於二零一九年十二月三十一日	<b>13,349</b>	<b>1</b>	<b>—</b>	<b>13,350</b>

At 31 December 2019, the Group has tax losses arising in Hong Kong of HK\$23,447,000 (2018: HK\$23,752,000). 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\$1,707,000 (2018: HK\$1,734,000) that will expire in five years for offsetting against future taxable profits of the companies in which the losses arose.

於二零一九年十二月三十一日，本集團在香港所產生的稅項虧損為23,447,000港元(二零一八年：23,752,000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1,707,000港元(二零一八年：1,734,000港元)，將在五年內到期，抵銷虧損公司未來應課稅溢利。

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### 28. DEFERRED TAX (Continued)

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\$279,613,000 (2018: HK\$323,632,000) as at 31 December 2019.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

### 28. 遞延稅項(續)

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。於二零一九年十二月三十一日，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279,613,000港元(二零一八年：323,632,000港元)。

本公司向股東派付股息並無所得稅後果。

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### 29. SHARE CAPITAL

#### Shares

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	授權：		
500,000,000 ordinary shares of HK\$0.01 each	500,000,000股 每股面值0.01港元 的普通股	5,000	5,000
Issued and fully paid:	已發行及繳足：		
200,000,000 ordinary shares of HK\$0.01 each	200,000,000股 每股面值0.01港元 的普通股	2,000	2,000

#### Share options

Details of the Company's share option scheme are included in note 30 to the financial statements.

### 30. 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.

### 29. 股本

#### 股份

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	授權：		
500,000,000 ordinary shares of HK\$0.01 each	500,000,000股 每股面值0.01港元 的普通股	5,000	5,000
Issued and fully paid:	已發行及繳足：		
200,000,000 ordinary shares of HK\$0.01 each	200,000,000股 每股面值0.01港元 的普通股	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30。

### 30. 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。

### 30. 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.

### 30. 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。

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### 30. SHARE OPTION SCHEME (Continued)

For the year ended 31 December 2018, no share option has been granted by the Company. There was no outstanding share option of the Company as at 31 December 2018 and 2019.

The following share options under the Share Option Scheme during the year:

Name or category of participant	As at 1 January 2019 於二零一九年一月一日	Number of share options 購股權數目			As at 31 December 2019 於二零一九年十二月三十一日	Date of grant 授出日期	Exercise price HK\$ 行使價 港元	Exercise period 行使期
		Granted 授出	Exercised 已行使	Cancelled 已失效				
<b>Director</b> <b>董事</b>								
Mr. Lam Wah 林華先生	—	500,000	—	(500,000)	— 26 Apr 2019 二零一九年四月二十六日	7.128	26 Apr 2019– 25 Apr 2024 二零一九年四月二十六日 至二零二四年四月二十五日	
<b>Others</b> <b>其他人士</b>	—	11,500,000	—	(11,500,000)	— 26 Apr 2019 二零一九年四月二十六日	7.128	26 Apr 2019– 25 Apr 2024 二零一九年四月二十六日 至二零二四年四月二十五日	

The fair value of the share options granted during the year was HK\$28,721,000, of which the Group recognised a share option expense 28,721,000 during the year ended 31 December 2019.

### 30. 購股權計劃(續)

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。於二零一八年及二零一九年十二月三十一日，本公司並無尚未行使購股權。

於年內，根據購股權計劃授出之購股權如下：

於年內授出的購股權公允價值為28,721,000港元，其中截至二零一九年十二月三十一日止年度本集團確認購股權開支28,721,000港元。

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### 30. SHARE OPTION SCHEME (Continued)

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

		2019 二零一九年
Dividend yield (%)	股息收益(%)	—
Expected volatility (%)	預期波動(%)	74.9
Historical volatility (%)	歷史波動(%)	74.9
Risk-free interest rate (%)	無風險利率(%)	1.71
Expected life of options (year)	購股權預期壽命(年)	5
Weighted average share price (HK\$ per share)	加權平均股價(每股港元)	5.6

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

### 30. 購股權計劃(續)

於年內，已授出的以股本結算的購股權公允價值於授予日採用二項式模型(考慮授予購股權的條款及條件)進行估算。下表列出了所用模型的輸入數據：

購股權預期壽命乃根據過去三年歷史資料作出，並不一定表示可能發生的行使方式。預期波動反映了一種假設，即歷史波動表明未來趨勢，惟不一定為實際結果。

購股權授予的任何其他特性均未納入公允價值計量。

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### 31. 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.

