



China Shenghai Food Holdings Company Limited 中國升海食品控股有限公司

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

Stock Code 股份代號 : 1676

ANNUAL REPORT 年報 2017

CONTENTS

目錄

- 2** Corporate Information
公司資料
- 4** Chairman's Statement
主席報告書
- 6** Biographical Details of the Directors and Senior Management
董事及高級管理層履歷
- 11** Management Discussion and Analysis
管理層討論與分析
- 18** Report of the Directors
董事會報告
- 28** Corporate Governance Report
企業管治報告
- 41** Environmental, Social and Governance Report
環境、社會及管治報告
- 64** Independent Auditor's Report
獨立核數師報告書
- 70** Consolidated Statements of Comprehensive Income
綜合全面收益表
- 71** Consolidated Statements of Financial Position
綜合財務狀況表
- 72** Consolidated Statements of Changes in Equity
綜合權益變動表
- 74** Consolidated Statements of Cash Flows
綜合現金流量表
- 77** Notes to the Consolidated Financial Statements
綜合財務報表附註
- 124** Four-year financial summary
四年財務摘要

CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. Liu Rongru (*Chairman*)
Mr. Jiang Dehua
Mr. Lin Jiangtang

執行董事

劉榮如先生(主席)
蔣德華先生
林江棠先生

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Dajin
Mr. Huang Xingluan
Ms. Cheng Shing Yan

獨立非執行董事

劉大進先生
黃興學先生
鄭承欣女士

AUDIT COMMITTEE

Ms. Cheng Shing Yan (*Chairlady*)
Mr. Liu Dajin
Mr. Huang Xingluan

審核委員會

鄭承欣女士(主席)
劉大進先生
黃興學先生

NOMINATION COMMITTEE

Mr. Liu Rongru (*Chairman*)
Mr. Liu Dajin
Mr. Huang Xingluan

提名委員會

劉榮如先生(主席)
劉大進先生
黃興學先生

REMUNERATION COMMITTEE

Mr. Liu Dajin (*Chairman*)
Mr. Huang Xingluan
Mr. Liu Rongru

薪酬委員會

劉大進先生(主席)
黃興學先生
劉榮如先生

COMPANY SECRETARY

Mr. Wong Wai Lun *FCPA*

公司秘書

黃偉倫先生 *FCPA*

AUTHORISED REPRESENTATIVES

Mr. Liu Rongru
Mr. Wong Wai Lun

授權代表

劉榮如先生
黃偉倫先生

COMPLIANCE ADVISER

Dongxing Securities (Hong Kong) Company Limited
Room 6805-06A, ICC
1 Austin Road West, Kowloon
Hong Kong

合規顧問

東興證券(香港)有限公司
香港
九龍柯士甸道西1號
環球貿易廣場6805-06A室

AUDITORS

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港
干諾道中111號
永安中心25樓

LEGAL ADVISERS AS TO HONG KONG LAW

TC & Co.
Units 2201-3, 22/F, Tai Tung Building
8 Fleming Road
Wan Chai
Hong Kong

香港法律顧問

崔曾律師事務所
香港
灣仔
菲林明道8號
大同大廈22樓2201至2203室

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

Xiamen Bank, Huachang Branch
No. 86 Huachang Road
Xiamen, Fujian Province
China

China Construction Bank, Xiamen Hubin Branch
Unit 1A
No. 388 South Hubin Road
Xiamen, Fujian Province
China

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

5th Floor, No. 5 Factory
Meixi Road, Huandong Waters
Tongon District, Huli Industrial Park
Xiamen City, Fujian Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1004, 10/F
No. 303 Hennessy Road
Wan Chai
Hong Kong

WEBSITE

www.xmwofan.com

STOCK CODE

01676

主要往來銀行

廈門銀行華昌支行
中國
福建省廈門市
華昌路86號

中國建設銀行廈門湖濱支行
中國
福建省廈門市
湖濱南路388號
1A室

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

開曼群島註冊辦事處

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

中國總部及主要營業地點

中國
福建省廈門市
同安區湖裏工業園
環東海域美溪道
5號廠房五樓

香港主要營業地點

香港
灣仔
軒尼詩道303號
10樓1004室

網址

www.xmwofan.com

股份代號

01676

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

On behalf of the board of Directors (the "Board") of China Shenghai Food Holdings Company Limited 中國升海食品控股有限公司 (the "Company"), I am pleased to present our first annual report following the successful listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 18 July 2017. This report covers the period for the year ended 31 December 2017.

AN IMPORTANT MILESTONE

The Group has established a solid foundation in its dried seafood business since inception in 2005. With the continuous efforts of our brilliant team of management and staff, the Company sought new growth opportunities through the initial public offering in July 2017, which received favourable market response and signified a great encouragement to us. It proves that our past effort and performance have been well-recognised, and that investors are confident in our prospects.

BUSINESS REVIEW

For the year under review, the Group's turnover increased to approximately RMB644.4 million, representing an increase of approximately 37.7% in comparison to that of 2016, while profit attributable to owners of the Company increased to approximately RMB70.2 million, representing an increase of approximately 14.8% as compared to that of 2016.

The turnover of the Group's dried seafood products for 2017 was approximately RMB327.9 million, representing an increase of approximately RMB72.1 million or approximately 28.2% as compared to that of approximately RMB255.8 million in 2016. The turnover of the Group's algae and fungi products for 2017 was approximately RMB257.2 million, representing an increase of approximately RMB86.4 million or approximately 50.6% as compared to approximately RMB170.8 million in 2016. During the year, the Group has secured 17 new customers which contributed approximately RMB40.8 million to the Group's turnover in 2017.

OUTLOOK

The Group aspired to strengthen its position in the seafood and algae industries in China. To achieve this goal, the Group will continue to: i) enhance our existing customer relationships in existing and new markets; ii) further diversify and increase our sales and promotion efforts; iii) enhance our packaging capabilities to address customer demands and improve quality control; and iv) source, package and market new products that cater to changing consumer preferences. On 18 July 2017, the Group has successfully listed on the Main Board of the Stock Exchange, and raised approximately HK\$123.3 million for the Group future development. The Group believed it is well positioned and equipped to capture the opportunities in the products and algae industries in China.

尊敬的各位股東：

本人謹代表中國升海食品控股有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司於二零一七年七月十八日於香港聯合交易所有限公司(「聯交所」)主板成功上市後首份年報。本年報覆蓋截至二零一七年十二月三十一日止年度期間。

重要里程碑

本集團自於二零零五年成立已於乾海產品方面奠定堅實基礎。經傑出管理團隊及員工不斷努力，本公司於二零一七年七月通過首次公開發售獲得新發展機會，可觀的市場反響令我們倍受鼓舞，並證明我們過去之努力及表現已獲得充分認可且投資者對我們的前景充滿信心。

業務回顧

於回顧年度，本集團營業額增加至約人民幣644.4百萬元，較二零一六年增加約37.7%，而本公司擁有人應佔溢利增加至約人民幣70.2百萬元，較二零一六年增加約14.8%。

本集團於二零一七年之乾海產品營業額約為人民幣327.9百萬元，較二零一六年的約人民幣255.8百萬元增加約人民幣72.1百萬元或約28.2%。本集團於二零一七年藻類及菌類產品營業額約為人民幣257.2百萬元，較二零一六年的約人民幣170.8百萬元增加約人民幣86.4百萬元或約50.6%。本集團本年度亦取得17個新客户，於二零一七年對本集團營業額貢獻約人民幣40.8百萬元。

展望

本集團致力強化於中國海產品及藻類產品行業的地位。為達致此目標，本集團將繼續：i)改善我們於現有及新市場的現有客戶關係；ii)進一步擴大及加強銷售及推廣力度；iii)提升包裝能力以滿足客戶需求及加強質量控制；及iv)採購、包裝及推出滿足不斷變化的消費者喜好的新產品。於二零一七年七月十八日，本集團已成功在聯交所主板上市，並籌集約123.3百萬港元以供本集團未來發展。本集團認為已具備良好的定位和裝備，捕捉中國海產品和藻類行業中的機遇。

CHAIRMAN'S STATEMENT

主席報告書

We have started the construction of our online shop on Tmall in December 2017 and have recruited staff in operations, graphic design and promotion. We will invest online advertising resources to expand and enhance brand awareness and attract target customers in accordance to our plan. In the meantime, the Company has also leased logistics warehouses in Chengdu and Tianjin respectively, with a total leased warehouse area of 2,600 square meters. The installation of cold storage equipment within such warehouses has been started. Recruitment of warehouse management and promotion staff are expected to commence by the second quarter of 2018, and advertising campaigns will be launched in the Northern and Central-Western China regions after the warehouses are officially put into use in mid-2018. In respect of the plan on the construction of new factory, we are still in negotiation in relation to the matters on the purchasing of land. We will actively push on the process in order to kick-off the construction of factory as soon as practicable. The acquisition of new packaging equipment and establishment of the quality control and testing center will follow upon completion of the construction of the new factory.

APPRECIATION

Last but not least, I would like to take this opportunity to extend my sincere gratitude to all fellow Directors, management and our staff for their dedication and contribution to our Group's development. I would also like to thank our shareholders and business partners for their valuable support. We will continue to make great efforts to explore and tap into new opportunities, and strive to bring maximum return to our shareholders.

China Shenghai Food Holdings Company Limited
Liu Rongru

Chairman and Executive Director
Xiamen, the PRC, 29 March 2018

我們已於二零一七年十二月啟動我們於天貓平臺網店的建設工作，並已招募運營、平面設計、推廣等人員。我們將按計劃投入天貓線上廣告資源，擴大品牌知名度，引入目標消費客戶。同時，公司亦已分別於成都與天津租賃物流倉庫，合計租賃倉庫面積2,600平方米，並已啟動該倉庫之內的冷藏設備安裝工作，預計將於二零一八年第二季度招聘倉管及推廣人員，並於二零一八年中旬正式投入使用後，開始於中國北部及中國中西部地區投放廣告宣傳。就興建新廠房之計劃，我們仍然就購置土地事宜進行磋商。我們將積極推進有關進程以求盡快啟動廠房建設工作。購置新包裝設備及建立質量控制及檢測中心之計劃亦將緊隨新廠房建設完成後進行。

致謝

最後，本人謹藉此機會向所有董事同仁、管理層及員工致以衷心謝意，感謝彼等對本集團發展所作的奉獻及貢獻。本人亦謹此感謝股東及業務夥伴對我們的寶貴支持。我們將繼續努力探索並物色新機會，致力將股東回報最大化。

中國升海食品控股有限公司

主席兼執行董事

劉榮如

中國廈門市，二零一八年三月二十九日

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Liu Rongru (劉榮如) (“Mr. Liu”), aged 50, is our Executive Director and the chairman of our Board and is primarily responsible for development, positioning and strategy planning of our Group. Mr. Liu is the founder of our Group. He is currently a director of all subsidiaries of our Group. He is also a member of our Remuneration Committee and the chairman of our Nomination Committee.

In the earlier period of his career, Mr. Liu worked at Xiamen Shipping Trading Limited (廈門經貿船務有限公司) in China from August 1990 to August 1996, a company principally engaged in shipping and trading, where he was primarily responsible for ship steering and piloting. In October 1996, Mr. Liu started his own business in trading marine product where he was primarily in charge of the general operation of the business which allowed him to input his trading experience into Xiamen Wofan upon its establishment in July 2005.

Mr. Liu attended a course entitled “Contemporary CEOs’ Advance Course (現代企業總裁高級研修班)” from October 2010 to October 2011 at the School of Continuing Education, Tsinghua University (清華大學繼續教育學院). Mr. Liu has been appointed a member of the 7th Chinese People’s Political Consultative Conference at Xiamen Huli district (廈門市湖裡區第七屆政協委員) since November 2011 and a member of the China Democratic National Construction Association (中國民主建國會會員) since November 2010. Mr. Liu had also been appointed the first vice president of the Association for New Social Stratum of Xiamen Huli district (廈門湖裡區首屆新的社會階層人士聯誼會副會長) in December 2009, the executive committee of the 12th Xiamen Federation of Commerce of Chamber (廈門市工商聯(總商會)第十二屆執委會執委) in December 2011, the standing committee member of the 5th Xiamen Huli district Federation of Commerce of Chamber (廈門市湖裡區工商聯(商會)第五屆理事會常務理事) in April 2012 and the supervisor of the third division of the Xiamen Municipal Bureau of Quality and Technical Supervision (廈門市質量技術監督局第三分局行風監督員) in April 2015.

執行董事

劉榮如先生(「劉先生」)，50歲，為我們的執行董事及董事會主席，主要負責本集團的發展、定位及策略規劃。劉先生為本集團創辦人。彼現為本集團所有附屬公司的董事。彼亦為薪酬委員會成員及提名委員會主席。

劉先生在事業初期，於一九九零年八月至一九九六年八月曾於中國主要經營船務及貿易業務的公司廈門經貿船務有限公司工作，主要負責水手操舵工作。劉先生於一九九六年十月在水產買賣行業開展其個人事業，主要負責一般業務經營，讓其可於二零零五年七月成立廈門沃豐後注入其貿易經驗。

劉先生於二零一零年十月至二零一一年十月參加清華大學繼續教育學院的現代企業總裁高級研修班。劉先生自二零一一年十一月起擔任廈門市湖裡區第七屆政協委員及自二零一零年十一月起擔任中國民主建國會會員。劉先生亦曾分別於二零零九年十二月、二零一一年十二月、二零一二年四月及二零一五年四月擔任廈門湖裡區首屆新的社會階層人士聯誼會副會長、廈門市工商聯(總商會)第十二屆執委會執委、廈門市湖裡區工商聯(商會)第五屆理事會常務理事及廈門市質量技術監督局第三分局行風監督員。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Jiang Dehua (蔣德華) (“Mr. Jiang”), aged 40, is our Executive Director and the chief executive officer of our Group. He is primarily responsible for business development, marketing strategy, sales management and strategic planning of our Group. Mr. Jiang joined our Group in October 2010 and was appointed as the assistant to the chairman and the deputy general manager of Xiamen Wofan in October 2010.

Mr. Jiang has spent over 10 years in the media and advertising industry and has extensive experience in managing business operations. Prior to joining our Group, Mr. Jiang was employed by the Shanghai branch of the Guangzhou Bates Advertising Company Ltd. (廣州達彼思(達華)廣告有限公司上海分公司) as an assistant director of strategic planning primarily responsible for developing marketing strategies for various car models from July 1999 to August 2003. Mr. Jiang was then employed by the New Handsome Joint Advertising Company Ltd. (福建新恒基廣告有限公司) as the director of strategic planning from January 2004 to September 2010.

Mr. Lin Jiangtang (林江棠) (“Mr. Lin”), aged 34, is our Executive Director and is primarily responsible for supervising legal related matters of our Group. Mr. Lin possesses extensive experience in the legal field and he joined our Group in November 2015.

Prior to joining our Group, Mr. Lin was employed by the TDK Xiamen Company Ltd. from March 2006 to May 2008, he was then employed by TPK Touch Solutions (Xiamen) Inc. as a legal officer from June 2008 to June 2015. Mr. Lin graduated with a bachelor degree in law from the China University of Mining and Technology in July 2005. Mr. Lin then subsequently passed the National Judiciary Examination in February 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huang Xingluan (黃興學) (“Mr. Huang”), aged 43, was appointed as an Independent Non-executive Director on 22 June 2017. Mr. Huang is also a member of our Audit Committee, our Remuneration Committee and our Nomination Committee. Mr. Huang graduated from the Xiamen University with a Master degree in Management in June 2001 and a doctoral degree in Finance in June 2009. Subsequent to his obtaining of the master degree, Mr. Huang was employed by the Xiamen University as an assistant professor of business management in August 2001, where he was later promoted as an associate professor of business management in August 2009. Since March 2013, Mr. Huang has served as the associate director of the Faculty of Financial Management at the School of Management of Xiamen University. Mr. Huang is currently an independent non-executive director of Fujian Longma Environmental Sanitation Equipment Co., Ltd (福建龍馬環衛裝備股份有限公司), which is listed on the Shanghai Stock Exchange (stock code: SHA: 603686); China United Travel Co., Ltd (國旅聯合股份有限公司), which is listed on the Shanghai Stock Exchange (stock code: SHA: 600358) and Xiamen Kingdomway Group Company Limited (廈門金達威集團股份有限公司), which is listed on the Shenzhen Stock Exchange (stock code: SZSE: 002626).

蔣德華先生(「蔣先生」)，40歲，為執行董事及本集團行政總裁，主要負責本集團的業務發展、市場營銷策略、銷售管理及策略規劃。蔣先生於二零一零年十月加入本集團，並曾於二零一零年十月獲委任為廈門沃豐董事長助理及副總經理。

蔣先生投身傳媒及廣告行業逾十年，並於業務經營管理領域擁有豐富經驗。加入本集團前，彼曾於一九九九年七月至二零零三年八月獲聘為廣州達彼思(達華)廣告有限公司上海分公司策略計劃總監助理，主要負責就各種汽車型號制定市場營銷策略。蔣先生於二零零四年一月至二零一零年九月獲聘為福建新恒基廣告有限公司策略規劃總監。

林江棠先生(「林先生」)，34歲，為我們的執行董事，主要負責監督本集團的法律相關事宜。林先生於法律領域擁有豐富經驗，並於二零一五年十一月加入本集團。

加入本集團前，林先生自二零零六年三月至二零零八年五月任職於TDK Xiamen Company Ltd.，彼隨後由二零零八年六月至二零一五年六月獲聘為TPK Touch Solutions (Xiamen) Inc.的法律主任。林先生於二零零五年七月畢業於中國礦業大學獲法律系學士學位。林先生其後於二零零九年二月通過國家司法考試。

獨立非執行董事

黃興學先生(「黃先生」)，43歲，於二零一七年六月二十二日獲委任為獨立非執行董事。黃先生亦為審核委員會、薪酬委員會及提名委員會成員。黃先生於二零零一年六月畢業於廈門大學，獲得管理碩士學位，並於二零零九年六月獲得金融學博士學位。於獲得碩士學位後，黃先生於二零零一年八月獲廈門大學委聘為企業管理系助理教授，並於之後於二零零九年八月升任企業管理系副教授。自二零一三年三月以來，黃先生一直擔任廈門大學管理學院財務管理系副主任。黃先生現時擔任上海證券交易所上市公司福建龍馬環衛裝備股份有限公司(股份代號：SHA：603686)獨立非執行董事、上海證券交易所上市公司國旅聯合股份有限公司(股份代號：SHA：600358)獨立非執行董事及深圳證券交易所上市公司廈門金達威集團股份有限公司(股份代碼：SZSE：002626)獨立非執行董事。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Liu Dajin (劉大進), aged 52, was appointed as an Independent Non-executive Director on 22 June 2017. Mr. Liu Dajin is also a member of our Audit Committee, our Remuneration Committee and our Nomination Committee. Mr. Liu Dajin has been a practising member of the Chinese Institute of Certified Public Accountants since November 1996. Mr. Liu Dajin graduated with a bachelor degree in economics (major in accounting) from the Central University of Finance and Economics (中央財經大學) (originally named Central Institute of Finance and Banking (中央財政金融學院)) in June 1989. He then obtained a postgraduate qualification from the Xiamen University Postgraduate School in September 1992. Mr. Liu Dajin worked as a teaching assistant at the Jimei Finance and Economics School (集美財經學校 (currently known as: Finance & Economics Institute, Jimei University 集美大學財經學院)) from August 1984 to August 1987. Mr. Liu Dajin then served as the deputy director and an instructor at the Financial Management Teaching and Research Centre (財務管理教研室) at the Jimei College of Finance (集美財政專科學校 (currently known as: Finance & Economics Institute, Jimei University 集美大學財經學院)) from July 1989 to August 1995. Mr. Liu Dajin worked in various faculties of the Jimei University (集美大學) since September 1995 and is currently the director of the Faculty of Management of the Chengyi University College, Jimei University (集美大學誠毅學院). Mr. Liu Dajin has been an independent non-executive Director of Mobile Internet (China) Holdings Limited (formerly known as China Packaging Holdings Development Limited), which is listed on the Stock Exchange (stock code: 1439) since December 2013.

Ms. Cheng Shing Yan (鄭承欣) ("Ms. Cheng"), aged 43, was appointed as an Independent Non-executive Director on 22 June 2017. She is also the chairlady of our Audit Committee. Ms. Cheng has around 20 years of working experience in auditing and accounting.

She joined the group of Sanroc International Holdings Limited, which is listed on the Stock Exchange (stock code: 1660), as the chief financial officer and the company secretary in April 2016 and has been an executive director of Sanroc International Holdings Limited since April 2017. Ms. Cheng has also been appointed as an independent non-executive director of Putian Communication Group Limited (stock code: 1720) since October 2017, the shares of which are listed on the Stock Exchange.

Ms. Cheng obtained a master degree in international accounting at the City University of Hong Kong in November 2003. Ms. Cheng was admitted as a member of the Association of Chartered Certified Accountants (ACCA) and the Hong Kong Institute of Certified Public Accountants (HKICPA) in December 2000 and July 2003 respectively. Ms. Cheng has also been admitted as an associate of both The Hong Kong Institute of Chartered Secretaries (the "HKICS") and The Institute of Chartered Secretaries and Administrators (the "ICSA") in June 2017. Ms. Cheng is currently a member of ACCA, HKICPA, HKICS and ICSA.

