

高萌·科技

KML Technology Group Limited

高萌科技集團有限公司

(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 : 8065

Interim Report
中期報告 **2019**

CHARACTERISTIC OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Director(s)”) of KML Technology Group Limited (the “Company”, together with its subsidiaries, the “Group” or “We”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report, in both English and Chinese versions, is available on the Company’s website at www.kml.com.hk.

香港聯合交易所有限公司(「聯交所」) GEM 的特色

GEM 的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於 GEM 上市公司普遍為中小型公司，在 GEM 買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在 GEM 買賣的證券會有高流通量的市場。

香港交易及結算所有限公司以及聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告的資料乃遵照聯交所的 GEM 證券上市規則(「GEM 上市規則」)而刊載，旨在提供有關高萌科技集團有限公司(「本公司」)連同其附屬公司「本集團」或「我們」的資料；本公司董事(「董事」)願就本報告共同及個別地承擔全部責任。董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成份，且並無遺漏任何其他事項，足以致本報告或其所載任何陳述產生誤導。

本報告的英文本及中文本已登載於本公司網站 www.kml.com.hk。

CONTENTS

目錄

	Page 頁次
Corporate Information 公司資料	3
Financial Highlights 財務摘要	6
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 簡明綜合損益及其他全面收益表	7
Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表	8
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	10
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	11
Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註	12
Management Discussion and Analysis 管理層討論及分析	35
Corporate Governance/Other information 企業管治／其他資料	46

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Luk Kam Ming (*Chairman*)
Mr. Chan Chak Lun Philip (*Chief executive officer*)
Mr. Luk Kwai Lung
Mr. Luk Yin Cheung

Independent Non-executive Directors

Mr. Lau On Kwok
Mr. Law Wing Chi Stephen
Dr. Tse Chi Kong

Audit Committee

Mr. Lau On Kwok (*Chairman*)
Mr. Law Wing Chi Stephen
Dr. Tse Chi Kong

Remuneration Committee

Dr. Tse Chi Kong (*Chairman*)
Mr. Lau On Kwok
Mr. Luk Kam Ming

Nomination Committee

Mr. Luk Kam Ming (*Chairman*)
Mr. Law Wing Chi Stephen
Dr. Tse Chi Kong

Risk Management Committee

Mr. Law Wing Chi Stephen (*Chairman*)
Mr. Chan Chak Lun Philip
Mr. Lau On Kwok
Mr. Luk Kwai Lung
Mr. Luk Yin Cheung

公司資料

董事會

執行董事

陸鑑明先生 (*主席*)
陳澤麟先生 (*行政總裁*)
陸季農先生
陸彥彰先生

獨立非執行董事

劉安國先生
羅永志先生
謝智剛博士

審核委員會

劉安國先生 (*主席*)
羅永志先生
謝智剛博士

薪酬委員會

謝智剛博士 (*主席*)
劉安國先生
陸鑑明先生

提名委員會

陸鑑明先生 (*主席*)
羅永志先生
謝智剛博士

風險管理委員會

羅永志先生 (*主席*)
陳澤麟先生
劉安國先生
陸季農先生
陸彥彰先生

AUTHORISED REPRESENTATIVES

Mr. Luk Kwai Lung
Ms. Woo Siu Wai

法定代表

陸季農先生
胡劭卉女士

COMPANY SECRETARY

Ms. Woo Siu Wai

公司秘書

胡劭卉女士

COMPLIANCE OFFICER

Mr. Luk Yin Cheung

合規主任

陸彥彰先生

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

核數師

德勤•關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場1期35樓

COMPLIANCE ADVISER

Kingsway Capital Limited
7th Floor
Tower One, Lippo Centre
89 Queensway
Hong Kong

合規顧問

滙富融資有限公司
香港
金鐘道89號
力寶中心第一座
7樓

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

B12, G/F
Shatin Industrial Centre
Siu Lek Yuen Road
Shatin, New Territories
Hong Kong

香港總部及主要營業地點

香港
新界沙田
小瀝源路
沙田工業中心
地下B12室

**PRINCIPAL SHARE REGISTRAR AND TRANSFER
OFFICE IN THE CAYMAN ISLANDS**

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

COMPANY'S WEBSITE

www.kml.com.hk

STOCK CODE

8065

DATE OF LISTING

16 October 2017

開曼群島主要股份過戶登記處

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

香港股份登記處

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

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中 1 號
滙豐總行大廈

公司網站

www.kml.com.hk

股份代號

8065

上市日期

二零一七年十月十六日

FINANCIAL HIGHLIGHTS

Revenue of the Group for the six months ended 30 September 2019 amounted to approximately Hong Kong dollars (“**HK\$**”) 106.6 million, representing an increase of approximately HK\$1.6 million or 1.5% as compared with the revenue of approximately HK\$105.0 million for the six months ended 30 September 2018.

Gross profit of the Group for the six months ended 30 September 2019 amounted to approximately HK\$28.7 million (2018: approximately HK\$32.0 million).

The net profit of the Group for the six months ended 30 September 2019 amounted to approximately HK\$6.0 million (2018: approximately HK\$8.8 million).

The board of directors (the “**Board**”) does not recommend a payment of an interim dividend for the six months ended 30 September 2019 (2018: Nil).

財務摘要

本集團截至二零一九年九月三十日止六個月的收益約為106.6百萬港元(「港元」)，較截至二零一八年九月三十日止六個月的收益約105.0百萬港元增加約1.6百萬港元或1.5%。

本集團截至二零一九年九月三十日止六個月的毛利約為28.7百萬港元(二零一八年：約32.0百萬港元)。

本集團截至二零一九年九月三十日止六個月的純利約為6.0百萬港元(二零一八年：約8.8百萬港元)。

董事會(「**董事會**」)不建議就截至二零一九年九月三十日止六個月派付中期股息(二零一八年：無)。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

簡明綜合損益及其他全面收益表

截至二零一九年九月三十日止六個月

		Six months ended		
		30 September		
		截至九月三十日止六個月		
		2019	2018	
		二零一九年	二零一八年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收益	4	106,589	105,025
Cost of sales	銷售成本		(77,920)	(72,990)
Gross profit	毛利		28,669	32,035
Other income	其他收入	5	511	223
Other gains	其他收益		8	-
Impairment losses, net of reversal	減值虧損，扣除撥回		(107)	-
Administrative expenses	行政開支		(21,805)	(21,501)
Profit before taxation	除稅前溢利		7,276	10,757
Income tax expense	所得稅開支	7	(1,243)	(1,986)
Profit and total comprehensive income for the period attributable to owners of the Company	本公司擁有人應佔期內 溢利及全面 收益總額		6,033	8,771
Earnings per share – Basic (HK cents)	每股盈利 – 基本(港仙)	9	1.51	2.19

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

簡明綜合財務狀況表

於二零一九年九月三十日

		As at 於	
		30 September 2019 二零一九年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
		Notes 附註	
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	10	5,560
Right-of-use assets	使用權資產	10	2,866
Deposits	按金		985
Contract assets	合約資產		6,628
Deposit paid for life insurance policies	就人壽保單已付款項	11	5,107
			21,146
Current assets	流動資產		
Inventories	存貨		463
Trade receivables	貿易應收款項	12	54,384
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		5,597
Contract assets	合約資產		54,091
Pledged bank deposits	已抵押銀行存款		14,138
Time deposits with original maturity over three months	原到期日超過三個月的定期存款		19,206
Bank balances and cash	銀行結餘及現金		36,718
			184,597
			2,924
			-
			1,875
			6,785
			-
			11,584
			463
			41,146
			5,453
			42,548
			10,782
			40,050
			36,989
			177,431

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 September 2019

簡明綜合財務狀況表 (續)

於二零一九年九月三十日

		As at	
		30 September	31 March
		2019	2019
		二零一九年	二零一九年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Current liabilities	流動負債		
Trade payables	貿易應付款項	13	12,644
Lease liabilities	租賃負債	10	2,722
Other payables and accrued charges	其他應付款項及應計費用		15,733
Contract liabilities	合約負債		18,369
Tax payable	應付稅項		2,309
Bank borrowings	銀行借貸	14	2,600
			54,377
Net current assets	流動資產淨值		130,220
Total assets less current liabilities	總資產減流動負債		144,672
			151,366
Non-current liabilities	非流動負債		
Lease liabilities	租賃負債	10	143
Deferred tax liabilities	遞延稅項負債		760
			208
Net assets	資產淨值		144,135
Capital and reserves	資本及儲備		
Share capital	股本		4,000
Share premium and reserves	股份溢價及儲備		146,463
Total equity	總權益		144,135

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

簡明綜合權益變動表

截至二零一九年九月三十日止六個月

Attributable to owners of the Company

本公司擁有人應佔

	Share capital	Share premium	Other reserve	Share option reserve	Accumulated profits	Total equity
	股本	股份溢價	其他儲備	購股權儲備	累計溢利	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
			(Note)			
			(附註)			
Six months ended 30 September 2019	截至二零一九年九月三十日止六個月					
At 31 March 2019 (audited)	4,000	47,552	14,339	1,166	77,078	144,135
Profit and total comprehensive income for the year	-	-	-	-	6,033	6,033
Recognition of equity-settled share-based payment	-	-	-	295	-	295
At 30 September 2019 (unaudited)	4,000	47,552	14,339	1,461	83,111	150,463
Six months ended 30 September 2018	截至二零一八年九月三十日止六個月					
At 01 April 2018 (audited)	4,000	47,552	14,339	-	57,912	123,803
Profit and total comprehensive income for the year	-	-	-	-	8,771	8,771
At 30 September 2018 (unaudited)	4,000	47,552	14,339	-	66,683	132,574

Note: Other reserve represents the difference between the nominal values of the ordinary shares issued by the Company and the share capital of subsidiaries acquired through an exchange of shares pursuant to the reorganisation stated in the Company's prospectus dated 29 September 2017 (the "Prospectus") in preparation for the Listing, the Company became the holding company of the subsidiaries now comprising the Group on 6 September 2017, the details of which are set out under the section headed "History, Reorganisation and Corporate Structure" in the Prospectus.

