



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

2020

Interim Report

中期報告



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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收入表

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

The board (the “Board”) of directors (the “Directors”) of Bisu Technology Group International Limited (the “Company”) announces the unaudited condensed consolidated interim results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2020 (the “period”) with comparative figures for the corresponding period in the previous year as follows. This condensed consolidated interim financial information has not been audited, but has been reviewed by the audit committee of the Company (the “Audit Committee”):

比速科技集團國際有限公司(「本公司»)之董事(「董事»)會(「董事會»)公佈本公司及其附屬公司(統稱「本集團»)截至二零二零年六月三十日止六個月(「本期間»)之未經審核簡明綜合中期業績及財務狀況，連同於去年同期之比較數字如下。此簡明綜合中期財務資料未經審核，惟已由本公司之審核委員會(「審核委員會»)審閱：

		Unaudited 未經審核		
		Six months ended 30 June 截至六月三十日止六個月		
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	
	Notes 附註			
REVENUE	收益	5	215,823	246,196
Cost of sales	銷售成本	7	(209,825)	(270,876)
Gross profit/(loss)	毛利/(毛損)		5,998	(24,680)
Other income and gains	其他收入及收益	5	6,888	454
Gain on extinguishment of convertible bonds, net	註銷可換股債券之 收益淨額		293,712	—
Gain on modification of promissory notes	修訂承兌票據之收益		294,577	—
Gain on disposal of subsidiaries	出售附屬公司之收益		—	1,682
Administrative and selling expenses	行政及銷售開支		(24,699)	(162,486)
Finance costs	財務費用	6	(32,138)	(37,944)
Impairment of property, plant and equipment	物業、機器及設備減值		(28,904)	—
Impairment of goodwill	商譽減值	12	(16,338)	—
Impairment of intangible assets	無形資產減值		—	(50,701)
Profit/(loss) before tax	除稅前溢利/(虧損)	7	499,096	(273,675)
Income tax (expense)/credit	所得稅(開支)/抵免	8	(43)	9,407
Profit/(loss) for the period	期間溢利/(虧損)		499,053	(264,268)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收入表

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
	Notes 附註		
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收入／(虧損)		
Other comprehensive income/(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收入／(虧損)：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	1,220	1,770
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	期內其他全面收入／(虧損)	1,220	1,770
TOTAL COMPREHENSIVE INCOME/(LOSS)	全面收入／(虧損) 總額	500,273	(262,498)
Profit/(loss) for the period attributable to:	以下人士應佔期內溢利／(虧損)：		
Owners of the parent	母公司擁有人	499,053	(263,446)
Non-controlling interest	非控股權益	—	(822)
Total comprehensive income/(loss) attributable to:	以下人士應佔全面收入／(虧損) 總額：		
Owners of the parent	母公司擁有人	500,273	(261,676)
Non-controlling interest	非控股權益	—	(822)
Earnings/(loss) per share attributable to owners of the parent	母公司擁有人應佔每股盈利／(虧損)		
Basic (HK cents)	基本 (港仙)	10	249.5
			(131.7)
Diluted (HK cents)	攤薄 (港仙)	10	129.9
			(131.7)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

30 June 2020
二零二零年六月三十日

		Notes 附註	Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、機器及設備	11	632	32,120
Right-of-use assets	使用權資產		3,487	3,252
Goodwill	商譽	12	—	16,557
Total non-current assets	非流動資產總值		4,119	51,929
CURRENT ASSETS	流動資產			
Inventories	存貨		7,049	9,895
Contract assets	合約資產	13	72,968	60,623
Accounts receivables	應收賬款	14	207,579	207,206
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		18,953	44,665
Cash and cash equivalents	現金及現金等價物		55,876	64,777
Total current assets	流動資產總值		364,425	387,166
CURRENT LIABILITIES	流動負債			
Accounts payable	應付賬款	15	300,045	313,300
Tax payable	應付稅項		89	92
Other payables and accruals	其他應付款及預提費用		54,834	55,686
Interest-bearing bank and other borrowings	計息銀行及其他借款	16	46,270	57,980
Lease liabilities	租賃負債		2,251	552
Convertible bonds	可換股債券	17	—	386,333
Promissory notes	承兌票據	18	—	553,985
Total current liabilities	流動負債總額		403,489	1,367,928

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

30 June 2020
二零二零年六月三十日

			Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
NET CURRENT LIABILITIES	流動負債淨值		(41,064)	(980,762)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		(36,945)	928,833
NON-CURRENT LIABILITIES	非流動負債			
Other payables and accruals	其他應付款及預提費用		41,499	29,752
Convertible bonds	可換股債券	17	98,027	–
Promissory notes	承兌票據	18	274,649	–
Deferred tax liabilities	遞延稅項負債		13,394	13,350
Lease liabilities	租賃負債		1,507	2,820
Total non-current liabilities	非流動負債總額		429,076	45,922
Net liabilities	負債淨值		(466,021)	(974,755)
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	19	2,000	2,000
Equity component of convertible bonds	可換股債券之權益部分	17	384,037	375,576
Reserves	儲備		(852,058)	(1,352,331)
Deficiency in assets	資產虧絀		(466,021)	(974,755)

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔									
		Share capital	Share premium	Statutory surplus reserve	Exchange fluctuation reserve	Equity component of convertible bonds	Share option reserve	Accumulated loss	Subtotal	Non-controlling interest	Deficiency in assets
		股本	股份溢價	法定盈餘儲備	外匯波動儲備	可換股債券之權益部分	購股權儲備	累計虧損	小計	非控股權益	資產虧絀
		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
At 1 January 2020 (Audited)	於二零二零年一月一日 (經審核)	2,000	45,486	1,085	(27,159)	375,576	—	(1,371,743)	(974,755)	—	(974,755)
Profit for the period	期間溢利	—	—	—	—	—	—	499,053	499,053	—	499,053
Other comprehensive income for the period:	期間其他全面收入：										
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	—	—	—	1,220	—	—	—	1,220	—	1,220
Loss on extinguishment of convertible bonds	註銷可換股債券之虧損	—	—	—	—	8,461	—	—	8,461	—	8,461
At 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)	2,000	45,486	1,085	(25,939)	384,037	—	(872,690)	(466,021)	—	(466,021)
At 1 January 2019 (Audited)	於二零一九年一月一日 (經審核)	2,000	45,486	1,085	(22,065)	375,576	—	(495,041)	(92,959)	—	(92,959)
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
Loss for the period	期間虧損	—	—	—	—	—	—	(263,446)	(263,446)	(822)	(264,268)
Other comprehensive income for the period:	期間其他全面收入：										
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	—	—	—	1,770	—	—	—	1,770	—	1,770
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	—	(12,098)	(12,098)
Equity-settled share option arrangements	以股權結算之購股權安排	—	—	—	—	—	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 30 June 2019 (Unaudited)	於二零一九年六月三十日 (未經審核)	2,000	45,486	1,085	(20,295)	375,576	—	(729,766)	(325,914)	—	(325,914)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

Unaudited
未經審核

Six month ended
30 June

截至六月三十日止六個月

2020	2019
二零二零年	二零一九年
HK\$'000	HK\$'000
千港元	千港元

Net cash flows (used in)/generated from operating activities	經營業務(使用)/產生的現金流量淨額	(8,802)	31,459
Investing activities	投資業務		
Additions of items of property, plant and equipment	添置物業、機器及設備項目	(106)	(15,844)
Proceeds from disposal of items of property, plant and equipment	出售物業、機器及設備項目所得款項	–	119
Acquisition of subsidiaries, cash received	收購附屬公司的已收現金	–	596
Disposal of subsidiaries, cash paid	出售附屬公司的已付現金	–	(1,055)
Net cash flows used in investing activities	投資業務使用的現金流量淨額	(106)	(16,184)
Financing activities	融資業務		
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款	(11,710)	(5,810)
Principal portion of lease payment	租賃付款本金部分	(1,884)	(1,505)
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	預收一名股東的墊款	11,750	15,828
Net cash flows (used in)/generated from financing activities	融資業務(使用)/產生的現金流量淨額	(1,844)	13,058
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(10,751)	28,333
Cash and cash equivalents at beginning of period	期初的現金及現金等價物	64,777	21,706
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	1,850	1,650
Cash and cash equivalents at end of period	期末的現金及現金等價物	55,876	51,689
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	55,876	51,689

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is 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 six months ended 30 June 2020, the Group was principally engaged in the following principal activities:

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

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2020 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

1. 公司資料

本公司為一間在開曼群島註冊成立的獲豁免有限公司。本公司的註冊辦事處地址位於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。

於截至二零二零年六月三十日止六個月，本集團主要從事下列主要活動：

- 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」）
- 開發、生產及銷售汽車發動機（「汽車發動機業務」）

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

2. 編製基準及會計政策

此截至二零二零年六月三十日止六個月之未經審核簡明綜合中期財務資料乃根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄16載列之適用披露規定而編製。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Going concern

Despite the Group reports a net profit of HK\$499,053,000 for the six months ended 30 June 2020 (the "Period"); the Group has net current liabilities of HK\$41,064,000 and net liabilities of HK\$466,021,000 as at 30 June 2020, 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) 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 have led to an improvement on the general liquidity of the Group, and alleviated the Group's pressure to repay its debts, details of which are set out in notes 17 and 18 to the financial statement;
- (ii) 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 at 30 June 2020, such shareholder loan amounted to approximately HK\$11.7 million was drawn down by the Group;
- (iii) Power Expert Global Limited ("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 confirmed to provide such financial support to the Group;

2. 編製基準及會計政策 (續)

持續經營關注

儘管本集團於截至二零二零年六月三十日止六個月(「期間」)錄得溢利淨額499,053,000港元;本集團於二零二零年六月三十日擁有流動負債淨值41,064,000港元及負債淨值466,021,000港元,董事認為,根據本集團之現金流量預測及經考慮以下各項,本集團將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) 於修訂可換股債券及承兌票據之期限(於二零二零年一月十四日生效)後,可換股票據的償還日期延長至二零二五年二月四日,而承兌票據的期限則改為永久性。有關修訂已為本集團的整體流通資金帶來改善,並紓緩本集團償還債務的壓力,有關詳情載於財務報表附註17及18;
- (ii) 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。於二零二零年六月三十日,本集團已提取該股東貸款約11,700,000港元;
- (iii) 巧能環球有限公司(「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持予本集團。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持予本集團;

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Going concern (Continued)

- (iv) despite the futile result of the restructuring of certain Automotive Engines Business Customers and therefore a dimmer hope of turnaround of the Automotive Engines Business in the near future, there was no immediate cash outflow or capital commitment for this business segment; 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 believe that, taking into account the above factors and based on the existing information available to the Group, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from 30 June 2020. 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. 編製基準及會計政策(續)

持續經營關注(續)

- (iv) 儘管若干汽車發動機業務客戶的重組結果徒勞，導致汽車發動機業務於可見未來轉虧為盈的憧憬渺茫，惟該業務分部概無即時現金流出或資本承擔；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。

董事認為，考慮到上述因素及根據本集團現有可得資料，本集團自二零二零年六月三十日起至少未來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新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。

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The accounting policies and the basis of preparation adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019, except for the adoption of new and revised standard with effect from 1 January 2020 as detailed below.