劉大進先生，52歲，於二零一七年六月二十二日獲委任為獨立非執行董事。劉大進先生亦為審核委員會、薪酬委員會及提名委員會成員。劉大進先生自一九九六年十一月起出任中國註冊會計師協會之執業會員。劉大進先生於一九八九年六月畢業於中央財經大學(原稱中央財政金融學院)，取得經濟學學士學位(會計專業)。其後彼於一九九二年九月獲廈門大學研究生院頒授研究生證書。劉大進先生於一九八四年八月至一九八七年八月於集美財經學校(現稱為集美大學財經學院)出任教學助理。劉大進先生其後於一九八九年七月至一九九五年八月於集美財政專科學校(現稱為集美大學財經學院)財務管理教研室出任副主任及講師。劉大進先生自一九九五年九月起於集美大學各學院工作，現為集美大學誠毅學院管理系主任。劉大進先生自二零一三年十二月起一直擔任聯交所上市公司移動互聯(中國)控股有限公司(前稱中華包裝控股發展有限公司(股份代號：1439))獨立非執行董事。

鄭承欣女士(「鄭女士」)，43歲，於二零一七年六月二十二日獲委任為獨立非執行董事。彼亦為審核委員會主席。鄭女士擁有約20年審計及會計經驗。

彼於二零一六年四月加入善樂國際控股有限公司(於聯交所上市，股份代號為1660)，擔任財務總監兼公司秘書及自二零一七年四月起擔任善樂國際控股有限公司的執行董事。鄭女士自二零一七年十月以來亦獲委任為普天通信集團有限公司(股份代號：1720)的獨立非執行董事，該公司的股份於聯交所上市。

鄭女士於二零零三年十一月在香港城市大學獲得國際會計碩士學位。鄭女士於二零零零年十二月及二零零三年七月分別獲接納為英國特許公認會計師公會及香港會計師公會會員。鄭女士亦於二零一七年六月獲接納為香港特許秘書公會(「香港特許秘書公會」)會員及英國特許秘書及行政人員公會(「英國特許秘書及行政人員公會」)會員。鄭女士現為英國特許公認會計師公會，香港會計師公會，香港特許秘書公會及英國特許秘書及行政人員公會會員。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. Liu Zhengping (劉崢平), aged 47, is the chief procurement officer of our Group and is primarily responsible for developing strategic plans and overall management of our Group's procurement. Mr. Liu Zhengping joined our Group as the manager for procurement department in August 2009.

In the earlier period of his career, Mr. Liu Zhengping was employed as the chief sailor in the U-Ming Marine Transport (Singapore) Pte Ltd. (裕民航運(新加坡)私人有限公司) from May 2006 to July 2009. Mr. Liu Zhengping completed a 2-year course in ship piloting at the Fujian Huian Sailing School (福建省惠安縣前亭航海職業學校 (currently known as 福建省泉州市泉港前亭航海水產職業學校)) in July 1988 and completed a short course in ship piloting at the Guangzhou Mariner School (廣州海員學校) in July 1994.

Ms. Lin Lizhen (林麗珍), aged 36, is the chief sales officer of our Group and is primarily responsible for developing strategic plans and overall management of our Group's sales. Ms. Lin Lizhen joined our Group in April 2012 as the manager for the Sales Department, responsible for sales and marketing function of the Group.

Prior to joining our Group, Ms. Lin Lizhen worked at the Xiamen Xuri Fubang Development Company Ltd. (廈門旭日富邦發展有限公司) as business assistant for more than five years (from July 2006 to March 2008, and from October 2008 to March 2012), responsible for sales and marketing of alcoholic products. Ms. Lin Lizhen obtained a professional certificate in web applications design from the Quanzhou Normal University (泉州師範學院) in July 2006.

Mr. Zhang Jincong (張錦聰), aged 50, is the chief production officer of our Group and is primarily responsible for developing strategic plans and overall management of our Group's production. Mr. Zhang Jincong joined our Group as the manager for the Production Department in January 2009. Prior to joining our Group, Mr. Zhang worked as a self-employed merchandiser and traded dried food from May 2001 to May 2008.

高級管理層

劉崢平先生，47歲，為本集團採購主管，主要負責制定戰略計劃及整體管理本集團採購事宜。劉崢平先生於二零零九年八月加入本集團擔任採購部經理。

在事業早期，劉崢平先生自二零零六年五月至二零零九年七月獲聘為裕民航運(新加坡)私人有限公司首席海員。劉崢平先生於一九八八年七月在福建省惠安縣前亭航海職業學校(現稱福建省泉州市泉港前亭航海水產職業學校)完成為期兩年的船舶駕駛課程，並於一九九四年七月在廣州海員學校完成船舶駕駛的短期課程。

林麗珍女士，36歲，為本集團銷售主管，主要負責制定戰略計劃及整體管理本集團銷售事宜。林麗珍女士於二零一二年四月加入本集團擔任銷售部經理，負責本集團的銷售及營銷工作。

加入本集團前，林麗珍女士曾於廈門旭日富邦發展有限公司工作逾五年(二零零六年七月至二零零八年三月及二零零八年十月至二零一二年三月)，擔任業務助理，負責酒精類產品的銷售及營銷。林麗珍女士於二零零六年七月自泉州師範學院取得互聯網應用程式設計職業資格證書。

張錦聰先生，50歲，為本集團生產主管，主要負責制定戰略計劃及整體管理本集團生產事宜的整體管理。張錦聰先生於二零零九年一月加入本集團擔任生產部經理。加入本集團前，張先生曾於二零零一年五月至二零零八年五月為個體工商戶，並從事買賣乾製食品工作。

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

COMPANY SECRETARY

Mr. Wong Wai Lun (黃偉倫), aged 34, joined our Company in March 2016 as the chief financial officer. He was appointed as the Company Secretary on 11 April 2016. Mr. Wong Wai Lun obtained a bachelor degree of commerce from the University of Queensland in December 2004. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and has over 13 years of experience in the field of accounting and auditing services. Mr. Wong Wai Lun had been the financial controller and the company secretary of China Environmental Technology and Bioenergy Holdings Ltd. (formerly known as Merry Garden Holdings Limited), a company listed on the Stock Exchange (stock code: 1237) from January 2014 to October 2015, and the joint company secretary of the same company from October 2015 to January 2016. Prior to this, he worked at KPMG from September 2008 to December 2013 with the last position as a manager. He also worked at Poon & Co. Certified Public Accountants from February 2005 to March 2007 and from May 2007 to June 2008 with the last position as a senior auditor.

公司秘書

黃偉倫先生，34歲，於二零一六年三月加入本公司，擔任財務總監。彼於二零一六年四月十一日獲委任為公司秘書。黃偉倫先生於二零零四年十二月獲得昆士蘭大學商學學士學位。彼為香港會計師公會資深會員並於會計及審計服務領域擁有逾13年經驗。黃偉倫先生自二零一四年一月至二零一五年十月擔任聯交所上市公司中科生物控股有限公司（前稱美麗家園控股有限公司，股份代號：1237）的財務總監兼公司秘書，並於二零一五年十月至二零一六年一月擔任該公司的聯席公司秘書。於此之前，彼於二零零八年九月至二零一三年十二月期間在畢馬威會計師事務所工作，離職前任職經理。彼自二零零五年二月至二零零七年三月及自二零零七年五月至二零零八年六月於潘永祥會計師事務所任職，離職前職位為高級審計師。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The board (the “Board”) of directors (the “Directors”) of China Shenghai Food Holdings Company Limited (the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2017 (the “Reporting Period”), together with the comparative figures for the corresponding period in 2016.

BUSINESS REVIEW

The Group sell dried seafood, seafood snacks and frozen seafood in the PRC. We also sell algae and fungi in the PRC. The Group (i) source high quality raw and processed raw materials, (ii) sub-contract processing of the unprocessed raw materials to third parties, (iii) package products at its own packaging facilities or through sub-contractors, and (iv) sell packaged products under its own brand “Wofan (沃豐)”. The Group also sell dried seafood, algae and fungi without packaging, and sell frozen seafood at a seafood wholesale market.

During the Reporting Period, the Group’s revenue grew approximately 37.7% from approximately RMB468.0 million for the year ended 31 December 2016 to approximately RMB644.4 million for the year ended 31 December 2017. The Group’s gross profit and gross profit margin for the year ended 31 December 2017 was approximately RMB163.5 million and approximately 25.4%, respectively (Year ended 31 December 2016: approximately RMB118.4 million and approximately 25.3% respectively).

The Group has a comprehensive product portfolio with different raw materials, flavouring and packaging and consider each product to be distinctive. The Group seek to differentiate itself from its competitors by providing its customers with a broad and convenient choice of product offerings, which creates additional opportunities to drive overall sales to customers.

During the Reporting Period, the Group sold 213 products, which comprised 104 dried seafood, 34 algae and fungi, 64 seafood snacks and 11 frozen seafood.

During the Reporting Period, the Group sold its packaged products through supermarkets, trading companies, convenience stores and other sales channels, such as food companies, gift stores and e-commerce retailers. The Group also sold unpackaged products through these sales channels, as well as at a seafood wholesale market for its frozen seafood products.

中國升海食品控股有限公司(「本公司」)之董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度(「報告期間」)之經審核綜合年度業績連同二零一六年同期之比較數字。

業務回顧

本集團於中國銷售乾海產品、海洋休閒產品及海鮮凍品。本集團亦於中國銷售藻類產品及菌類產品。本集團(i)採購高質的未加工及已加工原材料，(ii)將未加工原材料的加工工序分包予協力廠商，(iii)在本集團的自有包裝設施或透過分包商包裝產品，及(iv)以自有品牌「沃豐」銷售包裝產品。本集團亦銷售未包裝乾海產品以及藻類產品及菌類產品，及在海產品批發市場銷售海鮮凍品。

於報告期間，本集團的收益由截至二零一六年十二月三十一日止年度的人民幣468.0百萬元增加37.7%至截至二零一七年十二月三十一日止年度的約人民幣644.4百萬元。截至二零一七年十二月三十一日止年度，本集團的毛利及毛利率分別約為人民幣163.5百萬元及25.4%(截至二零一六年十二月三十一日止年度，分別約為人民幣118.4百萬元及25.3%)。

本集團擁有含不同原材料且口味及包裝各不相同的全面產品組合，而每種產品均各具特色。本集團尋求透過為客戶提供豐富多樣及便利的產品選擇，創造促進向客戶整體銷售更多產品的機會，從競爭對手中脫穎而出。

於報告期間，本集團銷售213種產品，包括104種乾海產品、34種藻類產品及菌類產品、64種海洋休閒產品及11種海鮮凍品。

於報告期間，本集團透過超市、貿易公司、便利店及其他銷售渠道(如食品公司、禮品店及零售電商)銷售其包裝產品。本集團亦透過該等銷售渠道銷售無包裝產品以及於海產品批發市場銷售海鮮凍品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The revenue growth of the Group during the Reporting Period was driven by the increasing customer demand which was supported by a corresponding increase in supplies. The Group believe that customers choose the Group's products mainly based on (i) strong historical sales record of its products, supported by effective sales and promotion strategies, (ii) the Group's stable product supply, and (iii) the large and evolving range of diverse product offering. Specifically, the Group has demonstrated its ability to (i) implement effective sales and promotion efforts on its products, including the sales and promotion teams stationed in the Group's customers' stores to boost sales; and (ii) utilise favourable market intelligence and research analysis conducted or arranged by customers on the Group's products.

於報告期間，本集團收入錄得增長，乃由客戶需求在供應相應增加的支持下上升所拉動。本集團認為，客戶主要基於以下各項選購本集團的產品：(i)在有效的銷售及營銷策略的支持下，本集團產品的過往銷售佳績；(ii)本集團產品供應穩定；及(iii)龐大及推陳出新的廣泛產品組合。具體而言，本集團已證明其以下能力(i)實施有效的產品銷售及營銷措施，包括於本集團客戶店舖派駐銷售及營銷團隊以促進銷售；及(ii)利用客戶就本集團產品進行或安排的利好市場情報及研究分析。

OPERATING RESULTS AND FINANCIAL REVIEW REVENUE

During the Reporting Period, the Group's revenue grew approximately 37.7% from approximately RMB468.0 million for the year ended 31 December 2016 to approximately RMB644.4 million for the year ended 31 December 2017, primarily due to (a) the increase in sales volume and to a lesser extent, the increase in average selling prices and (b) the increase in sales penetration of the Group's products with existing customers.

The table below sets out a breakdown of the Group's revenue categorised by product types during the Reporting Period:

經營業績及財務回顧 收益

於報告期間，本集團的收益由截至二零一六年十二月三十一日止年度的人民幣468.0百萬元增加37.7%至截至二零一七年十二月三十一日止年度的約人民幣644.4百萬元。主要由於(a)銷量增加及較少程度的平均售價增長及(b)增加滲透銷售本集團的產品至現有客戶。

下表載列於報告期間按本集團產品類別劃分的收益：

		Year ended 31 December 截至十二月三十一日止年度			
		% to total revenue		% to total revenue	
		2017 二零一七年 RMB'000 人民幣千元	佔總收益的 百分比 (%)	2016 二零一六年 RMB'000 人民幣千元	佔總收益的 百分比 (%)
Dried seafood	乾海產品	327,875	50.9%	255,817	54.7%
Algae and fungi	藻類產品及菌類產品	257,199	39.9%	170,831	36.5%
Seafood snacks	海洋休閒產品	52,471	8.1%	33,975	7.2%
Frozen seafood	海鮮凍品	6,862	1.1%	7,416	1.6%
		644,407		468,039	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The table below sets forth the revenue contribution from the Group's sales channels during the Reporting Period:

下表載列本集團的銷售渠道於報告期間的收益貢獻：

		Year ended 31 December 截至十二月三十一日止年度			
		% to total revenue 佔總收益的 百分比 (%)		% to total revenue 佔總收益的 百分比 (%)	
		2017 二零一七年 RMB'000 人民幣千元		2016 二零一六年 RMB'000 人民幣千元	
Supermarkets	超市	335,883	52.1%	241,738	51.6%
Trading companies	貿易公司	141,615	22.0%	100,106	21.4%
Convenience stores	便利店	31,302	4.9%	21,479	4.6%
Wholesale market for seafood	海產批發市場	6,862	1.0%	7,416	1.6%
Other sales channels	其他銷售渠道	128,745	20.0%	97,300	20.8%
Food companies	食品公司	49,760	7.7%	49,029	10.5%
Gift stores	禮品店	34,688	5.4%	21,674	4.6%
E-commerce retailers	電子商務零售商	37,675	5.8%	20,822	4.4%
Others	其他	6,622	1.1%	5,775	1.3%
		644,407		468,039	

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit represents revenue less cost of sales, and gross profit margin represents gross profit divided by revenue, expressed as a percentage.

毛利及毛利率

毛利指收益減銷售成本，毛利率指毛利除以收益，以百分比呈列。

The following table sets forth the gross profit and the gross profit margin by product category for the Reporting Period:

下表載列於報告期間按產品類別劃分的毛利及毛利率：

		Year ended 31 December 截至十二月三十一日止年度			
		2017 二零一七年		2016 二零一六年	
		Gross profit 毛利 RMB'000 人民幣千元	Gross profit margin 毛利率 %	Gross profit 毛利 RMB'000 人民幣千元	Gross profit margin 毛利率 %
Dried seafood	乾海產品	82,390	25.1%	66,430	26.0%
Algae and fungi	藻類產品及菌類產品	66,683	25.9%	42,051	24.6%
Seafood snacks	海洋休閒產品	12,908	24.6%	8,172	24.1%
Frozen seafood	海鮮凍品	1,525	22.2%	1,744	23.5%
		163,506	25.4%	118,397	25.3%

The Group's gross profit margin increased slightly by approximately 0.1% from approximately 25.3% for the year ended 31 December 2016 to approximately 25.4% for the year ended 31 December 2017, mainly due to the increase in sales of higher margin algae and fungi products.

本集團的毛利率由截至二零一六年十二月三十一日止年度約25.3%輕微上升約0.1%至截至二零一七年十二月三十一日止年度約25.4%，主要由於本集團較高利潤之藻類產品及菌類產品銷售增長所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OTHER INCOME AND OTHER GAINS/(LOSSES), NET

Other income represents rental income generated from the seaweed farms located in Xiapu, the PRC and interest income from bank deposits and secured loan receivable.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses primarily consist of salaries and employee benefit expenses for employees engaging in the sales and promotion activities, transportation expenses, advertising and promotion expenses, rental expenses and other expenses. This increase was primarily due to (i) an increase in salaries as a result of an increase in average headcounts of the Sales Department as part of the change in promotion strategy; (ii) increase in entertainment expenses; (iii) increase in transportation expenses. As a percentage of revenue, selling and distribution expenses remained relatively stable at approximately 3.7% and 3.8% for the year ended 31 December 2017 and 2016, respectively.

ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of salaries and employees benefit expenses, rental expenses, office expenses, depreciation, listing expenses and others. As a percentage of revenue, administrative expenses accounted for approximately 5.4% and 3.0% for the year ended 31 December 2017 and 2016, respectively. Such increase was mainly due to the listing expenses incurred and the increase in staff costs during the year ended 31 December 2017.

INCOME TAX EXPENSE

Income tax expense primarily consists of the Enterprise Income Tax of Xiamen Wofan and Fujian Wofan, the applicable tax rate of which being 25%. For the year ended 31 December 2017 and 2016, income tax expense were approximately RMB34.2 million and RMB24.3 million, respectively. The effective tax rates, calculated as the income tax expense divided by the profit before income tax, was approximately 32.7%, and 28.4% for the year ended 31 December 2017 and 2016, respectively. Such increase was mainly due to the headquarters expenses and listing expenses incurred in Hong Kong during the year ended 31 December 2017 were not deductible for Hong Kong profits tax purpose.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), we are not subject to any income tax in the Cayman Islands or the BVI.

Hong Kong profits tax at 16.5% has not been provided as the Group had no assessable profits arising in Hong Kong for the year ended 31 December 2017 and 2016.

其他收入及其他收益／(虧損)淨額

其他收入指位於中國霞浦的海帶農場產生的租金收入及銀行存款及應收有抵押貸款的利息收入。

銷售及分銷開支

銷售及分銷開支主要包括從事銷售及推廣活動的僱員的薪金及僱員福利開支、運輸開支、廣告及推廣開支、租賃開支及其他開支。相關增幅乃主要由於(i)作為改變推廣策略的一環，銷售部門平均人數增加導致薪金增加；(ii)業務招待開支增加；(iii)運輸開支增加所致。銷售及分銷開支佔收益的百分比保持相對穩定，於截至二零一七年及二零一六年十二月三十一日止年度分別約為3.7%及3.8%。

行政開支

行政開支主要包括薪金及僱員福利開支、租賃開支、辦公開支、折舊、上市開支及其他。行政開支佔收益的百分比於截至二零一七年及二零一六年十二月三十一日止年度分別約為5.4%及約3.0%。此上升主要由於截至二零一七年十二月三十一日止年度期間發生的上市費用及員工成本上升所致。

所得稅開支

所得稅開支主要包括廈門沃豐及福建沃豐按適用稅率25%繳納的企業所得稅。截至二零一七年及二零一六年十二月三十一日止年度，所得稅開支分別約人民幣34.2百萬元及人民幣24.3百萬元。截至二零一七年及二零一六年十二月三十一日止年度，實際稅率（按所得稅開支除以除所得稅前溢利計算）分別約為32.7%及28.4%。此上升主要由於截至二零一七年十二月三十一日止年度於香港資金之總部開支及上市費用並不能扣除香港利得稅所致。

根據開曼群島及英屬處女群島的規則及規例，本集團毋須繳納任何開曼群島及英屬處女群島（「英屬處女群島」）所得稅。

截至二零一七年及二零一六年十二月三十一日止年度，由於本集團並無於香港產生應課稅溢利，故並無按16.5%的稅率計提香港利得稅撥備。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

CASH FLOWS

During the Reporting Period, the Group funded its working capital and other capital requirements principally by cash generated from operating activities and advances from shareholders.

NET CURRENT ASSETS

Net current assets increased from approximately RMB152.7 million as at 31 December 2016 to approximately RMB364.7 million as at 31 December 2017. The increase was primarily attributable to an increase in cash and cash equivalent of approximately RMB175.3 million which was due to the proceeds from the Group's initial public offering and the increased profits generated from sales of the Group's products.

CASH AND CASH EQUIVALENT AND BANK BORROWINGS

During the Reporting Period, the Group maintained a healthy liquidity position. As at 31 December 2017, cash and cash equivalents of the Group was approximately RMB285.2 million, as compared to approximately RMB110.0 million as at 31 December 2016. The Group has no bank borrowings as at 31 December 2017.

GEARING RATIO

As at 31 December 2017, the gearing ratio (calculated by total debt divided by the total equity as at the end of the year) of the Group remained nil as the Group has no bank borrowings.

INVENTORIES

As at 31 December 2017, inventories amounted to approximately RMB41.6 million (2016: RMB31.6 million). The number of inventory turnover days was approximately 28 days (2016: 30 days).

TRADE RECEIVABLES

As at 31 December 2017, trade receivables amounted to approximately RMB97.9 million (2016: RMB74.5 million). The Group granted its customers a credit period of 30 to 90 days following the day of delivery. The number of turnover days for trade receivables was approximately 45 days (2016: 45 days).

TRADE PAYABLES

As at 31 December 2017, trade payables amounted to approximately RMB61.1 million (2016: RMB39.7 million). The Group managed to obtain a credit period of an average of approximately 30 days from the majority of its suppliers. The turnover day for trade payables was approximately 35 days (2016: 38 days).

