



CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1586

ANNUAL REPORT
2017
年度報告

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Definitions

釋義

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings.

於本年度報告內，除文義另有所指外，下列詞彙具有以下涵義。

“AGM(s)” 「股東週年大會」	annual general meeting of the Company 指本公司的股東週年大會
“Articles” 「章程細則」	the articles of association of the Company adopted on 18 June 2016 指本公司於2016年6月18日採納的組織章程細則
“Audit Committee” 「審核委員會」	the audit committee of the Company 指本公司的審核委員會
“Board” 「董事會」	the board of Directors of the Company 指本公司的董事會
“CEO” 「行政總裁」	chief executive officer of the Company 指本公司的行政總裁
“China” or “PRC” 「中國」	the People’s Republic of China, which for the purpose of this report and for geographical reference only, excludes Hong Kong, Macau and Taiwan 指中華人民共和國，就本報告而言及僅供地域參考之用，不包括香港、澳門及台灣
“CG Code” 「《企業管治守則》」	the “Corporate Governance Code” set out in Appendix 14 to the Listing Rules 指《上市規則》附錄14所載的《企業管治守則》
“Company”, “our Company”, “Group”, “our Group”, “China Leon”, “we” or “us” 「本公司」、「本集團」、 「中國力鴻」或「我們」	China Leon Inspection Holding Limited (中国力鸿检验控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 29 July 2015 and except where the context indicated otherwise its subsidiaries 指中國力鴻檢驗控股有限公司，一家於2015年7月29日根據開曼群島法律註冊成立的獲豁免有限責任公司及（除文義另有所指外）其附屬公司
“Controlling Shareholders” 「控股股東」	Mr. LI Xiangli, Ms. ZHANG Aiyong, Mr. LIU Yi, Leon Cornerstone Investment Holding Limited, Swan Stone Investment Holding Limited and Hawk Flying Investment Holding Limited 指李向利先生、張愛英女士、劉翊先生、Leon Cornerstone Investment Holding Limited、Swan Stone Investment Holding Limited及Hawk Flying Investment Holding Limited
“Director(s)” 「董事」	the director(s) of the Company 指本公司董事
“HK\$” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 指香港法定貨幣，港元
“Huaxia Lihong” 「華夏力鴻」	Beijing Huaxia Lihong Commodity Inspection Co., Ltd. (北京華夏力鴻商品檢驗有限公司), a company incorporated in the PRC on 19 January 2009 and an indirect wholly-owned subsidiary of our Company 指北京華夏力鴻商品檢驗有限公司，一家於2009年1月19日在中國註冊成立的公司，為本公司的間接全資附屬公司

Definitions

釋義

“IPO” 「首次公开发售」	the Company’s initial public offering of its Shares 指本公司首次公开发售其股份
“Listing Date” 「上市日期」	12 July 2016, on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange 指2016年7月12日，股份於當日上市，並自該日起獲准於聯交所買賣
“Listing Rules” 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) 指《聯交所證券上市規則》(經不時修訂)
“Model Code” 「《標準守則》」	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix 10 to the Listing Rules 指《上市規則》附錄10所載之《上市發行人董事進行證券交易的標準守則》
“Nomination Committee” 「提名委員會」	the nomination committee of the Company 指本公司的提名委員會
“year” 「本年度」	from 1 January 2017 to 31 December 2017 指自2017年1月1日至2017年12月31日
“Prospectus” 「招股章程」	the prospectus of the Company dated 29 June 2016 指本公司日期為2016年6月29日的招股章程
“Remuneration Committee” 「薪酬委員會」	the remuneration committee of the Company 指本公司的薪酬委員會
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 指中國的法定貨幣，人民幣
“SFO” 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 指香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其他方式修改
“Share(s)” 「股份」	ordinary share(s) of par value US\$0.00005 each in the issued share capital of our Company 指本公司已發行股本中每股面值0.00005美元的普通股
“Shareholder(s)” 「股東」	holder(s) of Shares 指股份持有人
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 指香港聯合交易所有限公司
“%” 「%」	per cent 指百分比

Corporate Profile

公司概況

We are a leading coal testing and inspection services provider in China. Through our various service centers strategically positioned primarily at major coal-trade ports in China, we offer our customers a comprehensive suite of services, including primarily (1) testing services to provide assurance of coal quality, (2) surveying services to ensure contractual compliance of coal quantity, and (3) witnessing and ancillary services to prevent dishonest or abnormal activities in the testing and transportation of coal and ensure the contractual compliance of the weight of coal carried on rail, truck or conveying belt or shipping conditions of the cargo.

We operate in the independent testing and inspection industry, which serves a number of domestic industrial sectors, including the coal industry. The coal testing and inspection industry is derivatively affected by the nationwide trading volume of coal, which in turn may be affected by the general economic activities in China. Independent coal testing and inspection services in China emerged with the abolition of the state control over coal pricing in the early 2000s and has experienced steady growth in recent years due to the formation of an increasingly market-oriented coal industry.

We believe that the following strengths of our Company differentiate us from our competitors and help us compete effectively in the industry: (1) the largest coal testing and inspection services provider in China with a proven record of success and steady growth potential; (2) a steadily growing coal testing and inspection industry benefiting from China's tightened regulations over coal quality and the liberalization of the coal industry; (3) long-term stable business relationship with large and reputable customers in China's coal industry; (4) stringent quality control and standardized operational measures to ensure stellar service standards; (5) an extensive network of service centers strategically positioned primarily at major coal-trade ports in China; (6) strong research and development capabilities focused primarily on improving testing procedures in an evolving industry environment; and (7) a visionary and dedicated management team highly esteemed by industry associations.

Our long-term objective is to become a leading world-class coal testing and inspection services provider. To that end, we intend to implement a business strategy with the following key components: (1) further solidify our leadership in coal testing and inspection industry; (2) upgrade and expand our network of service centers; (3) further strengthen our research and development efforts; and (4) pursue strategic acquisition or investment to enhance our service capabilities and expand our service coverage.

我們是中國領先的煤炭檢測及檢驗服務供應商。通過主要位於具有戰略意義的中國主要煤炭交易港口的多個服務中心，我們向客戶提供一套全面的服務，主要包括(1)檢測服務(提供煤炭質量保證)；(2)鑒定服務(確保煤炭數量符合合約規定)；及(3)見證及輔助服務(避免煤炭檢測及運輸過程中的違規或異常事件，並確保鐵路、貨車或傳送帶所運輸煤炭的重量或貨物裝運條件符合合約規定)。

我們從事獨立檢測及檢驗行業，為煤炭行業等國內各行各業提供服務。煤炭檢測及檢驗行業受全國煤炭交易量的衍生影響，亦可能受中國整體經濟活動的影響。中國煤炭獨立檢測及檢驗服務自21世紀初國家取消對煤價的控制後興起，近年來由於煤炭行業不斷形成以市場為導向的趨勢，呈現穩定發展。

我們認為，本公司以下優勢使我們有別於競爭對手，有助於我們在業內有效競爭：(1)中國最大的煤炭檢測及檢驗服務供應商，成績斐然，擁有穩定的增長潛力；(2)受益於中國收緊煤炭質量的法規及放寬煤炭行業的限制，煤炭檢測及檢驗行業穩步發展；(3)與中國煤炭行業內信譽良好的大型客戶的長期穩定的業務關係；(4)嚴格的質量控制及標準化的經營措施，確保一流的服務標準；(5)龐大的服務中心網絡主要位於具有戰略意義的中國主要煤炭交易港口；(6)強大的研發能力，主要專注於應不斷變化的行業環境改進檢測程序；及(7)管理團隊富有遠見，具有奉獻精神，得到業界的高度認可。

我們的長期目標是成為世界領先的煤炭檢測及檢驗服務供應商。為此，我們擬實施一項包含以下要素的業務策略：(1)進一步鞏固我們在煤炭檢測及檢驗行業的領導地位；(2)升級及拓展我們的服務中心網絡；(3)進一步加強我們的研發工作；及(4)進行戰略收購或投資以提高服務能力及擴大服務範圍。

Financial Highlights

財務摘要

- Revenue for 2017 amounted to approximately RMB200.9 million, representing an increase of 7.8% from approximately RMB186.5 million recorded in 2016.
- Gross profit for 2017 amounted to approximately RMB110.7 million, representing an increase of 14.9% from approximately RMB96.4 million recorded in 2016.
- Profit attributable to owners of the parent for 2017 amounted to approximately RMB35.6 million, representing an increase of 5.9% from approximately RMB33.6 million recorded in 2016.
- Net cash flow from operating activities for 2017 amounted to approximately RMB45.3 million, representing a decrease of 9.9% from approximately RMB50.3 million recorded in 2016.
- Final dividend of RMB0.025 per share recommended, results in a full-year dividend of RMB0.025 per share.
- 2017年收入約為人民幣200.9百萬元，較2016年的約人民幣186.5百萬元增加7.8%。
- 2017年毛利約為人民幣110.7百萬元，較2016年的約人民幣96.4百萬元增加14.9%。
- 2017年母公司擁有人應佔利潤約為人民幣35.6百萬元，較2016年的約人民幣33.6百萬元增加5.9%。
- 2017年經營活動產生淨現金流量約為人民幣45.3百萬元，較2016年的約人民幣50.3百萬元減少9.9%。
- 建議的末期股息為每股人民幣0.025元，全年股息為每股人民幣0.025元。

Financial Summary

財務概要

For the year ended 31 December

截至12月31日止年度

		2013	2014	2015	2016	2017
		2013年	2014年	2015年	2016年	2017年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	117,096	139,480	155,789	186,466	200,921
Gross Profit	毛利	68,789	78,210	80,449	96,359	110,684
Profit before income tax	所得稅前利潤	40,652	44,568	33,023	38,058	43,137
Income tax expense	所得稅開支	(5,489)	(6,565)	(5,448)	(4,430)	(8,434)
Profit for the year	年內利潤	35,163	38,003	27,575	33,628	34,703
Profit attribute to:	以下各項應佔利潤：					
Owners of the parent	母公司擁有人	35,303	38,044	27,607	33,628	35,595
Non-controlling interests	非控股權益	(140)	(41)	(32)	-	(892)

As at 31 December

於12月31日

		2013	2014	2015	2016	2017
		2013年	2014年	2015年	2016年	2017年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總值	95,641	137,382	195,516	216,758	254,370
Total liabilities	負債總額	23,133	27,123	134,517	45,108	56,072
Equity attributable to the owners of the parent	母公司擁有人應佔權益	71,995	110,066	60,838	171,650	195,206

Chairman's Statement

主席報告

On behalf of the Board of China Leon, I am pleased to present the annual report of the Company and its subsidiaries for the year ended 31 December 2017.

In 2016, China's economic growth accelerated, both demand for power generation and coal consumption increased and the targets regarding capacity reduction of the coal industry in China were overachieved. Since the supply-side reform and the focus of capacity reduction of the coal industry shifted from general reduction to structural reduction by using advanced production facilities to replace and eliminate outdated production facilities, some large coal enterprises with advanced production facilities will achieve greater market shares in the coal market. Green development of coal resources, quality improvement as well as clean and efficient utilization will be the development themes of the coal industry. The abovementioned policies and market environment will have a positive impact on the Group's business.

The Group operated well during the Reporting Period and recorded a stable growth in its performance. Among others, revenue of the Group was RMB200.9 million and net profit was RMB34.7 million in 2017, representing an increase of 7.8% and 3.2%, respectively, as compared to 2016. Meanwhile, the Group increases its input of resources and plans proactively based on the four strategic directions, namely internationalization, diversity, automation and information, in an effort to lay a solid foundation for the Group's continuous business growth in the future. The Board has passed the resolution for the proposed payment of the final dividend of RMB0.025 per share for this year.

In 2017, the Group established 3 new domestic service centers and 4 new overseas service centers. In order to extend our business to the upstream and downstream portions of the coal industry chain, we established a service center in Shaanxi, which is an upstream coal production area, and established service centers in inland downstream coal markets such as Jiangyin and Hubei, hence, the coverage of our testing services was expanded from seaborne coal trade to inland coal trade, a blue ocean market. In 2017, we introduced experienced overseas management team and built the Group's overseas business platforms by establishing four overseas service centers in Singapore, Malaysia, India and Indonesia by way of acquisition or self-establishment, as such we completed the service network layout in Southeast Asia. We also expanded our import and export inspection business to minerals and petrochemicals in addition to coal, which marked the beginning of the Group's diversified business development.

本人謹代表中國力鴻董事會欣然提呈包括本公司及其附屬公司截至2017年12月31日止年度報告。

2016年我國經濟增速回升，電力需求和煤炭消費量實現雙增，國家去產能目標超額完成，供給側改革和煤炭去產能重點由整體去產能向結構性去產能（用先進產能置換淘汰落後產能）轉變，部分有先進產能的大型煤企將佔據更大的煤炭市場份額，煤炭的綠色發展、質量提升、清潔高效利用成為煤炭行業的發展主題。上述政策和市場環境對集團業務為正面影響。

本集團於報告期內運營良好，業績取得穩定增長。其中，集團2017年收入為人民幣200.9百萬元，較2016年增長7.8%，淨利潤為人民幣34.7百萬元，較2016年增長3.2%。同時，集團圍繞國際化、多元化、自動化、信息化四個戰略方向，加大資源投入，積極謀劃佈局，為集團業務未來的持續成長打下了堅實的基礎。董事會已決議就本年度建議派付末期股息每股人民幣0.025元。

2017年集團新增國內服務中心3個，海外服務中心4個。為實現業務向煤炭產業鏈上下游延伸，我們在煤炭上游產地的陝西地區建立了陝西服務中心，在煤炭下游的內陸地區建立了江陰、湖北服務中心，將檢測服務範圍由水運煤炭貿易擴展到陸路煤炭貿易的「藍海」市場。2017年我們引進了經驗豐富的海外管理團隊，搭建集團的海外業務平台，以收購或自建方式建立了新加坡、馬來西亞、印度、印尼四個海外服務中心，完成了東南亞服務網絡佈局，並且開拓了煤炭以外的礦產品、石化產品的進出口檢驗業務，開始了集團業務的多元化發展。

Chairman's Statement

主席報告

We strengthened our input in research and development and achieved remarkable results. The coal robot intelligent sampling system jointly developed by the Company and a third party obtained the technological accreditation by an industry association in November and reached international advanced level. The research and development on coal robot testing system went smoothly and a new generation of business information system “LEON LIMS system” self-developed by us officially commenced operation. The objectives of the abovementioned research and development projects are to achieve integration of intelligent systems, namely robot sampling system, robot testing system and informationized management and control system, we plan to apply such systems to the Company's major service centers in 2018-2019, in order to fully achieve intelligent upgrade in the Group's testing services, expand our advantages in technology and cost and be a leader in the industry in technological innovation.

The Chinese government put forward the national strategy of “high-quality development” and included supply chain management services into the Industrial Classification for National Economic Activities, which presented great opportunities for the inspection industry in which we operate. Quality testing organizations have natural advantages when engaging in supply chain quality management services and the Company has explored and implemented this new business model in 2017. We believe that, the supply chain quality management business is set to become a new source of profit growth for the Group and is the key direction for our business innovation.

Looking ahead to 2018, the Group's strategic planning is basically clear, expansion into the upstream coal market and inland coal market, innovation in supply chain quality management business, intelligent R&D and upgrade in coal testing, international network and diversified business development will be the Group's important directions for strategic development. In addition to solidifying our leading position in the coal testing and inspection industry, the Group is committed to developing itself into an international and diversified independent quality assurance service provider and creating sustainable and optimized return for investors!

Mr. LI Xiangli
Chairman of the Board

23 March 2018

我們加大科研投入，科研工作成績顯著。公司與第三方合作研發的煤炭機器人智能制樣系統11月通過行業協會的科技成果鑑定，達到國際領先水平；煤炭機器人化驗系統研發順利，自主研發的新一代信息化業務系統（LEON LIMS系統）正式運行。上述科研項目的目標是實現「機器人制樣系統+ 機器人化驗系統+信息化管控系統」的智能化系統集成，計劃2018-2019年在公司的主要服務中心投入使用，全面實現集團檢測服務的智能化升級，擴大技術領先和成本領先優勢，引領行業技術創新。

中國政府提出「高質量發展」的國家戰略，並把供應鏈管理服務納入《國民經濟行業分類》，這是我們檢驗行業的大好機遇。質量檢測機構具有從事供應鏈質量管理服務的天然優勢，2017年公司已探索和實踐了這種新的業務模式，我們認為，供應鏈質量管理業務有望成為集團新的利潤增長點，是我們業務創新的重點方向。

展望2018，集團的戰略佈局已基本清晰，煤炭上游市場和陸運煤炭市場的拓展、供應鏈質量管理業務創新、煤炭檢測領域的智能化研發和升級、國際化網絡、多元化業務開發將是集團重要的戰略發展方向。集團將在鞏固煤炭檢測及檢驗行業領導地位的基礎上，致力成為國際化、多元化的第三方質量保證服務商，為投資者創造可持續的最佳回報！

董事長
李向利先生

2018年3月23日

Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. LI Xiangli (*Chairman and CEO*)
Ms. ZHANG Aiyong (*Vice President*)
Mr. LIU Yi (*Vice President*)

Non-executive Director

Mr. WANG Gang

Independent Non-executive Directors

Mr. YANG Rongbing
Mr. WANG Zichen
Mr. ZHAO Hong

Company Secretary

Mr. CHAN Oi Fat (appointed on 28 February 2018)
Ms. HUI Yin Shan (appointed on 7 July 2017 and resigned on 28 February 2018)
Ms. Li Oi Lai (resigned on 7 July 2017)

Authorised Representatives

Mr. LI Xiangli
Mr. CHAN Oi Fat (appointed on 28 February 2018)
Ms. HUI Yin Shan (appointed on 7 July 2017 and resigned on 28 February 2018)
Ms. Li Oi Lai (resigned on 7 July 2017)

Audit Committee

Mr. YANG Rongbing (*Chairman*)
Mr. WANG Zichen
Mr. ZHAO Hong

Remuneration Committee

Mr. ZHAO Hong (*Chairman*)
Ms. ZHANG Aiyong
Mr. WANG Zichen

Nomination Committee

Mr. LI Xiangli (*Chairman*)
Mr. WANG Zichen
Mr. ZHAO Hong

董事會

執行董事

李向利先生 (*董事長兼行政總裁*)
張愛英女士 (*副主席*)
劉翊先生 (*副主席*)

非執行董事

王綱先生

獨立非執行董事

楊榮兵先生
王梓臣先生
趙虹先生

公司秘書

陳愛發先生 (於2018年2月28日獲委任)
許燕珊女士 (於2017年7月7日獲委任及於2018年2月28日辭任)
李愛麗女士 (於2017年7月7日辭任)

授權代表

李向利先生
陳愛發先生 (於2018年2月28日獲委任)
許燕珊女士 (於2017年7月7日獲委任及於2018年2月28日辭任)
李愛麗女士 (於2017年7月7日辭任)

審核委員會

楊榮兵先生 (*主席*)
王梓臣先生
趙虹先生

薪酬委員會

趙虹先生 (*主席*)
張愛英女士
王梓臣先生

提名委員會

李向利先生 (*主席*)
王梓臣先生
趙虹先生

Corporate Information

公司資料

Auditor

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

Registered Office

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarters and Principal Place of Business in the PRC

Building No. 78,
Zhuyuan Road,
No. 12 District,
Tianzhu Free Trade Zone,
Beijing

Principal Place of Business in Hong Kong

Unit F, 16/F, Neich Tower
128 Gloucester Road
Wanchai, Hong Kong

Principal Banker

China Construction Bank, Jing'an Zhuang Sub-branch
Building 6, Time International Building
Courtyard 6, Shuguang West Lane
Chaoyang District
Beijing, China

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

核數師

安永會計師事務所
香港
中環添美道1號
中信大廈22樓

註冊辦事處

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

中國總部及主要營業地點

北京市順義區
竺園路12號院
78號樓（北京天竺
綜合保稅區）

香港主要營業地點

香港灣仔
告士打道128號
祥豐大廈16樓F室

主要銀行

中國建設銀行靜安莊支行
中國北京
朝陽區
曙光西里6號院
時間國際大廈6號樓

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓1712-1716室

Corporate Information

公司資料

Hong Kong Legal Advisor

Wilson Sonsini Goodrich & Rosati
Suite 1509, 15/F, Jardine House
1 Connaught Place, Central
Hong Kong

Compliance Advisor

CMB International Capital Limited
Units 1803-4, 18/F
Bank of America Tower
12 Harcourt Road
Central, Hong Kong

Principal Share Registrar and Transfer Office

Estera Trust (Cayman) Limited
Clifton House, 75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Stock Code

1586

Website

www.huaxialihong.com

香港法律顧問

威爾遜 • 桑西尼 • 古奇 • 羅沙迪律師事務所
香港中環
康樂廣場1號
怡和大廈15樓1509室

合規顧問

招銀國際融資有限公司
香港中環
夏慤道12號
美國銀行中心
18樓1803-4室

主要股份過戶登記處

Estera Trust (Cayman) Limited
Clifton House, 75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

股份代號

1586

網站

www.huaxialihong.com

Profile of Directors and Senior Management

董事及高級管理人員簡介

Below are the brief profiles of the current Directors and senior management of the Group.

以下為本集團現任董事及高級管理人員的簡介。

Directors

The Board currently consists of seven Directors, comprising three executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth information regarding the Directors.

董事

董事會目前由七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事。下表載列有關董事的資料。

Name 姓名	Age 年齡	Position 職位	Date of Appointment as Director 獲委任董事的日期
Executive Directors 執行董事			
Mr. LI Xiangli 李向利先生	55	Chairman, CEO and executive Director 董事長、行政總裁兼執行董事	13 January 2016 2016年1月13日
Ms. ZHANG Aiyong 張愛英女士	55	Vice president and executive Director 副總裁兼執行董事	13 January 2016 2016年1月13日
Mr. LIU Yi 劉翊先生	53	Vice president and executive Director 副總裁兼執行董事	13 January 2016 2016年1月13日
Non-executive Director 非執行董事			
Mr. WANG Gang 王綱先生	48	Non-executive Director 非執行董事	13 January 2016 2016年1月13日
Independent non-executive Directors 獨立非執行董事			
Mr. YANG Rongbing 楊榮兵先生	38	Independent non-executive Director 獨立非執行董事	18 June 2016 2016年6月18日
Mr. WANG Zichen 王梓臣先生	51	Independent non-executive Director 獨立非執行董事	18 June 2016 2016年6月18日
Mr. ZHAO Hong 趙虹先生	57	Independent non-executive Director 獨立非執行董事	18 June 2016 2016年6月18日

Profile of Directors and Senior Management

董事及高級管理人員簡介

Executive Directors

Mr. LI Xiangli, aged 55, is the chairman, chief executive officer of the Company and an executive Director. He is the spouse of Ms. ZHANG Aiying. Mr. Li is primarily responsible for the strategic planning and overall management of our Group. He is also the chairman of the Nomination Committee. Mr. Li joined our Group in April 2009 and was appointed as our executive Director on 13 January 2016. He is also director of certain subsidiaries of our Company.

Mr. Li has approximately 28 years of experience in the coal testing and inspection industry. Prior to joining our Group, from October 2008 to April 2009, Mr. Li served as a project manager of China Certification & Inspection Group Co., Ltd. (中國檢驗認證(集團)有限公司), a state-owned testing company that serves different industries, and was responsible for the establishment of the platform for mineral inspection. From January 1989 to September 2008, he worked at the coal inspection technology center of Qinhuangdao Entry-Exit Inspection and Quarantine Bureau (秦皇島出入境檢驗檢疫局) and was promoted to a deputy director in April 2004, responsible for coal testing and inspection.

Mr. Li obtained a bachelor's degree in chemistry from Hebei Normal College (河北師範學院) in the PRC in July 1985, and a master's degree in materials science from Yanshan University (燕山大學) in the PRC in December 1999. He obtained the qualification as a senior engineer in November 2001 granted by State Administration for Entry-Exit Inspection and Quarantine of the PRC (國家出入境檢驗檢疫局).

Ms. ZHANG Aiying, aged 55, is a vice president of the Company and an executive Director. She is the spouse of Mr. LI Xiangli. Ms. Zhang is primarily responsible for overall business management, overall management of the procurement and human resources department of our Group. She is also a member of the Remuneration Committee. Ms. Zhang was appointed as our executive Director on 13 January 2016. She is also a director of certain subsidiaries of the Company.

執行董事

李向利先生，55歲，擔任本公司董事長兼行政總裁，亦為執行董事。李先生為張愛英女士的配偶，主要負責本集團戰略規劃及整體管理。其亦為提名委員會主席。於2009年4月，李先生加入本集團，於2016年1月13日，李先生獲委任為執行董事。其亦擔任本公司若干附屬公司的董事。

李先生在煤炭檢測及檢驗行業擁有約28年經驗。加入本集團之前，自2008年10月至2009年4月，李先生擔任中國檢驗認證(集團)有限公司(一家為多個行業提供檢測服務的國有公司)的項目經理，負責建立煤炭檢驗平台；自1989年1月至2008年9月，於秦皇島出入境檢驗檢疫局煤炭檢測技術中心工作，並於2004年4月晉升為副主任，負責煤炭檢測及檢驗。

1985年7月，李先生獲中國河北師範學院化學系學士學位；1999年12月，獲中國燕山大學材料科學的碩士學位；2001年11月獲國家出入境檢驗檢疫局授予高級工程師資格。

張愛英女士，55歲，本公司副總裁兼執行董事。張女士為李向利先生的配偶，主要負責本集團整體業務管理以及採購及人力資源部的整體管理。其亦為薪酬委員會成員。於2016年1月13日，張女士獲委任為執行董事。其亦擔任本公司若干附屬公司的董事。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Ms. Zhang has over 15 years of experience in coal industry. Prior to joining our Group, from May 1995 to February 2005, Ms. Zhang served as a manager of examination department of Shanxi Coal Import & Export Group Qinhuangdao Branch (山西煤炭進出口集團秦皇島分公司), a company primarily engaged in coal trading, and was responsible for coal testings. From August 1988 to May 1995, she was a teacher at No. 11 High School of Qinhuangdao (秦皇島市第十一中學), and was responsible for teaching chemistry.

Ms. Zhang obtained a bachelor's degree in chemistry from Hebei Normal College (河北師範學院) in the PRC in July 1988.

Mr. LIU Yi, aged 53, is a vice president of the Company and an executive Director. He is primarily responsible for overall management of sales, quality control and research. Mr. Liu joined our Group in February 2010 as deputy general manager of Huaxia Lihong, and was appointed as our executive Director on 13 January 2016. He is also a director of a subsidiary of the Company.

Mr. Liu has approximately 29 years of experience in the coal testing and inspection industry. Prior to joining our Group, from September 1988 to January 2010, Mr. Liu worked with Qinhuangdao Entry-Exit Inspection and Quarantine Bureau (秦皇島出入境檢驗檢疫局) and was promoted to the director of the coal inspection technology center in September 2003, responsible for coal inspection. From July 1987 to September 1988, he was a teacher at Hebei Building Materials Vocational and Technical College (河北建材職業技術學院), and was responsible for teaching analytical chemistry.

Mr. Liu obtained a master's degree in materials engineering from Yanshan University (燕山大學) in the PRC in November 2006. He obtained the qualification as a senior engineer in June 1998 granted by National Commodity Inspection Bureau (國家商品檢驗局), currently known as General Administration of Quality Supervision, Inspection and Quarantine of the PRC (國家質量監督檢驗檢疫總局).

張女士於煤炭行業擁有逾15年經驗。加入本集團之前，自1995年5月至2005年2月，張女士擔任山西煤炭進出口集團秦皇島分公司（一家主要從事煤炭交易的公司）化驗室主任，負責煤炭檢測；自1988年8月至1995年5月，任教於秦皇島市第十一中學，負責教授化學。

1988年7月，張女士獲中國河北師範學院化學系學士學位。

劉翊先生，53歲，為本公司副總裁兼執行董事，主要負責銷售、質量控制及研發的整體管理；2010年2月，劉先生加入本集團，擔任華夏力鴻的副總經理，並於2016年1月13日獲委任為執行董事。其亦擔任本公司附屬公司的董事。

劉先生於煤炭檢測及檢驗行業擁有約29年經驗。加入本集團之前，自1988年9月至2010年1月，劉先生任職於秦皇島出入境檢驗檢疫局，並於2003年9月晉升為煤炭檢測技術中心主任，負責煤炭檢驗；自1987年7月至1988年9月，任教於河北建材職業技術學院，負責教授解析化學。

2006年11月，劉先生獲中國燕山大學的材料工程學碩士學位；1998年6月獲國家商品檢驗局（現稱為國家質量監督檢驗檢疫總局）授予高級工程師資格。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Non-executive Director

Mr. WANG Gang, aged 48, is the non-executive Director. He is primarily responsible for providing business guidance in relation to the industry to our Group. Mr. Wang was appointed as our non-executive Director on 13 January 2016.

Mr. Wang has extensive experience in testing industry. Since August 2011, Mr. Wang has been serving as a general manager of operation department and legal and investment department of China Inspection Company Limited (中國檢驗有限公司) ("CIC"), a company primarily engaged in inspection and certification service, and has been responsible for the overall management of operation, strategic, quality control and investment. CIC is a substantial shareholder of the Company, indirectly holding 11.63% of the issued share capital of the Company through its subsidiary. From January 2010 to July 2011, Mr. Wang served as the director of the inspection and supervision department of Zhejiang Entry-Exit Inspection and Quarantine Bureau (浙江出入境檢驗檢疫局) and was responsible for the overall management of the inspection and supervision department. From December 2003 to January 2010, Mr. Wang served as a deputy general manager of China Certification & Inspection Group Zhejiang Co., Ltd. (中國檢驗認證集團浙江有限公司), a company primarily engaged in inspection and certification service, and was responsible for inspection and quality management. From December 1999 to December 2003, Mr. Wang served as the head of Zhejiang Entry-Exit Inspection and Quarantine Firm (浙江出入境檢驗檢疫鑒定所) and was responsible for its overall management.

Mr. Wang obtained a bachelor's degree in electrical engineering from Zhejiang University (浙江大學) in the PRC in July 1992. He also obtained a master's degree in finance from Zhejiang University in the PRC in July 2005.

非執行董事

王綱先生，48歲，非執行董事，主要負責向本集團提供行業相關的業務指導。王先生於2016年1月13日獲委任為非執行董事。

王先生於檢測行業擁有豐富經驗。自2011年8月起，王先生一直擔任中國檢驗有限公司（「中檢公司」）（一家主要從事檢驗認證服務的公司）運營部及法律投資部總經理，負責運營、策略、質量控制及投資的整體管理。中檢公司為本公司的主要股東，通過其附屬公司持有本公司已發行股本中的11.63%。自2010年1月至2011年7月，王先生為浙江出入境檢驗檢疫局檢驗監管處主任，負責檢驗監管處的整體管理；自2003年12月至2010年1月，王先生擔任中國檢驗認證集團浙江有限公司（一家主要從事檢驗認證服務的公司）副總經理，負責檢驗及質量管理；自1999年12月至2003年12月，王先生擔任浙江出入境檢驗檢疫鑒定所所長，負責其整體管理。

王先生於1992年7月自中國浙江大學獲得電氣工程學士學位。彼亦於2005年7月自中國浙江大學獲得金融學碩士學位。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Independent non-executive Directors

Mr. YANG Rongbing, aged 38, is an independent non-executive Director. Mr. Yang is primarily responsible for providing independent opinion and judgment to the Board. He is also the chairman of the Audit Committee. Mr. Yang was appointed as our independent non-executive Director on 18 June 2016.

Mr. Yang has extensive experience in investment and finance. Mr. Yang is also an expert in adopting a wide range of innovative financial vehicles to support rapid growth and continuously improving capital structure. Since May 2013 and April 2017, Mr. Yang has been serving as an executive director and chief executive officer of SMI Holdings Group Limited (星美控股集團有限公司) (“SMI Holdings”) respectively, a company listed on the main board of the Stock Exchange (stock code: 0198) and primarily engaged in theater operation, and has been responsible for corporate strategy whilst oversees a list of key operational departments, including finance, investment, human resources and legal. Mr. Yang has extensive experience in investment and finance, and familiar with relevant areas with regard to the media industry, including financial markets and tax planning. Before joining SMI Holdings in 2010, Mr. Yang had acquired deep experiences in financial management, capital planning, internal control, investment and financing and capital financial strategy from serving various financial and investment roles in state-owned enterprises and institutions such as Beijing Golden Tide Group Co., Ltd. (北京金泰集團有限公司), Foreign Economic Cooperation Office under Ministry of Environmental Protection (國家環境保護部對外合作中心), Center for Development of Trade and Control of Investment in Europe (歐洲商業開發投資管理中心), etc.

Mr. Yang obtained a bachelor's degree in accounting from China University of Mining and Technology (中國礦業大學) in the PRC in July 2002, and a MBA from Central University of Finance and Economics (中央財經大學) in the PRC in June 2011. He qualified as a medium-level accountant in December 2008 certified by Beijing Municipal Bureau of Personnel (北京市人事局).

獨立非執行董事

楊榮兵先生，38歲，獨立非執行董事。楊先生主要負責向董事會提供獨立意見及判斷。其亦為審核委員會主席。楊先生於2016年6月18日獲委任為獨立非執行董事。

楊先生於投融資方面擁有廣泛經驗。楊先生在採用廣泛的創新金融工具以支持快速發展及不斷完善資本結構方面亦是專家。自2013年5月及2017年4月起，楊先生分別擔任星美控股集團有限公司（「星美控股」，一家於聯交所主板上市的公司（股份代號：0198），主要從事影院運營）的執行董事及行政總裁，負責公司戰略及監管主要營運部門，包括財務、投資、人力資源及法律部門。楊先生於投資及財務方面具有豐富的經驗，精通影視傳媒行業融資市場及稅務規劃等相關環節。於2010年加入星美控股之前，通過在北京金泰集團有限公司、國家環境保護部對外合作中心及歐洲商業開發投資管理中心等國有企業及機構擔任不同的財務及投資角色，楊先生於財務管理、資本規劃、內部控制、投融資及資本融資策略方面積累了豐富的經驗。

2002年7月，楊先生獲中國礦業大學的會計學士學位；2011年6月，獲中國中央財經大學工商管理的碩士學位；2008年12月獲北京市人事局授予中級會計師職稱。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Mr. WANG Zichen, aged 51, is an independent non-executive Director. Mr. Wang is primarily responsible for providing independent advice and judgment to our Board. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Wang was appointed as an independent non-executive Director on 18 June 2016.

Since September 2007, Mr. Wang has been working with China Bohai Bank Co., Ltd (渤海銀行股份有限公司) and is currently a branch head of China Bohai Bank Co., Ltd Tianjin Fifth Avenue Branch (渤海銀行股份有限公司天津第五大街支行), responsible for the management and operation of the branch.

Mr. Wang obtained a master's degree in software engineering from Beijing University of Aeronautics and Astronautics (北京航空航天大學) in the PRC in July 2010. He obtained the qualification as a certified cost engineer (註冊造價工程師) granted by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) in 2001. He also obtained the qualification as a senior engineer granted by China State Construction Engineering Corporation (中國建築工程總公司) in December 2008.

Mr. ZHAO Hong, aged 57, is an independent non-executive Director. Mr. Zhao is primarily responsible for providing independent advice and judgment to the Board. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Zhao was appointed as an independent non-executive Director on 18 June 2016.

Mr. Zhao has extensive experience in thermal engineering. Since March 1991, Mr. Zhao has been serving as a teacher in College of Energy Engineering of Zhejiang University and has been responsible for teaching and scientific research.

Mr. Zhao obtained a bachelor's degree in thermal energy from Zhejiang University in the PRC in July 1984, and a master's degree in engineering from Zhejiang University in the PRC in January 1991. He obtained the qualification as a professor in December 2001 granted by Personnel Department of Zhejiang Province (浙江省人事廳).

王梓臣先生，51歲，本公司獨立非執行董事。王先生主要負責向董事會提供獨立意見及判斷。其亦為審核委員會、薪酬委員會及提名委員會成員。王先生於2016年6月18日獲委任為獨立非執行董事。

自2007年9月起，王先生一直任職於渤海銀行股份有限公司，且其目前擔任渤海銀行股份有限公司天津第五大街支行行長，負責支行的管理與運營。

2010年7月，王先生獲中國北京航空航天大學軟件工程專業碩士學位；2001年，獲中華人民共和國住房和城鄉建設部授予註冊造價工程師資格，並於2008年12月獲中國建築工程總公司授予高級工程師資格。

趙虹先生，57歲，獨立非執行董事。趙先生主要負責向董事會提供獨立意見及判斷。其亦為薪酬委員會主席及審核委員會與提名委員會成員。趙先生於2016年6月18日獲委任為獨立非執行董事。

趙先生於熱能工程方面擁有豐富經驗。自1991年3月起，趙先生一直擔任浙江大學能源工程學院教師，負責教學和科研。

趙先生於1984年7月自中國浙江大學獲得熱能學士學位，並於1991年1月自該校獲得工程學碩士學位。其於2001年12月獲浙江省人事廳授予教授資格。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Senior Management

Mr. LI Xiangli, see “— Profile of Directors and Senior Management—Executive Director” for details.

Ms. ZHANG Aiying, see “— Profile of Directors and Senior Management—Executive Director” for details.

Mr. LIU Yi, see “— Profile of Directors and Senior Management—Executive Director” for details.

Ms. KANG Aiyun, aged 46, is a vice president of our Company. Ms. Kang is primarily responsible for overall management of market development of our Group. Ms. Kang joined our Group in January 2016 as a vice president of our Company. She is also the vice general manager of Huaxia Lihong.

Ms. Kang has over 11 years of experience in coal industry. Prior to joining our Group, from August 2009 to January 2016, Ms. Kang worked with the Sales Company of China Coal Group (Sales Center of China Coal Corporation) (中煤集團銷售公司(中煤股份銷售中心)), a state-owned company mainly engaged in coal trading, and served as a vice manager of the No. 1 Sales Department from August 2009 to July 2012, the manager of the No. 1 Sales Department from July 2012 to January 2016, and assistant to the general manager from August 2013 to January 2016, and was mainly responsible for sales and marketing. From March 2007 to August 2009, she served as a vice manager of sales department in Coal Sales Center of China Coal Energy Co., Ltd. (中國中煤能源股份有限公司), a state-owned company mainly engaged in coal production and trading, and she was responsible for sales and marketing. From September 2003 to March 2007, she served as a client manager of the No. 2 Sales Department of China Coal Import and Export Co., Ltd. (中國煤炭進出口公司), a state-owned company mainly engaged in coal trading, and was responsible for sales and client relationship. From October 1997 to September 2003, she was an employee in China Coal Industry Import and Export Co., Ltd. (中國煤炭工業進出口集團公司) in trade headquarters from March 2000 to September 2003, in corporate planning department and No. 1 Business Department from October 1997 to March 2000. From July 1995 to October 1997, she was an employee in policy research office of Coal Industry Import and Export Corporation (中國煤炭工業進出口總公司), a state-owned company mainly engaged in coal trading.

