

EXCEL DEVELOPMENT (HOLDINGS) LIMITED

怡益控股有限公司

(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



INTERIM REPORT
2016/17
中期報告

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CORPORATE INFORMATION

公司資料

Registered Office

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

Head Office and Principal Place of Business

21st Floor, 1 Duddell Street
Central, Hong Kong

Executive Directors

Mr. Wong Hin Shek (*Chairman*)
Mr. Xing Bin

Independent Non-executive Directors

Ms. Chu Yin Yin Georgiana
Mr. Yip Tai Him
Mr. Chan Kai Wing

Audit Committee

Mr. Chan Kai Wing (*Chairman*)
Ms. Chu Yin Yin Georgiana
Mr. Yip Tai Him

Remuneration Committee

Mr. Yip Tai Him (*Chairman*)
Ms. Chu Yin Yin Georgiana
Mr. Chan Kai Wing

Nomination Committee

Mr. Wong Hin Shek (*Chairman*)
Ms. Chu Yin Yin Georgiana
Mr. Yip Tai Him
Mr. Chan Kai Wing

Company Secretary

Ms. Wong Po Ling, Pauline

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

香港中環
都爹利街1號21樓

執行董事

王顯碩先生(*主席*)
邢濱先生

獨立非執行董事

朱燕燕女士
葉棣謙先生
陳繼榮先生

審核委員會

陳繼榮先生(*主席*)
朱燕燕女士
葉棣謙先生

薪酬委員會

葉棣謙先生(*主席*)
朱燕燕女士
陳繼榮先生

提名委員會

王顯碩先生(*主席*)
朱燕燕女士
葉棣謙先生
陳繼榮先生

公司秘書

王寶玲女士

Cayman Islands Share Registrar

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

開曼群島過戶登記處

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

Hong Kong Branch Share Registrar and Transfer Office

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

Auditors

Ernst & Young
Certified Public Accountants
22/F., CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

核數師

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

Share Information

Ordinary share listing

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

股份資料

普通股上市

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

Website of the Company

www.excel-dev.com

本公司網址

www.excel-dev.com

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 September 2016

截至二零一六年九月三十日止六個月

The board (the “Board”) of directors (the “Directors”) of Excel Development (Holdings) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2016 (the “period”) with comparative figures for the corresponding period in the previous year as follows and this condensed consolidated interim financial information has not been audited, but has been reviewed by the audit committee of the Company (the “Audit Committee”):

怡益控股有限公司(「本公司»)之董事(「董事»)會(「董事會»)欣然公佈本公司及其附屬公司(統稱「本集團»)截至二零一六年九月三十日止六個月(「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 September 截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
REVENUE	收入	6	
Cost of sales	銷售成本	867,260	221,022
		(783,873)	(210,549)
Gross profit	毛利	83,387	10,473
Other income and gains	其他收入及收益	6	5,275
Administrative expenses	行政開支	(27,762)	(17,501)
Finance costs	財務費用	7	(12)
Change in fair value of a financial asset at fair value through profit or loss	按公平值透過損益列賬之 金融資產公平值變動	15	—
Profit/(loss) before tax	除稅前溢利/(虧損)	8	(1,765)
Income tax expense	所得稅支出	9	(420)
Profit/(loss) for the period	期間溢利/(虧損)	20,066	(2,185)
OTHER COMPREHENSIVE LOSS	其他全面虧損		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:	於後續期間 重新分類至損益 的其他全面虧損：		
Exchange differences on translation of foreign operations	換算海外業務的 匯兌差額	(9,113)	—
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	期內其他全面虧損	(9,113)	—
Total comprehensive income/ (loss) attributable to owners of the parent	母公司擁有人應佔 全面收入/(虧損)總額	10,953	(2,185)
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 and diluted (HK cents)	基本及攤薄(港仙)	11	(1.09)
		10.0	

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

30 September 2016

二零一六年九月三十日

			Unaudited 未經審核 30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	廠房、機器及設備	12	46,660	48,327
Goodwill	商譽	13	490,948	490,948
Intangible assets	無形資產	14	659,520	687,523
Total non-current assets	非流動資產總值		1,197,128	1,226,798
CURRENT ASSETS	流動資產			
Financial asset at fair value through profit or loss	按公平值透過損益列賬之金融資產	15	10,702	9,636
Inventories	存貨		282,468	1,622
Gross amount due from customers for contract works	應收客戶的合約工程款總額		37,943	30,150
Accounts receivable	應收賬款	16	826,018	396,360
Tax recoverable	可收回稅項		3,177	3,177
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		19,435	18,308
Cash and cash equivalents	現金及現金等值物		30,997	16,885
Total current assets	流動資產總值		1,210,740	476,138
CURRENT LIABILITIES	流動負債			
Accounts payable	應付賬款	17	845,772	225,796
Accruals of costs for contract works	預提合約工程成本		70,601	38,688
Tax payable	應繳稅款		10,254	2,926
Other payables and accruals	其他應付款及預提費用		18,605	19,531
Interest-bearing other borrowings	計息其他借款	18	22,814	13,013
Total current liabilities	流動負債總值		968,046	299,954
Net current assets	流動資產淨值		242,694	176,184
Total assets less current liabilities	資產總值減流動負債		1,439,822	1,402,982

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

30 September 2016

二零一六年九月三十日

			Unaudited 未經審核 30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
		Notes 附註		
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	19	353,317	340,316
Promissory notes	承兌票據	20	443,662	426,576
Deferred tax liabilities	遞延稅項負債		98,939	103,139
Total non-current liabilities	非流動負債總值		895,918	870,031
Net assets	資產淨值		543,904	532,951
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	21	2,000	2,000
Equity component of convertible bonds	可換股債券之權益部分	19	390,716	390,716
Reserves	儲備		151,188	140,235
Total equity	總權益		543,904	532,951

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

		Unaudited 未經審核					
		Attributable to owners of the parent 母公司擁有人應佔					
		Equity component					
		Share capital	Share premium	Exchange fluctuation reserves	convertible bonds	Retained profits	Total equity
		股本	股份溢價	外匯波動 儲備	可換股債券 之權益部分	保留溢利	總權益
		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
At 1 April 2016	於二零一六年四月一日	2,000	45,486	(769)	390,716	95,518	532,951
Profit for the period	本期溢利	—	—	—	—	20,066	20,066
Other comprehensive loss for the period:	本期其他全面虧損：						
Exchange differences on translation of foreign operations	換算海外業務的 匯兌差額	—	—	(9,113)	—	—	(9,113)
At 30 September 2016	於二零一六年九月三十日	2,000	45,486	(9,882)	390,716	115,584	543,904
At 1 April 2015	於二零一五年四月一日	2,000	95,486	—	—	128,641	226,127
Special dividend paid	已派特別股息	—	(50,000)	—	—	—	(50,000)
Loss and total comprehensive expenses for the period	本期間虧損及 全面開支總額	—	—	—	—	(2,185)	(2,185)
At 30 September 2015	於二零一五年九月三十日	2,000	45,486	—	—	126,456	173,942

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

Unaudited
未經審核
Six months ended 30 September
截至九月三十日止六個月
2016 2015
二零一六年 二零一五年
HK\$'000 HK\$'000
千港元 千港元

Net cash flows generated from/(used in) operating activities	經營業務產生/(使用)之現金流量淨額	14,277	(72,995)
Investing activities	投資活動		
Addition of items of property, plant and equipment	添置物業、機器及設備項目	(1,052)	(4,338)
Proceeds from disposal of investment properties	出售投資物業的收益	—	1,100
Increase in deposit paid for plant and equipment	支付機器及設備按金增加	—	(705)
Net cash inflow arising on disposal of subsidiaries	出售附屬公司產生之現金流入淨額	—	95
Net cash flows used in investing activities	投資活動使用之現金流量淨額	(1,052)	(3,848)
Financing activities	融資活動		
New interest-bearing bank loans	新造計息銀行貸款	10,000	—
Special dividend paid	已派特別股息	—	(50,000)
Advance from a shareholder	來自股東之墊款	—	6,549
Net cash flows generated from/(used in) financing activities	融資活動產生/(使用)之現金流量淨額	10,000	(43,451)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	23,225	(120,294)
Cash and cash equivalents at beginning of period	現金及現金等值物之期初餘額	16,885	143,693
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	(9,113)	—
Cash and cash equivalents at end of period	現金及現金等值物之期末餘額	30,997	23,399
Analysis of cash and cash equivalents:	現金及現金等值物之分析：		
Cash and bank balances	現金及銀行結餘	30,997	23,399
		30,997	23,399

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

1. Corporate information

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 21st Floor, 1 Duddell Street, Central, Hong Kong.

During the six months ended 30 September 2016, 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 sales of automotive engines (the “Automotive Engines Business”)

2. Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2016 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”).

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 March 2016.