流動資金及財務資源及資本架構

現金流量

於報告期間，本集團的運營資金及其他資金需求主要由經營業務所得現金流及股東貸款取得。

流動資產淨值

流動資產淨值由二零一六年十二月三十一日約人民幣152.7百萬元增加至二零一七年十二月三十一日約人民幣364.7百萬元。增加乃主要由於現金及現金等價物增加約人民幣175.3百萬元，原因為本集團首次公開發售之所得以及銷售產品產生的溢利增加。

現金及現金等價物及銀行貸款

於報告期間，本集團維持良好的流動資金狀況。於二零一七年十二月三十一日，本集團現金及現金等價物約為人民幣285.2百萬元，而截至二零一六年十二月三十一日約為人民幣110.0百萬元。於二零一七年十二月三十一日，本集團無銀行借款。

資產負債比率

於二零一七年十二月三十一日，由於本集團並無銀行借貸，資本負債比率（按總債務除以年末權益總額）維持零。

存貨

於二零一七年十二月三十一日，存貨為約人民幣41.6百萬元（二零一六年：人民幣31.6百萬元）。存貨週轉天數為約28天（二零一六年：30天）。

貿易應收款項

於二零一七年十二月三十一日，貿易應收款項為約人民幣97.9百萬元（二零一六年：人民幣74.5百萬元）。本集團授予其客戶的信貸期自送貨日期翌日起計為期30至90天。貿易應收款項週轉天數為約45天（二零一六年：45天）。

貿易應付款項

於二零一七年十二月三十一日，貿易應付款項為約人民幣61.1百萬元（二零一六年：人民幣39.7百萬元）。本集團獲大多數供應商授出平均約30天的信貸期。貿易應付款項週轉天數為約35天（二零一六年：38天）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CAPITAL EXPENDITURES

For the year ended 31 December 2017, the Group had capital expenditure of approximately RMB35,000 (Year ended 31 December 2016: Nil). The expenditure was mainly related to the purchase of transportation equipment.

CAPITAL COMMITMENTS

As at 31 December 2017, the Group did not have any material capital commitments.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any material contingent liabilities or guarantees.

PLEDGE OF ASSETS

As at 31 December 2017, the Group did not pledged any assets.

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

The shares of the Company were listed on the Main Board of the Stock Exchange on 18 July 2017 with net proceeds from the global offering of approximately HK\$123.3 million (after deduction of underwriting fees and commissions and estimated expenses payable in connection with the global offering). According to the intended use as set out in "Future Plans and Use of Proceeds" in the prospectus published on 30 June 2017 (the "Prospectus"), the amount utilised as at 31 December 2017 was as follows:

資本開支

於截至二零一七年十二月三十一日止年度，本集團的資本開支約為人民幣35,000元，（截至二零一六年十二月三十一日止年度：無）。開支主要與購買運輸設備相關。

資本承擔

於二零一七年十二月三十一日，本集團並無任何重大資本承擔。

或然負債

於二零一七年十二月三十一日，本集團概無任何重大或然負債。

資產抵押

於二零一七年十二月三十一日，本集團概無任何資產抵押。

首次公開發售所得款項淨額用途

本公司股份於二零一七年七月十八日在聯交所主板上市，來自全球發售所得款項淨額約為123.3百萬港元（扣除本公司因全球發售應付的包銷費用佣金及估計開支）。根據二零一七年六月三十日發佈的招股章程（「招股章程」）內「未來計劃及所得款項用途」所載的擬定用途，於二零一七年十二月三十一日的已動用金額如下：

Items	項目	Percentage 百分比	Net proceeds (HK\$ million) 所得款項淨額(百萬港元)		
			Available 可用	Utilised 已動用	Unutilised 未動用
Enhance the market access and deepening the penetration of Northern China and Central Western China	加強市場開拓及深入滲透中國北部及中國中西部地區	36.3%	44.8	—	44.8
Acquire new packaging equipment and establishing the quality control and testing centre	收購新包裝設備及建立質量控制及檢測中心	29.1%	35.9	—	35.9
Diversify and increase the sales and promotion efforts	擴大及加強銷售及推廣力度工作	24.6%	30.3	0.6	29.7
General working capital	一般營運資金	10.0%	12.3	11.0	1.3

The Company has no intention to use the proceeds contrary to the description as stated in the Prospectus.

本公司無意將所得款項用作有別於招股章程所述的用途。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no significant investment, material acquisition and disposal of subsidiaries by the Company. The Group currently has no plan to make any substantial investment in or acquisition of capital assets, but will continue to seek for potential investment or acquisition opportunities according to the Group's development needs.

EXCHANGE RISK EXPOSURE

The Group mainly operates in the PRC and most of its operating transactions are settled in RMB. Most of its assets and liabilities are denominated in RMB. Although the Group may be exposed to foreign currency exchange risks, the Board does not expect future currency fluctuations to materially impact the Group's operations. The Group did not adopt formal hedging policies and no instruments have been applied for foreign currency hedging purposes during the Reporting Period.

EMPLOYEES

As at 31 December 2017, the Group had 466 full time employees in total (31 December 2016: 390). The Group remunerates its employees based on their performance, experience and prevailing industry practice. Competitive remuneration package is offered to retain elite employees. The package includes salaries, medical insurance, discretionary bonuses, other benefits as well as mandatory provident fund schemes for employees in Hong Kong and state-managed retirement benefit schemes for employees in the PRC.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2017 to the shareholders.

重大投資、重大收購及出售附屬公司、及 聯營公司

本公司並無重大投資、重大收購及出售附屬公司及聯營公司。本集團現時並無計劃作出任何重大投資或收購資本資產，但會按本集團發展需要，繼續物色潛在投資或收購機會。

外匯風險

本集團主要於中國開展業務且其大多數經營交易以人民幣結算。大部分資產及負債以人民幣計值。雖然本集團可能承擔外匯風險，但董事會預期未來貨幣波動不會嚴重影響本集團經營。本集團於報告期間並無採納正式對衝政策且並無使用工具作外匯對衝目的。

僱員

於二零一七年十二月三十一日，本集團合共有466名(二零一六年十二月三十一日：390名)全職僱員。本集團按僱員表現、經驗及現行行業常規付予僱員薪酬。為挽留精英僱員，本集團提供有競爭力薪酬待遇。待遇包括薪金、醫療保險、酌情花紅、其他福利以及香港僱員的強積金計劃及中國僱員的國家管理退休福利計劃。

末期股息

董事會不建議就截至二零一七年十二月三十一日止年度向股東派付末期股息。

REPORT OF THE DIRECTORS

董事會報告

The Directors is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in Note 26 to the Consolidated Financial Statements.

SEGMENT INFORMATION

An analysis of the Group's turnover and results by business segments for the year ended 31 December 2017 is set out in note 7 to the Consolidated Financial Statements.

BUSINESS REVIEW

A review of the business, financial key performance indicators and outlook of the Group for the year ended 31 December 2017 are provided in the Chairman's Statement and Management Discussion and Analysis on pages 4 to 5 and pages 11 to 17 of this annual report.

ENVIRONMENTAL POLICY

It is our corporate and social responsibility in promoting a sustainable and environmental friendly environment. We strive to minimise our environmental impact by saving electricity and to build our Group in a sustainable way.

We have adopted a set of emergency planning, response and control procedures as countermeasures for unexpected environmental pollution accidents to minimise our impact on the environment and the adverse effect on our business.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

董事欣然提呈其報告連同本集團截至二零一七年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司主要業務為投資控股，而本公司主要附屬公司的主要業務載於綜合財務報表附註26。

分部資料

截至二零一七年十二月三十一日止年度本集團按業務分部劃分之營業額及業績分析載於綜合財務報表附註7。

業務回顧

本集團截至二零一七年十二月三十一日止年度之業務回顧、主要財務表現指標及展望載於本年報第4至5頁之主席報告及第11至17頁之管理層討論及分析。

環境政策

促進可持續發展及有利保育的環境是我們的企業及社會責任，我們致力節省電力，並以可持續方式推動企業事務，將對環境的影響減至最少。

我們採納一套緊急規劃、應變及控制程序，作為發生出乎意料環境污染意外時的抵禦措施，儘量減少對環境的衝擊及我們業務的不利影響。

遵守有關法律及法規

年內，就本公司所知，本集團並無重大違反或不遵守適用法律及法規，以致對本集團之業務及運作構成重大影響。

REPORT OF THE DIRECTORS

董事會報告

PRINCIPAL RISK AND UNCERTAINTIES

The Group is exposed to the operational risk in relation to the business of the Group. With the growth and expansion of our operations, the potential risks to our business increase as well. In order to identify, assess and control the risks that may create impediments to our success, we have implemented a risk management system that covers each material aspect of our operations, including financial security, production, logistics, technology and compliance. As our risk management is a systematic project, each of our departments is responsible for identifying and evaluating the risks relating to its area of operations. Our Audit Committee is responsible for overseeing, assessing and reviewing our risk management policy and supervising the performance of our risk management system.

RELATIONSHIPS WITH STAKEHOLDERS

EMPLOYEES

The Company recognizes that employees are our valuable assets. Thus our Group provide competitive remuneration package to attract and motivate the employees. Our Group regularly reviews the remuneration package of employees and make necessary adjustment to conform to the market standard.

SUPPLIERS

We have developed long-standing relationships with a number of our suppliers and conducts a fair and strict appraisal on an annual basis.

CUSTOMERS

We are committed to provide our customers with high quality products and deliver on a timely basis. We also stay connected with our customers to keep abreast of the changing customer preference through regular visits of our sales teams.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statements of comprehensive income on page 70.

FOUR-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past four financial years is set out on page 124 of this annual report.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in Note 24 to the Consolidated Financial Statements.

主要風險及不確定性

本集團面臨與本集團的業務有關的經營風險。隨著我們的業務增長及擴展，有關我們業務的潛在風險亦同時增加。為識別、評估及控制可能阻礙我們成功的風險，我們已實施一套風險管理系統，覆蓋我們業務營運各重大方面，包括財務安全、生產、物流、科技及合規。由於我們的風險管理為一個系統項目，我們各部門均負責識別及評估有關其營運範疇的風險。我們的審核委員會負責監督及評估我們的風險管理政策及監察我們風險管理系統的表現。

與持份者之關係

僱員

本公司深明僱員為我們的寶貴資產，因此本集團提供具競爭力的薪酬待遇，以吸引及推動僱員。本集團定期檢討僱員的薪酬待遇，並會因應市場標準作出所需調整。

供應商

我們已跟多名供應商建立長久的合作關係，並每年進行公正嚴謹的評核。

客戶

我們致力為客戶提供優質產品，並適時送貨。此外，我們亦與客戶保持聯繫，透過銷售團隊定期探訪客戶，緊貼客戶喜好的轉變。

業績及分派

本集團截至二零一七年十二月三十一日止年度之業績載於第70頁的綜合全面收益表。

四年財務摘要

本集團過往四個財政年度的業績、資產及負債摘要乃載於本年報第124頁。

股本

本公司股本的年內變動詳情載於綜合財務報表附註24。

REPORT OF THE DIRECTORS

董事會報告

RESERVES

Movements in the reserves of the Group during the year ended 31 December 2017 are set out in the consolidated statements of changes in equity on page 72 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands and the Company's articles of association (the "Articles of Association"), amounted to approximately RMB98.3 million (as at 31 December 2016: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's largest and five largest customers accounted for approximately 7.7% and 29.8% of the total turnover for the year 2017 respectively. Purchases from the Group's largest and five largest suppliers accounted for approximately 19.8% and 50.4% of the total purchases for the year 2017 respectively.

To the best knowledge of the Directors, neither the Directors, their associates, nor any shareholders who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended 31 December 2017.

SUBSIDIARIES

Details of the principal subsidiaries of the Company are set out in Note 26 to the Consolidated Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in Note 14 to the Consolidated Financial Statements.

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

The shares of the Company were listed on the Main Board of the Stock Exchange on 18 July 2017. The net proceeds from the listing were approximately HK\$123.3 million (after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the global offering).

For details, please refer to the section headed "Management Discussion and Analysis – Use of Net Proceeds from Initial Public Offering" on page 16 of this annual report.

CHARITABLE CONTRIBUTIONS

During the year, the Group did not made charitable contributions (2016: Nil).

儲備

於截至二零一七年十二月三十一日止年度，本集團儲備的變動載於本年報第72頁的綜合權益變動表。

可供分派儲備

於二零一七年十二月三十一日，根據開曼群島公司法及本公司之組織章程細則（「公司細則」）之規定計算，本公司可供分派儲備為約人民幣98.3百萬元（於二零一六年十二月三十一日：無）。

主要客戶及供應商

本集團最大及五大客戶的銷售額分別佔二零一七年總營業額約7.7%及29.8%。本集團最大及五大供應商的採購額分別佔二零一七年總採購額約19.8%及50.4%。

就董事所深知，於截至二零一七年十二月三十一日止年度，董事、其聯繫人或擁有本公司已發行股本5%以上的任何股東，概無於本集團五大客戶或供應商擁有任何實益權益。

附屬公司

本公司主要附屬公司的詳情載於綜合財務報表附註26。

物業、廠房及設備

物業、廠房及設備的年內變動詳情載於綜合財務報表附註14。

首次公開發售所得款項淨額用途

本公司股份於二零一七年七月十八日在聯交所主板上市。上市所得款項淨額約為123.3百萬元（經扣除本公司就全球發售應付的包銷費及佣金及估計開支）。

有關詳情，請參閱本年報第16頁「管理層討論及分析－首次公開發售所得款項淨額用途」一節。

慈善捐款

年內，本集團並無作出慈善捐款（二零一六年：無）。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS AND DIRECTORS' SERVICE AGREEMENTS

The Directors of the Company who hold office during the year and up to the date of this report are:

EXECUTIVE DIRECTORS

Mr. Liu Rongru (*Chairman*)
(appointed as a Director on 8 January 2016 and redesignated as an Executive Director on 11 April 2016)

Mr. Jiang Dehua
(appointed on 11 April 2016)

Mr. Lin Jiangtang
(appointed on 11 April 2016)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Dajin
(appointed on 22 June 2017)

Mr. Huang Xingluan
(appointed on 22 June 2017)

Ms. Cheng Shing Yan
(appointed on 22 June 2017)

In accordance with articles 83(3) and 84(1) and (2) of the Company's articles of association, Mr. Jiang Dehua, Mr. Lin Jiangtang, Mr. Liu Dajin, Mr. Huang Xingluan and Ms. Cheng Shing Yan will retire at the annual general meeting ("AGM"). Mr. Jiang Dehua, Mr. Lin Jiangtang, Mr. Huang Xingluan, Mr. Liu Dajin and Ms. Cheng Shing Yan, being eligible, will offer themselves for re-election.

None of the Directors, including those proposed for re-election at the AGM, has a service agreement which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

The Company has received confirmation on independence from each of the Independent Non-executive Directors pursuant to Rule 3.13 of the Listing Rules and all of them are considered to be independent.

DIRECTORS' REMUNERATION

The remuneration of the Directors is determined with reference to Directors' duties, responsibilities and performance and the results of the Group.

Details of the remuneration of the Directors are set out in Note 13 to the Consolidated Financial Statements.

董事及董事服務合約

於年內及截至本報告日期在任的本公司董事為：

執行董事

劉榮如先生(主席)
(於二零一六年一月八日獲委任為董事及於二零一六年四月十一日獲改任為執行董事)

蔣德華先生
(於二零一六年四月十一日獲委任)

林江棠先生
(於二零一六年四月十一日獲委任)

獨立非執行董事

劉大進先生
(於二零一七年六月二十二日獲委任)

黃興學先生
(於二零一七年六月二十二日獲委任)

鄭承欣女士
(於二零一七年六月二十二日獲委任)

根據本公司組織章程細則第83(3)及84(1)及(2)條，蔣德華先生、林江棠先生、劉大進先生、黃興學先生及鄭承欣女士將於股東週年大會(「股東週年大會」)上退任。蔣德華先生、林江棠先生、劉大進先生、黃興學先生及鄭承欣女士符合資格並願意膺選連任。

概無董事(包括建議於應屆股東週年大會上重選的董事)訂立了本公司不可於一年內免付賠償(法定賠償除外)予以終止之服務協議。

本公司已根據上市規則第3.13條規定自各獨立非執行董事接獲有關其獨立性的確認書，且彼等均被視為獨立人士。

董事薪酬

董事薪酬乃根據董事的職責、責任及表現以及本集團的業績釐定。

董事薪酬詳情載於綜合財務報表附註13。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Group are disclosed in the section headed “Biographical Details of the Directors and Senior Management” on pages 6 to 10 of this annual report.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

The controlling shareholders of the Company entered into a Deed of Non-Competition in favour of the Company dated 22 June 2017 (“Deed of Non-Competition”) as set out in the section of “Relationship with the Controlling Shareholders” under the Prospectus. The controlling shareholders confirmed their compliance of all the undertakings provided under the Deed of Non-Competition.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2017, there was no material acquisition or disposal of subsidiaries or associated companies by the Company.

SHARE OPTION SCHEME

Pursuant to a resolution passed by all the shareholders on 22 June 2017, the Company has conditionally adopted the share option scheme (the “Share Option Scheme”) for the purpose of recognizing and acknowledging the contributions the eligible participants had or may have made to the Group. The Board may, at its discretion, grant options pursuant to the Share Option Scheme to the Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors), the directors of the Company’s subsidiaries and employees of the Group and any other persons (including consultants or advisers) whom the Board considers, in its absolute discretion, have contributed or will contribute to the Group. The Directors were authorised to grant options to subscribe for shares of the Company and to allot, issue and deal with the shares pursuant to the exercise of options granted under the Share Option Scheme and to take all such steps as may be necessary and/or desirable to implement and give effect to the Share Option Scheme. The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue immediately following completion of the Global Offering (as defined in the Company’s prospectus dated 30 June 2017), being 100,000,000 shares, excluding any shares that may be issued under the options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company), unless otherwise approved by the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time.

董事及高級管理層履歷

本集團董事及高級管理層履歷詳情披露於本年報第6至10頁的「董事及高級管理層履歷」部分。

控股股東不競爭承諾

本公司控股股東於二零一七年六月二十二日簽立不競爭契據(「不競爭契據」)(載於招股章程「與控股股東的關係」一節)。控股股東已確認遵守不競爭契據訂明的所有承諾。

重大收購及出售附屬公司及聯營公司

於截至二零一七年十二月三十一日止年度，概無重大收購或出售本公司附屬公司或聯營公司。

購股權計劃

根據全體股東於二零一七年六月二十二日通過的決議案，本公司已有條件採納一項購股權計劃(「購股權計劃」)，以肯定及嘉許曾經或可能對本集團作出貢獻的合資格參與人士。根據購股權計劃，董事會可酌情向董事(包括執行董事、非執行董事及獨立非執行董事)、本公司附屬公司之董事、本集團僱員及董事會全權酌情認為曾經或將對本集團作出貢獻的任何其他人士(包括專家顧問或顧問)授出購股權。董事獲授權授出購股權以認購本公司股份，及根據購股權計劃項下授出的購股權獲行使而配發、發行及處理股份，以及採取對實行購股權計劃及使之生效而言為必需及／或合宜的一切步驟。根據購股權計劃及任何其他本公司購股權計劃而可授予的購股權的最高股份數目，合共不得超過緊隨全球發售(定義見本公司日期為二零一七年六月三十日的招股章程)完成後已發行股份總數的10%，即100,000,000股股份，不包括任何根據購股權計劃(或本公司任何其他購股權計劃)的條款已失效的購股權而可發行的股份，惟獲本公司股東在股東大會上另行批准及／或上市規則不時另有其他規定者除外。

REPORT OF THE DIRECTORS

董事會報告

Unless otherwise approved by the shareholders of the Company in general meeting, the number of shares that may be granted to an eligible participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not exceed 1% of the shares in issue of the Company within any 12-month period. Any grant of options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by our Independent Non-executive Directors. Unless otherwise approved by the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules, the number of shares that may be granted to a substantial shareholder or any Independent Non-executive Director or their respective associates under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not exceed 0.1% of the shares in issue, having an aggregate value in excess of HK\$5 million, within any 12-month period.

There is no minimum period for which an option must be held before it can be exercised, and the period during which an option may be exercised will be determined by the Board in its absolute discretion, however, no options shall be exercised 10 years after they have been granted. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

From the date that the Share Option Scheme became effective and unconditional and up to the date of this interim report, no share options were granted under the Share Option Scheme.

除非獲本公司股東於股東大會上另行批准，否則可基於購股權計劃及任何其他本公司購股權計劃（包括已行使及未行使購股權）向一名合資格參與者授出的股份數目，不得超過本公司在任何一個12個月期間的已發行股份的1%。任何向董事、本公司高級行政人員或主要股東（定義見上市規則）或其任何各自的聯繫人（定義見上市規則）授予的購股權須獲我們的獨立非執行董事批准。除非本公司股東在股東大會上另行批准及／或上市規則另有規定，否則根據購股權計劃及任何其他本公司購股權計劃（包括已行使及未行使購股權）可授予主要股東或任何獨立非執行董事或其各自的聯繫人的股份數目，不得超過任何一個12個月期間已發行股份的0.1%或合共價值超過5百萬港元。

概無訂有購股權在行使前必須持有的最短期限，而購股權可行使的期間將由董事會全權酌情決定，然而，購股權於授出10年後便不得行使。有關特定購股權的股份認購價不得低於下列最高者：(a)於聯交所每日報價表所報的官方股份收市價；(b)緊接授出日期前五個營業日聯交所每日報價表所報的官方股份平均收市價；及(c)股份面值。購股權計劃將自其獲採納日期起生效並將自該日起10年期間內一直有效。

自購股權計劃生效及成為無條件起及直至本中期報告日期，概無根據購股權計劃授出購股權。

REPORT OF THE DIRECTORS

董事會報告

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

As at the date of this annual report, the Directors of the Company had the following interests in the shares, underlying shares and debentures of the Company, its Group members and/or associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

董事及高級行政人員於股份、相關股份及債券的權益及淡倉

於本年報日期，本公司董事於以下本公司、其集團公司及／或相聯法團（定義見證券及期貨條例（「證券及期貨條例」第XV部））的股份、相關股份及債券中擁有權益，而須記錄於根據證券及期貨條例第352條須予備存的登記冊或根據標準守則須知會本公司及聯交所：

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of shares 股份數目	Approximate percentage of shareholding Interest (%) 持股概約百分比(%)
Mr. Liu Rongru 劉榮如先生	Interest in controlled corporation/ Long position (Note) 受控制法團的權益／好倉（附註）	525,000,000	52.5%

Note:

The entire issued share capital of Precisely Unique Limited is legally and beneficially owned by Mr. Liu Rongru, who is deemed to be interested in the Shares held by Precisely Unique Limited.