The Group has adopted the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA for the first time for these Financial Statements.

Amendments to HKFRS 3 *Definition of a Business*

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 *Interest Rate Benchmark Reform*

Amendments to HKAS 1 and HKAS 8 *Definition of Material*

The adoption of the new and revised standards are not expected to have any significant impact on the Group's interim condensed consolidated financial information.

2. 編製基準及會計政策 (續)

除採納二零二零年一月一日生效的新訂和經修訂準則 (詳情載於下文) 外, 編製此簡明綜合中期財務資料時所採納之會計政策及編製基準, 與編製本集團截至二零一九年十二月三十一日止年度的年度財務報表所採用者一致。

本集團已就此等財務報表採納下列由香港會計師公會頒佈的新訂和經修訂香港財務報告準則 (「香港財務報告準則」) (包括所有香港財務報告準則、香港會計準則和詮釋)。

香港財務報告準則 業務之釋義
第3號 (修訂本)

香港財務報告準則 利率基準改革
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)

香港會計準則第1號及 重大性之釋義
香港會計準則第8號
(修訂本)

預期採納新訂及經修訂準則將不會對本集團的中期簡明綜合財務資料造成任何重大影響。

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3. ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group as at and for the year ended 31 December 2019.

4. SEGMENT INFORMATION

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

- Civil engineering and construction segment – civil engineering works and building construction and maintenance works
- Automotive engines segment – development, production and sales of automotive engines

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

3. 估計

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

於編製此簡明綜合中期財務資料時，管理層就應用本集團之會計政策而作出之重大判斷以及估計不穩定因素的主要來源，與截至二零一九年十二月三十一日止年度的本集團綜合財務報表內所採用的一致。

4. 分部資料

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

- 土木工程及建造分部 – 土木工程項目以及樓宇建造及保養業務
- 汽車發動機分部 – 開發、生產及銷售汽車發動機

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

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簡明綜合中期財務資料附註

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截至二零二零年六月三十日止六個月

4. SEGMENT INFORMATION (Continued)

Segment revenue and results

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

4. 分部資料(續)

分部收益及業績

下列為按可報告經營分部劃分之本集團收益及業績分析：

		Unaudited 未經審核 Six months ended 30 June 截至六月三十日止六個月					
		Civil engineering and construction 土木工程及建造		Automotive engines 汽車發動機		Total 總計	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Segment revenue	分部收益	213,397	176,244	2,426	69,952	215,823	246,196
Segment results	分部業績	401	(7,480)	(52,955)	(194,436)	(52,554)	(201,916)
Gain on extinguishment of convertible bonds	註銷可換股債券之收益					293,712	-
Gain on modification of promissory notes	修訂承兌票據之收益					294,577	-
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					54	-
Corporate and unallocated expenses	企業及未分配開支					(4,555)	(35,497)
Finance costs	財務費用					(32,138)	(37,944)
Profit/(loss) before tax	除稅前溢利/(虧損)					499,096	(273,675)

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簡明綜合中期財務資料附註

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5. REVENUE, OTHER INCOME AND GAINS

5. 收益、其他收入及收益

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收益		
Contract revenue	合約收益	213,397	176,244
Sales of goods	銷售貨物	2,426	69,952
		215,823	246,196
Other income and gains	其他收入及收益		
Interest income	利息收入	1	2
Consultancy fee income	顧問費收入	640	240
Government subsidies*	政府補助*	5,876	109
Sundry income	雜項收入	371	103
		6,888	454

* Being the subsidies received/receivable from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme and other subsidy schemes as promulgated by the Government of the Hong Kong Special Administrative Region of the People's Republic of China during the period.

* 即根據中華人民共和國香港特別行政區政府於期內頒佈的保就業計劃項下的COVID-19防疫基金及其他補貼計劃已收／應收的補貼。

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6. FINANCE COSTS

6. 財務費用

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	156	215
Interest on bank and other borrowings	銀行及其他借款利息	2,872	3,311
Interest on promissory notes	承兌票據利息	15,242	20,392
Imputed interest on convertible bonds	可換股債券之推算利息	13,868	14,026
		32,138	37,944

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7. PROFIT/(LOSS) BEFORE TAX

7. 除稅前溢利／(虧損)

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
The Group's profit/(loss) before tax is arrived at after charging:	本集團之除稅前溢利／(虧損)已扣除下列各項：		
Cost of sales	銷售成本		
Cost of services provided	已提供服務成本	207,327	174,660
Cost of inventories sold	已售存貨成本	2,498	70,978
Provision for inventories	存貨撥備	—	24,782
Amortisation of intangible assets	無形資產攤銷	—	456
		209,825	270,876
Impairment of property, plant and equipment	物業、機器及設備減值	28,904	—
Impairment of goodwill	商譽減值	16,338	—
Impairment of accounts and bills receivables, net	應收賬款及應收票據減值淨額	3,223	112,942
Impairment of contract assets	合約資產減值	397	601
Depreciation or property, plant and equipment	物業、機器及設備折舊	2,273	3,221
Depreciation of right-of-use assets	使用權資產折舊	2,039	1,594
Directors' remuneration	董事酬金	2,487	2,454
– Share-based payment expense	– 以股份為基礎支付的開支	—	1,352
Employee benefits expenses (exclusive of directors' remuneration)	員工福利開支 (不包括董事酬金)	12,384	14,340
– Share-based payment expenses	– 以股份為基礎支付的開支	—	4,284

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8. INCOME TAX CREDIT

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI. No provision for Hong Kong profits tax has been made for the six months ended 30 June 2020 and 2019 as there was no assessable profits generated on the estimated assessable profits arising in Hong Kong for the period.

Chongqing Bisu Yunbo Motor Technology Limited, a wholly-owned subsidiary of the Group in the PRC, is subject to a preferential corporate income tax ("CIT") rate of 15% (2019: 15%).

8. 所得稅抵免

根據開曼群島及英屬處女群島（「英屬處女群島」）的法例及規例，本集團毋須繳付開曼群島及英屬處女群島的任何所得稅。截至二零二零年及二零一九年六月三十日止六個月，由於概無應課稅溢利產生，因此概無就期內自香港產生之估計應課稅溢利計提香港利得稅撥備。

本集團之中國全資附屬公司重慶比速雲博動力科技有限公司按優惠企業所得稅（「企業所得稅」）稅率15%（二零一九年：15%）繳稅。

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年	2019 二零一九年
		HK\$'000 千港元	HK\$'000 千港元
Current charge/(credit) for the period	期間即期支出／(抵免)		
– Hong Kong profit tax	– 香港利得稅	43	–
– PRC CIT	– 中國企業所得稅	–	(1,734)
– Deferred	– 遞延	–	(7,673)
Total tax charge/(credit) for the period	期間稅項支出／(抵免) 總額	43	(9,407)

9. DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

9. 股息

董事會不建議派付截至二零二零年六月三十日止六個月之任何中期股息（截至二零一九年六月三十日止六個月：無）。

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

The calculation of the basic earnings/(loss) per share amounts for the six months ended 30 June 2020 and 2019 are based on the consolidated profit/(loss) for the period attributable to owners of the parent of HK\$499,053,000 (2019: loss of HK\$263,446,000) and the weighted average number of 200,000,000 (2019: 200,000,000) ordinary shares in issue during the period.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(loss) for the period 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 period, as used in the basic earnings/(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 earnings/(loss) per share are based on:

10. 母公司擁有人應佔每股盈利／(虧損)

於計算截至二零二零年及二零一九年六月三十日止六個月的每股基本盈利／(虧損)金額時，乃根據母公司擁有人應佔期內綜合溢利／(虧損)499,053,000港元(二零一九年：虧損263,446,000港元)及期內已發行普通股的加權平均數200,000,000股(二零一九年：200,000,000股)計算。

每股攤薄盈利／(虧損)金額乃基於母公司擁有人應佔期內溢利／(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盈利／(虧損)計算中使用的期內已發行普通股數目，且普通股加權平均數乃假設於視為行使或轉換所有攤薄潛在普通股為普通股時按零代價發行。每股基本及攤薄盈利／(虧損)的計算基於：

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年	2019 二零一九年
		HK\$' 000 千港元	HK\$' 000 千港元
Earnings/(loss)	盈利／(虧損)		
Profit/(loss) attributable to owners of the parent, used in basic earnings/(loss) per share calculation	用於計算每股基本盈利／(虧損)的母公司擁有人應佔溢利／(虧損)	499,053	(263,446)
Interest on convertible bonds	可換股債券之利息	13,868	14,026
Profit/(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溢利／(虧損)	512,921	(249,420)

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

The calculations of basic and diluted earnings/(loss) per share are based on:

10. 母公司擁有人應佔每股盈利／(虧損)(續)

每股基本及攤薄盈利／(虧損)的計算基於：

		Number of shares 股份數目	
		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年	2019 二零一九年
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用於計算每股基本盈利之期內已發行普通股加權平均數	200,000,000	200,000,000
Effect of dilution – weighted average number of ordinary shares: Convertible bonds	攤薄影響 – 普通股加權平均數： 可換股債券	195,000,000	–
Weighted average number of ordinary shares in issue during the period used in diluted earnings per share calculation	用於計算每股攤薄盈利之期內已發行普通股加權平均數	395,000,000	200,000,000

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2019 in respect of a dilution as the impact of the convertible bonds outstanding during the period had an anti-dilutive effect on the basic loss per share amount presented.