附註：其他儲備指本公司已發行普通股之面值與透過根據本公司日期為二零一七年九月二十九日的招股章程（「招股章程」）所列為籌備上市而進行的重組交換股份所收購附屬公司股本之差額，於二零一七年九月六日本公司成為現時組成本集團附屬公司的控股公司，其詳情載於招股章程「歷史、重組及公司架構」一節。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

簡明綜合現金流量表

截至二零一九年九月三十日止六個月

		Six months ended 30 September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
NET CASH FROM OPERATING ACTIVITIES	經營活動所產生的現金淨額	23,746	24,974
INVESTING ACTIVITIES	投資活動		
Bank interest received	已收銀行利息	453	174
Purchase of property and equipment	購置物業及設備	(3,350)	(381)
Proceeds from disposal of property and equipment	出售物業及設備的所得款項	8	-
Withdrawn of time deposits with original maturity date over three months	提取原到期日超過三個月的定期存款	(17,488)	5,000
Advance to subsidiary	墊付予附屬公司	-	252
Deposit paid for life insurance policies	就人壽保單已付款項	(6,240)	-
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所產生的現金淨額	(26,617)	5,045
CASH FROM FINANCING ACTIVITIES	融資活動所得現金		
New bank borrowings raised	已籌集新增銀行借貸	2,600	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	(271)	30,019
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	期初現金及現金等價物	36,989	40,225
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	期末現金及現金等價物	36,718	70,244

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

簡明綜合財務報表附註

截至二零一九年九月三十日止六個月

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 May 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, a consolidated and revised) of the Cayman Islands. The registered office 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 in Hong Kong is located at B12, G/F, Shatin Industrial Centre, Siu Lek Yuen Road, Shatin, New Territories, Hong Kong.

The Company's shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 October 2017 (the "**Listing**"). The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the provision of electrical and mechanical ("**E&M**") engineering solutions and services. The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is the same as the functional currency of the Company and its principal subsidiaries.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2019 (the "**Interim Financial Statements**") have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

1. 一般資料

本公司於二零一七年五月五日在開曼群島根據開曼群島第22章公司法(一九六一年第3號法律, 經綜合及修訂)註冊成立為一間獲豁免有限公司。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。本公司於香港的主要營業地址為香港新界沙田小瀝源路沙田工業中心地下B12室。

本公司股份於二零一七年十月十六日在香港聯合交易所有限公司(「**聯交所**」)GEM上市(「**上市**」)。本公司的主要業務為投資控股及其附屬公司主要從事提供機電(「**機電**」)工程解決方案及服務。簡明綜合財務報表以港元(「**港元**」)呈列, 港元亦為本公司及其主要附屬公司的功能貨幣。

2. 編製基準

於截至二零一九年九月三十日止六個月的未經審核簡明綜合財務報表(「**中期財務報表**」)已按照香港會計師公會(「**香港會計師公會**」)頒佈的香港會計準則(「**香港會計準則**」)第34號中期財務報告及聯交所GEM證券上市規則第18章之適用披露規定編製而成。

3. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared on the historical cost basis. Historical costs is generally based on the fair value of the consideration given in exchange for goods and services.

The Interim Financial Statements have been reviewed by the Company's audit committee.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation in the Interim Financial Statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2019.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's Interim Financial Statements:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

3. 主要會計政策

中期財務報表已按歷史成本基準編製。歷史成本一般根據為交換貨品及服務而作出的代價的公允值。

中期財務報表已由本公司的審核委員會審閱。

除應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)導致會計政策變動外，中期財務報表所使用的會計政策及計算方法與編製本集團截至二零一九年三月三十一日止年度的年度財務報表所採用者一致。

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團已首次應用以下由香港會計師公會頒佈並於二零一九年一月一日或之後開始的年度期間強制生效之新訂及經修訂香港財務報告準則，以編製本集團的中期財務報表：

香港財務報告準則第16號	租賃
香港財務報告準則第9號(修訂本)	具有負補償特徵的預付款項
香港會計準則第19號(修訂本)	來自客戶合約的收益及相關修訂本
香港(國際財務報告詮釋委員會)－詮釋第22號	計劃修訂、削減或結算
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期的年度改進

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Except as described below, the application of the new and amendments to HKFRSs and an interpretation in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these Interim Financial Statements.

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases, and the related interpretations.

3.1.1. Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. 主要會計政策(續)

除下文所述者外，於本期間應用其他新訂香港財務報告準則及準則修訂及詮釋對本集團於本期間及過往期間之財務表現及狀況及／或該等中期財務報表所載之披露並無重大影響。

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動

本集團於本中期期間首次應用香港財務報告準則第16號。香港財務報告準則第16號已取代香港會計準則第17號租賃及相關詮釋。

3.1.1 應用香港財務報告準則第16號造成的主要會計政策變動

本集團已按照香港財務報告準則第16號所載的過渡條文應用下列會計政策。

租賃的定義

倘合約就換取代價賦予在一段期間內控制已識別資產用途的權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修改的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修改日期評估合約是否為租賃或包含租賃。除非合約條款及條件於其後有變，否則有關合約將不予重新評估。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.1 應用香港財務報告準則第16號造成的主要會計政策變動(續)

作為承租人

分配代價至合約組成部分

就包含租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的獨立價格總額將合約代價分配至各租賃組成部分。

作為實務中的簡易處理方法，當本集團合理預期以組合為基礎計量對財務報表的影響與組合內的獨立租賃並無重大分別時，則擁有類似特點的租賃以組合為基礎計量。

本集團亦應用實務中的簡易處理方法，並無將非租賃部分與租賃部分分開，而是將租賃部分及任何相關非租賃部分作為單一租賃部分入賬。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.1 應用香港財務報告準則第16號造成的主要會計政策變動(續)

作為承租人(續)

短期租賃及低價值資產租賃

本集團就自開始日期起計租期為12個月或以下及不含購買選擇權的租賃應用短期租賃確認豁免。其亦就低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款於租期內以直線法確認為開支。

使用權資產

除短期租賃及低價值資產租賃外，本集團於租賃開始日期(即相關資產可供使用的日期)確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計算，並就任何租賃負債重新計算時作出調整。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.1 應用香港財務報告準則第16號造成的主要會計政策變動(續)

作為承租人(續)

使用權資產(續)

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前的任何已付租賃付款，減任何已收取租賃優惠；
- 本集團所產生的任何初始直接成本；及
- 本集團於拆除及移除相關資產、復原其所在地或復原相關資產至租賃條款及條件所規定的狀態而產生的估計成本。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.1 應用香港財務報告準則第16號造成的主要會計政策變動(續)

作為承租人(續)

使用權資產(續)

本集團於租期結束時合理確定會取得相關租賃資產所有權的使用權資產，自開始日期起至使用年期結束期間折舊。在其他情況下，使用權資產以直線法於其估計可使用年期與租期兩者中的較短者折舊。

本集團於簡明綜合財務狀況表中單獨列使用權資產。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.1 應用香港財務報告準則第16號造成的主要會計政策變動(續)

作為承租人(續)

租賃負債

於租賃開始日期，本集團按該日未付租賃付款的現值確認及計量租賃負債。倘租賃隱含利率難以釐定，則本集團使用租賃開始日期的增量借貸利率計算租賃付款現值。

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 視乎指數或利率而定的可變租賃付款；
- 剩餘價值擔保項下預期將支付的金額；

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities (Continued)

- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.1 應用香港財務報告準則第16號造成的主要會計政策變動(續)

作為承租人(續)

租賃負債(續)

- 本集團合理確定將予行使購買權的行使價；及
- 倘租期反映本集團會行使的選擇權終止租賃，則計入終止租賃的罰款。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

倘出現以下情況，本集團會重新計量租賃負債，並就相關使用權資產作出相應調整：租期有所變動或行使購買選擇權的評估有所變動，在此情況下，相關租賃負債透過使用重新評估日期的經修訂折現率折現而重新計量。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.1 應用香港財務報告準則第16號造成的主要會計政策變動(續)

作為承租人(續)

租賃修改

倘出現以下情況，本集團會將租賃修改作為一項單獨的租賃入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大了租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的單獨價格，加上為反映特定合約的實際情況而對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團根據修改後的租期使用修改生效日期的經修訂折現率折現重新計量租賃負債。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.2. Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease". Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

As a lessee

The Group has applied HKFRS 16 initially on 1 April 2019. As permitted by HKFRS 16, the Group has elected not to restate comparative figures. Any adjustments to the carrying amounts of assets and liabilities at the date of transaction are recognised in the opening balance in the condensed consolidated statement of financial position at 1 April 2019.

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.2 首次應用香港財務報告準則第16號的過渡及所產生影響概要

租賃的定義

本集團已選擇可行權宜方法將香港財務報告準則第16號應用至先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」識別為租賃的合約。因此，本集團並無重新評估於首次應用日期前早已存在的合約。

作為承租人

本集團已於二零一九年四月一日首次應用香港財務報告準則第16號。如香港財務報告準則第16號所許可，本集團已選擇不予重列比較數字。對於交易日期資產及負債的賬面值之任何調整於二零一九年四月一日之簡明綜合財務狀況表的期初結餘中確認。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1.2. Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

Definition of a lease (Continued)

As a lessee (Continued)

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- (i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- (ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment; and

3. 主要會計政策(續)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.2 首次應用香港財務報告準則第16號的過渡及所產生影響概要(續)

租賃的定義(續)

作為承租人(續)

於過渡期間應用香港財務報告準則第16號經修訂的追溯法時，倘下列實務中的簡易處理方法與過往根據香港會計準則第17號被分類為經營租賃的租賃相關，則本集團以租賃為基準對相關租賃合約應用有關方法：

- (i) 選擇不就租期於首次應用之日起計12個月內結束的租賃確認使用權資產及租賃負債；
- (ii) 於計算首次應用之日的使用權資產時不計入初步直接成本；
- (iii) 對包含處於相近經濟環境中性質類近且餘下租期相若的相關資產的租賃組合應用單一折現率；及

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3. 主要會計政策(續)

3.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

3.1 應用香港財務報告準則第16號租賃之影響及造成的會計政策變動(續)

3.1.2. Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

3.1.2 首次應用香港財務報告準則第16號的過渡及所產生影響概要(續)

Definition of a lease (Continued)

租賃的定義(續)

As a lessee (Continued)

作為承租人(續)

(iv) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

(iv) 利用根據首次應用當日的事實及情況於事後釐定本集團擁有延長及終止選擇權的租賃的租期。

At 1 April 2019
於二零一九年
四月一日
HK\$'000
千港元

Operating lease commitments disclosed at 31 March 2019	於二零一九年三月三十一日披露的經營租賃承擔	5,851
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借貸利率貼現的租賃負債	5,588
Lease liabilities at 1 April 2019	於二零一九年四月一日的租賃負債	5,588
Analysed as:	分析：	
Current	流動	5,445
Non-current	非流動	143
		5,588

4. REVENUE AND SEGMENTAL INFORMATION

An analysis of the Group's revenue for both periods is as follows:

E&M engineering solutions and service (Note a)	機電工程解決方案及服務 (附註a)
E&M engineering maintenance services	機電工程保養服務
E&M engineering design and fabrication services (Note b)	機電工程設計及裝配服務 (附註b)
Sales of parts and components	銷售零件及部件

Notes:

- (a) Amount represents revenue generated from design, supply, installation of systems and implementation of E&M engineering solutions and services, including revenue generated from design and fabrication services for the fabrication of made-to-order products for the customers, where applicable ("**E&M engineering solutions and services**").
- (b) Amount represents revenue generated from design and fabrication services for the fabrication of made-to-order products for the customers, such as control room consoles, public access kiosks and terminals, relay racks, test rigs, control room technical furniture and industrial enclosures and instrument cabinets, and also the conducting of ergonomic and work place studies without supply, installation of systems and implementation of E&M engineering solutions and services ("**E&M engineering design and fabrication services**").