附註：

銳奇有限公司的全部已發行股本由劉榮如先生合法及實益擁有，劉榮如先生被視為於銳奇有限公司持有的股份中擁有權益。

Save as disclosed above, as at the date of this annual report, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company, any of its Group members or its associated corporations (within the meaning of Part XV of the SFO) which were 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code.

除上文所披露者外，於本年報日期，並無本公司董事及主要執行人員於本公司、其任何集團公司或其相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所的任何其他權益或淡倉（包括董事及主要執行人員根據證券及期貨條例的有關條文被當作或視為擁有的權益或淡倉），或須根據證券及期貨條例第352條規定須記入該條所指的登記冊內的權益或淡倉，或根據標準守則的權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the date of this annual report, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company, its Group members and/or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於本公司股份及相關股份的權益及淡倉

於本年報日期，下列人士／實體（不包括本公司董事或主要執行人員）擁有或被視為於本公司、其集團公司及或相聯法團股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部條文予以披露的權益或淡倉，或根據證券及期貨條例第336條記錄於本公司須予備存的登記冊內的權益或淡倉：

Name of Shareholder 股東姓名	Capacity/Nature of interest 身份／權益性質	Number of shares 股份數目	Approximate percentage of shareholding Interest (%) 持股概約百分比(%)
Precisely Unique Limited 銳奇有限公司	Beneficial Owner (Note 1) 實益擁有人／好倉（附註1）	525,000,000	52.5%
Mr. Liu Rongru 劉榮如先生	Interest in controlled corporation/ Long position (Note 1) 受控制法團的權益／好倉（附註1）	525,000,000	52.5%
Ms. Lin Yueying 林月英女士	Interest of spouse (Note 2) 配偶權益（附註2）	525,000,000	52.5%
Jiranek Investments Limited 杰蘭力投資有限公司	Beneficial Owner (Note 3) 實益擁有人／好倉（附註3）	75,000,000	7.5%
Mr. Sun Shaohua 孫少華先生	Interest in controlled corporation/ Long position (Note 3) 受控制法團的權益／好倉（附註3）	75,000,000	7.5%

Notes:

- The entire issued share capital of Precisely Unique Limited is legally and beneficially owned by Mr. Liu Rongru, who is deemed to be interested in the Shares held by Precisely Unique Limited.
- Ms. Lin Yueying is the spouse of Mr. Liu Rongru and is deemed or taken to be interested in all the Shares in which Mr. Liu Rongru has interest under the SFO.
- The entire issued share capital of Jiranek Investments Limited is legally and beneficially owned by Mr. Sun Shaohua, who is deemed to be interested in the Shares held by Jiranek Investments Limited.

附註：

- 銳奇有限公司的全部已發行股本由劉榮如先生合法及實益擁有，劉榮如先生被視為於銳奇有限公司持有的股份中擁有權益。
- 林月英女士為劉榮如先生的配偶，根據證券及期貨條例被視為或當作於劉榮如先生擁有權益的所有股份中擁有權益。
- 杰蘭力投資有限公司的全部已發行股本由孫少華先生合法及實益擁有，孫少華先生被視為於杰蘭力投資有限公司持有的股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

PERMITTED INDEMNITY PROVISION

The articles of associations of the Company provides that the Directors shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts.

The Company has taken out and maintained directors' liability insurance which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, there were no connected transactions and continuing connected transactions between the Group and its connected persons (as defined under the Listing Rules) which are subject to the reporting, announcement and the independent shareholders' approval requirement under the Listing Rules.

The material related party transactions as disclosed in Note 27 to the Consolidated Financial Statements are connected transactions exempt from reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

PURCHASES, SALE AND REDEMPTION OF LISTED SECURITIES

The Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities since 18 July 2017 (the "Listing Date") up to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

獲准許的彌償條文

本公司組織章程細則規定，應就董事在其各自任期或信託內執行其職務或預期之職務時所作出、同意或遺漏的行動而可能招致或承受的一切訴訟、成本、費用、損失、賠償及開支自本公司資產及溢利中向董事提供補償。

本公司已投購及維持董事責任保險，其為本集團董事及本集團附屬公司董事提供適當保護。

董事及控股股東於重要合約之權益

本公司或其附屬公司概無訂立控股股東或董事於其中直接或間接擁有重大權益且於年結日或年內任何時間仍然有效的重要合約。

關連交易及持續關連交易

年內，本集團與其關連人士（定義見上市規則）之間概無訂立須受上市規則之申報、公佈及獨立股東批准之規定所規限之關連交易及持續關連交易。

綜合財務報表附註27所披露之重大關聯方交易為獲豁免遵守上市規則之申報、公告及獨立股東批准之規定之關連交易。

競爭及利益衝突

概無董事或彼等各自之任何聯繫人從事與本集團業務構成或可能構成競爭的任何業務，亦無與本集團存在任何其他利益衝突。

購買、出售及贖回上市證券

自二零一七年七月十八日（「上市日期」）直至本報告日期，本公司並無贖回任何上市證券，且本公司或其任何附屬公司概無購買或出售任何本公司上市證券。

管理合約

年內，概無訂立或存在涉及本公司全部或任何重大部分業務的管理或行政合約。

REPORT OF THE DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

The Company is committed to adopt corporate governance practice. The Company's corporate governance practices are set out in the Corporate Governance Report on pages 28 to 40.

AUDITORS

The Consolidated Financial Statements for the year ended 31 December 2017 have been audited by BDO Limited which retires, and being eligible, offer itself for re-appointment at the AGM. A resolution to re-appoint BDO Limited and to authorize the Directors to fix its remuneration will be proposed at the AGM.

優先購買權

本公司組織章程細則或開曼群島法律下並無有關優先購買權的條文。

足夠公眾持股量

根據本公司可獲得的公開資料，並就董事所知，於本年報日期，本公司維持上市規則規定的公眾持股量。

企業管治

本公司承諾採納企業管治常規。本公司的企業管治常規載於第28至40頁之企業管治報告。

核數師

截至二零一七年十二月三十一日止年度之綜合財務報表已由香港立信德豪會計師事務所有限公司審核，其將於股東週年大會上退任，惟其符合資格並願意膺選連任。於股東週年大會上將提呈一項決議案以續聘香港立信德豪會計師事務所有限公司，並授權董事釐定其酬金。

On behalf of the Board

Jiang Dehua

Executive Director

Xiamen, the PRC, 29 March 2018

代表董事會

執行董事

蔣德華

中國廈門市，二零一八年三月二十九日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is committed to maintaining a good standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximizing shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with the increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The Board considers that up to the date of this annual report, in the opinion of the Board, the Company has complied with the CG Code. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the evolving regulatory requirements and to meet the rising expectations of the shareholders and other stakeholders.

CORPORATE GOVERNANCE PRACTICES

(A) BOARD OF DIRECTORS

Responsibilities and Delegation

The Board is responsible for the leadership and control of the Company, overseeing the Group's businesses, strategic decisions, internal control, risk management systems and monitoring the performance of the senior management. The management is responsible for the daily operations of the Group under the leadership of the Chairman. The Directors have the responsibility to act objectively in the interests of the Company.

The Board has delegated various responsibilities to the Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. Further details of these Committees are set out below in section B of this corporate governance report.

董事會致力維持高水準的企業管治常規及商業道德並深信其是維持及提升投資者信心以及為股東帶來最高回報的根本。董事會不時檢討其企業管治常規，以符合股東不斷提高的期望及遵守日益嚴格的監管規定，並履行其達致卓越企業管治的承諾。

本公司已採納上市規則附錄14所載企業管治守則(「企業管治守則」)所載的守則條文，作為其自身企業管治守則。董事會認為，直至本年報日期，本公司一直遵守企業管治守則。本公司將繼續加強適用於其業務運作及發展之企業管治常規，以確保其遵守日益嚴格之監管要求，及滿足股東及其他利益相關者不斷提高的期望。

企業管治常規

(A) 董事會

職責及授權

董事會負責領導及監控本公司以及監管本集團的業務、決策、內部監控、風險管理系統及監察高級管理層的表現。管理層在主席的領導下專責處理本集團的日常營運工作。董事有責任以本公司利益為前提按客觀標準行事。

董事會已轉授多項職責予董事委員會(包括審核委員會、薪酬委員會及提名委員會)有關該等委員會的進一步詳情載於本企業管治報告下文B節。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Composition

The Board members during the year ended 31 December 2017 and up to the date of this report are as follows:

Executive Directors:

Mr. Liu Rongru (*Chairman of the Board and Nomination Committee and Member of the Remuneration Committee*)
Mr. Jiang Dehua
Mr. Lin Jiangtang

Independent Non-executive Directors:

Mr. Liu Dajin (*Chairman of the Remuneration Committee and Member of the Nomination Committee and the Audit Committee*) (appointed on 22 June 2017)
Mr. Huang Xinglun (*Member of the Remuneration Committee, Nomination Committee and the Audit Committee*) (appointed on 22 June 2017)
Ms. Cheng Shing Yan (*Chairlady of the Audit Committee*) (appointed on 22 June 2017)

The Board currently comprises three Executive Directors and three Independent Non-executive Directors from different business and professional fields. The profiles of each Director are set out in the "Biographical Details of Directors and Senior Management" section in this annual report. The Directors, including the Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions.

The Board has adopted a board diversity policy with an objective to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the board.

The Company has received annual confirmation from each of the Independent Non-executive Directors of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

董事會組成

截至二零一七年十二月三十一日止年度及截至本報告日期止之董事會成員如下：

執行董事：

劉榮如先生(董事會及提名委員會主席及薪酬委員會成員)
蔣德華先生
林江棠先生

獨立非執行董事：

劉大進先生(薪酬委員會主席及提名委員會及審核委員會成員)
(於二零一七年六月二十二日獲委任)
黃興學先生(薪酬委員會、提名委員會及審核委員會成員)
(於二零一七年六月二十二日獲委任)
鄭承欣女士(審核委員會主席)
(於二零一七年六月二十二日獲委任)

董事會目前由三名執行董事及三名獨立非執行董事組成，彼等來自不同的業務及專業領域。各董事的履歷載於本年報「董事及高級管理層履歷」部分，董事(包括獨立非執行董事)為董事會帶來了廣泛而寶貴的業務經驗，知識及專業精神，以便董事會有效率及有效益地發揮職能。

董事會已採納董事會多元化政策，務求達致董事會多元化。本公司認為，董事會成員多元化可透過考慮多個方面而達致，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能以及知識。所有董事會成員均根據擇優留強原則予以委任，並將按客觀標準考慮候任人選，並充分顧及董事會成員多元化的裨益。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性而發出的年度確認書。本公司認為全體獨立非執行董事均為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Meetings

The Board is scheduled to meet regularly at least four times a year at approximately quarterly intervals, to discuss the overall strategy as well as the operation and financial performance of the Group. Ad-hoc meetings will also be convened when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors.

Agenda and Board papers together with all appropriate, complete and reliable information will be provided to all the Directors before meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for board meetings. The Company Secretary of the Company is responsible to keep the minutes of board meetings and meetings of Board committees. All minutes are open for inspection by any Director at reasonable time on reasonable notice.

Since the Listing Date and up to the date of this annual report, three Board meetings have been held, at which the Directors approved the interim results of the Group for the six months ended 30 June 2017 and the annual results of the Group for the year ended 31 December 2017, reviewed the results announcement and interim and annual report and resolved other business matters.

The Company's Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest. According to current Board practices, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting.

董事會會議

董事會每年最少定期舉行四次會議，大約每季舉行一次，以討論整體策略以及本集團的營運及財務表現。需要時亦會召開臨時會議。有關董事會會議需要多數董事積極參與（不論親身或透過其他電子通訊方式）。

全體董事將於會前獲發董事會會議議程及相關文件以及所有適當、完備及可靠資料。所有董事將獲提供充足資源以便履行各自職責，且在合理要求時，董事並可在適當情況下於提出合理要求後，尋求獨立專業意見，費用由本公司承擔。所有董事均有機會在董事會會議議程中加插事項。本公司的公司秘書負責保存董事會會議及董事委員會會議記錄。所有會議記錄均可供任何董事經發出合理通知後於合理時間公開查閱。

自上市日期直至本年報日期，董事會舉行三次會議，董事於該會議上批准本集團截至二零一七年六月三十日止六個月的中期業績和截至二零一七年十二月三十一日止年度業績並審閱業績公佈，中期報告及年報，並決議了其他業務事項。

本公司章程載有條文規定，在批准董事或其任何聯繫人士有重大權益之交易之會議上，該董事須放棄投票及不得計入大會法定人數。根據董事會現有做法，牽涉主要股東或董事之利益衝突之任何重大交易將由董事會在正式召開之董事會會議上考慮及處理。

CORPORATE GOVERNANCE REPORT

企業管治報告

Appointments, Re-election and Removal of Directors

Each of the Executive Directors has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date renewable automatically until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter. All of their appointments are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

Each of the Independent Non-executive Directors has entered into a letter of appointment with our Company on 22 June 2017. Each letter of appointment is for an initial term commencing on the date of the letter of appointment and shall continue thereafter subject to a maximum of three years unless terminated by either party giving at least one month's notice in writing. All of their appointments are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

All Directors shall be subject to retirement by rotation at least once every three years.

The Nomination Committee has reviewed the reappointments/appointments of both the Executive Directors and the Independent Non-executive Directors and recommended to the Board for decision.

Training Induction and Continuing Development of Directors

Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Each newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities.

委任、重選及罷免董事

各執行董事已與本公司訂立服務合約，初步固定期限自上市日期起計為期三年，其後將自動續新，直至於初步期限結束時或其後任何時間其中一方向另一方發出不少於三個月的書面通知予以終止為止，惟所有委任須根據本公司組織章程細則輪值退任及重選連任。

各獨立非執行董事已於二零一七年六月二十二日與本公司訂立委任書，初步期限自委任書日期起計，其後將會續期（最長期限不超過三年），除非任何一方可發出至少一個月的書面通知予以終止，惟所有委任須根據本公司組織章程細則輪值退任及重選連任。

所有董事均須至少每三年輪值退任一次。

提名委員會已覆核執行董事及獨立非執行董事之重新委任／委任，並向董事會作出建議以作決定。

董事的培訓指引及持續發展

董事熟知作為本公司董事之責任以及本公司的運作、業務活動及發展。

每名新獲委任的董事在首次接受委任時均會獲本公司發出一份正式、全面及特為彼而設的指引，以確保其對本公司的業務及營運有適當的認識，並且對上市規則及相關法定要求規定董事之責任及義務有充分的認識。

董事持續獲得有關法定及監管制度及營商環境之最新資料，以助彼等履行職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

Model Code for Securities Transactions

The Company has since 22 June 2017 adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Following a specific enquiry, all the Directors confirmed that they have complied with the Model Code since the listing of the Company on 18 July 2017.

(B) BOARD COMMITTEES

Nomination Committee

The Company established a Nomination Committee on 22 June 2017 with written terms of reference in compliance with paragraph A.5.2 of the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on regular basis; to identify individuals suitably qualified to become Board members; to assess the independence of Independent Non-executive Directors; and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors. The Nomination Committee comprises two Independent Non-executive Directors, namely Mr. Liu Dajin and Mr. Huang Xingluan and one Executive Director, namely Mr. Liu Rongru (Chairman).

When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to the skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company’s needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate to be appointed as an Independent Non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

進行證券交易的標準守則

本公司自二零一七年六月二十二日已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則(「標準守則」)。經具體查詢後，所有董事均確認彼等自二零一七年七月十八日本公司上市起已遵守標準守則。

(B) 董事會下轄委員會

提名委員會

本公司已於二零一七年六月二十二日成立提名委員會，並根據守則條文第A.5.2條制定書面職權範圍。書面職權範圍可於本公司及聯交所網站查閱。

提名委員會的主要職責為定期檢討董事會架構、人數及組成；物色具備合適資格可擔任董事的人士；評核獨立非執行董事的獨立性；就委任或重新委任董事等相關事宜向董事會提出推薦建議。提名委員會包括兩名獨立非執行董事劉大進先生及黃興學先生以及一名執行董事劉榮如先生(主席)。

物色合適董事職位候選人時，提名委員會將執行甄選程序，並參考建議候選人的技能、經驗、教育背景、專業知識、個人誠信及付出時間以及本公司對該職位的需求及其他相關法定規定及條例。所有候選人須符合上市規則第3.08條及3.09條所載標準。將獲委任為獨立非執行董事的候選人亦應符合上市規則第3.13條所載獨立標準。合資格候選人屆時將被推薦予董事會以供批准。

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee

The Company established an Audit Committee on 22 June 2017 with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Main Board Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with paragraph C3.3 to C3.7 of the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The primary duties of the Audit Committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditors, review the financial statements and provide material advice in respect of financial reporting and oversee the internal control and risk management procedures of the Company. As at the date of this annual report, the Audit Committee consists of three Independent Non-executive Directors, namely Ms. Cheng Shing Yan (Chairlady), Mr. Liu Dajin and Mr. Huang Xinglun.

The Audit Committee has reviewed the Company's financial statements and the Group's consolidated financial statements for the year ended 31 December 2017, including the accounting principles and practices adopted by the Company and Group.

Since the Listing Date and up to the date of this annual report, two meetings have been held by the Audit Committee. At such meetings, it reviewed the interim results of the Group for the six months ended 30 June 2017. It also reviewed the annual results of the Group for the year ended 31 December 2017 with the independent auditors and the activities of the Group's internal control and risk management functions. It also reviewed the Company's progress in implementing the corporate governance requirements as set out in the CG Code.

審核委員會

本公司已於二零一七年六月二十二日成立審核委員會，並根據主板上市規則第3.21條及3.22條制定書面職權範圍。審核委員會書面職權範圍根據守則條文第C3.3條及第C3.7條而採納。書面職權範圍可於本公司及聯交所網站查閱。

審核委員會的主要職責為(其中包括)就委任、重新委任及罷免外部核數師向董事會提供建議，審閱財務表報並就財務申報提供重大意見以及監察本公司內部監控及風險管理程序。於本年報日期，審核委員會包括三名獨立非執行董事鄭承欣女士(主席)、劉大進先生及黃興學先生。

審核委員會已審閱截至二零一七年十二月三十一日止年度本公司財務報表及本集團綜合財務報表，包括本公司及本集團所採納的會計原則及應用。

自上市日期至本年報日期，審核委員會舉行兩次會議，於該等會議上，審核委員會審閱本集團截至二零一七年六月三十日止六個月的中期業績，亦與獨立核數師審閱本集團截至二零一七年十二月三十一日止年度的年度業績及本集團內部監控及風險管理職能活動。審核委員會亦審閱本公司執行企業管治守則所載企業管治規定的進展。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

The Company established a Remuneration Committee on 22 June 2017 with written terms of reference in compliance with Rule 3.25 and Rule 3.26 of the Listing Rules. The written terms of reference of the Remuneration Committee was adopted in compliance with paragraph B1.2. of the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group and to ensure none of the Directors determine their own remuneration. The emoluments of Executive Directors are determined based on their skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration the Company's performance and the prevailing market conditions. The remuneration policy of Independent Non-executive Directors is to ensure that they are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in their respective Board committees. The emoluments of Independent Non-executive Directors are determined with reference to their skills, experience, knowledge, duties and market trends. As at the date of this annual report, the Remuneration Committee consists of two Independent Non-executive Directors, namely Mr. Liu Dajin (Chairman) and Mr. Huang Xingluan and one Executive Director, namely Mr. Liu Rongru.

薪酬委員會

本公司已於二零一七年六月二十二日成立薪酬委員會，並根據上市規則第3.25條及第3.26條制定書面職權範圍。審核委員會書面職權範圍根據守則條文第B1.2.條而採納。書面職權範圍可於本公司及聯交所網站查閱。

薪酬委員會的主要職責為就本集團所有董事及管理層的整體薪酬政策及構架向董事會提出建議並保證概無董事可釐定其自身薪酬。執行董事的薪酬基於該等董事的技能、知識、個人表現以及貢獻、職責範圍及責任，並計及本公司表現及現行市場條件而釐定。獨立非執行董事的薪酬政策旨在保證其因付出精力及時間予本公司事務，包括參加各董事下轄委員會，而獲充分補償。獨立非執行董事的薪酬經參考其技能、經驗、職責及市場趨勢而釐定。於本年報日期，薪酬委員會由包括兩名獨立非執行董事劉大進先生(主席)及黃興學先生以及一名執行董事劉榮如先生。

CORPORATE GOVERNANCE REPORT

企業管治報告

Details of remuneration of Directors are set out in Note 13 to the Consolidated Financial Statements.

Since the Listing Date and up to the date of this annual report, two meetings have been held to review the remuneration packages paid to Directors and senior management for the financial year.