由於期間內尚未行使可換股債券之影響對呈列之每股基本虧損金額具有反攤薄作用，故並無就截至二零一九年六月三十日止六個月呈列之每股基本虧損金額作出攤薄調整。

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11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、機器及設備

		HK\$' 000 千港元
Six months ended 30 June 2020	截至二零二零年六月三十日止六個月	
Net carrying amount at 1 January 2020 (Audited)	於二零二零年一月一日之賬面淨值 (經審核)	32,120
Additions	添置	106
Impairment	減值	(28,904)
Depreciation	折舊	(2,273)
Exchange realignment	匯兌調整	(417)
Net carrying amount at 30 June 2020 (Unaudited)	於二零二零年六月三十日之賬面淨值 (未經審核)	632

Impairment losses of HK\$28,904,000 have been made on the property, plant and equipment of the Automotive Engines Business for the six months ended 30 June 2020. Details of the impairment losses are set out in note 12.

於截至二零二零年六月三十日止六個月，汽車發動機業務已就物業、機器及設備作出減值虧損28,904,000港元。減值虧損詳情載於附註12。

		HK\$' 000 千港元
Six months ended 30 June 2019	截至二零一九年六月三十日止六個月	
Net carrying amount at 1 January 2019 (Audited)	於二零一九年一月一日之賬面淨值 (經審核)	38,592
Additions	添置	15,844
Acquisition of subsidiaries	收購附屬公司	1,681
Disposal	出售	(16)
Disposal of subsidiaries	出售附屬公司	(17,270)
Depreciation	折舊	(3,221)
Exchange realignment	匯兌調整	(21)
Net carrying amount at 30 June 2019 (Unaudited)	於二零一九年六月三十日之賬面淨值 (未經審核)	35,589

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Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

12. GOODWILL

12. 商譽

		HK\$'000 千港元
Six months ended 30 June 2020	截至二零二零年六月三十日止六個月	
Net carrying amount:	賬面淨值：	
At 1 January 2020 (Audited)	於二零二零年一月一日 (經審核)	16,557
Impairment during the period	期間減值	(16,338)
Exchange realignment	匯兌調整	(219)
At 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)	—
At 30 June 2020:	於二零二零年六月三十日：	
Cost	成本	16,338
Accumulated impairment	累計減值	(16,338)
Net carrying amount	賬面淨值	—
		HK\$'000 千港元
Six months ended 30 June 2019	截至二零一九年六月三十日止六個月	
Net carrying amount:	賬面淨值：	
At 1 January 2019 (Audited)	於二零一九年一月一日 (經審核)	297,552
Acquisition of subsidiaries	收購附屬公司	419
Disposal of subsidiaries	出售附屬公司	(419)
Exchange realignment	匯兌調整	(581)
At 30 June 2019 (Unaudited)	於二零一九年六月三十日 (未經審核)	296,971

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, together with the property, plant and equipment of the Automotive Engines CGU.

透過業務合併所收購的商譽被分配至汽車發動機業務之現金產生單位(「汽車發動機現金產生單位」)，與汽車發動機現金產生單位之物業、機器及設備共同作減值測試。

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12. GOODWILL (Continued)

Impairment test of the Automotive Engines CGU

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.

For the six months ended 30 June 2020, the resumption progress of the key automotive engines business customers remained un-promising. The restructuring of BAIC Yinxiang is still in progress and the result remained uncertain. The resumption target, plan or schedule of BAIC Yinxiang remained unknown to the Group. Due to the unsatisfactory progress of the customers' resumption, together with the heavy impact of the COVID-19 outbreak, the automotive engines business of the Group recorded a minimal operation for the six months ended 30 June 2020. Moreover, based on discussion with BAIC Yinxiang, a new engine production line may be injected into BAIC Yinxiang after the restructuring which may reduce their orders to the automotive engines business of the Group in the future.

In view of the above situations, the Board performed an impairment assessment as at 30 June 2020 and recognised impairment losses of HK\$16,338,000 (2019: HK\$275,821,000) and HK\$28,404,000 (2019: Nil) respectively in connection with goodwill allocated to Automotive Engines CGU and the property, plant and equipment of the Automotive Engines CGU for the six month period ended 30 June 2020 ("2020 Interim Valuation"). The impairment losses are made based on the results of impairment tests for the goodwill and the property, plant and equipment 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.

12. 商譽(續)

汽車發動機現金產生單位之減值測試

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(惟於報告日期該重組仍在進行)以解決供應商的擔憂。根據與汽車發動機業務客戶的討論，僅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」)的重組正在進行，惟重組結果仍不確定。此外，預計新型冠狀病毒(COVID-19)的爆發將再度延後重組談判及進度。

截至二零二零年六月三十日止六個月，主要汽車發動機業務客戶的恢復進展仍不樂觀。北汽銀翔的重組仍在進行中且結果仍不確定。本集團尚不清楚北汽銀翔的恢復目標、計劃或時間表。由於客戶的恢復進展不如人意，加上COVID-19疫情的嚴重影響，本集團的汽車發動機業務於截至二零二零年六月三十日止六個月僅錄得少量業務。此外，基於與北汽銀翔的討論，北汽銀翔重組後可能注入一條新的發動機生產線，此可能減少其日後對本集團汽車發動機業務的訂單。

鑒於上述情況，董事會已於二零二零年六月三十日進行減值評估，並就截至二零二零年六月三十日止六個月期間被分配至汽車發動機現金產生單位的商譽及汽車發動機現金產生單位的物業、機器及設備分別確認減值虧損16,338,000港元(二零一九年：275,821,000港元)及28,404,000港元(二零一九年：無)(「二零二零年中期評估」)。減值虧損乃基於採用使用價值計算之商譽及物業、機器及設備減值測試結果並參考獨立專業合資格估值師Moore Transaction Services Limited(「Moore」)(前稱「馬施雲諮詢有限公司」)進行的估值而作出。

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12. GOODWILL (Continued)

Impairment test of the Automotive Engines CGU (Continued)

The following describes each key assumption on which management has based, to undertake impairment testing of goodwill and property, plant and equipment:

- (a) the cash flow projections from 1 July 2020 to 31 December 2024 (the “Forecast Period”) on management expectation of future business performance and prospects of the Automotive Engines CGU;
- (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 77% on the quantity 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, the uncertainty of the success of the restructuring as well as the potential impact from the possible new engines production line to be injected into BAIC Yinxiang. The forecasted revenue during the Forecast Period ranges from approximately HK\$57,847,000 for the year ending 31 December 2021 to HK\$127,530,000 for the year ending 31 December 2024;

12. 商譽(續)

汽車發動機現金產生單位之減值測試(續)

下文描述管理層進行商譽及物業、機器及設備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七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；
- (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、重組成功的不確定性以及可能注入北汽銀翔的新發動機生產線產生的潛在影響，而對北汽銀翔的採購計劃數量下調77%。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57,847,000港元至截至二零二四年十二月三十一日止年度的127,530,000港元；

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12. GOODWILL (Continued)

Impairment test of the Automotive Engines CGU (Continued)

- (e) the net (loss)/profit margin of (12.7%) to 1.4% 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 net loss of HK\$7,366,000 to net profit HK\$1,765,000 from the year ending 31 December 2021 to the year ending 31 December 2024;
- (f) the post-tax discount rate of 18.26% 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 20.29% 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 significant changes of the inputs and assumptions used in the 2020 Interim Valuation from those previously adopted in 2019 is the downward adjustment from the purchase plan of BAIC Yinxiang increased from 70% in 2019 to 77% in 2020 due to the increased uncertainty of the future orders for BAIC Yinxiang given the possible new production line to be injected.

12. 商譽(續)

汽車發動機現金產生單位之減值測試(續)

- (e) 預測期間的淨(虧損)/溢利率(12.7%)至1.4%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。預測期間的預測虧損淨額介乎截至二零二一年十二月三十一日止年度的虧損淨額7,366,000港元至截至二零二四年十二月三十一日止年度的溢利淨額1,765,000港元；
- (f) 基於加權平均資本成本的18.26%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20.29%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。

二零二零年中期評估中所使用的輸入數據及假設與先前於二零一九年所採納者的重大變動為北汽銀翔的採購計劃下調幅度由二零一九年的70%增加至二零二零年的77%，乃由於可能注入的新生產線令北汽銀翔日後訂單的不確定性增加。

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12. GOODWILL (Continued)

Impairment test of the Automotive Engines CGU (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 30 June 2020 and 31 December 2019 are analysed below:

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 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
Carrying amount of the CGU: Property, plant and equipment	現金產生單位之賬面值：物業、機器及設備	–	31,443
Goodwill	商譽	–	16,557
		–	48,000
Headroom Available	可用空間	–	–

Based on the impairment assessment for the year ended 30 June 2020, the Board estimated that the Automotive Engines Business Customers would generate to the Group an aggregate revenue of HK\$57,847,000, HK\$75,317,344 and HK\$98,020,000 for the years ending 31 December 2021, 2022 and 2023 and an aggregate net loss before any impairment loss of goodwill and property, plant and equipment of HK\$7,366,000, HK\$5,181,000 and HK\$2,125,000 for the years ending 31 December 2021, 2022 and 2023.

12. 商譽(續)

汽車發動機現金產生單位之減值測試(續)

於二零二零年六月三十日及二零一九年十二月三十一日，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：

根據截至二零二零年六月三十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二零二一年、二零二二年及二零二三年十二月三十一日止年度將為本集團帶來的總收入分別為57,847,000港元、75,317,344港元及98,020,000港元，於截至二零二一年、二零二二年及二零二三年十二月三十一日止年度將為本集團帶來的總虧損淨額(未計及商譽及物業、機器及設備的任何減值虧損)分別為7,366,000港元、5,181,000港元及2,125,000港元。

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13. CONTRACT ASSETS

13. 合約資產

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 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	5,351	4,006
Civil engineering services	土木工程服務	68,014	56,718
		73,365	60,724
Impairment	減值	(397)	(101)
		72,968	60,623

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 Group's trading terms and credit policy with customers are disclosed in note 14 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。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14。

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13. CONTRACT ASSETS (Continued)

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

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Within one year	一年內	66,512	54,599
After one year	一年後	6,456	6,024
Total contract assets	總合約資產	72,968	60,623

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

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
At beginning of period	於期初	101	413
Impairment/(Reversal of impairment) of losses (note 7)	減值虧損/(減值虧損撥回) (附註7)	296	(312)
At end of period	於期末	397	101

13. 合約資產(續)

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：

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13. CONTRACT ASSETS (Continued)

Included in the above impairment allowance for contract assets is an allowance for an individually impaired contract asset of HK\$397,000 (31 December 2019: HK\$101,000) 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 30 June 2020 and 31 December 2019.