高級管理人員

李向利先生，詳情請參閱「— 董事及高級管理人員簡介— 執行董事」。

張愛英女士，詳情請參閱「— 董事及高級管理人員簡介— 執行董事」。

劉翊先生，詳情請參閱「— 董事及高級管理人員簡介— 執行董事」。

康愛雲女士，46歲，本公司副總裁。康女士主要負責本集團整體市場開發管理。康女士於2016年1月加入本集團，擔任本公司副總裁。康女士亦為華夏力鴻副總經理。

康女士於煤炭行業擁有逾11年的經驗。加入本集團之前，自2009年8月至2016年1月，康女士於中煤集團銷售公司(中煤股份銷售中心)(一家主要從事煤炭交易的國有公司)工作，自2009年8月至2012年7月，康女士擔任一號銷售部門的副經理，自2012年7月至2016年1月，康女士擔任該部門的經理，自2013年8月至2016年1月，康女士擔任該部門總經理助理，主要負責銷售及市場推廣。自2007年3月至2009年8月，康女士擔任中國中煤能源股份有限公司(一家主要從事煤炭生產及交易的國有公司)煤炭銷售中心的銷售部門副經理，負責銷售及市場推廣。自2003年9月至2007年3月，其擔任中國煤炭進出口公司(一家主要從事煤炭交易的國有公司)二號銷售部門客戶經理，負責銷售及客戶關係。自1997年10月至2003年9月，康女士為中國煤炭工業進出口集團公司僱員，其中，自2000年3月至2003年9月於貿易總部工作，1997年10月至2000年3月於公司規劃及一號業務部工作。自1995年7月至1997年10月，康女士為中國煤炭工業進出口總公司(一家主要從事煤炭交易的國有公司)政策研究辦公室僱員。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Ms. Kang obtained a bachelor's degree in economics from Renmin University of China (中國人民大學) in the PRC in July 1995.

Mr. Ko, Tristan Chit Fai, aged 42, was appointed as chief financial officer of the Group on 15 January 2018. In addition to the responsibility to oversee the Group's finance unit and functions, Mr. Ko also involves in the fund-raising activities and potential merger and acquisition activities of the Group.

Prior to joining the Group, Mr. Ko had worked in major investment banks and global private equity firms in the U.S., and also had worked as Head of Corporate Finance units in several Hong Kong main board listed companies. He has extensive experience in banking and financing and in the capital market.

Mr. Ko holds a Bachelor of Science degree, majoring in Finance from the California State University, Northridge in the U.S..

Mr. LIU Yi, aged 39, is the secretary to the Board and assistant to the chief executive officer of our Company. Mr. Liu is primarily responsible for managing daily work of the Board and assisting the CEO in managing the business operation of our Group. Mr. Liu joined our Group in July 2011 and was appointed current position on 16 January 2016. He is also the supervisor and director of a subsidiary of the Company.

1995年7月，康女士獲得中國人民大學經濟學學士學位。

高哲暉先生，42歲，於2018年1月15日獲委任為本集團首席財務官。除負責監督本集團的財務部門和職能外，高先生亦參與本集團的融資活動及潛在的併購活動。

於加入本集團之前，高先生曾任職於美國多家主要投資銀行及全球私人股權公司，亦任職於多家香港主板上市公司的公司融資部門主管，彼於銀行業務及融資方面以及於資本市場積累了豐富經驗。

高先生持有美國加州州立大學北嶺分校的理學士學位，主修金融學。

劉藝先生，39歲，擔任本公司董事會秘書及行政總裁助理。劉先生主要負責管理董事會日常事務並協助行政總裁管理本集團業務運營。劉先生於2011年7月加入本集團，並於2016年1月16日獲委任擔任當前職務。其亦擔任本公司一間附屬公司的監事及董事。

Profile of Directors and Senior Management

董事及高級管理人員簡介

Mr. Liu has over 11 years of experience in testing industry. Prior to joining our Group, from August 2009 to July 2011, Mr. Liu served as the project manager of China Certification & Inspection Group Beijing Co., Ltd. (中國檢驗認證集團北京有限公司), a company primarily engaged in import and export commodity inspection, and was responsible for inspection business. From August 2006 to July 2009, Mr. Liu served as the business line manager of Sinosswiss Inspection Co., Ltd. (中瑞檢驗有限公司), a company primarily engaged in import and export commodity inspection, and was responsible for inspection business management. From July 2004 to July 2006, Mr. Liu served as the inspection supervisor of China Certification & Inspection Group Co., Ltd. (中國檢驗認證(集團)有限公司), and was responsible for import and export commodity inspection management.

Mr. Liu obtained a bachelor's degree in chemistry in July 2001 and a master's degree in chemistry from Tsinghua University (清華大學) in the PRC in July 2004. He obtained the qualification as chemical analysis engineer (化學分析工程師) in September 2013 granted by Beijing Intermediate Professional and Technical Qualification Evaluation Committee.

劉先生於檢測行業擁有逾11年經驗。加入本集團之前，自2009年8月至2011年7月，劉先生擔任中國檢驗認證集團北京有限公司（一家主要從事進出口商品檢驗的公司）的項目經理，負責檢驗業務。自2006年8月至2009年7月，劉先生擔任中瑞檢驗有限公司（一家主要從事進出口商品檢驗的公司）的業務部門經理，負責檢驗業務管理。自2004年7月至2006年7月，劉先生擔任中國檢驗認證（集團）有限公司的檢驗主管，負責進出口商品檢驗管理。

劉先生分別於2001年7月及2004年7月自中國清華大學獲得化學學士學位及碩士學位，並於2013年9月獲北京市中級專業技術資格評審委員會授予化學分析工程師資格。

Management Discussion and Analysis

管理層討論與分析

Business and Market Review

In 2017, the economy of the PRC grew steadily, the demand for energy increased slightly, coal price fluctuated at high level, while power generation and coal production volume both recovered and increased. In 2017, the domestic power production increased by 6.5% as compared to 2016, coal-fired power generation increased by 5.2% as compared to 2016, and the production volume of raw coal was 3.45 billion tons, representing an increase of 3.2% as compared to 2016. In 2017, the targets regarding capacity reduction of the coal industry in China were overachieved. The structural policies on capacity reduction implemented by the National Development and Reform Commission of the PRC concerning the development of advanced production facilities, replacement and elimination of outdated production facilities continued to push forward, the release of advanced production facilities in Shanxi, Shaanxi and Inner Mongolia accelerated, among which, the increase of production capacity in Shaanxi region was particularly prominent. We estimated that, the demand for power generation is expected to grow more rapidly in 2018, while coal consumption and trading volume may grow slightly. The structural optimization of coal production capacity and the anticipation of the mergence and restructuring of the coal-fired power industry in the future will increase the concentration of customers of the coal industry, that is the market share of coal enterprises with quality coal mine resources and advanced production facilities will increase. In general, the industry and market environment in 2018 will be favourable to the future business development of the Company.

The Company recorded a revenue of RMB200.9 million and a net profit of RMB34.7 million in 2017, representing an increase of 7.8% and 3.2%, respectively, as compared to 2016. The gross profit margin of the Group increased from 51.7% in 2016 to 55.1% in 2017.

In 2017, the Group increased its input of resources based on the established international, diversified, automation and informatization strategies, and achieved the following results:

- (1) Improved the domestic service network, established three new domestic service centers in Jiangyin, Shaanxi and Hubei with its scope of inspection services extending to inland coal trade and the number of domestic service centers reaching 11.

業務和市場回顧

2017年我國經濟穩中有升，能源需求小幅回升，煤價高位震蕩，發電量和煤炭產量雙雙回暖增長。2017年全國發電量同比增長6.5%，其中火電發電量同比增長5.2%，原煤產量34.5億噸，同比增長3.2%。中國2017年煤炭去產能目標超額完成，發改委推行的培育發展先進產能、置換淘汰落後產能的結構性去產能政策持續推進，晉陝蒙地區先進產能加速釋放，陝西地區產能增長尤為突出。我們預計，2018年電力需求有望加快增長，煤炭消費量和交易量或將小幅增長。未來的煤炭產能結構優化和煤電行業兼併重組預期，也將導致煤炭行業客戶集中度提高（即擁有優質煤礦資源和先進產能的煤企的市場份額增加）。整體而言，2018年行業和市場環境利好公司未來業務發展。

公司2017年錄得收入人民幣200.9百萬元，淨利潤人民幣34.7百萬元，分別較2016年增長7.8%及3.2%。本集團毛利率從2016年的51.7%增至2017年的55.1%。

2017年本集團根據既定的國際化、多元化、自動化、信息化戰略加大資源投入，取得了以下成果：

- (1) 完善國內服務網絡，新建了江陰、陝西、湖北三個國內服務中心，檢測服務範圍拓展至陸路煤炭貿易，國內服務中心數量達到11個。

Management Discussion and Analysis

管理層討論與分析

- (2) Accelerated the pace of internationalization, established four new overseas service centers in Singapore, India, Malaysia and Indonesia; the overseas service network has covered Southeast Asia and businesses have achieved breakthroughs in terms of diversity; business regarding the inspection of other minerals other than coal in overseas service centers was developed.
- (3) Increased input in research and development, the R&D project “Robot Intelligent Coal Preparation System” obtained the technological accreditation by an industry association and has commenced operation; after appraisal, experts confirmed that such system is efficient and environmental friendly, which filled the gap in coal robotic automation in the PRC and reached international advanced level. Another R&D project “Robotic Automatic Testing System” is being developed.
- (4) A new generation of informatization system “LEON LIMS 1.0” self-developed by us officially commenced operation in August 2017, under which informatization management and control over coal inspection is achieved throughout the entire business process from acceptance of appointment to issuance of certificates.
- (2) 加快國際化步伐，新建了新加坡、印度、馬來西亞、印尼四個海外服務中心，海外服務網絡已覆蓋東南亞地區，並在業務多元化上取得突破，在海外服務中心開展了除煤炭以外的其他礦產品檢驗的業務。
- (3) 加大科研投入，研發項目「機器人智能煤炭製樣系統」通過行業的科技成果鑑定並投入使用；經專家鑑定，該系統高效環保、環境友好，填補了國內煤炭機器人自動化的空白，達到國際領先水平。另一科研項目「機器人自動化驗系統」正在研發中。
- (4) 自主研發的新一代信息化系統「LEON LIMS 1.0」於2017年8月正式使用，煤炭檢驗從接受委託到出具證書的全部業務流程實現信息化管控。

Business Strategies and Future Outlook

Coal is the cornerstone for safeguarding the safe and stable supply of energy in the PRC, the strategic approach on energy “diversified energy development based on coal resources” and the position of coal as the primary energy source will remain unchanged. Following the implementation of national strategy concerning high-quality development in the PRC, through innovative ways in technology such as big data and automation, green development of coal resources, supply quality improvement and clean utilization will be the direction of green development in the future. We believe that, coal testing and inspection is still our core business at this stage, while scientific research innovation, international expansion and diversified development is our direction in the future. We intend to further strengthen our leading position in the coal testing and inspection industry through the following strategies and develop into an international, diversified and technologically advanced third party quality assurance service provider.

業務策略及未來展望

煤炭是保障我國能源安全穩定供應的基石，「煤為基礎、多元發展」的能源戰略方針和以煤炭為主體的一次能源格局不會改變，隨著中國高質量發展國家戰略的實施，通過大數據、自動化等科技創新手段，實現煤炭資源綠色開發、供給質量提升和清潔利用是未來綠色發展的方向。我們認為，煤炭檢測及檢驗在現階段仍然是我們的核心業務，而科研創新、國際化擴張和多元化發展是我們未來的方向。我們計劃通過以下策略進一步鞏固在煤炭檢測及檢驗行業的領導地位，進化成為國際化、多元化和技術領先的第三方質量保證服務商。

Management Discussion and Analysis

管理層討論與分析

Upgrade and expand our network of service centers

To improve our service capabilities and to achieve advantages in technology in China, we intend to apply our scientific research achievements in automation to our existing service centers and plan to carry out automation upgrade in laboratories in the major service centers in China. Our plans will allow us to gain advantages in technology and cost, and further increase our market share by providing better customer experience and spreading our brand image as a leading enterprise in the industry.

In 2016 and before, our service centers covered primarily major seaports for coal trade in China, providing testing services for seaborne coal trade. In 2017, we established new service centers in Shaanxi and Hubei and began to penetrate the coal testing and inspection market for inland coal via rail or truck, we expect to expand our testing service to inland coal trade, which is a market mostly not yet developed by testing and inspection organizations. We also plan to expand our service network to other regions that are strategically important to China's seaborne coal trade, including certain key seaports located in Shandong province and Fujian province.

Outside China, we are selectively establishing service centers to provide testing services for coal and other commodities in countries with abundant coal export volume which represent large potential markets for us. Currently, the Company has constructed four service centers in Southeast Asia. In future, we will continue to construct other overseas service centers, and obtain more shares of business of clients from these countries by leveraging our service capabilities of our international network and provide testing and inspection business for other commodities other than coal.

Further strengthen our capabilities in scientific research and innovation

We believe that technical improvements are critical to our level of service and our ability to achieve competitive advantages in the market, as such, we deploy adequate resources to advance our research and development efforts. We plan to continue to strengthen our internal research as well as collaboration with third-party institutions to develop automated preparation and testing system as well as information based business management system, which will allow us to significantly reduce labor costs, minimize human error and improve efficiency for our services.

升級和拓展我們的服務中心網絡

在國內，為提升我們的服務能力和取得技術領先優勢，我們擬將自動化的科研成果應用到現有的服務中心，計劃對國內主要的服務中心的實驗室設施進行自動化升級。我們的計劃將使我們取得技術、成本領先優勢，帶來更佳的客戶體驗，傳遞我們的作為行業領導者的品牌形象，進一步提升市場份額。

2016年及以前，我們的服務中心主要覆蓋中國的主要煤炭交易海港，對下水煤交易提供檢測服務；2017年我們在陝西、湖北新建服務中心，開始滲透陸路煤炭（通過鐵路或貨車進行陸路運輸的煤炭）檢測及檢驗市場，期望將檢測服務拓展到陸路煤炭貿易，這是大部分未被檢驗檢測機構開發的市場。我們亦計劃將服務網絡拓展至其他對中國下水煤交易而言具有重要戰略意義的地區，包括位於山東省及福建省的若干重要海港。

在海外地區，我們正在有選擇性的建設建成服務中心，在煤炭出口量龐大且對我們來說潛在市場巨大的國家提供煤炭和其他商品的檢測服務。目前公司已建成東南亞的四個服務中心，未來我們將繼續建設其他的海外服務中心，利用我們的國際化網絡服務能力，取得這些國家客戶的更大業務份額，並提供除煤炭以外的其他商品的檢測和檢驗業務。

進一步加強我們的科研創新能力

我們認為，技術改進對於我們的服務水平及能否取得市場競爭優勢至關重要，因此我們投入充足的資源推進我們的研發工作。我們計劃繼續加強內部研發能力並加強與第三方機構的合作以研發自動化的製樣、化驗系統及信息化業務管理系統，該系統將使我們的人工成本大幅降低、人為錯誤最小化、服務效率提升。

Management Discussion and Analysis

管理層討論與分析

In addition to technological innovation, we intend to develop a new testing and inspection business model with the support of an established service network, sufficient big data accumulation and informatization system, so as to provide customers with comprehensive quality management service covering the entire coal supply chain. We believe, comprehensive quality management service of the supply chain is a new business model which is consistent with the national strategy of “high-quality development” in China and has huge growth potential in the future.

Pursue strategic acquisition and joint venture cooperation to enhance our service capabilities and expand our service coverage

In 2016 and before, we expanded our business primarily through organic growth. From 2017, we rapidly entered into new regional markets, established overseas service network and entered into inspection service areas of other commodities by introducing outstanding personnel and teams or partners by way of investment holding. We believe that, there are still abundant acquisition and cooperation opportunities in the testing and inspection industry and we focus on opportunities that can enhance our service capabilities or coverage of services. The key criteria we apply in selecting acquisition or investment targets include their market size, customer base, technical capabilities and management team. If there are suitable targets and opportunities in the testing and inspection market of other commodities (for example minerals, petrochemicals) in the future, we would also consider. We are of the opinion that the abovementioned acquisitions and joint ventures can further expand our service capabilities and coverage, thereby helping the Company become an international, diversified and technologically advanced independent quality assurance service provider.

除了技術創新外，我們擬在完善的服務網絡、充足的大數據積累、信息化系統的支持下，創新檢測和檢驗業務模式，向客戶提供涵蓋整個煤炭供應鏈的全面質量管理服務。我們相信，供應鏈的全面質量管理服務是一種全新的商業模式，符合中國「高質量發展」的國家戰略，未來的增長潛力巨大。

進行戰略收購、合資合作提升服務能力及擴大服務範圍

2016年及以前，我們主要通過自身增長來開拓業務，2017年來，我們通過引進優秀的人才團隊或合作方，以投資控股的合作方式快速開拓新的區域市場，建立海外服務網絡，並進入其他商品的檢驗服務領域。我們相信，檢測及檢驗行業仍然存在大量的收購和合作的機會，我們注重能夠提升我們服務能力或服務範圍的機會。我們篩選收購或投資目標的重要標準包括其市場規模、客戶群、技術能力及管理團隊。如果未來其他商品（例如礦產品、石油化工品）的檢測及檢驗市場有合適的目標和機會，我們也會考慮。我們認為，上述的收購和合資能夠進一步拓展我們的服務能力和範圍，幫助公司成為國際化、多元化、技術領先的第三方質量保證服務商。

Management Discussion and Analysis

管理層討論與分析

Financial Review

Overview

		2017	2016	
		2017年	2016年	
		RMB'000	RMB'000	Change
		人民幣千元	人民幣千元	變動
Revenue	收入	200,921	186,466	7.8%
Gross Profit	毛利	110,684	96,359	14.9%
Profit before tax	稅前利潤	43,137	38,058	13.3%
Profit for the year	年內利潤	34,703	33,628	3.2%

Revenue

The Group's revenue increased by 7.8% from approximately RMB186.5 million in 2016 to approximately RMB200.9 million in 2017. The increase is mainly contributed by an increase in business volume through open tender and private negotiation. The table below sets forth the revenue breakdown for each of our service offerings.

收入

本集團的收入從2016年約人民幣186.5百萬元增至2017年約人民幣200.9百萬元，增幅為7.8%。該增加乃主要由於透過公開投標及私人談判獲得的業務量增加。下表載列我們各項服務的收入明細。

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Testing services	檢測服務	164,213	151,308
Surveying services	鑒定服務	28,500	25,832
Witnessing and ancillary services	見證及輔助服務	8,208	9,326
Others	其他	-	-
		200,921	186,466

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Cost of Sales

The Group's cost of sales was approximately RMB90.2 million in 2017, basically remained stable as compared to approximately RMB90.1 million in 2016, representing 44.9% and 48.3% of the Group's revenue for the same periods, respectively. The slight increase in the Group's cost of sales mainly reflected the increase in staff remuneration in 2017, partially offset by the decreased port charges as the Group offered more testing services at Tangshan Port where port charges were relatively low in 2017. Overall, the Group successfully controlled its cost of sales while maintaining its business expansion.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 14.9% from approximately RMB96.4 million in 2016 to approximately RMB110.7 million in 2017. The gross profit margin increased from 51.7% in 2016 to 55.1% in 2017, which was primarily because that the business volume of the Group's testing services at Huanghua Port where port charges were relatively high decreased, and in the mean time, the business volume of the Group's testing services at Tangshan Port where port charges were relatively low increased.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 33.9% from approximately RMB2.1 million in 2016 to approximately RMB2.7 million in 2017. The increase in the Group's selling and distribution expenses was primarily attributable to (1) the increased open tender expenses; and (2) increased labor costs from increased headcount and compensation base for sales forces.

Administrative Expenses

The Group's administrative expenses increased by 19.8% from approximately RMB53.2 million in 2016 to approximately RMB63.7 million in 2017. The increase in the Group's administrative expenses was primarily attributable to (1) the increase in overall employees' remuneration packages, overseas' talent acquisitions to meet the requirement of the Group's expansion strategy; (2) the depreciation of newly-added housing and properties; and (3) the increase in research and development costs in 2017.

銷售成本

本集團2017年的銷售成本約為人民幣90.2百萬元，與2016年的約人民幣90.1百萬元相比基本持平，分別佔本集團同期收入的44.9%及48.3%。本集團銷售成本小幅增加主要反映了2017年員工薪酬的增加，部分被本集團於2017年增加在唐山港（港口費相對較低）提供的檢測服務令港口費下降所抵銷。整體而言，本集團成功在保持其業務增長的同時控制其銷售成本。

毛利及毛利率

本集團的毛利從2016年的約人民幣96.4百萬元增至2017年的約人民幣110.7百萬元，增幅為14.9%。毛利率從2016年的51.7%增至2017年的55.1%，主要由於本集團黃驊港（港口費相對較高）的檢測服務業務量減少，同時，本集團唐山港（港口費相對較低）的檢測服務業務量增加。

銷售及分銷開支

本集團的銷售及分銷開支從2016年的約人民幣2.1百萬元增至2017年的約人民幣2.7百萬元，增幅為33.9%。本集團銷售及分銷開支增加主要由於(1)公開招標開支增加；及(2)銷售人員人數及基本薪酬增加令人工成本增加。

行政開支

本集團的行政開支從2016年的約人民幣53.2百萬元增至2017年的約人民幣63.7百萬元，增幅為19.8%。本集團行政開支增加主要由於(1)提高整體僱員薪酬待遇及增加海外人才招聘以滿足本集團擴張策略的需求；(2)新增樓宇及物業折舊；及(3) 2017年的研發成本增加。

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Other Expenses

The Group recorded other expenses of RMB2.9 million and RMB2.2 million in 2016 and 2017, respectively. The decrease in the Group's other expenses was primarily attributable to (1) the reversal of provision for the impairment loss of construction in progress in 2016; and (2) the decreased impairment for bad debt, and partially offset by the increase in exchange loss.

Finance Costs

The Group recorded finance costs of approximately RMB1.6 million and RMB0.7 million in 2016 and 2017, respectively, representing a decrease of 55.7%, mainly because the Group fully repaid its previous borrowings in March 2017 and additional finance costs were incurred by the new interest-bearing bank loans only after June 2017.

Income Tax Expense

For the year ended 31 December 2017, income tax expense amounted to approximately RMB8.4 million, increased by approximately RMB4.0 million as compared with approximately RMB4.4 million for the corresponding period of last year.

Net Profit

The Group's net profit increased by 3.2% from approximately RMB33.6 million in 2016 to approximately RMB34.7 million in 2017, generally consistent with the growth of the Group's business.

Property, Plant and Equipment

Property, plant and equipment consist primarily of buildings, vehicles, equipment and construction in progress. The Group had property, plant and equipment of RMB59.6 million and RMB106.5 million as at 31 December 2016 and 2017, respectively. The increase as at 31 December 2017 was primarily due to the addition of office properties during 2017.

Investment Properties

Investment properties consist of a commercial property in Beijing, which was originally purchased at RMB25.5 million in April 2014, and Room 202 and 302 of Wanxingyuan Yingang in Cangzhou, which were originally purchased at RMB1.3 million in August 2011. The investment properties of the Group had a carrying amount of RMB22.3 million and RMB22.0 million as at 31 December 2016 and 2017, respectively.

其他開支

於2016年及2017年，本集團分別錄得其他開支人民幣2.9百萬元及人民幣2.2百萬元。本集團其他開支減少乃主要由於(1)沖回2016年計提的在建工程減值損失；及(2)計提的壞賬準備減少，部分被匯兌損失增加所抵銷。

財務成本

於2016年及2017年，本集團分別錄得融資成本約為人民幣1.6百萬元及人民幣0.7百萬元，降幅為55.7%，主要由於本集團於2017年3月歸還了之前的全部借款，而新增的銀行計息貸款僅在2017年6月開始產生其他財務成本。

所得稅開支

截至2017年12月31日止年度，所得稅開支約為人民幣8.4百萬元，與去年同期約人民幣4.4百萬元相比上漲約人民幣4.0百萬元。

純利

本集團純利從2016年約人民幣33.6百萬元增至2017年的約人民幣34.7百萬元，漲幅為3.2%，基本與本集團的業務增長一致。

物業、廠房及設備

物業、廠房及設備主要包括建築、車輛、設備及在建工程。於2016年及2017年12月31日，本集團的物業、廠房及設備分別為人民幣59.6百萬元及人民幣106.5百萬元。於2017年12月31日，該增加乃主要由於2017年新增了辦公物業。

投資物業

投資物業包括一項位於北京的商業物業，該物業最初於2014年4月以人民幣25.5百萬元購入，另一項位於滄州銀港小區萬興園202、302室於2011年8月以人民幣1.3百萬元購入。於2016年及2017年12月31日，本集團的投資物業賬面值分別為人民幣22.3百萬元及人民幣22.0百萬元。

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Trade and Bills Receivables

The Group's trade and bills receivables primarily represented amounts and bills receivables from its customers for its services provided in the ordinary course of business. As at 31 December 2016 and 2017, the Group had trade and bills receivables of approximately RMB22.1 million and RMB22.6 million, respectively, generally consistent with the growth of the Group's business.

Prepayments, Deposits and Other Receivables

The Group's prepayments, deposits and other receivables primarily represent rental payments, value-added tax, prepayment for construction in process, and deposits paid to enter open tender process and land auction process. The current portion of the Group's prepayments, deposits and other receivables increased by approximately RMB9.3 million from approximately RMB9.3 million as at 31 December 2016 to approximately RMB18.6 million as at 31 December 2017, primarily due to the transfer of the land use rights in Caofeidian from intangible assets to other receivables. The non-current portion of the Group's prepayments, deposits and other receivables decreased from approximately RMB15.1 million as at 31 December 2016 to approximately RMB0.9 million as at 31 December 2017, the main cause of which was that prepayment arising from newly acquired property was offset by transfer from prepayment for purchasing property to fixed assets in 2017.

Available-for-sale Investments

The Group's available-for-sale investments primarily represent low-risk financial products purchased from commercial banks using its cash on hand. As at 31 December 2016 and 2017, the fair value of our available-for-sale investments reached RMB9.0 million and RMB21.3 million, respectively. The increase in the Group's available-for-sale investments as at 31 December 2017 was because the Group utilized idle funds to purchase certain financial products.

貿易應收款項及應收票據

本集團的貿易應收款項及應收票據主要指日常業務過程中本集團提供的服務應收客戶款項及票據。於2016年及2017年12月31日，本集團的貿易應收款項及應收票據分別約為人民幣22.1百萬元及人民幣22.6百萬元。基本與本集團的業務增長一致。

預付款項、按金及其他應收款項

本集團的預付款項、按金及其他應收款項主要指租金付款、增值稅、在建工程預付款項及為參與公開招標流程及土地拍賣流程而支付的按金。本集團預付款項、按金及其他應收款項的流動部分從2016年12月31日的約人民幣9.3百萬元增至2017年12月31日的約人民幣18.6百萬元，增加約人民幣9.3百萬元，主要由於曹妃甸土地使用權由無形資產轉為其他應收款項。本集團預付款項、按金及其他應收款項的非流動部分從2016年12月31日的約人民幣15.1百萬元減至2017年12月31日的約人民幣0.9百萬元，主要由於2017年新購物業產生的預付款項與購買物業預付款轉固定資產相抵銷。

可供出售投資

本集團的可供出售投資主要指使用手頭現金自商業銀行購買的低風險金融產品。於2016年及2017年12月31日，可供出售投資的公允價值分別為人民幣9.0百萬元及人民幣21.3百萬元。於2017年12月31日，本集團可供出售投資增加乃由利用閒置資金來購買若干金融產品。

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Cash and Cash Equivalents

The Group's cash and cash equivalents consist primarily of cash and bank balances denominated in RMB. As at 31 December 2016 and 2017, the Group's cash and cash equivalents were RMB63.5 million and RMB48.8 million, respectively. The decrease in the Group's cash and cash equivalents as at 31 December 2017 was primarily attributable to (1) dividend distribution of RMB10.0 million; (2) repayment of borrowings and interest of RMB44.6 million; and (3) purchase of property, plant and equipment of RMB42.1 million, partially offset by (1) net cash inflows from operating activities of RMB45.3 million; and (2) new bank loans and other borrowing of RMB50.4 million.

Trade Payables

The Group's trade payables primarily represent amounts payable for port charges. As at 31 December 2016 and 2017, the Group had trade payables of RMB4.6 million and RMB3.7 million, respectively. The decrease in the Group's trade payables as at 31 December 2017 was primarily attributable to the decreased amounts payable for port charges resulting from the decrease in the Group's business at Huanghua port.

Advance from Customers, Other Payables and Accruals

The Group's advance from customers, other payables and accruals primarily represent advance from customers, accrued salaries, wages and benefits, other taxes payable and other payables. As at 31 December 2016 and 2017, the Group had advance from customers, other payables and accruals of RMB28.6 million and RMB31.7 million. As at 31 December 2017, the increase in the Group's advance from customers, other payables and accruals was attributable to the increase in the other payables resulted from continuous development of construction in progress.

Interest-bearing Bank Loans

The Group had interest-bearing bank loans of nil and RMB16.2 million as at 31 December 2016 and 2017, respectively. The increase in the Group's interest-bearing bank loans was due to the bank loan arising from purchase of properties in 2017.

現金及現金等價物

本集團的現金及現金等價物主要包括以人民幣計值的現金及銀行結餘。於2016年及2017年12月31日，本集團的現金及現金等價物分別為人民幣63.5百萬元及人民幣48.8百萬元。於2017年12月31日，本集團現金及現金等價物減少乃主要由於(1)派發股利人民幣10.0百萬元；(2)償還借款及利息人民幣44.6百萬元；(3)購買物業、廠房及設備人民幣42.1百萬元；部分被(1)經營所得現金淨流入人民幣45.3百萬元；及(2)新增銀行貸款及其他借款人民幣50.4百萬元所抵銷。

貿易應付款項

本集團的貿易應付款項主要指就港口費用應付的款項。於2016年及2017年12月31日，本集團的貿易應付款項為人民幣4.6百萬元及人民幣3.7百萬元。於2017年12月31日，本集團貿易應付款項減少是主要由於本集團黃驊港業務的減少而導致港口費應付款項而降低。

客戶墊款、其他應付款項及應計項目

本集團的客戶墊款、其他應付款項及應計項目主要指客戶墊款、應計薪金、工資及福利、其他應納稅款以及其他應付款項。於2016年及2017年12月31日，本集團的客戶墊款、其他應付款項及應計項目為人民幣28.6百萬元及人民幣31.7百萬元。於2017年12月31日，本集團的客戶墊款、其他應付款項及應計項目增加乃由於在建工程持續發展引起的其他應付款項增加所致。

計息銀行貸款

於2016年及2017年12月31日，本集團的計息銀行貸款分別為零及人民幣16.2百萬元。本集團的計息銀行貸款增加乃因為於2017年購置物業的銀行貸款所致。

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Interest-bearing Other Borrowings

As at 31 December 2016 and 2017, the Group had other interest-bearing borrowings of RMB10.0 million and RMB1.6 million. Such decrease was primarily attributable to (1) the repayment of other interest-bearing borrowing of RMB10.0 million in 2017 and (2) other new interest-bearing borrowings of RMB1.6 million.

Liquidity and Capital Resources

The Group had cash and cash equivalents of RMB48.8 million as at 31 December 2017. The Group is in a strong and healthy financial position and has sufficient resources to support its operations and meet its foreseeable capital expenditures.

Treasury Management and Funding Policy

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize our shareholders' value. We manage and adjust our capital structure in light of changes in economic conditions and the risks of the underlying assets. To maintain or adjust our capital structure, we may adjust dividend payments to shareholders, return capital to shareholders or raise funds through issuing new equity.

We have a prudent treasury operation to manage our investments in financial products. We only invest in low risk financial instruments from reputable commercial banks that can be redeemed on a same-day basis or otherwise within a short notice period, including primarily bank-sponsored wealth management products, such as bonds, money market funds and interbank deposits.

Cash Flows from Operating Activities

The Group had net cash flows from operating activities of approximately RMB50.3 million and RMB45.3 million in 2016 and 2017, respectively. The decrease in the Group's cash flows from operating activities was primarily due to the increase in research and development costs during 2017.

其他計息借款

於2016年及2017年12月31日，本集團的其他計息借款為人民幣10.0百萬元及人民幣1.6百萬元。減少乃主要由於(1)於2017年償還其他計息借款人民幣10.0百萬元及(2)新增其他計息借款人民幣1.6百萬元。

流動資金及資本資源

於2017年12月31日，本集團的現金及現金等價物為人民幣48.8百萬元。本集團財務狀況穩健，且擁有充足資源以支持其運營及應付可預見的資本開支。

資金管理及融資策略

我們資本管理的首要目的是保障我們持續經營的能力，並維持穩健的資本比率，從而支持我們的業務及實現股東價值最大化。我們根據經濟狀況變動及相關資產風險管理並調節資本結構。為維持或調整資本結構，我們可調整派予股東的股息，向股東退還資本或通過發行新股權籌資。

我們以謹慎的資金運行來管理金融產品的投資。我們僅向聲譽良好的商業銀行低風險金融工具進行投資，該等金融工具額於當日或較短通知期間內贖回，主要包括銀行發行的理財產品，如債券、貨幣市場基金及同業存款。

經營活動所得現金流量

於2016年及2017年，本集團經營活動所得現金流量淨額分別約為人民幣50.3百萬元及人民幣45.3百萬元。本集團經營活動所得現金流量減少主要歸因2017年研發成本增加。

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Cash Flows from Financing Activities

The Group had net cash outflows from financing activities of approximately RMB26.0 million and net cash outflows of RMB1.4 million in 2016 and 2017, respectively. The decrease in the Group's net cash outflows from financing activities in 2017 was primarily due to (1) attainment of new bank loans and other borrowing of RMB50.4 million; (2) dividend payment of RMB10 million; (3) repayment of other interest-bearing borrowing and interest of RMB44.6 million; and (4) the payment of initial public offering related fee and repayment of deemed distribution in 2016.

Commitments

As at 31 December 2017, the Group had a total capital commitment of approximately RMB2.5 million for contracted but not performed acquisition of property, plant and equipment and land use rights.

Contingent Liabilities

As at 31 December 2017, the Group did not have any significant contingent liabilities or guarantees to third parties.

Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. The calculation of gearing ratio is based on total debt divided by total equity and multiplied by 100.0%. Total debt is calculated as "interest-bearing bank loan" plus "interest-bearing other borrowing" as shown in the consolidated statement of financial position. Total capital is calculated as "total equity" as shown in the consolidated statement of financial position.

融資活動所得現金流量

於2016年及2017年，本集團融資活動現金淨流出約為人民幣26.0百萬元及現金流出淨額為人民幣1.4百萬元。2017年，本集團融資活動現金淨流出減少主要歸因於(1)取得新增銀行借款及其他借款人民幣50.4百萬元；(2)派發紅利人民幣10百萬元；(3)歸還其他計息借款及利息人民幣44.6百萬元；及(4)於2016年支付首次公開發售相關費用及償還認定分派。

承擔

於2017年12月31日，本集團就已訂約但尚未進行的物業、廠房及設備以及土地使用權收購的資本承擔總額約為人民幣2.5百萬元。

或有負債

於2017年12月31日，本集團並無任何重大或有負債，亦未向第三方作出擔保。

資本負債比率

本集團基於資本負債比率監控資本。資本負債比率乃按債務總額除以權益總額並乘以100.0%計算。誠如綜合財務狀況表所示，債務總額乃按「計息銀行貸款」加上「其他計息借款」計算。誠如綜合財務狀況表所示，資本總額乃按「權益總額」計算。

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total debt	債務總額	17,742	10,000
Total equity	權益總額	198,298	171,650
Gearing Ratio	資本負債比率	8.9%	5.8%

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Credit Risk

Credit risk is the risk of loss arising from a customer's or counterparty's inability to meet its obligations. The Group enters into transactions only with recognized and creditworthy parties. It is the Group's policy that all customers who wish to have credit transactions with the Group are subject to credit verification procedures taking into account the customers' financial position and the Group's past experience with the customers.

In addition, the Group monitors receivable balances on an ongoing basis, and its exposure to bad debts is not significant. The management of the Group evaluates the creditworthiness of its existing and prospective customers and ensures that the customers have adequate financing for the projects as well as the source of the financing. No collateral is required.

The Group's other financial assets include other receivables, available-for-sale financial instruments and cash and cash equivalents. The credit risk of these financial assets arises from default of the counterparty. The maximum exposure to credit risk equals to the carrying amounts of these assets.

Foreign Exchange Risk

The exposure of our Group to foreign exchange risk was minimal during the year ended 31 December 2017 and hence the Group did not hedge against any fluctuation in foreign currency during the year.

Significant Investments

The Group did not have any significant investments during the year.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

During the year ended 31 December 2017, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies.

Charges on Assets

As at 31 December 2017, certain of the Group's investment properties with a carrying value of RMB21.1 million were pledged to obtain a banking facility from a bank amounting to RMB15 million, which had not been utilised as at 31 December 2017. In addition, the Group purchased two buildings from an independent third party at RMB37.7 million. The building was pledged by this third party before the purchase, and as of 31 December 2017, the pledge had not been released (as at 31 December 2016: no assets were charged).

信貸風險

信貸風險指因客戶或交易方未能履約而產生損失的風險。本集團僅與獲認可及信譽良好的交易方開展交易。本集團的政策規定，有意與本集團開展信貸交易的所有客戶均須通過信貸驗證程序（計及有關客戶的財務狀況及與本集團的過往交易情況）。

此外，本集團會持續監管應收款項結餘，其並未面臨重大壞賬風險。管理層會評估本集團現有及潛在客戶的信譽，並確保客戶擁有充足的項目資金及資金來源。本集團並不需要抵押物。

本集團的其他金融資產包括其他應收款項、可供出售金融工具以及現金及現金等價物。該等金融資產的信貸風險由交易方違約引起。最高信貸風險與該等資產的賬面值相當。

外匯風險

於截至2017年12月31日止年度期間，本集團面臨的外匯風險較小，因此，年內，本集團並無對沖任何外幣波動。

重大投資

年內，本集團並無進行任何重大投資。

附屬公司及關聯公司的重大收購及處置

於截至2017年12月31日止年度期間，本集團並未進行附屬公司及關聯公司的任何重大收購及處置。

資產抵押

於2017年12月31日，本集團賬面值為人民幣21.1百萬元的若干投資物業被抵押以自銀行獲得金額為人民幣15百萬元的銀行融資，該融資於2017年12月31日尚未動用。此外，本集團以人民幣37.7百萬元向獨立第三方購買兩棟樓宇。該樓宇於購買前已由該第三方做抵押且截至到2017年12月31日尚未解除（於2016年12月31日：無資產抵押）。

Corporate Governance Report

企業管治報告

The Board has committed to maintaining good corporate governance standards. The Board believes that good corporate governance standards are essential in providing framework for the Company to safeguard the interests of Shareholders and to enhance corporate value and accountability.

In the opinion of the directors, throughout the year ended 31 December 2017, the Company has complied with all code provisions as set out in the CG Code save for the deviation from code provision A.2.1 which deviation is explained in the relevant paragraph below in this corporate governance report.

The Board will from time to time, review and enhance its corporate governance practices to ensure that the Company continue to meet the requirements of the CG Code.