4. 收益及分部資料

本集團於該兩個期間的收益分析如下：

Six months ended 30 September 截至九月三十日止六個月	
2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
88,335	87,515
16,177	14,209
1,580	2,867
497	434
106,589	105,025

附註：

- (a) 該款項指系統設計、供應、安裝及執行機電工程解決方案及服務所產生的收益，包括為客戶製造按訂單做成的產品設計及裝配服務所產生的收益(如適用)〔「**機電工程解決方案及服務**」〕。
- (b) 該款項指從有關為客戶製造定製產品(例如控制室控制台、公用關卡及終端、繼電器機架、試驗台、控制室技術傢俬及工業外殼及儀器櫃，且亦進行人類工程學及工作場所研究)的設計及裝配服務(並無供應、安裝系統及執行機電工程解決方案及服務)〔「**機電工程設計及裝配服務**」〕所產生的收益。

4. REVENUE AND SEGMENTAL INFORMATION (Continued)

Segment information

The Group's operations is solely derived from E&M engineering solutions and services, E&M engineering maintenance services with focus on (i) automatic fare collection system at railway stations; (ii) electronic payment and ticketing system; (iii) road and tunnel toll collection system; (iv) traffic control and surveillance system; and (v) railway signaling communication and control system, E&M engineering design and fabrication services and sales of parts and components during both periods. For the purposes of resources allocation and performance assessment, the chief operation decision make (i.e. the executive directors of the Company) reviews the condensed consolidated financial position of the Group. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

5. OTHER INCOME AND OTHER GAINS

Bank Interest Income	銀行利息收入
Sundry income	雜項收入

4. 收益及分部資料(續)

分部資料

本集團於該兩個期間的經營僅來自機電工程解決方案及服務、機電工程保養服務，專注於(i)鐵路車站的自動收費系統；(ii)電子支付及票務系統；(iii)公路及隧道車輛繳費系統；(iv)交通管制及監察系統；及(v)軌道信號通訊及控制系統，機電工程設計及裝配服務及銷售零件及部件。就資源分配及表現評估而言，主要經營決策者(即本公司執行董事)審閱本集團的簡明綜合財務狀況。因此，本集團僅有一個單一經營分部及並無進一步呈列該單一分部的分析。

5. 其他收入及其他收益

Six months ended 30 September

截至九月三十日止六個月

2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

453	174
58	49

511	223
-----	-----

6. PROFIT BEFORE TAXATION

6. 除稅前溢利

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Profit (loss) before taxation has been arrived at after charging (crediting)	除稅前溢利(虧損)經扣除(計入)以下各項後達致：		
Auditor's remuneration	核數師薪酬	600	590
Depreciation of property, plant and equipment	物業、廠房及設備折舊	678	579
Directors' remuneration	董事酬金	2,062	2,054
Other staff costs	其他員工成本		
– Salaries and other benefits	– 薪金及其他福利	34,763	35,307
– Retirement benefits scheme contributions	– 退休福利計劃供款	1,198	1,378
Total staff costs	員工成本總額	38,023	38,739
Minimum lease payments under operating leases in respect of:	經營租賃項下有關下列的最低租賃付款：		
– Office premises	– 辦公室物業	2,851	2,946
Net foreign exchange loss	匯兌虧損淨額	38	363
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(8)	–

7. INCOME TAX EXPENSE

Hong Kong:	香港：
Current tax	即期稅項
Deferred tax	遞延稅項

Hong Kong Profits Tax is calculated on the basis at 8.25% of the estimated assessable profits up to HK\$2 million and 16.5% on any part of the estimated assessable profits over HK\$2 million for the six months ended 30 September 2019 (2018: 16.5%).

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands pursuant to the rules and regulations in those jurisdictions.

8. DIVIDEND

The Board does not recommend a payment of an interim dividend for the six months ended 30 September 2019.

7. 所得稅開支

Six months ended 30 September 截至九月三十日止六個月	
2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

691	1,918
552	68
1,243	1,986

於截至二零一九年九月三十日止六個月，香港利得稅就估計應課稅溢利的首2百萬港元按8.25%計算及估計應課稅溢利超出2百萬港元的任何部分按16.5%計算(二零一八年：16.5%)。

根據開曼群島及英屬處女群島的法律及法規，本集團毋須在該等司法權區繳納任何所得稅。

8. 股息

董事會不建議就截至二零一九年九月三十日止六個月派付中期股息。

9. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

Earnings:
Earnings for the purposes of basic earnings per share (profit for the period attributable to the owners of the Company)

盈利：
用作計算每股基本盈利之盈利(本公司擁有人應佔期內溢利)

Weighted average number of shares:
Number of ordinary shares for the purpose of calculating basic earnings per share

股份加權平均數：
用作計算每股基本盈利之普通股數目

9. 每股盈利

計算本公司擁有人應佔每股基本盈利乃基於以下數據：

Six months ended 30 September

截至九月三十日止六個月

2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

6,033

8,771

Six months ended 30 September

截至九月三十日止六個月

2019	2018
二零一九年	二零一八年
'000	'000
千股	千股
(unaudited)	(unaudited)
(未經審核)	(未經審核)

400,000

400,000

9. EARNINGS PER SHARE (Continued)

No diluted earnings per share for both periods were presented as there were no potential ordinary shares in issue during both periods.

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

10.1 For the six months ended 30 September 2019, the Group acquired property, plant and equipment with aggregate cost of HK\$3,350,000 (30 September 2018: HK\$380,800).

10.2 The Group recognized HK\$2,866,000 of right-of-use assets and lease liabilities respectively.

11. DEPOSIT PAID FOR LIFE INSURANCE POLICIES

In June 2019, the Group's subsidiary, KML Engineering Limited ("**KML Engineering**") entered into two life insurance policies with an insurance company on Mr. Chan Chak Lun Philip ("**Mr. CL Chan**") and Mr. Luk Yin Cheung ("**Mr. YC Luk**") respectively. Under the policies, the beneficiary and policy holder is KML Engineering. KML Engineering is required to pay a single premium for the policies. KML Engineering may request a partial surrender or full surrender of the policies at any time and receive cash back based on the value of the policies at the date of surrender, which is determined by the account value net of any surrender charge (the "**Cash Value**"). If such surrender is made at any time during the first to the eighteenth policy year, a pre-determined specified surrender charge would be imposed. Surrender charges can be significant, especially in the early years of policy. The policy premium expense, insurance charges and surrender charges are recognised in profit or loss. The life insurance policies carry guaranteed interests of 4.25% per annum at first year, and a minimum guaranteed interest of 2.00% per annum at the second year and onwards.

9. 每股盈利(續)

由於該兩個期間內並無發行潛在普通股，故於兩個期間內並無呈列每股攤薄盈利。

10. 物業、廠房及設備及使用權資產

10.1 截至二零一九年九月三十日止六個月，本集團收購總成本為3,350,000港元(二零一八年九月三十日：380,800港元)的物業、廠房及設備。

10.2 本集團分別確認2,866,000港元的使用權資產及租賃負債。

11. 就人壽保單已付款項

於二零一九年六月，本集團附屬公司高明科技工程有限公司(「**高明科技工程**」)與一間保險公司就陳澤麟先生(「**陳澤麟先生**」)及陸彥彰先生(「**陸彥彰先生**」)分別簽訂兩份人壽保單。根據保單，受益人及保單持有人為高明科技工程。高明科技工程須就保單躉繳保費。高明科技工程可隨時要求全部或部分退保及根據於退保日期保單的價值收取現金返還，現金返還乃根據賬戶價值扣除退保費用(「**現金價值**」)而釐定。倘有關退保於第一至第十八個保單年度的任何時間作出，則將收取預先釐定的指定退保費用。退保費用可能重大，尤其是保單的最初幾年。保單保費開支、保險費用及退保費用於人壽保單的預期年期於損益確認。就人壽保單存入的款項於第一年按保證利息之利率每年4.25%計息，及於第二年及之後按最低保證利率每年2.00%計息。

11. DEPOSIT PAID FOR LIFE INSURANCE POLICIES (Continued)

11. 就人壽保單已付款項(續)

Particulars of the policies are as follows:

保單的詳情載列如下：

Life Insured 受保人	Insured sum 保險金額	Single premium 躉繳保費	Guaranteed interest rates 保證利率	
			First year 第一年	Second year and onwards 第二年及之後
Mr. CL Chan	US\$1,000,000 (equivalent to HK\$7,800,000)	US\$400,000 (equivalent to HK\$3,120,000)	4.25% per annum	2.00% per annum
陳澤麟先生	1,000,000美元(等於 7,800,000港元)	400,000美元(等於 3,120,000港元)	每年4.25%	每年2.00%
Mr. YC Luk	US\$1,000,000 (equivalent to HK\$7,800,000)	US\$400,000 (equivalent to HK\$3,120,000)	4.25% per annum	2.00% per annum
陸彥彰先生	1,000,000美元(等於 7,800,000港元)	400,000美元(等於 3,120,000港元)	每年4.25%	每年2.00%

As at 30 September 2019, the carrying amounts of the deposit paid for the life insurance policies are determined by reference to the Cash Value as provided by the insurance company and the expected life of the policies remained unchanged from the initial recognition. The entire balance of the life insurance policies is denominated in United States dollars ("US\$").

於二零一九年九月三十日，就人壽保單已付款項的賬面值乃參考保險公司提供的現金價值釐定，與保單現金價值相若及保單的預計年期自初始確認起保持不變。人壽保單的全部餘額乃以美元(「美元」)計值。

12. TRADE RECEIVABLES

An ageing analysis of the current trade receivables as at 30 September 2019, based on the invoice date and net of loss allowance, is as follows:

0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
Over 90 days	超過90日
Less: Accumulated loss allowance	減：累計虧損撥備

12. 貿易應收款項

於二零一九年九月三十日之流動貿易應收款項基於發票日期並扣除虧損撥備的賬齡分析如下：

	As at 於	
30 September 2019 二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)	
	17,824	12,968
	13,936	16,338
	12,206	5,473
	10,713	6,484
	54,679	41,263
	(295)	(117)
	54,384	41,146

13. TRADE PAYABLES

An ageing analysis of the current trade payables as at 30 September 2019, based on the invoice date and net of loss allowance, is as follows:

0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
91-365 days	91至365日
Over 365 days	超過365日

13. 貿易應付款項

於二零一九年九月三十日之流動貿易應付款項基於發票日期並扣除虧損撥備的賬齡分析如下：

As at 於	
30 September 2019 二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
5,254	5,964
1,523	153
498	1,804
468	467
4,901	4,901
12,644	13,289

14. BANK BORROWINGS

Corporate tax loan	公司稅項貸款
– Repayable within 6 months	– 於六個月內償還

14. 銀行借貸

As at 於	
30 September 2019 二零一九年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2019 二零一九年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
2,600	–
2,600	–

15. RELATED PARTY TRANSACTIONS

The Group entered into the following transactions with its related parties:

Purchase of materials from Logistic Industrial (<i>Note a</i>)	向洛士工業採購物料 (附註 a)
Rental fee paid to KML Ltd (<i>Note b</i>)	支付租金費用予圖遠有限公司(附註 b)

Notes:

- (a) Logistic Industrial Supply Company Limited (“**Logistic Industrial**”) is a company which Mr. Luk Kam Ming (“**Mr. KM Luk**”) and Ms. Leung Kwok Yee (“**Madam Leung**”) have significant influence over it.
- (b) KML Ltd. is controlled by Mr. KM Luk. The rental fee paid is regarded as continuing connected transaction.

16. SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

As at the date of this report, there were no subsequent events after this reporting period.

15. 關聯方交易

本集團與其關聯方訂立下列交易：

Six months ended 30 September 截至九月三十日止六個月	
2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
90	33
2,701	2,298

附註：

- (a) 洛士工業器材有限公司(「洛士工業」)為陸鑑明先生(「陸鑑明先生」)及梁幗儀女士(「梁女士」)對其有重大影響力的公司。
- (b) 圖遠有限公司由陸鑑明先生控制。已支付的租金被視為持續關連交易。

16. 報告期後事項

於本報告日期，概無本報告期後事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group has been providing electrical and mechanical (“E&M”) engineering solutions and services in Hong Kong for over 40 years. Our principal business is the provision of E&M engineering works, and comprises (i) E&M engineering solutions and services on Transportation Mission Critical Systems Solutions and other E&M engineering solutions and services; (ii) E&M engineering design and fabrication services; (iii) E&M engineering maintenance services; and (iv) sales of parts and components. Depending on our customers’ needs and requirements, we provide a full spectrum of solutions and services covering design, equipment assembly, supply, installation, fabrication, testing, and commissioning and maintenance support with a focus on Hong Kong Transportation Mission Critical System Solutions.

The following table sets forth the details of our Group’s revenue by type of projects and services we undertook for the six months ended 30 September 2019 and 2018:

Type of Projects

項目類別

E&M Engineering Solutions and Services	機電工程解決方案及服務
– Transportation Mission Critical System Solutions	– 交通關鍵系統解決方案
– Other E&M Engineering Solutions and Services	– 其他機電工程解決方案及服務
Subtotal	小計
E&M Engineering Design and Fabrication Services	機電工程設計及裝配服務
E&M Engineering Maintenance Services	機電工程保養服務
Sale of Parts and Components	銷售零件及部件
Total	總計

業務回顧

本集團於香港提供機電(「機電」)工程解決方案和服務逾四十年。我們的主要業務為提供機電工程作業，包括(i)交通關鍵系統解決方案的機電工程解決方案及服務和其他機電工程解決方案及服務；(ii)機電工程設計及裝配服務；(iii)機電工程保養服務；及(iv)銷售零件及部件。視乎客戶的需求，我們提供涵蓋設計、設備裝置、供應、安裝、裝配、測試及調試以及維護支援的全面解決方案及服務，主要專注香港交通關鍵系統解決方案。

下表載列本集團按於截至二零一九年及二零一八年九月三十日止六個月所承接的項目及服務類別劃分的收益詳情：

For the six months ended 30 September 截至九月三十日止六個月

2019		2018	
二零一九年		二零一八年	
HK\$'000	%	HK\$'000	%
千港元		千港元	
20,014	18.8	43,732	41.6
68,321	64.1	43,783	41.7
88,335	82.9	87,515	83.3
1,580	1.5	2,867	2.7
16,177	15.2	14,209	13.5
497	0.4	434	0.5
106,589	100.0	105,025	100.0

E&M Engineering Solutions and Services segment accounts for the largest business segment of our Group's business. Approximately 82.9% of the revenue was attributable to this segment for the six months ended 30 September 2019. The second largest segment is E&M Engineering Maintenance Services. Revenue from this segment increased by approximately 14.1% from approximately HK\$14.2 million for the six months ended 30 September 2018 to approximately HK\$16.2 million for the six months ended 30 September 2019. The Group foresees that revenue generated from these two segments will continue to grow especially in relation to the renovation and replacement of E&M, communication and automatic fare collection ("AFC") assets projects from one of our major customers. For the coming six months, the Group will continue to undertake projects including (i) advance works related to the Airport Three Runway System; (ii) Replacement and Modification of Smoke Curtains System at Airport Express Line and Tung Chung Line; and (iii) retrofit of about 1,000 ticket gates to enable Alipay HK QR Code payment for travel on Hong Kong's MTR system.

During the six months ended 30 September 2019, the Group has submitted 147 tenders and quotations to our customers (2018: 200) with 73 contracts being awarded (2018: 92) including (i) several subcontracts in relation to the replacement works of the closed circuit television ("CCTV") systems in various railway lines with total subcontract sum of approximately HK\$22.5 million; and (ii) maintenance services contract for AFC Equipment at MTR Shatin to Central Link with contract sum of approximately HK\$16.2 million. The Group will continue to grasp opportunities at the existing E&M market among those emerging opportunities while at the same time explore and expand our clientele as well as diversify our business into other emerging markets.

機電工程解決方案及服務分部為本集團的最大業務分部。截至二零一九年九月三十日止六個月，約82.9%的收益來自該分部。第二大分部為機電工程保養服務。該分部的收益由截至二零一八年九月三十日止六個月約14.2百萬港元增加約14.1%至截至二零一九年九月三十日止六個月約16.2百萬港元。本集團預計該兩個分部產生的收益尤其是有關我們的一名主要客戶開展多項大型機電、通信及自動收費(「自動收費」)資產的機電翻新及更新項目的收益會繼續增長。就未來六個月而言，本集團將繼續進行的項目包括(i)與機場三跑道系統相關的前期工程；(ii)更換及改動機場快線及東涌線的煙幕系統；及(iii)改裝約1,000部收費閘機可使用支付寶香港二維碼支付香港地鐵系統的車票費用。

截至二零一九年九月三十日止六個月，本集團已向客戶提交147項(二零一八年：200項)投標及報價，已獲得的73份(二零一八年：92份)合約，其中包括(i)數份分包合約總金額大約為22.5百萬港元於不同鐵路線更換閉路電視(「閉路電視」)系統的分包合約；及(ii)合約金額約16.2百萬港元位於港鐵沙田至中環線的自動收費設備的保養服務合約。本集團將繼續在該等新興機會中把握現有機電市場的機會，同時發掘及擴大客戶基礎以及使業務多元化至其他新興市場。

OUTLOOK/MARKET REVIEW

While our Group continues to focus on deepening our penetration of the Hong Kong E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market, in order to keep pace with the growing transport needs, modernization, upgrading and expansion projects, the Group has been devoting more resources to the development and application of different technologies. Looking forward to the year ended 31 March 2020, the Group will (i) expand our office space and work area in relation to research and development; (ii) recruit additional research and development staff; and (iii) invest in relevant software and be ready to apply for the payment card security related certification. In August 2019, our Group's subsidiary, KML Technology Limited (“**KML Technology**”), has successfully obtained the Licence for Operating Money Service from the Customs and Excise Department, Hong Kong Special Administrative Region. The Group expects that we could explore more business opportunities in relation to the electronic payment services and further diversify our clientele.

Nevertheless, the Group foresees the recent economic, social and/or political conditions in Hong Kong may have negative impact to our performance mainly due to the possible delay in the progress of some E&M engineering projects. We will closely monitor the conditions and keep our Shareholders informed the development.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 30 September 2019 amounted to approximately HK\$106.6 million, representing an increase of approximately HK\$1.6 million or 1.5% as compared with approximately HK\$105.0 million for the six months ended 30 September 2018.

展望／市場回顧

本集團持續拓寬於香港機電工程行業的佔有率，特別專注交通關鍵系統解決方案，以緊貼不斷增長的交通需求、現代化、升級及擴建項目，同時，本集團一直致力於開發及應用不同技術。展望二零二零年三月三十一日止年度，本集團將(i)擴大研發辦公室及工作空間；(ii)招聘額外研發人員；及(iii)投資有關軟件並準備申請支付卡安全有關的認證。於二零一九年八月，本集團附屬公司高萌科技有限公司(「**高萌科技**」)從香港特別行政區海關成功獲得經營金錢服務牌照。本集團預期我們將就電子付款服務發掘更多業商機及進一步多元化客戶基礎。

儘管如此，本集團預測香港近期經濟、社會及／或政治狀況可能對我們的表現有負面影響，主要由於若干機電工程項目進度可能出現延遲。我們將密切觀察該等狀況及保持股東知悉最新發展。

財務回顧

收益

本集團截至二零一九年九月三十日止六個月的收益約為106.6百萬港元，較截至二零一八年九月三十日止六個月的約105.0百萬港元增加約1.6百萬港元或1.5%。

Cost of Sales and Gross Profit

The majority of the Group's cost of sales comprised (i) material and equipment; (ii) direct labour; and (iii) subcontracting cost. The cost of sales increased by approximately 6.7% from approximately HK\$73.0 million for the six months ended 30 September 2018 to approximately HK\$77.9 million for the six months ended 30 September 2019. The gross profit of the Group decreased by approximately 10.3% from approximately HK\$32.0 million for the six months ended 30 September 2018 to approximately HK\$28.7 million for the six months ended 30 September 2019. The decrease in gross profit is mainly due to certain projects with relatively high profit margin were completed during the period and therefore contributions in profit by such projects were reduced.

Administrative Expenses

The Group's administrative expenses increased by 1.4% from approximately HK\$21.5 million for the six months ended 30 September 2018 to approximately HK\$21.8 million for the six months ended 30 September 2019.

Profit attributable to the owners of the Company

The Group recorded net profit attributable to the owners of the company of approximately HK\$7.2 million for the six months ended 30 September 2019 (2018: net profit approximately HK\$8.8 million). The decrease in net profit is mainly due to (i) decrease in gross profit as discussed above; and (ii) loss arising from change in fair value of insurance policies.