### 32. BUSINESS COMBINATION

On 15 April 2019, Global Harvset Inc (a wholly-owned subsidiary of the Company) entered into an agreement with Mr. Jiang Jianhui (a controlling shareholder of the Company), for the purchase of 100% of the total issued shares of Links Wonder Investment Holdings Limited ("Links Wonder"). Details of which are set out in the Company announcements dated 14 and 22 April 2019.

On 6 May 2019, Xingyu Keji (Shenzhen) Company Limited (興御科技(深圳)有限公司), a then indirect wholly-owned subsidiary of the Company) entered into an agreement with Mr. Jiang Jianhui (the controlling shareholder of the Company), for the purchase of 60% of the total issued shares of Qiubei Woma Agricultural Development Co., Ltd. ("Qiubei Woma"). Details of which are set out in the Company announcement dated 6 May 2019.

### 31. 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價值構成，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。

### 32. 業務合併

於二零一九年四月十五日，Global Harvest Inc. (本公司一間全資附屬公司)與姜建輝先生(控股股東)訂立協議，收購Links Wonder Investment Holdings Limited (「Links Wonder」) 100%已發行股份。詳情載列於本公司日期為二零一九年四月十四日及二十二日之公告。

於二零一九年五月六日，興御科技(深圳)有限公司(時為本公司一間間接全資附屬公司)與姜建輝先生(本公司控股股東)訂立協議，收購丘北沃麻60%已發行股份。詳情載列於本公司日期為二零一九年五月六日之公告。

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### 32. BUSINESS COMBINATION (Continued)

The fair values of the identifiable assets and liabilities of Links Wonder and Qiubei Woma as at the date of acquisition were as follows:

		Links Wonder HK\$'000 千港元	Qiubei Woma 丘北沃麻 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	215	1,466	1,681
Deferred assets	遞延資產	547	970	1,517
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款	6,617	3,107	9,724
Cash and cash equivalents	現金及現金等價物	1,077	216	1,293
Other payables and accruals	其他應付款及預提費用	(332)	(5,230)	(5,562)
Total identifiable net assets at fair value	以公允價值計量的可辨認 淨資產總額	8,124	529	8,653
Non-controlling interest	非控股權益	(8,164)	(211)	(8,375)
		(40)	318	278
Goodwill on acquisition	收購時的商譽	41	378	419
Satisfied by cash	以現金償付	1	696	697

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

就收購附屬公司之現金流量分析如下：

		Links Wonder HK\$'000 千港元	Qiubei Woma 丘北沃麻 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cash consideration	現金代價	(1)	(696)	(697)
Cash and bank balance acquired	獲得現金及銀行結餘	1,077	216	1,293
Net inflow of cash and cash equivalents included in cash flows from investing activities	投資活動產生的現金流量 中所包含的現金及 現等價物淨流入	1,076	(480)	596

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### 32. BUSINESS COMBINATION (Continued)

Since the acquisition, Links Wonder and Qiubei Woma did not contribute any revenue to the Group's revenue and contributed HK\$1,229,000 and HK\$1,109,000 to the Group's consolidated loss for the year ended 31 December 2019 respectively.

Had the combination taken place at the beginning of the year, the revenue of the Group and the loss of the Group for the year would have been HK\$459,109,000 and HK\$906,895,000, respectively.