1. 公司資料

本公司為一間在開曼群島註冊成立的獲豁免有限公司。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司的主要營業地點位於香港中環都爹利街1號21樓。

於截至二零一六年九月三十日止六個月，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」）

2. 編製基準

此截至二零一六年九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。

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，與編製本集團截至二零一六年三月三十一日止年度的年度財務報表所採用者一致。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

2. Basis of preparation (Continued)

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

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

3. Principal accounting policies

In the period, the Group has adopted the following new and revised Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA that are relevant for the Group’s financial year beginning 1 April 2016:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendment to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

2. 編製基準 (續)

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

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

3. 主要會計政策

於本期間，本集團採用以下經香港會計師公會頒佈的與本集團自二零一六年四月一日起的財政年度相關的新訂及經修訂香港財務報告準則(「香港財務報告準則」)：

香港財務報告準則之修訂	二零一二年至二零一四年香港財務報告準則之年度改進
香港會計準則第1號(修訂)	披露主動性
香港會計準則第16號及香港會計準則第38號(修訂)	對可接受的折舊和攤銷方法的澄清
香港會計準則第16號及香港會計準則第41號(修訂)	農業：生產性植物
香港會計準則第27號(修訂)	單獨財務報表中的權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂)	投資實體：應用綜合豁免
香港財務報告準則第11號(修訂)	核算共同經營中權益的購買

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

3. Principal accounting policies (Continued)

The adoption of these new and revised HKFRSs has had no significant impact on the accounting policies of the Group and the methods of computation in the Group's unaudited condensed consolidated interim financial information.

The Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective, in this condensed consolidated interim financial information. The Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application. So far, the Group considers that the new and revised HKFRSs that are not yet effective are unlikely to have a significant impact on the Group's results of operations and financial position.

4. 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 March 2016.

3. 主要會計政策 (續)

採用以上新訂及經修訂香港財務報告準則對本集團之會計政策及本集團之未經審核簡明綜合中期財務資料之計算方法並無重大影響。

本集團並無於此簡明綜合中期財務資料內提早採納任何已頒佈但尚未生效之新訂及經修訂香港財務報告準則。本集團正著手評估初次應用該等新訂及經修訂香港財務報告準則的影響。迄今為止，本集團認為該等尚未生效之新訂及經修訂香港財務報告準則不太可能對本集團的經營業績及財務狀況造成重大影響。

4. 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。

編製此簡明綜合中期財務資料時，由管理層對本集團在會計政策的應用所作出的重要判斷及估計的不確定因素的主要來源與於及截至二零一六年三月三十一日止年度的本集團綜合財務報表所作出者相同。

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5. Segment information

During the six months ended 30 September 2015, the Group's revenue, expenses and assets were generated solely from the Civil Engineering and Construction Business in Hong Kong. The management of the Group made decisions about resources allocation and assessed performance of the Group based on the operating results from the business activities of the Civil Engineering and Construction Business. Accordingly, the directors are of the opinion that the Civil Engineering and Construction Business in Hong Kong was a single reportable operating segment of the Group for the six months ended 30 September 2015.

On 12 October 2015, the Group entered into a sale and purchase agreement (the "Engines SPA") with Power Expert Global Limited ("Power Expert"), an independent third party, to acquire the 100% equity interest in Well Surplus Enterprises Limited and its subsidiaries (the "Automotive Engines Group") and the loans owed by the Automotive Engines Group to its then shareholder (the "Engines Acquisition"). The Automotive Engines Group is principally engaged in the development, manufacture and sales of automotive engines. The Engines Acquisition was completed on 4 February 2016 and the Group has commenced the Automotive Engines Business since then.

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.

5. 分部資料

截至二零一五年九月三十日止六個月，本集團之收入、開支及資產僅自香港土木工程及建造業務產生。本集團之管理層根據土木工程及建造業務的業務活動之經營業績作出有關資源分配及本集團表現評估的決策。因此，董事認為，香港土木工程及建造業務為本集團截至二零一五年九月三十日止六個月的單一可報告經營分部。

於二零一五年十月十二日，本集團與獨立第三方巧能環球有限公司（「巧能環球」）訂立買賣協議（「發動機買賣協議」），以收購Well Surplus Enterprises Limited及其附屬公司（「汽車發動機集團」）的100%股權以及汽車發動機集團結欠其當時股東的貸款（「發動機收購事項」）。汽車發動機集團主要從事開發、生產及銷售汽車發動機。發動機收購事項已於二零一六年二月四日完成，而本集團自此已開展汽車發動機業務。

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。

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5. Segment information (Continued)

Segment revenue and results

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

5. 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					
		For the six months ended 30 September 截至九月三十日止六個月					
		Civil engineering and construction 土木工程及建造		Automotive engines 汽車發動機		Total 總計	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue	分部收益	241,331	221,022	625,929	—	867,260	221,022
Segment results	分部業績	(969)	2,272	69,250	—	68,281	2,272
Corporate and unallocated expenses	企業及未分配開支					(6,359)	(4,025)
Finance costs	財務費用					(30,946)	(12)
Profit/(loss) before tax	除稅前溢利／(虧損)					30,976	(1,765)

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 as well as head office and corporate expenses are excluded from such measurement.

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計量)評核。經調整除稅前損益之計量與本集團之除稅前損益一致，惟有關計量不包括財務費用以及總辦事處及企業費用。

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6. Revenue, other income and gains

6. 收入、其他收入及收益

		Unaudited 未經審核	
		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入		
Contract revenue	合約收入	241,331	221,022
Sales of goods	銷售貨物	625,929	—
		867,260	221,022
Other income and gains	其他收入及收益		
Rental income	租金收入	4,200	4,200
Interest income	利息收入	1	22
Consultancy fee income	顧問費收入	600	600
Government subsidies*	政府補助*	36	27
Gain on disposal of subsidiaries	出售附屬公司的收益	—	104
Gain on disposal of investment properties	出售投資物業的收益	—	300
Sundry income	雜項收入	394	22
		5,231	5,275

* Subsidies have been received from the Hong Kong Vocational Training Council, an institution established by the HKSAR Government (the "Government"), for providing on-the-job training to graduate engineers. There are no unfulfilled conditions or contingencies relating to these subsidies.

* 向已畢業的工程師提供在職培訓取得香港職業訓練局(香港特區政府(「政府」)設立的機構)的補助。現時沒有有關該等補助的未履行條件或或然事件。

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7. Finance costs

7. 財務費用

		Unaudited 未經審核	
		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank and other borrowings	銀行及其他借款利息	859	12
Interest on promissory notes	承兌票據利息	17,086	—
Imputed interest on convertible bonds	可換股債券之推算利息	13,001	—
		30,946	12

8. Profit/(loss) before tax

8. 除稅前溢利／(虧損)

		Unaudited 未經審核	
		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	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：		
Depreciation (note 12)	折舊(附註12)	2,719	390
Amortisation of intangible assets* (note 14)	無形資產攤銷*(附註14)	28,003	—
Employee benefits expenses (exclusive of directors' remuneration)	僱員福利開支(不包括董事酬金)	23,525	12,613
Directors' remuneration	董事酬金	1,596	4,956

* The amortisation of intangible assets for the period is included in "Cost of sales" in the condensed consolidated statement of profit or loss and other comprehensive income.

* 期內無形資產攤銷於簡明綜合損益及其他全面收入表內的「銷售成本」入賬。

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9. Income tax expense

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI. No provision for Hong Kong profits tax has been made for the six months ended 30 September 2016 as there was no assessable profits generated (six months ended 30 September 2015: 16.5%) on the estimated assessable profits arising in Hong Kong for the period.

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

9. 所得稅開支

根據開曼群島及英屬處女群島(「英屬處女群島」)的法例及規例，本集團毋須繳付開曼群島及英屬處女群島的任何所得稅。截至二零一六年九月三十日止六個月，由於概無估計應課稅溢利產生，因此根據期內自香港產生之估計應課稅溢利概無香港利得稅(截至二零一五年九月三十日止六個月：16.5%)撥備。

本集團之全資附屬公司重慶比速雲博動力科技有限公司(「比速雲博」)按優惠企業所得稅(「企業所得稅」)稅率15%繳稅。

		Unaudited 未經審核	
		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Current charge for the period	期間即期費用		
— Hong Kong profits tax	— 香港利得稅	—	420
— PRC CIT	— 中國企業所得稅	15,110	—
— Deferred	— 遞延	(4,200)	—
Total tax charge for the period	期間稅項支出總額	10,910	420

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10. Dividend

The Board does not recommend payment of any interim dividend for the six months ended 30 September 2016. On 5 June 2015, the directors declared a special cash dividend of HK\$50,000,000, representing HK\$0.25 per ordinary share in the issued share capital of the Company, out of the share premium account of the Company. The special cash dividend was approved by the Company's shareholders at the extraordinary general meeting on 4 August 2015 and was paid on 2 September 2015.

11. Earnings/(loss) per share attributable to owners of the parent

The calculation of the basic earnings/(loss) per share for the six months ended 30 September 2016 and 2015 are based on the consolidated profit/(loss) attributable to owners of the Company and the weighted average number of 200,000,000 ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 September 2016 in respect of a dilution as the impact of the convertible bonds had an anti-dilutive effect on the basic earnings per share amount presented.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 30 September 2016 and 2015 as the Company had no potentially dilutive ordinary share in issue during those periods.