銷售成本及毛利

本集團的主要銷售成本包括(i)物料及設備；(ii)直接勞工；及(iii)分包成本。銷售成本由截至二零一八年九月三十日止六個月約73.0百萬港元增加約6.7%至截至二零一九年九月三十日止六個月約77.9百萬港元。本集團毛利由截至二零一八年九月三十日止六個月約32.0百萬港元減少約10.3%至截至二零一九年九月三十日止六個月約28.7百萬港元。毛利減少主要由於若干利潤率相對較高的項目已於期內竣工，因此該等項目貢獻的溢利有所減少。

行政開支

本集團行政開支由截至二零一八年九月三十日止六個月約21.5百萬港元增加約1.4%至截至二零一九年九月三十日止六個月約21.8百萬港元。

本公司擁有人應佔溢利

截至二零一九年九月三十日止六個月，本集團錄得本公司擁有人應佔純利約7.2百萬港元(二零一八年：純利約8.8百萬港元)。純利減少主要由於(i)上文所討論的毛利減少；及(ii)保單公允值變動產生的虧損所致。

Liquidity, Financial Resources and Capital Structure

Historically, the Company has met the liquidity and capital requirement primarily through operating cash flows and capital contribution from its shareholders. The Company requires cash primarily for working capital needs. As at 30 September 2019, the Company had approximately HK\$55.9 million in (i) bank balances and cash; and (ii) time deposits with original maturity over three months (as at 30 September 2018: approximately HK\$86.8 million), representing a decrease of approximately HK\$30.9 million as compared to that as at 30 September 2018.

On 16 October 2017 (the “**Listing Date**”), the ordinary shares of the Company (the “**Shares**”) were listed on GEM by way of share offer (the “**Share Offer**”) and completed the Share Offer of its 100,000,000 Shares, comprising 50,000,000 Shares offered by the Company for subscription and 50,000,000 Shares offered by the Company for placing, with a par value of HK\$0.01 each at offer price of HK\$0.60 per Share for the net proceeds of approximately HK\$35.6 million. The Company believed that the funding from the Share Offer on the GEM would allow the Group to access the capital market for raising funds in the future. There has been no change on the capital structure of the Group since the Listing Date and up to the date of this report (i.e. 6 November 2019) (the “**Date of this Report**”). The capital of the Company only comprises of ordinary shares.

Capital Expenditure

The Company purchased property, plant and equipment amounting to approximately HK\$3.4 million for the six months ended 30 September 2019 which comprised acquisition of furniture, fixtures and office equipment (2018: approximately HK\$0.4 million).

Dividend

The Board does not recommend a payment of an interim dividend for the six months ended 30 September 2019 (2018: Nil).

流動資金、財務資源及資本架構

過往，本公司主要透過經營現金流量及股東注資滿足其流動資金及資本需求。本公司主要需要現金應付營運資金需要。於二零一九年九月三十日，本公司有(i)銀行結餘及現金；及(ii)原到期日超過三個月的定期存款合共約55.9百萬港元(於二零一八年九月三十日：約86.8百萬港元)，較二零一八年九月三十日減少約30.9百萬港元。

於二零一七年十月十六日(「**上市日期**」)，本公司普通股(「**股份**」)透過股份發售(「**股份發售**」)方式於GEM上市，並完成100,000,000股股份發售，當中50,000,000股股份由本公司發售以供認購，另50,000,000股股份由本公司發售以供配售，每股面值為0.01港元，每股發售價為0.60港元，以換取所得款項淨額約35.6百萬港元。本公司相信來自GEM股份發售的資金可讓本集團於未來在資本市場集資。自上市日期起及直至本報告日期(即二零一九年十一月六日)(「**本報告日期**」)，本集團資本架構並無任何變動。本公司資本僅包括普通股。

資本開支

於截至二零一九年九月三十日止六個月，本公司購買金額約3.4百萬港元的物業、廠房及設備，當中包括購買傢俱、裝置及辦公室設備(二零一八年：約0.4百萬港元)。

股息

董事會不建議就截至二零一九年九月三十日止六個月派付中期股息(二零一八年：無)。

Employees and Remuneration Policies

As at 30 September 2019, the Company had a total of 204 full-time employees (2018: 209). The Company's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Company recognizes the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries and allowances. Other benefits include provident fund scheme, medical and life insurance, discretionary bonus, share options and share awards.

Use of Proceeds from the Listing

On 16 October 2017, the Shares were listed on GEM by way of the share offer (the "**Listing**"). The Group intends to apply the proceeds from the Listing in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As set out in the Prospectus, the business objectives and strategies of the Group are: (i) expand and enhance our E&M engineering technical capability; (ii) deepen our penetration of the Hong Kong E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts; and (iii) strengthen the Group's financial capabilities to undertake larger-scale E&M engineering projects in the future.

僱員及薪酬政策

於二零一九年九月三十日，本公司合共有204名全職僱員（二零一八年：209名）。本公司的薪酬政策與當前市場慣例一致，並根據個別僱員的表現、資格及經驗而釐定。本公司明白與僱員維持良好關係的重要性。應付僱員的薪酬包括薪金及津貼。其他福利包括強積金計劃、醫療及人壽保險、酌情花紅、購股權及股份獎勵。

上市所得款項用途

於二零一七年十月十六日，股份以股份發售方式在GEM上市（「上市」）。本集團擬將上市所得款項按招股章程內「未來計劃及所得款項用途」一節所載的擬定用途使用。

誠如招股章程所載，本集團的業務目標及策略為(i)擴大及提高我們的機電工程技術能力；(ii)通過增強我們的研發能力及透過營銷手段提高我們的品牌認知度加深對香港機電工程行業（特別專注於交通關鍵系統解決方案市場）的滲透率；及(iii)增強本集團日後承接較大型機電工程項目的財政能力。

After deduction of all related listing expense and commissions, the net proceeds from Listing amounted to approximately HK\$35.6 million. The Board has considered the changes in the business environment and in order to utilise the remaining balance of net proceeds in a more effective way and to facilitate efficient allocation of the Company's financial resources, resolved on 10 July 2019 to reallocate the portion of the use of remaining unutilised net proceeds. An analysis of the planned usage of net proceeds as stated in the Prospectus, revised use of net proceeds, the actual utilisation of the net proceeds up to 30 September 2019, unutilised net proceeds as at 30 September 2019 and the expected time line for utilising the remaining unused net proceeds are set out as below:

經扣除所有相關上市開支及佣金後，上市所得款項淨額約為35.6百萬港元。董事會已考慮商業環境的變化及為更有效地動用所得款項淨額的餘下結餘及促進本公司財務資源的有效分配，於二零一九年七月十日議決重新分配餘下未動用所得款項金額用途的比例。招股章程所述所得款項淨額計劃用途、所得款項淨額的經修訂用途、直至二零一九年九月三十日實際動用的所得款項淨額、於二零一九年九月三十日未動用所得款項淨額及動用餘下未動用所得款項淨額的預期時間表的分析載列如下：

	Planned use of net proceeds as stated in Prospectus	Revised use of net proceeds	Actual use of net proceeds up to 30 September 2019	Unutilised net proceeds as at 30 September 2019	Expected timeline for utilising the remaining unused net proceeds
	招股章程所述所得款項淨額計劃用途 HK\$'000 千港元	所得款項淨額的經修訂用途 HK\$'000 千港元	直至二零一九年九月三十日實際動用的所得款項淨額 HK\$'000 千港元	於二零一九年九月三十日未動用所得款項淨額 HK\$'000 千港元	動用餘下未動用所得款項淨額的預期時間表
Expand and enhance our E&M engineering technical capabilities 擴大及提高我們的機電工程技術能力	17,952	9,601	6,311	3,290	From 1 April 2019 to 31 March 2020 於二零一九年四月一日至二零二零年三月三十一日
Deepen our penetration of the Hong Kong E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts 通過增強我們的研發能力及透過營銷手段提高我們的品牌認知度加深對香港機電工程行業(特別專注於交通關鍵系統解決方案市場)的滲透率	9,252	8,603	1,485	7,118	From 1 April 2019 to 31 March 2021 於二零一九年四月一日至二零二零年三月三十一日
Strengthen our financial capabilities to undertake larger-scale E&M engineering projects in the future 增強我們日後承接較大型機電工程項目的財政實力	6,000	15,000	15,000	-	n/a 不適用
Working Capital and other general corporate purposes 營運資金及其他一般公司用途	2,796	2,796	2,796	-	n/a 不適用
Total 總計	36,000	36,000	25,592	10,408	

Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the six-month period ended 30 September 2019 is set out below:

Business strategy 業務策略

Expand and enhance our E&M engineering technical capabilities by:

- (i) Increasing our productivity through the purchase of new machineries and equipment;
- (ii) Improving our material handling and field service capacity;
- (iii) Purchasing and implementing information technology solutions; and
- (iv) Retaining our talents and enhancing the risk mitigation measures.

透過以下方式擴大及提高我們的機電工程技術能力：

- (i) 通過採購新機器及設備增加我們的生產力；
- (ii) 提高我們的物料處理及現場施工能力；
- (iii) 採購及執行資訊科技解決方案；及
- (iv) 挽留人才及加強風險緩減措施。

業務目標與實際業務進展之比較

載於招股章程之業務目標與本集團截至二零一九年九月三十日止六個月期間之實際業務進展之比較分析如下：

Actual business progress up to 30 September 2019 截至二零一九年九月三十日止的實際業務進展

The Group has purchased several fibre cable testing related equipment in order to maintain our competitiveness in the railway sector as the Group anticipates that E&M engineering systems in the railways will rely increasingly on optical fibre networks to transfer relevant system data in the future.

The Group has enhanced our insurance coverage and employee remuneration packages, including (i) upgrading of employees' medical insurance plan; (ii) purchasing of the Group's professional indemnity insurance plan; (iii) purchasing of the Group's product liability insurance plan; and (iv) providing funds for the employees' performance bonus scheme.

The Group has rented additional space and storage facilities to cater for additional space required for operation and to accommodate the new machineries and equipment to be purchased.

The Group has purchased four vehicles to increase our travelling efficiency and allow our project teams to transport additional spare parts and equipment for use in our operations.

本集團已採購若干光纖電纜測試相關設備以維持我們於鐵路行業的競爭力，因本集團預期鐵路的機電工程系統將愈來愈依賴光學纖維網絡以於未來傳送相關系統數據。

本集團已擴大保險覆蓋範圍及提高僱員薪酬待遇，包括 (i) 升級僱員醫療保險計劃；(ii) 採購本集團的專業責任保險計劃；(iii) 採購本集團的產品責任保險計劃，及 (iv) 為僱員績效獎金計劃提供資金。

本集團已租用額外場所及存儲設施迎合營運所需的額外空間及容納將予購買的新機器及設備。

本集團已購買四輛汽車增加我們的運輸效率及可使項目團隊運輸額外零件及設備以供營運使用。

Deepen our penetration of the E&M engineering industry with special focus on the Transportation Mission Critical System Solutions market by strengthening our research and development capabilities and increasing our brand awareness through marketing efforts through:

- (i) Expanding our office space and work area;
- (ii) Increasing our marketing efforts and business exposure; and
- (iii) Enhancement of our research and development capabilities.