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

13. 合約資產(續)

上述合約資產減值撥備包括個別減值合約資產397,000港元(二零一九年十二月三十一日:101,000港元)的準備金,其被視為已拖欠,乃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,於各報告日期使用撥備矩陣進行減值分析,以計量預期信貸虧損。計量合約資產預期信貸虧損的撥備比率乃基於該等應收賬款,因為合約資產及應收賬款來自相同客戶基礎,於二零二零年六月三十日及二零一九年十二月三十一日,合約資產的預期信貸虧損微乎其微。

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:

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日	Audited 經審核 31 December 2019 二零一九年 十二月三十一日
Expected credit loss rate	預期信貸虧損比率	0.24%–0.25%	0.00%–4.85%
		HK\$'000 千港元	HK\$'000 千港元
Gross carrying amount	賬面總值	73,365	60,724
Expected credit losses	預期信貸虧損	397	101

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14. ACCOUNTS RECEIVABLES

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

14. 應收賬款

應收賬款指合約工程及銷售汽車發動機應收款。合約工程應收款的付款期於有關合約中訂明，而信貸期一般為一個月。來自銷售汽車發動機的應收款項的付款期以信貸為主，而信貸期一般為三個月。應收賬款的賬面值與其公允價值相若。

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Accounts receivable	應收賬款	692,521	698,306
Impairment	減值	(484,942)	(491,100)
		207,579	207,206

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14. ACCOUNTS 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, as follows:

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
1 to 3 months	一至三個月	36,180	32,218
More than 3 months but less than 6 months	超過三個月但 少於六個月	394	117
Over 6 months	六個月以上	171,005	174,871
		207,579	207,206

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

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
At the beginning of period	期初	491,100	144,452
Impairment losses, net	減值虧損淨額	3,329	349,156
Exchange realignment	匯兌調整	(9,487)	(2,508)
At the end of period	期末	484,942	491,100

14. 應收賬款 (續)

於報告期末按發票或交付日期及扣除虧損撥備後應收賬款的賬齡分析如下：

應收賬款減值虧損撥備變動如下：

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14. ACCOUNTS RECEIVABLES (Continued) Impairment

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses on remaining accounts receivables. The Group determines the provision for expected credit losses by grouping together accounts 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 receivables using a provision matrix:

14. 應收賬款 (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之預期信貸虧損。為釐定預期信貸虧損撥備，本集團按照相若的信貸風險特徵對應收賬款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	
30 June 2020 (Unaudited)	二零二零年六月三十日 (未經審核)				
Expected credit losses rate	預期信貸虧損率	0.2%	0.3%	73.9%	70.0%
		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	36,238	396	655,887	692,521
Expected credit losses	預期信貸虧損	59	1	484,882	484,942
31 December 2019 (Audited)	二零一九年十二月三十一日 (經審核)				
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

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14. ACCOUNTS RECEIVABLES (Continued) Impairment (Continued)

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

		Civil Engineering & Construction 土木工程及建造		Automotive Engines 汽車發動機		Total 總值	
		Unaudited 未經審核	Audited 經審核	Unaudited 未經審核	Audited 經審核	Unaudited 未經審核	Audited 經審核
		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Gross amount	總額	37,465	33,125	655,056	665,181	692,521	698,306
Impairment	減值	(63)	(18)	(484,879)	(491,082)	(484,942)	(491,100)
		37,402	33,107	170,177	174,099	207,579	207,206

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 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 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.

14. 應收賬款(續) 減值(續)

下文列載按業務分部劃分的本集團應收賬款信貸風險的資料：

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聯營公司，因此Moore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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14. ACCOUNTS RECEIVABLES (Continued) Impairment (Continued)

Concerning the Automotive Engines segment, 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, 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.

For the six months period ended 30 June 2020, the resumption progress of the key automotive engines business customers remained un-promising. The restructuring of BAIC Yinxiang is still in progress and the result remained uncertain. The resumption target, plan or schedule of BAIC Yinxiang remained unknown to the Group. Considering the above factors, default rate of 100% was assigned to all Automotive Engines Business Customer. Relevant recovery rates of 38.1%, 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. There is no significant change of assumption from 2019.

14. 應收賬款 (續) 減值 (續)

關於汽車發動機業務分部，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，僅其中一位汽車發動機業務客戶北汽銀翔的重組正在進行，惟重組結果仍不確定。此外，預計新型冠狀病毒(COVID-19)的爆發將再度延後重組談判及進度。

截至二零二零年六月三十日止六個月期間，主要汽車發動機業務客戶的恢復進展仍不樂觀。北汽銀翔的重組仍在進行中且結果仍不確定。本集團尚不清楚北汽銀翔的恢復目標、計劃或時間表。鑒於上述情況，賦予所有汽車發動機業務客戶的違約率為100%。根據有關CCC級最低信用等級的市場歷史統計資料釐定，賦予北汽銀翔的相關回收率為38.1%，而根據中國清算案件的平均回收率估計，賦予其他汽車發動機業務客戶的相關回收率為12.5%。二零一九年假設並無重大變動。

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14. ACCOUNTS RECEIVABLES (Continued) Impairment (Continued)

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 receivables.

The major impaired and overdue accounts receivables were from the Automotive Engines segment. In order to recover these impaired and overdue accounts 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;
- the Group has 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 reported the liabilities owed by BAIC Yinxiang to the reconstruction committee of BAIC Yinxiang for their restructuring plan; and
- 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 receivables.

The basis of determining the inputs and assumption and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019.

14. 應收賬款(續) 減值(續)

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，以釐定應收賬款的賬面值。

主要的減值及逾期應收賬款來自汽車發動機分部。為了收回該等減值及逾期應收賬款，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；
- 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；
- 為實施重組計劃，本集團已向北汽銀翔的重組委員會匯報北汽銀翔結欠的負債；及
- 由於考慮到與客戶的長期關係以及了解到重組計劃仍在進行中，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。

釐定截至二零二零年六月三十日止六個月的簡明綜合財務報表所用輸入數據及假設以及估計技術的基礎與編製本集團截至二零一九年十二月三十一日止年度的年度財務報表所遵循者相同。

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15. ACCOUNTS PAYABLE

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

15. 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：

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Current to three months	即期至三個月	36,864	47,144
More than three months but less than six months	超過三個月但少於六個月	322	359
Over six months	超過六個月	262,859	265,797
		300,045	313,300

As at 30 June 2020, retentions payable included in accounts payable amounted to HK\$8,714,000 (31 December 2019: HK\$8,444,000), which are normally settled on terms ranging from two to three years. The carrying amounts of accounts payable approximate to their fair values.

於二零二零年六月三十日，應付賬款中包含的應付保留款項為8,714,000港元（二零一九年十二月三十一日：8,444,000港元），一般於兩至三年內結算。應付賬款的賬面值與其公允價值相若。

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.

應付賬款為免息，一般於7至120日內結算。支付條款於有關合約中訂明。

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16. INTEREST-BEARING BANK AND OTHER BORROWINGS

16. 計息銀行及其他借款

		Unaudited 未經審核 30 June 2020 二零二零年六月三十日			Audited 經審核 31 December 2019 二零一九年十二月三十一日		
		per annum 合約年利率(%)	Maturity 到期日	HK\$'000 千港元	per annum 合約年利率(%)	Maturity 到期日	HK\$'000 千港元
Current	流動						
Bank loans	銀行貸款	-	-	-	HIBOR	2020	4,080
- unsecured	-無抵押				+1.75% to 2.5%	二零二零年	
					香港銀行 同業拆息		
Other loans	其他貸款	10%-12%	2020	46,270	+1.75%至2.5%	2020	53,900
- unsecured	-無抵押		二零二零年		10%-12%	二零二零年	
				46,270			57,980

Notes:

- During the reporting period, there is no bank loan of the Group.
- The Group's interest-bearing bank and other borrowings are repayable within one year.
- A corporate guarantee was given by the Company for the outstanding balance of bank loans of HK\$Nil (2019: HK\$12,715,000) as at 30 June 2020.
- All borrowings are in Hong Kong dollars.

附註：

- 於報告期內，本集團並無銀行貸款。
- 本集團的計息銀行及其他借款須於一年內償還。
- 本公司就於二零二零年六月三十日尚未償還銀行貸款結餘零港元（二零一九年：12,715,000港元）提供企業擔保。
- 所有借款以港元計值。

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17. CONVERTIBLE BONDS

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

17. 可換股債券

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

		Liability component 負債部分 HK\$'000 千港元	Equity component 權益部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2018 and 1 January 2019 (Audited)	於二零一八年 十二月三十一日及 二零一九年一月一日 (經審核)			
Interest expense	利息開支	352,411	375,576	727,987
		33,922	–	33,922
At 31 December 2019 and 1 January 2020 (Audited)	於二零一九年 十二月三十一日及 二零二零年一月一日 (經審核)			
Interest expense	利息開支	386,333	375,576	761,909
(Gain)/Loss on extinguishment of convertible bonds	註銷可換股債券之 (收益)/虧損	13,867	–	13,867
		(302,173)	8,461	(293,712)
At 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)	98,027	384,037	482,064

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17. CONVERTIBLE BONDS (Continued)

On 4 February 2016, the Company issued zero coupon convertible bonds with an aggregate principal amount of HK\$390,000,000 to Power Expert Global Limited (“**Power Expert**”) as part of the consideration for the acquisition of the Automotive Engines Business. 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. On 8 November 2019, the Company and the then holder of the convertible bonds, 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. This proposed amendment took effect on 14 January 2020 (“**CB Extension**”). As a result of CB Extension, the liability and equity component was extinguished by HK\$302,173,000 and (HK\$8,461,000) respectively based on revaluation upon the date of execution, i.e. 14 January 2020. The revaluation was carried out by Moore Transaction Services Limited (“**Moore**”), (formerly known as Moore Stephens Advisory Services Limited, an independent qualified professional valuer). On the other hand, the carrying amount has been charged with imputed interest.