A. The Board

A1. Responsibilities and Delegation

The powers and duties of our Board include managing our business, convening general meetings and reporting our Board's work at our Shareholder's meetings, preparing financial budgets and final reports, formulating proposals for profit distributions as well as exercising other powers, functions and duties as conferred by our Articles.

A2. Board Composition

As at the date of this annual report, the Board comprises seven members, which consist of three executive Directors, one non-executive Director, and three independent non-executive Directors.

The Board of the Company comprises the following directors:

Executive Directors

Mr. LI Xiangli
Ms. ZHANG Aiyang
Mr. LIU Yi

Non-executive Director

Mr. WANG Gang

Independent Non-executive Directors

Mr. YANG Rongbing
Mr. WANG Zichen
Mr. ZHAO Hong

董事會致力維持良好的企業管治標準。董事會認為，良好的企業管治標準乃本公司保障股東利益及提升企業價值及問責性的關鍵。

董事認為，於截至2017年12月31日止年度，本公司已遵守《企業管治守則》所載的全部守則條文，惟第A.2.1條守則條文的偏離除外，偏離原因會於本《企業管治報告》下文相關段落中作出解釋。

董事會將不時審閱及加強其企業管治常規，以確保本公司繼續符合《企業管治守則》的規定。

A. 董事會

A1. 責任及授權

董事會權力及職責包括管理本集團業務、召開股東大會及在股東大會匯報董事會工作、編製財務預算及最終報告、制定利潤分配方案以及行使章程細則賦予董事會的其他權力、職能及職責。

A2. 董事會的組成

於本年度報告日期，董事會由七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事。

本公司董事會由以下董事組成：

執行董事

李向利先生
張愛英女士
劉翊先生

非執行董事

王綱先生

獨立非執行董事

楊榮兵先生
王梓臣先生
趙虹先生

A3. Chairman and Chief Executive

Currently, Mr. LI Xiangli takes up the roles of both CEO and chairman of the Board, which is a deviation from code provision A.2.1 of the CG Code. In the opinion of the Directors, through supervision by the Board and the independent non-executive Directors, with effective control of the Company's internal check and balance mechanism, the same individual performing the roles of chairman and CEO can achieve the goal of improving the Company's efficiency in decision-making and execution and effectively capturing business opportunities. Many leading international corporations also have similar arrangements.

A4. Appointment and Re-election of Directors

All Directors are appointed for a specific term, subject to renewal upon expiry of the existing term. Each of the executive Directors, namely Mr. LI Xiangli, Ms. ZHANG Aiyi and Mr. LIU Yi is appointed for a term of three years commencing from 13 January 2016 pursuant to their service contracts. The non-executive Directors (including the independent non-executive Directors) are appointed for a term of three years from their respective appointment dates pursuant to their letters of appointment.

According to the Articles, one third of the Directors for the time being (if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. The retiring Directors should be eligible for re-election at the relevant AGM. In addition, any new Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, whereas any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. The Director appointed by the Board as aforesaid shall be eligible for re-election at the relevant general meeting.

A3. 董事長及最高行政人員

目前，李向利先生兼任行政總裁及董事長，與《企業管治守則》第A.2.1條守則條文偏離。董事認為，透過董事會及獨立非執行董事的監管，加上本公司內部制衡機制的有效制約，由同一人兼任董事長及行政總裁的安排可以達到提高本公司決策及執行效率，有效抓住商機的目的。不少國際領先公司亦採取類似安排。

A4. 董事的委任及重選連任

所有董事的委任均有指定任期，可於現有效期間屆滿後予以續期。根據其服務合同，各執行董事（即李向利先生、張愛英女士及劉翊先生）的任期為自2016年1月13日起計為期三年。根據彼等委任書，非執行董事（包括獨立非執行董事）的任期為自彼等各自獲委任日期起計為期三年。

根據章程細則，當時三分之一董事（倘當人數並非三或三的倍數時，則須為最接近但不少於三分之一的人數）須於每屆股東週年大會上輪值退任。每年須退任的董事將為自上次獲選連任或委任後任期最長的董事，但若數名董事於同日出任或獲選連任，除非彼等另行協定，否則以抽籤決定。退任董事於相關股東週年大會上符合資格重選連任。此外，獲董事會委任以填補臨時空缺的任何新任董事任期僅至其獲委任後本公司首次股東大會為止，並可於該大會上重選連任。然而，獲董事會委任為現有董事會新增成員的任何董事的任期僅至下屆股東週年大會為止，且屆時將符合資格重選連任。上述董事會委任的董事於相關股東大會上符合資格重選連任。

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A5. Training and Continuing Development for Directors

Each newly appointed Director will receive formal induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Trainings and professional development for Directors are arranged whenever necessary. In addition, reading material on new or changes to salient laws and regulations applicable to the Company are provided to Directors from time to time for their studying and reference.

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors. According to the training records currently maintained by the Company, during the year, the Directors have complied with the code provision A.6.5 of the CG Code on participation in continuous professional training as follows:

Type of training/ education	培訓/ 教育類型	Attending training on regulatory development, directors' duties or other relevant topics 出席關於監管發展、 董事職責或 其他相關主題的培訓	Reading regulatory updates or corporate governance related materials or materials relevant to directors' duties 閱覽監管最新資訊或 與企業管治有關的資料或 與董事職責有關的材料
Mr. LI Xiangli	李向利先生	✓	✓
Ms. ZHANG Aiyang	張愛英女士	✓	✓
Mr. LIU Yi	劉翊先生	✓	✓
Mr. WANG Gang	王綱先生	✓	✓
Mr. YANG Rongbing	楊榮兵先生	✓	✓
Mr. WANG Zichen	王梓臣先生	✓	✓
Mr. ZHAO Hong	趙虹先生	✓	✓

A5. 董事的培訓及持續發展

每名新任董事均將於其首次獲委任時接受正式入職指導，以確保其適當了解本公司的業務及營運以及完全知悉《上市規則》及相關監管規定項下其責任及義務。該等指導須以考察本公司的主要廠房作為補充，並與本公司的高級管理人員會面。

現任董事須不斷獲得有關法律及監管發展以及業務及市場變化的最新資料，以便履行彼等的職責。董事必要時獲安排培訓及進行專業發展。此外，董事不時獲提供適用於本公司的新訂主要法律法規或有關變動的閱讀材料，以供彼等學習及參考。

董事須於各財政年度向本公司提交其已接受的培訓詳情，以供本公司存置董事的適當培訓記錄。根據本公司目前存置的培訓記錄，董事於本年度已遵照《企業管治守則》第A.6.5條守則條文參與下列持續專業培訓：

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A6. Directors' Attendance Records at Meetings

The attendance records of each Director at the Board and Board committee meetings and the general meeting of the Company held during the year ended 31 December 2017 are set out below:

Name of Director	董事姓名	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	2017 Annual General Meeting 2017年股東週年大會
Executive Directors:	執行董事：					
Mr. Li Xiangli	李向利先生	4/4	N/A 不適用	N/A 不適用	1/1	1/1
Ms. ZHANG Aiyang	張愛英女士	4/4	N/A 不適用	1/1	N/A 不適用	1/1
Mr. LIU Yi	劉翊先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Non-executive Director:	非執行董事：					
Mr. WANG Gang	王綱先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Independent non-executive Directors:	獨立非執行董事：					
Mr. YANG Rongbing	楊榮兵先生	4/4	2/2	N/A 不適用	N/A 不適用	1/1
Mr. WANG Zichen	王梓臣先生	4/4	2/2	1/1	1/1	1/1
Mr. ZHAO Hong	趙虹先生	4/4	2/2	1/1	1/1	1/1

A7. Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of their office or employment, are likely to possess inside information of the Company and/or securities. Specific enquiry has been made of all the Directors and they have confirmed their compliance with the Model Code during the year ended 31 December 2017. In addition, no incident of non-compliance of the Model Code by the senior management of the Company was noted during the year ended 31 December 2017.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and senior management in advance.

A6. 董事的會議出席記錄

各董事出席本公司截至2017年12月31日止年度期間舉行的董事會會議、董事委員會會議及股東大會的記錄載列如下：

A7. 進行證券交易的標準守則

本公司已採納《標準守則》作為董事及本公司高級管理人員（彼等因有關職位或受僱工作而可能擁有有關本公司及／或證券的內幕消息）買賣本公司證券的行為守則。經向所有董事具體查詢後，彼等已確認於截至2017年12月31日止年度內一直遵守《標準守則》。此外，截至2017年12月31日止年度內概無發現本公司高級管理人員違反《標準守則》的事件。

倘若本公司知悉任何有關買賣本公司證券的限制期，本公司將會事先通知其董事及高級管理人員。

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A8. Corporate Governance Functions

The Board is responsible for performing the corporate governance functions set out in the code provision D.3.1 of the CG Code.

B. Board Committees

The Company has three Board committees, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website. All the Board committees should report to the Board on their decisions or recommendations made.

B1. Remuneration Committee

The Remuneration Committee comprises a total of three members, being two independent non-executive Directors, namely Mr. ZHAO Hong (chairman of the committee) and Mr. WANG Zichen, and one executive Director, namely Ms. ZHANG Aiyang. Throughout the year, the Company has met the Listing Rule requirements of having the majority of the Remuneration Committee members being independent non-executive Directors as well as having the committee chaired by an independent non-executive Director.

The primary function of the Remuneration Committee is to develop remuneration policies of our Directors, evaluate the performance, make recommendations on the remuneration packages of our Directors and senior management and evaluate and make recommendations on employee benefit arrangements. During the year, the Remuneration Committee met once to review the remuneration of the Directors and senior management of the Company as well as the total amount of remuneration paid by the Company in year 2017.

The attendance records of each committee member in the Remuneration Committee meeting held during the year are set out in section A6 above.

A8. 企業管治職能

董事會負責履行《企業管治守則》第D.3.1條守則條文所載的企業管治職能。

B. 董事委員會

本公司有三個董事會委員會，即薪酬委員會、提名委員會及審核委員會，以監督本公司事務的特定範疇。所有董事會委員會成立時均訂有明確的書面職權範圍，該等資料可於聯交所網站(www.hkexnews.hk)及本公司網站查閱。所有董事委員會應向董事會匯報彼等所作決定或建議。

B1. 薪酬委員會

薪酬委員會合共包括三名成員，即兩名獨立非執行董事（趙虹先生（委員會主席）及王梓臣先生）及一名執行董事（張愛英女士）。本公司於本年度內符合《上市規則》要求，薪酬委員會大部分成員為獨立非執行董事，以及由獨立非執行董事擔任委員會的主席。

薪酬委員會的主要職能為發展董事的薪酬政策、評估表現、就董事及高級管理人員的薪酬待遇提供建議，並就員工福利安排作出評估及提供建議。薪酬委員會於本年度內舉行了一次會議，以審閱本公司董事及高級管理人員的薪酬以及2017年本公司所派付的薪酬總額。

各委員會成員出席於本年度內舉行的薪酬委員會會議的記錄載列於上文A6一節。

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Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management by band for the year is set out below:

Remuneration band (HK\$)	薪酬範圍 (港元)	Number of individuals 人數
Nil to 1,000,000	零至1,000,000	2
1,000,001-1,500,000	1,000,001至1,500,000	3
2,000,001 – 2,500,000	2,000,001至2,500,000	1

Details of the remuneration of each Director for the year are set out in Note 8 to the financial statements contained in this annual report.

根據《企業管治守則》第B.1.5條守則條文，高級管理層成員於本年度內的年度薪酬範圍載列如下：

各董事於本年度內的薪酬詳情載列於本年度報告所載財務報表附註8。

B2. Nomination Committee

The Nomination Committee comprises a total of three members, being one executive Director, namely Mr. LI Xiangli (chairman of the committee), and two independent non-executive Directors, namely Mr. WANG Zichen and Mr. ZHAO Hong. Throughout the year, the Company has met the code provision A.5.1 of having a majority of the committee members being independent non-executive Directors and having the committee chaired by the chairman of the Board.

The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board; identifying individual suitably qualified to become members of the Board and select or making recommendations to the Board on the selection of individuals nominated for directorship; making recommendations to the Board on the appointment, reappointment and succession planning of Directors; and assessing the independence of independent non-executive Directors, as well as reviewing the board diversity policy.

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board in terms of skills, professional experience, educational background, knowledge, culture, independence, age and gender. In accordance with the board diversity policy, a truly diverse Board will

B2. 提名委員會

提名委員會合共包括三名成員，即一名執行董事（李向利先生（委員會主席））及兩名獨立非執行董事（王梓臣先生及趙虹先生）。本公司於本年度內符合第A.5.1條守則條文，大部分委員會成員為獨立非執行董事，以及由董事會主席擔任委員會的主席。

提名委員會的主要職責包括審閱董事會的架構、人數及組成；物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提供建議；就董事委任、重新委任董事及董事繼任計劃向董事會提出建議；及對獨立非執行董事的獨立性進行評估以及審閱董事會成員多元化政策。

董事會已採納董事會成員多元化政策，為求達致本公司董事會成員在技能、專業經驗、教育背景、知識、文化、獨立性、年齡及性別上多元化而作出的方針。根據董事會成員多元化政策，一個真正多元化的董事會將包括並

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include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on merit while taking into account diversity (including gender diversity).

During the year, the Nomination Committee met once mainly to review the structure, size and composition of the Board in consideration to the board diversity policy, and to review the nomination criteria and procedures, the performance of Directors and the independence of independent non-executive Directors as well as to review annually its terms of reference and their effectiveness in the discharge of its duties.

The independence of the independent non-executive Directors has been assessed in accordance with the applicable Listing Rules. The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive directors, and the Company is of the view that all independent non-executive Directors meet the guidelines for assessing independent set out in Rule 3.13 of the Listing Rules and are independent.

The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained and has not set any measurable objective for implementing diversity on the Board. The Nomination Committee also considered that the Directors are rich in knowledge, experience and background and their outstanding skills in their respective expertise can meet the development needs of the Company.

The attendance records of each committee member in the Nomination Committee meetings are set out in section A6 above.

善用董事於技能、地區及行業經驗、背景、種族、性別及其他素質等方面的差異。本公司在制定董事會成員的最佳組合時將考慮該等差別。所有董事會成員的任命均以用人唯才為原則，並考慮多元化（包括性別多元化）。

於本年度內，提名委員會舉行了一次會議，主要以審閱董事會的架構、人數及組成（考慮到董事會成員多元化政策）、審閱提名資格及程序、董事表現及獨立非執行董事的獨立性，以及每年審閱其職權範圍及履行其職責的有效程度。

根據適用《上市規則》，提名委員會已對獨立非執行董事的獨立性進行評估。根據《上市規則》第3.13條，本公司已接獲各獨立非執行董事就其獨立性作出的年度確認，且本公司認為，所有獨立非執行董事均符合《上市規則》第3.13條所載評估獨立性指引，且為獨立人士。

提名委員會認為，董事會組成在多元化方面維持適當平衡，並無制定任何實施董事會成員多元化的可計量目標。提名委員會亦認為，董事的知識、經驗及背景豐富，而其於各自專長的卓越技能可滿足本公司的發展需要。

各委員會成員出席提名委員會會議的記錄載列於上文A6一節。

Corporate Governance Report

企業管治報告

B3. Audit Committee

The Company has met the Listing Rule requirements regarding the composition of the Audit Committee throughout the year. The Audit Committee comprises a total of three members, being three independent non-executive Directors, namely Mr. YANG Rongbing (chairman of the committee), Mr. WANG Zichen and Mr. ZHAO Hong.

The main duties of the Audit Committee include monitoring the integrity of the Company's financial statements, annual report and interim report, and reviewing significant financial reporting judgements contained therein; reviewing the Company's financial controls, and overseeing the risk management and internal control systems; making recommendations to the Board on the appointment, reappointment and removal of external auditor, and approving the remuneration and terms of engagement of external auditor, as well as reviewing arrangements which can be used by the employees of the Company, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The Audit Committee is also responsible for performing the functions set out in the code provision D.3.1 of the CG Code. Its main duties include developing and reviewing the Group's policies and practices on corporate governance and making recommendations to the Board; reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements; reviewing and monitoring the training and continuous professional development of directors and senior management of the Group; and reviewing the Group's compliance with the CG code and the Model Code and the disclosure in the corporate governance report to be contained in the Company's annual reports.

B3. 審核委員會

於本年度內，本公司一直符合《上市規則》有關審核委員會組成的要求。審核委員會合共包括三名成員，即三名獨立非執行董事（楊榮兵先生（委員會主席）、王梓臣先生及趙虹先生）。

審核委員會的主要職責包括監察本公司的財務報表、年度報告及中期報告的完整性，審閱報表及報告所載有關財務申報的重大判斷；審閱本公司的財務控制，監管風險管理及內部控制系統；就外部核數師的委任、重新委任及罷免向董事會提供建議，批准外部核數師的薪酬及聘用條款，以及審閱有關令本公司僱員可暗中就財務申報、內部控制或其他事宜可能發生的不正當行為提出關注的安排。

審核委員會亦負責履行《企業管治守則》第D.3.1條守則條文所載的職能。其主要職責包括制定及審閱本集團的企業管治政策及常規，並向董事會提出建議；審閱及監察本集團在遵守法律及監管規定方面的政策及常規；審閱及監察本集團董事及高級管理人員的培訓及持續專業發展；及審閱本集團遵守《企業管治守則》及《標準守則》的情況以及在本公司年度報告中所載的《企業管治報告》中的披露。

Corporate Governance Report

企業管治報告

During the year, the Audit Committee held two meetings to review the annual and interim financial results and reports in respect of the year ended 31 December 2016 and in respect of the six months ended 30 June 2017. The Audit Committee also reviewed financial control and risk management systems as well as the scope of work of external auditor. The Audit Committee also reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

The attendance records of each committee member in the Audit Committee meetings are set out in section A6 above.

C. Directors' Responsibilities for Financial Reporting in Respect of the Financial Statements

The Directors have acknowledged their responsibilities for preparing the financial statements of the Group for the year.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports and other financial disclosures required under the Listing Rules and other regulatory requirements.

於本年度內，審核委員會舉行了兩次會議，審閱截至2016年12月31日止年度及截至2017年6月30日止六個月的年度及中期財務業績及報告。審核委員會亦審閱了財務控制及風險管理系統以及外部核數師的工作範疇。審核委員會亦審閱本公司企業管治政策及常規、董事及高級管理人員的培訓及持續專業發展、本公司遵守法律法規規定、遵守《標準守則》的政策及常規、本公司遵守《企業管治守則》的情況及在本《企業管治報告》中的披露。

各委員會成員出席審核委員會會議的記錄載列於上文A6一節。

C. 董事對有關財務報表的財務報告的責任

董事知悉其負責編製本集團於本年度的財務報表。

董事會負責就呈報年度及中期報告以及《上市規則》及其他法定要求規定的其他財務披露事項作出平衡、清晰及可理解的評估。

D. Risk Management and Internal Control

The Board acknowledges its responsibility to maintain effective risk management and internal control systems of the Company in order to manage rather than eliminate risks of failure to achieve business objectives, and to provide reasonable but not absolute assurance against material misstatement or loss.

The Company implemented various policies and procedures to ensure effective risk management at each aspect of its operation, including the provision of on-site inspection, surveying and sampling services, performance of analytical tests in our laboratories, administration of daily operation, financial reporting and recording, fund management, compliance with applicable laws and regulations on environmental protection and workplace safety.

The internal audit department monitors compliance with policies and procedures and the effectiveness of risk management and internal control structures across the Group and its principal divisions. The internal audit department reports directly to the Audit Committee and ensure the internal controls are in place and functioning properly as intended.

For 2017, the Board through the Audit Committee had conducted an annual review on the systems of internal control and risk management of the Company. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. Areas of improvement have been identified and appropriate measures have been put in place to manage the risks. The improvement of the systems of risk management and internal control is an ongoing process and the Board maintains a continuing commitment to strengthen the Company's control environment and processes.

The Company formulated the inside information policy. The Company regularly reminds the directors and employees about due compliance with all policies regarding the inside information (as defined under the SFO). Also, the Company keeps directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

D. 風險管理及內部控制

董事會知悉，其有責任為本公司維持有效的風險管理及內部控制系統，在控制風險而非清除風險的前提下達成業務目標，並有責任就重大失實陳述或損失提供合理而非絕對的保證。

本公司經實施多項政策及程序，以保證操作中各方面都得到有效的風險管理，包括提供現場檢查、測量及採樣服務、實驗室性能分析測試、日常操作管理、財務報告及記錄、基金管理、遵守環境保護及工作場所安全適用的法律法規。

內部審核部門監督本集團及其主要部門遵守政策及程序的情況以及風險管理及內部控制結構的有效性。內部審核部門直接向審核委員會報告，並確保設有內部控制，並按預期正常運行。

2017年，董事會通過審核委員會對本公司內部控制及風險管理系統進行年度審核。上述審核涵蓋主要控制範圍，包括本集團財務、營運、合規控制及風險管理功能。已發現需改善的方面，並已採取適當措施管理風險。改善風險管理及內部控制系統為一個持續的過程，董事會將持續致力於加強本公司環境及流程的控制。

本公司制定了內幕消息政策。本公司定期提醒董事及僱員妥善遵守相關內幕消息（定義見《證券及期貨條例》）的所有政策。此外，本公司讓董事、高級管理人員及僱員掌握最新的監管資料。本公司將編製或更新合適指引或政策以確保遵守監管規定。

Corporate Governance Report

企業管治報告

E. Company Secretary

During the year, upon the resignation of Ms. Li Oi Lai (“Ms. Li”) as the Company Secretary on 7 July 2017, Ms. Hui Yin Shan (“Ms. Hui”) acted as the Company Secretary until she resigned on 28 February 2018. Ms. Hui was the Assistant Vice President of SW Corporate Services Group Limited, a corporate service provider. With effect from 28 February 2018, Mr. Chan Oi Fat was appointed as the Company Secretary in place of Ms. Hui. The primary contact person at the Company during the year with Ms. Li and Ms. Hui was Mr. Liu Yi, the secretary to the Board and assistant to the CEO of the Company.

During the year, Ms. Li and Ms. Hui were responsible for providing advice to the Board on corporate governance matters. Mr. Li and Ms. Hui had confirmed that each of them has taken no less than 15 hours of relevant professional training during the year.

F. External Auditor and Auditor’s Remuneration

The statement of the external auditor of the Company, Ernst & Young, about their reporting responsibilities on the Company’s financial statements for the year is set out in the section headed “Independent Auditor’s Report” in this annual report.

The fees paid/payable to Ernst & Young in respect of audit services and non-audit services for the year are analyzed below:

E. 公司秘書

於本年度，於李愛麗女士（「李女士」）於2017年7月7日辭任公司秘書後，許燕珊女士（「許女士」）獲委任為公司秘書，直至其於2018年2月28日辭任。許女士是信永方圓企業服務集團有限公司（一家公司服務供應商）之副總裁。自2018年2月28日起，陳愛發先生代替許女士獲委任為公司秘書。於本年度，李女士與許女士於本公司的主要聯絡人士為劉藝先生，其為董事會秘書及本公司行政總裁助理。

於本年度，李女士及許女士負責就公司治理事宜向董事會提供意見。李女士及許女士已各自確認於本年度已接受不少於15小時的相關專業培訓。

F. 外部核數師及核數師薪酬

本公司外部核數師安永會計師事務所有關本公司本年度財務報表的報告責任的聲明載於本年度報告「獨立核數師報告」一節。

於本年度就安永會計師事務所所提供的審計服務及非審計服務已付／應付的費用分析如下。

Service Category	服務類別	Fees paid/payable
		已付/應付的費用
		RMB'000
		人民幣千元
Audit	審計	
Annual audit service	年度審計服務	850
Non-audit	非審計	
Interim review service	中期審閱服務	350
Total	合計	1,200

Corporate Governance Report

企業管治報告

G. Communications with Shareholders and Investors

The Company considers that effective communication with Shareholders (both individual and institutional, and in appropriate circumstances, the investment community at large) is essential for enhancing investor relations and ensuring ready, equal and timely access to balanced and understandable information about the Company (including financial performance, strategic goals and plans, material developments and governance) by investors.

The Company maintains a website at www.huaxialihong.com as a communication platform with Shareholders and investors, where information and updates on the Company's business developments and operations and other information are available for inspection for public access.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through AGMs and other general meetings. Board members, in particular, the chairmen of Board committees or their delegates, appropriate management executives and external auditor will use all reasonable efforts to attend AGMs and to answer shareholders' questions.

H. Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company (www.huaxialihong.com) and the Stock Exchange after each general meeting. The Articles allow a Shareholder entitled to attend and vote at a general meeting to appoint a proxy, who need not be a Shareholder, to attend the meeting and vote thereat on his/her/its behalf.

G. 與股東及投資者溝通

本公司認為，與股東（包括個人及機構兩者，以及於適當情況下，整個投資界）的有效溝通，對加強投資者關係及確保投資者獲得實時、平等和及時的平衡及可理解的本公司資料（包括財務表現、策略目標及計劃、重大發展及管治）十分重要。

本公司設有網站www.huaxialihong.com作為與股東及投資者的溝通平台，可供公眾瀏覽有關本公司業務發展及營運的資訊及最新情況以及其他資料。

本公司盡力於與股東保持對話，尤其是通過股東週年大會及其他股東大會。董事會成員（尤其是董事委員會主席或其代表）、合適管理人員及外部核數師將盡一切努力出席股東週年大會，以解答股東的問題。

H. 股東權利

為保障股東的權益及權利，會於股東大會上就每項實際獨立的事宜（包括個別董事選舉）分別提出決議案。所有於股東大會上提呈的決議案將根據《上市規則》以投票方式進行表決，而投票結果將於各股東大會後刊登於本公司網站(www.huaxialihong.com)及聯交所網站。章程細則允許有權出席股東大會及於會上投票的股東委任代表（無需為股東）代表其出席大會及於會上投票。

Corporate Governance Report

企業管治報告

Pursuant to the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

With respect to the Shareholders' right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company.

During the year, the Company has not made any changes to the Articles. An up-to-date version of the Articles is available on the websites of the Company and the Stock Exchange.

Shareholders may refer to the Articles for further details of the rights of Shareholders.

根據章程細則，任何一名或以上於遞呈申請當日持有有權於本公司股東大會上投票的本公司繳足股本不少於十分之一的股東，有權透過向董事會或本公司的公司秘書發出書面申請要求董事會召開股東特別大會，以處理有關申請中指明任何業務的交易；上述會議應於相關申請遞呈後兩個月內舉行。倘遞呈後21日內董事會未有召開該股東大會，則遞呈申請人士可自行按正常程序召開股東大會，而遞呈申請人士因董事會未有召開股東大會而合理產生的所有開支應由本公司向申請人作出償付。

開曼群島《公司法》或章程細則中並無條文允許股東在股東大會上提出新決議案。意欲提出決議案的股東可依照前段所載程序請求本公司召開股東大會。

有關股東提名他人參選董事的權利的詳情，請參閱本公司網站所載程序。

於本年度內，本公司並無對章程細則作出任何修改。章程細則的最新版本於本公司及聯交所網站可供查詢。

有關股東權利的詳情，股東可參閱章程細則。

Directors' Report

董事會報告

The Board is pleased to present the Directors' Report of the year 2017 together with the audited consolidated financial statements of the Group for the year.

Principal Business Activities

The Company was incorporated in the Cayman Islands on 29 July 2015 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company is an investment holding company.

An analysis of the Company's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and Note 5 and 6 to the consolidated financial statements.

Business Review

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties facing the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, principal risks and uncertainties of the Group's business, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. In addition, a discussion on relationships with its key stakeholders is included in the sections headed "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. The review forms part of this directors' report.

Financial Summary

A summary of the published results and assets, liabilities and non-controlling interests of the Group, for the last five financial years is set out on page 6 of this annual report.

董事會欣然呈列本集團2017年度的董事會報告，連同本年度經審核綜合財務報表。

主要業務活動

本公司於2015年7月29日根據開曼群島《公司法》在開曼群島註冊成立為獲豁免有限公司。本公司為投資控股公司。

有關本公司本年度的主要活動所得收入及經營利潤的分析載於本年度報告「管理層討論與分析」一節及綜合財務報表附註5和6。

業務回顧

年內本集團的業務回顧包括有關本集團所面臨主要風險及不確定性的討論、使用財務主要表現指標對本集團表現作出的分析、年內影響本集團的重大事項的詳情、本集團業務的主要風險及不確定性以及本集團日後可能出現的業務發展，均分別載於本年度報告「主席報告」及「管理層討論與分析」章節內。此外，有關本集團與其主要股權持有人關係的討論載於本年度報告「管理層討論與分析」及「企業管治報告」章節內。該審視構成董事會報告的一部分。

財務概要

本集團最近五個財政年度的公開業績以及資產、負債及非控股權益的概要載於本年度報告第6頁。

Directors' Report

董事會報告

Results and Dividends

The results of the Company for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss on pages 80 and 81 of this annual report.

The Board recommends the payment of a final dividend of RMB0.025 per share in respect of the year ended 31 December 2017 to shareholders whose names appear on the register of members of the Company on Monday, 21 May 2018. The proposed final dividend will be paid on or about Thursday, 21 June 2018, subject to approval at the AGM.

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the period from Monday, 7 May 2018 to Friday, 11 May 2018.

Closure of the Register of Members

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 7 May 2018 to Friday, 11 May 2018, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 4 May 2018; and
- (ii) from Thursday, 17 May 2018 to Monday, 21 May 2018, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 16 May 2018.

業績及股息

本公司截至2017年12月31日止年度的業績載於本年度報告第80及81頁的綜合損益表。

董事會建議向於2018年5月21日（星期一）名列本公司股東名冊的股東派發截至2017年12月31日止年度的末期股息每股人民幣0.025元。經股東週年大會批准，擬派發的末期股息將於2018年6月21日（星期四）或前後派發。

擬派發的末期股息以人民幣宣派，以港元派付。應以港元派付的末期股息將按中國人民銀行於自2018年5月7日（星期一）至2018年5月11日（星期五）期間公佈的人民幣兌港元的平均中間匯率由人民幣換算得出。

暫停辦理股份過戶登記手續

本公司將於以下期間暫停辦理股份過戶登記手續：

- (i) 為確保股東有權出席股東週年大會並於會上投票，自2018年5月7日（星期一）至2018年5月11日（星期五）（包含首尾兩日）將不會辦理股份過戶登記手續。為符合資格出席股東週年大會並於會上投票，所有轉讓文件連同有關股票均須於2018年5月4日（星期五）下午四時三十分前遞交至本公司證券登記處香港中央證券登記有限公司（地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖）進行登記；及
- (ii) 為確保股東有權獲得擬派發的末期股息，自2018年5月17日（星期四）至2018年5月21日（星期一）（包含首尾兩日）將不會辦理股份過戶登記手續。為獲得擬派發的末期股息，所有轉讓文件連同有關股票均須於2018年5月16日（星期三）下午四時三十分前遞交至本公司證券登記處香港中央證券登記有限公司（地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖）進行登記。

Directors' Report

董事會報告

Share Capital

Details of the movements in the share capital of the Company are set out in Note 28 to the financial statements.

Equity-linked Agreements

During the year, other than the Option Scheme as set out in the section headed "Option Scheme" and Note 29 to the financial statements, the Company did not enter into any equity-linked agreement other than the share option scheme of the Company as disclosed below.

Environmental Policies and Performance

The Group is highly aware of the importance of environmental protection and has not noted any material in compliance with any relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. During the production process, the Group has implemented environmental protection measures, including procedures related to energy use control, waste water and waste air discharge management. The Group has also encouraged staff to be environment friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste.

Purchase, Sale or Redemption of Shares of the Company

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any Shares for the year 2017.

Reserves

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 84 of this annual report and Note 30 to the financial statements, respectively.

As at December 31, 2017, the Company's distributable reserves were RMB85.1 million.

Donations

The Group did not make any charitable donations during the year (2016: nil).

股本

有關本公司股本變動的詳情，載於財務報表附註28。

股權掛鈎協議

年內，除財務報表附註29「購股權計劃」一節所載的購股權計劃外，本公司並無訂立任何股權掛鈎協議，於下文披露的本公司購股權計劃除外。

環境政策及表現

本集團深知環境保護的重要性，但並無發現其業務（包括健康與安全、工作場所條件、僱傭及環境）嚴重違反任何相關法律法規。於生產過程中，本集團已實施環保措施，包括有關能源使用控制、廢水及廢氣排放管理的措施。本集團亦鼓勵員工通過根據實際需要用電用紙，在工作時保護環境，以減少能源消耗及盡量減少不必要的廢物。

購買、出售或贖回本公司股份

於2017年，本公司及其任何附屬公司概無購買、贖回或出售本公司任何股份。

儲備

有關本集團及本公司於年內的儲備變動詳情，分別載於本年度報告第84頁的綜合權益變動表及財務報表附註30。

於2017年12月31日，本公司可供分派的儲備為人民幣85.1百萬元。

捐款

年內，本集團並無作出任何慈善捐款（2016年：無）。

Directors' Report

董事會報告

Borrowings

Details of the borrowings are set out in the section headed "Management Discussion and Analysis" in this annual report and Note 27 to the consolidated financial statements.

Directors

During the year and up to the date of this annual report, directors of the Company were as follows:

Executive Directors

Mr. LI Xiangli
Ms. ZHANG Aiyang
Mr. LIU Yi

Non-Executive Director

Mr. WANG Gang

Independent Non-Executive Directors

Mr. YANG Rongbing
Mr. WANG Zichen
Mr. ZHAO Hong

Biographical Details of the Directors and the Senior Management

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 12 to 20 in the section headed "Profile of Directors and Senior Management" to this annual report.

借款

有關借款詳情，載於本年度報告「管理層討論與分析」一節及綜合財務報表附註27。

董事

於本年度內及直至本年度報告日期，本公司董事如下：

執行董事

李向利先生
張愛英女士
劉翊先生

非執行董事

王綱先生

獨立非執行董事

楊榮兵先生
王梓臣先生
趙虹先生

董事及高級管理人員的履歷詳情

於本年度報告日期，有關本集團董事及高級管理人員的履歷詳情，載於本年度報告第12至20頁的「董事及高級管理人員簡介」一節。

Directors' Report

董事會報告

Directors' Service Contracts

As at 31 December 2017, none of our Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation). The directors' remuneration is determined with references to directors' duties and responsibilities, individual performance and the results of the Group.

Executive Directors

Each of our executive Directors has entered into a service contract with our Company pursuant to which he/she agreed to act as an executive Director for an initial term of three years with effect from 13 January 2016.

Non-executive Directors and Independent Non-executive Directors

Our non-executive Director has entered into a letter of appointment with our Company pursuant to which he has been appointed for an initial term of three years commencing from 13 January 2016.

Each of our Independent non-executive Directors has entered into a letter of appointment with our Company pursuant to which he has been appointed for an initial term of three years commencing from 18 June 2016.

Our non-executive Director is not entitled to any director's fee. Each of our Independent non-executive Directors is entitled to a director's fee of HK\$100,000 per annum.

董事服務合同

於2017年12月31日，概無董事與本公司或其任何附屬公司已經或擬訂立服務合同，惟合同屆滿或僱主於一年內不付賠償（法定補償除外）終止者除外。董事薪酬經參考其在本集團職務及職責、個人表現及業績而釐定。

執行董事

各執行董事已與本公司訂立服務合同，據此，彼等同意擔任執行董事，初始年期為自2016年1月13日起計三年。

非執行董事及獨立非執行董事

非執行董事已與本公司訂立委任書，據此，其自2016年1月13日獲委任，初始期限為三年。

各獨立非執行董事已與本公司訂立委任書，據此，其自2016年6月18日獲委任，初始期限為三年。

非執行董事無權收取任何董事袍金。各獨立非執行董事每年有權收取董事袍金100,000港元。

Directors' Report

董事會報告

Confirmation of Independence of Independent Non-executive Directors

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers that each of the independent non-executive Directors, namely Mr. YANG Rongbing, Mr. WANG Zichen and Mr. ZHAO Hong is independent.

Emolument of Directors and Senior Management

We offer our executive Directors and senior management members, who are also employees of our Company, emolument in the form of salaries, allowances, remuneration, pension, discretionary bonus and other welfares. Our non-executive Director does not receive any emolument from our Group. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairman of Board committees). We adopt a market and incentive-based employee emolument structure and implement a multi-layered evaluation system which focuses on performance and management goals.

The remuneration (including fees, salaries and other benefits, performance-related bonuses and pension scheme contributions) paid to the Directors in aggregate for the year ended 31 December 2017 was approximately RMB3.3 million.

The remuneration (including salaries and other benefits, performance-related bonuses and pension scheme contributions) paid to our Group's five highest paid individuals in aggregate for the year ended 31 December 2017 was approximately RMB5.6 million.

For the year ended 31 December 2017, no emoluments were paid by our Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining our Group or as compensation for loss of office. None of the Directors has waived any emoluments for the year ended 31 December 2017.

獨立非執行董事的獨立性確認書

本公司已收到各獨立非執行董事根據《上市規則》第3.13條發出的年度獨立性確認書，且本公司認為，各獨立非執行董事（即楊榮兵先生、王梓臣先生及趙虹先生）為獨立人士。

董事及高級管理人員薪酬

我們為執行董事及高級管理人員（同為本公司員工）提供的酬金包括薪金、津貼、薪酬、退休金、酌情花紅及其他福利。非執行董事並無收取本集團的任何酬金。獨立非執行董事按職責（包括擔任董事委員會的成員或主席）收取酬金。我們採用市場及激勵為本的員工酬金結構，並實施專注表現及管理目標的多層評估制度。

截至2017年12月31日止年度，向董事支付的酬金總額（包括袍金、薪金及其他福利、績效花紅及退休金計劃供款）約為人民幣3.3百萬元。

截至2017年12月31日止年度，向本集團五名最高薪酬人士支付的酬金總額（包括薪金及其他福利、績效花紅及退休金計劃供款）約為人民幣5.6百萬元。

截至2017年12月31日止年度，本公司概無向任何董事或五名最高薪酬人士支付薪酬，作為吸引彼等加入或作為加入本集團後的獎勵，或作為離職賠償。截至2017年12月31日止年度，並無董事放棄任何酬金。

Directors' Report

董事會報告

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in Notes 8 and 9 to the consolidated financial statements.

The Company has also adopted the Share Option Scheme to motivate Directors and employees. Details of the Share Option Scheme were set out in the section headed "Share Option Scheme" and Note 29 to the financial statements.

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 December 2017, by our Group to or on behalf of any of the Directors.

Permitted Indemnity Provision

In accordance with the definition of section 469 of the Companies Ordinance, the permitted indemnity provision in relation to the director's and officer's liability insurance was effective in 2017 and remained valid until the date of this annual report.

Directors' Interests in Transactions, Arrangements and Contracts

No transactions, arrangements or contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Competing Business

During the year, none of the Directors or the controlling shareholder of the Company or their respective associates are considered to be interested in businesses which compete or are likely to compete, either directly or indirectly, with our core businesses.

Deed of Non-competition

Reference is made to the non-competition undertakings given by the Controlling Shareholders in favour of the Company disclosed in the Prospectus. The Controlling Shareholders have confirmed to the Company that they have complied with the non-competition undertakings during the Period. The independent non-executive Directors have conducted such review for the Period, and also reviewed the relevant undertakings and are satisfied that such undertakings have been complied with.