通過增強我們的研發能力加深對機電工程行業的滲透率(特別專注於交通關鍵系統解決方案市場)及通過營銷手段提高我們的品牌認知度,方式為:

- (i) 擴大辦公室及工作空間;
- (ii) 加大我們的營銷效能及推廣我們的業務;及
- (iii) 提高我們的研發能力。

Strengthen our financial capabilities to undertake larger-scale E&M engineering projects in the future.

增強我們日後承接較大型機電工程項目的財政實力。

The Group has (i) arranged our employees to participate in exhibitions, conference and symposiums; and (ii) been making an effort to increase business exposure in Taiwan.

The Group has produced corporate and promotional video in order to increase our corporate image as well as brand awareness.

The Group has purchased three-dimensional design software, enabling us to create three dimensional drawings and designs for our products.

The Group has purchased additional computer hardware and software, enhancing the development of electronic payment system.

The Group has completed the assessment process and successfully obtained the approval from the Hong Kong Science and Technology Parks for our tenancy application.

The Group is in the process of (i) recruiting additional marketing staff; and (ii) setting up the marketing and demonstration area.

本集團已(i)安排僱員參與展覽會、會議及研討會;及(ii)盡力擴展台灣的業務。

本集團已製作企業宣傳視頻,以提升我們的企業形象以及品牌意識。

本集團已購買三維設計軟件,可使我們為產品創建三維圖紙及設計。

本集團已購買額外的計算機硬件及軟件,以增強電子付款系統的開發。

本集團已完成評估程序並成功獲得香港科技园有關租賃申請的批准。

本集團正在(i)招募額外營銷人員;及(ii)設立營銷及展示區。

The Group has further enhanced our banking facilities in order to improve the provision of performance guarantees such that the Group could undertake large-scale E&M engineering projects.

本集團已進一步增加銀行融資以改善履約擔保,以使本集團可承接大型機電工程項目。

Gearing Ratio

The gearing ratio of the Group as at 30 September 2019 was approximately 1.7% (2018: nil).

The gearing ratio is calculated based on the total loans and borrowings (interest-bearing bank borrowings and bank overdrafts) divided by total equity as at the respective reporting date.

Foreign Exchange Exposure

We conduct business with customers, suppliers and subcontractors located in Hong Kong, the People's Republic of China and overseas. The Group's exposure to currency risk mainly arise from the fluctuation of Renminbi, Euro or United States dollars. The Group currently does not have any hedging policy in place for its foreign exchange exposure. However, the Board will remain alert to any relevant risk and, if necessary, consider hedging any potential material foreign exchange risk.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 September 2019. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Significant Investments and Future Plans for Material Investments and Capital Assets

The Group did not hold any significant investments in equity interest in any other companies as at 30 September 2019. Except for those included in the section headed "Future Plans and Use of Proceeds" for inclusion in the Prospectus, the Group had no definite future plans for material investments and capital assets.

資產負債比率

本集團於二零一九年九月三十日的資產負債比率約為1.7% (二零一八年：無)。

資產負債比率根據貸款及借貸總額(計息銀行貸款及銀行透支)除以於各報告日期的權益總額。

外匯風險

我們與香港、中華人民共和國及海外客戶、供應商及分包商均有業務往來。本集團所面臨的貨幣風險主要來自人民幣、歐元或美元的波動。目前本集團並無進行外幣對沖政策。然而，董事會將對任何相關風險保持警覺，如有需要將考慮對可能產生的重大外幣風險予以對沖。

庫務政策

本集團的庫務政策採納穩健的財務管理方針，因此，於截至二零一九年九月三十日止六個月，流動資金狀況均處於健康水平。本集團致力透過持續進行信貸評估及評估客戶的財務狀況，減低所承受的信貸風險。為管理流動資金風險，董事會密切監察本集團的流動資金狀況，確保本集團資產、負債及其他承諾組成的流動資金架構能應付不時的資金需要。

重大投資與重大投資及資本資產的未來計劃

於二零一九年九月三十日，本集團並無於任何其他公司的股本權益持有任何重大投資。除招股章程內「未來計劃及所得款項用途」一節所載者外，本集團並無有關重大投資及資本資產的實質未來計劃。

Material Acquisitions and Disposals of Subsidiaries, Associates or Joint Ventures

Apart from the reorganisation in relation to the Listing as disclosed in the Prospectus, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 September 2019.

Pledge of Assets

As at 30 September 2019, the Group pledged certain amount of bank deposit and investments in life insurance policies to secure short-term bank borrowings and other general banking facilities granted to the Group. For details, please refer to note 11.

Commitments

The operating lease commitments of the Group were primarily related to the leases of its office premises and the workshops. The Group's operating lease commitments for the year ended 31 March 2020 amounted to approximately HK\$2.9 million as at 30 September 2019 (2018: approximately HK\$2.9 million).

Contingent Liabilities

As at 30 September 2019, the Group did not have any significant contingent liabilities (2018: Nil).

Financial Risk Management

Risk management is carried out by the Company's finance department under policies approved by the Board. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides guidance for overall risk management and specific areas, such as market risk, interest rate risk, credit risk and liquidity risk.

Subsequent Events

As at the Date of this Report, there were no subsequent events after this reporting period.

附屬公司、聯營公司或合營公司的重大收購及出售

除招股章程所披露就上市所進行的重組外，於截至二零一九年九月三十日止六個月並無持有其他重大投資，亦並無有關附屬公司、聯營公司或合營公司的重大收購或出售。

資產抵押

於二零一九年九月三十日，本集團抵押若干金額的銀行存款及人壽保單中的投資以獲得授予本集團的短期銀行借貸及其他一般銀行融資。有關詳情，請參閱附註11。

承擔

本集團的經營租賃承擔主要與出租辦公室物業及工場有關。於二零一九年九月三十日，本集團截至二零二零年三月三十一日止年度的經營租賃承擔約為2.9百萬港元（二零一八年：約2.9百萬港元）。

或然負債

於二零一九年九月三十日，本集團並無任何重大或然負債（二零一八年：無）。

財務風險管理

風險管理由本公司財務部根據經董事會批准的政策執行。財務部與本集團營運單位緊密合作，共同識別、評估及對沖財務風險。董事會就整體風險管理及多個特定範圍（如市場風險、利率風險、信貸風險及流動資金風險）提供指引。

期後事項

於本報告日期，概無本報告期後事項。

CORPORATE GOVERNANCE/OTHER INFORMATION

企業管治／其他資料

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the six months ended 30 September 2019, the Company has complied with all applicable code provisions of the CG Code.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors’ securities transactions in the securities of the Company. Having made specific enquiries of all the Directors, each of the Director has confirmed that he has complied with the required standard of dealings during the six months ended 30 September 2019 and up to the Date of this Report.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The Audit Committee comprises three members, namely Mr. Lau On Kwok (chairman), Mr. Law Wing Chi Stephen and Dr. Tse Chi Kong, all of them are independent non-executive Directors. The Audit Committee has reviewed with the management the accounting policies and practices adopted by the Group and discussed financial reporting matters of the Company, including the review of the unaudited condensed consolidated results of the Group for the six months ended 30 September 2019 and this interim report. The Audit Committee is of the opinion that the unaudited condensed consolidated results of the Group for the six months ended 30 September 2019 comply with the applicable accounting standards and that adequate disclosures have been made.

企業管治常規

本集團致力維持高水平的企業管治，以保障本公司股東（「**股東**」）權益以及提升企業價值及問責性。本公司已採納GEM上市規則附錄十五所載的企業管治守則（「**企業管治守則**」），作為其本身的企業管治守則。截至二零一九年九月三十日止六個月，本公司已遵守企業管治守則項下的所有適用守則條文。

遵守董事進行證券交易的必守標準

本公司已採納GEM上市規則第5.48至5.67條所規定的交易必守標準作為其自身於本公司證券交易中董事證券交易行為守則。經向全體董事作出特定查詢後，各董事確認，截至二零一九年九月三十日止六個月及直至本報告日期已遵守交易必守標準。

審核委員會及中期業績審閱

本公司已遵照GEM上市規則第5.28條至第5.33條及企業管治守則成立審核委員會（「**審核委員會**」）並以書面界定其職權範圍。審核委員會由三名成員（劉安國先生（主席）、羅永志先生及謝智剛博士）組成，彼等均為獨立非執行董事。審核委員會已連同管理層審閱本集團採納的會計政策及慣例，並討論本公司的財務申報事宜，包括審閱本集團截至二零一九年九月三十日止六個月的未經審核簡明綜合業績及中期報告。審核委員會認為，本集團截至二零一九年九月三十日止六個月的未經審核簡明綜合業績符合適用會計準則，並已作出足夠披露。

CHANGES TO INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Tse Chi Kong, an independent non-executive Director, is appointed on 21 October 2019 as a Chair Professor of Electrical Engineering at City University of Hong Kong. Dr. Tse resigned as Chair Professor of Electronic and Engineering of the Hong Kong Polytechnic University, effective on 18 October 2019.

Saved as disclosed above, the Directors confirm that no information is required to be disclosed pursuant to the Rules 17.50(2) and 17.50A(1) of the GEM Listing Rules during the six months ended 30 September 2019 (the “**Relevant Period**”).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

INTERESTS OF COMPLIANCE ADVISER

As notified by the Company’s compliance adviser, Kingsway Capital Limited (“**Kingsway Capital**”), neither Kingsway Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules and all Directors and controlling Shareholders and their respective close associates as referred to in Rule 11.04 of the GEM Listing Rules (except for the compliance adviser service provided by Kingsway Capital as at the Date of this Report).