The attendance of individual members of the Board and other Board Committees meetings since the Listing Date and up to the date of this annual report is set out in the table below:

董事的薪酬詳情載於綜合財務報表附註13。

自上市日期至本年報日期，薪酬委員會舉行兩次會議，以審閱本財政年度支付予董事及高級管理層的薪酬。

自上市日期直至本年報日期董事會及其他董事會下轄委員會成員出席會議情況載列於下表：

		Meeting attended/held 出席／舉行會議			
		Board Meeting 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors	執行董事				
Liu Rongru	劉榮如	3/3	N/A不適用	2/2	2/2
Jiang Dehua	蔣德華	3/3	N/A不適用	N/A不適用	N/A不適用
Lin Jiangtang	林江棠	3/3	N/A不適用	N/A不適用	N/A不適用
Independent Non-executive Directors	獨立非執行董事				
Liu Dajin	劉大進	3/3	2/2	2/2	2/2
Huang Xingluan	黃興學	3/3	2/2	2/2	2/2
Cheng Shing Yan	鄭承欣	3/3	2/2	N/A不適用	N/A不適用

CORPORATE GOVERNANCE REPORT

企業管治報告

Compliance Advisor

Pursuant to the Compliance Advisor Agreement dated 28 April 2016 entered into between the Company and Dongxing Securities (Hong Kong) Company Limited ("Dongxing"), Dongxing has been appointed as the compliance advisor as required under the Listing Rules for the period from the Listing Date to the date on which the Company dispatched its annual report in respect of its financial results for the first full financial year after the Listing Date. Dongxing has received a fee for acting as the Company's compliance advisor during the period. Pursuant to Rule 3A.23 of the Listing Rules, the Company shall consult with and, if necessary, seek advice from Dongxing on the following matters:

- the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction is contemplated including share issues and share repurchase;
- where the Company proposes to use the proceeds from the initial public offering in a manner different from that detailed in the Prospectus or where the business activities, developments or results of the Company deviate from any forecast, estimate or other information in the prospectus; and
- where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the price or trading volume of the securities of the Company.

(C) ACCOUNTABILITY AND AUDIT

Directors' and Auditors' Acknowledgement

The Audit Committee and the Board have reviewed the Group's consolidated financial statements for the year ended 31 December 2017. The Directors acknowledge their responsibilities for preparing accounts, the financial statements, performance position and prospects of the Group. Management has provided information and explanation to the Board to enable it to make an informed assessment of the financial and other information put before the Board for approval. The Directors believed that they have selected suitable accounting policies and applied them consistently, made judgment and estimates that are prudent and reasonable.

合規顧問

根據本公司與東興證券(香港)有限公司(「東興」)於二零一六年四月二十八日訂立的合規顧問協議，東興按照上市規則規定獲委任為合規顧問，期限自上市日期起至本公司就其上市日期後首個完整財政年度的財務業績刊發年報之日止。東興於期內作為本公司的合規顧問已收取費用。根據上市規則第3A.23條，本公司將就以下事宜諮詢及(倘必要)尋求東興意見：

- 刊發任何監管公佈、通函或財務報告；
- 擬進行一項可能屬須予公佈或關連交易的交易而該交易包括發行股份或購回股份；
- 本公司擬按有別於本招股章程所述的方式動用首次公開發售的所得款項，或本公司業務活動、發展或業績偏離本招股章程所載任何預測、估計或其他資料；及
- 聯交所就本公司股份的股價或成交量的不尋常變動向本公司作出查詢。

(C) 問責性及審核

董事及核數師的確認

審核委員會及董事會已審閱本集團截至二零一七年十二月三十一日止年度的綜合財務報表。董事確認，彼等的責任乃編製本集團的賬目、財務報表、表現狀況及前景。管理層向董事會提供所有相關資料及解釋，以讓董事會可就提呈董事會審批的財務及其他資料作出知情評估。董事相信，彼等已選用適當的會計政策及並貫徹應用，作出審慎及合理的判斷及估計。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is not aware of any material uncertainties relating to the events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The accounts for the year were audited by BDO Limited whose term of office will expire upon the forthcoming annual general meeting.

Auditor's Remuneration

For the year ended 31 December 2017, the analysis of the remuneration of the Company's auditor, BDO Limited, paid/payable is set out below:

董事會並不知悉任何重大不確定性涉及事件或狀況，從而可能對本集團持續經營能力產生重大疑問。因此，董事會已按持續經營基準編製財務報表。

本年度賬目經由香港立信德豪會計師事務所有限公司審核，其任期將於應屆股東週年大會上屆滿。

核數師薪酬

截至二零一七年十二月三十一日止年度，已付／應付本公司核數師香港立信德豪會計師事務所有限公司的薪酬分析載列如下：

		Amount 金額 (HK\$'000) (港幣千元)
Audit services	審核服務	1,080
As reporting accountants for the Company's initial public offering	作為本公司首次公開發售的申報會計師	2,100
Total	總計	3,180

The Audit Committee will recommend the reappointment of BDO Limited for audit service, and consider the engagement of the non-audit services to ensure the independence and objectivity of audit service.

審核委員會將建議續聘香港立信德豪會計師事務所有限公司提供審核服務，並考慮委聘進行非審核服務以確保審核服務的獨立性及客觀性。

CORPORATE GOVERNANCE REPORT

企業管治報告

(D) RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the internal control and risk management systems of the Company. Internal controls and risk management are used by the Board to facilitate the effectiveness and efficiency of operations, safeguard the investment of Shareholders and assets of the Company and to ensure compliance with relevant statutory and regulatory requirements. The Company's internal control and risk management policies are designed to provide reasonable, but not absolute, assurance against material misstatements and help the Board identify and mitigate, but not eliminate, risk exposure. The policies and procedures of internal controls (which include financial, operational and compliance controls) are considered to be adequate and effective based on the annual review conducted by the Board through the Audit Committee.

In light of the size and scale of the Group's businesses, the Group currently does not have an internal audit department. The Board will review and consider to establish such department as and when it thinks necessary. As such, the Board, supported by the Audit Committee, is directly responsible for risk management and internal control systems of the Company and for reviewing its effectiveness. In order to maintain a high standard of corporate governance, the Company engaged an external independent consultant with professional staff in possession of relevant expertise to assist in identifying and assessing the risks of the Group through a series of interviews; and independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems. The results of the independent review and assessment have been reported to the Audit Committee and the Board. 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. Based on the findings and recommendations of the report as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems effective and adequate.

(D) 風險管理及內部監控

董事會對本公司的內部監控及風險管理系統承擔全面責任。本集團利用內部監控及風險管理來提升營運效率及效益、保障股東投資及公司資產，以及確保符合相關法律及法規要求。本公司的內部監控及風險管理政策旨在對避免重大錯誤陳述提供合理而非絕對的保證，以及協助董事會識別及減輕但非消除風險。根據董事會透過審核委員會進行之年度檢討，內部監控（包括財務、營運及合規等方面之監控）被視為足夠及有效。

鑑於本集團業務之規模及範疇，本集團目前並無內部審計部門。董事會將會作出檢討並於其認為有需要時考慮成立有關部門。因此，董事會在審核委員會之協助下，直接負責本公司之風險管理及內部監控系統，並負責檢討其成效。為了維持高水平的企業管治，本公司委聘了一名具備相關專業知識的專業人員的外聘獨立顧問，透過一系列訪談，協助識別及評估本集團的風險，並獨立進行內部監控檢討及評估本集團風險管理及內部監控系統之成效。有關獨立檢討及評估之結果已匯報審核委員會及董事會。改善風險管理及內部監控系統是一項持續進程，董事會將不斷致力強化本公司的監控環境及程序。根據報告所載的發現及建議以及審核委員會之意見，董事會認為內部監控及風險管理系統行之有效且足夠。

CORPORATE GOVERNANCE REPORT

企業管治報告

(E) COMPANY SECRETARY

The Board appoints its Company Secretary in accordance with the Company's Articles of Association and in compliance with the requirements of the Listing Rules. Biographical details of the current Company Secretary is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 6 to 10 of this annual report. The Company Secretary has complied with the professional training requirement as set out in the Rule 3.29 of the Listing Rules during the year ended 31 December 2017.

(F) SHAREHOLDERS' RIGHTS

The Board welcomes shareholders to present their views and shareholders may at any time submit their questions and concerns about the Group. Enquiries may be put to the Board or senior management by contacting the Company Secretary through our shareholders' email at enquiry@xmwf.com or by phone at 852-3702 6977 or directly by raising questions at the general meeting of the Company.

Shareholder(s) holding not less than one-tenth of Company's paid up capital may request the Board to convene an extraordinary general meeting. The objects of the meeting must be stated in the related requisition deposited at the Company's registered office and addressing to the Company Secretary at the Company's principal place of business in Hong Kong. The extraordinary general meeting will be held within 2 months after the deposition of such requisition.

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 and of the Stock Exchange after each general meeting.

Any Shareholder may appoint a proxy or representative to attend the general meeting, and they are entitled to exercise the same voting rights in the meeting.

(E) 公司秘書

董事會根據本公司章程及遵照上市規則之規定委任公司秘書。現任公司秘書的簡歷在本年報第6至10頁的「董事及高級管理層履歷」部分披露。截至二零一七年十二月三十一日止年度，公司秘書已遵守上市規則第3.29條所載有關持續專業培訓的規定。

(F) 股東權利

董事會樂意聽取股東的意見，並歡迎股東於任何時間向本集團提問及提出質詢。股東可透過股東電郵 enquiry@xmwf.com 或致電 852-3702 6977聯絡公司秘書或在本公司股東大會上直接提問，將查詢提呈至董事會或高級管理層。

持有本公司繳足股本不少於十分之一的股東，可要求董事會召開股東特別大會。相關提呈必須列明召開會議的目的，並送交本公司註冊辦事處，抬頭人為公司秘書，並送交本公司於香港之主要營業地點。股東特別大會將於呈交相關提呈後兩個月內舉行。

為保障股東權益及權利，每一個大致獨立的事項在股東大會上均獲提呈獨立決議案（包括選舉個別董事）。

在股東大會上提呈表決的所有決議案均須根據上市規則之規定以投票方式進行表決，投票結果將於每次股東大會之後在本公司及聯交所網站登載。

任何股東均可委任受委代表或代表代其出席股東大會，而彼等有權於大會行使相同投票權。

CORPORATE GOVERNANCE REPORT

企業管治報告

(G) INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. To promote effective communication, the Company maintains a website at <http://www.xmwofan.com>, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted.

The Company endeavours to maintain an on-going dialogue with its shareholders and in particular, through AGMs or other general meetings to communicate with the shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf.

The forthcoming AGM of the Company will be held on 15 May 2018. The notice of AGM will be sent to shareholders at least 20 clear business days before the AGM.

Constitutional Documents

The latest version of the Memorandum and Articles of Association of the Company is posted on the Company's website.

(G) 投資者關係及與股東的溝通

本公司認為，與股東之有效溝通對加強投資者關係及投資者對本集團業務表現及策略之了解非常重要。為促進有效溝通，本公司設有網站 (<http://www.xmwofan.com>)，有關網站會登載最新資料以及有關本公司業務運作及發展、財務資料、企業管治常規之最新資料及其他資料。

本公司努力維持與股東的持續交流，特別是透過股東週年大會或其他股東大會與股東進行溝通。本公司鼓勵股東出席股東大會，或委任受委代表代其出席股東大會及投票。

本公司將於二零一八年五月十五日舉行應屆股東週年大會。股東週年大會通告將於股東週年大會之前最少20個完整營業日寄發予股東。

憲章文件

本公司組織章程大綱及公司細則之最新版本登載於本公司網站。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

APPROACH

China Shenghai Food Holdings Company Limited (“China Shenghai Food”) and our subsidiaries (collectively, the “Group”) are committed to providing high-quality seafood products in China, while integrating sustainability into its business strategy. Various factors, including business related challenges, work ethics, global trends, laws and regulations, etc., are taken into account in order to constantly promote business growth and achieve sustainability.

The Group recognizes its responsibility to be accountable to all its stakeholders, including customers, potential investors and shareholders, employees, suppliers, non-governmental organizations (NGOs) and local community. Understanding the needs and expectations of the stakeholders is the key to the Group’s success. As each stakeholder requires a different engagement approach, the Group has established a tailor-made communication method, in order to better meet each stakeholder’s expectations.

Within the Group, we are continuously monitoring the risks and exploring potential opportunities. For the sake of striking a balance among business needs, social demands and environmental impacts, we are committed to understanding and addressing the ESG risks and their impact on our customers, the communities and the environment.

To implement sustainability strategies to all levels of the Group, the top-down approach is adopted for the following sustainability strategies:

1. To achieve environmental sustainability
2. To respect human rights and social culture
3. To engage with stakeholders
4. To support our employees
5. To sustain local communities

方針

中國升海食品控股有限公司(「中國升海食品」)及其附屬公司(統稱「本集團」)致力於中國提供優質海產品，同時於其業務策略中貫徹可持續發展理念。為促進業務不斷增長及實現可持續發展，我們已考慮多種因素，包括業務相關挑戰、職業操守、全球趨勢、法律及法規等。

本集團深知其對全體利益相關者(包括客戶、潛在投資者及股東、僱員、供應商、非政府組織及地方社區)承擔的責任。瞭解利益相關者的需求及期望乃本集團成功的關鍵。由於各利益相關者要求不同的溝通渠道，本集團已定制溝通方法，以更好地回應各利益相關者的期望。

於集團內部，我們持續監控風險及探尋潛在機遇。為平衡業務需要、社會需求及環境影響，我們致力瞭解及解決環境、社會及管治風險以及該等風險對客戶、社區及環境的影響。

為於本集團所有層面實施可持續發展策略，已自上而下地採納以下可持續發展策略：

1. 實現環境可持續發展
2. 尊重人權及社會文化
3. 與利益相關者溝通
4. 為僱員提供支持
5. 維持與地方社區的關係

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

China Shenghai Food Holdings Company Limited (“China Shenghai Food”) and our subsidiaries (collectively, the “Group”) are pleased to present our first Environmental, Social and Governance (“ESG”) Report. The content contained herein focuses on providing an overview of the environmental, social and governance performance of our major operations in the People’s Republic of China (“PRC”) from 1 January 2017 to 31 December 2017. It allows us to conduct thorough performance review and evaluation for enhanced results in the future. The reporting period is consistent with our financial year.

SCOPE OF THE REPORT

This report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The two ESG subject areas, namely Environmental and Social, are disclosed separately, highlighting the impacts of the operations of the Group in People’s Republic of China (“PRC”) from 1 January 2017 to 31 December 2017.

For this year, the material ESG issues are those which have or may have a significant impact on:

- The PRC’s business;
- The PRC’s dried seafood, seafood snacks and frozen seafood market;
- The environment or society now or in the future;
- Our financial performance or operations; and/or
- Our stakeholders’ assessments, decisions and actions.

The data and information used in this report are referenced from our archived documents, records, statistics and research.

FEEDBACK

For details in relation to our financial performance and corporate governance, please visit our website on <http://www.xmwofan.com> and our Annual Report. We also treasure your feedback and comments on our sustainability performance, please send your feedback and other sustainability enquiries to our Headquarter in China at enquiry@xmwofan.com.

關於本報告

中國升海食品控股有限公司(「中國升海食品」)及其附屬公司(統稱「本集團」)欣然提呈首份環境、社會及管治(「環境、社會及管治」)報告。本報告所載內容主要概述我們的主要業務於二零一七年一月一日至二零一七年十二月三十一日於中華人民共和國(「中國」)的環境、社會及管治表現，讓我們進行全面的表現檢討及評估，以於未來取得更佳業績。報告期間與我們的財政年度一致。

報告範疇

本報告已根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄27「環境、社會及管治報告指引」編製。環境、社會及管治兩大主要範疇(即環境及社會)已單獨披露，著重說明本集團業務於二零一七年一月一日至二零一七年十二月三十一日於中華人民共和國(「中國」)的影響。

於本年度，重大環境、社會及管治事宜為對以下各項產生或可能產生重大影響的事宜：

- 中國的業務；
- 中國的乾海產品、海洋休閒產品及海鮮凍品市場；
- 目前或未來的環境或社會；
- 我們的財務表現或營運；及／或
- 利益相關者的評估、決策及行動。

本報告所用數據及資料引述自歸檔文件、記錄、統計數據及研究。

反饋

有關我們財務表現及企業管治的詳情，請瀏覽我們的網站<http://www.xmwofan.com>及年報。我們亦十分重視閣下對我們可持續表現的反饋及意見。敬請閣下將反饋意見及其他可持續發展方面的查詢寄送至我們的中國總部(電郵地址：enquiry@xmwofan.com)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT CHINA SHENGHAI FOOD OUR BUSINESS

China Shenghai Food was listed on the Main Board of the Stock Exchange of Hong Kong Limited in 2017 with stock code 1676. The principal operation activity of the Group is selling dried seafood, seafood snacks, frozen seafood, algae and fungi in the PRC. The Group is currently offering 213 types of products, which comprises 104 dried seafood, 64 seafood snacks, 34 algae and fungi, and 11 frozen seafood. With the competitive advantage of selling various products of high quality, the Group excels in the food industry in the PRC and establishes a strong brand name.

OUR VISION

To become a leading brand of excellence in green food.

OUR MISSION

To deliver healthy and green food products to our customers by our traditional food processing techniques.

BOARD OF DIRECTORS

As at the date of this announcement, the Board consists of:

關於中國升海食品 業務

中國升海食品於二零一七年於香港聯合交易所有限公司主板上市，股份代號為1676。本集團的主要業務活動為於中國銷售乾海產品、海洋休閒產品、海鮮凍品、藻類產品及菌類產品。本集團目前提供213種產品，其中包括104種乾海產品、64種海洋休閒產品、34種藻類及菌類產品以及11種海鮮凍品。憑藉銷售各種優質產品的競爭優勢，本集團引領中國食品行業及建立了強大的品牌。

願景

成為卓越的綠色食品領導品牌。

使命

傳承傳統工藝，傳送綠色健康。

董事會

於本公告日期，董事會成員包括：

Executive Directors

執行董事

Mr. Liu Rongru
劉榮如先生
Mr. Jiang Dehua
蔣德華先生
Mr. Lin Jiangtang
林江棠先生

Independent Non-executive Directors

獨立非執行董事

Mr. Liu Dajin
劉大進先生
Mr. Huang Xinglun
黃興學先生
Ms. Cheng Shing Yan
鄭承欣女士

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OUR STAKEHOLDERS

China Shenghai Food actively strives to better understand our stakeholders and engage them to ensure that improvements are implemented to our products and services. We strongly believe that our stakeholders would play a crucial role for sustaining the success of our business in the challenging market.

利益相關者

中國升海食品積極與利益相關者溝通，以便更瞭解利益相關者，從而確保改善我們的產品及服務。我們堅信，利益相關者在我們於市場中持續取得業務成功方面扮演者至關重要的角色。

Stakeholders 利益相關者	Possible concerned issues 潛在相關事宜	Communication and responses 溝通與回應
HKEx 香港聯交所	Compliance of the Listing Rules, timely and accurate announcements. 遵守上市規則，及時而準確地刊發公佈。	Meetings, training, roadshows, workshops, programs, website updates and announcements 會議、培訓、路演、工作坊、計劃、網站更新及公佈
Government 政府	Compliance of laws and regulations, preventing tax evasion, and social welfare. 遵守法律法規、防止避稅及社會福利。	Interaction and visits, government inspections, tax returns and other information 互動及拜訪、政府視察、納稅申報及其他資料
Suppliers 供應商	Payment schedule, stable demand. 付款時間表及穩定需求。	Site visits 實地拜訪
Shareholders/ Investors 股東／投資者	Corporate governance system, business strategies and performance, investment returns. 企業管治制度、業務策略及表現、投資回報。	Organizing and participating in seminars, interviews, shareholders' meetings, financial reports or operation reports for investors, media and analysts 組織及參與為投資者、媒體及分析師舉辦的研討會、訪談、股東大會，向彼等提供財務報告或營運報告
Media & Public 媒體及公眾	Corporate governance, environmental protection, human right. 企業管治、環保、人權。	Issue of newsletters on the Group's website 於本集團網站刊發新聞稿
Customers 客戶	Product quality, delivery times, reasonable prices, service value, labour protection and work safety. 產品質素、交付時間、合理的價格、服務價值、勞工保護及工作安全。	Site visits, after-sales services 實地拜訪及售後服務
Employees 僱員	Rights and benefits, employee compensation, training and development, work hours, working environment. 權利及福利、僱員報酬、培訓與發展、工作時段、工作環境。	Conducting union activities, trainings, interviews for employees, issuing employee handbooks, internal memos, employee suggestion boxes 開展工會活動、培訓，與僱員進行面談、刊發僱員手冊、存置內部備忘錄、設立僱員意見箱
Community 社區	Community environment, employment and community development, social welfare. 社區環境、僱傭與社區發展、社會福利。	Developing community activities, employee voluntary activities and community welfare subsidies and donations. 開展社區活動、僱員自願活動，社區福利補貼及捐贈。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SECTION A: ENVIRONMENTAL

China Shenghai Food aims at providing its customers with healthy seafood products of high quality, while sustaining the business model in the long run without depleting natural resources.

As one of our guiding principles, we strive to minimize the adverse environmental impacts brought by our operations. The culture of environmental protection is widely adopted throughout every operating unit of the Group.

For the year ended 31 December 2017, there was no material non-compliance issue with relevant laws and regulations related to the environment.

ASPECT A1: EMISSIONS

Recognizing that reducing air pollution is critical to save the planet from global warming, we have implemented eco-friendly measures to reduce carbon footprint in our business operations.

Emissions

Air Emissions

The Group's business operations do not involve gaseous fuel consumption. Our main pollutants lie in the vehicles we employed to distribute our products. The emissions data of the key air pollutants, which include nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matter ("PM"), are as followed.