董事的薪酬及本集團五名最高薪酬人士的薪酬詳情載於綜合財務報表附註8及9。

本公司亦已採納購股權計劃以激勵董事及僱員。有關購股權計劃的詳情載於「購股權計劃」一節及財務報表附註29。

除上文所披露者外，截至2017年12月31日止年度，概無由本集團或代表任何董事支付或應付任何其他款項。

獲准許的彌償條文

根據《公司條例》第469條的釋義，與董事及高級人員的責任保險有關的獲准許彌償條文於2017年生效且直至本年報日期仍然有效。

董事於交易、安排及合同的權益

於年末或本年度內任何時候，本公司或其任何附屬公司（作為一方）並無訂立對本集團業務屬重要且董事於其中直接或間接擁有重大權益的交易、安排或合同。

競爭業務

於本年度內，本公司董事或控股股東或彼等各自的聯繫人概無於與我們的核心業務直接或間接構成競爭或可能構成競爭的業務中擁有權益。

不競爭契據

誠如招股章程所披露，控股股東以本公司為受益人出具了一份不競爭承諾。控股股東已向本公司確認，彼等於本期間內一直遵守該不競爭承諾。獨立非執行董事已審閱本期間內遵守有關承諾的情況且亦審閱相關承諾，並對該等承諾的遵守情況表示滿意。

Directors' Report

董事會報告

Pension Scheme

Details of the pension scheme of the Company are set out in the paragraph headed "Social Pension Plan" in Note 2.4 to the financial statements.

Option Scheme

The following is a summary of the principal terms of the option scheme conditionally approved and adopted by written resolutions of our then Shareholders on 5 May 2017 (the "Option Scheme").

(i) Purpose

The purpose of the Option Scheme is to attract, retain and motivate employees, Director and such other participant and to further perfect corporate governance structure, propel the Company to build up and complete motivating mechanism, fully motivate employees, and effectively help to align the interests of Shareholders, Company and its employees by the grant of options.

(ii) Maximum number of Shares subject to Options

The Shares which may be issued upon exercise of all options to be granted under this Option Scheme (the "Share Option(s)") and other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 40,000,000 Shares (representing 10% of the aggregate of the Shares in issue on the date the Shares commence trading on the Stock Exchange).

The overall limit on the number of Shares which shall be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Option Scheme, and other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable), shall not exceed 30% of the Shares in issue from time to time.

退休金計劃

有關本公司退休金計劃的詳情載於財務報表附註2.4中「社會退休金計劃」一段。

購股權計劃

以下乃我們當時股東於2017年5月5日通過書面決議案有條件批准及採納的購股權計劃的主要條款概要（「購股權計劃」）。

(i) 目的

購股權計劃的目的為透過授出購股權，吸引、挽留及激勵僱員、董事及其他相關參與者並進一步完善企業管治架構，促進本公司建立並完成激勵機制，全面激勵僱員，並有效達致股東、本公司及其僱員的利益一致。

(ii) 受限於購股權的最高股份數目

因根據購股權計劃（「購股權」）及本公司的其他購股權計劃（及適用於《上市規則》第17章的條文）將予授出的全部購股權獲行使而可能發行的股份，不得超過40,000,000股股份（佔股份開始於聯交所買賣當日股份總數的10%）。

因根據購股權計劃及本公司的其他購股權計劃（及適用於《上市規則》第17章的條文）已授出而未行使的所有未行使購股權獲行使而發行的股份數目整體限制不得超過不時已發行的股份30%。

Directors' Report

董事會報告

(iii) Total number of Share Options granted

8,000,000 Share Options, each entitles its holder to subscribe for one Share was granted on 4 July 2017.

(iv) Maximum entitlement of each Eligible Employee

The total number of Shares issued and to be issued upon exercise of the Share Options granted to each employee that is eligible under the Option Scheme (the "Eligible Employee") under the Scheme and any other option schemes (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of Shares in issue. Where any further grant of options to an Eligible Employee would result in the Shares issued and to be issued upon exercise of the options granted to such Eligible Employee (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders at the general meeting with such Eligible Employee and his/her close associates abstaining from voting.

(v) Validity and Vesting Period of the Share Options

In respect of the 8,000,000 Share Options granted on 4 July 2017, the Share Options are exercisable for a period of five years commencing from the vesting date and expiring at the close of business on the last day of the five year period. Not more than 30% of the Share Options will be vested on 4 July 2018. Not more than 30% of the Share Options will be vested on 4 July 2019. Not more than 40% of the Share Options will be vested on 4 July 2020.

(iii) 授出的購股權總數目

8,000,000份購股權於2017年7月4日授出，其中每份購股權賦權予其持有人可認購一股份。

(iv) 每名合資格僱員可享有的最高股份數目

於任何12個月期間內因根據該計劃及任何其他購股權計劃已向每名合乎該計劃資格的僱員（「合資格僱員」）授出的購股權（包括已行使及尚未行使的購股權）獲行使而已發行及將予發行的股份總數，不得超過已發行股份總數的1%。倘向合資格僱員進一步授出任何購股權，將導致截至該進一步授出之日（包括該日）止任何12個月期間內行使向有關合資格僱員授出之購股權（包括已行使、註銷及尚未行使之購股權）時，已發行及將予發行的股份總數超過已發行股份總數之1%，則進一步授出購股權須經由股東於股東大會上個別批准，而有關合資格僱員及其緊密聯繫人須放棄投票。

(v) 購股權的有效性及其歸屬期

就於2017年7月4日授出的8,000,000份購股權而言，該等購股權可自歸屬日期起計的五年期間行使並於五年期間最後一日營業日結束時屆滿。不超過30%的該等購股權將於2018年7月4日歸屬。不超過30%的該等購股權將於2019年7月4日歸屬。不超過40%的該等購股權將於2020年7月4日歸屬。

Directors' Report

董事會報告

(vi) Subscription Price

The subscription price shall be such price determined by the Board at its absolute discretion and notified to the Participant in the offer at the time of the offer, and shall be no less than the highest of:

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant of the relevant Share Option, which shall be a business day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant of the relevant Share Option (provided that, in the event that any Share Option is proposed to be granted within a period of less than five Business Days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the share offer shall be used as the closing price for any Business Day falling within the period before listing of the Shares on the Stock Exchange); and
- (c) the nominal value of a Share on the date of grant of the relevant Share Option.

(vii) Present status of the Option Scheme

As at the date of this annual report, 8,000,000 Options had been granted under the Option Scheme of which 250,000 were forfeited during the year.

Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options to be granted under the Option Scheme, being 400,000,000 Shares in total.

(vi) 認購價

認購價須由董事會全權酌情釐定並於作出要約時通知要約的參與者，而不得低於以下各項之最高者：

- (a) 股份在授出相關購股權日期（須為營業日）於聯交所發佈的每日報價表中所列的收市價；
- (b) 股份在緊接授出相關購股權日期前的五個營業日於聯交所發佈的每日報價表中所列的平均收市價（惟倘任何購股權建議於股份首次於聯交所開始交易後的少於五個營業日期間內授出，就股份發售而言股份的新發行價用作為股份於聯交所上市前的期間內任何營業日的收市價）；及
- (c) 股份於相關購股權授出日期的名義價值。

(vii) 購股權計劃現狀

於本年度報告日期，8,000,000份購股權已根據購股權計劃授出，其中250,000份於本年度內已被收回。

本公司已向上市委員會申請因根據購股權計劃授出的購股權獲行使而可予發行的合共400,000,000股股份上市及買賣。

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Movements in the Share Options during the year were as follows:

本年度內購股權的變動如下：

Date of grant	Participant	As at 1/1/2017	No. of Share Options			As at 31/12/2017	Exercise price per Share	Exercisable period
			Granted during the year	Lapsed during the year	購股權數目			
授出日期	認購者	於2017年1月1日	年內已授出	年內已失效		於2017年12月31日	每股認購價 (HK\$) (港元)	可行使期限
4 July 2017	Employees (aggregate)	-	2,400,000	(75,000)		2,325,000	1.28	4/7/2018 – 3/7/2013
2017年7月4日	僱員(合計)		2,400,000	(75,000)		2,325,000	1.28	4/7/2019 – 3/7/2024
			3,200,000	(100,000)		3,100,000	1.28	4/7/2020 – 3/7/2025
			8,000,000	(250,000)		7,750,000		

Notes:

附註：

- The above Share Options vest in one to three years and ends on a date which is not later than five years from the date of offer of the Share Options or the expiry date of the Option Scheme, if earlier.
 - The Company received a consideration of HK\$1.00 from each of the grantee for the Share Options granted during the year.
 - No Share Options were exercised or cancelled during the year.
 - Please refer to Note 29 on the fair value of Share Options granted during the year.
- 上述購股權授予一至三年期限並自購股權授出日期起不超過五年或購股權計劃屆滿日期(以較早者為準)結束。
 - 本公司自各個承受者就本年度內已授出的購股權收取對價1.00港元。
 - 本年度內並無購股權獲行使或註銷。
 - 有關本年度內已授出的購股權的公允價值，請參閱附註29。

Directors' Report

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Management Contracts

No contracts concerning the management or administration of the whole or any substantial part of the business of the Group was entered into or subsisted during the year.

Arrangements for the Directors to Purchase Shares or Debentures

At no time during the year were there any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the directors to acquire such rights in any other body corporate.

Directors' and Chief Executive's Interests in Shares

To the knowledge of any Directors or Chief Executive of the Company, as at 31 December 2017, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or (b) which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or (c) which were required under the Model Code to be notified to the Company and the Stock Exchange, were as follows:

管理合同

於本年度內，本公司並未就本集團全部或任何重大部分業務的管理及行政工作訂立或存續任何合同。

董事購買股份或債權證的安排

於本年度內任何時候，任何董事或彼等各自的配偶或18歲以下的子女，概無獲授予任何權利致使彼等可透過購入本公司股份或債權證而獲取利益，彼等亦無行使該等權利。而本公司、其控股公司或其任何附屬公司或同系附屬公司亦無任何安排，致使董事可於任何其他法人團體中獲取該等權利。

董事及最高行政人員於股份中擁有的權益

就本公司任何董事或最高行政人員所知，截至2017年12月31日，董事或本公司最高行政人員於本公司或任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份及債權證中擁有(a)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》有關條文被當作或視為擁有的權益或淡倉）；或(b)根據《證券及期貨條例》第352條須登記於該條所指登記冊的權益或淡倉；或(c)根據《標準守則》須知會本公司及聯交所的權益或淡倉如下：

Directors' Report

董事會報告

Name of Director	Nature of Interest	Number of Shares	Approximate percentage of issued share capital of the Company 佔本公司已發行股本的概約百分比
董事姓名	權益性質	股份數目	
Mr. LI Xiangli (Notes 2, 3, 4) 李向利先生 (附註2、3、4)	Interests held jointly with another person Interests of a controlled corporation Interests of spouse 與另一人士共同持有的權益 受控法團權益配偶權益	223,734,000 (L)	55.93%
Ms. ZHANG Aiyong (Notes 2, 4, 5) 張愛英女士 (附註2、4、5)	Interests held jointly with another person Interests of a controlled corporation Interests of spouse 與另一人士共同持有的權益 受控法團權益配偶權益	223,734,000 (L)	55.93%
Mr. LIU Yi (劉翊) (Notes 2, 6) 劉翊先生 (附註2、6)	Interests held jointly with another person Interests of a controlled corporation 與另一人士共同持有的權益 受控法團權益	223,734,000 (L)	55.93%

Notes:

- (1) The letter "L" denotes the person's long position in our Shares.
- (2) On 31 January 2016, Mr. LI Xiangli, Ms. ZHANG Aiyong and Mr. LIU Yi entered into an acting-in-concert deed to acknowledge and confirm that they are parties acting in concert in respect of each of the members of our Group during and since the three years ended 31 December 2013, 2014 and 2015 and continue after the date of the deed. Pursuant to the deed, Ms. ZHANG Aiyong and Mr. LIU Yi shall support Mr. LI Xiangli's decisions on material matters in relation to the operation and management of our Group by exercising their voting rights at the meetings of the shareholders and boards of the members of our Group in accordance with the decision of Mr. LI Xiangli. For details, see in the section headed "Relationship with Controlling Shareholders – Our Controlling Shareholders Acting in Concert" in the Prospectus. By virtue of the SFO, Mr. LI Xiangli, Ms. ZHANG Aiyong and Mr. LIU Yi are deemed to be interested in our Shares which are interested by each other.

附註：

- (1) 英文字母「L」指該人士於本公司股份中的好倉。
- (2) 於2016年1月31日，李向利先生、張愛英女士及劉翊先生簽訂一致行動契約，認可並確認其於截至2013年、2014年及2015年12月31日止三個年度期間並於該等契約簽訂日期之後就本集團各成員公司事宜均為行動一致人士。根據契約，張愛英女士與劉翊先生應依據李向利先生所作決策於本集團成員公司股東及董事會會議上行使其表決權支持李向利先生有關本集團經營與管理的重大事宜所作決策。詳情請參閱招股章程「與控股股東的關係——一致行動的控股股東」一節。根據《證券及期貨條例》，李向利先生、張愛英女士及劉翊先生被視為於其各自擁有權益的股份中擁有權益。

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- (3) Leon Cornerstone Investment Holding Limited (“Leon Investment”) is beneficially and wholly-owned by Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli is deemed to be interested in our Shares held by Leon Investment.
- (4) Ms. ZHANG Aiying is the spouse of Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli and Ms. ZHANG Aiying are deemed to be interested in our Shares which are interested by each other.
- (5) Swan Stone Investment Holding Limited (“Swan Stone”) is beneficially and wholly-owned by Ms. ZHANG Aiying. By virtue of the SFO, Ms. ZHANG Aiying is deemed to be interested in our Shares held by Swan Stone.
- (6) Hawk Flying Investment Holdings Limited (“Hawk Flying”) is beneficially and wholly-owned by Mr. LIU Yi. By virtue of the SFO, Mr. LIU Yi is deemed to be interested in our Shares held by Hawk Flying.
- (3) Leon Cornerstone Investment Holding Limited (「Leon Investment」) 由李向利先生實益及全資持有。根據《證券及期貨條例》，李向利先生被視為於Leon Investment所持本公司股份中擁有權益。
- (4) 張愛英女士為李向利先生之配偶。根據《證券及期貨條例》，李向利先生與張愛英女士被視為於其各自擁有權益的股份中擁有權益。
- (5) Swan Stone Investment Holding Limited (「Swan Stone」) 由張愛英女士實益及全資持有。根據《證券及期貨條例》，張愛英女士被視為於Swan Stone所持本公司股份中擁有權益。
- (6) Hawk Flying Investment Holdings Limited (「Hawk Flying」) 由劉翊先生實益及全資持有。根據《證券及期貨條例》，劉翊先生被視為於Hawk Flying所持本公司股份中擁有權益。

Save as disclosed above and to the best knowledge of Directors, as at 31 December 2017, there were no interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or were required under the Model Code to be notified to the Company and the Stock Exchange.

除上文所披露者外及就董事所深知，於2017年12月31日，概無董事或本公司最高行政人員於本公司或其相聯法團（定義見《證券及期貨條例》第XV部）的股份、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及第8分部須知會本公司及聯交所的權益及／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或淡倉），或根據《證券及期貨條例》第352條須登記於該條所指登記冊的權益或淡倉，或根據《標準守則》須知會本公司及聯交所的權益或淡倉。

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董事會報告

Substantial Shareholders' Interests in the Shares

So far as the Directors are aware as of 31 December 2017, the following corporations/persons (other than Directors and chief executive of the Company) had interests of 5% or more in the issued Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於股份中的權益

就董事所知，截至2017年12月31日，下列公司／人士（董事及本公司最高行政人員除外）於已發行股份中擁有根據《證券及期貨條例》第XV部第2及3分部的條文須向本公司及聯交所披露，或根據《證券及期貨條例》第336條須由本公司備存的登記冊所記錄的5%或以上權益：

Name of Shareholder	Nature of Interest	Number of Shares	Approximate percentage of issued share capital of the Company
股東姓名	權益性質	股份數目	佔本公司已發行股本的概約百分比
Ms. WEI Yajuan (Note 2) 魏雅娟女士 (附註2)	Interests of spouse 配偶權益	223,734,000 (L)	55.93%
Leon Investment (Note 3) Leon Investment (附註3)	Beneficial owner 實益擁有人	138,894,000 (L)	34.72%
Swan Stone (Note 4) Swan Stone (附註4)	Beneficial owner 實益擁有人	49,290,000 (L)	12.32%
Hawk Flying (Note 5) Hawk Flying (附註5)	Beneficial owner 實益擁有人	35,550,000 (L)	8.89%
China Certification & Inspection Group Co., Ltd. (中國檢驗認證(集團)有限公司) ("CCIC") (Note 6) 中國檢驗認證(集團)有限公司 (「中國檢驗認證集團」) (附註6)	Interests of a controlled corporation 受控法團權益	46,500,000 (L)	11.63%
China Inspection Company Limited (中國檢驗有限公司) ("CIC") (Note 6) 中國檢驗有限公司 (「中檢公司」) (附註6)	Interests of a controlled corporation 受控法團權益	46,500,000 (L)	11.63%
China Dragon Inspection & Certification (H.K.) Limited ("China Dragon") (Note 6) 中龍檢驗認證(香港)有限公司 (「中龍」) (附註6)	Beneficial owner 實益擁有人	46,500,000 (L)	11.63%

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Name of Shareholder	Nature of Interest	Number of Shares	Approximate percentage of issued share capital of the Company 佔本公司已發行股本的概約百分比
股東姓名	權益性質	股份數目	
Mr. LI Dexin (Note 7) 李德新先生 (附註7)	Interests of a controlled corporation 受控法團權益	23,700,000 (L)	5.93%
New Virtue Investment Holding Limited ("New Virtue") (Note 7) New Virtue Investment Holding Limited ("New Virtue") (附註7)	Beneficial owner 實益擁有人	23,700,000 (L)	5.93%
Ms. ZHENG Guangping (Note 8) 鄭光平女士 (附註8)	Interests of spouse 配偶權益	23,700,000 (L)	5.93%

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Notes:

- (1) The letter "L" denotes the person's long position in our Shares.
- (2) Ms. WEI Yajuan is the spouse of Mr. LIU Yi. By virtue of the SFO, Ms. WEI Yajuan is deemed to be interested in our Shares which are interested by Mr. LIU Yi.
- (3) Leon Investment is beneficially and wholly-owned by Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli is deemed to be interested in our Shares held by Leon Investment.
- (4) Swan Stone is beneficially and wholly-owned by Ms. ZHANG Aiying. By virtue of the SFO, Ms. ZHANG Aiying is deemed to be interested in our Shares held by Swan Stone.
- (5) Hawk Flying is beneficially and wholly-owned by Mr. LIU Yi. By virtue of the SFO, Mr. LIU Yi is deemed to be interested in our Shares held by Hawk Flying.
- (6) China Dragon is a subsidiary of CIC, which is a subsidiary of CCIC. By virtue of the SFO, CIC and CCIC are deemed to be interested in our Shares held by China Dragon.
- (7) New Virtue is beneficially and wholly-owned by Mr. LI Dexin. By virtue of the SFO, Mr. LI Dexin is deemed to be interested in our Shares held by New Virtue.
- (8) Ms. ZHENG Guangping is the spouse of Mr. LI Dexin. By virtue of the SFO, Ms. ZHENG Guangping is deemed to be interested in our Shares which are interested by Mr. LI Dexin.

Save as disclosed above and to the best knowledge of Directors, as at 31 December 2017, no persons own interests or short positions in the Shares and relevant shares recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or interests or short positions required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

附註：

- (1) 英文字母「L」指該人士於本公司股份中的好倉。
- (2) 魏雅娟女士是劉翊先生的配偶。根據《證券及期貨條例》，魏雅娟女士被視為於劉翊先生擁有權益的本公司股份中擁有權益。
- (3) Leon Investment由李向利先生實益及全資持有。根據《證券及期貨條例》，李向利先生被視為於Leon Investment所持有的本公司股份中擁有權益。
- (4) Swan Stone由張愛英女士實益及全資持有。根據《證券及期貨條例》，張愛英女士被視為於Swan Stone所持有的本公司股份中擁有權益。
- (5) Hawk Flying由劉翊先生實益及全資持有。根據《證券及期貨條例》，劉翊先生被視為於Hawk Flying所持有的本公司股份中擁有權益。
- (6) 中龍為中檢公司（為中國檢驗認證集團的附屬公司）附屬公司。根據《證券及期貨條例》，中檢公司與中國檢驗認證集團被視為於中龍所持有的本公司股份中擁有權益。
- (7) New Virtue由李德新先生實益及全資持有。根據《證券及期貨條例》，李德新先生被視為於New Virtue所持有的本公司股份中擁有權益。
- (8) 鄭光平女士是李德新先生的配偶。根據《證券及期貨條例》，鄭光平女士被視為於李德新先生擁有權益的本公司股份中擁有權益。

除上文所披露者外及就董事所深知，於2017年12月31日，概無人士於股份及相關股份中擁有記入本公司根據《證券及期貨條例》第336條須予存置登記冊的權益或淡倉或根據《證券及期貨條例》第XV部第2及3分部須向本公司及聯交所披露的權益或淡倉。

Directors' Report

董事會報告

Public Float

Based on the information publicly available to the Company and as far as the Directors are aware as at the date of this directors' report, at least 25% of the total issued share capital of the Company is held by the public pursuant to the Listing Rules.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of Hong Kong, which would oblige the Company to offer new Shares on a prorata basis to existing Shareholders.

Major Customers and Suppliers

The customer base of the Company mainly consists of state-owned and privately-run coal mining companies, coal distribution companies, and power generation companies. Customers of the Company also include other general customers who engage us for specific services on a service-order basis. Our suppliers include port companies, sampling equipment companies, third-party labor dispatch providers and landlords.

In the year under review, the Group's largest customer accounted for approximately 36.7% of the Group's total revenue. The Group's five largest customers accounted for approximately 48.9% of the Group's total revenue.

In the year under review, the Group's largest supplier accounted for approximately 24.6% of the Group's total cost of sales. The Group's five largest suppliers accounted for approximately 55.2% of the Group's total cost of sales.

As far as the Directors are aware, none of the Directors, their associates or Shareholders holding more than 5% Shares had any interest in the five largest customers or five largest suppliers of the Group.

公眾持股量

根據本公司可獲得的公開資料及就董事所知，於董事會報告日期，本公司已發行股本總額中至少25%已根據《上市規則》由公眾持有。

優先購股權

本公司的組織章程細則或香港法律並無有關優先購股權的條文，規定本公司須按比例向現有股東發售新股份。

主要客戶及供應商

本公司客戶群主要由國有及私營煤炭開採公司、煤炭分銷公司及發電公司組成。本公司客戶亦包括讓我們按服務訂單基準提供特定服務的其他一般客戶。我們的供應商包括港口公司、採樣設備公司、第三方勞務派遣供應商及業主。

於回顧年內，本集團最大客戶佔本集團總收入的約36.7%。本集團五大客戶佔本集團總收入的約48.9%。

於回顧年內，本集團最大供應商佔本集團銷售成本總額的約24.6%。本集團五大供應商佔本集團銷售成本總額的約55.2%。

據董事所知，概無持有股份超過5%的董事、彼等聯繫人或股東於本集團五大客戶或五大供應商中持有任何權益。

Directors' Report

董事會報告

Principal Risks and Uncertainties

Other than the financial risk management objective and policies as disclosed in Note 39 to the financial statements, some significant risk and uncertainties affecting the Group are outlined below. They are not exhaustive and there may be other additional risks and uncertainties which are now unknown or immaterial to the Group but could become material in future.

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized as (1) Business and industry risk; (2) Economic and political risk; (3) Financial risk; (4) People risk.

Business and Industry Risk

The Group depends on a limited number of customers for a substantial portion of our revenue and may not be able to successfully maintain our business relationship with these customers. Our business may be indirectly affected by the development of China's coal industry. Our expansion plans or future acquisitions may entail certain risks and challenges.

Economic and Political Risk

The economic, political and social conditions of China could affect our business, financial condition and results of operations. Any slowdown in the Chinese economy may affect the demand for power generation and the coal consumption volume and result in a material adverse effect on our business, results of operations and financial condition.

Financial Risk

The Group is exposed to discontinued or reduced preferential tax treatments, insufficient insurance coverage, interest rate, foreign currency in the normal course of business.

People Risk

Our business depends on the continued service of our senior executives, and our business may be severely disrupted if we lose their services.

主要風險及不確定性

除財務報表附註39所披露的財務風險管理目標及政策外，影響本集團的若干重大風險及不確定性概述如下。彼等並非鉅細無遺，且可能存在現在未知或對本集團不重大但於日後可變得重大的其他額外風險及不確定性。

我們的業務及經營涉及若干風險及不確定性，其中許多風險我們不能控制。該等風險可大體分類為：(1)業務及行業風險；(2)經濟及政治風險；(3)財務風險；(4)人員風險。

業務及行業風險

本集團依賴佔我們絕大部分收入的客戶的數量有限，且不一定能與該等客戶維持良好關係。我們的業務可能受中國煤炭行業發展的間接影響。我們的擴張計劃或日後收購可能受到若干風險及挑戰。

經濟及政策風險

中國的經濟、政策及社會狀況可能影響我們的業務、財務狀況及經營業績。中國經濟的下行可能影響電力的需求及煤炭消耗量，從而對我們的業務、經營業績及財務狀況產生重大不利影響。

財務風險

本集團於一般業務過程中面臨優惠稅項的終止或減少、保險覆蓋不足、利率及外幣風險。

人員風險

我們的業務依賴高級執行人員的持續服務，倘失去彼等的服務，我們的業務可能受到嚴重干擾。

Directors' Report

董事會報告

Relationship with Customers and Suppliers

Our business relationship with our customers has proven to be lasting. We believe that impartial and high-quality testing and inspection are critically important for our customers. To better serve the business needs from our customers, we are dedicated to delivering trustworthy coal testing and inspection services supported by quality control and operational measures consistent with statutory or industrial standards, which are strictly followed by our employees. In the meantime, we have an experienced sales and marketing team in each of our service centers to better understand and serve the needs of our customers.

We generally maintain a list of approved suppliers. We review this list on an annual basis and consider whether any supplier should be removed or added. In selecting a new supplier, we generally consider whether the supplier candidate has passed the relevant quality authentication, obtained the relevant production permit, and/or received favorable recommendations. We typically maintain at least two suppliers for each type of our major equipment, instruments or required services to minimize potential disruption of our operation, maintain sourcing stability and secure competitive prices from suppliers.

Employees

As of December 31, 2017, the Group had 707 employees in total. The Group's employee compensation includes base salary, bonuses and cash subsidies. In general, we determine employee compensation based on each employee's performance, qualifications, position and seniority. We are subject to social insurance contribution plans organized by PRC local governments. In accordance with the relevant national and local social welfare and housing reserve fund laws and regulations, we are required to pay, on behalf of our employees, monthly social insurance premiums covering basic pension insurance, basic medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing reserve fund.

For the year, the Company did not experience any strikes or significant labor disputes which materially affected the operation of the Company. The Company maintained good relationship with its employees.

與客戶及供應商的關係

我們與客戶的業務關係持久，我們認為，公正、高品質的檢測及檢驗對我們的客戶而言至關重要。為更好地滿足客戶的業務需求，我們實行符合法定或行業標準的質量控制和經營措施，要求僱員嚴格遵守該等措施，致力於提供值得信賴的煤炭檢測及檢驗服務。與此同時，我們於每個服務中心擁有經驗豐富的銷售及市場推廣隊伍，以更好地理解及服務客戶需求。

我們通常存置一份核准供應商名單。我們按年審核該名單，並考慮是否應刪除或添加任何供應商。在選擇新供應商時，我們通常會考慮該候選供應商是否已通過相關質量認證、是否已獲取相關生產許可證及／或是否收到良好推薦。通常，每一種主要設備、儀器或所需服務均有至少兩家供應商，以盡量減低我們的運營中斷風險，保持貨源穩定，確保從供應商處獲得具有競爭力的價格。

僱員

截至2017年12月31日，本集團共有707名僱員。本集團僱員薪酬包括基本薪金、花紅及現金補貼。通常情況下，僱員薪酬根據每名僱員的績效、資格、職位和資歷決定。我們遵從中華人民共和國地方政府組織的社會保險繳納規定。為遵守相關的國家和地方社會福利及住房公積金法律法規，我們須代表僱員每月繳納一定的社會保險費，包括基本養老保險、基本醫療保險、失業保險、工傷保險、生育保險及住房公積金。

於本年度內，本公司並無發生任何對本公司經營產生重大影響的罷工或重大勞資糾紛。本公司與其僱員保持著良好的關係。

Directors' Report

董事會報告

Connected Transactions

During the year, the Group entered into any connected transaction or continuing connected transaction which were exempted from disclosure requirements under the Listing Rules. Details were disclosed in Note 36 to the consolidated financial statements.

No contract of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the year ended 31 December 2017.

Related Party Transactions

During the year, certain related parties entered into transactions with us which are disclosed in Note 36 "Related Party Transactions" to the consolidated financial statements of the Group, of which certain of transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules but were exempted from disclosure requirements under the Listing Rules. Details were disclosed in Note 36 to the consolidated financial statements.

Use of Proceeds from the Global Offering

As set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus and the updates in the announcement of the Company dated 16 June 2017, the Company intends to use the net proceeds from its global offering for the follow purpose:

- approximately 30.0% of the net proceeds will be used to construct new service facilities at Huanghua port;
- approximately 25.0% of the net proceeds will be used to construct new service facilities at Tangshan port;
- approximately 20.0% of the net proceeds will be used to construct new service facilities at Tianjin port;
- approximately 15.0% of the net proceeds will be used for strategic acquisition or investment; and
- approximately 10.0% of the net proceeds will be used to fund general corporate purposes.

關連交易

於本年度內，本集團訂立獲豁免根據《上市規則》的規定須予以披露的關連交易或持續關連交易。詳情披露於綜合財務報表附註36。

截至2017年12月31日止年度期間，本集團並無訂立任何與本集團業務有關且董事在其中直接或間接擁有重大權益的重要合約。

關聯方交易

於本年度內，若干關連方與本公司訂立交易，披露於本集團綜合財務報表「關聯方交易」附註36；其中，若干交易亦構成《上市規則》第14A章所界定的但獲豁免根據《上市規則》的規定須予以披露的關連交易或持續關連交易。詳情披露於綜合財務報表附註36。

全球發售所得款項用途

誠如招股章程「未來計劃及所得款項用途」一節所載以及本公司日期為2017年6月16日的公告的更新，本公司擬將全球發售所得款項淨額用作以下用途：

- 約30.0%的所得款項淨額將用於在黃驊港興建新的服務設施；
- 約25.0%的所得款項淨額將用於在唐山港興建新的服務設施；
- 約20.0%的所得款項淨額將用於在天津港興建新的服務設施；
- 約15.0%的所得款項淨額將用於戰略收購或投資；及
- 約10.0%的所得款項淨額將用於為一般公司用途提供資金。

Directors' Report

董事會報告

Changes in Use of Proceeds

The Board resolved on 23 March 2018 to change the proposed use of the net proceeds due to the reasons set out below. Set out below are details of the original of the net proceeds, the revised allocation of actual net proceeds:

		Initial allocation of net proceeds and its percentage of total net proceeds		Amount utilized as at the date of this report	Revised allocation of net proceeds and its percentage of total net proceeds		The remaining balance of proceeds after the revised allocation as at the date of this report
		原定分配所得款項淨額及佔所得款項淨額總額的比例		截至本報告日期已使用的金額	更改分配後所得款項淨額及佔所得款項淨額總額的比例		截至本報告日期更改分配後的所得款項餘額
		(Approximately RMB million) (約百萬元人民幣)		(Approximately RMB million) (約百萬元人民幣)	(Approximately RMB million) (約百萬元人民幣)		(Approximately RMB million) (約百萬元人民幣)
To construct new service facilities at Huanghua port	黃驊港興建新的服務設施	16.4	30.0%	13.2	16.4	30.0%	3.2
To construct new service facilities at Tangshan port	唐山港興建新的服務設施	13.7	25.0%	12.2	13.7	25.0%	1.5
To construct new service facilities at Tianjin port	天津港興建新的服務設施	10.9	20.0%	-	-	0.0%	0.0
Strategic acquisition or investment	戰略收購或投資	8.2	15.0%	8.2	19.1	35.0%	10.9
To fund general corporate purposes	一般公司用途提供資金	5.4	10.0%	5.4	5.4	10.0%	0.0
Total	合計	54.6	100.0%	39.0	54.6	100.0%	15.6

Reasons for the Changes in Use of Proceeds

The Board resolved to adjust and reallocate the remaining balance of RMB10.9 million of proceeds initially allocated to the investment project of Tianjin port to the strategic acquisition or investment, for the reasons and purposes set out below. The Board is of the view that such adjustment and re-allocation will result in a more efficient use of net proceeds from the global offering.

更改所得款項用途

董事會於2018年3月23日決議更改所得款項淨額的擬定用途，原因如下。原定所得款項淨額及實際所得款項淨額調整分配詳情如下表所示：

更改所得款項用途的原因

基於以下理由及目的，董事會決議將對最初分配於天津港項目投資的款項餘額人民幣1,090萬元的用途進行調整，分配至戰略收購或投資用途。董事會認為，上述調整及分配將更有效地利用全球發售所得款項淨額。

Directors' Report

董事會報告

In 2017, the environmental governance policies for the Beijing-Tianjin-Hebei region continued to tighten. According to the 2017 Air Pollution Prevention and Control Work Program for Beijing-Tianjin-Hebei Region and Surrounding Areas (《京津冀及週邊地區2017年大氣污染防治工作方案》) issued by the Ministry of Environmental Protection in February 2017, it was required that by the end of September, receiving coals transported to ports by diesel-powered trucks would be banned for ports in Tianjin, Hebei and Bohai rim areas. The National Energy Administration and the Ministry of Transport also required that by the end of October 2017, the means of coal transportation to Tianjin port should be limited to railway and automotive transportation of coal to the port should be banned thereafter. In 2016, the coal throughput of Tianjin port amounted to 110 million tonnes for the year, more than half of it transported by automobiles. As a result of the policy, in 2017 the coal throughput declined to 79.8 million tonnes, and the volume for other ports nearby gradually increased. Correspondingly, in view of the recent policy changes and the impact on the market, the Board believed that environmental factors would bring new uncertainties to the original plan of new service facilities construction at Tianjin port in 2018, and carrying out the original plan would not be the most favorable choice. Therefore, the Board resolved to not construct new service facilities at Tianjin port.

In order to seek better usage of net proceeds from the global offering and protect the best interest of the shareholders of the Company, the remaining balance of approximately RMB10.9 million of 20% of net proceeds which were originally planned to use to construct new service facilities at Tianjin port by the Company will be reallocated. As of the date of this report, the proceeds were not yet invested in this project.

According to our corporate strategy, we intend to enhance our service capabilities and expand our service coverage through investment in establishing subsidiaries, forming joint ventures with local business partners and/or acquiring existing service facilities. In 2017, through strategic acquisition or investment, we had set up four overseas service centers and thence completed establishing our Southeast Asian service network, bringing our business towards globalization and diversification. In the future we plan to increase our capital investment, continue to expand our overseas network, and develop inspection and testing business for other products. As at the date of this report, we have not yet entered into at any new acquisition agreement.

The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and considers that the above proposed changes in use of net proceeds is in the best interests of the Company and its shareholders as a whole.

2017年京津冀地區環保整治政策不斷收緊，根據2017年2月環保部印發的《京津冀及周邊地區2017年大氣污染防治工作方案》，要求到9月底天津、河北及環渤海各港口禁止接收柴油貨車運輸的集港煤炭。國家能源局和交通部也要求於2017年10月底前，天津港煤炭集港全部調整為鐵路方式，此後禁止汽運煤進港。天津港2016年煤炭輸送量1.1億噸，汽運煤佔比一半以上，受此政策影響，2017年煤炭輸送量下滑到7,980萬噸，運量逐漸向周邊港口分流。據此，董事會評估近期的政策變化及市場影響，認為環保因素對於2018年在天津港興建新的服務設施的原定計劃帶來新的不確定性，實施原計劃並非最優選擇，因此決議本公司不再繼續於天津港興建新的服務設施。

為更好地使用全球發售所得款項淨額以及保障本公司股東的最佳權益，本公司計劃原定的用於天津港興建新的服務設施的20%所得款項淨額的剩餘資金約人民幣1,090萬元將被重新分配。截至本報告日期，所得款項尚未投資該項目。

根據公司戰略，我們打算通過投資設立附屬公司、與當地業務合作夥伴成立合營企業及／或收購現有服務設施的方式以加強服務能力及拓展服務範圍。2017年我們通過戰略收購或投資方式，已設立了四個海外服務中心，完成了東南亞服務網絡佈局，業務開始進入全球化、多元化。未來我們還將加大資本投入，繼續拓展海外網絡並開拓其他商品的檢驗、檢測業務。於本報告日期，我們並未訂立任何新的收購協定。

董事會確認招股章程中所述的本集團業務性質概無重大變動，並認為上述所得款項淨額用途的更改符合本公司及其股東之整體利益。

Directors' Report

董事會報告

Compliance with Laws and Regulations

We uphold high standards and meet relevant requirements under applicable laws or ordinances when conducting our business.

For the year, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company in all material respects.

The Group has complied with regulations related to occupational safety, including but not limited to the Fire Prevention Law of the People's Republic of China, the Production Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Occupation Diseases. The Group maintains the occupational safety of employees mainly by the following methods: weekly inspection of safety production risks including risks of fire, piling up of hazardous materials and electricity; regular disinfection of workplace and arranging professional medical institutions for physical examination for employees; accelerating the automatization of factories, replacing dangerous operation by machines to prevent employees from being injured.

遵守法律法規

我們於開展業務時堅持高標準，並符合適用法律或條例的相關規定。

於本年度內，本公司遵守在所有重大方面對本公司有重大影響的相關法律法規。

本集團已符合職業安全有關的法規，包括但不限於《中華人民共和國消防法》、《中華人民共和國安全生產法》及《中華人民共和國職業病防治法》。本集團主要通過以下措施保證僱員的職業安全：每週排查安全生產風險（包括火災、危險物質堆放以及用電等風險）；定期消毒工作場所，安排專業醫療機構為僱員體檢；加速工廠自動化建設，用機械從事危險操作，防止僱員受傷。

Directors' Report

董事會報告

The Group has also complied with regulations related to production materials and emission, including but not limited to the Environmental Protection Law of the People's Republic of China. The Group carries out supervision mainly by the following methods: regular commissioning of professional institutions to implement the indicator monitoring on pollution discharge so as to meet the national standard; reasonable storage and isolation of dangerous materials; strict selection of suppliers to source materials that meet the EU REACH and RoHS standards first.

Significant Events after the Year

The Group had no significant events after the reporting year up to the date of this annual report.

Audit Committee

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules. It comprises three members, including Mr. YANG Rongbing (chairman), Mr. WANG Gang and Mr. ZHAO Hong, all of whom are independent non-executive Directors (including one independent non-executive Director who owns appropriate professional qualifications or expertise in accounting or relevant finance management).