10. 股息

董事會不建議派付截至二零一六年九月三十日止六個月之任何中期股息。於二零一五年六月五日，董事宣派特別現金股息50,000,000港元，相等於在本公司之股份溢價賬中，本公司已發行股本中每股普通股0.25港元。特別現金股息由本公司股東於二零一五年八月四日在股東特別大會上批准，並於二零一五年九月二日派付。

11. 母公司擁有人應佔每股盈利／(虧損)

於計算截至二零一六年及二零一五年九月三十日止六個月的每股基本盈利／(虧損)時，乃根據本公司擁有人應佔綜合溢利／(虧損)及期內200,000,000股已發行普通股的加權平均數而計算。

由於可換股債券之影響對呈列之每股基本盈利金額具有反攤薄作用，故並無就截至二零一六年九月三十日止六個月呈列之每股基本盈利金額作出攤薄調整。

由於本公司於截至二零一六年及二零一五年九月三十日止六個月期內並沒有發行潛在攤薄普通股，故未呈列於該等期內之每股基本盈利／(虧損)調整金額。

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12. Property, plant and equipment

12. 物業、機器及設備

		Unaudited 未經審核 HK\$'000 千港元
Net carrying amount at 1 April 2016	於二零一六年四月一日之賬面淨值	48,327
Additions	購入	1,052
Depreciation (note 8)	折舊(附註8)	(2,719)
Net carrying amount at 30 September 2016	於二零一六年九月三十日之 賬面淨值	46,660
Net carrying amount at 1 April 2015	於二零一五年四月一日之賬面淨值	2,194
Additions	購入	4,338
Depreciation (note 8)	折舊(附註8)	(390)
Net carrying amount at 30 September 2015	於二零一五年九月三十日之 賬面淨值	6,142

13. Goodwill

13. 商譽

		Unaudited 未經審核 30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
Cost and net carrying amount:	成本及賬面淨值：		
Opening	期初	490,948	—
Acquisition of subsidiaries (note 22)	收購附屬公司(附註22)	—	490,948
Closing	期末	490,948	490,948

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

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

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13. Goodwill (Continued)

Impairment test of goodwill

The recoverable amount of the Automotive Engines CGU was determined based on a value in use calculation using cash flow projections of financial budgets covering a five-year period approved by management. The discount rate applied to the cash flow projections was 20.79%. Management has determined the sales growth rate based on the sales volume stipulated in the Automotive Engine Sales Framework Agreements (as defined in note 14). The cash flow projections of the Automotive Engines Business beyond the five-year period of financial budgets are extrapolated using a growth rate of 3%, which did not exceed the long term average growth rate of the industry. The discount rate used is before tax and reflects specific risks relating to the units.

Assumptions were used in the value in use calculation of the Automotive Engines CGU for 30 September 2016. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Sales growth rate – The sales growth rates on product types of the Group are based on the sales volume stipulated in the Automotive Engine Sales Framework Agreements (as defined in note 14).

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

Business environment – There is no major change in the existing political, legal and environment conditions in the countries with which and the country in which the Automotive Engines CGU carried on its business.

13. 商譽 (續)

商譽之減值測試

汽車發動機現金產生單位之可收回金額乃使用經管理層批准涵蓋五年期的財政預算內現金流量預測計算的使用價值為基礎而釐定。現金流量預測所使用的貼現率為20.79%。管理層已根據汽車發動機銷售框架協議(定義見附註14)所訂明的銷量釐定銷售增長率。五年期後財政預算中汽車發動機業務的現金流量預測使用3%增長率推斷，該比率並無超過行業長期平均增長率。所使用的貼現率為除稅前及反映有關該等單位的特定風險。

計算二零一六年九月三十日汽車發動機現金產生單位的使用價值時使用了假設。下文描述管理層作出現金流量預測以進行商譽減值測試時所根據的各項主要假設：

銷售增長率 – 本集團各產品類型的銷售增長率乃以汽車發動機銷售框架協議(定義見附註14)所訂明的銷量為基礎。

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

營商環境 – 與汽車發動機現金產生單位進行業務的國家或該單位進行業務所在的國家的現時政治、法律及環境狀況概無出現重大變動。

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14. Intangible assets

14. 無形資產

		Customer contracts 客戶合約	
		Unaudited 未經審核	Audited 經審核
		30 September 2016 二零一六年 九月三十日	31 March 2016 二零一六年 三月三十一日
		HK\$'000 千港元	HK\$'000 千港元
Net carrying amount:	賬面淨值：		
Opening	期初	687,523	—
Acquisition of subsidiaries (note 22)	收購附屬公司(附註22)	—	695,912
Amortisation provided during the period (note 8)	期內已撥備的攤銷(附註8)	(28,003)	(8,389)
Closing	期末	659,520	687,523
Cost	成本	695,912	695,912
Accumulated amortisation	累計攤銷	(36,392)	(8,389)
Net carrying amount	賬面淨值	659,520	687,523

Before the completion of the Engines Acquisition, on 18 November 2015, the Automotive Engines Group entered into three separate automotive engine sales framework agreements (the “Automotive Engine Sales Framework Agreements”) with BAIC Yinxiang Automobile Co., Limited, Chongqing Mystery Speed Automobile Accessory Limited and Chongqing North Automobile (collectively, the “Automotive Engine Sales Parties”), all of them are independent third parties, and pursuant to which the Automotive Engine Sales Parties have agreed to procure pre-agreed quantities of engines from the Automotive Engines Group from 2016 to 2020.

發動機收購事項完成前，於二零一五年十一月十八日，汽車發動機集團與北汽銀翔汽車有限公司、重慶幻速汽車配件有限公司及重慶比速汽車(統稱為「汽車發動機銷售訂約方」，全部均為獨立第三方)訂立三份獨立的汽車發動機銷售框架協議(「汽車發動機銷售框架協議」)，據此汽車發動機銷售訂約方已同意於二零一六年至二零二零年向汽車發動機集團採購預先協定數量的發動機。

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14. Intangible assets (Continued)

The directors are of the opinion that the Automotive Engine Sales Framework Agreements are intangible items that are separately identifiable and could be measured reliably in accordance with HKAS 38 *Intangible Assets*. They are stated at cost less accumulated amortisation and impairment losses and are amortised under the unit of consumption method which is based on the sales volume in each reporting period as a proportion of the total estimated units of sales over the contract period of the Automotive Engine Sales Framework Agreements.

15. Financial asset at fair value through profit or loss

14. 無形資產 (續)

董事認為汽車發動機銷售框架協議屬於獨立識別的無形項目，並可根據香港會計準則第38號無形資產可靠地計量。其按成本減累計攤銷及減值虧損列值，並根據消費單位法基於各報告期間之銷量作為於汽車發動機銷售框架協議合約期內估計總銷售單位之比例攤銷。

15. 按公平值透過損益列賬之金融資產

		Contingent consideration – profit guarantee 或然代價 – 利潤保證	
		Unaudited 未經審核	Audited 經審核
		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
Opening	期初	9,636	—
Acquisition of subsidiaries (note 22)	收購附屬公司(附註22)	—	10,052
Change in fair value	公平值變動	1,066	(416)
Closing	期末	10,702	9,636

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15. Financial asset at fair value through profit or loss (Continued)

Pursuant to the Engines SPA, Power Expert has warranted and guaranteed to the Group that the audited consolidated profit after tax of the Automotive Engines Group (excluding any fair value adjustments arising from purchase price allocation upon the completion of the Engines Acquisition by the Group) as prepared in accordance with HKFRSs, for the two years ending 28 February 2017 and 2018 shall not be less than HK\$170,000,000 ("1st Guaranteed Profit") and HK\$230,000,000 ("2nd Guaranteed Profit") (collectively, the "Guaranteed Profit"), respectively.

In the event that the Guaranteed Profit has not been achieved, Power Expert shall compensate the Group. Details of the calculation of the compensation are set out in the Group's circular dated 19 January 2016.

The fair value of the profit guarantee was HK\$10,702,000 as at 30 September 2016, which was determined by an independent professional valuer, based on the probabilistic flow method in which the cash flows for each year represent the difference between the guaranteed profit and the projected net profit. The directors of the Company estimated the projected net profits of the Automotive Engines Group under four different scenarios with respective scenario probabilities. The fair value of the profit guarantee was the probability-weighted average of the present values of the shortfalls between the guaranteed profits and the projected net profits under the four scenarios. A discount rate of ranging from 6.19% to 6.26% has been used to calculate the present value of cash flows of the profit guarantee.

15. 按公平值透過損益列賬之金融資產 (續)

根據發動機買賣協議，巧能環球向本集團承諾及保證，汽車發動機集團根據香港財務報告準則編製的截至二零一七年及二零一八年二月二十八日止兩個年度經審核綜合稅後溢利(不包括本集團於發動機收購事項完成後因購買價分配而產生的任何公平值調整)將分別不少於170,000,000港元(「第一期保證溢利」)及230,000,000港元(「第二期保證溢利」)(統稱「保證溢利」)。

倘未能達到保證溢利，巧能環球須向本集團作出賠償。有關計算賠償金額的詳情載列於本集團日期為二零一六年一月十九日的通函內。

溢利保證於二零一六年九月三十日的公平值為10,702,000港元，此乃由獨立專業估值師根據概率統計法釐定，其中每年的現金流量代表保證溢利與預測純利之間的差額。本公司董事估計汽車發動機集團在四個不同情況下按相關情況的概率之預測純利。溢利保證的公平值是保證溢利與四個情況下的預測純利之間的不足額之現值的概率加權平均值。貼現率介乎6.19%至6.26%已用作計算溢利保證現金流量之現值。

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15. Financial asset at fair value through profit or loss (Continued)

Below is a summary of a significant unobservable input to the valuation of the contingent consideration together with a quantitative sensitivity analysis as at 30 September 2016:

	Valuation technique	Significant unobservable input	Sensitivity of fair value to the input
	估值方法	重要不可觀察輸入值	公平值對輸入值之敏感度
Discounted financial instrument in respect of the profit guarantee	Probabilistic flow method	Discount rate ranging from 6.19% to 6.26%	1% increase/decrease in discount rate would result in decrease in fair value by HK\$104,000/ increase in fair value by HK\$107,000
溢利保證的已貼現金融工具	概率統計法	貼現率介乎6.19%至6.26%	貼現率上升/下跌1%將導致公平值減少104,000港元/公平值增加107,000港元

16. Accounts receivable

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

As at 30 September 2016, retentions receivable included in accounts receivable amounted to HK\$148,906,000 (31 March 2016: HK\$128,806,000), which are repayable on terms ranging from two to three years.