A部分：環境

中國升海食品矢志向其客戶提供優質而健康的海鮮產品，並長期維持不使天然資源枯竭的業務模式。

作為我們的指導原則之一，我們力求盡量降低業務帶來的不利環境影響。本集團的各個業務單位廣泛採納環境保護的文化。

截至二零一七年十二月三十一日止年度，概無發生嚴重違反環境有關的相關法律及法規的事件。

層面A1：排放

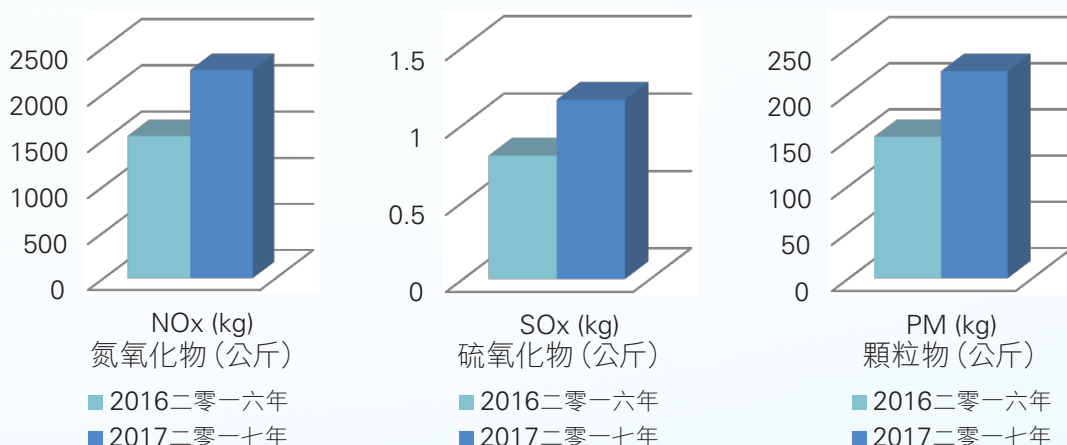
我們深知減少空氣污染對解決全球變暖問題至關重要，故已實施環保措施，以減少我們的業務營運的碳排放。

排放

大氣排放

本集團的業務營運不涉及氣體燃料消耗。我們的主要污染物來自我們用於分發產品的車輛。主要空氣污染物(包括氮氧化物(「氮氧化物」)、硫氧化物(「硫氧化物」)及顆粒物(「顆粒物」))的排放數據如下：

Air Emissions in kg 排放 (以公斤計)



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The emissions of all these three air pollutants have increased when compared to last year, as the Group has experienced a significant growth in the revenue by approximately 38%. To reduce the kilometres travelled and the consumption of fuel, we fully utilized the capacity of the vehicle, so as to ensure the transportation of products is completed with the least travelling frequency. Due to our continuous efforts in improving our transportation routes, we have successfully controlled the surge in our air emission per revenue at approximately 6%. We will continue to strategize environmentally-friendly policies to alleviate our environmental impact.

與去年相比，上述空氣污染物的排放量均有所上升，原因為本集團的收益大幅增長約38%。為減少行駛里程及燃料消耗，我們充分利用車輛的空間，確保以最低行車頻率運輸產品。由於我們不斷努力優化運輸路線，我們已成功將每份收益的大氣排放增量控制在約6%。我們將繼續制定環保政策以降低我們對環境的影響。

Year 年份	2017 二零一七年	2016 二零一六年
Air emissions (kg)	2,480	1,696
Air emissions per thousand Renminbi of revenue (gram per thousand Renminbi)	3.85	3.62
Air emissions per employee (kg per employee)	5.32	4.35
大氣排放(公斤)		
每人民幣千元收益的大氣排放 (克每人民幣千元)		
每名僱員的大氣排放 (公斤每僱員)		

Greenhouse gas emissions

Greenhouse gases contribute to global warming, which leads to climate changes and threatens the ecosystem of the whole world. As a corporate with social responsibility, reducing greenhouse gas emissions is top our concern.

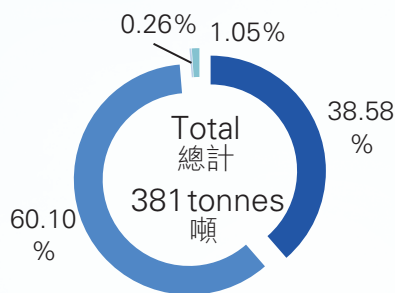
溫室氣體排放

溫室氣體促使全球變暖，導致氣候變化並威脅全世界的生態系統。作為一間有社會責任感的企業，減少溫室氣體排放是我們最關注的問題。

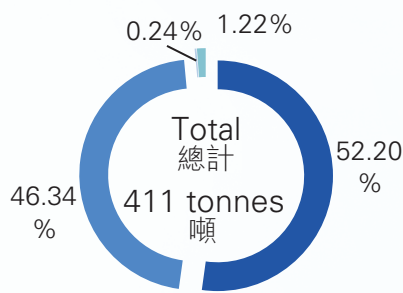
The greenhouse gas emissions of the Group were mainly from the usage of vehicle and energy indirect emissions as illustrated by the following charts.

本集團的溫室氣體排放主要源自車輛使用及能源間接排放，如下圖所示。

2016 Greenhouse Gas Emissions
二零一六年溫室氣體排放



2017 Greenhouse Gas Emissions
二零一七年溫室氣體排放



- Usage of Vehicle
車輛使用
- Energy Indirect Emissions
能源間接排放
- Electricity Used for Fresh Water and Sewage Processing
淡水及污水處理使用的電力
- Paper Waste Disposal
廢紙處理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The total greenhouse gas emissions of the Group was approximately 411 tonnes in the financial year 2017, which increased by 8% when compared with the figure in the financial year 2016. To reduce our greenhouse gas emissions, apart from reducing the travel frequency of vehicle as mentioned above, energy-saving measures were also taken into effect. Employees were encouraged to turn off idle lighting and air-conditioning, production efficiency was enhanced and lighting was replaced by the usage of sunlight in 2017. Our efforts resulted in 10% reduction in per employee greenhouse gas emissions, and 22% reduction in greenhouse gas emissions per thousand Renminbi of revenue.

本集團於二零一七財政年度的溫室氣體總排放量為約411噸，相比二零一六財政年度的數字增加8%。為減少溫室氣體排放，除按上文所述減少車輛的行車頻率外，本集團亦採取節能措施。於二零一七年，本集團鼓勵僱員關閉閒置照明設備及空調、提高生產效率及使用陽光代替照明。我們的措施使每名僱員的溫室氣體排放減少10%，並使每人民幣千元收益的溫室氣體排放減少22%。

Scope 範疇	Emission Sources 排放來源	Emissions in tonnes 排放(以噸計)	
		2017 二零一七年	2016 二零一六年
Scope 1 範疇1	Emissions from Fossil Fuel Consumption 來自化學燃料消耗的排放	214	147
Scope 2 範疇2	Emissions from Electricity Consumption ¹ 來自電力消耗的排放 ¹	190	229
Scope 3 範疇3	Emissions from Water and Sewage Processing ² 來自水及污水處理的排放 ²	1	1
	Emissions from Disposal of Paper Waste 來自處理廢紙的排放	5	4

¹ 0.71 kg per kWh is taken as the emission factor of electricity supplied in the Mainland.

² 0.60 kg per m³ is taken as the emission factor for processing fresh water and sewage in the Mainland.

¹ 每千瓦時0.71公斤為內地供應電力的排放係數。

² 每立方米0.60公斤為內地淡水及污水處理的排放係數。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Year 年份		2017 二零一七年	2016 二零一六年
Greenhouse gas emissions (tonnes)	溫室氣體排放(噸)	411	381
Greenhouse gas emissions per employee (tonnes per employee)	每名僱員的溫室氣體排放 (噸每僱員)	0.88	0.98
Greenhouse gas emissions per thousand Renminbi of revenue (kg per thousand Renminbi)	每人民幣千元收益的溫室氣體排放 (公斤每人民幣千元)	0.64	0.81

Waste Management

The major operations of the Group involve processing the raw materials into final products, packing the final products and selling the packaged products under our own brand. No material hazardous waste, which includes but not limited to chemical wastes and hazardous chemicals are generated by the Group. Non-hazardous wastes, which includes but not limited to domestic wastes and garden wastes, are also not applicable to the operation of the Group.

廢物管理

本集團的主要業務包括：將原材料加工成成品、包裝成品及銷售自家品牌的包裝產品。本集團不會產生任何重大有害廢棄物，包括但不限於化學廢物及危險化學品。本集團的業務亦不涉及無害廢棄物，包括但不限於生活垃圾及園林垃圾。

ASPECT A2: USE OF RESOURCES

The Group is committed to become a resource-saving and environment-friendly enterprise to promote environmental protection. We have been actively strengthening the energy-saving measures in order to reduce emission.

層面A2：資源使用

本集團致力成為資源節約及環保的企業，以促進環境保護。我們一直積極加強節能措施以減少排放。

Energy Consumption

The electricity consumed by the Group's offices is one of the largest contributors to the greenhouse gas footprint. To reduce the Group's carbon and energy footprints, the Group has put energy conservation practices in place, and continued to upgrade the hardware into more energy efficient options, such as some appliance with energy efficient labels.

能源消耗

本集團辦公室消耗的電力為溫室氣體排放量的主要來源之一。為減少本集團的碳足跡和能源足跡，本集團已落實節能措施，並繼續升級硬件以提升節能效率，例如使用部分有節能標籤的電器。

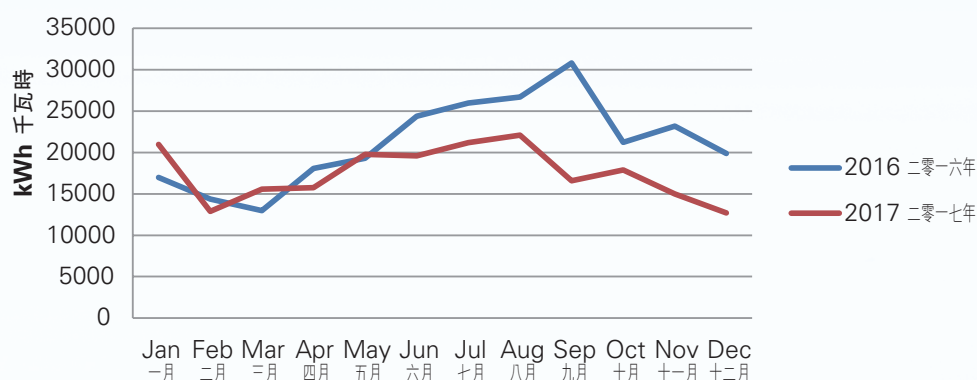
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The total energy consumption for the financial year 2017 was approximately 210 MWh. The Group has implemented several energy-saving measures, including posting memo to remind employees unplugging the devices when the devices are not in use. The consistent efforts of the Group have helped reduce the electricity consumption by 17 % when compared with the financial year 2016. The Group's energy use intensity has also been reduced by 31%, from approximately 651 kWh per full-time employee in 2016, to approximately 451 kWh per full-time employee in 2017.

於二零一七財政年度的能源消耗總量約為210兆瓦時。本集團已實施若干節能措施，包括張貼備忘錄提醒僱員在不使用設備時拔掉設備。經過不懈努力，本集團的電力消耗較二零一六財政年度減少17%。本集團的能源使用密度亦由二零一六年的每名全職僱員消耗約651千瓦時減少31%至二零一七年每名全職僱員消耗約451千瓦時。

Energy Consumption 能源消耗



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Water Consumption

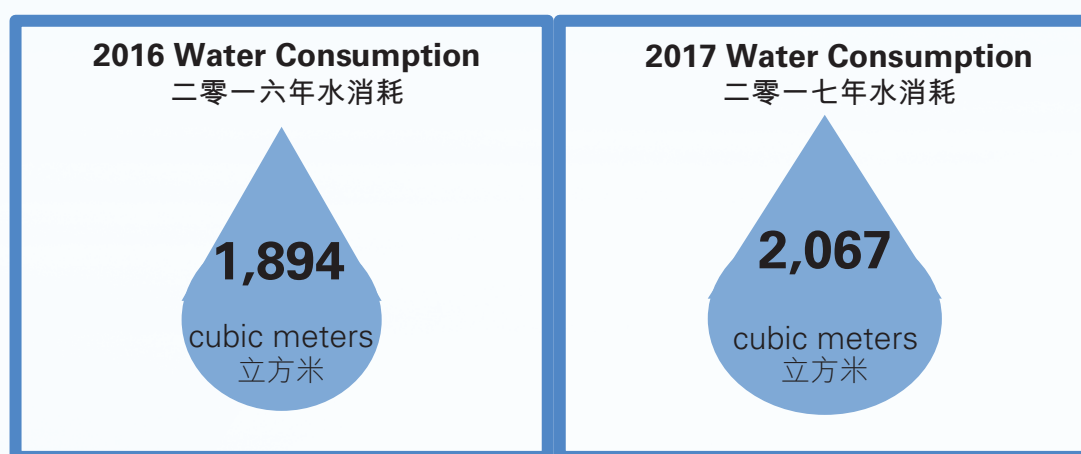
Although about 70% of the Earth's surface is water, only around 3% of the total global water is freshwater, which can support all the living species in the world. Saving the precious water resources is of the Group's utmost objective.

The total water consumption was 2,067 cubic meter during the financial year 2017. With water saving notices posted, the water consumption per thousand Renminbi of revenue has been reduced by approximately 21%, and the water consumption per employee has also been reduced by approximately 9%.

水消耗

儘管地球表面約70%是水，全球總水量中僅有約3%為淡水，可滿足世界所有物種對淡水的需要。節約珍貴的水資源是本集團最重要的目標。

於二零一七財政年度的水消耗總量為2,067立方米。由於張貼節約用水告示，每人民幣千元收益的水消耗減少約21%及每名僱員的水消耗亦減少約9%。



		2017 二零一七年	2016 二零一六年
Water consumption (cubic meters)	水消耗(立方米)	2,967	1,894
Water consumption per employee (cubic meters per employee)	每名僱員的水消耗 (立方米每名僱員)	4.44	4.86
Water consumption per thousand Renminbi of revenue (liters per thousand Renminbi)	每人民幣千元收益的水消耗 (升每人民幣千元)	3.21	4.05

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

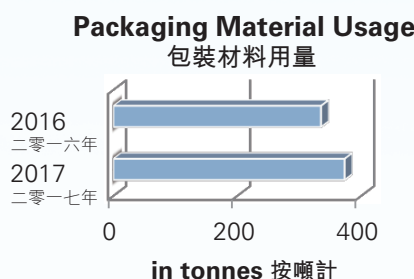
環境、社會及管治報告

Packaging Materials

The packaging materials used by the Group are mainly cardboard. We have utilized fully every packaging material by packaging more products in larger boxes, to avoid excess packaging. However, as the products produced increased with our sales, the total packaging materials used increased in this year compared with last year. Yet, the packaging materials usage per thousand Renminbi of revenue was reduced by 19%. With our efforts to reduce packaging material usage, we are confident to reduce the packaging material usage in the coming years.

包裝材料

本集團使用的包裝材料主要為紙盒。我們透過使用更大的紙盒包裝更多產品，充分利用每種包裝材料，以避免過分包裝。然而，由於所生產的產品隨銷量增加而增加，本年度所用的總包裝材料較去年增加。然而，每人民幣千元收益的包裝材料用量減少19%。由於我們努力減少包裝材料用量，我們深信於來年包裝材料用量將會下降。



		2017 二零一七年	2016 二零一六年
Packaging materials (tonnes)	包裝材料(噸)	373	335
Packaging materials per thousand Renminbi of revenue (kg per thousand Renminbi)	每人民幣千元收益包裝材料 (公斤每人民幣千元)	0.58	0.72

ASPECT A3: THE ENVIRONMENTAL AND NATURAL RESOURCES

The Group believes that corporate development should not come at the expense of the environment. Therefore, we adopt environmental friendly practices in various aspects to reduce emission, and promote efficiency to reduce resources consumption. For the materials used in 2017, 6% of which was recyclable materials, showing our determination in reducing our environmental impact.

層面A3：環境及天然資源

本集團深信，企業發展不應以犧牲環境為代價。因此，我們於各方面採納環保做法，以減少排放及提高效率，從而減少資源消耗。二零一七年使用的材料中，6%為可再生材料，足證我們減少環境影響的決心。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

With the Group's efforts in minimizing its impacts on the environment, the Group has successfully achieved the following:

由於本集團努力減少其對環境的影響，本集團已取得以下成績：

Aspects 層面	Results 結果
Air Pollutant Emissions 大氣污染物排放	Controlled the increase in our air emission per revenue at approximately 6%. 將每份收益的大氣排放增幅控制在約6%。
Greenhouse Gas Emissions 溫室氣體排放	Achieved 10% reduction in per employee greenhouse gas emissions, and 22% reduction in greenhouse gas emissions per thousand Renminbi of revenue. 實現每名僱員的溫室氣體排放減少10%及每人民幣千元收益的溫室氣體排放減少22%。
Energy Consumption 能源消耗	Reduced the electricity consumption by 17%, and reduced 31% energy use intensity per full-time employee. 電力消耗減少17%及每名全職僱員的能源使用密度減少31%。
Water Consumption 水消耗	Water consumption per thousand Renminbi of revenue was reduced by approximately 21%, and the water consumption per employee was reduced by approximately 9%. 每人民幣千元收益的水消耗減少約21%及每名僱員的水消耗減少約9%。
Packaging Material Usage 包裝材料用量	Reduce 19% per employee packaging materials usage 每名僱員的包裝材料用量減少19%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SECTION B: SOCIAL – EMPLOYMENT AND LABOUR PRACTICES

ASPECT B1: EMPLOYMENT

Our staffs are always our most valuable assets. Our Group's success is contributed by every single effort made by our staffs. Their job satisfaction, well-being and development are all crucial to us.

Our Employees

We hired 466 employees as at 31 December 2017, which has increased by 19% when compared with last year, for the sake of fulfilling our increasing sales volume.

B部分：社會－僱傭及勞工常規

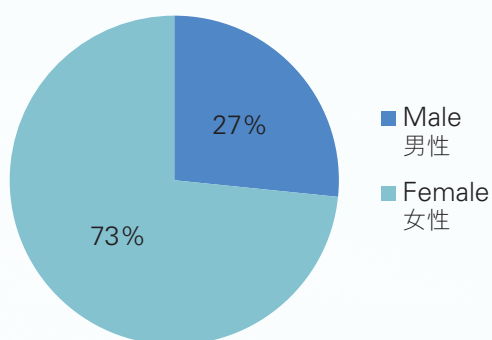
層面B1：僱傭

員工永遠是我們最寶貴的資產。本集團的成功歸功每名員工的竭誠努力。彼等的工作滿意度、福利及發展均對我們至關重要。

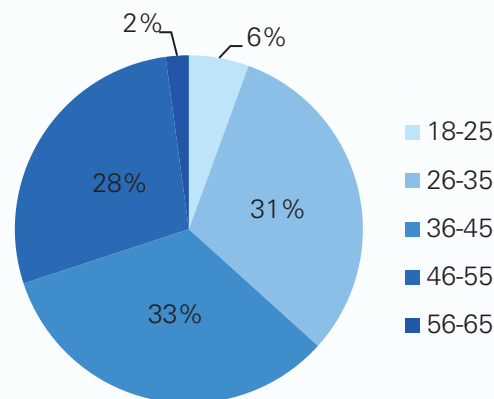
我們的僱員

為滿足銷量增長帶來的需求，我們於二零一七年十二月三十一日僱用466名僱員。與去年相比，僱員人數增加19%。

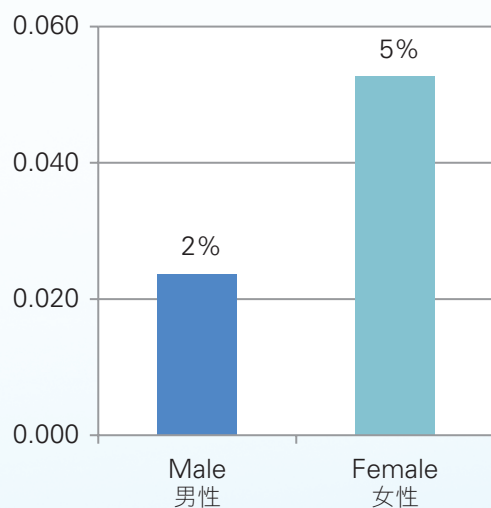
2017 Percentage of Employees by Gender
二零一七年按性別劃分的僱員百分比



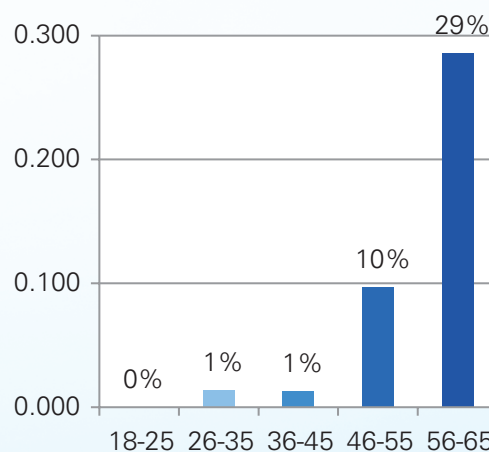
2017 Percentage of Employees by Age Group
二零一七年按年齡組別劃分的僱員百分比



2017 Turnover Rate by Gender
二零一七年按性別劃分的流動率



2017 Turnover Rate by Age Group
二零一七年按年齡組別劃分的流動率



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Employees Benefits

We offer attractive employee benefit package for all our talented staffs. Their performances are reviewed and assessed annually for pay raise and promotion. Our appraisal criteria is fair and open to all staffs, including but not limited to their capacity, contributions to the Group and endorsements by the senior management. All employees were enrolled into Social Security Scheme and Housing Provident Fund within their first month of employment. Insurance was also purchased in case of any accident or illness.