董事及高級管理層資料變動

獨立非執行董事謝智剛博士於二零一九年十月二十一日獲委任為香港城市大學機電工程講座教授。謝博士已辭任香港理工大學電子工程學系的講座教授，於二零一九年十月十八日生效。

除上文所披露者外，董事確認，於截至二零一九年九月三十日止六個月（「**相關期間**」）內，概無資料須根據GEM上市規則第17.50(2)及17.50A(1)條予以披露。

購買、出售或贖回本公司的上市證券

於相關期間，本公司或任何其他其附屬公司概無購買、出售或贖回任何本公司的上市證券。

合規顧問的權益

誠如本公司合規顧問滙富融資有限公司（「**滙富融資**」）告知，滙富融資或其任何董事或僱員或緊密聯繫人概無於本公司或本集團任何成員公司的股本中擁有任何權益（包括認購該等證券的購股權或權利）或擁有根據GEM上市規則第6A.32條須知會本公司及全體董事及控股股東及彼等按GEM上市規則第11.04條所指的其各自緊密聯繫人與本公司有關的其他權益（滙富融資於本報告日期提供的合規顧問服務除外）。

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

董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

As at 30 September 2019, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), which were recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

於二零一九年九月三十日，董事及本公司主要行政人員於本公司或其相關法團（定義見《證券及期貨條例》（「《證券及期貨條例》」）第XV部）股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部第7和8分部知會本公司及聯交所的權益及淡倉（包括根據《證券及期貨條例》有關條文視為或當作擁有的權益及淡倉），或登記於根據《證券及期貨條例》第352條存置的登記冊；或根據GEM上市規則第5.46至5.67條須知會本公司及聯交所的權益及淡倉如下：

Name	Capacity/ Nature of Interest	Number of Shares/ underlying Shares 股份/ 相關股份數目	Long/short position ⁽⁵⁾ 好倉/淡倉 ⁽⁵⁾	Approximate percentage of shareholding in the Company 於本公司的 持股概約百分比 (%)
Mr. Luk Kam Ming ("Mr. KM Luk") ⁽¹⁾ 陸鑑明先生 (「陸鑑明先生」) ⁽¹⁾	Beneficial owner; interest of spouse 實益擁有人； 配偶權益	162,000,000	L	40.5
Mr. Luk Kwai Lung ("Mr. KL Luk") ⁽²⁾ 陸季農先生 (「陸季農先生」) ⁽²⁾	Interest in a controlled corporation 受控法團權益	138,000,000	L	34.5
Mr. Luk Yin Cheung ("Mr. YC Luk") ⁽²⁾⁽³⁾ 陸彥彰先生 (「陸彥彰先生」) ⁽²⁾⁽³⁾	Interest in a controlled corporation; interest of spouse 受控法團權益； 配偶權益	138,600,000	L	34.7
Mr. Chan Chak Lun Philip ("Mr. CL Chan") ⁽⁴⁾ 陳澤麟先生 (「陳澤麟先生」) ⁽⁴⁾	Beneficial owner 實益擁有人	4,000,000	L	1.0

Notes:

附註：

- (1) Mr. KM Luk directly holds 105,000,000 shares (“Shares”). Since Mr. KM Luk is the spouse of Ms. Leung Kwok Yee (“Madam Leung”), Mr. KM Luk is deemed to be interested in all the Shares in which Madam Leung is interested or deemed to be interested under the SFO, which is 57,000,000 Shares.
 - (2) Each of Mr. KL Luk and Mr. YC Luk owns one common share in KML Holdings Limited (“KML Holdings”), representing 50% of the issued share capital of KML Holdings carrying voting rights. Mr. KL Luk and Mr. YC Luk are deemed to be interested in all Shares in which KML Holdings is interested or deemed to be interested under the SFO, which is 138,000,000 Shares.
 - (3) Since Mr. YC Luk is the spouse of Ms. Woo Siu Wai (“Ms. Woo”), Mr. YC Luk is deemed to be interested in all the Shares in which Ms. Woo is interested or deemed to be interested under the SFO, which is 600,000 Shares. Ms. Woo was interested as a grantee of options to subscribe for up to 600,000 Shares under the Share Option Scheme (announced on 3 September 2018).
 - (4) Mr. CL Chan was interested as a grantee of options to subscribe for up to 4,000,000 Shares under the Share Option Scheme (announced on 3 September 2018).
 - (5) The Letter “L” denotes the entity/person’s long position in the Shares.
- (1) 陸鑑明先生直接擁有 105,000,000 股股份（「股份」）。由於陸鑑明先生為梁曠儀女士（「梁女士」）的配偶，故陸鑑明先生被視為為梁女士擁有權益或根據《證券及期貨條例》被視為擁有權益的所有股份（即 57,000,000 股股份）中擁有權益。
 - (2) 陸季農先生及陸彥彰先生各自擁有一股 KML Holdings Limited（「KML Holdings」）普通股（佔 KML Holdings 附帶投票權之已發行股本的 50%）。陸季農先生及陸彥彰先生被視為為 KML Holdings 擁有權益或根據《證券及期貨條例》被視為擁有權益的所有股份（即 138,000,000 股股份）中擁有權益。
 - (3) 由於陸彥彰先生為胡劭卉女士（「胡女士」）的配偶，根據《證券及期貨條例》，陸彥彰先生被視為為胡女士擁有權益或被視為擁有權益的所有股份（即 600,000 股股份）中擁有權益。胡女士以購股權承授人身份擁有股份權益，可根據購股權計劃（於二零一八年九月三日公佈）認購最多 600,000 股股份。
 - (4) 陳澤麟先生以購股權承授人身份擁有股份權益，可根據購股權計劃（於二零一八年九月三日公佈）認購最多 4,000,000 股股份。
 - (5) 字母「L」表示該實體／個人於股份之好倉。

Save as disclosed above, as at 30 September 2019, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

除上文所披露者外，於二零一九年九月三十日，概無董事或本公司主要行政人員於本公司或其相關法團（定義見《證券及期貨條例》第 XV 部）的股份、相關股份或債權證中擁有或被視為擁有任何根據《證券及期貨條例》第 XV 部第 7 及第 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》有關條文彼等被當作或視為擁有的權益及淡倉）、或須登記於根據《證券及期貨條例》第 352 條存置的登記冊內的權益或淡倉、或根據 GEM 上市規則第 5.46 至 5.67 條須知會本公司和聯交所的權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

主要股東於股份、相關股份及債權證的權益及淡倉

As at 30 September 2019, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

於二零一九年九月三十日，就董事所深知，以下人士（並非董事或本公司主要行政人員）於股份或相關股份擁有本公司根據《證券及期貨條例》第336條須存置的登記冊所記載及根據《證券及期貨條例》第XV部第2及3分部條文須向本公司披露的權益或淡倉：

Name	Capacity/ Nature of Interest	Number of Shares/ underlying Shares held/ interested 所持／擁有 權益股份/ 相關股份數目	Long/short position ⁽⁵⁾	Approximate Percentage of Shareholding in the Company 於本公司的 股權概約百分比 (%)
姓名／名稱	身份／權益性質		好倉／淡倉 ⁽⁵⁾	
KML Holdings ⁽¹⁾	Beneficial owner 實益擁有人	138,000,000	L	34.5
Madam Leung ⁽²⁾ 梁女士 ⁽²⁾	Beneficial owner; Interest of spouse 實益擁有人；配偶權益	162,000,000	L	40.5
Ms. Chan Patricia ⁽³⁾ 陳珮筠女士 ⁽³⁾	Interest of spouse 配偶權益	138,000,000	L	34.5
Ms. Woo ⁽⁴⁾ 胡女士 ⁽⁴⁾	Beneficial owner; Interest of spouse 實益擁有人；配偶權益	138,600,000	L	34.7

Notes:

- (1) Each of Mr. KL Luk and Mr. YC Luk owns one common share in KML Holdings, representing 50% of the issued share capital of KML Holdings carrying voting rights. Mr. KL Luk and Mr. YC Luk also own approximately 50% and approximately 50%, respectively, of the issued preferred shares in KML Holdings which do not carry voting rights but only rights to dividends.
- (2) Madam Leung is the spouse of Mr. KM Luk. By virtue of the SFO, Madam Leung is deemed to be interested in all the Shares in which Mr. KM Luk is interested or deemed to be interested under the SFO, and vice versa.
- (3) Ms. Chan Patricia is the spouse of Mr. KL Luk. By virtue of the SFO, Ms. Chan Patricia is deemed to be interested in all the Shares in which Mr. KL Luk is interested or deemed to be interested under the SFO.
- (4) Ms. Woo is the spouse of Mr. YC Luk. By virtue of the SFO, Ms. Woo is deemed to be interested in all the Shares in which Mr. YC Luk is interested or deemed to be interested under the SFO, which is 138,000,000 Shares. Ms. Woo was interested as a grantee of options to subscribe for up to 600,000 Shares under the Share Option Scheme (announced on 3 September 2018).
- (5) The Letter "L" denotes the entity/person's long position in the Shares.

Save as disclosed above, as at 30 September 2019, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

附註：

- (1) 陸季農先生及陸彥彰先生各自擁有 KML Holdings 一股普通股，佔 KML Holdings 附帶投票權的已發行股本 50%。陸季農先生及陸彥彰先生亦分別擁有 KML Holdings 已發行優先股（並無附帶投票權但僅有收取股息的權利）約 50% 及約 50%。
- (2) 梁女士為陸鑑明先生的配偶。根據《證券及期貨條例》，梁女士被視為於陸鑑明先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份中擁有權益，反之亦然。
- (3) 陳珮筠女士為陸季農先生的配偶。根據《證券及期貨條例》，陳珮筠女士被視為於陸季農先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份中擁有權益。
- (4) 胡女士為陸彥彰先生的配偶。根據《證券及期貨條例》，胡女士被視為於陸彥彰先生擁有權益或根據《證券及期貨條例》被視作擁有權益的所有股份（即 138,000,000 股股份）中擁有權益。胡女士以購股權承授人身份擁有股份權益，可根據購股權計劃（於二零一八年九月三日公佈）認購最多 600,000 股股份。
- (5) 字母「L」表示該實體／個人於股份之好倉。

除上文所披露者外，於二零一九年九月三十日，董事並不知悉任何人士（並非董事或本公司主要行政人員）於本公司股份或相關股份中擁有根據《證券及期貨條例》第 XV 部第 2 及 3 分部須予披露，或根據《證券及期貨條例》第 336 條須記入該條所述登記冊內的權益或淡倉。

SHARE OPTION SCHEME

In order to recognise and acknowledge the contributions that the directors and employees of the Group have made or may make to the Group, the Company approved and adopted the share option scheme pursuant to the written resolutions of the Shareholders passed on 20 September 2017 (the “Share Option Scheme”).

- (i) The Board may, at its absolute discretion and on such terms as it may think fit, grant an option to subscribe any director or employee of the Group, from time to time on the basis of his/her contribution or potential contribution to the development and growth of the Group.
- (ii) On 3 September 2018, 9,200,000 share options (“Options”) were granted by the Company under the Share Option Scheme. Among the Options granted, 4,000,000 Options were granted to 1 Director of the Company, 1,400,000 Options were granted to 1 Director of a subsidiary of the Company and 600,000 Options were granted to an associate to a Director of the Company. Among the 9,200,000 Options granted, approximately 48.9% has been vested on 3 March 2019 and approximately 51.1% will be vested on 3 March 2020, provided that the grantee has to remain as an Eligible Participant (as defined in the Share Option Scheme) on such vesting date.