15. 按公平值透過損益列賬之金融資產(續)

下文為於二零一六年九月三十日計算或然代價估值時的重要不可觀察輸入值連同定量敏感度分析之概要：

16. 應收賬款

應收賬款指合約工程及銷售汽車發動機應收款。合約工程應收款的支付條款於有關合約中訂明。信貸期一般為一個月。來自銷售汽車發動機的應收賬款的支付條款以信貸為主，而信貸期一般為一至三個月。應收賬款的賬面值與其公平值相若。

於二零一六年九月三十日，應收賬款中包含的應收保留款項為148,906,000港元(二零一六年三月三十一日：128,806,000港元)，還款期介乎兩至三年。

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16. Accounts receivable (Continued)

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

		Unaudited	Audited
		未經審核	經審核
		30 September	31 March
		2016	2016
		二零一六年	二零一六年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Past due but not impaired:	逾期但並無減值：		
One to three months past due	逾期一至三個月	2,870	2,926
Four to six months past due	逾期四至六個月	225	225
Over six months past due	逾期超過六個月	209	209
		3,304	3,360
Neither past due nor impaired	既無逾期亦無減值	822,714	393,000
		826,018	396,360

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

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

16. 應收賬款 (續)

並無個別或整體上認為減值的應收賬款賬齡分析如下：

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

既無逾期亦無減值的應收款與為數眾多的獨立客戶相關，彼等並無近期欠繳記錄。

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17. Accounts payable

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

		Unaudited	Audited
		未經審核	經審核
		30 September	31 March
		2016	2016
		二零一六年	二零一六年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Current to three months	即期至三個月	840,085	223,123
Four to six months	四至六個月	4,807	2,304
Over six months	超過六個月	880	369
		845,772	225,796

As at 30 September 2016, retentions payable included in accounts payable amounted to HK\$6,599,000 (31 March 2016: HK\$5,749,000), which are normally settled on terms ranging from two to three years. The carrying amounts of accounts payable approximate to their fair values.

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

17. 應付賬款

下列為按發票日期於各報告期末應付賬款之賬齡分析：

於二零一六年九月三十日，應付賬款中包含的應付保留款項為6,599,000港元(二零一六年三月三十一日：5,749,000港元)，一般於兩至三年內結算。應付賬款的賬面值與其公平值相若。

應付賬款為免計利息，一般於7至120日內結算。支付條款於有關合約中訂明。

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18. Interest-bearing other borrowings

18. 其他計息借款

		Unaudited 未經審核 30 September 2016 二零一六年 九月三十日			Audited 經審核 31 March 2016 二零一六年 三月三十一日		
		Contractual interest rate (%) per annum 合約年利率 (%)	Maturity 到期日	HK\$'000 千港元	Contractual interest rate (%) per annum 合約年利率 (%)	Maturity 到期日	HK\$'000 千港元
Current	流動						
Other loans – unsecured	其他貸款 – 無抵押	5%-12%	2016-2017 二零一六年 – 二零一七年	22,814	5-12%	2016-2017	13,013

Notes:

- The Group's interest-bearing other borrowings are repayable on demand or within one year.
- Except for an unsecured other loan of \$5,813,500 which is denominated in RMB, all borrowings are in Hong Kong dollars.

附註：

- 本集團的其他計息借款須按要求或於一年內償還。
- 除一筆以人民幣計值的其他無抵押貸款5,813,500元外，所有借款均以港元計值。

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19. 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:

19. 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：

		Unaudited 未經審核 30 September 2016 二零一六年 九月三十日		
		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
Opening	期初	340,316	390,716	731,032
Interest expense (note 7)	利息開支(附註7)	13,001	—	13,001
Closing	期末	353,317	390,716	744,033

		Audited 經審核 31 March 2016 二零一六年 三月三十一日		
		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
Issue of convertible bonds for a business combination (note 22)	就業務合併發行 可換股債券 (附註22)	335,982	390,716	726,698
Interest expense (note 7)	利息開支(附註7)	4,334	—	4,334
Closing	期末	340,316	390,716	731,032

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19. Convertible bonds (Continued)

On 4 February 2016, the Company issued zero coupon convertible bonds with an aggregate principal amount of HK\$390,000,000 to Power Expert as part of the consideration for the Engines Acquisition. The maturity date of the convertible bonds is on the second anniversary of the date of issuance (i.e. 3 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. At 30 September 2016, no convertible bonds were converted and the outstanding principal amount of the convertible bonds was HK\$390,000,000.

As at 30 September 2016, the convertible bonds with an aggregate principal amount of HK\$390,000,000 were deposited with an escrow agent in favour of the Company as security for the 1st Guaranteed Profit and the 2nd Guaranteed Profit. The convertible bonds in the principal amounts of HK\$165,750,000 and HK\$224,250,000 shall be released to Power Expert if the audited consolidated profits after tax of the Automotive Engines Group for the two years ending 28 February 2017 and 2018 are equal to or more than the 1st Guaranteed Profit and the 2nd Guaranteed Profit, respectively, after the issue of the auditors' certificate for each period.

19. 可換股債券(續)

於二零一六年二月四日，本公司向巧能環球發行本金總額為390,000,000港元的零息可換股債券，以作為發動機收購事項的部分代價。可換股債券的到期日為發行日期的第二個週年(即二零一八年二月三日)。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。於二零一六年九月三十日，概無可換股債券被兌換，而可換股債券的未償還本金額為390,000,000港元。

於二零一六年九月三十日，本金總額為390,000,000港元的可換股債券獲以本公司為受益人存入託管代理，以作為第一項保證溢利及第二項保證溢利之抵押。倘汽車發動機集團於截至二零一七年及二零一八年二月二十八日止兩個年度之經審核綜合稅後溢利分別相等於或超過第一項保證溢利及第二項保證溢利，則於就各期間發出核數師證明後，本金額為165,750,000港元及224,250,000港元之可換股債券將會發放予巧能環球。

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20. Promissory notes

20. 承兌票據

		Unaudited	Audited
		未經審核	經審核
		30 September	31 March
		2016	2016
		二零一六年	二零一六年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
First Note	第一票據	187,188	179,979
Second Note	第二票據	256,474	246,597
		443,662	426,576

Notes:

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

As at 30 September 2016, the promissory notes with an aggregate face value of HK\$410,000,000 were deposited with an escrow agent in favour of the Company as security for the 1st Guaranteed Profit and the 2nd Guaranteed Profit. The promissory notes in the face values of HK\$174,250,000 and HK\$235,750,000 shall be released to Power Expert if the audited consolidated profits after tax of the Automotive Engines Group for the two years ending 28 February 2017 and 2018 are equal to or more than the 1st Guaranteed Profit and the 2nd Guaranteed Profit, respectively, after the issue of the auditors' certificate for each period.

附註：

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

於二零一六年九月三十日，總面值為410,000,000港元之承兌票據獲以本公司為受益人存入託管代理，以作為第一項保證溢利及第二項保證溢利之抵押。倘汽車發動機集團於截至二零一七年及二零一八年二月二十八日止兩個年度之經審核綜合稅後溢利分別相等於或超過第一項保證溢利及第二項保證溢利，則於就各期間發出核數師證明後，面值為174,250,000港元及235,750,000港元之承兌票據將會發放予巧能環球。

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21. Share capital

21. 股本

		Unaudited 未經審核 30 September 2016 二零一六年 九月三十日 HK\$'000 千港元	Audited 經審核 31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元
Authorised:	法定股本：		
500,000,000 (31 March 2016: 500,000,000) ordinary shares of HK\$0.01 each	500,000,000股 (二零一六年 三月三十一日： 500,000,000股) 每股面值0.01港元的 普通股	5,000	5,000
Issued and fully paid:	已發行及繳足：		
200,000,000 (31 March 2016: 200,000,000) ordinary shares of HK\$0.01 each	200,000,000股 (二零一六年 三月三十一日： 200,000,000股) 每股面值0.01港元的 普通股	2,000	2,000

22. Business combination

On 12 October 2015, the Group entered into the Engines SPA with Power Expert for the acquisition of the Automotive Engines Group at an aggregate consideration of HK\$800,000,000 (the "Engines Consideration"). The Engines Consideration consisted of convertible bonds with an aggregate principal amount of HK\$390,000,000, promissory notes with an aggregate face value of HK\$410,000,000 and a contingent consideration. The aggregate fair value of the Engines Consideration on the date of completion was HK\$1,137,526,000.