The Audit Committee has discussed with the management of the Group and reviewed this annual report and the financial results of the Group for the year. It also discussed with the management of the Group and reviewed the financial controls, risk management and internal control system of the Company.

The consolidated financial statements of the of the Group which are prepared in accordance with International Financial Reporting Standards for the year have been audited by Ernst & Young, the auditor of the Company.

Auditor

The Company appointed Ernst & Young as the auditor of the Company in 2017. The proposal of re-appointing Ernst & Young as the auditor of the Company will be put forward at the AGM for consideration and approval.

本集團亦已遵守有關生產物料及排放的法規，包括但不限於《中華人民共和國環境保護法》。本集團主要透過以下方法執行監管：定期委任專業機構實施排污指標監控，以符合國家標準；合理儲存及隔離危險物料；嚴格篩選供應商，優先選用符合歐盟REACH標準及RoHS標準的物料。

年後重大事項

報告年度後直至本年度報告日期，本集團並無重大事項。

審核委員會

本公司已根據《上市規則》第3.21條成立審核委員會。其由三名成員組成，包括楊榮兵先生（主席）、王綱先生及趙虹先生，彼等均為獨立非執行董事，其中包括一名具備適當之專業資格或具備會計或相關財務管理專長的獨立非執行董事。

審核委員會已與本集團管理層討論及審閱了本年報和本年度內本集團之財務業績。其亦與本集團管理層討論及審閱了本公司財務控制、風險管理及內部控制體系。

本公司核數師安永會計師事務所已根據《國際財務報告準則》編製本集團年度綜合財務報表。

核數師

本公司於2017年委聘安永會計師事務所為本公司核數師。本公司將在股東週年大會上作出重新委聘安永會計師事務所擔任核數師的提案，以供審議通過。

Directors' Report

董事會報告

The Publication of the Annual Report

This annual report, in both English and Chinese versions, is available on the Company's website at www.huaxialihong.com and the website of the Stock Exchange at www.hkexnews.hk.

On behalf of the Board

Mr. LI Xiangli
Executive Director

Hong Kong, 23 March 2018

刊發年報

本年報中英文版本均可於本公司網站 www.huaxialihong.com 及聯交所網站 www.hkexnews.hk 瀏覽。

承董事命
執行董事
李向利先生

香港，2018年3月23日

Independent Auditor's Report

獨立核數師報告



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To the shareholders of China Leon Inspection Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of China Leon Inspection Holding Limited (the "Company") and its subsidiaries (the "Group") set out on pages 80 to 196, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

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

致中國力鴻檢驗控股有限公司全體股東

(於開曼群島註冊成立的有限責任公司)

意見

我們已審計列載於第80至196頁的中國力鴻檢驗控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括重大會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則理事會頒布的《國際財務報告準則》真實而公允地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基準

我們已根據國際審計與鑒證準則理事會頒布的《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independent Auditor's Report (continued)

獨立核數師報告（續）

To the shareholders of China Leon Inspection Holding Limited
(Incorporated in the Cayman Islands with limited liability)

致中國力鴻檢驗控股有限公司全體股東
(於開曼群島註冊成立的有限責任公司)

Key audit matters

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

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

Independent Auditor's Report (continued)

獨立核數師報告（續）

To the shareholders of China Leon Inspection Holding Limited
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Key audit matters (continued)

Key audit matter

Impairment of trade and bills receivables

As at 31 December 2017, the Group had trade and bills receivables of RMB22,894,000 before a provision for impairment of RMB331,000.

The determination as to whether a trade or bill receivable is collectable and whether a provision for impairment is required, involves management judgement. Management considers specific factors including the age of the balance, location of customers, recent historical payment patterns and other available information concerning the creditworthiness of customers.

The accounting policies and disclosures for impairment of trade and bills receivables are included in notes 3 and 21 to the financial statements.

How our audit addressed the key audit matter

In order to evaluate management's judgements, we assessed whether balances were overdue by testing the ageing analysis prepared by management. For the overdue balances, we then considered relevant information impacting on their recovery, including the customer's historical payment patterns, evidence of any disputes and whether any post year-end payments had been received up to the date of completing our audit procedures.

For the trade and bills receivable balances where a provision for impairment was recognised, we gained an understanding of the rationale behind management's judgement and evaluated the provision made.

關鍵審計事項（續）

關鍵審計事項

貿易應收款項及應收票據減值

於2017年12月31日，本集團於計提減值撥備人民幣331,000元前的貿易應收款項及應收票據為人民幣22,894,000元。

釐定貿易應收款項及應收票據是否可收回及是否需要計提減值撥備涉及管理層判斷。管理層考慮的具體因素包括結餘的賬齡、客戶所在地、近期歷史還款模式及有關客戶信譽的任何其他可供查閱資料。

有關貿易應收款項及應收票據減值的會計政策及披露載於財務報表附註3及21。

我們的審計如何處理關鍵審計事項

為評估管理層的判斷，我們透過測試管理層編製的賬齡分析覆核有關結餘是否逾期，倘有逾期結餘，我們則會考慮影響該等逾期結餘收回情況的相關資料，包括客戶的歷史還款模式、任何糾紛的跡象以及截至我們的審計程序完成為止有否收到任何年終後付款。

就獲確認的貿易應收款項及應收票據減值撥備而言，我們了解管理層判斷的合理性及評估所作撥備。

Independent Auditor's Report (continued)

獨立核數師報告（續）

To the shareholders of China Leon Inspection Holding Limited
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Key audit matters (continued)

Key audit matter

Share option scheme

The Group has awarded share options to its employees under a share option scheme. During the year ended 31 December 2017, the total amount of share-based payment cost was RMB627,000, which was recognised in profit or loss.

The total cost of equity-settled transactions was measured with reference to the fair value at the grant date. The fair value of the granted share options was determined by the management based on valuation performed by an external professional valuer. The procedures over management's assessment related to share-based payments were significant to our audit because the assessment process was complex and involved estimates. Management's determination of the fair value of the share options using a binomial option pricing model involved assumptions in respect of future market and economic conditions, estimated performance and the leaver rate.

The accounting policies and disclosures for the share-based payment are included in note 2.4, 3 and 29 to the financial statements.

How our audit addressed the key audit matter

In order to evaluate management's judgements, we examined the acceptance letter signed by grantees and discussed with management in relation to the terms and conditions of the share options. We evaluated the valuation techniques and challenged the underlying assumptions. We evaluated management's estimations of the number of employees who are expected to leave and the probability of achievement of certain performance conditions, which are the key estimations used in the calculation of the share-based payment cost and recalculated the amortisation of the equity-settled transactions during the year. We also assessed the adequacy of the Group's disclosures about share option scheme.

關鍵審計事項（續）

關鍵審計事項

購股權計劃

本集團根據購股權計劃向其僱員授出購股權。截至2017年12月31日止年度期間，以股份為基礎的付款總額為人民幣627,000元，並於損益確認。

以權益結算的交易總成本參照授出日期的公允價值計量。授出購股權的公允價值由管理層根據外部專業估值師的估值釐定。因為評估過程複雜且涉及估計，所以管理層以股份為基礎的付款的評估步驟對我們的審計非常重要。管理層使用未來市場及經濟狀況、估計表現及離職率有關的假設涉及的二項式期權定價模式釐定購股權的公允價值。

有關以股份為基礎的付款的會計政策及披露載於財務報表附註2.4、3及29。

我們的審計如何處理關鍵審計事項

為了評估管理層的判斷，我們檢查了承授人簽署的期權授予回函並與管理層討論了有關購股權的條款和條件。我們評估估值技術及合理質疑相關假設。我們評估管理層對預期離職的僱員人數及達成若干績效條件的可能性的估計，而這些條件乃計算以股份為基礎的付款成本時所使用的主要估計以及重新計算年內以權益結算的交易的成本攤銷金額。我們亦評估貴集團有關購股權計劃披露的適當性。

Independent Auditor's Report (continued)

獨立核數師報告（續）

To the shareholders of China Leon Inspection Holding Limited
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Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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

年度報告內的其他信息

董事需對其他信息負責。其他信息包括刊載於年度報告內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯報的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯報，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據國際會計準則理事會頒布的《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而公允的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯報所需的內部控制負責。

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

審計委員會協助董事履行職責監督貴集團的財務報告過程。

Independent Auditor's Report (continued)

獨立核數師報告（續）

To the shareholders of China Leon Inspection Holding Limited
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致中國力鴻檢驗控股有限公司全體股東
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Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯報取得合理保證，並出具包括我們意見的核數師報告。我們僅對全體股東作出報告，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯報存在時總能發現。錯報可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯報可被視作重大。

在根據《國際審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

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

Independent Auditor's Report (continued)

獨立核數師報告（續）

To the shareholders of China Leon Inspection Holding Limited
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致中國力鴻檢驗控股有限公司全體股東
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Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

核數師就審計綜合財務報表承擔的責任（續）

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公允反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

Independent Auditor's Report (continued)

獨立核數師報告（續）

To the shareholders of China Leon Inspection Holding Limited
(Incorporated in the Cayman Islands with limited liability)

致中國力鴻檢驗控股有限公司全體股東
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Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Tong Ka Yan Augustine.

Ernst & Young
Certified Public Accountants
Hong Kong
23 March 2018

核數師就審計綜合財務報表承擔的責任（續）

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是唐嘉欣。

安永會計師事務所
執業會計師
香港
2018年3月23日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2017
截至2017年12月31日止年度

		Notes 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
REVENUE	收入	5	200,921	186,466
Cost of sales	銷售成本		(90,237)	(90,107)
Gross profit	毛利		110,684	96,359
Other income and gains	其他收入及收益	5	1,634	1,413
Selling and distribution expenses	銷售及分銷開支		(2,749)	(2,053)
Administrative expenses	行政開支		(63,704)	(53,171)
Other expenses	其他開支		(2,217)	(2,938)
Finance costs	融資成本	7	(690)	(1,559)
Share of profits of:	以下各項應佔利潤：			
a joint venture	合營企業	18	171	7
an associate	聯營企業	19	8	–
PROFIT BEFORE TAX	稅前利潤	6	43,137	38,058
Income tax expense	所得稅開支	10	(8,434)	(4,430)
PROFIT FOR THE YEAR	年內利潤		34,703	33,628
Attributable to:	以下各項應佔：			
Owners of the parent	母公司擁有人		35,595	33,628
Non-controlling interests	非控股權益		(892)	–
			34,703	33,628

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

綜合損益及其他全面收益表（續）

Year ended 31 December 2017
截至2017年12月31日止年度

	Note 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
OTHER COMPREHENSIVE (LOSS)/INCOME	其他全面（虧損）／收益		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods (net of tax):	於隨後期間重新分類至損益的其他全面（虧損）／收益（扣除稅款）：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	(1,915)	2,473
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	年內其他全面（虧損）／收益，扣除稅款	(1,915)	2,473
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總值	32,788	36,101
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	33,680	36,101
Non-controlling interests	非控股權益	(892)	—
		32,788	36,101
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人應佔每股盈利		
Basic and diluted	基本及攤薄	RMB8.90 cents 人民幣8.90分	RMB9.69 cents 人民幣9.69分

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2017
2017年12月31日

		Notes 附註	As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	106,488	59,638
Investment properties	投資物業	14	21,992	22,282
Prepaid land lease payments	預付土地租賃款項	15	6,198	10,370
Goodwill	商譽	16	572	572
Intangible assets	無形資產	17	732	820
Investment in a joint venture	於合營企業的投資	18	1,678	1,507
Investment in an associate	於聯營企業的投資	19	3,108	–
Deferred tax assets	延遲稅項資產	20	1,041	1,828
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	929	15,112
Total non-current assets	非流動資產總值		142,738	112,129
CURRENT ASSETS	流動資產			
Trade and bills receivables	貿易應收款項及應收票據	21	22,563	22,059
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	18,581	9,308
Available-for-sale investments	可供出售投資	23	21,300	9,000
Pledged deposits	已抵押存款	24	397	812
Cash and cash equivalents	現金及現金等價物	24	48,791	63,450
Total current assets	流動資產總值		111,632	104,629
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	25	3,718	4,615
Advance from customers, other payables and accruals	客戶墊款、其他應付款項及應計項目	26	31,671	28,557
Interest-bearing bank loans and other borrowing	計息銀行貸款及其他借款	27	6,061	–
Tax payable	應納稅款		1,801	226
Total current liabilities	流動負債總額		43,251	33,398
NET CURRENT ASSETS	流動資產淨值		68,381	71,231
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		211,119	183,360

Consolidated Statement of Financial Position (continued)

綜合財務狀況表（續）

31 December 2017
2017年12月31日

		Notes 附註	As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank loans and other borrowings	計息銀行貸款及其他借款	27	11,681	10,000
Interest payable	應付利息		–	1,210
Deferred tax liabilities	延遲稅項負債	20	1,111	500
Other payables	其他應付款項		29	–
Total non-current liabilities	非流動負債總額		12,821	11,710
Net assets	資產淨值		198,298	171,650
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	28	131	131
Reserves	儲備	30	195,075	171,519
Non-controlling interests	非控股權益		195,206 3,092	171,650 –
Total equity	權益總額		198,298	171,650

LI Xiangli
李向利
Director
董事

LIU Yi
劉翊
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2017

截至2017年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔						Non-controlling interests 非控股權益	Total equity 權益總額
		Share capital 股本	*Capital reserve *資本儲備	*Statutory reserves *法定儲備金	*Exchange fluctuation reserve *匯兌波動儲備	*Retained profits *保留利潤	Total 合計		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 1 January 2016	於2016年1月1日	65	18,374	8,490	753	33,156	60,838	161	60,999
Profit for the year	年內利潤	-	-	-	-	33,628	33,628	-	33,628
Other comprehensive income for the year:	年內其他全面收益：								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	2,473	-	2,473	-	2,473
Total comprehensive income for the year	年內全面收益總額	-	-	-	2,473	33,628	36,101	-	36,101
Issue of shares (note 28)	發行股份(附註28)	66	84,290	-	-	-	84,356	-	84,356
Share issue expenses	股份發行開支	-	(9,645)	-	-	-	(9,645)	-	(9,645)
Disposal of a subsidiary	出售附屬公司	-	-	-	-	-	-	(161)	(161)
Transfer from retained profits	保留利潤轉撥	-	-	2,936	-	(2,936)	-	-	-
As at 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	131	93,019	11,426	3,226	63,848	171,650	-	171,650
Profit for the year	年內利潤	-	-	-	-	35,595	35,595	(892)	34,703
Other comprehensive loss for the year:	年內其他全面虧損：								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	(1,915)	-	(1,915)	-	(1,915)
Total comprehensive income for the year	年內全面收益總額	-	-	-	(1,915)	35,595	33,680	(892)	32,788
Final 2016 dividend declared (note 11)	已宣派的2016年末期股息(附註11)	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Capital contributions from non-controlling shareholders	非控股股東資本供款	-	-	-	-	-	-	2,863	2,863
Equity-settled share option arrangements (note 29)	以權益結算的購股權安排(附註29)	-	627	-	-	-	627	-	627
Acquisition of a subsidiary (note 31)	收購附屬公司(附註31)	-	-	-	-	-	-	370	370
Equity transactions with non-controlling shareholders	與非控股股東的權益交易	-	(751)	-	-	-	(751)	751	-
Transfer from retained profits	保留利潤轉撥	-	-	4,329	-	(4,329)	-	-	-
As at 31 December 2017	於2017年12月31日	131	92,895	15,755	1,311	85,114	195,206	3,092	198,298

* As at 31 December 2017, these reserve accounts comprise the consolidated reserves of RMB195,075,000 (31 December 2016: RMB171,519,000) in the consolidated statement of financial position.

* 於2017年12月31日，該等儲備賬包括綜合財務狀況報表內的綜合儲備人民幣195,075,000元（2016年12月31日：人民幣171,519,000元）。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2017

截至2017年12月31日止年度

	Notes 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before tax	稅前利潤	43,137	38,058
Adjustments for:	已就下列各項作出調整：		
Share of profit of a joint venture	應佔合營企業利潤	(171)	(7)
Share of profit of an associate	應佔聯營企業利潤	(8)	–
Finance costs	融資成本	690	1,559
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	9,261	6,282
Depreciation of investment properties	投資物業的折舊	1,223	1,211
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	244	286
Amortisation of intangible assets	無形資產攤銷	88	24
Loss on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目的虧損淨額	33	53
Gain on disposal of available-for-sale investments	出售可供出售投資的收益	(242)	(221)
Initial public offering related fee	首次公開發售相關費用	–	9,567
(Reversal of impairment)/impairment of trade receivables	貿易應收款項的(減值撥回)/減值	(213)	508
Impairment of construction in progress	在建工程減值	–	1,028
Equity-settled share option expense	以權益結算的購股權開支	627	–
		54,669	58,348
(Increase)/decrease in trade and bills receivables	貿易應收款項及應收票據(增加)/減少	(18)	6,922
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(2,096)	(1,967)
(Decrease)/increase in trade payables	貿易應付款項(減少)/增加	(897)	519
Decrease in advance from customers, other payables and accruals	客戶墊款、其他應付款項及應計項目減少	(1,159)	(5,495)
Cash generated from operations	經營產生的現金	50,499	58,327
Income tax paid	已付所得稅	(5,205)	(8,068)
Net cash flows from operating activities	經營活動所得現金流量淨額	45,294	50,259

Consolidated Statement of Cash Flows (continued)

綜合現金流量表（續）

Year ended 31 December 2017

截至2017年12月31日止年度

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
	Note 附註		
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(42,099)	(35,406)
Payment for intangible assets	無形資產付款	-	(794)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	263	38
Purchase of available-for-sale investments	購買可供出售投資	(100,800)	(63,500)
Disposal of available-for-sale investments	出售可供出售投資	88,500	80,500
Gain on disposal of available-for-sale investments	出售可供出售投資的收益	242	221
Purchase of interests in a joint venture	購買合營企業的權益	-	(1,500)
Purchase of interests in an associate	購買聯營企業的權益	(3,100)	-
Acquisition of a subsidiary, net of cash acquired	收購附屬公司，扣除獲取的現金	(498)	-
	31		
Disposal of a subsidiary	出售附屬公司	-	(161)
Decrease/(increase) in pledged deposits	已抵押存款減少／(增加)	415	(779)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(57,077)	(21,381)

Consolidated Statement of Cash Flows (continued)

綜合現金流量表（續）

Year ended 31 December 2017
截至2017年12月31日止年度

		Notes 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量			
Proceeds from issue of shares	發行股份所得款項		–	84,356
Capital contributions from non-controlling shareholders	非控股股東資本供款		2,863	–
New bank loans and other borrowing	新增銀行貸款及其他借款	32	50,370	–
Repayment of bank loans and other borrowing	償還銀行貸款及其他借款	32	(42,684)	(40,000)
Interest paid	已付利息		(1,900)	(609)
Dividend paid	已付股息		(10,000)	–
Payment for initial public offering related fee	首次公開發售相關費用付款		–	(21,918)
Repayment of deemed distribution (i)	償還認定分銷 (i)		–	(47,877)
Net cash flows used in financing activities	融資活動所用現金流量淨額		(1,351)	(26,048)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物（減少）／增加淨額		(13,134)	2,830
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額		(1,525)	2,473
Cash and cash equivalents at beginning of year	年初現金及現金等價物		63,450	58,147
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		48,791	63,450

(i) Pursuant to the reorganisation arrangements prior to the Company's listing on The Stock Exchange of Hong Kong Limited, each of LI Xiangli, ZHANG Aiyong, LIU Yi, LI Dexin, ZHANG Jiaqi and Beijing Lihong Cornerstone Investment Co., Ltd. transferred their total equity interests in Beijing Huaxia Lihong Commodity Inspection Co., Ltd. ("Beijing Huaxia Lihong") to Huaxia Leon Inspection Limited, the subsidiary held by the Company, the consideration was RMB47,877,000 and settled in January 2016.

(i) 根據本公司於香港聯合交易所有限公司上市前的重組安排，李向利、張愛英、劉翊、李德新、張佳琦及北京力鴻基石投資有限公司各自轉讓其在北京華夏力鴻商品檢驗有限公司（「北京華夏力鴻」）的股本權益總額予本公司的附屬公司華夏力鴻檢驗有限公司，對價為人民幣47,877,000元，並於2016年1月結清。

Notes to Financial Statements

財務報表附註

31 December 2017
2017年12月31日

1. Corporate and Group Information

China Leon Inspection Holding Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 29 July 2015. The registered office of the Company is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited from 12 July 2016.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the testing and inspection of coal and coke in the People’s Republic of China (the “PRC”).

In the opinion of the directors, the Company was under the control of LI Xiangli (李向利) and ZHANG Aiyong (張愛英). LI Xiangli and ZHANG Aiyong are spouses.

Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name*	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主營業務
			Direct 直接	Indirect 間接	
China Leon Inspection Holding (BVI) Limited	British Virgin Island 英屬維爾京群島	US\$1.00 1.00美元	100	–	Investment holding 投資控股
Huaxia Leon Inspection Limited 華夏力鴻檢驗有限公司	The PRC Hong Kong 中國 香港	HK\$100 100港元	–	100	Investment holding 投資控股
Asia Leon Inspection Holding Limited	British Virgin Island 英屬維爾京群島	US\$50,000 50,000美元	100	–	Investment holding 投資控股

1. 公司及集團資料

中國力鴻檢驗控股有限公司（「本公司」）為一家於2015年7月29日於開曼群島註冊成立的有限責任公司。本公司註冊辦事處位於PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands。本公司股份自2016年7月12日已於香港聯合交易所有限公司上市。

本公司為一家投資控股公司。本年度，本公司及其附屬公司（統稱為「本集團」）主要從事中華人民共和國（「中國」）的煤炭與焦炭檢測及檢驗。

董事認為，本公司由李向利及張愛英控制。李向利及張愛英為夫妻。

關於附屬公司資料

本公司附屬公司詳情如下：

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Name*	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of equity attributable to the Company		Principal activities
			本公司應佔權益百分比 Direct 直接	Indirect 間接	
Leon Overseas Pte. Ltd	Singapore 新加坡	SGD1,000,000 1,000,000新加坡元	-	51	Inspection and testing of commodities 商品檢驗及檢測
Leon Inspection & Testing India Private Limited	India 印度	INR500,000 500,000盧比	-	80	Inspection and testing of commodities 商品檢驗及檢測
Pt. Leon Testing and Consultancy	Indonesia 印度尼西亞	IDR3,001,500,000 3,001,500,000印尼盾	-	51	Inspection and testing of commodities 商品檢驗及檢測
Leon Inspection Testing Services Sdn. Bhd	Malaysia 馬來西亞	MYR1,000,000 1,000,000馬幣	-	100	Inspection and testing of commodities 商品檢驗及檢測
Beijing Huaxia Lihong 北京華夏力鴻商品檢驗有限公司	The PRC Mainland China 中國 中國內地	RMB50,000,000 人民幣50,000,000元	-	100	Coal inspection 煤炭檢驗
Qinhuangdao Lihong Coal Testing Co., Ltd. 秦皇島力鴻煤炭檢測有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	-	100	Coal and coke testing, inspection and relevant service 煤炭及焦炭檢測、檢驗及 相關服務
Tangshan Huaxia Lihong Commodity Inspection Co., Ltd. 唐山華夏力鴻商品檢驗有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	-	100	Inspection, testing, appraisal and inspection technology development 檢驗、檢測、評估及 檢驗技術開發
Tianjin Huaxia Lihong Coal Testing Co., Ltd. 天津華夏力鴻煤炭檢測有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	-	100	Coal and coke inspection 煤炭及焦炭檢驗

1. 公司及集團資料（續）

關於附屬公司資料（續）

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Name*	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of equity attributable to the Company		Principal activities 主營業務
			本公司應佔權益百分比 Direct 直接	Indirect 間接	
Nanjing Lihong Coal Testing Co., Ltd. 南京力鴻煤炭檢測有限公司	The PRC Mainland China 中國 中國內地	RMB3,000,000 人民幣3,000,000元	–	100	Coal, coke and minerals inspection 煤炭、焦炭及礦物檢驗
Guangzhou Lihong Coal Testing Co., Ltd. 廣州力鴻煤炭檢測有限公司	The PRC Mainland China 中國 中國內地	RMB1,440,000 人民幣1,440,000元	–	100	Professional technique service 專業技術服務
Hebei Lihong Minerals Inspection Co., Ltd. 河北力鴻礦產品檢驗有限公司	The PRC Mainland China 中國 中國內地	RMB3,000,000 人民幣3,000,000元	–	100	Coal inspection technique advisory service 煤炭檢驗技術諮詢服務
Hunan Lihong Coal Testing Co., Ltd. 湖南力鴻煤炭檢測有限公司	The PRC Mainland China 中國 中國內地	RMB3,000,000 人民幣3,000,000元	–	100	Coal, coke and minerals testing and inspection 煤炭、焦炭及礦物 檢測及檢驗
Zhuhai Lidaohongtu Coal Testing Technology Services Co., Ltd. 珠海力道鴻圖煤炭檢測技術服務有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	–	100	Coal and minerals testing, inspection and advisory service 煤炭及礦物檢測、檢驗及 諮詢服務
Beijing Huaxia Lihong Software Development Co., Ltd. 北京華夏力鴻軟件開發有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	–	100	Software development, technique service and sale of computers and equipment 軟件開發、技術服務以及 電腦及設備銷售
Tianjin Shengde Tiangong Sampling Technology Co., Ltd. 天津聖德天工採樣技術有限公司	The PRC Mainland China 中國 中國內地	RMB10,000,000 人民幣10,000,000元	–	100	Scientific research, technique service and business service 科研、技術服務及商業服務

1. 公司及集團資料（續）

關於附屬公司資料（續）

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Name*	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of equity attributable to the Company		Principal activities
			本公司應佔權益百分比 Direct 直接	Indirect 間接	
Shaanxi Huaxia Lihong Commodity Inspection Co., Ltd. 陝西華夏力鴻商品檢驗有限公司	The PRC Mainland China 中國 中國內地	RMB50,000,000 人民幣50,000,000元	-	55	Quality Inspection Service 質量檢驗服務
Huerguosi Huaxialihong Quality Technical Service Co., Ltd. 霍爾果斯華夏力鴻質量技術服務有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	-	100	Product quality control, inspection, evaluation supervision, testing and relevant technique service 產品質量控制、檢驗、評估監督、檢測和相關技術服務
Leon Sanitary Inspection Technical Service (Tianjin) Co., Ltd. 力鴻衛檢科技服務(天津)有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	-	100	Vector biological control technology, technological development and consulting and chemical products wholesale and retail 媒介生物控制技術、技術開發諮詢、化學產品批發及零售

* The English names of the companies registered in the PRC represent the best efforts of the management of the Company in directly translating the Chinese names of the companies as no English names have been registered.

All these companies were incorporated with limited liability.

1. 公司及集團資料（續）

關於附屬公司資料（續）

Name*	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of equity attributable to the Company		Principal activities
			本公司應佔權益百分比 Direct 直接	Indirect 間接	
Shaanxi Huaxia Lihong Commodity Inspection Co., Ltd. 陝西華夏力鴻商品檢驗有限公司	The PRC Mainland China 中國 中國內地	RMB50,000,000 人民幣50,000,000元	-	55	Quality Inspection Service 質量檢驗服務
Huerguosi Huaxialihong Quality Technical Service Co., Ltd. 霍爾果斯華夏力鴻質量技術服務有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	-	100	Product quality control, inspection, evaluation supervision, testing and relevant technique service 產品質量控制、檢驗、評估監督、檢測和相關技術服務
Leon Sanitary Inspection Technical Service (Tianjin) Co., Ltd. 力鴻衛檢科技服務(天津)有限公司	The PRC Mainland China 中國 中國內地	RMB1,000,000 人民幣1,000,000元	-	100	Vector biological control technology, technological development and consulting and chemical products wholesale and retail 媒介生物控制技術、技術開發諮詢、化學產品批發及零售

* 由於各中國註冊的公司並未註冊英文名稱，故而各公司的英文名稱為本公司管理層直接翻譯公司中文名。

所有該等公司均註冊成立為有限公司。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and interpretations) issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments, which has been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

2.1 編製基準

該等財務報表乃根據國際會計準則理事會（「國際會計準則理事會」）發佈的《國際財務報告準則》（「國際財務報告準則」）（包括所有《國際財務報告準則》、《國際會計準則》（「國際會計準則」）及詮釋）及香港《公司條例》之披露規定編製。除已按公允價值計量的可供出售投資外，財務報表乃按歷史成本法編製。該等財務報表乃以人民幣（「人民幣」）呈列及除另有所指外，所有數值均四捨五入至最接近的千位數。

綜合基準

綜合財務報表包括本公司及其附屬公司（統稱為「本集團」）截至2017年12月31日止年度的財務報表。附屬公司指由本公司直接或間接控制的實體（包括結構性實體）。本集團可支配其所涉及的投資對象的可變收益或從中擁有權利且該權利能決定投資對象的可變收益（即賦予本集團現時權力以主導投資對象的相關活動影響可變回報）時，則實現控制。

倘本公司直接或間接擁有低於投資對象過半數投票權或類似權利，則本集團評估其是否對投資對象擁有控制權時，應考慮所有相關事實及情況，包括：

- (a) 投資對象其他投票權持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司之財務報表使用與本公司相同的會計政策並於相同申報期間編製。附屬公司業績於本集團獲得對其的控制權之日起至失去該等控制權之日綜合入賬。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

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

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

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

2.1 編製基準（續）

綜合基準（續）

即使非控股權益之業績出現赤字差額，損益及其他全面收益的各組成部分應歸屬予本集團母公司之擁有人及非控股權益。所有有關本集團成員公司間交易的集團內資產與負債、權益、收益、開支及現金流量已於綜合入賬時悉數撇銷。

倘事實及情況表明上述控制權的三個因素中的一個或多個出現變動時，本集團會重新評估對投資對象是否擁有控制權。未失去控制權的附屬公司所有權權益變動應入賬為權益交易。

倘本集團失去對附屬公司的控制權，則其終止確認(i)該附屬公司的資產（包括商譽）及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累積換算差額；並確認(i)已收對價的公允價值；(ii)所保留任何投資的公允價值；及(iii)損益賬中任何因此產生的盈餘或虧損。倘本集團已直接出售相關資產或負債，先前於其他全面收益中確認的本集團股份組成部分按要求以相同基準重新分類至損益或保留利潤（如適用）。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.2 Changes in Accounting Policies and Disclosures

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

Amendments to IAS 7

《國際會計準則》第7號之修訂

Amendments to IAS 12

《國際會計準則》第12號之修訂

Amendments to IFRS 12 included in *Annual Improvements to IFRSs 2014-2016 Cycle*

《國際財務報告準則》第12號之修訂
載入2014-2016週期之年度改進

None of the above amendments to IFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 32 to the financial statements upon the adoption of amendments to IAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

2.2 會計政策的變動及披露

本集團已首次於本年度財務報表中採納以下經修訂《國際財務報告準則》。

Disclosure Initiative

披露計劃

Recognition of Deferred Tax Assets for Unrealised Losses

對未變現虧損確認遞延稅項資產

Disclosure of Interests in Other Entities:

Clarification of the Scope of IFRS 12
披露於其他實體之權益：澄清《國際財務報告準則》第12號中披露規定之範圍

上述《國際財務報告準則》之修訂概無對該等財務報表產生重大財務影響。在採用《國際會計準則》第7號修訂時，財務報表附註32已作出披露，該修訂要求實體提供披露，使財務報表使用者能夠評估融資活動產生的負債變動，包括現金流量產生的變動和非現金變化。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.3 Issued but not yet Effective International Financial Reporting Standards

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

Amendments to IFRS 2

《國際財務報告準則》第2號之修訂

Amendments to IFRS 4

《國際財務報告準則》第4號之修訂

IFRS 9

《國際財務報告準則》第9號

Amendments to IFRS 9

《國際財務報告準則》第9號之修訂

Amendments to IFRS 10 and IAS 28

《國際財務報告準則》第10號及

《國際會計準則》第28號之修訂

IFRS 15

《國際財務報告準則》第15號

Amendments to IFRS 15

《國際財務報告準則》第15號之修訂

IFRS 16

《國際財務報告準則》第16號

Amendments to IAS 40

《國際會計準則》第40號之修訂

2.3 已頒佈但尚未生效的《國際財務報告準則》

本集團於財務報表內尚未應用以下已頒佈但尚未生效的新訂及經修訂《國際財務報告準則》。

Classification and Measurement of Share-based Payment Transactions¹

以股份為基礎的交易的分類及計量¹

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts¹

與《國際財務報告準則》第4號保險合約一併應用的《國際財務報告準則》第9號金融工具¹

Financial Instruments¹

金融工具¹

Prepayment Features with Negative Compensation²

提早還款特徵及負補償²

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴

投資者與其聯營企業或合營企業之間的資產出售或投入⁴

Revenue from Contracts with Customers¹

客戶合約收益¹

Clarifications to IFRS 15 Revenue from Contracts with Customers¹

釐清《國際財務報告準則》第15號客戶合約收益¹

Leases²

租賃²

Transfers of Investment Property¹

轉讓投資物業¹

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

IFRIC-22

國際財務報告詮釋委員會 – 詮釋第22號

IFRIC-23

國際財務報告詮釋委員會 – 詮釋第23號

IFRS 17

《國際財務報告準則》第17號

Amendments to IAS 19

《國際會計準則》第19號之修訂

Annual Improvements 2014-2016 Cycle

年度改進2014-2016年週期

Annual Improvements 2015-2017 Cycle

年度改進2015-2017年週期

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的《國際財務報告準則》（續）

*Foreign Currency Transactions and Advance Consideration*¹

外匯交易及預付對價¹

*Uncertainty over Income Tax Treatments*²

所得稅處理的不確定性²

*Insurance Contracts*³

保險合約³

*Plan Amendment, Curtailment or Settlement*¹

計劃的修改、縮減或結算¹

Amendments to IFRS 1 and IAS 28¹

《國際財務報告準則》第1號及《國際會計準則》第28號之修訂¹

Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23²

《國際財務報告準則》第3號、《國際財務報告準則》第11號、《國際會計準則》第12號及《國際會計準則》第23號之修訂²

- 1 於2018年1月1日或之後開始的年度期間生效
- 2 於2019年1月1日或之後開始的年度期間生效
- 3 於2021年1月1日或之後開始的年度期間生效
- 4 尚未釐定強制生效日期，但可採用

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

預期適用於本集團之《國際財務報告準則》詳情描述如下。

於2016年6月，國際會計準則理事會頒佈《國際財務報告準則》第2號的修訂，闡述以下三大方面：計量用現金結算以股份為基礎的交易的歸屬條件的影響；就預扣若干金額以履行與以股份為基礎的付款有關的僱員稅務責任且具有淨額結算功能的以股份為基礎的交易的分類；並考慮因修改以股份為基礎的交易的條款及條件而令其從以現金結算變為以權益結算的情況。該等修訂釐清，於計量以權益結算以股份為基礎的交易時用於解釋歸屬條件的方法亦適用於以現金結算以股份為基礎的付款。該等修訂引入一項例外情況，以便將預扣若干金額以履行僱員稅務責任且具有淨額結算功能的以股份為基礎的交易，於符合若干情況下，全部分類為以權益結算以股份為基礎的支付交易。此外，該等修訂釐清，若修改以現金結算以股份為基礎的交易的條件及條款，令其成為以權益結算以股份為基礎的交易，則該交易自修訂日起入賬列作以權益結算的交易。在採納時，實體需要在不重列前期的情況下應用修訂，但如果他們選擇採納所有三項修訂並且符合其他標準，則可以追溯申請。本集團將自2018年1月1日起採納該等修訂。該等修訂預計不會對本集團的財務報表產生任何重大影響。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt IFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group has performed a detailed assessment of the impact of the adoption of IFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all bank financial products currently held at fair value. Gains and losses of those bank financial products will be recognised in the statement of profit or loss.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

於2014年7月，國際會計準則理事會頒佈《國際財務報告準則》第9號之最終版本，將金融工具項目之所有階段集於一起以代替《國際會計準則》第39號及《國際財務報告準則》第9號之全部先前版本。該準則引入分類及計量、減值及對沖會計處理之新規定。本集團將自2018年1月1日起採納《國際財務報告準則》第9號。本集團將不會重列比較信息，並將於2018年1月1日確認任何與權益期初餘額相關的過渡調整。於2017年，本集團對採用《國際財務報告準則》第9號的影響進行了詳細評估。與分類和計量以及減值要求有關的預期影響總結如下：

(a) 分類及計量

本集團預期採納《國際財務報告準則》第9號不會對其金融資產的分類及計量產生重大影響。預期將繼續以公允價值計量現時以公允價值持有的銀行金融產品。該等銀行金融產品的損益將於損益表中確認。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

(b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

(b) 減值

《國際財務報告準則》第9號規定，以攤銷成本或公允價值計入其他全面收益的債務工具、租賃應收款項、貸款承擔及根據《國際財務報告準則》第9號無須按公允價值計入損益的財務擔保合約的減值，須按預期信用虧損模式以12個月或以生命週期為基礎入賬。本集團將使用簡化方法且預計根據所有貿易應收款項剩餘週期內的所有現金差額的現值計量週期內預期損失。此外，本集團將採用一般方法，並根據未來12個月內其他應收款項的可能違約事件估計錄入12個月預期信用損失。

《國際財務報告準則》第10號及《國際會計準則》第28號的修訂針對《國際財務報告準則》第10號與《國際會計準則》第28號之間有關處理投資者與其聯營企業或合營企業之間的資產出售或注資的規定的不一致性。該等修訂規定，當投資者與其聯營企業或合營企業之間的資產出售或注資構成一項業務時，須悉數確認損益。當交易涉及不構成一項業務的資產時，由該交易所產生的損益於投資者的損益中確認，惟僅以不相關投資者於該聯營企業或合營企業的權益為限。該等修訂即將應用。國際會計準則理事會於2015年12月剔除以往《國際財務報告準則》第10號及《國際會計準則》第28號的修訂的強制生效日期，而新的強制生效日期將於聯營企業及合營企業會計審閱完成後釐定。然而，該等修訂目前可採納。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

IFRS 15, issued in May 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in IFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of IFRS 15 will not be material. The Group also assessed that the expected changes in accounting policies, as further explained below, will not have a material impact on the Group's financial statements from 2018 onwards. During 2017, the Group has performed a detailed assessment on the impact of the adoption of IFRS 15.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

2014年5月頒佈的《國際財務報告準則》第15號建立一個新的五步模式，將應用於來自客戶合約產生之收益。根據《國際財務報告準則》第15號，收入按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得之對價金額確認。《國際財務報告準則》第15號之原則為計量及確認收入提供更加結構化之方法。該準則亦引入廣泛之定性及定量披露規定，包括分拆收入總額，有關履行責任、不同期間之間合約資產及負債賬目結餘之變動以及主要判斷及估計之資料。該準則將取代《國際財務報告準則》下所有現時收入確認之規定。於初次應用該準則時，須全面追溯應用或修訂後追溯應用。於2016年4月，國際會計準則理事會頒佈《國際財務報告準則》第15號的修訂，就確定履約責任、有關委託人與代理人及知識產權許可方面的應用指引以及過渡方面解決實施問題。該等修訂亦旨在協助確認實體採納《國際財務報告準則》第15號時更一致的應用以及降低成本及應用的複雜性。本集團計劃採納《國際財務報告準則》第15號之過渡性條文，以確認初次採納的累計影響，並對2018年1月1日之保留盈利年初結餘作出調整。此外，本集團計劃僅對於2018年1月1日前尚未完成之合約應用該等新規定。本集團預期首次採納《國際財務報告準則》第15號後將於2018年1月1日作出之過渡性調整並不重大。本集團亦估計會計政策之預期變動（見下文詳述）將不會對本集團2018年起之財務報表造成重大影響。於2017年內，本集團已詳細評估採納《國際財務報告準則》第15號之影響。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

The Group derived a majority of its revenue from testing services during 2017. The Group performs analytical tests for coal quality and usually issues testing certificates or reports within 24 to 48 hours after completion of the on-site preparation. Upon the adoption of IFRS 15, revenue from the testing services will be recognised at a point in time when test result is delivered to the customer, which is the same as the current practice. The Group has determined that when IFRS 15 is adopted, the Group's revenue for 2017 will not be changed significantly. The expected impacts arising from the adoption of IFRS 15 on the Group is the presentation and disclosure of financial statements.