Harmonious Workspace

A harmonious and inclusive working environment is essential for building up employees' sense of belonging and job satisfaction. We strive to build a harmonious workplace free from any harassment and discrimination. Our recruitment policies guides to select candidates based on experience and expertise. We respect human rights, providing equal opportunities for its staffs, regardless of their age, race, gender, national origin, religion, physical or mental disability, medical condition, pregnancy, marital status or sexual orientation.

Employees Work-life Balance

We understand that every employee has his/her own personal goals and interests. We promote work-life balance of our employees by offering 8 working hours per day. Overtime compensation hours and pays are in line with the local laws and regulations. As we know that a long working day can be tiring and frustrating, we offer one and a half hours long lunch break for our staffs. We believe promoting employees' well-being is critical for running a sustainable and successful business.

僱員福利

我們為所有有才華的員工提供具吸引力的僱員福利待遇。我們每年均會檢討及評估彼等的表現，以進行加薪及晉升。我們的評估標準對所有僱員屬公平公開，包括但不限於能力、對本集團的貢獻及高級管理層的認可。所有僱員於其獲僱用首月加入社會保障計劃及繳納住房公積金，亦會投購保險，以防發生任何意外或疾病。

和諧的工作場所

和諧及包容的工作環境對建立員工的歸屬感及工作滿意度不可或缺。我們致力於營造一個不存在任何騷擾及歧視的和諧的工作場所。我們的招聘政策的指導原則為根據經驗及專長選擇候選人。我們尊重人權，為其員工提供平等機會，不論其年齡、種族、性別、國籍、宗教、身心殘疾、醫療狀況、是否懷孕、婚姻狀況或性取向。

員工的工作與生活平衡

我們明白每名員工都有自己的個人目標及興趣。我們通過每日8小時工作制促進員工的工作與生活平衡。超時工作補償及支薪符合當地法律法規。由於我們了解漫長的工作日會使人感到疲勞及沮喪，故我們為員工提供一個半小時的午休時間。我們相信，提高員工的福利對經營一個可持續及成功的企業至關重要。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ASPECT B2: HEALTH AND SAFETY

The Group is committed to providing a safe working environment for its employees. The Group aims not only to meet the minimum occupational health and safety standards required by law, but to exceed them.

An Employee Safety Handbook was formulated and circulated among employees. The Safety Committees are responsible for ensuring the appropriate policies, procedures and safeguards are put into practice. Health and safety education, training and appraisal have been taken in place to raise employees' attention towards workplace health and safety, and protect them against any occupational hazards. First aid kit and fire extinguisher are prepared and checked by the Safety Committee regularly in case of any injuries or emergencies.

In the light of these practices, we have achieved zero lost days due to work injury, and no death or permanent disability case was noted during 2017.

ASPECT B3: DEVELOPMENT AND TRAINING

We design our training to equip our staffs with the work-related skills. In 2017, we successfully achieved 100% training rate, all staffs have completed the training sections specified to satisfy their needs. A total of approximately 10,464 hours of training were provided, including orientation training and training regarding team spirit.

層面B2：健康與安全

本集團致力於為其僱員提供安全的工作環境。本集團的目標並不止於達到法律規定的最低職業健康及安全標準。

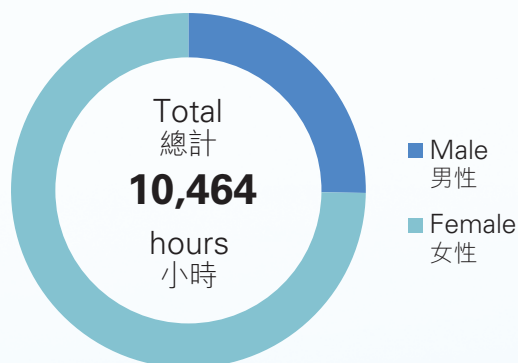
本集團制定員工安全手冊並在員工中傳閱。安全委員會負責確保適當的政策、程序及保障措施付諸實施。本集團已採取健康與安全教育、培訓及評估，以提高僱員對工作場所健康及安全的意識，並保護彼等免受任何職業危害。急救包及滅火器由安全委員會定期準備及檢查，以防發生任何受傷或緊急情況。

由於該等做法，我們並無因工傷損失任何工作日數，且於二零一七年並無發生死亡或永久性喪失勞動能力的時間。

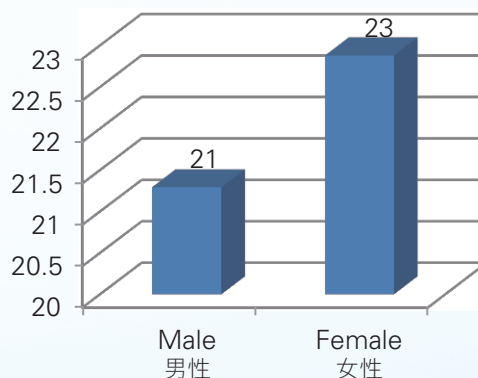
層面B3：發展及培訓

我們的培訓旨在讓員工掌握工作相關技能。於二零一七年，我們成功達到100%培訓率，所有員工均完成滿足其需求的特定培訓科目。我們合共提供約10,464小時的培訓，包括新入職培訓及有關團隊精神的培訓。

Training Hours by Gender
按性別劃分的培訓時數



Average Training Hours Completed per Employee by Gender
按性別劃分的每名僱員完成的平均培訓時數



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ASPECT B4: LABOUR STANDARDS

Respecting human rights has been an integral part of the Group's approach to sustainability. The Group fully complies with labour laws and other relevant legislations that prohibit child labour and forced labour. The Group does not employ any person below the age of eighteen at our workplace. The Group forbids any detainment of personal documents or wage of employees. Any violence, such as deliberately causing difficulties, threats and corporal punishment, forcing employees to work is also prohibited. The Group ensures no employee is made to work against his/her will, or work as forced labour, or subject to corporal punishment or coercion of any type related to work.

For the year ended 31 December 2017, there was no material non-compliance with applicable laws and regulations that related to labour standards.

Communication with Employees

We treasure employees' comments and feedbacks. We encourage employees to speak up with ideas and issues. Employees can rise out their concerns to their supervisor or to the General Manager directly. Both verbal and written forms of communication are accepted, so as to build up harmonious relationships with the employees.

SECTION B: SOCIAL – OPERATING PRACTICES

ASPECT B5: SUPPLY CHAIN MANAGEMENT

As a food processing group, we recognize the importance of supply chain management for providing safe and green food to our customers. As at 31 December 2017, we are working with 65 suppliers in the Mainland China. During our supplier selection process, we would not only obtain the basic information of the suppliers, but also research on the capital structure of suppliers, to as to ensure its financial sustainability. Our Procurement Department is responsible for fieldwork assessment to test and observe the production and management of the suppliers, as well as its safety equipment and compliance issue. Our Quality Assurance Department would then undergo quality testing process after food samples are obtained.

Our Procurement Department is responsible for monitoring the performance of suppliers and conducting annual supplier appraisal, underperforming suppliers are excluded from our approved vendor list instantly. Moreover, apart from our Quality Assurance Department, we engaged external quality assurance service provider to do sample testing on the quality of every batch of our inputs and outputs.

With Procurement Department, Quality Assurance Department and the external quality assurance service provider being responsible for our supply chain management, we are confident to continue serving our customers with high-quality food.

層面B4：勞工準則

尊重人權是本集團可持續發展方針不可或缺的組成部分。本集團全面遵守禁止童工及強制勞工的勞動法規或其他有關法律。本集團不會僱用任何十八歲以下的人士為我們工作。本集團不會扣留任何僱員的個人文件或工資，亦不會使用暴力（如故意刁難、威脅及體罰）強迫員工工作。本集團確保並無僱員被迫違反自身意願，或以強制勞工的形式進行工作，或因工作而受到任何類型的體罰或強迫。

截至二零一七年十二月三十一日止年度，概無嚴重違反與勞動準則有關的適用法律法規。

與僱員溝通

我們重視僱員的意見及反饋。我們鼓勵僱員說出自己的想法及問題。僱員可以直接向其主管或總經理提出問題。口頭及書面的溝通方式均會獲接受，以便與僱員建立和諧的關係。

B部分：社會—營運慣例

層面B5：供應鏈管理

作為一個食品加工集團，我們深知供應鏈管理對為客戶提供安全綠色食品的重要性。於二零一七年十二月三十一日，我們於中國內地與65名供應商合作。於我們的供應商挑選過程中，我們不僅獲得供應商的基本資料，而且對供應商的資本架構進行研究，以確保其財務可持續性。我們的採購部負責實地評估，以測試及觀察供應商的生產及管理，以及其安全設備及合規事宜。其後，我們的質保部將於取得食品樣品後展開質量測試流程。

我們的採購部負責監控供應商的表現及對供應商進行年度評估，表現不佳的供應商立即自我們的許可供應商名單中除名。此外，除質保部外，我們委聘外部質保服務提供商對我們每一批原材料及產品的質量進行樣品測試。

藉助負責我們的供應鏈管理的採購部、質保部及外部質保服務提供商的共同協作，我們有信心繼續為客戶提供優質食品。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ASPECT B6: PRODUCT RESPONSIBILITY

We are committed to provide food products with high standards of quality and reliability. Various channels are set up for customers to express their comments and recommendations. Customers can easily find our contact number, fax number and email address on the packaging materials of our products. Our Sales Department would be handling all customers' feedbacks.

During the year, 47 complaints were received, only an immaterial proportion of products were returned back. Those complaints were mainly about the breakage of packaging materials during the transportation process. We would work on improving both our packaging and transportation process, in order to achieve excellence.

For the year ended 31 December 2017, there was no material non-compliance with applicable laws and regulations related to product responsibility.

ASPECT B7: ANTI-CORRUPTION

To promote a good and ethical business culture, we have regular anti-corruption training for employees. The training covered the relevant laws and regulations, past court cases and the way to deal with corruption. A specific policy was formulated and circulated, for educating employees about corruption, bribery and conflict of interest, as well as the proper ways to deal with those situations. The whistleblowing procedures are also shown on the policy, so employees can report any suspected cases timely.

For the year ended 31 December 2017, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

層面B6：產品責任

我們致力於提供優質及可靠的食物。我們設立不同渠道供客戶表達其意見及建議。客戶可於產品的包裝材料中輕易找到我們的聯絡號碼、傳真號碼及電郵地址。我們的銷售部會處理所有的客戶反饋。

年內，我們共收到47宗投訴，僅有極小部分產品被退回。該等投訴主要與於運輸過程中包裝材料破損有關。我們將努力改善我們的包裝及運輸過程，以追求卓越。

截至二零一七年十二月三十一日止年度，概無嚴重違反與產品責任有關的適用法律法規。

層面B7：反貪污

為促進良好及合乎道德的企業文化，我們對僱員進行常規反貪污培訓。培訓涵蓋相關法律及法規、過往案件及處理貪污的方法。為教育僱員有關貪污、受賄及權益衝突以及處理該等情況的適當方法，我們已制定具體政策並互相傳閱。該政策亦載有舉報程序，因此僱員可及時報告任何涉嫌案件。

截至二零一七年十二月三十一日止年度，本集團或其僱員並無遭提出已審結的貪污訴訟案件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Whistleblowing Procedures

We are highly cautious about any misconduct related to bribery and corruption. Employees are encouraged to report any suspected misconduct or malpractice within the Group through various confidential reporting channels, including but not limited to letter writing, emails and phone calls. Employees may also contact the Administration Manager directly for the corruption cases reporting. The security and confidentiality of the reporting channels are also placed at our top concern, only top management and staffs authorized can reach those reporting information.

SECTION B: SOCIAL – COMMUNITY

ASPECT B8: COMMUNITY INVESTMENT

We have demonstrated a strong commitment to the community by continuously providing green and healthy seafood products of high-quality.

With our fastidious quality control measures, we aim to become a leading brand of excellence in green food.

REGULATORY COMPLIANCE

The Group was not aware of any non-compliance with laws and regulations that has a significant impact on the Group relating to emissions, employment, health and safety, labour standards, product responsibility and anti-corruption during the reporting period.

舉報程序

本集團對任何有關受賄及貪污的不當行為十分謹慎。本集團鼓勵僱員透過各種保密報告渠道（包括但不限於寫信、郵件及電話）報告本集團內的任何涉嫌不當或不法行為。僱員亦可直接聯繫行政經理報告貪污案件。報告渠道的安全性及保密性亦為我們最關注的事宜，只有高層管理人員及獲授權員工可接觸該等報告資料。

B部分：社會—社區

層面B8：社區投資

我們透過持續提供優質的綠色健康海產品彰顯我們強烈的社會責任感。

憑藉嚴苛的質量控制措施，我們致力成為卓越的綠色食品領導品牌。

監管合規

於報告期間，本集團並無發現有任何未遵守有關排放、僱傭、健康與安全、勞工標準、產品責任及反貪污的法律及法規而對本集團造成重大影響的情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL DATA

A1. EMISSIONS

環境數據

A1. 排放

	Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度	Unit 單位
Air emissions 大氣排放	2,480	1,696	kg 公斤
Operational transportation distance 營運運輸距離	719,818	492,273	km 公里
Diesel Consumption 柴油消耗	79,180	54,150	L 升
Air emissions per thousand Renminbi of revenue 每人民幣千元收益的大氣排放	3.85	3.62	g/thousand Renminbi 克／人民幣千元
Air emissions per employee 每名僱員的大氣排放	5.32	4.35	kg/employee 公斤／僱員
Greenhouse gas emissions 溫室氣體排放	411	381	tonnes 噸
Scope 1 範疇1 Emissions from Fossil Fuel Consumption 化石燃料消耗的排放量	214	147	tonnes 噸
Scope 2 範疇2 Emissions from Electricity Consumption ³ 電力消耗的排放量 ³	190	229	tonnes 噸
Scope 3 範疇3 Emissions from Water and Sewage Processing ⁴ 水及污水處理排放量 ⁴	1	1	tonnes 噸
Emissions from Disposal of Paper Waste 廢紙處理排放量	5	4	tonnes 噸
Greenhouse gas emission intensity 溫室氣體排放密度	0.88	0.98	tonnes/employee 噸／僱員
Greenhouse gas emission per thousand Renminbi of revenue 每人民幣千元收益的溫室氣體排放量	0.64	0.81	kg/thousand Renminbi 公斤／人民幣千元

³ 0.71 kg per kWh is taken as the emission factor of electricity supplied in the Mainland.

⁴ 0.60 kg per m³ is taken as the emission factor for processing fresh water and sewage in the Mainland.

³ 每千瓦時0.71公斤為內地供應電力的排放係數。

⁴ 每立方米0.60公斤為內地淡水及污水處理的排放係數。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A2. USE OF RESOURCES

A2. 資源用途

	Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度	Unit 單位
Energy consumption 能源消耗	210	254	MWh 千瓦時
Energy consumption intensity 能源消耗密度	451	651	kWh/employee 千瓦時／僱員
Energy consumption per thousand Renminbi of revenue 每人民幣千元收益的能源消耗	0.33	0.54	kWh/thousand Renminbi 千瓦時／ 人民幣千元
Water consumption 水消耗	2,067	1,894	m ³ 立方米
Water consumption intensity 水消耗密度	4.44	4.86	m ³ /employee 立方米／僱員
Water consumption per thousand Renminbi of revenue 每人民幣千元收益的水消耗	3.21	4.05	L/thousand Renminbi 升／人民幣千元
Packaging material consumption 包裝材料消耗	373	335	tonnes 噸
Packaging material consumption per thousand Renminbi of revenue 每人民幣千元收益的包裝材料消耗	0.58	0.72	kg/thousand Renminbi 公斤／人民幣千元

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL DATA

B1. EMPLOYMENT

社會數據

B1. 僱傭

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度
Total number of employees	僱員總數	466	390
By Gender	按性別劃分		
Male	男性	124	86
Female	女性	342	304
By age group	按年齡組別劃分		
Under 18	18歲以下	—	—
18 to 25	18歲至25歲	26	16
26 to 35	26歲至35歲	145	100
36 to 45	36歲至45歲	155	133
46 to 55	46歲至55歲	130	129
56 to 65	56歲至65歲	10	12
65 or above	65歲或以上	—	—
Employment turnover	僱傭流動		
Total number of employee turnover	僱員流動總數	22	530
% of employee turnover	僱員流動百分比	4.7%	4.9%
By Gender	按性別劃分		
Male	男性	2.4%	13.1%
Female	女性	5.3%	9.5%
By age group	按年齡組別劃分		
Under 18	18歲以下	—	—
18 to 25	18歲至25歲	—	11.1%
26 to 35	26歲至35歲	1.4%	7.4%
36 to 45	36歲至45歲	1.3%	9.5%
46 to 55	46歲至55歲	9.7%	8.5%
56 to 65	56歲至65歲	28.6%	33.3%
65 or above	65歲或以上	—	100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B2. HEALTH AND SAFETY

B2. 健康與安全

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度
Number of reported injuries	報告受傷人數	-	-
Injury rate	受傷比率	-	-
Number of lost hours	損失時長	-	-
Lost day rate	損失日數比率	-	-

B3. DEVELOPMENT AND TRAINING

B3. 發展及培訓

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度
Total number of hours of internal training received by employees	僱員接受內部培訓的 總時長	10,464	7,857.8
Average hours of training per employee	每名僱員的培訓平均時長	22.45	20.15
Number of employees received training	接受培訓的僱員人數	466	390
Training Rate	培訓率	100%	100%

B5. SUPPLY CHAIN MANAGEMENT

B5. 供應鏈管理

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度
Total number of suppliers	供應商總數	65	62

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B6. PRODUCT RESPONSIBILITY

B6. 產品責任

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度
Total number of products subject to recalls for safety and health reason	因安全及健康原因被召回的 產品總數	2,243	1,953
Percentage of products subject to recalls to total number of products	召回產品佔產品總數的 百分比	0.1%	0.1%
Total number of complaints or return cases received	接獲的投訴或退貨總數	47	30

B7. ANTI-CORRUPTION

B7. 反貪污

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees	針對發行人或其僱員提出的 已審結貪污訴訟的 案件數目	—	—

B8. COMMUNITY INVESTMENT

B8. 社區投資

		Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度
Corporate charitable donation	企業慈善捐款	—	—
Number of employee volunteer	僱員自願者人數	—	—

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

TO THE SHAREHOLDERS OF CHINA SHENGHAI FOOD HOLDINGS COMPANY LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Shenghai Food Holdings Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 70 to 123, which comprise the consolidated statement of financial position as at 31 December 2017 and the consolidated statement of 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 Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matter are those matter that, in our professional judgment, was 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.

REVENUE RECOGNITION

The Group is principally engaged in the dried seafood, algae and fungi, seafood snacks and frozen seafood trading business.

Revenue represents income from sales of dried seafood, algae and fungi, seafood snacks and frozen seafood products sourced from Mainland China.

致中國升海食品控股有限公司 列位股東

(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「吾等」)已審核中國升海食品控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第70至123頁的綜合財務報表，當中包括於二零一七年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合全面收益表、綜合權益變動表、綜合現金流量表及綜合財務報表附註，包括重大會計政策概要。

吾等認為，綜合財務報表已根據香港會計師公會頒佈之《香港財務報告準則》真實而公平地反映 貴集團於二零一七年十二月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及其綜合現金流量，並已按照香港《公司條例》披露規定妥為編製。

意見基礎

吾等已根據香港會計師公會頒佈之《香港核數準則》進行審核。吾等於該等準則下之責任於本報告「核數師就審核綜合財務報表之責任」一節中詳述。根據香港會計師公會之《專業會計師道德守則》(「該守則」)，吾等獨立於 貴集團，及吾等已根據該守則履行其他道德責任。吾等相信，吾等所獲取之審核憑證充足和適當地為吾等之審核意見提供基礎。

關鍵審核事項

關鍵審核事項為根據吾等之專業判斷，認為對本期綜合財務報表之審核最為重要事項。該等事項為在吾等審核整體綜合財務報表及出具意見時進行處理。吾等不會對此等事項提供單獨之意見。

收益確認

貴集團主要從事乾海產品、藻類產品及菌類產品、海洋休閒產品及海鮮凍品貿易業務。

收益指銷售自中國內陸採購之乾海產品、藻類產品及菌類產品、海洋休閒產品及海鮮凍品的收入。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

REVENUE RECOGNITION – continued

The Group enters into sale and purchase agreements with the distributors and supermarkets and in accordance with the terms of the agreements, revenue is recognised when the related risks and rewards of ownership of the products have been transferred to the distributors and supermarkets.

We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the recognition of revenue by management to meet specific targets or expectations.

OUR RESPONSE

Our procedures in relation to assess the recognition of revenue included the following:

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls which govern revenue recognition;
- Inspecting sale and purchase agreements, on a sample basis, to understand the terms of delivery and assess whether management recognised the related revenue in accordance with the Group's accounting policies, with reference to the requirements of the prevailing accounting standards;
- Comparing sales records for a sample of sales transactions recorded during the year with relevant underlying documentation, which included sales invoices and good delivery notes with evidence of the customers' receipt of the goods and the date of receipt of the goods by the customers;
- Comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the underlying sale and purchase agreements and good delivery notes to determine whether the related revenue had been recognized in the appropriate financial period;
- Scrutinising all journals affecting revenue raised during the reporting period and comparing details of a sample of these journal, which met certain risk-based criteria, with relevant underlying documentation.