22. 業務合併

於二零一五年十月十二日，本集團與巧能環球訂立發動機買賣協議，以按總代價800,000,000港元（「發動機代價」）收購汽車發動機集團。發動機代價包括本金總額為390,000,000港元之可換股債券、總面值為410,000,000港元之承兌票據及或然代價。發動機代價於完成日期之總公平值為1,137,526,000港元。

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22. Business combination (Continued)

The fair value of the identifiable assets and liabilities of the Automotive Engines Group as at the date of acquisition were as follows:

22. 業務合併 (續)

汽車發動機集團於收購日期的可識別資產及負債的公平值如下：

		Notes 附註	Fair value recognised on acquisition 收購時確認的 公平值 HK\$'000 千港元
Property, plant and equipment	物業、機器及設備		45,561
Intangible assets	無形資產	14	695,912
Cash and bank balances	現金及銀行結餘		3,789
Inventories	存貨		40,975
Accounts receivable	應收賬款		47,126
Prepayments and other receivables	預付款項及其他應收款		6,314
Accounts payable	應付賬款		(80,661)
Other payables and accruals	其他應付款及預提費用		(1,240)
Tax payable	應付稅項		(300)
Interest-bearing other borrowing	其他計息借款		(5,915)
Deferred tax liabilities	遞延稅項負債		(104,983)
Total identifiable net assets at fair value	按公平值計值的 可識別資產淨值總額		646,578
Goodwill on acquisition	收購的商譽	13	490,948
			1,137,526
Satisfied by:	以下列各項支付：		
Convertible bonds	可換股債券	19	726,698
Promissory notes	承兌票據		420,880
Contingent consideration — profit guarantee	或然代價 — 溢利保證	15	(10,052)
			1,137,526

The fair values of the accounts receivable and other receivables as at the date of acquisition amounted to HK\$47,126,000 and HK\$6,314,000, respectively. The gross contractual amounts of accounts receivable and other receivables were HK\$47,126,000 and HK\$6,314,000, respectively, of which no receivables are expected to be uncollectible.

應收賬款及其他應收款於收購日期的公平值分別為47,126,000港元及6,314,000港元。應收賬款及其他應收款的總合約金額分別為47,126,000港元及6,314,000港元，預期概無該等應收款不可被收回。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

23. 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:

23. 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 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
(i) Sub-contracting fee paid to a former fellow subsidiary	(i) 支付予前同系附屬公司的分包費	—	8,037
(ii) Rental expense paid to a former fellow subsidiary	(ii) 支付予前同系附屬公司的租賃費用	—	103
(iii) Corporate service fee paid to a related company which are controlled by a director of the Company	(iii) 支付予一間由本公司董事控制的關連公司的企業服務費	499	103
(iv) Financial advisory fee paid to a related party which is controlled by a director of other Company	(iv) 支付予由其他公司一名董事所控制的關連方的財務顧問費用	30	—

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.

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

23. Related party transactions (Continued)

(b) Outstanding balances with related parties

		Unaudited	Audited
		未經審核	經審核
		30 September	31 March
		2016	2016
		二零一六年	二零一六年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Due from related party:	應收關聯方款項：		
– a former fellow subsidiary	– 前同系附屬公司	–	204
Due to related party:	應付關聯方款項：		
– a former fellow subsidiary	– 前同系附屬公司	–	60,188

Balances with related parties were unsecured, interest-free and have no fixed terms of repayment.

與關連方之結餘為無抵押、免息及無固定還款期。

(c) Compensation of key management personnel of the Group

The remuneration of key management of the Group, representing the Directors, during the period was as follows:

(c) 本集團主要管理人員的報酬

期內本集團主要管理人員(即本公司董事)的薪酬如下：

		Unaudited	
		未經審核	
		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Short-term employee benefits	短期僱員福利	1,596	4,916
Post-employment benefits	離職後福利	18	40
Total compensation paid to key management personnel	支付予主要管理人員的總補償	1,614	4,956

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

24. Contingent liabilities

As of 30 September 2016, 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\$25,446,000 (31 March 2016: HK\$23,435,000).

At 30 September 2016 and 31 March 2016, the Company had given unlimited performance guarantees in favour of a customer for contract works (the "Contract Customer") in respect of losses, claims, damages, costs and expenses caused by non-compliance with the terms and conditions of the construction contract entered into between the Group and the Contract Customer.

- (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.

25. Event after the reporting period

(a) Acquisition of Keenmount Limited ("Keenmount")

On 24 May 2016, the Company, through its wholly-owned subsidiary, Global Harvest Inc., entered into an agreement (the "Agreement") with a limited liability company incorporated in BVI for the acquisition of entire interest in Keenmount and its subsidiaries and the loan from the Vendor of HK\$885,880 at a total consideration of HK\$390,000,000 (the "Acquisition").

24. 或然負債

截至二零一六年九月三十日，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而向若干銀行提供的擔保為25,446,000港元(二零一六年三月三十一日：23,435,000港元)。

於二零一六年九月三十日及二零一六年三月三十一日，本集團與一名合約工程客戶(「合約客戶」)之間訂立的建築合約，本公司向該合約客戶就不履行合約條款及條件而對其造成的損失、申索、損害、成本及開支提供無上限履約擔保。

- (b) 在本集團建造業務的日常過程中，本集團或本集團分包商的僱員因為在受僱期間發生意外導致人身傷害而向本集團提出若干索賠。董事認為，有關索賠屬於保險的承保範圍，不會對本集團的財務狀況、業績及經營構成任何重大不利影響。

25. 報告期後事項

(a) 收購建峰有限公司(「建峰」)

於二零一六年五月二十四日，本公司透過其全資附屬公司Global Harvest Inc.與一間於英屬處女群島註冊成立的有限責任公司訂立協議(「協議」)，以向賣方收購建峰及其附屬公司全部股權及貸款885,880港元，總代價為390,000,000港元(「收購事項」)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

Six months ended 30 September 2016

截至二零一六年九月三十日止六個月

25. Event after the reporting period (Continued)

(a) Acquisition of Keenmount Limited (“Keenmount”) (Continued)

As certain conditions precedent to the Agreement have not been fulfilled and the Acquisition was terminated on 14 October 2016. Further details of which are set out in the Company’s announcement dated 24 May 2016, 22 June 2016, 15 July 2016, 20 July 2016, 28 July 2016, 19 August 2016 and 14 October 2016.

(b) Strategic Cooperation Agreement

On 20 October 2016, ChongQing Xunli Commercial Management Limited (“ChongQing Xunli”), a wholly-owned subsidiary of the Company, and ChongQing North Automobile Company Limited (“ChongQing North Automobile”) entered into a Strategic Cooperation Agreement (the “Strategic Cooperation Agreement”), in relation to the provision services and advices to ChongQing North Automobile by ChongQing Xunli including but not limited to business production and operation management, consultation of sales service and the support and expansion of sales channel.

Pursuant to the Strategic Cooperation Agreement, ChongQing North Automobile shall pay ChongQing Xunli an annual basic service fee of RMB2,000,000 and an additional service commission fee, which is calculated in accordance with the net profit of ChongQing North Automobile. Further details of which are set out in the Company’s announcement dated 20 October 2016.

26. 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 25 November 2016.

25. 報告期後事項 (續)

(a) 收購建峰有限公司(「建峰」) (續)

由於協議之若干先決條件並未達成，因此收購事項於二零一六年十月十四日終止。有關進一步詳情載於本公司日期為二零一六年五月二十四日、二零一六年六月二十二日、二零一六年七月十五日、二零一六年七月二十日、二零一六年七月二十八日、二零一六年八月十九日及二零一六年十月十四日之公告。

(b) 戰略合作協議

於二零一六年十月二十日，本公司一間全資附屬公司重慶訊利商業管理有限公司(「重慶訊利」)與重慶比速汽車有限公司(「重慶比速汽車」)就重慶訊利向重慶比速汽車提供服務及意見(內容包括但不限於生產及經營管理、銷售服務諮詢及銷售渠道的支援及擴展)訂立戰略合作協議(「戰略合作協議」)。

根據戰略合作協議，重慶比速汽車應每年向重慶訊利支付基本服務費人民幣2,000,000元及額外服務佣金(乃按重慶比速汽車的溢利淨額計算)。有關進一步詳情載於本公司日期為二零一六年十月二十日之公告。

26. 批准未經審核簡明綜合中期財務資料

此未經審核簡明綜合中期財務資料已獲董事會於二零一六年十一月二十五日批准及授權刊發。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

During the reporting period, the Group was engaged in two business segments, (i) the Civil Engineering and Construction Business; and (ii) the Automotive Engines Business.

The Group has achieved encouraging growth both in terms of revenue and profit for the first half of 2016. Although the downward trend in revenue growth in the Civil Engineering and Construction Business that has been seen in recent years has been continued, the Group has beaten the industry slackening by injection of a new business field — the Automotive Engines Business. Compared to the corresponding period in the previous year consolidated revenue increased by approximately 292.4% to approximately HK\$867.3 million (six months ended 30 September 2015: approximately HK\$221.0 million), within which, revenue from the Automotive Engines Business accounted for approximately HK\$625.9 million, representing approximately 72.2% of the consolidated revenue. Success in introduction of new business — the Automotive Engines Business, the profit attributable to equity shareholders of approximately HK\$20.1 million was recorded, which represented a profit turnaround as compared to unaudited loss in the corresponding period in 2015.