The presentation and disclosure requirements in IFRS 15 are more detailed than those under the current IAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in IFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In particular, the Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made on determining the transaction prices of those contracts that include variable consideration, how the transaction prices have been allocated to the performance obligations, and the assumptions made to estimate the stand-alone selling price of each performance obligation. In addition, as required by IFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

於2017年，本集團自檢測服務獲得大部分收入。本集團就煤炭質量進行分析測試，並通常於完成現場製樣後24至48小時內頒發檢驗證書或報告。採納《國際財務報告準則》第15號後，檢測服務所得收入將於檢測結果交付予客戶時確認，這與目前慣例一致。本集團認為採納《國際財務報告準則》第15號後，本集團2017年的收入將不會有重大變動。預計採納《國際財務報告準則》第15號會影響本集團財務報表的呈列和披露。

《國際財務報告準則》第15號之呈列及披露規定較現時《國際會計準則》第18號所列者更為詳細。該等呈列規定引致現有方式出現重大變動，且會引致須於本集團財務報表披露之內容大幅增加。《國際財務報告準則》第15號中之多項披露規定為新規定，而本集團認為當中部分披露規定將產生重大影響。特別是，本集團預期財務報表附註將因披露決定該等合約（包括可變對價）之交易價格、將交易價格分配至履約責任之方式所作重大判斷以及估計各項履約責任之獨立售價所作假設而增加。此外，根據《國際財務報告準則》第15號之規定，本集團將分拆自客戶合約確認收入為多個類別，其中說明收入及現金流之性質、金額、時間及不確定性受經濟因素影響之程度。其亦會披露有關分拆收入之披露與就各報告分部披露收入資料之關係。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

IFRS 16, issued in January 2016, replaces IAS 17 *Leases*, IFRIC-4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019. The Group is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

於2016年1月頒佈的《國際財務報告準則》第16號取代《國際會計準則》第17號租賃、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、準則詮釋委員會－詮釋第15號經營租賃－優惠及準則詮釋委員會－詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈報及披露租賃的原則，並要求承租人就大部分租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債（即租賃負債）及代表可使用相關資產的權利為資產（即有使用權資產）。除非有使用權資產符合《國際會計準則》第40號投資物業的定義，或在應用重估模式下與某類別物業、廠房及設備相關，則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更及用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。《國際財務報告準則》第16號大致沿用《國際會計準則》第17號內出租人的會計處理方式。出租人將繼續使用與《國際會計準則》第17號相同的分類原則對所有租賃進行分類，並將其分為經營租賃及融資租賃。《國際財務報告準則》第16號要求承租人和出租人較根據《國際會計準則》第17號作出更廣泛的披露。承租人可以選擇使用全面追溯或修訂後追溯方法應用該準則。本集團預計自2019年1月1日起採用《國際財務報告準則》第16號。本集團現正評估採納《國際財務報告準則》第16號

Notes to Financial Statements (continued)

財務報表附註（續）

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2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 34(b) to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB20,649,000. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

Amendments to IAS 40, issued in December 2016, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

的影響，且正考慮會否選擇利用現有可行權宜方式，以及將會採用的過渡方式及寬免。如財務報表附註34(b)所披露，於2017年12月31日，本集團根據不可撤銷經營租賃應付的未來最低租金總額約為人民幣20,649,000元。採納《國際財務報告準則》第16號後，當中所列部分金額或需確認為新有使用權資產及租賃負債。然而，本集團需作進一步分析，以確定將予確認的新有使用權資產及租賃負債，包括但不限於涉及低價值資產租賃及短期租賃的金額、所選其他可行權宜方式及寬免以及採用該準則日期前訂立的新租賃。

《國際會計準則》第40號修訂於2016年12月發佈，澄清實體應何時將物業（包括在建或開發中的物業）轉入或轉出投資物業。修訂內容指出，當物業符合或不再符合投資物業的定義，並且有證據表明物業的使用有變化時，會發生使用變更。僅僅改變管理層使用財產的意圖並不能作為物業發生使用變化的證據。實體首次採用修訂的年度報告期開始時或之後發生的使用變化應採用該等修訂。實體應在首次應用修訂時重新評估所持有的財產的分類，並在適用情況下重新分類財產以反映首次應用修訂之日的條件。只有在不使用事後證明的情況下，方可使用追溯申請。本集團預期自2018年1月1日起追溯採納該等修訂。預期該等修訂不會對本集團財務報表造成重大影響。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

IFRIC-22, issued in December 2016, provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

於2016年12月頒佈的國際財務報告詮釋委員會詮釋第22號就以下事項提供指引，即在實體以外幣收取或支付預付對價及確認非貨幣資產或負債的情況下應用《國際會計準則》第21號時如何釐定交易日期。該等詮釋指出，釐定首次確認相關資產、開支或收益（或當中部分）所使用之匯率之交易日期為實體首次確認支付或收取預付對價產生的非貨幣資產（例如預付款項）或非貨幣負債之日（例如遞延收入）。如果在確認相關項目之前有多筆付款或收據，則實體必須確定每筆付款或收到預付對價的交易日期。實體可在完整的追溯基礎上或以預期基準應用該詮釋，可從實體首次應用詮釋的報告期開始之時或從實體首次應用詮釋的報告期內的財務報表內呈列比較資料的上一報告期開始之時起。本集團預期自2018年1月1日起採納該詮釋。預計該詮釋不會對本集團的財務報表產生重大影響。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.3 Issued but not yet Effective International Financial Reporting Standards (continued)

IFRIC-23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

國際財務報告詮釋委員會詮釋第23號於2017年6月頒佈，當稅務處理涉及影響應用《國際會計準則》第12號的不確定因素（通常稱為「不確定稅務狀況」）時，該詮釋就所得稅（現時及遞延）進行會計處理。該詮釋不適用於國際會計準則第12號範圍以外的稅收或徵稅，也不具體包括與不確定稅務處理相關的利息和罰金的相關要求。該詮釋特別針對(i)實體須釐定是否分別考慮各項不確定稅項處理；(ii)實體亦須假設稅務機關將會檢討其有權檢討的金額；(iii)企業如何確定應稅利潤或稅收損失、稅基、未使用稅收損失、未使用稅收抵免和稅率；及(iv)實體如何考慮事實和情況的變化。該詮釋將追溯應用，要麼全面追溯而不使用事後檢查或追溯應用累計的申請作為初始申請當日的期初權益的調整，而不重列比較信息。本集團預期自2019年1月1日起採納該詮釋。預計該詮釋不會對本集團的財務報表產生重大影響。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in an associate and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of the associate and the joint venture is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of the Group's investment in the associate or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the associate or joint venture is included as part of the Group's investment in the associate or joint venture.

2.4 重大會計政策概要

聯營企業及合營企業投資

聯營企業指本集團擁有一般不低於20%股權投票權的長期權益的實體，並且本集團對該實體擁有重大影響力。重大影響力指參與被投資方財務和經營決策的權力，但並非對這些政策有控制權或共同控制權。

合營企業為一項共同安排，據此，擁有該安排共同控制權的各方有權享有該合營企業的資產淨值。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權的各方作出一致同意之決定時存在。

本集團於聯營企業及合營企業的投資乃根據權益會計法按本集團所佔資產淨值扣除減值虧損後於綜合財務狀況表中列示。我們已作出調整，以使可能存在的不同會計政策保持一致。

本集團應佔收購後的業績與聯營企業及合營企業的其他綜合收益載於綜合損益及其他全面收益表。此外，倘一項變動直接於聯營企業及合營企業的股權中確認，則本集團將於綜合權益變動表中確認其股本的任何變動（倘適用）。除未實現虧損能為轉讓資產之減值提供證據的情況外，本集團與其聯營企業及合營企業之間的交易產生的未實現損益按本集團於聯營企業及合營企業的投資程度對銷。聯營企業及合營企業產生的商譽為本集團於聯營企業及合營企業之投資的一部分。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 重大會計政策概要（續）

業務合併及商譽

業務合併採用購買法列賬。轉讓對價按收購日的公允價值計量，即本集團所轉讓資產、本集團承擔之所收購公司前擁有人負債與本集團為換取所購公司控股權而發行的股本權益於收購日的公允價值的總和。就各項業務合併而言，本集團選擇是否按公允價值或佔所收購公司的可識別資產淨值的比例計量於收購公司的非控股權益（為現有所有權權益及授權其所有人在清盤情況下按比例分佔資產淨值）。非控股權益的所有其他組成部分按公允價值計量。收購相關成本於產生時入賬。

當本集團收購業務時，會根據約定條款、收購日的經濟環境及有關條件來評估承擔的金融資產及負債，並進行適當的分類及列示。其包括區分被收購方所訂立的主合約中的嵌入式衍生工具。

倘業務合併為分階段實現，在合併日前享有的權益應按收購日的公允價值重新計量，且任何產生的損益於損益中確認。

收購方將予轉讓的任何或有對價按收購日的公允價值確認。分類為資產或負債的或有對價按公允價值計量，公允價值的變動於損益中確認。分類為權益的或有對價並不重新計量且隨後結算於權益內列賬。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重大會計政策概要（續）

業務合併及商譽（續）

商譽起初按成本計量，即已轉讓對價、就非控股權益確認金額及本集團任何之前於被收購方持有股權的公允價值超過所收購可識別資產淨值及所承擔負債的差額。如該對價和其他項目的總和低於所收購資產淨值的公允價值，其差額（經重估後）將於損益確認為議價收購收益。

初步確認後，商譽按成本減任何累積減值虧損計量。商譽每年進行一次減值測試或倘出現任何事件或情況轉變顯示賬面值可能減值，則須進行更頻密的測試。本集團每年於12月31日進行其商譽減值測試。為進行商譽減值測試，業務合併中所收購的商譽應當於收購日分攤至本集團預計能自業務合併的協同效應中收益的各現金產生單位或現金產生單位組，而不論本集團的其他資產或負債是否分攤至該等單位或單位組別。

減值乃透過評估與商譽有關現金產生單位（現金產生單位組）的可收回金額而釐定。倘現金產生單位（現金產生單位組）的可收回金額低於賬面值，則確認減值虧損。就商譽確認的減值虧損不會於其後的期間撥回。

當商譽分攤至現金產生單位（或現金產生單位組）且該單位內的部分營運被出售，則在確認出售損益時，出售營運相關的商譽也被包括在營運賬面值中。在此情況下出售的商譽乃根據所出售的營運及所保留的現金產生單位部分的相關價值而計量。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement

The Group measures its available-for-sale investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 重大會計政策概要（續）

公允價值計量

於各報告期末，本集團按公允價值計量其可供出售投資。公允價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允價值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或（在無主要市場情況下）最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公允價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產的公允價值計量須衡量市場參與者能通過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者而產生經濟效益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公允價值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重大會計政策概要（續）

公允價值計量（續）

所有其公允價值於財務報表計量或披露的資產及負債乃按下述公允價值等級分類，分類乃基於對公允價值計量整體而言屬重大的最低層輸入數據進行：

第1級 – 基於相同資產或負債於活躍市場的報價（未經調整）

第2級 – 基於對公允價值計量而言屬重大的可觀察（直接或間接）最低層輸入數據的估值方法

第3級 – 基於對公允價值計量而言屬重大的不可觀察最低層輸入數據的估值方法

在財務報表重估確認的資產及負債，本集團透過於各報告期末重新評估分類（基於對公允價值計量整體而言屬重大的最低層輸入數據）確定是否發生不同等級轉移。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 重大會計政策概要（續）

非金融資產減值

倘一項資產（金融資產除外）存在減值跡象，或需要進行年度減值測試，則會估計資產的可收回金額。資產可收回金額按該資產或現金產生單位的使用價值及公允價值減出售成本兩者中的較高金額計算，並按個別資產釐定，除非該資產產生的現金流入不能基本上獨立於其他資產或資產組別所產生的現金流入，在該情況下，可收回金額將按該資產所屬現金產生單位釐定。

僅於資產賬面值超過其可收回金額時方會確認減值虧損。評估使用價值時，估計未來現金流量採用反映當前市場對貨幣時間價值及資產特定風險的評估之稅前貼現率貼現至其現值。於與減值資產功能一致的開支分類內產生減值虧損時，減值虧損於產生期間在損益表中支銷。

於各報告期末會就是否有跡象顯示之前確認的減值虧損可能已不存在或可能減少作出評估。倘存在上述跡象，則會估計可收回金額。僅當用以釐定之前確認的資產（商譽除外）可收回金額的估計出現變動時方會撥回有關資產的減值虧損，惟撥回金額不得超過假設過往年度並無就該資產確認減值虧損情況下原應釐定的賬面值（扣除任何折舊／攤銷）。該等減值虧損撥回計入產生期間的損益表。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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2.4 Summary of Significant Accounting Policies (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

2.4 重大會計政策概要（續）

關聯方

以下人士將被視為與本集團有關聯：

- (a) 倘為以下人士或其近親
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 該人士為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方的合營企業；

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Related parties (continued)

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 重大會計政策概要（續）

關聯方（續）

- (iv) 實體為一名第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 該實體乃為本集團或與本集團有關聯的實體的僱員利益設立的離職後福利計劃；及離職後福利計劃之贊助僱主；
- (vi) 該實體由(a)項所列人士控制或共同控制；
- (vii) (a)(i)項所列人士對該實體具有重大影響力或為該實體（或該實體的母公司）的主要管理人員；及
- (viii) 該實體或構成其部分的任何集團成員向本集團或本集團的母公司提供主要管理人員服務。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	4.75%
Vehicles	23.75%
Electronic equipment and others	19% to 31.67%
Leasehold improvements	20% to 33.33%

2.4 重大會計政策概要（續）

物業、廠房及設備以及折舊

物業、廠房及設備（在建工程除外）按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及令資產達致其營運狀況及送抵有關地點作其擬定用途的任何直接應計費用。

物業、廠房及設備項目投產後所產生的支出，如維修及保養費用，一般於產生期間在損益表中支銷。於符合確認準則的情況下，用於重大檢測的支出將於該資產的賬面值中撥充資本，列作重置項目。倘物業、廠房及設備的重要部分需不時更換，則本集團會將該等部分確認為擁有特定可使用年期的個別資產，並予以相應折舊。

折舊以直線法按每項物業、廠房及設備項目的估計可使用年期撇銷其成本至其剩餘價值計算。就此而言，所使用的主要年率如下：

土地及樓宇	4.75%
車輛	23.75%
電子設備及其他	19%至31.67%
租賃物業裝修	20%至33.33%

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 重大會計政策概要（續）

物業、廠房及設備以及折舊（續）

因物業、廠房及設備項目的不同部分使用壽命不同，該項目成本於不同部分間合理分派，故各部分均單獨折舊。剩餘價值、使用壽命及折舊方法至少於每個財政年度結算日進行審查及調整（如適當）。

物業、廠房及設備項目（包括初步確認的任何重大部分）於出售時或預期使用或出售不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益表確認的任何出售或報廢損益，為有關資產的銷售所得款項淨額與賬面值的差額。

在建工程指在建的樓宇，按成本減任何減值虧損列賬且不作折舊。成本包括建設期內的直接建設成本及相關借入資金的資本化借款成本。當在建工程完成並可使用時，將被重新分類至適當物業、廠房及設備類別。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight-line method over the estimated useful lives years. Owner-occupied property is transferred to investment property when there is a change in use evidenced by the end of owner occupation.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the item is derecognised.

2.4 重大會計政策概要（續）

投資物業

投資物業指於為賺取租金收入及／或資本增值或在一般業務過程中出售而持有的土地和樓宇（包括根據物業經營租賃持有的符合投資物業定義的租賃權益）（用於生產或供應商品或服務或行政用途的物業除外）中的權益。有關物業初始按成本（包括交易費用）計量。初步確認後，投資物業應按成本減累計折舊及任何減值虧損列賬。折舊應按投資物業的估計可使用年期以直線法撇銷其成本。倘於業主佔用期間結束時，有證據顯示業主所佔有物業的用途發生改變，則該物業將轉撥至投資物業。

當投資物業出售或永久停止使用及預計不會從出售中獲得未來經濟收益時，會被取消確認。取消確認該資產所產生的任何收益或虧損（按出售所得款項淨額與該資產的賬面值差額計算）載於年內損益表，該資產於該表中被取消確認。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over the shorter of their estimated useful lives and the relevant licence periods.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 重大會計政策概要（續）

無形資產（商譽除外）

單獨購買的無形資產以初步確認的成本計量。業務合併中收購的無形資產的成本為其於收購當天的公允價值。無形資產的可使用年期被評估為有固定年期或者無固定年期。有固定使用年期之無形資產隨後於其可使用經濟年期內攤銷，並於出現任何減值跡象時進行減值評估。有固定使用年期的無形資產的攤銷年期及攤銷方法至少於各財政年末進行審查。

專利及特許權

已購入的專利及特許權按成本減去任何減值虧損列賬，並以直線法按其估計可使用年期或相關特許權年期之中較短者攤銷。

研發成本

所有研究成本於其產生時於損益表中扣除。

開發新產品項目中產生的開支僅當本集團可證明以下各項時方可予以資本化及遞延：完成無形資產以使其能夠使用或銷售在技術上具有可行性、擬完成該資產且能夠使用或出售、資產產生未來經濟利益的方式、有足夠的資源完成該項目及有能力可靠計量開發階段的開支。不符合該等標準的產品開發開支於產生時支銷。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms of 25 years to 40 years.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 重大會計政策概要（續）

租賃

出租人仍保留資產擁有權的絕大部分回報及風險的租賃均列為經營租賃。倘本集團為出租人，本集團根據經營租賃出租的資產計入非流動資產，而經營租賃項下的應收租金則以直線法於租期內計入損益表。倘本集團為承租人，根據經營租賃的應付租金扣除自出租人收取的任何優惠後按直線法於租期內從損益表中扣除。

經營租賃項下預付土地租賃款項初步按成本列賬並隨後於租期（25至40年）以直線法確認。

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類為按公允價值計入損益的金融資產、貸款及應收款項、持有至到期投資及可供出售金融投資，或於有效對沖中指定為對沖工具的衍生工具（視情況而定）。金融資產於初步確認時按公允價值加收購金融資產產生的交易成本計量，除以公允價值計量並計入損益的金融資產。

所有以常規方式購買及銷售的金融資產於交易日（即本集團承諾購買或出售資產當日）確認。常規買賣指規定於一般由市場規例或慣例確立的期間內交付資產的金融資產買賣。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 重大會計政策概要（續）

投資及其他金融資產（續）

其後計量

金融負債的其後計量取決於以下分類：

貸款及應收款項

貸款及應收款項為並非活躍市場所報具固定或可釐定支付的非衍生金融資產。於初始計量後，該等資產乃隨後採用實際利率法減任何減值撥備按攤銷成本計量。計算攤銷成本時考慮收購時所產生的任何折讓或溢價以及作為實際利率一部分的費用或成本。實際利率攤銷乃於損益表入賬列作其他收入及收益。減值產生的虧損於貸款融資成本及應收款項其他開支中確認。

可供出售金融投資

可供出售金融投資乃於上市及非上市股本投資中的非衍生金融資產。列為可供出售的權益投資既未分類為持作交易亦未指定為按公允價值計量並計入損益的權益投資。該類別之債務證券指擬於無限期內持有並可能因流動資金需要或因市況變動而出售的金融投資。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gains or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 重大會計政策概要（續）

投資及其他金融資產（續）

可供出售金融投資（續）

於初步確認後，可供出售金融投資隨後按公允價值計量，未變現損益於該投資終止確認前於可供出售投資估值儲備內確認為其他全面收益，終止確認時或直至該投資釐定為減值時累計損益乃於損益表內確認為其他收入，屆時累計損益乃從可供出售投資估值儲備重新分類為損益表中的其他損益。於持有可供出售金融投資期間所賺取的利息及股息分別列作利息收入及股息收入呈報，並根據下文「收入確認」所載的方式在損益表確認為其他收入。

倘由於(a)估計合理公允價值之差異變動範圍就該投資而言屬重大或(b)估計公允價值時未能合理評估並利用有關範圍內的各估計發生的可能性，而未能可靠地計量非上市權益投資之公允價值，則有關投資按成本減任何減值虧損入賬。

本集團會評估在短期內出售可供出售金融資產的能力及意向是否仍屬適當。在罕有的情況下，當因市場不活躍而導致該集團無法買賣該等金融資產時，在管理層有能力且有意向於可預見未來持有該等資產或持有該等資產至到期的情況下，本集團可選擇重新分類該等金融資產。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 重大會計政策概要（續）

投資及其他金融資產（續）

可供出售金融投資（續）

對於重新分類劃出可供出售類別之金融資產，則於重新分類日期之公允價值賬面值將為其新的攤銷成本，並且該資產之前已於權益中確認之任何盈虧將使用實際利率法按投資之剩餘年限於損益內攤銷。任何新攤銷成本與到期金額間之差額亦將使用實際利率法按該項資產之剩餘年限攤銷。倘該資產隨後釐定為減值，則權益內計入之金額將重新分類至損益表。

終止確認金融資產

金融資產（或（如適用）金融資產的一部分或一組類似金融資產的一部分）於下列情況下將終止確認（即於本集團的綜合財務狀況表中移除）：

- 取自該項資產所得現金流量的權利已屆滿；或
- 本集團已轉讓其收取自該項資產所得現金流量的權利，或根據「轉手」安排在沒有嚴重延誤的情況下承擔向第三方悉數支付已收取現金流量的責任，及(a)本集團已轉讓該項資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留該項資產的絕大部分風險及回報，但已轉讓該項資產的控制權。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 重大會計政策概要（續）

終止確認金融資產（續）

倘本集團已轉讓其收取自該項資產所得現金流量的權利或訂立轉手安排，其會評估其是否已保留資產所有權的風險及回報以及保留至何種程度。倘本集團並無轉讓亦無保留該項資產的絕大部分風險及回報，亦無轉讓該項資產的控制權，則該項已轉讓資產將按本集團持續涉及該項資產的程度繼續確認入賬。在此情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團已保留的權利及責任的基準計量。

本集團就已轉讓資產作出一項擔保而導致持續涉及時，已轉讓資產乃以該項資產的初始賬面值及本集團或須償還的對價數額上限中的較低者計算。

金融資產減值

本集團於各報告期末評估是否有客觀證據顯示一項金融資產或一組金融資產出現減值。倘於資產初步確認後發生的一項或多項事件影響該項或該組金融資產的估計未來現金流量，而該影響能夠可靠估計，則存在減值。減值證據可能包括單個債務人或一組債務人正面臨重大財務困難、違約或未能償還利息或本金、彼等將有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量的減少（例如欠款數目或與違約相關的經濟狀況出現變動）等跡象。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

2.4 重大會計政策概要（續）

金融資產減值（續）

按攤銷成本列賬的金融資產

對於按攤銷成本列賬的金融資產，本集團首先會按個別基準評估個別重大金融資產或按組合基準評估個別非重大金融資產是否存在減值。倘本集團認定並無客觀證據顯示按個別基準評估的金融資產出現（無論是否重大）減值，則有關資產會歸入一組具有相似信貸風險特徵的金融資產，並按組合基準評估有否減值。經個別評估減值且已確認或持續確認減值虧損的資產不會納入組合減值評估之內。

已確認的任何減值虧損金額會按該項資產的賬面值與估計未來現金流量現值（不包括未產生的未來信貸虧損）的差額計量。估計未來現金流量現值會按金融資產的原實際利率（即初步確認時所用的實際利率）折現。

資產賬面值透過使用撥備賬削減，而虧損在損益表內確認。利息收入按已扣減的賬面值持續累計，並採用計量減值虧損時用以貼現未來現金流量的利率累計。貸款及應收款項連同任何相關撥備於不存在日後收回的實際可能性及所有抵押品已變現或轉讓予本集團時撇銷。

倘估計減值虧損的金額在其後期間因確認減值後發生的事項出現增減，則先前確認的減值虧損可通過調整撥備賬而增減。倘撇銷於其後收回，則收回金額將以其他開支計入損益表。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 重大會計政策概要（續）

金融資產減值（續）

可供出售金融投資

就可供出售金融投資而言，本集團會於各報告期末評估有否客觀證據顯示一項投資或一組投資出現減值。

倘可供出售資產出現減值，其成本（扣除任何本金付款和攤銷）和其現有公允價值，扣減之前於損益表內確認之任何減值虧損之差額，將自其他全面收益移除，並在損益表中確認。

倘權益投資被列作可供出售類別，則客觀證據將包括該項投資的公允價值大幅或長期跌至低於其成本。「大幅」是相對於投資之原始成本評估，而「長期」則相對於公允價值低於原始成本之期間而評估。倘出現減值證據，則累計虧損（按收購成本與現時公允價值之差額減該項投資先前在損益表內確認的任何減值虧損計量）將從其他全面收益中移除，並於損益表內確認。分類為可供出售的股本工具的減值虧損不可通過損益表撥回，而其公允價值於減值後的增加部分會直接於其他全面收益中確認。

確定是否屬「大幅」或「長期」時須作出判斷。在作出該判斷時，本集團會評估（其中包括）一項投資的公允價值少於其成本的持續時間或程度。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank loans and other borrowings.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要（續）

金融負債

初步確認及計量

金融負債於初步確認時被分類為按公允價值計入損益的金融負債、貸款及借款或於有效對沖中指定為對沖工具的衍生工具（視情況而定）。

所有金融負債初步按公允價值確認及倘為貸款及借款，則應扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、計息銀行貸款及其他借款。

其後計量

金融資產之其後計量取決於彼等以下的分類情況：

貸款及借款

於初步確認後，計息貸款及借款隨後以實際利率法按攤銷成本計量，除非貼現影響微不足道，則按成本列賬。終止確認負債及按實際利率法攤銷過程中產生的損益在損益表內確認。

計算攤銷成本時考慮收購所產生的任何折價或溢價以及作為實際利率一部分的費用或成本。實際利率攤銷於損益表內列為融資成本。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2.4 重大會計政策概要（續）

終止確認金融負債

金融負債於負債責任解除、撤銷或屆滿時終止確認。

倘現有金融負債由同一放債人提供但條款差異甚大的另一金融負債替代，或現有負債的條款已作重大修訂，則有關替代或修訂被視作終止確認原有負債並確認新負債，而各賬面值之差額則於損益表確認。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知數額現金（沒有重大價值變動風險）並於購入後一般在三個月內到期的短期高度流通投資（扣除須按要求償還及構成本集團現金管理方面不可或缺的銀行透支後）。

就綜合財務狀況表而言，現金及現金等價物包括並無限制用途的手頭及銀行現金（包括定期存款及與現金性質相若的資產）。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認的項目相關的所得稅於損益外的其他全面收益或直接於權益中確認。

即期稅項資產及負債按預期可自稅務機關收回或支付予稅務機關的金額，根據於報告期末已實施或實際上實施的稅率（及稅法），並計及本集團經營所在國家當時的詮釋及慣例計量。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 重大會計政策概要（續）

所得稅（續）

遞延稅項就報告期末資產及負債的稅基及其就財務報告而言的賬面值之間所有暫時性差額以負債法撥備。

就所有應課稅暫時性差額確認遞延稅項負債，惟：

- 倘若遞延稅項負債於初步確認商譽或一宗非業務合併交易的資產或負債時產生，且在交易時對會計溢利或應課稅溢利或虧損均無影響，則屬例外；及
- 就與於附屬公司、聯營企業及合營企業的投資相關的應課稅暫時性差額而言，倘若撥回暫時性差額的時間可以控制，且暫時性差額可能不會在可預見未來撥回，則屬例外。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.4 重大會計政策概要（續）

所得稅（續）

對於所有可扣減暫時性差額、結轉的未動用稅項抵免及任何未動用稅項虧損，遞延稅項資產一律確認入賬。若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差額、結轉的未動用稅項抵免及任何未動用稅項虧損，則遞延稅項資產確認入賬，惟：

- 倘與可扣減暫時性差額有關的遞延稅項資產於初步確認一宗非業務合併交易的資產或負債時產生，且在交易時對會計溢利或應課稅溢利或虧損均無影響，則屬例外；及
- 就於附屬公司、聯營企業及合營企業的投資相關的可扣減暫時性差額而言，僅在暫時性差額有可能在可預見未來撥回，且日後有可能出現應課稅溢利可用以抵扣該等暫時性差額時，方會確認遞延稅項資產。

遞延稅項資產的賬面值於各報告期末予以審閱。若不再可能有足夠應課稅溢利用以抵扣全部或部分遞延稅項資產，則扣減遞延稅項資產賬面值。未確認的遞延稅項資產於各報告期末重新評估，並於可能有足夠應課稅溢利用以收回全部或部分遞延稅項資產時確認。

遞延稅項資產及負債按預期應用於該期間（當資產被變現或負債被清還時）的稅率，並基於報告期末已頒佈或實質上已頒佈的稅率（及稅法）計量。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) service income, from the rendering of coal and coke testing and inspection services, when the agreed services are provided;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders' right to receive payment has been established.

2.4 重大會計政策概要（續）

所得稅（續）

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補助

倘可合理保證將能收取補助且將符合所有附帶條件，則政府補助按其公允價值確認。倘補助與開支項目相關，則於支銷擬用於補償的成本期間按系統基準確認為收入。

收入確認

收入於經濟利益很可能流入本集團且收入能可靠計量時確認，基準如下：

- (a) 提供煤炭及焦炭檢測及檢驗服務所得服務收入於提供議定服務時確認；
- (b) 租金收入於租期內按時間比例確認；
- (c) 利息收入採用將金融工具的估計未來現金按預計年期或較短期間（如適用）貼現至金融資產賬面淨值的利率，按應計基準使用實際利率法確認；及
- (d) 股息收入於股東獲得收取股息權後確認。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 29 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 重大會計政策概要（續）

以股份為基礎的付款

本公司實施購股權計劃，以為本集團業務作出貢獻之合資格參與者提供激勵及獎勵。本集團僱員（包括董事）透過以股份為基礎的付款之形式取得薪酬，據此僱員提供服務作為權益工具之對價（「以權益結算的交易」）。

僱員之以權益結算的交易成本乃參考交易授出當日之公允價值計量。公允價值由外部估值師採用二項式模型確定，有關詳情載於財務報表附註29。

以權益結算的交易成本，連同權益相應增加部分，在績效及／或服務條件獲達成之期間內於僱員福利開支確認。在歸屬日之前每個報告期末對於以權益結算的交易所確認之累計費用，乃反映歸屬期屆滿之程度及本集團對於最終歸屬之權益工具數量之最佳估計。期內損益賬扣除或計入之金額乃代表該期期初及期末所確認累計開支之變動。

釐定獎勵獲授當日之公允價值時，並不計及服務及非市場績效條件，惟在有可能符合條件之情況下，則評估為本集團對最終將會歸屬之股本工具數目最佳估計之一部分。市場績效條件反映於獎勵獲授當日之公允價值。獎勵之任何其他附帶條件（但不帶有服務要求）視作非賦予條件。非賦予條件反映於獎勵之公允價值，除非同時具服務及／或績效條件，否則獎勵即時支銷。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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2.4 Summary of Significant Accounting Policies (continued)

Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 重大會計政策概要（續）

以股份為基礎的付款（續）

因非市場績效及／或服務條件未能達成而最終無賦予之獎勵並不確認開支。凡獎勵包含市場或非賦予條件，無論市場或非賦予條件獲達成與否，而所有其他績效及／或服務條件均獲達成，則交易仍被視為一項賦予。

當權益結算獎勵條款作出修訂，若均符合初始獎勵條款，則至少按照條款未有修訂之情況確認開支。此外，倘任何修訂會導致以股份為基礎的付款之總公允價值增加，或於修訂當日計算時對僱員有利，便會確認開支。

倘權益結算獎勵被取消，則視作已於取消日期歸屬處理，而該獎勵之任何尚未確認開支則會立即確認。這包括任何未達成在本集團或僱員控制範圍內之非歸屬條件之獎勵。然而，如有新的獎勵取代已取消的獎勵，並於授予當日被指定為替代獎勵，則已取消及新的獎勵被視為對初始獎勵的修訂（如前段所述）。

尚未行使購股權之攤薄作用會於每股溢利計算中反映為額外股份攤薄。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Employee benefits

Social pension plans

The Group has social pension plans for its employees arranged by local government labour and security authorities. The Group makes contributions on a monthly basis to the social pension plans. The contributions are charged to profit or loss as they become payable in accordance with the rules of the social pension plans. Under the plans, the Group has no further obligations beyond the contributions made.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group has no further obligations beyond the contributions made.

Apart from those described above, the Group does not have any other legal or constructive obligations over employee benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 重大會計政策概要（續）

僱員福利

社會退休金計劃

本集團已按照當地政府勞動和社會保障部門安排為僱員辦理社會退休金計劃。本集團每月向該等社會退休金計劃作出供款。根據社會退休金計劃規定，供款於應付時在損益表扣除。根據該等計劃，本集團除作出供款以外並無其他責任。

住房公積金及其他社會保險

本集團已根據中國有關法律法規為其僱員參與定額社會保障供款計劃，包括住房公積金、基本醫療保險、失業保險、工傷保險和生育保險。本集團每月就住房公積金及其他社會保險作出供款，並按照應計基準自損益扣除。本集團除作出供款外並無其他責任。

除上述者外，本集團在僱員福利方面並無任何其他法定或推定責任。

借款成本

收購、建造或生產合資格資產（即須經過大量時間方可作擬定用途或出售的資產）直接應佔借款成本，撥充為資本作為該等資產成本的一部分。資產大致上可作擬定用途或出售時，有關借款成本不再撥充資本。合資格資產未支出的專項借款作暫時性投資所賺取的投資收入從撥充資本的借款成本中扣除。所有其他借款成本於產生期間支銷。借款成本包括實體就借入資金產生的利息及其他成本。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 重大會計政策概要（續）

股息

末期股息於股東大會上獲股東批准後確認為負債。建議末期息披露於財務報表附註。

因本公司組織章程大綱及章程細則授權董事宣派中期股息，故同時建議並宣派中期股息。因此，中期股息在建議並宣派時立即確認為負債。

外幣

該等財務報表均以人民幣（為本公司功能貨幣）呈列。本集團各實體會釐定其各自功能貨幣，而載於各實體財務報表的項目均採用功能貨幣計量。本集團實體記錄的外幣交易初步採用交易當日現有功能貨幣匯率記錄。以外幣列值的貨幣資產及負債乃按報告期末的功能貨幣匯率換算。貨幣項目結算或換算產生的差額於損益表內確認。

按某外幣歷史成本計量的非貨幣項目乃採用初步交易當日的匯率換算。按某外幣的公允價值計量的非貨幣項目乃採用計量公允價值當日的匯率換算。換算按公允價值計量的非貨幣項目產生的盈虧與確認該項目公允價值變動的盈虧作一致處理（即公允價值盈虧於其他全面收入或損益內確認的項目的換算差額亦分別於其他全面收入或損益內確認）。

Notes to Financial Statements (continued)

財務報表附註（續）

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2.4 Summary of Significant Accounting Policies (continued)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.4 重大會計政策概要（續）

外幣（續）

若干海外附屬公司功能貨幣乃人民幣以外的貨幣。於報告期末，該等實體的資產及負債會按報告期末的現有匯率換算為人民幣，而彼等的損益表則按年內加權平均匯率換算為人民幣。

就此產生的匯兌差額於其他全面收益內確認並於匯兌波動儲備累計。出售海外業務時，與該特定海外業務有關的其他全面收益部分於損益內確認。

就綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為人民幣。海外附屬公司整年產生的經常性現金流量則按該年內加權平均匯率換算為人民幣。

Notes to Financial Statements (continued)

財務報表附註（續）

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3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both.

3. 重大會計判斷及估計

編製本集團的財務報表要求管理層作出判斷、估計及假設，而這會影響收入、支出、資產及負債呈報金額及其隨附披露及或有負債的披露。該等假設及估計的不確定因素可能引致未來須就受影響的資產或負債的賬面值作出重大調整。

判斷

於應用本集團的會計政策過程中，除涉及估計的判斷外，管理層作出以下對在財務報表中已確認數額有重大影響的判斷：

經營租賃承擔 – 本集團作為出租人

本集團已就其投資物業組合訂立商業物業租賃。基於對安排條款及條件的評估，本集團已確定，仍保留根據經營租賃租出物業之所有權的全部重大風險及回報。

投資物業及自用物業的分類

本集團釐定一項物業是否合資格作為投資物業，並制定作出有關判斷的標準。投資物業為持作賺取租金或作資本增值或作兩者用途的物業。

Notes to Financial Statements (continued)

財務報表附註（續）

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 December 2017 was RMB6,305,000 (2016: RMB1,599,000). Further details are contained in note 20 to the financial statements.

Impairment of trade receivables

The Group maintains an allowance for estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers will deteriorate such that the actual impairment loss might be higher than expected, the Group would be required to revise the basis for making the allowance and its future results would be affected.

3. 重大會計判斷及估計（續）

估計不確定因素

日後的主要假設及報告期末的其他估計不確定因素的主要來源（該等來源存在重大風險，導致須對下個財政年度的資產及負債的賬面值進行重大調整）載列如下：

商譽減值

本集團至少每年確定商譽是否減值。這需要估計獲分配商譽的現金產生單位的使用價值。本集團估計使用價值時，須估計現金產生單位的預計未來現金流量，並選用適合的貼現率計算該等現金流量的現值。

遞延稅項資產

倘日後可能有足夠可動用應課稅溢利抵銷稅務虧損，則就未使用的稅務虧損確認遞延稅項資產。重大管理層判斷須根據日後應課稅溢利可能發生的時間及水平，以及日後稅務規劃策略釐定可確認的遞延稅項資產金額。於2017年12月31日的未確認稅項虧損為人民幣6,305,000元（2016年：人民幣1,599,000元）。詳情載於財務報表附註20。

貿易應收款項減值

本集團就客戶無法支付所需款項產生的預計虧損計提撥備。本集團基於貿易應收款項餘額的賬齡、客戶信譽及過往撇銷經驗進行估計。倘其客戶的財務狀況將惡化，並導致實際減值虧損高於預期，則本集團須修訂撥備基準且其未來業績將會受到影響。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives and residual values of items of property, plant and equipment and investment properties

In determining the useful lives and residual values of items of property, plant and equipment and investment properties, the Group periodically reviews the changes in market conditions, the expected physical wear and tear, and the maintenance of the asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. Depreciation amounts will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment and investment properties are different from previous estimation. Useful lives and residual values are reviewed at the end of each reporting period based on changes in circumstances.