### 32. 業務合併(續)

自收購事項以來，Links Wonder及丘北沃麻並無對本集團貢獻任何收入，而截至二零一九年十二月三十一日止年度的綜合虧損分別為1,229,000港元及1,109,000港元。

倘合併於年初進行，則本集團的收入及本集團於本年度的虧損分別為459,109,000港元及906,895,000港元。

### 33. DISPOSAL OF SUBSIDIARIES

### 33. 出售附屬公司

		HK\$'000 千港元
Net assets disposal of:	出售淨資產：	
Goodwill	商譽	419
Property, plant and equipment	物業、廠房及設備	17,270
Inventories	存貨	984
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	3,060
Cash and cash equivalents	現金及現金等價物	1,056
Other payables and accruals	其他應付款及預提費用	(12,372)
Non-controlling interests	非控股權益	(12,098)
		(1,681)
Gain on disposal of subsidiaries	出售附屬公司之收益	1,682
Satisfied by Cash	以現金償付	1

An analysis of the net outflow of cash and cash equivalent in respect of the disposal of subsidiaries is as follows:

就收購附屬公司之現金流量分析如下：

		HK\$'000 千港元
Cash consideration	現金代價	1
Cash and bank balance disposal of	現金及銀行結餘	(1,056)
Net outflow of cash and cash equivalents included in cash flows from investing activities	投資活動產生的現金流量中所包含的現金及現金等值物淨流出	(1,055)

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### 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

- (i) During the year, the Group has not endorsed bills receivable to settle the accounts payable (2018: RMB666,703,000 (equivalent (HK\$791,069,000))).
- (ii) During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$2,546,000 and HK\$2,546,000, respectively, in respect of lease arrangements for office premises (2018: Nil).

#### (b) Changes in liabilities arising from financing activities

#### (a) 主要非現金交易

- (i) 於本年度，本集團並無書應收票據結清應付賬款(二零一八年：人民幣666,703,000元(相當於(791,069,000港元)))。
- (ii) 於年內，就辦公場所的租賃安排，本集團有使用權資產及租賃負債非現金添置分別為2,546,000港元及2,546,000港元(二零一八年：零港元)。

#### (b) 來自融資業務的負債變動

		2019 二零一九年			
		Interest-bearing bank and other borrowings 計息銀行及其他借貸 HK\$'000 千港元	Convertible bonds 可換股債券 HK\$'000 千港元	Promissory notes 承兌票據 HK\$'000 千港元	Lease Liabilities 租賃負債 HK\$'000 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	—
Effect on adoption of HKFRS 16	採納香港財務報告準則第16號之影響	—	—	—	3,882
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	70,255	352,411	512,387	3,882
Changes from financing cash flows	融資現金流量變動	(7,010)	—	—	(3,025)
New leases	新租賃	—	—	—	2,546
Foreign exchange movement	外匯變動	—	—	—	(31)
Changes from operating cash flows	經營現金流量變動	(5,265)	—	—	—
Interest expense	利息開支	—	—	—	404
Interest paid classified as operating cash flows	已付利息分類為經營現金流量	—	—	—	(404)
Accrued interest expense	應計利息開支	—	33,922	41,598	—
At 31 December 2019	於二零一九年十二月三十一日	57,980	386,333	553,985	3,372

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## 財務報表附註

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### 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated of cash flows is as follows:

		2019 二零一九年 HK\$'000 千港元
Within operating expenses	在營運開支範圍內	404
Within financing activities	在融資活動範圍內	3,025
		<b>3,429</b>

### 35. JOINT OPERATION

Particulars of the Group's joint operation as at 31 December 2018 and 2019 are as follows:

Name of joint operation 共同經營名稱	Form of business structure 業務架構形式	Place of operation 經營場所	Percentage of attributable interest of the Group 本集團權益應佔百分比		Principal activities 主要業務
			2019 二零一九年 %	2018 二零一八年 %	
EXCEL – LANON Joint Venture 怡益 – 亮雅合營企業	Body unincorporated 非屬法團的團體	Hong Kong 香港	51 (note (a)) (附註(a))	51	Construction 建築工程

(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.

### 34. 綜合現金流量表附註(續)

#### (c) 租賃現金流出總額

計入綜合現金流量中的租賃現金流出總額如下：

### 35. 共同經營

有關本集團於二零一八年及二零一九年十二月三十一日的共同經營詳情如下：

(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。

# Notes to Financial Statements

## 財務報表附註

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### 35. JOINT OPERATION (Continued)

- (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.

### 36. CONTINGENT LIABILITIES

- (a) At 31 December 2019, the guarantees given by the Group to certain banks in respect of performance bonds in favour of certain contract customers amounted to HK\$8,635,000 (2018: HK\$15,044,000).
- (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.