Civil Engineering and Construction Business

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

業務回顧

於報告期內，本集團從事兩個業務分部，(i)土木工程及建造業務；及(ii)汽車發動機業務。

本集團於二零一六年上半年在收入及利潤方面均取得了令人鼓舞的增長。儘管土木工程及建築業務的收入增長近年來一直呈下降趨勢，本集團已通過進軍新業務領域(即汽車發動機業務)打破行業發展緩慢的局面。與去年同期相比，綜合收入增加約292.4%至約867,300,000港元(截至二零一五年九月三十日止六個月：約221,000,000港元)，其中汽車發動機業務收入約為625,900,000港元，約佔綜合收入的72.2%。成功開展新業務——汽車發動機業務，權益股東應佔溢利錄得約20,100,000港元，較二零一五年同期之未經審核虧損而言，扭虧為盈。

土木工程及建造業務

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (Continued)

Civil Engineering and Construction Business

(Continued)

During the six months ended 30 September 2016, the revenue of the Civil Engineering and Construction Business were approximately HK\$241.3 million (six months ended 30 September 2015: approximately HK\$221.0 million), represented an increase of approximately 9.2% when compared with that of corresponding period in the previous year. For the period under review, included in the revenue was: (i) revenue from civil engineering works of approximately HK\$225.4 million (six months ended 30 September 2015: approximately HK\$199.2 million); and (ii) revenue from building construction and maintenance works of approximately HK\$15.9 million (six months ended 30 September 2015: approximately HK\$21.8 million).

The overall gross profit of this segment decreased from approximately HK\$10.5 million for the period ended 30 September 2015 to approximately HK\$5.8 million for the period ended 30 September 2016. The decrease was mainly attributable to increasing costs of operation during the period.

As of 30 September 2016, the Group had 17 significant projects in progress. All such significant projects in progress, except for the building construction project in Tsuen Wan West, are civil engineering construction projects.

As of 30 September 2016, the total contract sum and the total outstanding values of the Group's substantial projects in progress were approximately HK\$1,877.0 million and HK\$432.0 million respectively.

During the period ended 30 September 2016, the Group was awarded with the following new substantial contract:

- Advance Civil Engineering Works for Public Housing Development Projects Batch 6 (2016-2018)

業務回顧 (續)

土木工程及建造業務 (續)

於截至二零一六年九月三十日止六個月，土木工程及建造業務之收入約為241,300,000港元(截至二零一五年九月三十日止六個月：約221,000,000港元)，較去年同期增加約9.2%。於回顧期內，收益包括：(i)來自土木工程之收入約為225,400,000港元(截至二零一五年九月三十日止六個月：約199,200,000港元)；及(ii)來自樓宇建造和保養工程之收入約為15,900,000港元(截至二零一五年九月三十日止六個月：約21,800,000港元)。

此分部之總毛利由截至二零一五年九月三十日止期間的約10,500,000港元下跌至截至二零一六年九月三十日止期間的約5,800,000港元。下降主要由期內運營成本增加所致。

截至二零一六年九月三十日，本集團擁有17個重大在建項目。除於荃灣西之樓宇建造項目外，所有該等重大在建項目均為土木工程建造項目。

截至二零一六年九月三十日，本集團的重大在建項目的合約總金額及未完成工程合約金額分別約為1,877,000,000港元及432,000,000港元。

於截至二零一六年九月三十日止期間，本集團獲授以下新重大合約：

- 第6批公共房屋計劃(二零一六年至二零一八年)前期土木工程

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (Continued)

Automotive Engines Business

On 4 February 2016, the Group acquired a new business engaged in development, production and sale of automotive engines. During the six months ended 30 September 2016, the Automotive Engines Business recorded a segment revenue of approximately HK\$625.9 million. The segment profit reached approximately HK\$93.1 million excluding the amortisation of 5 years' sales contracts and deferred tax credit amounting to approximately HK\$28.0 million and approximately HK\$4.2 million respectively, which merely represented an accounting treatment on the acquisition but no cash flow effect to the Group.

Pursuant to the terms of agreements dated 12 October 2015, 20 November 2015 and 15 January 2016 (collectively refer to as the "Engines SPA") in relation to the acquisition of the Automotive Engines Business, the vendor has irrevocably warranted and guaranteed to the Company that the audited profit after tax of the Automotive Engines Business shall not be less than HK\$170.0 million and HK\$230.0 million for the first and second year upon completion respectively. Driving by the increasing demand and consumer spending on automotives and greater results during the reporting period, the Board is confident of a good prospect with high and sustainable growth in the investment in the Automotive Engines Business and expect this business would further strengthen the revenue stream of the Group in near future.

PROSPECTS

Although the operating environment of the construction business is expected to remain tough in the coming years such as continuously rising wages and cost of construction materials and shortage of skilled labour, the Board is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works. The Group will continue to adopt a prudent approach when submitting new tenders.

業務回顧 (續)

汽車發動機業務

於二零一六年二月四日，本集團收購一項從事開發、生產及銷售汽車發動機之新業務。於截至二零一六年九月三十日止六個月，汽車發動機業務錄得分部收入約625,900,000港元。分部溢利達約93,100,000港元，不包括5年銷售合約攤銷約28,000,000港元及遞延稅項抵免約4,200,000港元，此僅為收購之會計處理，對本集團的現金流量並無任何影響。

根據日期為二零一五年十月十二日、二零一五年十一月二十日及二零一六年一月十五日(統稱為「發動機買賣協議」)有關收購汽車發動機業務之協議條款，賣方已向本公司不可撤回地擔保及保證，於完成建設後首年及第二年汽車發動機業務之經審核除稅後溢利將分別不少於170,000,000港元及230,000,000港元。伴隨著上升的汽車需求及消費者支出及於報告期內更加良好的業績，董事會深信汽車發動機業務之投資將具有可持續高增長的良好前景，並預期此業務在不久的將來進一步加強本集團的收入來源。

前景

雖然預期建造業務的營運環境於未來幾年將仍然嚴峻，包括薪酬及建築材料成本持續上漲，以及熟手技工短缺，董事會深信憑藉本集團曾進行各類型建造工程的豐富經驗，本集團將能夠取得可觀的業務商機。本集團於提交新標書時，將繼續採取審慎態度。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECTS (Continued)

In addition, the Group will make use of its competitive strengths by continuing to improve its quality of service and competitiveness to capitalise on the trend of increasing civil engineering construction works projects in Hong Kong in the coming years to further strengthen the Group's business growth.

Meanwhile, the Automotive Engines Business will become a growth engine of the Group as the consumption market in the PRC is expected to have a steady growth in next few years, driven by the deduction of purchase tax on passenger vehicles and the international oil price. The Group remains optimistic on the demand of automotives and thus stimulating the Automotive Engines Business.

Looking ahead, the Board will closely monitor the market and seize other growth opportunities to adopt appropriate measures and strategies to strive for the best return to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately HK\$646.3 million, or approximately 292.4%, from approximately HK\$221.0 million for the six months ended 30 September 2015 to approximately HK\$867.3 million for the six months ended 30 September 2016. The increase was primarily due to the fact that the Automotive Engines Business, which was a new business started from February 2016, generated revenue approximately HK\$625.9 million for the six months ended 30 September 2016, representing approximately 72.2% of the total revenue. Although the revenue from the Civil Engineering and Construction Business increased by approximately HK\$20.3 million, or approximately 9.2% to approximately HK\$241.3 million for the six months ended 30 September 2016, the operating environment remained tough for the first half of 2016.

前景 (續)

再者，本集團將透過繼續提高服務質素及競爭力發揮其競爭優勢，把握未來幾年香港土木工程建造項目不斷增加的趨勢，從而進一步鞏固本集團的業務增長。

同時，受乘用車購置稅及國際油價下調所帶動，預期中國的消費市場於未來數年將穩定增長，汽車發動機業務將成為本集團的增長動力。本集團對汽車需求仍持樂觀態度並認為將刺激汽車發動機業務的發展。

展望將來，董事會將密切監察市場及把握其他增長機會，以採取合適的措施及策略，竭力為本公司股東帶來最佳回報。

財務回顧

收入

我們的收入由截至二零一五年九月三十日止六個月的約221,000,000港元增加約646,300,000港元(或約292.4%)至截至二零一六年九月三十日止六個月的約867,300,000港元。收入增加主要由於汽車發動機業務(一個於二零一六年二月開始的新業務)於截至二零一六年九月三十日止六個月產生收益約625,900,000港元，約佔總收益之72.2%。儘管土木工程及建造業務收益於截至二零一六年九月三十日止六個月增加約20,300,000港元或約9.2%至約241,300,000港元，但於二零一六年上半年營運環境仍然嚴峻。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately HK\$72.9 million or approximately 694.3%, from approximately HK\$10.5 million for the six months ended 30 September 2015 to approximately HK\$83.4 million for the six months ended 30 September 2016 while the gross profit margin increased from approximately 4.7% for the six months ended 30 September 2015 to approximately 9.6% for the six months ended 30 September 2016. The increase was primarily due to significant increase in revenue of the Automotive Engines Business, which was a new business started from February 2016, and generally provided a higher profit margin for the six months ended 30 September 2016.