3. 重大會計判斷及估計（續）

估計不確定因素（續）

非金融資產（商譽除外）減值

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。本集團每年及於存在有關跡象時對無限年期的無形資產進行減值測試。當有跡象表明其他非金融資產的賬面價值或不可收回時對其進行減值測試，當資產或現金產生單位的賬面值超過其可收回金額（即其公允價值減出售成本及使用價值兩者之較高者）時，則存在減值。公允價值減出售成本乃根據按公平原則進行具約束力的類似資產出售交易所得的數據，或可觀察市價減出售資產的增量成本計算得出。計算使用價值時，管理層須估計資產或現金產生單位的預計未來現金流量，並選用適合的貼現率計算該等現金流量的現值。

物業、廠房及設備項目以及投資物業的可使用年期及剩餘價值

為釐定物業、廠房及設備項目以及投資物業的可使用年期及剩餘價值，本集團定期審視市場狀況的變化、預期實物耗損及資產維護情況。資產可使用年期是根據本集團以類似方式使用類似資產的過往經驗估計。如物業、廠房及設備項目以及投資物業的估計可使用年期及／或剩餘價值與之前的估計不同，則應調整折舊金額。於各報告期末，本集團按情況變化審視可使用年期及剩餘價值。

Notes to Financial Statements (continued)

財務報表附註 (續)

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Share option scheme

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield and making assumptions about them. Continuous estimation is required for the calculation of cumulative share-based payment cost at each reporting date until vesting, including estimate of the number that will vest. Details of share-based payments are contained in note 29 to the financial statements.

4. Operating Segment Information

The Group's revenue and contribution to consolidated results are mainly derived from coal testing and related technical services, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource arrangement and performance assessment. Accordingly, no segment information by profit, asset and liability is presented.

Geographical information

(a) Revenue from external customers

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Mainland China	中國內地	194,873	186,466
Other countries/regions	其他國家／地區	6,048	-
		200,921	186,466

The revenue information above is based on the locations of the customers.

3. 重大會計判斷及估計 (續)

估計不確定因素 (續)

購股權計劃

本集團參照權益工具於授出日期的公允價值計量與僱員進行權益結算交易的成本。估計公允價值需要確定最適合授予權益工具的估值模型，這取決於授予的條款和條件。這也要求確定估值模型的最合適的輸入數據，包括預期壽命、波動率和股息收益率以及對彼等作出假設。在歸屬期之前的每個報告日期，計算以股份為基礎的付款的累計成本需要連續估算，包括對將要歸屬的數量作出估計。以股份為基礎的付款詳情載於財務報表附註29。

4. 經營分部資料

由於本集團收入及綜合業績供款主要來自煤炭檢測與相關技術服務，其被視為單一的須申報分部且其申報方式與就資源安排及績效評估向本集團高級管理人員進行內部匯報有關資料的方式一致，故並未按利潤、資產及負債呈列任何分部資料。

地域資料

(a) 來自外部客戶的收入

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
	194,873	186,466
	6,048	-
	200,921	186,466

以上收入資料乃基於客戶所在地。

Notes to Financial Statements (continued)

財務報表附註（續）

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4. Operating Segment Information (continued)

Geographical information (continued)

(b) Non-current assets

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Mainland China	中國內地	139,715	110,301
Other countries/regions	其他國家／地區	1,982	–
		141,697	110,301

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

During the year ended 31 December 2017, revenue generated from one of the Group's customers accounting for 10% or more of the Group's total revenue was RMB73,834,000 (year ended 31 December 2016: RMB99,520,000).

4. 經營分部資料（續）

地域資料（續）

(b) 非流動資產

	As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
	139,715	110,301
	1,982	–
	141,697	110,301

上文所載非流動資產資料乃基於資產所在地，並不包括金融工具及遞延稅項資產。

一名主要客戶的資料

截至2017年12月31日止年度，自本集團其中一名客戶所得收入佔本集團總收入的10%或以上，為人民幣73,834,000元（截至2016年12月31日止年度：人民幣99,520,000元）。

Notes to Financial Statements (continued)

財務報表附註（續）

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5. Revenue, Other Income and Gains

Revenue comprises the value of services rendered.

An analysis of the Group's revenue, other income and gains is as follows:

5. 收入、其他收入及收益

收入包括所提供服務的價值。

對本集團收入、其他收入及收益的分析載列如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入		
Testing services	檢測服務	164,213	151,308
Surveying services	鑒定服務	28,500	25,832
Witnessing and ancillary services	見證及輔助服務	8,208	9,326
		200,921	186,466
Other income	其他收入		
Bank interest income	銀行利息收入	54	29
Government grants	政府補助	108	528
Rental income	租金收入	581	591
		743	1,148
Gains	收益		
Gain on disposal of available-for-sale investments	出售可供出售投資的收益	242	221
Gain on acquisition of a subsidiary	收購附屬公司的收益	85	-
Others	其他	564	44
		891	265
		1,634	1,413

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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6. Profit before Tax

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

6. 稅前利潤

本集團的稅前利潤經扣除／（計入）以下
各項得出：

		Notes 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost of services provided	所提供服務的成本		90,237	90,107
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	13	9,261	6,282
Depreciation of investment properties	投資物業的折舊	14	1,223	1,211
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15	244	286
Amortisation of intangible assets	無形資產攤銷	17	88	24
Research and development costs: Current year expenditure	研發成本： 本年度開支		14,051	4,318
Minimum lease payments under operating leases:	經營租賃項下最低租金：			
Land and buildings	土地及樓宇		6,835	6,333
Auditor's remuneration	核數師薪酬		1,200	1,916
Employee benefit expenses (including directors' and the chief executive's remuneration):	僱員福利開支（包括董事及 最高行政人員薪酬）：			
Wages and salaries	工資及薪金		53,172	47,629
Pension scheme contributions	退休金計劃供款		4,948	4,759
Welfare and other expenses	福利及其他開支		11,560	8,981
Equity-settled share option expense	以權益結算的購股權開支	29	627	-
			70,307	61,369
Impairment of trade receivables	貿易應收款項減值	21	172	650
Reversal of impairment of trade receivables	貿易應收款項減值撥回	21	(385)	(142)
			(213)	508
Impairment of construction in progress	在建工程減值	13	-	1,028
Bank interest income	銀行利息收入		(54)	(29)
Loss on disposal of items of property, plant and equipment, net	出售物業、廠房及 設備項目的虧損淨額		33	53
Gain on disposal of available-for-sale investments	出售可供出售投資的收益		(242)	(221)

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

7. Finance Costs

An analysis of finance costs is as follows:

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Interest on bank loans and other borrowings 銀行貸款及其他借款利息	690	1,559

8. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, is as follows:

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Fees 袍金	252	267
Other emoluments: 其他酬金：		
Salaries, allowances and benefits in kind 薪金、津貼及非現金利益	2,217	2,301
Performance related bonuses 績效相關花紅	720	-
Pension scheme contributions 退休金計劃供款	153	141
	3,090	2,442
	3,342	2,709

During the year, no directors were granted share options (2016: Nil).

7. 融資成本

對融資成本的分析載列如下：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Interest on bank loans and other borrowings 銀行貸款及其他借款利息	690	1,559

8. 董事及最高行政人員薪酬

根據《上市規則》、香港《公司條例》第383(1)(a)、(b)、(c)及(f)條以及《公司（披露董事利益資料）規例》第2部披露之年內董事及最高行政人員薪酬如下：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Fees 袍金	252	267
Other emoluments: 其他酬金：		
Salaries, allowances and benefits in kind 薪金、津貼及非現金利益	2,217	2,301
Performance related bonuses 績效相關花紅	720	-
Pension scheme contributions 退休金計劃供款	153	141
	3,090	2,442
	3,342	2,709

年內，概無董事獲授購股權（2016年：無）。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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8. Directors' and Chief Executive's Remuneration (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
YANG Rongbing	楊榮兵	84	89
ZHAO Hong	趙虹	84	89
WANG Zichen	王梓臣	84	89
		252	267

There were no other emoluments payable to the independent non-executive directors during the year (2016: Nil).

8. 董事及最高行政人員薪酬（續）

(a) 獨立非執行董事

年內向獨立非執行董事支付的袍金載列如下：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
YANG Rongbing	84	89
ZHAO Hong	84	89
WANG Zichen	84	89
	252	267

年內並無應向獨立非執行董事支付的其他酬金（2016年：無）。

Notes to Financial Statements (continued)

財務報表附註（續）

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8. Directors' and Chief Executive's Remuneration (continued)

(b) Executive directors, a non-executive director and the chief executive

2017

		Salaries, allowances and benefits in kind 薪金、 津貼及 非現金利益	Performance related bonuses 績效 相關花紅	Pension scheme contributions 退休金 計劃供款	Total remuneration 薪酬總額	
	Fees 袍金	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Executive directors	執行董事					
LI Xiangli (Chief executive)	李向利 (最高行政人員)	-	865	200	51	1,116
LIU Yi	劉翊	-	748	220	51	1,019
ZHANG Aiyong	張愛英	-	604	300	51	955
		-	2,217	720	153	3,090
Non-executive director	非執行董事					
WANG Gang	王綱	-	-	-	-	-
		-	2,217	720	153	3,090

8. 董事及最高行政人員薪酬（續）

(b) 執行董事、非執行董事及最高行政人員

2017年

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

8. Directors' and Chief Executive's Remuneration (continued)

(b) Executive directors, a non-executive director and the chief executive (continued)

2016

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration	
	袍金	薪金、津貼及非現金利益	績效相關花紅	退休金計劃供款	薪酬總額	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors	執行董事					
LI Xiangli (Chief executive)	李向利 (最高行政人員)	-	1,103	-	47	1,150
LIU Yi	劉翊	-	659	-	47	706
ZHANG Aiyong	張愛英	-	539	-	47	586
		-	2,301	-	141	2,442
Non-executive director	非執行董事					
WANG Gang	王綱	-	-	-	-	-
		-	2,301	-	141	2,442

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內，並無任何董事或最高行政人員放棄或同意放棄任何薪酬的安排。

8. 董事及最高行政人員薪酬（續）

(b) 執行董事、非執行董事及最高行政人員（續）

2016年

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	袍金	薪金、津貼及非現金利益	績效相關花紅	退休金計劃供款	薪酬總額
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元

Executive directors	執行董事					
LI Xiangli (Chief executive)	李向利 (最高行政人員)	-	1,103	-	47	1,150
LIU Yi	劉翊	-	659	-	47	706
ZHANG Aiyong	張愛英	-	539	-	47	586
		-	2,301	-	141	2,442
Non-executive director	非執行董事					
WANG Gang	王綱	-	-	-	-	-
		-	2,301	-	141	2,442

年內，並無任何董事或最高行政人員放棄或同意放棄任何薪酬的安排。

Notes to Financial Statements (continued)

財務報表附註（續）

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9. Five Highest Paid Employees

The five highest paid employees during the year included three directors of the Company (2016: three), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2016: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及非現金利益	1,800	1,019
Performance related bonuses	績效相關花紅	585	–
Equity-settled share option expense	以權益結算的購股權開支	68	–
Pension scheme contributions	退休金計劃供款	102	94
		2,555	1,113

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

		2017 2017年	2016 2016年
Nil to HK\$1,000,000	零港元至1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–	–
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	–	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	–
		2	2

During the year, share options were granted to two non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 29 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

9. 五名最高薪酬僱員

年內五名最高薪酬僱員包括本公司三名董事（2016年：三名），有關彼等薪酬的詳情載列於上文附註8。非本公司董事亦非最高行政人員的餘下兩名最高薪酬僱員（2016年：兩名）的年內薪酬詳情載列如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及非現金利益	1,800	1,019
Performance related bonuses	績效相關花紅	585	–
Equity-settled share option expense	以權益結算的購股權開支	68	–
Pension scheme contributions	退休金計劃供款	102	94
		2,555	1,113

薪酬在以下範疇的非董事亦非最高行政人員的最高薪酬僱員的人數如下：

		2017 2017年	2016 2016年
Nil to HK\$1,000,000	零港元至1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–	–
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	–	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	–
		2	2

年內，就兩名非董事亦非最高行政人員的最高薪酬僱員為本集團提供的服務而向其授出購股權，詳情載於財務報表附註29的披露中。已於授出日期釐定該等購股權之公允價值並於歸屬期於損益表內確認，而本年度財務報表內所載金額已計入上述非董事亦非最高行政人員最高薪酬僱員的薪酬披露中。

Notes to Financial Statements (continued)

財務報表附註（續）

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10. Income Tax

Pursuant to the local rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The Company's subsidiary incorporated in Hong Kong is subject to income tax at the rate of 16.5% on the estimated assessable profits. No provision for Hong Kong profit tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2017 and 2016.

The Company's subsidiaries in Mainland China are subject to income tax at a statutory rate of 25% on their respective taxable income, except for Beijing Huaxia Lihong, which has been identified as a "high and new technology enterprise" and was entitled to a preferential income tax rate of 15% for the years ended 31 December 2017 and 2016.

Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

10. 所得稅

根據開曼群島及英屬維爾京群島的當地規則及法規，本集團毋須繳納任何開曼群島及英屬維爾京群島所得稅。

本公司於香港註冊成立的附屬公司須就預估應課稅利潤按16.5%的稅率繳納所得稅。截至2017年及2016年12月31日止年度，本集團於香港並未產生任何應課稅利潤，故並無就香港利得稅作出撥備。

本公司於中國內地註冊成立的附屬公司須就其各自應課稅收入按25%的法定稅率繳納所得稅，北京華夏力鴻除外，其被認為「高新技術企業」，於截至2017年及2016年12月31日止年度有權按15%的所得稅優惠稅率繳納所得稅。

其他地區應課稅利潤之稅項已根據現行法例、其有關之詮釋及慣例，按本集團營運所在的司法管轄區之現行稅率計算。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– Mainland China	– 內地	6,946	3,264
– Elsewhere	– 其他地區	90	–
Deferred (note 20)	遞延 (附註20)	1,398	1,166
Tax charge for the year	年內稅項支出	8,434	4,430

Notes to Financial Statements (continued)

財務報表附註（續）

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10. Income Tax (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

10. 所得稅（續）

適用於按本公司及其大多數附屬公司所在司法管轄區法定稅率計算的稅前利潤的稅項開支與按實際稅率計算的稅項開支對賬如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax	稅前利潤	43,137	38,058
Income tax charge at the statutory income tax rate of 25%	按25%的法定所得稅稅率計算的所得稅支出	10,784	9,515
Effect of the preferential income tax rate	所得稅優惠稅率的影響	(4,188)	(2,493)
Tax losses not recognised	未確認的稅項虧損	1,576	400
Tax losses utilised from previous periods	過往期間動用之稅項虧損	(266)	(2,440)
Expenses not deductible for tax	不可扣稅開支	353	286
Additional tax deduction for research and development expenditure	研發開支補交稅扣減項	(1,459)	(540)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	本集團中國附屬公司可分派利潤的預扣稅影響	1,111	500
Others	其他	523	(798)
Tax charge for the year at the effective rate	按實際稅率計算的年內稅項開支	8,434	4,430

Notes to Financial Statements (continued)

財務報表附註（續）

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11. Dividends

Proposed final – RMB0.025 (2016: RMB0.025) per ordinary share	建議末期股息 – 每股 普通股人民幣0.025元 (2016年：人民幣0.025元)
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11. 股息

2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
10,000	10,000

On 23 March 2018, the board of directors proposed a final dividend of RMB0.025 per share totalling RMB10,000,000 for the year ended 31 December 2017. The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

於2018年3月23日，董事會建議分派截至2017年12月31日止年度的末期股息每股人民幣0.025元，合共人民幣10,000,000元。建議末期股息須待本公司股東在應屆股東週年大會上批准後方可作實。

The proposed final cash dividend of RMB0.025 per share totalling RMB10,000,000 for the year ended 31 December 2016 was approved by the Company's shareholders on 5 May 2017.

截至2016年12月31日止年度的建議末期現金股息每股人民幣0.025元（合共人民幣10,000,000元）已由本公司股東於2017年5月5日批准。

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 400,000,000 (2016: 347,123,287) in issue during the year, as adjusted to reflect the rights issue during the year.

12. 母公司普通權益持有人應佔每股盈利

每股基本盈利金額乃按母公司普通權益持有人應佔年內溢利及年內已發行普通股加權平均數400,000,000股（2016年：347,123,287股）計算，惟已調整以反應年內供股。

The diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

每股攤薄盈利乃按本公司普通權益持有人應佔年內溢利除以年內已發行普通股加權平均數計算，即用於計算每股基本盈利及將所有具攤薄潛力的普通股視為行使或轉換為普通股時假定已無償發行的普通股加權平均數。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (continued)

No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2017 in respect of a dilution because the impact of the share options and shares under share award scheme outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2016.

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

12. 母公司普通權益持有人應佔每股盈利（續）

截至2017年12月31日止年度呈列的每股基本虧損金額並未因稀釋而作出調整，原因是購股權及已發行股份獎勵計劃項下股份對所呈報的每股基本盈利金額產生反攤薄影響。

於截至2016年12月31日止年度，本集團並無已發行的潛在攤薄普通股。

根據以下各項計算每股基本及攤薄盈利：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Earnings			
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	盈利 計算每股基本及攤薄盈利時用到的母公司普通權益持有人應佔溢利	35,595	33,628
		Number of shares	
		股份數目	
		2017	2016
		2017年	2016年
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	計算每股基本及攤薄盈利時用到的年內已發行普通股加權平均數	400,000,000	347,123,287

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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13. Property, Plant and Equipment

13. 物業、廠房及設備

		Land and buildings	Vehicles	Electronic equipment and others	Construction in progress	Leasehold improvements	Total
		土地及樓宇	車輛	電子設備及其他	在建工程	租賃物業裝修	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2017	2017年12月31日						
At 31 December 2016 and 1 January 2017:	於2016年12月31日及2017年1月1日：						
Cost	成本	22,553	21,372	23,016	18,978	4,370	90,289
Accumulated depreciation	累計折舊	(788)	(15,228)	(12,043)	-	(1,564)	(29,623)
Impairment	減值	-	-	-	(1,028)	-	(1,028)
Net carrying amount	賬面淨值	21,765	6,144	10,973	17,950	2,806	59,638
At 1 January 2017, net of accumulated depreciation and impairment	於2017年1月1日，扣除累計折舊及減值	21,765	6,144	10,973	17,950	2,806	59,638
Additions	添置	-	1,674	5,393	51,056	-	58,123
Disposals	出售	-	(49)	(246)	(2,350)	-	(2,645)
Acquisition of a subsidiary (note 31)	收購附屬公司(附註31)	-	118	528	-	-	646
Depreciation provided during the year (note 6)	年內折舊撥備(附註6)	(2,034)	(2,344)	(3,900)	-	(983)	(9,261)
Transfers to investment properties (note 14)	轉撥至投資物業(附註14)	(933)	-	-	-	-	(933)
Transfers	轉撥	48,547	-	105	(48,778)	126	-
Impairment written off	減值撇銷	-	-	-	1,028	-	1,028
Exchange realignment	匯兌調整	-	(20)	(88)	-	-	(108)
At 31 December 2017, net of accumulated depreciation	於2017年12月31日，扣除累計折舊	67,345	5,523	12,765	18,906	1,949	106,488
At 31 December 2017:	於2017年12月31日：						
Cost	成本	69,780	22,162	29,246	18,906	3,505	143,599
Accumulated depreciation	累計折舊	(2,435)	(16,639)	(16,481)	-	(1,556)	(37,111)
Net carrying amount	賬面淨值	67,345	5,523	12,765	18,906	1,949	106,488

During the year ended 31 December 2017, the Group purchased two buildings from an independent third party with a cash consideration of RMB37,657,000. These buildings were pledged by this third party for certain purpose before the transaction of purchase. The pledge has not been released and the buildings' property ownership certificates have not been obtained as of the date of these financial statements.

截至2017年12月31日止年度，本集團自一名獨立第三方購入兩幢樓宇，現金對價為人民幣37,657,000元。於購買交易前，該等樓宇由該第三方用作若干目的之抵押。截至該等財務報表日期，有關抵押尚未獲解除，且樓宇的物業所有權證書亦未獲得。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

13. Property, Plant and Equipment (continued)

13. 物業、廠房及設備（續）

		Land and buildings	Vehicles	Electronic equipment and others	Construction in progress	Leasehold improvements	Total
		土地及樓宇	車輛	電子設備及其他	在建工程	租賃物業裝修	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2016	2016年12月31日						
At 31 December 2015 and 1 January 2016:	於2015年12月31日及2016年1月1日：						
Cost	成本	2,472	18,682	17,865	17,915	2,517	59,451
Accumulated depreciation	累計折舊	(532)	(12,815)	(9,683)	-	(966)	(23,996)
Net carrying amount	賬面淨值	1,940	5,867	8,182	17,915	1,551	35,455
At 1 January 2016, net of accumulated depreciation	於2016年1月1日，扣除累計折舊	1,940	5,867	8,182	17,915	1,551	35,455
Additions	添置	-	2,690	5,825	21,777	1,595	31,887
Disposals	出售	-	-	(91)	-	-	(91)
Transfers (note 17)	轉撥(附註17)	20,081	-	-	(20,714)	330	(303)
Depreciation provided during the year (note 6)	年內折舊撥備(附註6)	(256)	(2,413)	(2,943)	-	(670)	(6,282)
Impairment (note 6)	減值(附註6)	-	-	-	(1,028)	-	(1,028)
At 31 December 2016, net of accumulated depreciation and impairment	於2016年12月31日，扣除累計折舊及減值	21,765	6,144	10,973	17,950	2,806	59,638
At 31 December 2016:	於2016年12月31日：						
Cost	成本	22,553	21,372	23,016	18,978	4,370	90,289
Accumulated depreciation	累計折舊	(788)	(15,228)	(12,043)	-	(1,564)	(29,623)
Impairment	減值	-	-	-	(1,028)	-	(1,028)
Net carrying amount	賬面淨值	21,765	6,144	10,973	17,950	2,806	59,638

The carrying amount of a construction in progress exceeded its recoverable amount of RMB1,028,000 as at 31 December 2016. An impairment loss of RMB1,028,000 was recognised during the year ended 31 December 2016. As at 31 December 2017, the impairment has been written off as of the disposal of the related construction in progress.

於2016年12月31日，在建工程的賬面值超過其可收回金額人民幣1,028,000元。於截至2016年12月31日止年度，確認了減值虧損人民幣1,028,000元。於2017年12月31日，該減值已於處置相關在建工程時撇銷。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

14. Investment Properties

14. 投資物業

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost:	成本		
At beginning of the year	年初	25,513	25,513
Transfer from owner-occupied properties (note 13)	轉撥自業主所佔有物業 (附註13)	1,320	-
At end of the year	年末	26,833	25,513
Accumulated depreciation:	累計折舊：		
At beginning of the year	年初	3,231	2,020
Transfer from owner-occupied properties (note 13)	轉撥自業主所佔有物業 (附註13)	387	-
Depreciation charge for the year (note 6)	年內折舊費用 (附註6)	1,223	1,211
At end of the year	年末	4,841	3,231
Net carrying amount:	賬面淨值：		
At beginning of the year	年初	22,282	23,493
At end of the year	年末	21,992	22,282

The Group's investment properties were valued on 31 December 2017 based on valuations performed by Beijing JianHeXin Assets Appraisal Co., Ltd., an independent professionally qualified valuer, at RMB29,375,000 (31 December 2016: RMB26,530,000), on an open market, existing use basis.

Certain of the Group's investment properties with a carrying value of RMB21,071,000 were pledged to obtain a banking facility from a bank amounting to RMB15,000,000 as at 31 December 2017, which has not been utilised as at 31 December 2017.

本集團的投資物業於2017年12月31日根據獨立專業合資格估值師北京建和信資產評估有限責任公司按公開市場現有用途基準所作估值而估值為人民幣29,375,000元（2016年12月31日：人民幣26,530,000元）。

於2017年12月31日，本集團部分投資物業（賬面值為人民幣21,071,000元）已被抵押，以自銀行獲得人民幣15,000,000元的銀行融通，於2017年12月31日，該等銀行融通尚未使用。

Notes to Financial Statements (continued)

財務報表附註（續）

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14. Investment Properties (continued)

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 34(a) to the financial statements.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

31 December 2017

		Fair value measurement using 採用的公允價值計量			
		Quoted prices in active market 活躍 市場報價 (Level 1) (第一層級) RMB'000 人民幣千元	Significant observable inputs 重要可觀察 輸入數據 (Level 2) (第二層級) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察 輸入數據 (Level 3) (第三層級) RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Investment properties	投資物業	-	-	29,375	29,375

31 December 2016

		Fair value measurement using 採用的公允價值計量			
		Quoted prices in active market 活躍 市場報價 (Level 1) (第一層級) RMB'000 人民幣千元	Significant observable inputs 重要可觀察 輸入數據 (Level 2) (第二層級) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察 輸入數據 (Level 3) (第三層級) RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Investment properties	投資物業	-	-	26,530	26,530

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2016: Nil).

14. 投資物業（續）

投資物業按經營租賃租予第三方，有關概述詳情載於財務報表附註34(a)。

公允價值層級

下表說明本集團投資物業的公允價值計量層級：

2017年12月31日

2016年12月31日

年內，公允價值計量的第一層級及第二層級之間並無轉移，亦無公允價值計量轉入或轉出第三層級（2016年：無）。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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15. Prepaid Land Lease Payments

15. 預付土地租賃款項

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Carrying amount at beginning of the year	年初賬面值	10,608	10,894
Disposal	出售	(3,928)	-
Amortisation for the year (note 6)	年內攤銷 (附註6)	(244)	(286)
Carrying amount at end of the year	年末賬面值	6,436	10,608
Current portion included in prepayments, deposits and other receivables (note 22)	計入預付款項、按金及其他應收款項的即期部分 (附註22)	(238)	(238)
Non-current portion	非即期部分	6,198	10,370

16. Goodwill

16. 商譽

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
At beginning/end of the year: Cost and net carrying amount	年初／末： 成本及賬面淨值	572	572

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

16. Goodwill (continued)

Impairment testing of goodwill

Goodwill acquired through a business combination in 2012 is allocated to a regional service-rendering cash-generating unit for impairment testing.

The recoverable amount of the regional service-rendering cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 15%. The growth rate used to extrapolate the cash flows of the regional service-rendering unit beyond the five-year period is 2%.

Assumptions were used in the value in use calculation of the cash-generating unit. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margin – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved during the year, increased for expected efficiency improvements and expected market development.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to the key assumptions and the discount rate are consistent with external information sources.

16. 商譽（續）

商譽減值測試

通過2012年業務合併所取得的商譽已分配至地區性服務提供現金產生單位作減值測試。

地區性服務提供現金產生單位的可收回金額乃基於使用價值，採用高級管理人員所批准五年期財務預算的現金流量預測釐定。現金流量預測使用的貼現率為15%。用於預計五年期後地區性服務提供單位的現金流量的增長率為2%。

計算現金產生單位使用價值時採用若干假設。以下為管理層根據其現金流量預測對商譽進行減值測試的各項主要假設：

預算毛利率 – 用於釐定預算毛利率價值的基準為於年內所達致的平均毛利率，因預計效率提升及預計市場開發而提升。

貼現率 – 所採用的貼現率為稅前貼現率，反映了有關單位的特定風險。

主要假設及貼現率價值與外部資料來源一致。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

17. Intangible Assets

17. 無形資產

		Patents 專利 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
31 December 2017	2017年12月31日			
Cost at 1 January 2017, net of accumulated amortisation	2017年1月1日的成本，扣除累計攤銷	8	812	820
Amortisation provided during the year (note 6)	年內攤銷撥備 (附註6)	(1)	(87)	(88)
At 31 December 2017, net of accumulated amortisation	於2017年12月31日，扣除累計攤銷	7	725	732
At 31 December 2017:	於2017年12月31日：			
Cost	成本	13	859	872
Accumulated amortisation	累計攤銷	(6)	(134)	(140)
Net carrying amount	賬面淨值	7	725	732
		Patents 專利 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
31 December 2016	2016年12月31日			
Cost at 1 January 2016, net of accumulated amortisation	2016年1月1日的成本，扣除累計攤銷	9	41	50
Additions	添置	–	491	491
Transfer from construction in progress (note 13)	在建工程轉撥 (附註13)	–	303	303
Amortisation provided during the year (note 6)	年內攤銷撥備 (附註6)	(1)	(23)	(24)
At 31 December 2016, net of accumulated amortisation	於2016年12月31日，扣除累計攤銷	8	812	820
At 31 December 2016:	於2016年12月31日：			
Cost	成本	13	859	872
Accumulated amortisation	累計攤銷	(5)	(47)	(52)
Net carrying amount	賬面淨值	8	812	820

Notes to Financial Statements (continued)

財務報表附註（續）

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18. Investment in a Joint Venture

18. 於合營企業的投資

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Share of net assets	應佔資產淨值	1,678	1,507

The Group's trade and bills receivable balances due from the joint venture and trade payable balances due to the joint venture are disclosed in notes 21 and 25 to the financial statements, respectively.

本集團應收合營企業的貿易應收款項及應收票據結餘以及應付合營企業的貿易應付款項結餘分別於財務報表附註21及25中披露。

Particulars of the Group's joint venture are as follows:

本集團的合營企業詳情如下：

Name 名稱	Issued share capital 已發行股本	Place of registration and business 註冊及營業地	Percentage of 百分比			Principal activities 主要活動
			Ownership interest 所有權	Voting power 投票權	Profit sharing 利潤分成	
Guangzhou Lihong Energy Testing Technology Co., Ltd. 廣州力鴻能源檢測技術 有限公司	RMB 3,000,000 人民幣 3,000,000元	The PRC Mainland China 中國 中國內地	50	50	50	Coal, coke and minerals inspection 煤炭、焦炭 及礦物檢驗

The following table illustrates the financial information of the Group's joint venture that is not individually material:

下表說明本集團的合營企業（個別不重大）的財務資料：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Share of the joint venture's profit for the year	應佔合營企業年內利潤	171	7
Share of the joint venture's total comprehensive income	應佔合營企業全面收益總額	171	7

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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19. Investment in an Associate

19. 於聯營企業的投資

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Share of net assets	應佔資產淨值	3,108	-

The Group's prepayments and other receivable balances due to the associate are disclosed in note 22 to the financial statements.

本集團預付款項及應付聯營企業的其他應收款項結餘於財務報表附註22中披露。

Particulars of the Group's associate are as follows:

本集團的聯營企業詳情如下：

Name 名稱	Issued share capital 已發行股本	Place of registration and business 註冊及營業地	Percentage of 百分比				Principal activities 主要活動
			Ownership interest 所有權	Voting power 投票權	Profit sharing 利潤分成		
Leon Intelligence & Information (Beijing) Technology Co., Ltd. 力鴻智信(北京) 科技有限公司	RMB 10,000,000 人民幣 10,000,000元	The PRC Mainland China 中國 中國內地	31	31	31	Technology, Intelligent management and system development 技術, 智能管理 及系統開發	

Zuhai Runheyuan Technology Partnership, owned by the Group's employees, has 29% interests in this associate.

本集團僱員擁有的珠海潤荷園科技合夥企業於該聯營企業中擁有29%的權益。

The following table illustrates the financial information of the Group's associate that is not individually material:

下表說明本集團的聯營企業(個別不重大)的財務資料：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Share of the associate's profit for the year	應佔聯營企業年內利潤	8	-
Share of the associate's total comprehensive income	應佔聯營企業全面收益總額	8	-

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

20. Deferred Tax

Deferred tax assets

		Provision for impairment of trade receivables 貿易應收 款項減值撥備 RMB'000 人民幣千元	Provision for impairment of construction in progress 在建工程 減值撥備 RMB'000 人民幣千元	Accrued employee benefits 應計 僱員福利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2016	於2016年1月1日	114	–	2,380	2,494
Deferred tax charged/(credited) to profit or loss (note 10)	扣除/(計入) 損益的 遞延稅項 (附註10)	29	148	(843)	(666)
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	143	148	1,537	1,828
Deferred tax credited to profit or loss (note 10)	計入損益的遞延稅項 (附註10)	(93)	(148)	(546)	(787)
At 31 December 2017	於2017年12月31日	50	–	991	1,041

The Group has tax losses arising in Mainland China of RMB1,857,000 (2016: RMB787,000) that will expire in one to five years for offsetting against future taxable profits.

The Group also has tax losses arising in Hong Kong and other countries/regions of RMB4,448,000 (2016: RMB812,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

本集團於中國大陸產生的稅項虧損為人民幣1,857,000元（2016年：人民幣787,000元），將於一至五年內到期以抵銷未來應課稅利潤。

本集團亦於香港及其他國家／地區產生稅項虧損人民幣4,448,000元（2016年：人民幣812,000元），可在無限期內用於抵銷虧損產生期內的企業未來應課稅利潤。

該等虧損源於已虧損一段時間的附屬公司，且本集團認為不大可能會有應課稅溢利可抵銷稅項虧損，因此並未確認遞延稅項資產。

Notes to Financial Statements (continued)

財務報表附註 (續)

31 December 2017
2017年12月31日

20. Deferred Tax (continued)

Deferred tax liabilities

		2017 2017年 Withholding tax 預扣稅 RMB'000 人民幣千元	2016 2016年 Withholding tax 預扣稅 RMB'000 人民幣千元
At beginning of the year	年初	500	–
Deferred tax credited to profit or loss (note 10)	計入損益的遞延稅項 (附註10)	1,111	500
Transferred to current income tax (note 10)	轉撥至當期所得稅 (附註10)	(500)	–
At end of the year	年末	1,111	500

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2017, deferred tax liabilities of RMB1,111,000 has been recognised for withholding taxes that would be payable on the unremitted earnings of RMB11,111,000 that are subject to withholding taxes of the Group's subsidiaries. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB80,530,000 at 31 December 2017 (2016: RMB55,163,000). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

20. 遞延稅項 (續)

遞延稅項負債

	2017 2017年 Withholding tax 預扣稅 RMB'000 人民幣千元	2016 2016年 Withholding tax 預扣稅 RMB'000 人民幣千元
At beginning of the year	500	–
Deferred tax credited to profit or loss (note 10)	1,111	500
Transferred to current income tax (note 10)	(500)	–
At end of the year	1,111	500

根據中國《企業所得稅法》，在中國內地成立的外商投資企業向外國投資者宣派股息須繳納10%預扣稅。該規定自2008年1月1日起生效，且適用於2007年12月31日後的盈利。倘中國內地與外國投資者所在司法管轄區之間訂有稅務協定，可採用較低的預扣稅稅率。就本集團而言，適用稅率為5%或10%。因此，本集團須為於中國內地成立的該等附屬公司就2008年1月1日起產生的盈利所分派的股息繳納預扣稅。

於2017年12月31日，本集團已就應就本集團附屬公司未匯回盈利人民幣11,111,000元（須繳納預扣稅）支付的預扣稅確認遞延稅項負債人民幣1,111,000元。於2017年12月31日，與未確認遞延稅項負債的中國大陸附屬公司投資相關的暫時性差異總額約為人民幣80,530,000元（2016年：人民幣55,163,000元）。董事認為，該等附屬公司不大可能於可見未來分派有關盈利。

本公司向其股東支付的股息並無附帶所得稅後果。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

21. Trade and Bills Receivables

Trade and bills receivables	貿易應收款項及應收票據	22,894	22,876
Impairment	減值	(331)	(817)
		22,563	22,059

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of trade and bills receivables, based on the invoice date and net of provisions, is as follows:

21. 貿易應收款項及應收票據

	As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Trade and bills receivables	22,894	22,876
Impairment	(331)	(817)
	22,563	22,059

本集團與其客戶的交易條款主要基於信貸，惟新客戶通常要求預付款除外。信貸期通常為三個月。本集團尋求嚴格控制未償還應收款項。高級管理人員定期審核逾期結餘。本集團並未就貿易應收款項結餘持有任何抵押品或其他信用增級。貿易應收款項及應收票據均不計息。

基於發票日期及撥備淨額的貿易應收款項及應收票據的賬齡分析如下：

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 3 months	3個月以內	18,597	20,390
3 to 6 months	3至6個月	2,411	990
6 months to 1 year	6個月至1年	1,543	539
Over 1 year	1年以上	12	140
		22,563	22,059

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

21. Trade and Bills Receivables (continued)

The movements in provision for impairment of trade receivables are as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At beginning of the year	年初	817	759
Impairment losses recognised (note 6)	已確認減值虧損 (附註6)	172	650
Reversal of impairment (note 6)	減值撥回 (附註6)	(385)	(142)
Amount written off as uncollectible	核銷無法收回的款項	(273)	(450)
At end of the year	年末	331	817

As at 31 December 2017 and 2016, no provisions for individually impaired trade receivables were included in the above provision for impairment of trade receivables.

An ageing analysis of the trade and bills receivables that are not considered to be impaired is as follows:

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	15,903	14,061
Less than 3 months past due	逾期少於3個月	1,856	990
3 to 9 months past due	逾期3至9個月	1,417	526
		19,176	15,577

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default.

21. 貿易應收款項及應收票據 (續)

貿易應收款項減值撥備的變動如下：

於2017年及2016年12月31日，概無個別減值貿易應收款項撥備納入上述貿易應收款項減值撥備。

並無被視為減值的貿易應收款項及應收票據賬齡分析如下：

未逾期亦未減值的應收款項與若干最近並無拖欠款項歷史的客戶有關。

Notes to Financial Statements (continued)

財務報表附註（續）

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21. Trade and Bills Receivables (continued)

Receivables 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 provision 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 amount due from the Group's joint venture included in the trade and bills receivables is as follows:

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Joint venture	合營企業	488	–

The above amount is unsecured and non-interest-bearing.

21. 貿易應收款項及應收票據（續）

已逾期但未減值之應收款項與若干過往於本集團記錄良好的獨立客戶有關。由於信貸質素並無重大變動，而該等結餘仍被視為可全數收回，故根據過往經驗，董事認為毋須就該等結餘作出減值撥備。

計入貿易應收款項及應收票據的應收本集團合營企業款項如下：

以上款項無擔保及不計息。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

22. Prepayments, Deposits and Other Receivables

22. 預付款項、按金及其他應收款項

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Prepaid land lease payments (note 15)	預付土地租賃款項 (附註15)	238	238
Prepayments	預付款項	10,015	20,638
Deposits and other receivables	按金及其他應收款項	9,257	3,544
		19,510	24,420
Portion classified as non-current assets	分類為非流動資產的部分	(929)	(15,112)
		18,581	9,308

The amount due from the Group's associate included in prepayments and other receivables is as follows:

計入預付款項及其他應收款項的應收本集團聯營企業款項如下：

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Associate	聯營企業	871	-

The above amount is unsecured and non-interest-bearing.