### 37. COMMITMENTS

- (a) The Group leased certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years. As at 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

		HK\$'000 千港元
Within one year	一年內	2,564
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	1,762
		4,326

### 35. 共同經營(續)

- (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。

### 36. 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提供的擔保為8,635,000港元(二零一八年：15,044,000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。

### 37. 承擔

- (a) 本集團根據經營租賃安排租賃若干辦公物業。物業租賃的談判期限為一年至三年。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擁有未來最低租賃付款總額按以下方式支付：

# Notes to Financial Statements

## 財務報表附註

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二零一九年十二月三十一日

### 37. COMMITMENTS (Continued)

(b) The Group had the following capital commitments at the end of the reporting period:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contracted, but not provided for plant and machinery	—	52

已簽約，但未提供工廠及機器

### 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:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Transactions with related companies controlled by a director of the Company:		
Corporate service fee paid	227	737

與本公司一名董事控制的關聯公司進行交易：

已付企業服務費

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) Acquisition of subsidiaries from a shareholder

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Mr. Jiang Jianhui	697	—

姜建輝先生

(b) 向股東收購附屬公司

Details of which are set out in notes 32 to the financial statements.

詳情載列於財務報表附註32。

# Notes to Financial Statements

## 財務報表附註

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二零一九年十二月三十一日

### 38. RELATED PARTY TRANSACTIONS (Continued)

- (c) **Outstanding balances with related parties**  
Balances with related parties are included in notes 24 to the financial statements.
- (d) **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.

### 39. FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 December 2019 and 2018, all the Group's financial assets and liabilities were at amortised cost.

### 40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, accounts and bills receivables, contract assets, financial assets included in prepayments, deposits and other receivables, accounts payable, financial liabilities included in other payables and accruals and lease liabilities interest-bearing bank and other borrowings 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.

### 38. 關聯方交易(續)

- (c) **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24。
- (d) **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。

### 39. 金融工具分類

於二零一九年及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按攤銷成本計值。

### 40. 金融工具之公允價值及公允價值層級

由於現金及現金等值物、應收賬款及應收票據、合約資產、包含在預付款項、按金及其他應收賬款、應付賬款之金融資產、包含在其他應付款及預提費用及租賃負債之金融負債、計息銀行及其他借貸大多於短期內到期，故管理層認為該等工具之公允價值與其賬面值相若。

本集團由董事領導的財務部負責釐定金融工具公允價值計量政策及程式。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價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。

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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 2019 and 31 December 2018 was assessed to be insignificant.

The Group did not have any financial assets or liabilities measured at fair value as at 31 December 2019 and 31 December 2018.

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include accounts and bills receivables, contract assets, financial assets, prepayments, deposits and other receivables, accounts and other payables, cash and cash equivalents, lease liabilities, interest-bearing bank and other borrowings, 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. 金融工具之公允價值及公允價值層級(續)

以下為用作估計公允價值的方法及假設：

可換股債券及承兌票據負債部分之公允價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。本集團於二零一九年十二月三十一日及二零一八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。

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團並無任何按公允價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、合約資產、金融資產、預付款項及按金及其他應收賬款、應付賬款及其他應付款、現金及現金等值物、租賃負債、計息銀行及其他借款、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。

### 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 2019, 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 2019, the Group had concentrations of credit risk as 65% (2018: 46%) of the total accounts and bills receivables were due from the Group's largest external customer and 94% (2018: 85%) 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價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。

就截至二零一九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合約工程應收款的風險不大。

於二零一九年十二月三十一日，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65%（二零一八年：46%）來自本集團的最大外部客戶，而應收賬款及票據總額中的94%（二零一八年：85%）則來自本集團的五大外部客戶。

# Notes to Financial Statements

## 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

The tables 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.

The amount presented are gross carrying amounts for financial assets.