17. 可換股債券(續)

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

於二零一八年三月十三日，本公司將可換股債券之到期日由二零一八年二月四日延長兩年為二零二零年二月四日。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。該建議修訂於二零二零年一月十四日生效(「**可換股債券延長**」)。由於可換股債券延長，根據二零二零年一月十四日(簽立日期)之重新估值，負債及權益部份分別註銷302,173,000港元及(8,461,000港元)。該重估乃由Moore Transaction Services Limited(「**Moore**」)(前稱為馬施雲諮詢有限公司，一名獨立合資格專業估值師)進行。另一方面，賬面值已扣除應計利息。

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17. CONVERTIBLE BONDS (Continued)

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. ("LEGH"). The Company has given its consent on the transfer and issued new certificates of the convertible bonds to LEGH.

As at 30 June 2020, the convertible bonds had a carrying amount of HK\$482,064,000 (31 December 2019: HK\$761,909,000), in which HK\$384,037,000 (31 December 2019: HK\$375,576,000) was recognized as equity and HK\$98,027,000 was recognized as non-current liabilities (31 December 2019: HK\$386,333,000).

At 30 June 2020 and 31 December 2019, no convertible bonds were converted and the outstanding principal amount of the convertible bonds was HK\$390,000,000.

17. 可換股債券 (續)

於二零二零年二月三日，本公司從巧能環球收到(i)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。

於二零二零年六月三十日，可換股債券賬面值為482,064,000港元(二零一九年十二月三十一日：761,909,000港元)，其中384,037,000港元(二零一九年十二月三十一日：375,576,000港元)確認為權益及98,027,000港元確認為非流動負債(二零一九年十二月三十一日：386,333,000港元)。

於二零二零年六月三十日及二零一九年十二月三十一日，概無可換股債券獲轉換，而可換股債券的未償還本金額為390,000,000港元。

18. PROMISSORY NOTES

18. 承兌票據

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
First Note	第一票據	116,726	235,372
Second Note	第二票據	157,923	318,613
		274,649	553,985

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截至二零二零年六月三十日止六個月

18. PROMISSORY NOTES (Continued)

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

On 31 December 2017, the Company had extended the maturity date of the First Note and Second Note for 2 years from 4 February 2018 to 4 February 2020 and the interest rate was adjusted downwards from 10% to 8% per annum, all accrued and outstanding interest shall be repaid on the extended maturity date of 4 February 2020.

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 (“**PN Extension**”). 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. As a result of PN Extension, the gain on modification of promissory notes amounted to HK\$294,577,000 was recognised based on revaluation upon the date of execution, i.e. 14 January 2020. The revaluation was carried out by Moore.

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

18. 承兌票據(續)

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

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，承兌票據的期限將改為永久性，固定年利率將為5%，自二零二零年二月五日起，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支付(「**承兌票據延長**」)。進一步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。該建議修訂於二零二零年一月十四日生效。由於承兌票據延長，根據簽立日期(即二零二零年一月十四日)之重新估值，確認修訂承兌票據之收益294,577,000港元。該重估乃由Moore進行。

第一票據及第二票據於報告期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。

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

18. PROMISSORY NOTES (Continued)

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 LEGH. The Company has given its consent on the transfer and issued new certificates of the promissory notes to LEGH.

As at 30 June 2020, the promissory notes with carrying amount of HK\$274,649,000 (2019: HK\$553,985,000) was recognized as non-current liabilities.

18. 承兌票據 (續)

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承兌票據轉讓予LEGH。本公司已同意轉讓事項，並已發行承兌票據新證書予LEGH。

於二零二零年六月三十日，賬面值為274,649,000港元(二零一九年：553,985,000港元)的承兌票據確認為非流動負債。

19. SHARE CAPITAL

19. 股本

		Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Authorised:	法定股本：		
500,000,000	500,000,000股(二零一九年		
(31 December 2019:	十二月三十一日：		
500,000,000) ordinary	500,000,000股)		
shares of HK\$0.01 each	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	200,000,000股(二零一九年		
(31 December 2019:	十二月三十一日：		
200,000,000) ordinary	200,000,000股)		
shares of HK\$0.01 each	每股面值0.01港元的普通股	2,000	2,000

Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

20. RELATED PARTY TRANSACTIONS

(a) Related party transactions

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

Corporate service fee paid to a related party which is controlled by a former director of the Company	支付予由本公司一名前董事所控制的關連方的企業服務費
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The above transactions were conducted on terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

(b) Acquisition of subsidiaries from a shareholder

Mr. Jiang Jianhui	姜建輝先生
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20. 關連方交易

(a) 關連方交易

本集團於本期間在其日常業務運作過程中與關連方進行下列交易：

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元

-	242
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上述交易乃按有關各方相互協定的條款及條件進行。董事認為，該等關連方交易乃於本集團的日常業務過程中進行。

(b) 向股東收購附屬公司

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元

-	697
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Notes to the Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

Six months ended 30 June 2020
截至二零二零年六月三十日止六個月

20. RELATED PARTY TRANSACTIONS (Continued)

(c) Due to a shareholder

20. 關連方交易 (續)

(c) 應付股東

	Unaudited 未經審核 30 June 2020 二零二零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Mr. Jiang Jianhui 姜建輝先生	41,499	29,752

The amount was unsecured, interest-free and repayable within three years.

金額為無抵押、免息及須於三年內償還。

(d) Compensation of key management personnel of the Group

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

(d) 本集團主要管理人員的報酬

有關本集團主要管理人員(即董事)報酬的進一步詳情載於財務報表附註7。

21. CONTINGENT LIABILITIES

As of 30 June 2020, the Group had the following contingent liabilities:

- (a) The guarantees given by the Group to certain banks in respect of performance bonds in favour of certain contract customers amounted to HK\$14,057,000 (31 December 2019: HK\$8,635,000).
- (b) In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's sub-contractors in accidents arising out of and in the course of their employment. The directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

21. 或然負債

截至二零二零年六月三十日，本集團有以下或然負債：

- (a) 本集團就給予若干合約客戶之履約保證金而向若干銀行提供的擔保為14,057,000港元(二零一九年十二月三十一日：8,635,000港元)。
- (b) 在本集團建造業務的日常過程中，本集團或本集團分包商的僱員因為在受僱期間發生意外導致人身傷害而向本集團提出若干索賠。董事認為，有關索賠屬於保險的承保範圍，不會對本集團的財務狀況或業績及經營構成任何重大不利影響。

22. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This unaudited condensed consolidated interim financial information was approved and authorised for issue by the Board on 21 August 2020.

22. 批准未經審核簡明綜合中期財務資料

此未經審核簡明綜合中期財務資料已獲董事會於二零二零年八月二十一日批准及授權刊發。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND FINANCIAL REVIEW

For the six months ended 30 June 2020, the Group has engaged in two business segments, which are (i) civil engineering works and building construction and maintenance works (the “Civil Engineering and Construction Business”); and (ii) development, production and sale of automotive engines (the “Automotive Engines Business”).

For the six months ended 30 June 2020, the Group recorded a consolidated revenue of approximately HK\$215.8 million (six months ended 30 June 2019: approximately HK\$246.2 million). The Group recorded a profit attributable to owners of the parent of approximately HK\$499.1 million (six months ended 30 June 2019: loss attributable to owners of the parent of approximately HK\$263.4 million).

Such result was primarily attributable to gain on the extinguishment of convertible bonds and modification of promissory notes in an aggregated amount of approximately HK\$588.3 million during the six months ended 30 June 2020. Such gain was partly offset by provision of impairment losses of approximately HK\$16.3 million and HK\$28.9 million for the goodwill and property, plant and equipment of the Automotive Engines Business respectively.

Basic and diluted earnings per share for the six months ended 30 June 2020 were approximately HK\$249.5 cents and HK\$129.9 cents respectively (six months ended 30 June 2019: basic and diluted loss per share of approximately HK\$131.7 cents).

業務回顧及財務回顧

截至二零二零年六月三十日止六個月，本集團從事兩個業務分部，即(i)土木工程及樓宇建造和保養工程（「土木工程及建造業務」）；及(ii)發展、生產及銷售汽車發動機（「汽車發動機業務」）。

截至二零二零年六月三十日止六個月，本集團錄得綜合收益約為215,800,000港元（截至二零一九年六月三十日止六個月：約246,200,000港元）。本集團錄得母公司擁有人應佔溢利約499,100,000港元（截至二零一九年六月三十日止六個月：母公司擁有人應佔虧損約263,400,000港元）。

有關業績乃主要由於截至二零二零年六月三十日止六個月註銷可換股債券及修訂承兌票據之收益總額約588,300,000港元。有關收益被汽車發動機業務的商譽及物業、機器及設備的減值虧損撥備分別約16,300,000港元及28,900,000港元部分抵銷。

截至二零二零年六月三十日止六個月，每股基本及攤薄盈利分別為約249.5港仙及129.9港仙（截至二零一九年六月三十日止六個月：每股基本及攤薄虧損約131.7港仙）。

BUSINESS REVIEW AND FINANCIAL REVIEW (Continued)

Civil Engineering and Construction Business

For the six months ended 30 June 2020, the Civil Engineering and Construction Business managed to record a stable performance, despite of the grave challenges from the COVID-19 outbreak and the economic downslope in Hong Kong.

As a main contractor of the contracts awarded to the Group, the Civil Engineering and Construction Business offers high value-added services that encompass works from the procurement of materials and equipment, selection of sub-contractors to on-site supervision, work progress monitoring and overall co-ordination of the day-to-day work of projects. All of the Civil Engineering and Construction Business' 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.

For the six months ended 30 June 2020, revenue generated from the Civil Engineering and Construction Business was approximately HK\$213.4 million (six months ended 30 June 2019: approximately HK\$176.2 million), represented approximately 98.9% of the total revenue of the Group (six months ended 30 June 2019: approximately 71.6%). For the period under review, included in the turnover was: (i) revenue from civil engineering works of approximately HK\$165.0 million (six months ended 30 June 2019: approximately HK\$145.3 million); and (ii) revenue from building construction and maintenance works of approximately HK\$48.4 million (six months ended 30 June 2019: approximately HK\$30.9 million). For the six months ended 30 June 2020, the gross profit of the Civil Engineering and Construction Business was approximately HK\$6.1 million (six months ended 30 June 2019: approximately HK\$1.6 million), representing a gross profit margin of approximately 2.8% (six months ended 30 June 2019: approximately 0.9%).