以上款項無擔保及不計息。

Notes to Financial Statements (continued)

財務報表附註（續）

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23. Available-For-Sale Investments

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Bank financial products, at fair value	銀行金融產品 (按公允價值列賬)	21,300	9,000

The available-for-sale investments stated at fair value represented financial products issued by banks. The fair values of available-for-sale investments have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

24. Cash and Cash Equivalents and Pledged Deposits

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	48,791	63,450
Time deposits	定期存款	397	812
		49,188	64,262
Less: Time deposits pledged for construction in the process	減：在建工程已抵押定期存款	(397)	(812)
Cash and cash equivalents	現金及現金等價物	48,791	63,450

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

23. 可供出售投資

可供出售投資（按公允價值列賬）指銀行所發行金融產品。可供出售投資的公允價值乃按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率折現預期未來現金流量計算。

24. 現金及現金等價物以及已抵押存款

銀行現金根據每日銀行存款利率以浮動利率賺取利息。銀行結餘及定期存款乃存於最近並無拖欠歷史且具信譽的銀行。

Notes to Financial Statements (continued)

財務報表附註（續）

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24. Cash and Cash Equivalents and Pledged Deposits (continued)

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

25. Trade Payables

An ageing analysis of the trade payables based on the invoice date is as follows:

Within 3 months	3個月內
3 to 6 months	3至6個月
6 months to 1 year	6個月至1年
1 to 2 years	1至2年
2 to 3 years	2至3年
Over 3 years	超過3年

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

24. 現金及現金等價物以及已抵押存款（續）

人民幣不能自由兌換為其他貨幣。然而，根據中國內地的《外匯管理條例》及《結匯、售匯以及付匯管理規定》，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換作其他貨幣。

25. 貿易應付款項

根據發票日期的貿易應付款項的賬齡分析如下：

	As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 3 months	3,650	4,487
3 to 6 months	1	59
6 months to 1 year	8	–
1 to 2 years	–	7
2 to 3 years	–	59
Over 3 years	59	3
	3,718	4,615

貿易應付款項不計息，且在正常情況下將於90日內結算。

Notes to Financial Statements (continued)

財務報表附註 (續)

31 December 2017
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25. Trade Payables (continued)

The amount due to the Group's joint venture included in the trade payables is as follows:

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Joint venture	合營企業	-	326

The above amount is unsecured, non-interest-bearing and has no fixed terms of settlement.

26. Advance From Customers, Other Payables and Accruals

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Advance from customers	客戶墊款	1,569	526
Accrued salaries, wages and benefits	應計薪金、工資及福利	9,025	12,185
Other taxes payable	其他應納稅款	755	491
Payable to vendors of plant, property and equipment	應付廠房、物業及 設備業主款項	14,930	13,089
Others	其他	5,392	2,266
		31,671	28,557

Other payables are non-interest-bearing and have no fixed terms of settlement.

25. 貿易應付款項 (續)

納入貿易應付款項的應付本集團合營企業款項如下：

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
		-	326

上述款項無擔保、不計息且並無固定結算期。

26. 客戶墊款、其他應付款項及應計項目

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
		1,569	526
		9,025	12,185
		755	491
		14,930	13,089
		5,392	2,266
		31,671	28,557

其他應付款項不計息及並無固定結算期。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

27. Interest-Bearing Bank Loans and Other Borrowings

27. 計息銀行貸款及其他借款

		As at 31 December 2017 於2017年12月31日			As at 31 December 2016 於2016年12月31日		
		Effective interest rate (%) 實際利率 (%)	Maturity (year) 期限 (年)	RMB'000 人民幣 千元	Effective interest rate (%) 實際利率 (%)	Maturity (year) 期限 (年)	RMB'000 人民幣 千元
Current	流動性						
Current portion of long-term bank loans	長期銀行貸款的流動部分						
– Unsecured	– 無擔保	6.65	2018	6,045	–	–	–
Current portion of other borrowing	其他借款的流動部分						
– Unsecured	– 無擔保	9.75	2018	16	–	–	–
				6,061			–
Non-current	非流動性						
Long-term bank loans	長期銀行貸款						
– Unsecured	– 無擔保	6.65	2020	10,112	–	–	–
Other borrowings	其他借款						
– Unsecured	– 無擔保	9.75	2020	19	–	–	–
– Unsecured	– 無擔保	4.75	2022	1,550	4.75	2018	10,000
				11,681			10,000
				17,742			10,000
Interest-bearing bank loans and other borrowings are denominated in:	以下列貨幣計值的計息銀行貸款及其他借款：						
– RMB	– 人民幣			17,707			10,000
– INR	– 印度盧比			35			–
				17,742			10,000

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

27. Interest-Bearing Bank Loans and Other Borrowings (continued)

The maturity profile of the bank loans and other borrowings is as follows:

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans and other borrowings repayable	應償還銀行貸款及其他借款		
Within one year	一年以內到期	6,061	–
In the second year	於第二年到期	6,477	10,000
In the third to fifth years, inclusive	於第三至第五年 （含首尾兩年）到期	5,204	–
		17,742	10,000

The Group's other borrowing amounting to RMB1,550,000 as at 31 December 2017 was a loan from LEI Xihu, the non-controlling shareholder of a subsidiary.

The Group's other borrowing amounting to RMB10,000,000 as at 31 December 2016 was a loan from an independent third party and was repaid in 2017.

The Group's bank loans amounting to RMB16,157,000 as at 31 December 2017 were guaranteed by LI Xiangli and ZHANG Aiying.

27. 計息銀行貸款及其他借款（續）

銀行貸款及其他借款的到期情況如下：

於2017年12月31日，本集團其他借款為人民幣1,550,000元，乃來自附屬公司非控股股東雷西虎的一筆貸款。

本集團於2016年12月31日為數人民幣10,000,000元之其他借款乃為來自獨立第三方之貸款，已於2017年償還。

本集團於2017年12月31日之銀行貸款為人民幣16,157,000元，由李向利及張愛英作出擔保。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

28. Share Capital

Shares

		2017 2017年		2016 2016年	
		Number of shares 股份數目 '000	Value 價值 RMB'000 人民幣千元	Number of shares 股份數目 '000	Value 價值 RMB'000 人民幣千元
Issued and fully paid ordinary shares	已發行及悉數繳付 普通股	400,000	131	400,000	131

A summary of movements in the Company's share capital is as follows:

本公司的股本變動概要如下：

		2017 2017年		2016 2016年	
		Numbers of shares in issue 已發行 股份數目 '000	Share capital 股本 RMB'000 人民幣千元	Numbers of shares in issue 已發行 股份數目 '000	Share capital 股本 RMB'000 人民幣千元
At beginning of the year	年初	400,000	131	10	65
Share subdivision (i)	股份拆細(i)	-	-	199,990	-
Capitalisation issue of shares	股份資本化發行	-	-	100,000	33
Issue of shares (ii)	發行股份(ii)	-	-	100,000	33
At end of the year	年末	400,000	131	400,000	131

(i) As at 18 June 2016, the Company subdivided one share into 20,000 shares and reduced par value from US\$1.00 each to US\$0.00005 each accordingly. After the share subdivision, total number of issued and fully paid ordinary shares were increased to 200,000,000 shares of US\$0.00005 each.

(ii) The Company's shares were listed on The Stock Exchange of Hong Kong Limited on 12 July 2016 and in connection with the Company's global offering, 100,000,000 ordinary shares of US\$0.00005 each were issued at a price of HK\$0.98 per share for a total cash consideration, before expenses, of HK\$98,000,000 (equivalent to RMB84,356,000).

(i) 於2016年6月18日，本公司將1股股份拆細為20,000股股份，每股面值由1.00美元相應減至每股0.00005美元，股份拆細後，已發行及悉數繳付普通股總數增至200,000,000股每股0.00005美元的股份。

(ii) 本公司股份於2016年7月12日在香港聯合交易所有限公司上市，且就本公司的全球發售而言，本公司按每股0.98港元的價格發行100,000,000股每股0.00005美元的普通股，總現金對價（於開支前）為98,000,000港元（相等於人民幣84,356,000元）。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

29. Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme are only the Group's employees. None of the grantees of the share options is a director, chief executive or substantial shareholder of the Company, nor an associate of any of them. The Scheme became effective on 4 July 2017 and, unless otherwise cancelled or amended, will remain in force for certain years from that date.

For each grant, there are three unlocking dates, being the expiry dates of the first anniversary, second anniversary and third anniversary of the grant date, subject to the vesting conditions and upon expiry of which, 30%, 30% and 40% of the shares granted to each Scheme participant shall be unlocked. The lock-up period is from the grant date to each of the aforesaid unlocking dates, during which the disposal of the trust benefit units is prohibited.

The offer of a grant of share options may be accepted within 20 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

29. 購股權計劃

本公司經營一項購股權計劃（「購股權計劃」），旨在為促成本集團業務成功的合資格參與者提供獎勵及回報。購股權計劃的合資格參與者僅為本集團僱員。購股權承授人均非本公司董事、最高行政人員或主要股東，亦非彼等的聯繫人。購股權計劃於2017年7月4日生效，除非另行取消或修訂，否則自該日期起特定期限內仍然有效。

每筆購股權設有三個解鎖日，即授予日後的第一個、第二個和第三個週年屆滿之日。視乎解鎖條件而定及於前述解鎖日屆滿時，授予各購股權計劃參與者30%、30%和40%的股份須予以解鎖。鎖定期限為授予日至上述各解鎖日，期間禁止出售信託受益單位。

授出購股權之要約可於要約日期起計20日內由承授人支付總額為1港元之名義對價後接納。所授出購股權的行使期可由董事釐定，於一至三年歸屬期後開始，並於不遲於購股權要約日期起計五年或購股權計劃屆滿日期（以較早者為準）終止。

購股權不賦予持有人分紅或在股東大會上投票的權利。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

29. Share Option Scheme (continued)

The following share options were outstanding under the Scheme during the year:

		2017 2017年		2016 2016年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權數目 '000 '000	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權數目 '000 '000
At 1 January	於1月1日	-	-	-	-
Granted during the year	年內授予	1.28	8,000	-	-
Forfeited during the year	年內沒收	1.28	(250)	-	-
At 31 December	於12月31日	1.28	7,750	-	-

No share options were exercised during the year (2016: Nil).

29. 購股權計劃（續）

年內購股權計劃項下尚未行使的購股權如下：

年內並未行使任何購股權（2016年：無）。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

29. Share Option Scheme (continued)

The exercise price and exercise periods of the options outstanding as at the end of the reporting period are as follows:

2017

Number of options 購股權數目	Exercise price* 行使價*	Exercise period 行使期	
'000	HK\$ per share 港元每股		
'000			
2,325	1.28	4 July 2018 to 3 July 2023	2018年7月4日至2023年7月3日
2,325	1.28	4 July 2019 to 3 July 2024	2019年7月4日至2024年7月3日
3,100	1.28	4 July 2020 to 3 July 2025	2020年7月4日至2025年7月3日
7,750			

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year was HK\$2,720,000 (HK\$0.34 each) (2016: Nil), of which the Group recognised a share option expense of HK\$724,000 (equivalent to RMB627,000) (2016: Nil) during the year ended 31 December 2017.

29. 購股權計劃（續）

於報告期末尚未行使的購股權的行使價及行使期如下：

2017年

* 購股權的行使價可於供股或紅股發行或本公司股本有其他類似變動時作出調整。

截至2017年12月31日止年度，年內授出購股權之公允價值為2,720,000港元（每股0.34港元）（2016年：無），其中本集團確認購股權開支724,000港元（相當於人民幣627,000元）（2016年：無）。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

29. Share Option Scheme (continued)

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	1.86
Expected volatility (%)	36.33
Historical volatility (%)	36.33
Risk-free interest rate (%)	1.79
Expected life of options (year)	5.00
Weighted average share price (HK\$ per share)	0.34

The expected life of the options is based on the historical data over the past five years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 7,750,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 7,750,000 additional ordinary shares of the Company and additional share capital of HK\$9,920,000 (equivalent to RMB8,292,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 7,750,000 share options outstanding under the Scheme, which represented approximately 1.9% of the Company's shares in issue as at that date.

30. Reserves

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity for the current and prior years on pages 83 and 84 of these financial statements.

29. 購股權計劃（續）

於年內授出的以權益結算的購股權的公允價值乃於授出日期使用二項式模型估計，並考慮授出購股權的條款及條件。下表列出了所用模型的輸入：

股息收益率(%)	1.86
預期波幅(%)	36.33
歷史波幅(%)	36.33
無風險利率(%)	1.79
購股權的預期年限(年)	5.00
加權平均股價(港元每股)	0.34

購股權的預期年限是基於過去五年的歷史數據得出，並不代表可能發生模式的指示。預期波幅反映了歷史波幅指示未來趨勢的假設，但也可能與實際結果不一致。

公允價值計量並沒有包含所授予的購股權的其他特徵。

於報告期末，本公司於購股權計劃項下擁有7,750,000份未行使購股權。根據本公司現有資本架構，全部行使未行使的購股權將導致發行本公司7,750,000股額外普通股及額外股本9,920,000港元（相等於人民幣8,292,000元）（扣除發行開支前）。

於該等財務報表獲批之日，本公司根據購股權計劃擁有7,750,000份未行使購股權，佔本公司於該日期已發行股份的約1.9%。

30. 儲備

本集團於本年度及過往年度的儲備及其變動數額於該等財務報表第83和84頁綜合權益變動表中呈列。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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31. Business Combination

On 4 April 2017, Leon Overseas PTE. LTD., an indirectly non-wholly-owned subsidiary of the Company, acquired a total of a 80% equity interest in Nutech Surveyors & Analysts Private Limited from K. S. Parthasarathi and S. Kalyani, two independent third parties, at an aggregate consideration of US\$203,000 (equivalent to approximately RMB1,394,000). Nutech Surveyors & Analysts Private Limited changed its name to Leon Inspection & Testing India Private Limited on 8 December 2017.

The fair values of the identifiable assets and liabilities of Nutech Surveyors & Analysts Private Limited as at the date of acquisition were as follows:

31. 業務合併

於2017年4月4日，本公司一家間接非全資附屬公司Leon Overseas PTE. LTD. 從兩名獨立第三方K. S. Parthasarathi 及S. Kalyani處收購其持有的Nutech Surveyors & Analysts Private Limited 合共80%權益，總對價為203,000美元（相當於約人民幣1,394,000元）。2017年12月8日，Nutech Surveyors & Analysts Private Limited將其名稱更改為Leon Inspection & Testing India Private Limited。

Nutech Surveyors & Analysts Private Limited於收購日期的可識別資產及負債的公允價值如下：

		Notes 附註	Fair Value recognised on acquisition 收購時已確認 公允價值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	13	646
Trade receivables	貿易應收款項		405
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		309
Cash and cash equivalents	現金及現金等價物		896
Trade payables	貿易應付款項		(18)
Other payables, advance from customer and accruals	其他應付款項，客戶墊款和 應計項目		(149)
Other borrowing	其他借款	32	(56)
Tax payable	應繳稅款		(181)
Deferred tax liabilities	遞延稅項負債		(3)
Total identifiable net assets at fair value	按公允價值計量可識別 資產淨值總額		1,849
Non-controlling interests	非控股權益		(370)
			1,479
Gain on acquisition of a subsidiary	收購附屬公司的收益	5	(85)
Total consideration	總對價		1,394
Satisfied by cash	以現金支付		1,394

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

31. Business Combination (continued)

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

		For the year ended 31 December 2017 截至2017年 12月31日止年度 RMB'000 人民幣千元
Cash and cash equivalents acquired	所獲得的現金及現金等價物	896
Cash consideration	現金對價	(1,394)
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購附屬公司的現金和現金等價物流出淨額	(498)

Since the acquisition, the acquired company contributed approximately RMB1,911,000 to the Group's revenue and approximately RMB96,000 to the Group's profit for the year ended 31 December 2017.

Had the acquisition taken place at the beginning of the year, the revenue of the Group and the profit after tax of the Group for the year would have been RMB201,444,000 and RMB34,740,000, respectively.

31. 業務合併（續）

有關收購附屬公司之現金流量分析如下：

自收購完成後，所收購公司為本集團收入貢獻約人民幣1,911,000元，並為本集團截至2017年12月31日止年度的利潤貢獻約人民幣96,000元。

倘收購於年初進行，本集團年內收入及稅後利潤將分別為人民幣201,444,000元及人民幣34,740,000元。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
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32. Note to the Consolidated Statement of Cash Flows

Changes in liabilities arising from financing activities

32. 綜合現金流量表附註

融資活動產生的負債變化

		Bank loans and other borrowings	Interest payable
		銀行貸款和 其他借款	應付利息
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January 2017	於2017年1月1日	10,000	1,210
Changes from financing cash flows	融資現金流量的變化	7,686	(1,900)
Increase arising from acquisition of a subsidiary (note 31)	收購附屬公司產生的增加 (附註31)	56	-
Interest expense (note 7)	利息開支 (附註7)	-	690
At 31 December 2017	於2017年12月31日	17,742	-

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

33. Pledge of Assets

Details the Group's pledged assets are included in notes 13 and 14 to the financial statements.

34. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties (note 14 to the financial statements) under operating lease arrangements, with leases negotiated for a terms of one to four years.

As at 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within one year	一年以內	365	519
In the second to fifth years, inclusive	第二至第五年（含首尾兩年）	132	470
		497	989

33. 資產抵押

有關本集團資產抵押的詳情載於財務報表附註13及14。

34. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業（財務報表附註14），經協商後的租賃期限為一年至四年。

於2017年12月31日，本集團根據與其租戶訂立的不可撤銷經營租約於下列時間到期應收的未來最低租金總額如下：

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

34. Operating Lease Arrangements (continued)

(b) As lessee

The Group leases certain of its office premises, plant and warehouses under operating lease arrangements. Leases of the properties are negotiated for terms ranging from one year to nine years.

As at 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within one year	一年以內	5,537	5,795
In the second to fifth years, inclusive	第二至第五年（含首尾兩年）	11,985	15,187
After five years	五年以後	3,127	2,733
		20,649	23,715

35. Commitments

In addition to the operating lease commitments detailed in note 34(b) above, the Group had the following capital commitments as at 31 December 2017 and 2016:

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Contracted, but not provided for: Property, plant and equipment	已訂約但未撥備： 物業、廠房及設備	2,490	18,845

34. 經營租賃安排（續）

(b) 作為承租人

本集團根據經營租賃安排租賃其部分辦公場所、廠房及倉庫。經協商後的物業租賃期限為一年至九年。

於2017年12月31日，本集團根據不可撤銷經營租約須於下列日期支付的未來最低租金總額如下：

35. 承擔

除上文附註34(b)中所詳載經營租賃承擔外，本集團於2017年及2016年12月31日擁有以下資本承擔：

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

36. Related Party Transactions

(a) Transactions with related parties during the year:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Provision of testing service by a joint venture	合營企業提供檢測服務	350	308
Provision of technical services by an associate	聯營公司提供技術服務	3,184	—
Provision of testing service to a joint venture	向合營企業提供檢測服務	2,255	—
Loans to a fellow subsidiary*	向同系附屬公司貸款*	—	5,000

(b) Outstanding balances with related parties:

Details of the outstanding balances with related parties are set out in notes 21, 22 and 25 to these financial statements.

(c) Guarantees with related parties*:

The Group's bank loans amounting to RMB16,157,000 as at 31 December 2017 were guaranteed by LI Xiangli and ZHANG Aiyong.

36. 關聯方交易

(a) 年內關聯方交易：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Provision of testing service by a joint venture	合營企業提供檢測服務	350	308
Provision of technical services by an associate	聯營公司提供技術服務	3,184	—
Provision of testing service to a joint venture	向合營企業提供檢測服務	2,255	—
Loans to a fellow subsidiary*	向同系附屬公司貸款*	—	5,000

(b) 關聯方未償結餘：

與關連方的未償還結餘詳情載於該等財務報表附註21、22及25。

(c) 關聯方擔保*：

於2017年12月31日，本集團的銀行貸款為人民幣16,157,000元，由李向利及張愛英作出擔保。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

36. Related Party Transactions (continued)

(d) Compensation of key management personnel of the Group:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term employee benefits	短期僱員福利	5,871	3,678
Pension scheme contributions	退休金計劃供款	287	282
Equity-settled share option expense	以權益結算的購股權開支	77	–
		6,235	3,960

In the opinion of the directors, the transactions between the Group and the related parties were based on prices mutually agreed between the parties and conducted in the ordinary course of business.

* These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

36. 關聯方交易（續）

(d) 本集團主要管理人員的酬金：

董事認為，本集團與關聯方之間的交易按訂約方之間共同協定的價格進行，並於日常業務過程中進行。

* 該等關聯交易亦構成《上市規則》第14A章所界定的關連交易或持續關連交易。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

37. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting periods are as follows:

Financial assets

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Loans and receivables:	貸款及應收款項：		
Trade and bills receivables	貿易應收款項及應收票據	22,563	22,059
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	9,257	3,544
Pledged deposits	已抵押存款	397	812
Cash and cash equivalents	現金及現金等價物	48,791	63,450
Available-for-sale financial assets:	可供出售金融資產：		
Available-for-sale investments	可供出售投資	21,300	9,000
		102,308	98,865

Financial liabilities

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Financial liabilities at amortised cost:	按攤銷成本計量之金融負債：		
Trade payables	貿易應付款項	3,718	4,615
Financial liabilities included in advance from customers, other payables and accruals	計入客戶墊款、其他應付款項及應計項目的金融負債	20,322	15,355
Interest-bearing bank loans and other borrowings	計息銀行貸款及其他借款	17,742	10,000
Interest payable	應付利息	-	1,210
		41,782	31,180

37. 按類別劃分的金融工具

於各報告期間末，各類別金融工具的賬面值載列如下：

金融資產

As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
22,563	22,059
9,257	3,544
397	812
48,791	63,450
21,300	9,000
102,308	98,865

金融負債

As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
3,718	4,615
20,322	15,355
17,742	10,000
-	1,210
41,782	31,180

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

38. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

		Carrying amounts 賬面值		Fair values 公允價值	
		As at 31 December 於12月31日		As at 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Financial assets	金融資產				
Available-for-sale investments	可供出售投資	21,300	9,000	21,300	9,000
Financial liabilities	金融負債				
Interest-bearing bank loans and other borrowings	計息銀行貸款及其他借款	17,742	10,000	17,742	10,000
Interest payable	應付利息	-	1,210	-	1,210
		17,742	11,210	17,742	11,210

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade payables and financial liabilities included in advance from customers, other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

38. 公允價值及金融工具公允價值的層級

本集團金融工具的賬面值及公允價值（該等賬面值與公允價值合理相若者除外）載列如下：

管理層已評估現金及現金等價物、已抵押存款、貿易應收款項及應收票據、計入預付款項、按金及其他應收款項的金融資產、貿易應付款項及計入客戶墊款、其他應付款項及應計項目的金融負債的公允價值與其賬面值相若，此乃主要由於該等工具的到期期限較短。

本集團由財務經理主管的財務部，負責確定金融工具公允價值計量的政策及程序。於各報告日期，財務部分析金融工具的價值變動並確定估值中所應用的主要輸入值。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

38. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of interest-bearing bank loans and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank loans and other borrowings at 31 December 2017 was assessed to be insignificant.

The available-for-sale investments stated at fair value at the end of the reporting period represented financial products issued by banks. The fair values of the available-for-sale investments have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

38. 公允價值及金融工具公允價值的層級（續）

金融資產及負債的公允價值以該工具在自願交易方當前交易（而非被迫或清算出售）中的可交易金額入賬。

估計公允價值時使用以下方法及假設：

計息銀行貸款及其他借款按條款、信貸風險及餘下年期相若的工具目前可用的利率貼現預計未來現金流量以計算其公允價值。經評估，於2017年12月31日，本集團自身的計息銀行貸款及其他借款之違約風險並不重大。

於報告期末以公允價值呈列的可供出售投資指由銀行發行的金融產品。可供出售投資的公允價值按條款、信貸風險及餘下年期相若的工具目前可用的利率貼現預計未來現金流量計算。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

38. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

31 December 2017

Available-for-sale investments 可供出售投資

31 December 2016

Available-for-sale investments 可供出售投資

38. 公允價值及金融工具公允價值的層級（續）

公允價值層級

下表說明本集團金融工具的公允價值計量層級：

按公允價值計量的資產：

2017年12月31日

2016年12月31日

	Fair value measurement using 公允價值計量採用			Total 合計
	Quoted prices in active markets 活躍市場報價 (Level 1) (第一層級) RMB'000 人民幣千元	Significant observable inputs 重要可觀察輸入數據 (Level 2) (第二層級) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察輸入數據 (Level 3) (第三層級) RMB'000 人民幣千元	
Available-for-sale investments 可供出售投資	-	21,300	-	21,300

	Fair value measurement using 公允價值計量採用			Total 合計
	Quoted prices in active markets 活躍市場報價 (Level 1) (第一層級) RMB'000 人民幣千元	Significant observable inputs 重要可觀察輸入數據 (Level 2) (第二層級) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察輸入數據 (Level 3) (第三層級) RMB'000 人民幣千元	
Available-for-sale investments 可供出售投資	-	9,000	-	9,000

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

38. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed

31 December 2017

38. 公允價值及金融工具公允價值的層級（續）

公允價值層級（續）

披露公允價值之負債

2017年12月31日

		Fair value measurement using 公允價值計量採用			
		Quoted prices in active markets 活躍 市場報價 (Level 1) (第一層級) RMB'000 人民幣千元	Significant observable inputs 重要可觀察 輸入數據 (Level 2) (第二層級) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀 察輸入數據 (Level 3) (第三層級) RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Interest-bearing bank loans and other borrowings	計息銀行貸款及 其他借款	-	17,742	-	17,742

31 December 2016

2016年12月31日

		Fair value measurement using 公允價值計量採用			
		Quoted prices in active markets 活躍 市場報價 (Level 1) (第一層級) RMB'000 人民幣千元	Significant observable inputs 重要可觀察 輸入數據 (Level 2) (第二層級) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀 察輸入數據 (Level 3) (第三層級) RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Interest-bearing other borrowing	其他計息借款	-	10,000	-	10,000
Interest payable	應付利息	-	1,210	-	1,210
		-	11,210	-	11,210

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

39. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing bank loans and other borrowings, pledged deposits and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

The Group mitigates the risk by monitoring closely the movements in interest rates and reviewing its banking facilities regularly. The Group has not used any interest rate swap to hedge its exposure to interest rate risk.

As at 31 December 2017, approximately 91% of the Group's interest-bearing borrowings bore interest at floating rates.

39. 財務風險管理目標及政策

本集團的主要金融工具包括計息銀行貸款及其他借款、已抵押存款以及現金及現金等價物。該等金融工具主要用於為本集團的經營籌集資金。本集團擁有各類其他金融資產及負債，比如貿易應收款項及應收票據以及貿易應付款項，其直接來自於本集團之經營。

來自本集團金融工具的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會審核並同意管理各項風險的政策，而該等政策概述如下。

利率風險

本集團面臨的市場利率變動風險主要與本集團按浮動利率計息的債項承擔有關。

本集團透過定期密切關注利率的變動及審閱其銀行融通降低風險。本集團並無使用任何利率掉期以對沖利率風險。

於2017年12月31日，本集團約91%的計息借款以浮動利率計息。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

39. Financial Risk Management Objectives and Policies (continued)

Interest rate risk (continued)

As at 31 December 2016, the Group's interest-bearing borrowing bore interest at a floating rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

2017

		Increase/ (decrease) in basis points 基點 增加／(減少)	Increase/ (decrease) in profit before tax 稅前利潤 RMB'000 人民幣千元	Increase/ (decrease) in equity 權益 增加／(減少) RMB'000 人民幣千元
RMB	人民幣	1%	(103)	(87)
RMB	人民幣	(1%)	103	87

2016

		Increase/ (decrease) in basis points 基點 增加／(減少)	Increase/ (decrease) in profit before tax 稅前利潤 RMB'000 人民幣千元	Increase/ (decrease) in equity 權益 增加／(減少) RMB'000 人民幣千元
RMB	人民幣	1%	(199)	(169)
RMB	人民幣	(1%)	199	169

39. 財務風險管理目標及政策（續）

利率風險（續）

於2016年12月31日，本集團計息借款以浮動利率計息。

下表列示了在所有其他變量保持不變的情況下，對本集團的稅前利潤（通過對浮動利率借款的影響）及本集團權益對利率可能出現的合理變動的敏感性分析。

2017年

		Increase/ (decrease) in basis points 基點 增加／(減少)	Increase/ (decrease) in profit before tax 稅前利潤 RMB'000 人民幣千元	Increase/ (decrease) in equity 權益 增加／(減少) RMB'000 人民幣千元
RMB	人民幣	1%	(103)	(87)
RMB	人民幣	(1%)	103	87

2016年

		Increase/ (decrease) in basis points 基點 增加／(減少)	Increase/ (decrease) in profit before tax 稅前利潤 RMB'000 人民幣千元	Increase/ (decrease) in equity 權益 增加／(減少) RMB'000 人民幣千元
RMB	人民幣	1%	(199)	(169)
RMB	人民幣	(1%)	199	169

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

39. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk

The Group's businesses are principally located in Mainland China and substantially all transactions are conducted in RMB. As at 31 December 2017, cash and bank balances of approximately RMB6,241,000 (31 December 2016: RMB57,916,000) were denominated in Hong Kong dollars. The fluctuations of the exchange rate of RMB against the Hong Kong dollar could slightly affect the Group's results of operations.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate by 5%, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities):

2017

If RMB weakens against the Hong Kong dollar	倘人民幣兌港元貶值
If RMB strengthens against the Hong Kong dollar	倘人民幣兌港元升值

39. 財務風險管理目標及政策（續）

外幣風險

本集團的業務主要位於中國大陸，大部分交易以人民幣進行。於2017年12月31日，約人民幣6,241,000元（於2016年12月31日：人民幣57,916,000元）的現金及銀行結餘以港元計值。人民幣兌港元的匯率波動會輕微影響本集團的經營業績。

下表列示了在所有其他變量保持不變的情況下，本集團稅前利潤（由於貨幣資產及負債的公允價值變動）對匯率5%的合理可能變動的敏感性分析：

2017年

Increase/ (decrease) in foreign exchange rate 外匯匯率 增加／(減少) %	Increase/ (decrease) in profit before tax 稅前利潤 增加／(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity 權益 增加／(減少)
5%	215	279
(5%)	(215)	(279)

Notes to Financial Statements (continued)

財務報表附註 (續)

31 December 2017
2017年12月31日

39. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk (continued)

2016

		Increase/ (decrease) in foreign exchange rate 外匯匯率 增加／(減少)	Increase/ (decrease) in profit before tax 稅前利潤 增加／(減少)	Increase/ (decrease) in equity 權益 增加／(減少)
If RMB weakens against the Hong Kong dollar	倘人民幣兌港元貶值	5%	1,255	2,708
If RMB strengthens against the Hong Kong dollar	倘人民幣兌港元升值	(5%)	(1,255)	(2,708)

Credit risk

The Group trades only with recognised and creditworthy parties. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit quality of customers is assessed after taking into account the customers' financial position and past experience with the customers.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, other receivables and available-for-sale investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, and by geographical region. As at 31 December 2017 and 2016, the Group had concentration of credit risk as 19% and 46% of its total trade and bills receivables were due from its largest customer and 41% and 65% of its total trade and bills receivables were due from its top five customers, respectively.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 21 to the financial statements.

39. 財務風險管理目標及政策 (續)

外幣風險 (續)

2016年

		Increase/ (decrease) in foreign exchange rate 外匯匯率 增加／(減少)	Increase/ (decrease) in profit before tax 稅前利潤 增加／(減少)	Increase/ (decrease) in equity 權益 增加／(減少)
If RMB weakens against the Hong Kong dollar	倘人民幣兌港元貶值	5%	1,255	2,708
If RMB strengthens against the Hong Kong dollar	倘人民幣兌港元升值	(5%)	(1,255)	(2,708)

信貸風險

本集團僅與獲認可及信譽良好的合作方進行交易。應收餘額持續被監控，本集團面臨的壞賬風險並不大。在考慮客戶的財務狀況及與客戶的過往經驗後，方對客戶的信貸質素作出評估。

本集團其他金融資產（包括現金及現金等價物、其他應收款項及可供出售投資）的信貸風險由交易方違約引起，最高風險與該等工具的賬面值相當。

由於本集團僅與獲認可及信譽良好的第三方進行交易，因此並不需要抵押物。集中信貸風險由客戶／交易方管理及根據地理區域管理。於2017年及2016年12月31日，本集團信貸風險集中，乃由於其貿易應收款項及應收票據總額中分別有19%及46%來自最大客戶以及其貿易應收款項及應收票據總額中分別有41%及65%來自五大客戶。

有關本集團面臨貿易應收款項及應收票據所產生信貸風險的進一步定量數據於財務報表附註21中披露。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

39. Financial Risk Management Objectives and Policies (continued)

Liquidity risk

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations. The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

31 December 2017

39. 財務風險管理目標及政策（續）

流動資金風險

本集團的流動資金主要有賴其維持充足的經營所得現金流入的能力。於報告期末，本集團金融負債（按合同未貼現款項計）的到期情況如下：

2017年12月31日

		Within one year	In the second year	In the third to fifth years, inclusive 第三至第五年 (包括首尾 兩年)	Total
		一年內 RMB'000 人民幣千元	第二年 RMB'000 人民幣千元	RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Trade payables	貿易應付款項	3,718	-	-	3,718
Financial liabilities included in advance from customers, other payables and accruals	計入客戶墊款、其他應付款項及應計項目的金融負債	20,322	-	-	20,322
Interest-bearing bank loans and other borrowings	計息銀行貸款及其他借款	6,061	6,477	5,204	17,742
Interest payment on bank loans and other borrowings	銀行貸款及其他借款利息付款	895	480	447	1,822
		30,996	6,957	5,651	43,604

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

39. Financial Risk Management Objectives and Policies (continued)

Liquidity risk (continued)

31 December 2016

		Within one year	In the second year	In the third to fifth years, inclusive	Total
		一年內	第二年	第三至第五年 (包括首尾 兩年)	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade payables	貿易應付款項	4,615	–	–	4,615
Financial liabilities included in advance from customers, other payables and accruals	計入客戶墊款、其他應付款項及應計項目的金融負債	15,355	–	–	15,355
Other borrowing	其他借款	–	10,000	–	10,000
Interest payment on other borrowing	其他借款的利息付款	–	2,041	–	2,041
		19,970	12,041	–	32,011

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2017 and 2016.

39. 財務風險管理目標及政策（續）

流動資金風險（續）

2016年12月31日

		Within one year	In the second year	In the third to fifth years, inclusive	Total
		一年內	第二年	第三至第五年 (包括首尾 兩年)	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade payables	貿易應付款項	4,615	–	–	4,615
Financial liabilities included in advance from customers, other payables and accruals	計入客戶墊款、其他應付款項及應計項目的金融負債	15,355	–	–	15,355
Other borrowing	其他借款	–	10,000	–	10,000
Interest payment on other borrowing	其他借款的利息付款	–	2,041	–	2,041
		19,970	12,041	–	32,011

資本管理

本集團資本管理的首要目的是保障本集團持續經營及維持穩健資本比率的能力，從而支持其業務及實現股東價值最大化。

本集團因應經濟情況變動及相關資產的風險特徵管理並調整資本結構。為了維持或調整資本結構，本集團可調整派付予股東的股息、向股東退還資本或發行新股。截至2017年及2016年12月31日止年度，本集團並無改變管理資本的目的、政策或程序。

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

39. Financial Risk Management Objectives and Policies (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. The Group's policy is to maintain the gearing ratio below 70%. Net debt includes trade payables, other payables and accruals, interest-bearing bank loans and other borrowings and interest payable, less cash and cash equivalents. Capital represents equity attributable to owners of the parent. The gearing ratios at the end of reporting periods are as follows:

39. 財務風險管理目標及政策（續）

資本管理（續）

本集團用資本負債比率監控資本，資本負債比率等於負債淨額除以資本加上負債淨額的總和。本集團的政策為維持資本負債比率低於70%。負債淨額包括貿易應付款項、其他應付款項及應計項目、計息銀行貸款及其他借款以及應付利息減現金及現金等價物。資本指母公司擁有人應佔權益。於報告期末資本負債比率如下：

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Trade payables	貿易應付款項	3,718	4,615
Other payables and accruals (note 26)	其他應付款項及應計項目 (附註26)	30,102	28,031
Interest-bearing bank loans and other borrowings	計息銀行貸款及其他借款	17,742	10,000
Interest payable	應付利息	-	1,210
Less: Cash and cash equivalents	減：現金及現金等價物	(48,791)	(63,450)
Net debt	負債淨額	2,771	(19,594)
Equity attributable to owners of the parent	母公司擁有人應佔權益	195,206	171,650
Capital and net debt	資本及負債淨額	197,977	152,056
Gearing ratio	資本負債比率	1.40%	(12.89%)

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

40. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

40. 本公司財務狀況表

於報告期末有關本公司財務狀況表的資料如下：

		As at 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	8	13
Investment in a subsidiary	投資附屬公司	52,343	55,570
Total non-current assets	非流動資產總值	52,351	55,583
CURRENT ASSETS	流動資產		
Deposits and other receivables	按金及其他應收款項	77,611	51,082
Cash and cash equivalents	現金及現金等價物	1,879	32,458
Total current assets	流動資產總值	79,490	83,540
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	8,581	6,530
Total current liabilities	流動負債總額	8,581	6,530
NET CURRENT ASSETS	流動資產淨值	70,909	77,010
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	123,260	132,593
Net assets	資產淨值	123,260	132,593
EQUITY	權益		
Share capital	股本	131	131
Reserves	儲備	123,129	132,462
Total equity	權益總額	123,260	132,593

Notes to Financial Statements (continued)

財務報表附註（續）

31 December 2017
2017年12月31日

40. Statement of Financial Position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

		Capital reserve	Exchange fluctuation reserve	Accumulated losses	Total
		資本儲備	匯兌波動儲備	累計虧損	合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 1 January 2016	於2016年1月1日	51,224	-	-	51,224
Loss for the year	年內虧損	-	-	(797)	(797)
Other comprehensive income for the year:	年內其他全面收益：				
Exchange differences related to foreign operations	海外業務相關匯兌差額	-	7,390	-	7,390
Total comprehensive income for the year	年內全面收益總額	-	7,390	(797)	6,593
Issue of shares	發行股份	84,290	-	-	84,290
Share issue expenses	股份發行開支	(9,645)	-	-	(9,645)
As at 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	125,869	7,390	(797)	132,462
Loss for the year	年內虧損	-	-	(2,561)	(2,561)
Other comprehensive income for the year:	年內其他全面收益：				
Exchange differences related to foreign operations	海外業務相關匯兌差額	-	(7,399)	-	(7,399)
Total comprehensive income for the year	年內全面收益總額	-	(7,399)	(2,561)	(9,960)
Equity-settled share option arrangements	以權益結算的購股權安排	627	-	-	627
As at 31 December 2017	於2017年12月31日	126,496	(9)	(3,358)	123,129

40. 本公司財務狀況表（續）

附註：

本公司儲備概要如下：

41. Approval of the Consolidated Financial Statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 23 March 2018.

41. 綜合財務報表的批准

董事會已於2018年3月23日批准並授權刊發綜合財務報表。



CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司