Other Income and Gains

Other income and gains only slightly decreased by approximately HK\$0.1 million from approximately HK\$5.3 million for the six months ended 30 September 2015 to approximately HK\$5.2 million for the six months ended 30 September 2016. Other income mainly represented the rental income through leasing certain of its equipment for construction works at approximately HK\$4.2 million for the six months ended 30 September 2016 (six months ended 30 September 2015: approximately HK\$4.2 million).

Administrative Expenses

Administrative expenses increased by approximately HK\$10.3 million or approximately 58.9%, from approximately HK\$17.5 million for the six months ended 30 September 2015 to approximately HK\$27.8 million for the six months ended 30 September 2016. The increase was mainly attributable to the transaction costs for the acquisition of the Automotive Engines Business and its relevant operating cost.

財務回顧(續)

毛利及毛利率

我們的毛利由截至二零一五年九月三十日止六個月的約10,500,000港元增加約72,900,000港元(或約694.3%)至截至二零一六年九月三十日止六個月的約83,400,000港元。毛利率亦由截至二零一五年九月三十日止六個月約4.7%增加至截至二零一六年九月三十日止六個月約9.6%。增加主要是由於汽車發動機業務(二零一六年二月開始的新業務)的收益顯著增加，整體上令截至二零一六年九月三十日止六個月錄得較高毛利率。

其他收入及收益

其他收入及收益僅由截至二零一五年九月三十日止六個月的約5,300,000港元略微減少約100,000港元至截至二零一六年九月三十日止六個月的約5,200,000港元。其他收入主要為於截至二零一六年九月三十日止六個月通過租賃建造工程的若干設備獲得的租金收入約4,200,000港元(截至二零一五年九月三十日止六個月：約4,200,000港元)。

行政開支

行政開支由截至二零一五年九月三十日止六個月的約17,500,000港元增加約10,300,000港元(或約58.9%)至截至二零一六年九月三十日止六個月的約27,800,000港元。行政開支的增加主要由於收購汽車發動機業務的交易成本及相關運營成本所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Income Tax Expense

Income tax expense increased by approximately HK\$10.5 million from approximately HK\$0.4 million for the six months ended 30 September 2015 to approximately HK\$10.9 million for the six months ended 30 September 2016. The increase was mainly attributable to the Automotive Engines Business. The effective tax rate of the main operating subsidiary in PRC was 15.5% for the six months ended 30 September 2016. No provision for Hong Kong profits tax has been made for the six months ended 30 September 2016 as there was no assessable profits generated on the estimated assessable profits arising in Hong Kong for the period.

Profit/(Loss) Attributable to Owners of the Parent

As a result of the foregoing, the Group recorded a profit attributable to owners of the parent of approximately HK\$20.1 million for the six months ended 30 September 2016 as compared with the loss attributable to owners of the parent of approximately HK\$2.2 million for the six months ended 30 September 2015.

Liquidity and Financial Resources

As of 30 September 2016, the Group had cash and cash equivalents of approximately HK\$31.0 million, representing an increase of approximately 83.4% from approximately HK\$16.9 million as of 31 March 2016. The Group did not have pledged deposits as at 30 September 2016. The increase in cash and cash equivalents during the period was mainly attributable to the operating cash inflow generated from the Automotive Engines Business. The Group's cash and cash equivalents were denominated in Hong Kong dollars and Renminbi.

財務回顧 (續)

所得稅支出

所得稅支出由截至二零一五年九月三十日止六個月的約400,000港元增加約10,500,000港元至截至二零一六年九月三十日止六個月的約10,900,000港元。該增加主要由於汽車發動機業務所致。截至二零一六年九月三十日止六個月中國主要營運附屬公司的實際稅率為15.5%。截至二零一六年九月三十日止六個月，由於概無估計應課稅溢利產生，因此根據期內自香港產生之估計應課稅溢利概無香港利得稅撥備。

母公司擁有人應佔溢利／(虧損)

鑑於上述因素，本集團截至二零一六年九月三十日止六個月錄得母公司擁有人應佔溢利約20,100,000港元，截至二零一五年九月三十日止六個月則錄得母公司擁有人應佔虧損約2,200,000港元。

流動資金及財務資源

截至二零一六年九月三十日，本集團之現金及現金等值物約為31,000,000港元，較截至二零一六年三月三十一日之約16,900,000港元增加約83.4%。於二零一六年九月三十日，本集團並無已抵押之存款。現金及現金等值物於期間增加主要由於汽車發動機業務產生的經營現金流入。本集團之現金及現金等值物以港元及人民幣計值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Liquidity and Financial Resources (Continued)

When compared with the Group's financial position as at 31 March 2016, net current assets increased by approximately 37.7% to approximately HK\$242.7 million (31 March 2016: approximately HK\$176.2 million) and net assets increased by approximately 2.0% to approximately HK\$543.9 million (31 March 2016: approximately HK\$533.0 million) as at 30 September 2016.

Current ratio is calculated by dividing current assets by current liabilities. Current ratio of the Group was maintained at a healthy level at 1.3 times as at 30 September 2016 (31 March 2016: 1.6 times).

Gearing ratio is calculated based on the amount of net cash and bank balance (interest-bearing borrowings, liability component of the convertible bonds and promissory notes less cash and cash equivalents) divided by the total equity. As at 30 September 2016, the Group's gearing ratio was therefore approximately 145.0% (31 March 2016: approximately 143.2%).

As at 30 September 2016, the Group had aggregate banking facilities of HK\$30.0 million (31 March 2016: HK\$60.0 million) which was not utilised. As at 30 September 2016, the banking facilities were secured by corporate guarantees from the Company amounted to HK\$40.0 million (31 March 2016: HK\$60.0 million).

財務回顧(續)

流動資金及財務資源(續)

與本集團於二零一六年三月三十一日之財務狀況相比，本集團於二零一六年九月三十日之流動資產淨值增加約37.7%至約242,700,000港元(二零一六年三月三十一日：約176,200,000港元)，而資產淨值增加約2.0%至約543,900,000港元(二零一六年三月三十一日：約533,000,000港元)。

流動比率乃按流動資產除以流動負債計算得出。本集團的流動比率於二零一六年九月三十日維持在1.3倍的健康水平(二零一六年三月三十一日：1.6倍)。

資產負債比率乃按現金淨額及銀行結餘(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值物)除以總權益計算得出。於二零一六年九月三十日，本集團之資產負債比率約為145.0%(二零一六年三月三十一日：約143.2%)。

於二零一六年九月三十日，本集團的銀行信貸總額為30,000,000港元(二零一六年三月三十一日：60,000,000港元)，均未動用。於二零一六年九月三十日，銀行信貸額以本公司的公司擔保40,000,000港元(二零一六年三月三十一日：60,000,000港元)作抵押。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Accounts Receivable

As at 30 September 2016, the Group's accounts receivable were approximately HK\$826.0 million, representing an increase of approximately 108.4% from approximately HK\$396.4 million as of 31 March 2016. Such increase was in line with our increase in revenue during the same period. As at 30 September 2016, retentions receivable included in accounts receivable amounted to approximately HK\$148.9 million (31 March 2016: approximately HK\$128.8 million). The payment terms of contract work receivables arising from the Civil Engineering and Construction Business are stipulated in the relevant contracts ranging from two to three years while the payment terms for receivable arising from the Automotive Engines Business are mainly our credit and the credit period is generally one to three months.

Contingent Liabilities

Details of the Group's and the Company's contingent liabilities are set out in note 24 to the condensed consolidated interim financial information.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 25 to the condensed consolidated interim financial information and mentioned elsewhere in this report, there was no other significant event after the reporting period and up to the date of this report.

財務回顧(續)

應收賬款

於二零一六年九月三十日，本集團之應收賬款約為826,000,000港元，較二零一六年三月三十一日約396,400,000港元增加約108.4%。應收賬款增加與同期收入增加一致。於二零一六年九月三十日，應收賬款中包含的應收保留款項約為148,900,000港元(二零一六年三月三十一日：約128,800,000港元)。來自土木工程及建造業務的合約工程應收款項的支付條款於介乎兩年至三年的有關合約中訂明，而來自汽車發動機業務的應收款項的付款方法以信貸為主，且信貸期一般為一至三個月。

或然負債

本集團及本公司之或然負債之詳情載於簡明綜合中期財務資料附註24。

報告期後事項

除簡明綜合中期財務資料附註25所披露及本報告其他地方所述者外，於報告期後及直至本報告日期並無其他重大事件。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FOREIGN CURRENCY RISK

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

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2016, the Group had approximately 669 employees (31 March 2016: 750) in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, mandatory provident fund scheme for Hong Kong employees, state-sponsored retirement plans for PRC employees.

NO MATERIAL CHANGE

Save as disclosed above, during the six months ended 30 September 2016, 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 March 2016.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2016 (six months ended 30 September 2015: HK\$50,000,000).