業務回顧及財務回顧(續)

土木工程及建造業務

於截至二零二零年六月三十日止六個月，儘管COVID-19疫情及香港經濟走下坡帶來嚴峻挑戰，土木工程及建造業務仍錄得穩健表現。

作為本集團獲授合約的主要承包商，土木工程及建造業務提供包含採購物料及設備以及甄選進行現場監督、在建工程監察及項目日常工作整體協調的分包商的高增值服務。本集團承辦的所有土木工程及建造業務合約均來自獨立第三方，包括香港政府的若干部門、香港公用事業公司以及私營組織。

於截至二零二零年六月三十日止六個月，本集團土木工程及建造業務的收益約為213,400,000港元(截至二零一九年六月三十日止六個月：約176,200,000港元)，相當於本集團總收益約98.9%(截至二零一九年六月三十日止六個月：約71.6%)。於回顧期內，營業額包括：(i)來自土木工程的收益約為165,000,000港元(截至二零一九年六月三十日止六個月：約145,300,000港元)；及(ii)來自樓宇建造及保養工程的收益約為48,400,000港元(截至二零一九年六月三十日止六個月：約30,900,000港元)。截至二零二零年六月三十日止六個月，土木工程及建造業務的毛利約為6,100,000港元(截至二零一九年六月三十日止六個月：約1,600,000港元)，毛利率約為2.8%(截至二零一九年六月三十日止六個月：約0.9%)。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND FINANCIAL REVIEW (Continued)

Civil Engineering and Construction Business (Continued)

As of 30 June 2020, the Group had 13 significant projects in progress. 4 of them were building construction and maintenance projects while the remaining were civil engineering construction projects.

As of 30 June 2020, the total contract sum and the total outstanding values of the Group's substantial projects in progress were approximately HK\$609.1 million and HK\$283.1 million respectively (31 December 2019: approximately HK\$566.1 million and HK\$300.1 million respectively).

Despite the tough operating environment in Hong Kong, the Civil Engineering and Construction Business maintained its competitive advantages, which are to provide high-quality services of a wide scope and to maintain a cordial client relationship, and the progress in obtaining new contracts managed to record a stable performance for the six months ended 30 June 2020.

The Group has been awarded 4 new contracts for the six months ended 30 June 2020:

- 2 contracts from Hong Kong Telecommunication Limited for Provision of Integrated Field Works & Civil Work
- Civil and Building Works for North Point 132kV GIS improvement
- Improvement Works for Elevated Cable Trough at Deep Water Bay

業務回顧及財務回顧(續)

土木工程及建造業務(續)

截至二零二零年六月三十日，本集團有13個重大在建項目。其中4個是樓宇建造及保養項目，其餘則是土木工程建造項目。

截至二零二零年六月三十日，本集團的重大在建項目的合約總金額及未完成工程合約總金額分別約為609,100,000港元及283,100,000港元(二零一九年十二月三十一日：分別約為566,100,000港元及300,100,000港元)。

截至二零二零年六月三十日止六個月，儘管香港經營環境艱巨，但土木工程及建造業務仍保持競爭優勢，在多個範圍提供優質服務及維持友好的客戶關係，獲取新合約的進度亦錄得穩健表現。

截至二零二零年六月三十日止六個月，本集團已獲得四份新合約：

- 兩份來自香港電訊有限公司提供綜合現場工程及土木工程的合約
- 北角132千伏氣體絕緣開關土木及建設改進工程
- 深水灣的高架電纜槽改進工程

BUSINESS REVIEW AND FINANCIAL REVIEW (Continued)

Automotive Engines Business

For the six months ended 30 June 2020, the Automotive Engines Business witnesses a stagnancy with dimmer possibility of a turnaround in the operation. Under the pressure of the COVID-19 outbreak and the prolonged restructuring progress of the key customers (the “Automotive Engines Business Customers”), there has only been very minimal operation recorded in this segment.

For the six months ended 30 June 2020, revenue generated from the Automotive Engines Business was decreased by 96.5% to approximately HK\$2.4 million (six months ended 30 June 2019: approximately HK\$70 million), represented approximately 1.1% of the total revenue of the Group (six months ended 30 June 2019: approximately 28.4%). For the six months ended 30 June 2020, the gross loss of the Automotive Engines Business was approximately HK\$0.1 million (six months ended 30 June 2019: approximately HK\$0.5 million), representing a gross loss margin of approximately 3.0% (six months ended 30 June 2019: approximately 1.5%).

For the six months ended 30 June 2020, the resumption progress of the key Automotive Engines Business Customers remained un-promising. The restructuring of one Automotive Engines Business Customer, namely BAIC Yinxiang Automobile Co., Ltd.* (北汽銀翔汽車有限公司, “BAIC Yinxiang”) was still in progress and the result remained uncertain. The resumption target, plan or schedule of BAIC Yinxiang remained unknown to the Group. Due to the unsatisfactory progress of the customers’ resumption, together with the heavy impact of the COVID-19 outbreak, the Automotive Engines Business recorded a minimal operation for the six months ended 30 June 2020. Moreover, based on discussion with BAIC Yinxiang, a new engine production line may be injected into BAIC Yinxiang after the restructuring which may reduce their orders to the Automotive Engines Business in the future. Impairment losses of approximately HK\$28.9 million and HK\$16.3 million have been made on the property, plant and equipment and goodwill respectively for the six months ended 30 June 2020.

業務回顧及財務回顧(續)

汽車發動機業務

截至二零二零年六月三十日止六個月，汽車發動機業務陷入停滯，業務轉虧為盈的可能性渺茫。在COVID-19疫情及主要客戶（「汽車發動機業務客戶」）重組延後所造成的壓力下，該分部僅錄得極少量業務。

截至二零二零年六月三十日止六個月，汽車發動機業務產生的收益減少96.5%至約2,400,000港元（截至二零一九年六月三十日止六個月：約70,000,000港元），相當於本集團總收益約1.1%（截至二零一九年六月三十日止六個月：約28.4%）。截至二零二零年六月三十日止六個月，汽車發動機業務的毛損約為100,000港元（截至二零一九年六月三十日止六個月：約500,000港元），相當於毛虧率約3.0%（截至二零一九年六月三十日止六個月：約1.5%）。

截至二零二零年六月三十日止六個月，主要汽車發動機業務客戶的恢復進展仍不樂觀。汽車發動機業務客戶北汽銀翔汽車有限公司（「北汽銀翔」）的重組仍在進行中且結果仍不確定。本集團尚不清楚北汽銀翔的恢復目標、計劃或時間表。由於客戶的恢復進展不如人意，以及COVID-19疫情的嚴重影響，汽車發動機業務於截至二零二零年六月三十日止六個月僅錄得少量業務。此外，基於與北汽銀翔的討論，北汽銀翔重組後可能注入一條新的發動機生產線，此可能減少其日後對汽車發動機業務的訂單。截至二零二零年六月三十日止六個月，物業、機器及設備以及商譽的減值虧損分別約為28,900,000港元及16,300,000港元。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS

The management of the Group remained cautious and conservative on the prospects in the year 2020. Looking into future, the economy is expected to remain battered amid the COVID-19 outbreak and the America/China conflict.

For the Civil Engineering and 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, 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.

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, 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 before 2021 despite a strong support from the local government to the industry.

Due to the fact that BAIC Yinxiang has not officially started its liquidation progress, the Group as a debtor remains in a passive situation without much to do. The Group has adopted a conservative strategy with a focus on monitoring the status of the resumption plan or a liquidation of the key customers of the Automotive Engines Business Customers, with an aim to recover its debts to the maximum. Also, the Company will not rule out the possibility of searching for opportunity to dispose of the Automotive Engines Business if the situation persists and/or the opportunities arise.

Looking ahead, the Directors are cautious about the prospect of the Group's operation and business in the late half of 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 the performance and maximize the interest of the shareholders. For the six months ended 30 June 2020, the management has conducted a strategic review on the business portfolio of the Group, covering, among other things (i) the Group's results and future; (ii) the Civil Engineering and Construction Business; (iii) the Automotive Engines Business; and (iv) potential diversification pathways. However, materialization of any opportunities requires more information to be collected and assessed, including the potential projects' suitability and acceptability, and more importantly, the feasibility. Should there be any development, the Company will make further announcement(s) in relation to the above matters as and when appropriate.

前景

本集團管理層對二零二零年的前景持穩健審慎態度。展望未來，在COVID-19疫情及中美衝突下，預期經濟仍將遭受重創。

就土木工程及建造業務而言，儘管預期香港經營環境於未來數年仍然艱巨（如人力成本和建築材料成本不斷上升），惟鑒於其在處理多元化建設工程方面的豐富經驗，本公司對本集團能夠物色理想的業務機遇抱有信心。當提交新標書時，本集團將繼續採取審慎方針。

本集團預期，汽車發動機業務客戶重組及恢復生產延後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二零二一年前全面恢復生產仍希望渺茫。

由於北汽銀翔並未正式展開清盤程序，本集團（作為債務人）繼續處於被動狀況，並無太多可跟進事宜。本集團已採取保守策略，集中於監察主要汽車發動機業務客戶的恢復計劃或清盤狀況，藉此盡可能收回債務。此外，倘情況持續及／或時機出現，本公司將不會排除尋求機會出售汽車發動機業務的可能性。

展望未來，董事對本集團營運及業務於二零二零年下半年的前景感到審慎，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。截至二零二零年六月三十日止六個月，管理層已對本集團的業務組合進行策略性檢討，涵蓋（其中包括）(i)本集團的業績及未來；(ii)土木工程及建造業務；(iii)汽車發動機業務；及(iv)潛在多元法發展路向。然而，任何機遇的實現須收集及評估更多資料，包括潛在項目的合適性及接納性，以及更重要的可行性。倘有任何進展，本公司將於適當時候就上述事宜另作公告。

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.

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.

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分部的業績。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。

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

本集團若干業務分部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）。

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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 at 30 June 2020, the Group recorded a net liability position, 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.

Event Risks

Event risk refers to the risk of a negative impact on the Company's operational performance and financial position as a result of an unexpected event like a natural disaster or an industrial accident. 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. For the six months ended 30 June 2020, the COVID-19 outbreak has caused a significant downslope in the local economies, and also increased the safety and hygiene regulations imposed by the governments which in turn put a high cost pressure to the Group. Save for these, the management are of the view that more profound impacts of the COVID-19 are yet to be released and will be long-lasting.