As at 31 December 2019

### 41. 財務風險管理目標及政策(續)

#### 信貸風險(續)

##### 最大風險及年末的階段

下表列載基於本集團信貸政策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),及於十二月三十一日的階段分類。

呈列金額為金融資產賬面總值。

於二零一九年十二月三十一日

		12-month ECLs	Lifetime ECLs			
		12個月預期信貸虧損	全期預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第一階段	第二階段	第三階段	簡化法	
		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
Contract assets*	合約資產*	—	—	—	60,724	60,724
Accounts and bills receivables*	應收賬款及應收票據*	—	—	—	698,306	698,306
Financial assets included in deposits and other receivables	計入按金及其他應收款項的金融資產					
— Normal**	— 正常**	43,462	—	—	—	43,462
— Doubtful**	— 呆賬**	—	—	—	—	—
Cash and cash equivalents	現金及現金等值物					
— Not yet past due	— 尚未逾期	64,777	—	—	—	64,777
		108,239	—	—	759,030	867,269

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## 財務報表附註

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二零一九年十二月三十一日

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Credit risk (Continued)

#### Maximum exposure and year-end staging (Continued)

As at 31 December 2018

		12-month ECLs		Lifetime ECLs		Simplified approach	HK\$'000
		12個月預期信貸虧損	Stage 1	Stage 2	Stage 3		
		HK\$'000	千港元	HK\$'000	千港元	HK\$'000	千港元
Contract assets*	合約資產*	—	—	—	—	197,934	197,934
Accounts and bills receivables*	應收賬款及應收票據*	—	—	—	—	661,706	661,706
Financial assets included in deposits and other receivables	計入按金及其他應收款項的金融資產						
— Normal**	— 正常**	33,561	—	—	—	—	33,561
— 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
		60,532	—	—	—	859,640	920,172

\* For accounts and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 and 20 to the financial statements.

\*\* 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”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from accounts and bills receivables are disclosed in note 20 to the financial statements.

### 41. 財務風險管理目標及政策(續)

#### 信貸風險(續)

#### 最大風險及年末的階段(續)

於二零一八年十二月三十一日

\* 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，乃基於本財務報表附註19及20披露之撥備矩陣的資料。

\*\* 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」。

有關本集團應收賬款及應收票據所產生的信貸風險的進一步量化數據於財務報表附註20中披露。

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## 財務報表附註

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### 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 tables 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 1 year or on demand 一年內或須 應要求償還 HK\$'000 千港元	Between 1 and 2 years 一至二年 HK\$'000 千港元	Between 2 and 5 years 二至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2019	二零一九年 十二月三十一日				
Accounts payable	應付賬款	313,300	—	—	313,300
Lease liabilities	租賃負債	2,814	672	—	3,486
Financial liabilities included in other payables	計入其他應付款項 之金融負債	43,546	6,000	23,752	73,298
Interest-bearing bank and other borrowings	計息銀行及其他借款	64,072	—	—	64,072
Convertible bonds	可換股債券	390,000	—	—	390,000
Promissory notes	承兌票據	557,600	—	—	557,600
		1,371,332	6,672	23,752	1,401,756

### 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：

# Notes to Financial Statements

## 財務報表附註

31 December 2019  
二零一九年十二月三十一日

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk (Continued)

#### 流動資金風險(續)

		Within 1 year or on demand 一年內或須 應要求償還 HK\$'000 千港元	Between 1 and 2 years 一至二年 HK\$'000 千港元	Between 2 and 5 years 二至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2018	二零一八年 十二月三十一日				
Accounts payable	應付賬款	329,490	5,522	5,748	340,760
Financial liabilities included in other payables	計入其他應付款項之金融負債	71,612	445	7,500	79,557
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

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。

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 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 2019 and 31 December 2018 was as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest-bearing bank and other borrowings	計息銀行及其他借款	57,980	64,255
Liability component of the convertible bonds	可換股債券的負債部分	386,333	352,411
Promissory notes	承兌票據	553,985	512,387
Less: Cash and cash equivalents	減：現金及現金等值物	(64,777)	(26,971)
<b>Net debts</b>	<b>淨負債</b>	<b>933,521</b>	<b>902,082</b>
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>	<b>(975,545)</b>	<b>(92,959)</b>
<b>Gearing ratio (%)</b>	<b>槓桿比率(%)</b>	<b>NA*</b> 不適用	<b>NA*</b> 不適用

\* The gearing ratio as at 31 December 2019 and 2018 are not available because the Group reported a negative equity attributable to owners of the parent as at 31 December 2019 and 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。於二零一九年十二月三十一日及二零一八年十二月三十一日的槓桿比率如下：