Details regarding the number of Options, date of grant, vesting period, exercise period and exercise price of the Options granted under the Share Option Scheme are set out below:

購股權計劃

為嘉許及表揚已經或可能對本集團作出的貢獻的本集團董事及僱員，本公司已根據股東於二零一七年九月二十日通過的書面決議案批准及採納購股權計劃（「購股權計劃」）。

- (i) 董事會可全權酌情及按照其可能認為合適的相關條款，基於對本集團的發展及成長所作出之貢獻或潛在貢獻不時向本集團的任何董事或僱員授出購股權。
- (ii) 於二零一八年九月三日，本公司已根據購股權計劃授出9,200,000份購股權（「購股權」）。在已授出的購股權當中，4,000,000份購股權乃授予一名本公司董事、1,400,000份購股權乃授予本公司附屬公司的一名董事及600,000份購股權乃授予一名本公司董事的聯繫人。於已授出的9,200,000份購股權中，約48.9%已於二零一九年三月三日歸屬及約51.1%將於二零二零年三月三日歸屬，惟承授人於有關歸屬日期須仍為合資格參與者（定義見購股權計劃）。

有關根據購股權計劃授出購股權之購股權數目、授出日期、歸屬期、行使期及行使價之詳情載列如下：

Name of participants	Date of Options granted	Total number of Options granted	Number of Options granted	Vesting period	Exercise period	Exercise price of Options	Closing price immediately before date of grant
參與者姓名	授出購股權日期	已授出購股權數目總數	已授出購股權數目	歸屬期	行使期	購股權行使價 HK\$ per share 每股港元	緊接授出日期前之收市價 HK\$ per share 每股港元
Mr. CL Chan (Director and Chief executive officer)	3 September 2018	4,000,000	2,000,000	3 September 2018 to 2 March 2019	3 March 2019 to 3 September 2023	0.385	0.35
陳澤麟先生 (董事兼行政總裁)	二零一八年九月三日		2,000,000	二零一八年九月三日至二零一九年三月二日	二零一九年三月三日至二零二三年九月三日		
				3 September 2018 to 2 March 2020	3 March 2020 to 3 September 2023		
				二零一八年九月三日至二零二零年三月二日	二零二零年三月三日至二零二三年九月三日		

Name of participants	Date of Options granted	Total number of Options granted 已授出購股權 數目總數	Number of Options granted 已授出 購股權數目	Vesting period	Exercise period	Exercise price of Options 購股權行使價 HK\$ per share 每股港元	Closing price immediately before date of grant 緊接授出日期 前之收市價 HK\$ per share 每股港元
參與者姓名	授出購股權日期			歸屬期	行使期		
Ms. Wai Hang Ying Helen (Director of KML Engineering Limited ("KML Engineering")) 衛杏英女士 (高明科技工程有限公司(「高明科技工程」)的董事)	3 September 2018 二零一八年九月三日	1,400,000	700,000	3 September 2018 to 2 March 2019 二零一八年九月三日至 二零一九年三月二日	3 March 2019 to 3 September 2023 二零一九年三月三日至 二零二三年九月三日	0.385	0.35
			700,000	3 September 2018 to 2 March 2020 二零一八年九月三日至 二零二零年三月二日	3 March 2020 to 3 September 2023 二零二零年三月三日至 二零二三年九月三日		
Ms. Woo (Company Secretary) 胡女士 (公司秘書)	3 September 2018 二零一八年九月三日	600,000	300,000	3 September 2018 to 2 March 2019 二零一八年九月三日至 二零一九年三月二日	3 March 2019 to 3 September 2023 二零一九年三月三日至 二零二三年九月三日	0.385	0.35
			300,000	3 September 2018 to 2 March 2020 二零一八年九月三日至 二零二零年三月二日	3 March 2020 to 3 September 2023 二零二零年三月三日至 二零二三年九月三日		
Employees 僱員	3 September 2018 二零一八年九月三日	3,200,000	1,500,000	3 September 2018 to 2 March 2019 二零一八年九月三日至 二零一九年三月二日	3 March 2019 to 3 September 2023 二零一九年三月三日至 二零二三年九月三日	0.385	0.35
			1,700,000	3 September 2018 to 2 March 2020 二零一八年九月三日至 二零二零年三月二日	3 March 2020 to 3 September 2023 二零二零年三月三日至 二零二三年九月三日		
Total 總計		9,200,000					

Details of the movements of Options granted, exercised or cancelled/lapsed during the six months ended 30 September 2019 and still outstanding as at 30 September 2019 are as follows:

於截至二零一九年九月三十日止六個月內已授出、已行使或已注銷/已失效及於二零一九年九月三十日尚未行使之購股權變動詳情如下：

Name of participants	Outstanding as at 1 July 2019 於二零一九年 七月一日 尚未行使	Number of Options granted 已授出 購股權數目	Number of Options exercised 已行使 購股權數目	Number of Options cancelled 已註銷 購股權數目	Number of Options lapsed 已失效 購股權數目	Outstanding as at 30 September 2019 於二零一九年 九月三十日 尚未行使
Mr. CL Chan (Director and Chief executive officer) 陳澤麟先生 (董事兼行政總裁)	4,000,000	-	-	-	-	4,000,000
Ms. Wai Hang Ying Helen (Director of KML Engineering) 衛杏英女士 (高明科技工程的董事)	1,400,000	-	-	-	-	1,400,000
Ms. Woo (Company Secretary) 胡女士 (公司秘書)	600,000	-	-	-	-	600,000
Employees 僱員	3,200,000	-	-	-	-	3,200,000
Total 總計	9,200,000	-	-	-	-	9,200,000

SHARE AWARD SCHEME

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 5 November 2018 (the “**Adoption Date**”). Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 15 years commencing on the Adoption Date. Please refer to the announcement dated 5 November 2018 for details.

There were no awarded shares granted, vested, forfeited or outstanding during the six months ended 30 September 2019.

股份獎勵計劃

本公司於二零一八年十一月五日(「採納日期」)採納一項股份獎勵計劃(「股份獎勵計劃」)。股份獎勵計劃將自採納日期起生效，有效期為十五年，董事會可決定提前終止。有關詳情，請參閱日期為二零一八年十一月五日的公告。

於截至二零一九年九月三十日止六個月，概無已授出、已歸屬、已失效或未行使獎勵股份。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Relevant Period and up to the Date of this Report was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this interim report, during the Relevant Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CONNECTED TRANSACTIONS

During the six months ended 30 September 2019, the Group entered into certain connected transactions with the connected person of the Company, namely KML Limited.

KML Limited is a company incorporated in Hong Kong and owned as to 78.2% by Golden Sail International Limited, which is wholly-owned by a trustee for a family trust where the beneficiaries include Mr. KM Luk and Madam Leung. Therefore, KML Limited is an associate of each of Mr. KM Luk and Madam Leung, and hence is a connected person of the Company.

KML Engineering, (an indirectly wholly-owned subsidiary of the Company), (as tenant) entered into the tenancy agreement on 12 September 2017 (the "**First Tenancy Agreement**") with KML Limited as landlord, pursuant to which KML Limited agreed to lease to KML Engineering the Premises and certain parking spaces (as detailed in the Prospectus). On 3 September 2018, KML Engineering as tenant entered into another tenancy agreement (the "**Second Tenancy Agreement**") with KML Limited as landlord, pursuant to which KML Engineering agreed to rent additional premises.

董事收購股份或債權證的權利

除本中期報告所披露者外，於相關期間內任何時間及直至本報告日期，本公司或其任何附屬公司概無訂立任何安排，使董事可藉收購本公司或任何其他法團的股份或債權證而獲得利益，且董事或其任何配偶或未滿18歲子女概無獲授予任何認購本公司或任何其他法團的權益或債務證券的權利或已經行使任何該權利。

董事及控股股東於競爭業務的權益

除本中期報告所披露者外，於相關期間，概無董事或彼等各自的聯繫人從事與本集團業務直接或間接競爭或可能競爭的任何業務或於該等業務中擁有權益。

關連交易

於截至二零一九年九月三十日止六個月，本集團與本公司關連人士（即圖遠有限公司）訂立若干關連交易。

圖遠有限公司為於香港註冊成立的公司及由Golden Sail International Limited擁有78.2%，而Golden Sail由一名受託人代家族信託（受益人包括陸鑑明先生及梁女士）全資擁有。因此，圖遠有限公司為陸鑑明先生及梁女士的聯繫人，故為本公司的關連人士。

於二零一七年九月十二日，本公司的間接全資附屬公司高明科技工程（作為租戶）與圖遠有限公司（作為業主）訂立租賃協議（「**第一份租賃協議**」），據此，圖遠有限公司同意向高明科技工程租賃該等物業及若干泊車位（詳述於招股章程）。於二零一八年九月三日，高明科技工程（作為租戶）與圖遠有限公司訂立另一份租賃協議（「**第二份租賃協議**」），據此，高明科技工程同意租賃額外物業。

The Board has considered the business needs of the Group and is of the view that additional office spaces are required for the operation and growth of the Group and that the Second Tenancy Agreement would bring benefits to the Group as a whole in terms of saving the cost of office relocation and staff traveling, as the additional premises is within close proximity of the premises currently leased by the Group under the First Tenancy Agreement.

The terms (including the monthly rents) of the Second Tenancy Agreement were negotiated on arm's length negotiations with reference to those under the First Tenancy Agreement, the prevailing market rent for comparable premises in the vicinity and the expected increases in the market rent for similar properties in the financial year ending 31 March 2020. The Directors (including the independent non-executive Directors) are of the view that: (i) the terms of the Second Tenancy Agreement are fair and reasonable; and (ii) the continuing connected transaction contemplated under the Second Tenancy Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

On behalf of the Board
KML Technology Group Limited
Luk Kam Ming
Chairman and Executive Director

Hong Kong, 6 November 2019

As at the Date of this Report, the executive Directors are Mr. LUK Kam Ming, Mr. CHAN Chak Lun Philip, Mr. LUK Kwai Lung and Mr. LUK Yin Cheung; and the independent non-executive Directors are Mr. LAU On Kwok, Mr. LAW Wing Chi Stephen and Dr. TSE Chi Kong.


董事會已考慮本集團的業務需要並認為本集團的營運及增長需要額外辦公室空間且第二份租賃協議整體上將會為本集團帶來益處(就節省辦公室搬遷及員工差旅成本而言)，原因為額外物業毗鄰根據第一份租賃協議現時由本集團租賃的物業。

第二份租賃協議之條款(包括每月租金)乃經參考第一份租賃協議項下之條款、毗鄰地區可資比較物業之現行市場租金及截至二零二零年三月三十一日止財政年度類似物業之市場租金預期增長後按公平原則磋商釐定。董事(包括獨立非執行董事)認為：(i) 第二份租賃協議之條款屬公平合理；及(ii) 第二份租賃協議項下擬進行的持續關連交易按正常或更佳商業條款進行且於本集團日常及一般業務過程中進行並符合本公司及股東之整體利益。

承董事會命
高萌科技集團有限公司
陸鑑明
主席兼執行董事

香港，二零一九年十一月六日

於本報告日期，執行董事為陸鑑明先生、陳澤麟先生、陸季農先生及陸彥彰先生；及獨立非執行董事為劉安國先生、羅永志先生及謝智剛博士。



高萌·科技

KML Technology Group Limited

高萌科技集團有限公司