信貸風險

本集團所有業務分部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金額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

於二零二零年六月三十日，本集團錄得負債淨值，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財務責任的風險。

事件風險

事件風險指因自然災害或工業事故等意外事件而對本公司的經營業績及財務狀況造成負面影響的風險。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。於截至二零二零年六月三十日止六個月，COVID-19疫情造成本地經濟嚴重下滑，亦加重政府實施的安全和衛生法規，從而對本集團造成巨大的成本壓力。除此之外，管理層認為COVID-19疫情更深遠的影響尚未顯現，並將長期持續。

CAPITAL STRUCTURE, FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 30 June 2020, the Group had cash and cash equivalents of approximately HK\$55.9 million, representing a decrease of approximately 13.7% from approximately HK\$64.8 million as at 31 December 2019. The Group had not pledged any bank deposits for the bank loans. The Group's cash and cash equivalents were denominated in HK\$ and RMB.

As at 30 June 2020, the total assets were approximately HK\$366.5 million, representing a decrease of approximately 16.5% from approximately HK\$439.1 million as at 31 December 2019. The decrease was mainly due to the impairment of property, plant and equipment and goodwill of approximately HK\$28.9 million and HK\$16.3 million respectively made on the Automotive Engines Business.

As at 30 June 2020, the total liabilities were approximately HK\$832.6 million, representing decrease of approximately 41.1% from approximately HK\$1,413.9 million as at 31 December 2019. The decrease was mainly due to the extinguishment of convertible bonds and modification of promissory notes in an aggregated of an amount of approximately HK\$567.6 million.

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 were categorized as non-current liabilities, and accordingly, the pressure of repayment on the Company has been significantly levitated.

資本結構、財務資源、流動資金及資產負債比率

於二零二零年六月三十日，本集團的現金及現金等價物約為55,900,000港元，較於二零一九年十二月三十一日約64,800,000港元減少約13.7%。本集團並無就銀行貸款抵押任何銀行存款。本集團之現金及現金等價物以港元及人民幣計值。

於二零二零年六月三十日，總資產約為366,500,000港元，較於二零一九年十二月三十一日的約439,100,000港元減少約16.5%。該減少主要由於汽車發動機業務物業、機器及設備以及商譽分別減值約28,900,000港元及16,300,000港元。

於二零二零年六月三十日，總負債約為832,600,000港元，較於二零一九年十二月三十一日約1,413,900,000港元減少約41.1%。該減少主要由於註銷可換股債券及修訂承兌票據總額約567,600,000港元。

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)承兌票據的期限將改為永久性，固定年利率將為5%，自二零二零年二月五日起，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支付。該建議修訂於二零二零年一月十四日生效。修訂後，大多數可換股債券及承兌票據分類為非流動負債。因此，本公司的償還壓力已大幅舒緩。

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

As at 30 June 2020, the convertible bonds had a carrying amount of approximately HK\$482.1 million (31 December 2019: approximately HK\$761.9 million), in which approximately HK\$384.0 million (31 December 2019: approximately HK\$375.6 million) was recognized as equity and approximately HK\$98.0 million was recognized as non-current liabilities (31 December 2019: approximately HK\$386.3 million).

As at 30 June 2020, the promissory notes had a carrying amount of approximately HK\$274.6 million was recognized as non-current liabilities. (31 December 2019: approximately HK\$554.0 million)

Interest-bearing bank and other borrowings of the Group comprised (i) other loans from independent third parties of approximately HK\$46.3 million (31 December 2019: approximately HK\$53.9 million) with the contractual interest of 5.0% to 12.0% per annum; and (ii) bank loan of nil as at 30 June 2020 (31 December 2019: approximately HK\$4.1 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 30 June 2020, the Group had banking facilities of approximately HK\$30.0 million (31 December 2019: approximately HK\$42.8 million) of which approximately HK\$15.9 million was not utilized and was secured by corporate guarantees.

As at 30 June 2020, the net current liabilities were approximately HK\$46.3 million, representing a decrease of approximately 95.8% from approximately HK\$980.8 million as at 31 December 2019. The decrease in net current liabilities was primarily attributable to (i) the extinguishment of convertible bonds and modification of promissory notes in an aggregated of an amount approximately HK\$588.3 million; and (ii) the reclassification of the convertible bonds and promissory notes from current liabilities to non-current liabilities.

資本結構、財務資源、流動資金及資產負債比率(續)

於二零二零年六月三十日，可換股債券賬面值為約482,100,000港元(二零一九年十二月三十一日：約761,900,000港元)，其中約384,000,000港元(二零一九年十二月三十一日：約375,600,000港元)確認為權益及約98,000,000港元確認為非流動負債(二零一九年十二月三十一日：約386,300,000港元)。

於二零二零年六月三十日，承兌票據賬面價值為約274,600,000港元確認為非流動負債(二零一九年十二月三十一日：約554,000,000港元)。

本集團計息銀行及其他借款包括(i)來自獨立第三方之其他貸款約46,300,000港元(二零一九年十二月三十一日：約53,900,000港元)，合約年利率介乎5.0%至12.0%；及(ii)於二零二零年六月三十日銀行貸款為零(二零一九年十二月三十一日：約4,100,000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。

於二零二零年六月三十日，本集團有銀行融資約30,000,000港元(二零一九年十二月三十一日：約42,800,000港元)，該筆款項中約15,900,000港元尚未動用並由企業擔保作出抵押。

於二零二零年六月三十日，流動負債淨值約為46,300,000港元，較於二零一九年十二月三十一日約980,800,000港元減少約95.8%。流動負債淨值減少乃主要由於(i)註銷可換股債券及修訂承兌票據的總額為約588,300,000港元；及(ii)將可換股債券及承兌票據由流動負債重新分類至非流動負債。

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

Current ratio of the Group was approximately 0.9 as at 30 June 2020 (31 December 2019: approximately 0.3), which is calculated by dividing current assets by current liabilities. The significant improvement was due to the 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 have led to an improvement on the general liquidity of the Group, and levitated the Group's pressure to repay its debts.

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 30 June 2020 and 31 December 2019 are not available because the Group reported a negative equity attributable to owners of the parent as at 30 June 2020 and 31 December 2019.

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 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.

資本結構、財務資源、流動資金及資產負債比率(續)

於二零二零年六月三十日，本集團的流動比率約為0.9(二零一九年十二月三十一日：約0.3)，乃按流動資產除以流動負債計算。大幅改善乃由於修訂可換股債券及承兌票據之期限(於二零二零年一月十四日生效)，使可換股票據的償還日期延長至二零二五年二月四日，而承兌票據的期限則改為永久性。有關修訂已為本集團的整體流通資金帶來改善，並紓緩本集團償還債務的壓力。

資產負債比率乃基於現金及銀行結餘淨額(計息借款、可換股債券的負債部分及承兌票據減現金及現金等價物)除以權益總額計算。二零二零年六月三十日及二零一九年十二月三十一日的資產負債比率並不適用，因為本集團於二零二零年六月三十日及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。

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)承兌票據的期限將改為永久性，固定年利率將為5%，自二零二零年二月五日起，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支付。該修訂的進一步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。該建議修訂於二零二零年一月十四日生效。

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CONVERTIBLE BONDS AND PROMISSORY NOTES (Continued)

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.

GOING CONCERN

Given the loss-making position of the Group for the six months ended 30 June 2020 and the challenging business environment, including but not limited to the uncertainty in the COVID-19 outbreak and the America/China relationship, the worrisome issue of going concern should be taken into consideration when assessing the prospects of the Group. Nevertheless, the management maintained the opinion that 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 following consideration:

- (i) 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 have led to an improvement on the general liquidity of the Group, and alleviated the Group’s pressure to repay its debts;
- (ii) 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 at 30 June 2020, such shareholder loan amounted to approximately HK\$11.7 million was drawn down by the Group;

可換股債券及承兌票據(續)

於二零二零年二月三日，本公司從巧能環球收到(i)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」)；及(ii)轉讓通知，知會本公司巧能環球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。

持續經營關注

鑒於本集團於截至二零二零年六月三十日止六個月錄得虧損及營商環境挑戰重重(包括但不限於COVID-19疫情及中美關係不穩)，於評估本集團的前景時應考慮該等令人憂慮的持續經營議題。儘管如此，管理層仍認為，基於以下考慮，本集團將有足夠營運資金為業務提供資金，並於可見未來當財務責任屆滿時滿足有關責任：

- (i) 於修訂可換股債券及承兌票據之期限(於二零二零年一月十四日生效)後，可換股票據的償還日期延長至二零二五年二月四日，而承兌票據的期限則改為永久性。有關修訂已為本集團的整體流通資金帶來改善，並舒緩本集團償還債務的壓力；
- (ii) 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。於二零二零年六月三十日，本集團已提取該股東貸款約11,700,000港元；

GOING CONCERN (Continued)

- (iii) 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 confirmed to provide such financial support to the Group;
- (iv) despite the futile result of the restructuring of certain Automotive Engines Business Customers and therefore a dimmer hope of turnaround of the Automotive Engines Business in the near future, there was no immediate cash outflow or capital commitment for this business segment; 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 believe that, taking into account the above factors and based on the existing information available to the Group, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from 30 June 2020. 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.

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 six months ended 30 June 2020.

SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2020, the Group did not have any significant investment or capital assets (31 December 2019: nil).

持續經營關注(續)

- (iii) 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持續財務支援予本集團。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) 儘管若干汽車發動機業務客戶的重組結果徒勞，導致汽車發動機業務於可見未來轉虧為盈的憧憬渺茫，惟該業務分部概無即時現金流出或資本承擔；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。

董事認為，考慮到上述因素及根據本集團現有可得資料，本集團自二零二零年六月三十日起至少未來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新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。

重大收購及出售附屬公司、聯營公司及合營公司事項

截至二零二零年六月三十日止六個月，除所披露者外，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。

重大投資及資本資產

於二零二零年六月三十日，本集團概無任何重大投資或資本資產(二零一九年十二月三十一日：無)。

Management Discussion and Analysis

管理層討論及分析

PLEDGE OF ASSETS

As at 30 June 2020, the Group did not have any pledge of assets (31 December 2019: nil).