\* 於二零一九年及二零一八年十二月三十一日之槓桿比率無法取得，因為本集團於二零一九年及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。

# Notes to Financial Statements

## 財務報表附註

31 December 2019  
二零一九年十二月三十一日

### 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 42. 本公司之財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

有關本公司於報告期末之財務狀況表之資料如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	1	7
Total non-current assets	非流動資產總值	1	7
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Due from subsidiaries	應收附屬公司款項	48,536	582,626
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	1,423	1,845
Cash and cash equivalents	現金及現金等值物	492	427
Total current assets	流動資產總值	50,451	584,898
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款及預提費用	15,733	17,976
Interest-bearing other borrowings	計息其他借款	53,900	51,500
Convertible bonds	可換股債券	386,333	—
Promissory notes	承兌票據	553,985	—
Total current liabilities	流動負債總額	1,009,951	69,476
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<b>流動(負債)/資產淨值</b>	<b>(959,500)</b>	515,422
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>	<b>(959,499)</b>	515,429

# Notes to Financial Statements

## 財務報表附註

31 December 2019

二零一九年十二月三十一日

### 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) 42. 本公司之財務狀況表(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Other payables	其他應付款項	29,771	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
Deferred tax liabilities	遞延稅項負債	2	2
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>	<b>29,773</b>	<b>878,744</b>
<b>Net liabilities</b>	<b>負債淨值</b>	<b>(989,272)</b>	<b>(363,315)</b>
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	2,000	2,000
Equity component of convertible bonds (note)	可換股債券之權益部分(附註)	375,576	375,576
Reserves (note)	儲備(附註)	(1,366,848)	(740,891)
<b>Deficiency in assets</b>	<b>資產虧絀</b>	<b>(989,272)</b>	<b>(363,315)</b>

Liu Wengang  
劉文剛  
Director  
董事

Xing Bin  
邢濱  
Director  
董事

# Notes to Financial Statements

## 財務報表附註

31 December 2019  
二零一九年十二月三十一日

### 42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

附註：

本公司之儲備概要如下：

		Share premium	Equity component of convertible bonds 可換股債券之權益部分	Share option reserve 購股權儲備	Accumulated losses 累計虧損	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於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	於二零一九年十二月三十一日	45,486	375,576	—	(786,377)	(365,315)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	45,486	375,576	—	(786,377)	(365,315)
Total comprehensive loss for the year	年內全面虧損總額	—	—	—	(654,678)	(654,678)
Equity-settled share option arrangements	股權結算購股權安排	—	—	28,721	—	28,721
Transfer of share option reserve upon the cancellation of share options	於購股權失效後轉撥購股權儲備	—	—	(28,721)	28,721	—
At 31 December 2019	於二零一九年十二月三十一日	45,486	375,576	—	(1,412,334)	(991,272)

### 43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 8 May 2020.

### 43. 批准財務報表

財務報表於二零二零年五月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 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度 HK\$'000 千港元	Nine months ended 31 December 2016 截至 二零一六年 十二月三十一日 止九個月 HK\$'000 千港元	Year ended 31 March 2016 截至 二零一六年 三月三十一日 止年度 HK\$'000 千港元
Revenue	收入	459,109	743,414	2,026,599	2,145,926	609,335
(Loss)/profit before tax	除稅前(虧損)/溢利	(922,494)	(769,826)	69,892	124,783	(32,349)
Income tax credit/(expense)	所得稅抵免/(支出)	16,249	66,059	(32,179)	(34,631)	(774)
(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	(906,245)	(703,767)	37,713	90,152	(33,123)

### ASSETS, LIABILITIES AND TOTAL EQUITY

### 資產、負債及總權益

		31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元	31 December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	31 March 2016 於二零一六年 三月三十一日 HK\$'000 千港元
Total assets	總資產	439,095	1,307,390	2,509,552	2,594,815	1,702,936
Total liabilities	總負債	(1,413,850)	(1,400,349)	(1,806,938)	(2,043,443)	(1,169,985)
(Deficiency in assets)/total equity	(資產虧絀)/總權益	(974,755)	(92,959)	702,614	551,372	532,951