外幣風險

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

僱員及薪酬政策

於二零一六年九月三十日，本集團於香港及中國擁有約669名(二零一六年三月三十一日：750名)僱員。本集團會定期檢討薪酬政策，並參考市場條款、公司表現、個人資歷及表現而釐定。其他員工福利包括按酌情基準發放的花紅、強制性公積金計劃(對香港僱員而言)及國家資助退休計劃(對中國僱員而言)。

並無重大變動

除上述所披露者外，於截至二零一六年九月三十日止六個月，自刊發本公司截至二零一六年三月三十一日止年度最新年度報告以來，本集團的財務狀況或業務並無重大變動。

中期股息

董事會並不建議就截至二零一六年九月三十日止六個月派付任何中期股息(截至二零一五年九月三十日止六個月：50,000,000港元)。

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

As at 30 September 2016, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities & Futures Ordinance (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2016, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

於二零一六年九月三十日，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，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉。

主要股東於股份及相關股份中的權益

於二零一六年九月三十日，本公司根據證券及期貨條例第336條存置的權益登記冊所記錄佔本公司已發行股本5%或以上的權益如下：

OTHER INFORMATION

其他資料

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

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

主要股東於股份及相關股份中的權益(續)

於本公司已發行股份／相關股份的好倉

Name of shareholders	Notes	Nature of interest	Number of ordinary shares/underlying shares held	Approximate percentage of issued share capital of the Company
股東名稱	附註	權益性質	所持有普通股／相關股份數目	佔本公司已發行股本概約百分比
Mr. Jiang Jianhui ("Mr. Jiang") 姜建輝先生(「姜先生」)	(a)	Interest in a controlled corporation 受控法團權益	150,000,000	75%
Youth Force Asia Ltd.	(a)	Beneficial owner 實益擁有人	150,000,000	75%
Ms. Weng Guangmin ("Ms. Weng") 翁光敏女士(「翁女士」)	(b)	Interest in a controlled corporation 受控法團權益	195,000,000	97.5%
Power Expert 巧能環球	(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. As such, Mr. Jiang is deemed to be interested in the 150,000,000 Shares owned by Youth Force Asia Ltd. by virtue of the SFO.
- (b) Power Expert is wholly-owned by Ms. Weng. As such, Ms. Weng is deemed to be interested in the 195,000,000 underlying Shares through its interests in the convertible bonds, in the principal amount of HK\$390,000,000 issued by the Company, owned by Power Expert by virtue of the SFO.

附註：

- (a) Youth Force Asia Ltd. 由姜先生全資擁有。因此，姜先生根據證券及期貨條例被視為於Youth Force Asia Ltd.擁有的150,000,000股股份中擁有權益。
- (b) 巧能環球由翁女士全資擁有。因此，根據證券及期貨條例，翁女士被視為透過其於本公司已發行本金額為390,000,000港元之可換股債券之權益於巧能環球擁有之195,000,000股相關股份中擁有權益。

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

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

Save as disclosed above, as at 30 September 2016, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to rule 13.51B (1) of the Listing Rules, the changes in information of Directors are as follows:

Name of Directors

董事姓名

Details of changes

變動詳情

Mr. Wong Hin Shek
(Executive Director)

With effect from 7 November 2016, he has been re-designated from executive director to non-executive director of Sino Golf Holdings Limited (stock code: 361), the shares of which are listed on the Main Board of the Stock Exchange.

With effect from 14 November 2016, he has been appointed as an executive director of Dongwu Cement International Limited (stock code: 695), the shares of which are listed on the Main Board of the Stock Exchange.

王顯碩先生
(執行董事)

自二零一六年十一月七日起生效，彼已由順龍控股有限公司(股份代號：361)執行董事調任為非執行董事，該公司股份於聯交所主板上市。

自二零一六年十一月十四日起生效，彼已獲委任為東吳水泥國際有限公司(股份代號：695)之執行董事，該公司股份於聯交所主板上市。

主要股東於股份及相關股份中的權益(續)

於本公司已發行股份／相關股份的好倉(續)

除上文所披露者外，於二零一六年九月三十日，除本公司董事及最高行政人員(有關權益詳情已載於上文「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節)外，概無任何人士知會本公司其擁有根據證券及期貨條例第336條規定須予記錄於本公司保管的股東登記冊中的本公司股份或相關股份中的權益或淡倉。

董事資料變動

根據上市規則第13.51B(1)條，董事資料的變動如下：

OTHER INFORMATION

其他資料

CHANGES IN INFORMATION OF DIRECTORS (Continued)

董事資料變動 (續)

Name of Directors 董事姓名

Details of changes 變動詳情

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

With effect from 1 August 2016, he has resigned as an independent non-executive director of Vinco Financial Group Limited (stock code: 8340), the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

With effect from 8 November 2016, he has been appointed as an independent non-executive director of Epicurean and Company, Limited (stock code: 8213), the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

葉棣謙先生
(獨立非執行董事)

自二零一六年八月一日起生效，彼已辭任域高金融集團有限公司(股份代號：8340)之獨立非執行董事，該公司股份於聯交所創業板上市。

自二零一六年十一月八日起生效，彼已獲委任為惟膳有限公司(股份代號：8213)之獨立非執行董事，該公司股份於聯交所創業板上市。

SHARE OPTION SCHEME

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

Purpose

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

購股權計劃

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

目的

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

SHARE OPTION SCHEME (Continued)**Participants**

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

Maximum number of shares

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

Maximum entitlement of each participant

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

Option period

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

購股權計劃(續)**參與者**

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

股份最高數目

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

每名參與者之最高權益

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

購股權期間

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

OTHER INFORMATION

其他資料

SHARE OPTION SCHEME (Continued)

Acceptance of offer

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

Exercise price

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

Remaining life of the Scheme

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

As at the date of this report and since the adoption of the Scheme, no share option has been granted by the Company.

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as “Related Parties” under applicable accounting principles. These mainly relate to contracts entered into by the Group in the ordinary course of business, contracts of which were negotiated on normal commercial terms and on an arm’s length basis. Further details are set out in note 23 to the condensed consolidated interim financial information.

購股權計劃 (續)

接受要約

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

行使價

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

計劃之剩餘年期

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

於本報告日期及自計劃獲授納以來，本公司概無授出購股權。

關連方交易

本集團與根據適用會計原則被視為「關連方」之人士訂立若干交易。此等交易主要涉及本集團於日常業務過程中按一般商業條款經公平原則磋商而訂立之合約。其他有關詳情載於簡明綜合中期財務資料附註23。

REVIEWED BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, Mr. Chan Kai Wing (*Chairman*), Ms. Chu Yin Yin Georgiana and Mr. Yip Tai Him, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed with management the principal accounting policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the Group's unaudited condensed consolidated interim financial information for the six months ended 30 September 2016.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CORPORATE GOVERNANCE

None of the Directors is aware of any information which would reasonably indicate that the Company had not, throughout the six months ended 30 September 2016, fully complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules, except as disclosed below:

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Currently, the Company does not have any officer with the title of Chief Executive Officer. The overall responsibility of supervising and ensuring that the Group functions in line with the order of the Board in terms of day-to-day operations and execution is vested in the Board itself.

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

由審核委員會審閱

審核委員會由三名獨立非執行董事：陳繼榮先生(主席)、朱燕燕女士及葉棣謙先生所組成，向董事會匯報，而其書面職權範圍符合上市規則的規定。審核委員會與管理層已檢討本集團採納的主要會計政策，並討論內部監控及財務申報事宜，包括審閱本集團截至二零一六年九月三十日止六個月之未經審核簡明綜合中期財務資料。

買賣或贖回股份

在審閱期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治

概無本公司董事得悉任何資料合理顯示本公司於截至二零一六年九月三十日止六個月期間並無全面遵守上市規則附錄十四所載的企業管治守則及企業管治報告(「企業管治守則」)內載列之守則條文，惟下文披露者除外：

守則條文第A.2.1條訂明，主席與行政總裁的角色應有區分，並不應由一人同時兼任。目前，本公司並無任何高級職員具有行政總裁職銜。就日常營運及執行而言，監督及確保本集團職能與董事會指令貫徹一致的整體職責歸屬於董事會本身。

本公司定期審閱其企業管治常規，以確保已遵守企業管治守則及緊貼最新發展。

OTHER INFORMATION

其他資料

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code as its own code of conduct regarding Directors' dealings in the Company's securities. Following specific enquiry made to the Directors, each of them has confirmed their compliance with the required standard set out in the Model Code throughout the period from 1 April 2016 to 30 September 2016.

SUFFICIENCY OF PUBLIC FLOAT

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

APPRECIATION

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

By order of the Board
Excel Development (Holdings) Limited
Wong Hin Shek
Chairman

Hong Kong, 25 November 2016

本公司董事進行證券交易之 標準守則

本公司已採納標準守則，作為其本身就董事買賣本公司證券的行為守則。經向董事作出特定查詢後，彼等各自確認彼等於二零一六年四月一日至二零一六年九月三十日整個期間內一直遵守標準守則所載的規定標準。

足夠公眾持股量

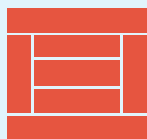
根據可供本公司公眾查閱的資料及據本公司董事於本報告日期所知，本公司已維持上市規則規定的最低公眾持股量。

鳴謝

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

承董事會命
怡益控股有限公司
主席
王顯碩

香港，二零一六年十一月二十五日



EXCEL DEVELOPMENT (HOLDINGS) LIMITED

怡益控股有限公司