CONTINGENT LIABILITIES

Detail of the Group's contingent liabilities are set out in note 21 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 30 June 2020, the Group had approximately 429 employees (31 December 2019: 452) 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.

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.

NO OTHER MATERIAL CHANGE

Save as disclosed above, during the six months ended 30 June 2020, 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 2019.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

資產抵押

於二零二零年六月三十日，本集團概無任何資產抵押（二零一九年十二月三十一日：無）。

或然負債

本集團之或然負債之詳情載於財務業績附註 21。

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

於二零二零年六月三十日，本集團於香港及中國擁有約429名（二零一九年十二月三十一日：452名）員工。本集團定期檢討薪酬政策，該政策乃參考市場條款、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）。

報告期後事項

除所披露者外，報告期後直至本報告日期概無其他重大事項。

並無重大變動

除上述所披露者外，於截至二零二零年六月三十日止六個月，自刊發本公司截至二零一九年十二月三十一日止年度最新年度報告以來，本集團的財務狀況或業務並無重大變動。

中期股息

董事會不建議派付截至二零二零年六月三十日止六個月之任何中期股息（截至二零一九年六月三十日止六個月：無）。

CORPORATE GOVERNANCE

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 six months ended 30 June 2020, 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. Before that Mr. Artem Matyushok was appointed as the chief executive officer of the Company on 5 February 2020, the position of the chief executive officer of the Company was vacant. Also, the Company did not have a chairman for the six months ended 30 June 2020 and up to the date of this report. 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.

企業管治

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」）。

截至二零二零年六月三十日止六個月，本公司已遵守企業管治守則所載守則條文，惟以下除外：

企業管治守則守則條文第A.2.1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。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，此前本公司行政總裁一職懸空。此外，於截至二零二零年六月三十日止六個月及直至本報告日期，本公司並無委任主席。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，非執行董事應按指定任期獲委任，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，乃因彼等須根據本公司組織章程細則在本公司股東週年大會上輪值告退及膺選連任。

CORPORATE GOVERNANCE (Continued)

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 (“Mr. Xing”), 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 hold 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 has been convened on 19 June 2020 to consider and approve the re-election of Mr. Xing as an executive Director.

Code provision A.6.7 stipulates 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 and two executive Directors were unable to attend the annual general meeting of the Company held on 19 June 2020 (the “2020 AGM”) and the extraordinary general meeting of the Company held on 19 June 2020 after considering the quarantine measures adopted by the Governments for the COVID-19 outbreak. Nevertheless, other members of the Board (including the chairman of each of the Audit Committee and the Remuneration Committee and the members of the Nomination Committee) attended this meeting to ensure effective communication with the shareholders of the Company.

企業管治(續)

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）應輪值告退，至少每三年一次。執行董事邢濱先生（「邢先生」）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履任情況，導致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的情況，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，且邢先生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。本公司已於二零二零年六月十九日召開股東特別大會，藉以考慮及批准重選邢先生為執行董事。

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。考量政府針對COVID-19疫情採取的檢疫措施後，一名獨立非執行董事及兩名執行董事未能出席本公司於二零二零年六月十九日舉行的股東週年大會（「二零二零年股東週年大會」）及本公司於二零二零年六月十九日舉行的股東特別大會。儘管如此，其他董事會成員（包括審核委員會及薪酬委員會各自的主席以及提名委員會成員）均有出席有關會議，確保與本公司股東的有效溝通。

CORPORATE GOVERNANCE (Continued)

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 six months ended 30 June 2020 and up to the date of this report, no chairman of the Board attended the 2020 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 2020 AGM to ensure effective communication with the shareholders of the Company.

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

CHANGE OF DIRECTORS

From 1 January 2020 to the date of this report:

- (i) Mr. Artem Matyushok was appointed as an executive Director and the chief executive officer of the Company with effect from 5 February 2020;
- (ii) Mr. Brett Ashley Wight was appointed as an executive Director with effect from 5 February 2020;
- (iii) Mr. Lam Wah has been re-designated from a non-executive Director to an executive Director with effect from 3 August 2020; and
- (iv) Mr. Liu Wengang has resigned as an executive Director with effect from 20 August 2020.

企業管治(續)

企業管治守則守則條文第E.1.2條訂明，董事會主席應出席本公司股東週年大會。截至二零二零年六月三十日止六個月及直至本報告日期，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二零二零年股東週年大會，而其他董事會成員（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）均有出席二零二零年股東週年大會，確保與本公司股東的有效溝通。

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

董事變動

自二零二零年一月一日至本報告日期：

- (i) 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；
- (ii) 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；
- (iii) 林華先生已由非執行董事調任為執行董事，自二零二零年八月三日起生效；及
- (iv) 劉文剛先生已辭任執行董事，自二零二零年八月二十日起生效。

Other Information 其他資料

CHANGES IN INFORMATION OF THE DIRECTORS

Since the date of the 2019 annual report of the Company, Ip Mei Shun, an independent non-executive Director, was engaged with Logic Global Assets Management Limited from 15 August 2020. He was the Managing Partner of Avantfaire Investment Management Limited between August 2018 and July 2020.

Upon specific enquiry by the Company and following confirmations from the Directors, and save as disclosed, 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 six months ended 30 June 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code for the six months ended 30 June 2020.

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

As at 30 June 2020, 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 to be notified to the Company and the Stock Exchange, pursuant to the Model Code.

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 Scheme was later adopted by the Company on 29 March 2016. For the six months ended 30 June 2020, no options or securities has been granted, exercised, cancelled or lapsed under the Scheme. As at 1 January 2020 and 30 June 2020, there was no outstanding option under the Scheme.

董事資料變動

自本公司二零一九年年報之日起，獨立非執行董事葉美順自二零二零年八月十五日起於邏輯環球資產管理有限公司任職。於二零一八年八月至二零二零年七月，彼曾為先行投資管理有限公司的管理合夥人。

經本公司具體查詢及董事確認後，截至二零二零年六月三十日止六個月，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。

本公司董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）。截至二零二零年六月三十日止六個月，已向所有董事作出具體查詢，而董事已確認彼等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

於二零二零年六月三十日，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條須載入該條文所述登記冊的權益或淡倉或根據標準守則須知會本公司及聯交所的權益或淡倉。

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」）。計劃隨後獲本公司於二零一六年三月二十九日採納。截至二零二零年六月三十日止六個月，概無購股權或證券根據計劃授出、行使、註銷或失效。於二零二零年一月一日及二零二零年六月三十日，計劃項下概無尚未行使購股權。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at the date of this 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:

主要股東於股份及相關股份中的權益

於本報告日期，本公司根據證券及期貨條例第336條須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：

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

於本公司已發行股份／相關股份的好倉

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)	Interest in a controlled corporation 受控法團權益	150,000,000	75.0%
Youth Force Asia Ltd	(a)	Beneficial owner 實益擁有人	150,000,000	75.0%
Mr. Arrab Chalid Arrab Chalid先生	(b)	Interest in a controlled corporation 受控法團權益	195,000,000	97.5%
LE Group Holdings Pte Ltd	(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.

附註：

- (a) Youth Force Asia Ltd由姜建輝先生全資擁有。因此，姜建輝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。

Other Information 其他資料

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 six months ended 30 June 2020.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Group and to the knowledge of the Directors, the Group has maintained sufficient public float as required under the Listing Rules.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, Mr. Leung Tsz Wing (Chairman), Mr. Zhang Guozhi and Mr. Ip Mei Shun, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed with management the principal accounting policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2020.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere thanks and gratitude to our management team and staff for their hard work and dedication, as well as our shareholders, business partners and associates, bankers and auditors for their continuous support to the Group.

By order of the Board
Bisu Technology Group International Limited
Lam Wah
Executive Director

Hong Kong, 21 August 2020

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二零二零年六月三十日止六個月買賣或贖回本公司任何上市證券。

足夠公眾持股量

於本報告日期，根據可供本集團公開查閱的資料及據董事所知，本集團已維持上市規則規定的最低公眾持股量。

審核委員會

本公司已根據上市規則規定成立由三名獨立非執行董事（即梁子榮先生（主席）、張國智先生及葉美順先生）組成的審核委員會，並已制定其書面職權範圍，負責向董事會匯報工作。審核委員會已與管理層審閱本集團採用的主要會計政策，並討論內部控制和財務報告事項，包括對本集團截至二零二零年六月三十日止六個月的未經審核簡明綜合中期財務資料的審閱。

鳴謝

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，亦感謝股東、業務夥伴及合作夥伴、往來銀行及核數師對本集團的持續支持。

承董事會命
比速科技集團國際有限公司
執行董事
林華

香港，二零二零年八月二十一日

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*)
(*Chief Executive Officer*)

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

Mr. Lam Wah (*re-designated from non-executive Director to executive Director on 3 August 2020*)

Mr. Xing Bin

Mr. Liu Wengang (*resigned on 20 August 2020*)

NON-EXECUTIVE DIRECTOR

Mr. Lam Wah (*re-designated from non-executive Director to executive Director on 3 August 2020*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ip Mei Shun

Mr. Leung Tsz Wing

Mr. Zhang Guozhi

AUDIT COMMITTEE

Mr. Leung Tsz Wing (*Chairman*)

Mr. Ip Mei Shun

Mr. Zhang Guozhi

REMUNERATION COMMITTEE

Mr. Ip Mei Shun (*Chairman*)

Mr. Leung Tsz Wing

Mr. Zhang Guozhi

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) (行政總裁)

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

林華先生 (於二零二零年八月三日由
非執行董事調任為執行董事)

邢濱先生

劉文剛先生 (於二零二零年八月二十日
辭任)

非執行董事

林華先生 (於二零二零年八月三日由
非執行董事調任為執行董事)

獨立非執行董事

葉美順先生

梁子榮先生

張國智先生

審核委員會

梁子榮先生 (主席)

葉美順先生

張國智先生

薪酬委員會

葉美順先生 (主席)

梁子榮先生

張國智先生

Corporate Information

公司資料

NOMINATION COMMITTEE

Mr. Zhang Guozhi (*Chairman*)
Mr. Leung Tsz Wing
Mr. Ip Mei Shun

COMPANY SECRETARY

Mr. Zhou Danqing

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

提名委員會

張國智先生 (*主席*)
梁子榮先生
葉美順先生

公司秘書

周丹青先生

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



比速科技集團國際有限公司

Bisu Technology Group International Limited