收益確認－續

貴集團與分銷商及超市訂立買賣協議，根據該協議之條款，收益於產品所有權的相關風險及回報轉移予分銷商及超市時確認。

吾等將收益確認識別為關鍵審核事項，因為收益乃貴集團關鍵表現指標之一，因此當中涉及管理層於確認收益安排時效為達致具體目標或預期而進行操縱之固有風險。

吾等之回應

吾等有關評估收益確認之程序包括以下各項：

- 了解及評估管理收益確認之關鍵內部監控之設計、實施及運作有效性；
- 抽樣閱覽買賣協議，了解交付條款、並參照現行會計準則之規定評估管理層是否根據貴集團會計政策確認有關收益；
- 抽樣將年內錄得的銷售交易的銷售記錄與相關支持文件（包括證明客戶收到貨物及收貨日期的銷售發票及貨物送貨單）進行對比；
- 抽樣比較財政年度結算日前後錄得之指定收益交易與相關買賣協議及送貨單，以釐定相關收益是否於適當財務期間確認；
- 審查於報告期內所有影響收益之記賬，並將符合若干風險標準之該等記賬樣本詳情與相關支持文件進行比較。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

IMPAIRMENT ASSESSMENT ON TRADE RECEIVABLES

Refer to summary of significant accounting policies in Note 5, accounting estimates and judgements in Note 6 and disclosure of trade receivables in Note 18 to the consolidated financial statements.

As at 31 December 2017, the Group had net trade receivables amounting to RMB97,914,000, which represent 22% of the total assets of the Group and is considered quantitatively significant to the Group.

In determining the impairment assessment on trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and ageing analysis of the trade receivables.

We have identified impairment assessment of trade receivables as a key audit matter due to considerable amount of judgement and estimates being required in conducting impairment assessment as mentioned in the forgoing paragraph.

OUR RESPONSE

Our procedures in relation to management's impairment assessment on trade receivables included:

- Obtaining an understanding of the provision for impairment of trade receivable estimated by the management;
- Scrutinising the source documents throughout the year to understand settlement patterns by major customers;
- Testing the ageing analysis of the trade receivables, on a sample basis, to the source documents; and
- Assessing the reasonableness of recoverability of trade receivables with reference to the credit history including default or delay in payments, settlement records, subsequent settlements and ageing analysis of individual customers.

貿易應收款項減值評估

茲提述綜合財務報表附註5的重大會計政策概要、附註6的會計估計及判斷以及附註18的貿易應收款項披露。

於二零一七年十二月三十一日，貴集團的貿易應收款項淨額為人民幣97,914,000元（佔貴集團資產總值的22%），數額被視為對貴集團而言屬龐大。

於釐定貿易應收款項減值評估時，管理層會考慮信貸記錄，包括結欠或延遲付款、結付記錄、後續結付及貿易應收款項的賬齡分析。

由在進行前段所述減值評估時需要作出大量判斷及估計，吾等已識別貿易應收款項減值評估為關鍵審核事宜。

吾等的回應

吾等就管理層對貿易應收款項減值評估進行的程序包括：

- 了解管理層所估計的貿易應收款項減值撥備；
- 審議整個年度的原檔以了解主要客戶的結付模式；
- 對原檔抽樣進行貿易應收款項賬齡分析測試；及
- 經參考信貸記錄（包括個別客戶的結欠或延遲付款、結付記錄、後續結付及賬齡分析）評估貿易應收款項可收回性是否合理。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

年報內的其他資料

董事須對其他資料負責。其他資料包括載於貴公司年報內的資料，惟並不包括綜合財務報表及本核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對該等其他資料發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等的責任為閱讀其他資料，並在此過程中考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況存在重大抵觸或存在重大錯誤陳述的情況。基於吾等已執行的工作，倘吾等認為其他資料存在重大錯誤陳述，吾等須報告該事實。就此而言，吾等並無任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部監控負責。

在編製綜合財務報表時，董事負責評估貴集團的持續經營能力，並在適當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，惟董事有意將貴集團清盤或停止經營或別無其他切實可行的替代方案則除外。

董事亦負責監督貴集團的財務報告過程。審核委員會協助董事履行此方面的責任。

核數師就審核綜合財務報表承擔的責任

吾等的目標為就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誤陳述取得合理保證，並出具載有吾等意見的核數師報告。吾等根據委聘條款僅向全體股東出具本報告，除此以外別無其他用途。吾等概不就本報告的內容，對任何其他人士負責或承擔責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS – continued

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

As part of an audit in accordance with HKSA's, we exercise professional judgment 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.
- 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.

核數師就審核綜合財務報表承擔的責任一續

合理保證屬高水平保證，惟不能保證根據香港審核準則進行審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可由欺詐或錯誤引起，倘合理預期錯誤陳述單獨或滙總起來將影響使用者依賴該等綜合財務報表所作出的經濟決定，則有關錯誤陳述被視作重大。

在根據香港審核準則進行審核的過程中，吾等已運用專業判斷，並抱有專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，並獲取充份而適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致重大錯誤陳述的風險高於未能發現因錯誤而導致重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審核程序，惟目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計與相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審核憑證以確定有關事件或情況是否存在重大不確定性，從而可能對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則須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；或倘有關的披露不足，則吾等須修訂其意見。吾等的結論乃基於在核數師報告日期前所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表（包括披露）的整體呈列方式、結構及內容，以及綜合財務報表能否中肯地反映有關交易及事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS – continued

- 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.

From the matters communicated with the directors, we determine the 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 matter 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.

BDO Limited

Certified Public Accountants

Wan Che Bun

Practising Certificate Number P05804

Hong Kong, 29 March 2018

核數師就審核綜合財務報表承擔的責任－續

- 充份且適當地獲取與 貴集團內實體或業務活動的財務資料的審核憑證，以便對綜合財務報表發表意見。吾等負責集團審核的方向、監督及執行。吾等為審核意見承擔全部責任。

吾等與審核委員會溝通有關(其中包括)計劃審核範圍、時間安排及重大審核發現，包括吾等在審核中識別出內部監控的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關道德要求，並與彼等溝通有可能合理地被認為會影響吾等獨立性的所有關係及其他事項，以及相關防範措施(如適用)。

從與董事溝通的事項中，吾等確定對本期內綜合財務報表的審核最為重要的事項，並因而構成關鍵審核事項。吾等在核數師報告中闡述該等事項，除非法律或法規不允許公開披露有關事項，或(在極端罕見的情況下)倘合理預期在吾等報告中溝通某事項造成的負面後果超過所產生的公眾利益，則吾等決定不會在報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

尹子斌

執業證書編號：P05804

香港，二零一八年三月二十九日

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收益	7	644,407	468,039
Cost of sales	銷售成本		(480,901)	(349,642)
Gross profit	毛利		163,506	118,397
Other income and other gains/(losses), net	其他收入及其他收益／(虧損)淨額	8	195	435
Selling and distribution expenses	銷售及分銷開支		(23,806)	(17,838)
Administrative expenses	行政開支		(34,912)	(14,039)
Other expenses	其他開支		(598)	(1,320)
Finance costs	財務成本	9	—	(219)
Profit before income tax	除所得稅前溢利	10	104,385	85,416
Income tax expense	所得稅開支	11	(34,183)	(24,264)
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利		70,202	61,152
Other comprehensive income	其他全面收入			
<i>Items that will be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益的項目：</i>			
– Exchange differences arising on translation of foreign operations	– 換算海外業務產生的匯兌差額		(1,719)	(804)
Other comprehensive income for the year	年內其他全面收入		(1,719)	(804)
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收入總額		68,483	60,348
Earnings per share – Basic and Diluted (RMB)	每股盈利 – 基本及攤薄(人民幣元)	12	0.0812	0.0815

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Plant and equipment	廠房及設備	14	130	196
Prepaid lease payments	預付租賃款項	15	129	179
Deposits paid to suppliers	支付予供應商之按金	16	6,000	2,500
			6,259	2,875
Current assets	流動資產			
Inventories	存貨	17	41,575	31,591
Trade receivables	貿易應收款項	18	97,914	74,533
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	19	13,967	3,649
Cash and cash equivalents	現金及現金等價物	20	285,243	109,982
			438,699	219,755
Current liabilities	流動負債			
Trade payables	貿易應付款項	21	61,056	39,715
Accruals, deposits received and other payables	應計費用、已收按金及其他應付款項	22	3,602	20,405
Provision for taxation	稅項撥備		9,323	6,924
			73,981	67,044
Net current assets	流動資產淨值		364,718	152,711
Net assets	淨資產		370,977	155,586
CAPITAL AND RESERVE	資本及儲備			
Share capital	股本	24	8,723	—
Reserves	儲備		362,254	155,586
Total equity	總股權		370,977	155,586
On behalf of the directors	代表董事			

Mr. Liu Rongru
劉榮如先生
Director
董事

Mr. Jiang Dehua
蔣德華先生
Director
董事

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

		Share capital 股本 RMB'000 人民幣千元 Note 24 附註24	Share premium* 股份溢價* RMB'000 人民幣千元 Note (a) 附註(a)	Special reserve* 特別儲備* RMB'000 人民幣千元 Note (b) 附註(b)	Statutory reserve* 法定儲備* RMB'000 人民幣千元 Note (c) 附註(c)	Exchange reserve* 匯兌儲備* RMB'000 人民幣千元	Other reserve* 其他儲備* RMB'000 人民幣千元	Retained earnings* 保留盈利* RMB'000 人民幣千元	Total equity 總股權 RMB'000 人民幣千元
Balance at 1 January 2016	於二零一六年一月一日的結餘	-	-	17,800	4,796	-	-	72,642	95,238
Profit for the year	年內溢利	-	-	-	-	-	-	61,152	61,152
<i>Other comprehensive income</i>	<i>其他全面收入</i>								
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	(804)	-	-	(804)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	(804)	-	61,152	60,348
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	3,104	-	-	(3,104)	-
Group Reorganisation (Note d)	集團重組(附註d)	-	-	-	-	-	5,800	(5,800)	-
Balance at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日的結餘	-	-	17,800	7,900	(804)	5,800	124,890	155,586
Profit for the year	年內溢利	-	-	-	-	-	-	70,202	70,202
<i>Other comprehensive income</i>	<i>其他全面收入</i>								
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	(1,719)	-	-	(1,719)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	(1,719)	-	70,202	68,483
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	5,767	-	-	(5,767)	-
Issue of shares pursuant to the listing of the Company's share (note 24(g))	因本公司股份上市而發行股份(附註24(g))	2,166	140,795	-	-	-	-	-	142,961
Capitalisation of shareholders' loan (note 24(e))	股東貸款撥充資本(附註24(e))	2	19,938	-	-	-	-	-	19,940
Capitalisation issue of ordinary shares (note 24(f))	普通股的資本化發行(附註24(f))	6,555	(6,555)	-	-	-	-	-	-
Expense incurred in connection with issue of new ordinary share (note 24(g))	就發行新普通股產生之開支(附註24(g))	-	(15,993)	-	-	-	-	-	(15,993)
Balance at 31 December 2017	於二零一七年十二月三十一日的結餘	8,723	138,185	17,800	13,667	(2,523)	5,800	189,325	370,977

* The total of these balances represents "Reserves" in the consolidated statement of financial position.

* 該等結餘總額指綜合財務狀況表內的「儲備」。

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

Notes:

- (a) Share premium account of the Company represents the excess of the proceeds received over the nominal value of the Company's share issued.
- (b) During the year ended 31 December 2014, the director has waived the repayment amounted to RMB17,800,000 from its outstanding balance. It was deemed as contribution to the Company and has been capitalised to special reserve.
- (c) The statutory reserve represents the amount transferred from net profit for the year of the subsidiaries established in the PRC (based on the subsidiaries PRC statutory financial statements) in accordance with the relevant PRC laws until the statutory reserves reaches 50% of the registered capital of the subsidiaries. The statutory reserve cannot be reduced except either in setting off the accumulated losses or increasing capital.
- (d) On 27 April 2016, New Lead Worldwide Limited ("New Lead") acquired 100% equity interest in Xiamen Wofan Foodstuff Company Limited ("Xiamen Wofan") from their shareholders at an aggregate consideration of US\$892,307 (equivalent to RMB5,800,000) which was based on the registered capital of Xiamen Wofan. New Lead settled such consideration by cash, which was advanced by shareholders of the Company. The amounts due to shareholders is included in accruals, deposits received and other payables as at 31 December 2016 with the corresponding amount recognised as deemed distribution to shareholders.

After the acquisition of Xiamen Wofan, the Company became the holding company of the Group thereafter. The amount transferred to other reserve represents the nominal value of the share capital of Xiamen Wofan.

附註：

- (a) 本公司之股份溢價賬乃指已收所得款項扣減本公司已發行股份面值之盈餘。
- (b) 截至二零一四年十二月三十一日止年度，董事放棄收取未償還結餘人民幣17,800,000元的還款。該金額視為向本公司的注資並已被劃撥至特別儲備作資本。
- (c) 法定儲備指根據相關中國法律自中國成立附屬公司的年內純利(根據附屬公司的中國法定財務報表)轉撥的金額，直至法定儲備達到該等附屬公司註冊資本的50%。除非用於抵銷累計虧損或增加資本，否則不可減少法定儲備。
- (d) 於二零一六年四月二十七日，新領環球有限公司(「新領」)自廈門沃豐食品有限公司(廈門沃豐)的股東收購廈門沃豐的全部股本權益，總代價為892,307美元(相當於人民幣5,800,000元)，乃根據廈門沃豐的註冊資本計算。新領以本公司股東墊付的現金結清相關代價。應付股東款項於二零一六年十二月三十一日計入應計費用、已收按金及其他應付款項，相關金額確認為視作股東分派。

於收購廈門沃豐後，本公司其後成為本集團的控股公司。轉撥至其他儲備的金額相當於廈門沃豐的股本面值。

CONSOLIDATED STATEMENTS OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動現金流量		
Profit before income tax	除所得稅前溢利	104,385	85,416
Adjustments for:	就以下各項作出調整：		
Depreciation of plant and equipment	廠房及設備折舊	101	116
Amortisation of prepaid lease payments	預付租賃款項攤銷	50	50
Finance costs	財務成本	—	219
Bank Interest Income	銀行利息收入	(575)	(279)
Loan Interest income	貸款利息收入	(68)	—
<i>Operating profit before working capital changes</i>	<i>營運資金變動前的經營溢利</i>	103,893	85,522
Increase in trade receivables	貿易應收款項增加	(23,381)	(23,222)
Increase in deposits, prepayments and other receivables	按金、預付款項及其他應收款項增加	(14,308)	(3)
Increase in inventories	存貨增加	(9,984)	(6,269)
Increase in trade payables	貿易應付款項增加	21,341	232
Increase in accruals, deposits received and other payables	應計費用、已收按金及其他應付款項增加	1,404	829
<i>Cash generated from operations</i>	<i>來自經營的現金</i>	78,965	57,089
Income taxes paid	已付所得稅	(31,784)	(22,789)
<i>Net cash generated from operating activities</i>	<i>經營活動產生的淨現金</i>	47,181	34,300
Cash flows from investing activities	投資活動現金流量		
Purchases of plant and equipment	購買廠房及設備	(35)	—
Decrease in pledged bank deposits	已抵押銀行存款減少	—	72
Interest received	已收利息	575	279
<i>Net cash generated from investing activities</i>	<i>投資活動產生的淨現金</i>	540	351

CONSOLIDATED STATEMENTS OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash flows from financing activities	融資活動現金流量		
Payment of listing expenses (capitalised)	支付上市開支(已資本化)	(15,993)	—
Proceeds from issue of share	發行股份所得款項	142,961	—
Repayment on interest bearing borrowings	計息借貸還款	—	(9,625)
Advance from shareholders	股東墊款	2,134	17,295
Interest paid	已付利息	—	(219)
Deemed distribution to shareholders	視作股東分派	—	(5,800)
<i>Net cash generated from financing activities</i>	<i>融資活動產生的淨現金</i>	129,102	1,651
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	176,823	36,302
Cash and cash equivalents at beginning of year	年初現金及現金等價物	109,982	73,679
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等價物的影響	(1,562)	1
Cash and cash equivalents at end of year	年末現金及現金等價物	285,243	109,982
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘的分析		
Cash and bank balances	現金及銀行結餘	285,243	109,982

CONSOLIDATED STATEMENTS OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度
(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

融資活動產生之負債對賬

下表載列本集團融資活動所得負債的變動詳情，包括現金及非現金變動。融資活動產生之負債乃為現金流量或未來現金流量於本集團綜合現金流量表分類為融資活動現金流量之負債。

		Amounts due to shareholders 應付股東款項 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	(18,194)
Changes from financing cash flows:	融資現金流量變動：	
Advance from shareholders	股東墊款	(2,134)
Total changes from financing cash flows	融資現金流量變動總額	(2,134)
Other changes	其他變動	
Capitalisation of shareholders' loan	股東貸款撥充資本	19,940
Exchange realignment	匯兌調整	388
Total other changes	其他變動總額	20,328
At 31 December 2017	於二零一七年十二月三十一日	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 8 January 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 18 July 2017. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business is located at 5th floor, No.5 Factory, Meixi Road, Huandong Water, Tongon District, Huli Industrial Park, Xiamen City, Fujian Province, PRC.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries (together with the Company collectively refer to as “Group”) is packaging and sales of seafood products.

2. BASIS OF PRESENTATION AND GROUP REORGANISATION

In preparation of the listing of the Company’s shares on Stock Exchange (the “Listing”), the Group underwent a corporate reorganisation (“Reorganisation”) to rationalise its group structure.

Prior to the Reorganisation, the Company’s principal operating subsidiaries are Xiamen Wofan and its subsidiary, Fujian Wofan Foodstuff Co., Limited (“Fujian Wofan”). Xiamen Wofan was controlled by Mr. Liu Rongru. Mr. Liu Rongru is the controlling shareholder.

Pursuant to the Reorganisation as more fully explained under the section headed “History, Development and Reorganisation” in the prospectus dated 30 June 2017, the Company became the holding company of the comprising the Group on 27 April 2016. Immediately prior to the completion of the Reorganisation, the business operation has been conducted through Xiamen Wofan and Fujian Wofan.

Pursuant to the Reorganisation, Xiamen Wofan and Fujian Wofan are transferred to and held by the Company indirectly through New Lead and Billion Bond Holdings Limited (“Billion Bond”). Upon completion of the Reorganisation, the Company has become a subsidiary of Precisely Unique Limited which is wholly-owned by Mr. Liu Rongru. The Company has not been involved in any business prior to the Reorganisation.

1. 一般資料

本公司於二零一六年一月八日根據開曼群島公司法第22章(1961年第3號法例，經合併及修訂)在開曼群島註冊成立為獲豁免有限公司，及其股份自二零一七年七月十八日以來在香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司的主要營業地點位於中國福建省廈門市同安區湖裏工業園環東海域美溪道5號廠房五樓。

本公司的主要業務為投資控股，而其附屬公司(連同本公司統稱「本集團」)的主要業務為包裝及銷售海產品。

2. 呈列基準及集團重組

為籌備本公司股份於聯交所上市(「上市」)，本集團進行企業重組(「重組」)以優化其集團架構。

重組前，本公司主要的經營附屬公司為廈門沃豐及其附屬公司福建省沃豐食品有限公司(「福建省沃豐」)。廈門沃豐由劉榮如先生控制。劉榮如先生為控股股東。

根據日期為二零一七年六月三十日的招股章程內「歷史、發展及重組」一節詳述的重組，本公司於二零一六年四月二十七日成為本集團旗下的控股公司。緊接重組完成前，業務營運透過廈門沃豐及福建省沃豐進行。

根據重組，廈門沃豐與福建省沃豐被轉讓至本公司並由本公司通過新領及億鍵有限公司(「億鍵」)間接持有。重組完成後，本公司已成為由劉榮如先生全資擁有的銳奇有限公司的附屬公司。本公司於重組前並未涉及任何業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

2. BASIS OF PRESENTATION AND GROUP REORGANISATION – continued

The Reorganisation is merely inserting the Company, Billion Bond and New Lead as holding companies on top of Xiamen Wofan, which has not resulted in any change of economic substance in the ownership and business of the Group. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years ended 31 December 2017 and 2016 have been prepared to present the results and cash flows of the companies now comprising the Group, as if the current group structure had been in existence throughout the years ended 31 December 2017 and 2016 or since their respective dates of incorporation, whichever is the shorter period. The consolidated statement of financial position of the Group as at 31 December 2016 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence, at that date, taken into account the respective dates of incorporation.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(A) ADOPTION OF NEW/REVISED HKFRSs – EFFECTIVE FROM 1 JANUARY 2017

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on or after 1 January 2017.

Amendments to HKAS 7 Statement of Cash Flows

Amendments to HKAS 12 Income Taxes

Amendments to HKAS 7 – Statement of Cash Flows

The amendments introduce an additional disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has no impact on these financial statements.

Amendments to HKAS 12 – Income Taxes

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these financial statements.

2. 呈列基準及集團重組 – 續

重組僅限涉及將本公司、控股公司億鍵及新領(安置於廈門沃豐之上)並未導致本集團所有權及業務方面的經濟實況發生任何變動。由本公司及其附屬公司組成的本集團因重組而被視為存續公司。

截至二零一七年及二零一六年十二月三十一日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表已獲編製，以呈列現時組成本集團的公司的業績及現金流量，猶如現時集團架構於截至二零一七年及二零一六年十二月三十一日止完整年度或自彼等各自的註冊成立日期(以較短期間為準)以來一直存在。本集團於二零一六年十二月三十一日的綜合財務狀況表經已獲編製，以呈列現時組成本集團的公司的資產及負債，猶如現有集團架構於該日期一直存在，當中計及各自註冊成立日期。

3. 採納香港財務報告準則(「香港財務報告準則」)

(A) 採納新訂／經修訂香港財務報告準則 – 自二零一七年一月一日起生效
於本年度，本集團首次應用由香港會計師公會頒佈之下列新訂及經修訂準則、修訂及詮釋(「新訂及經修訂香港財務報告準則」)，該等準則自本集團於二零一七年一月一日或之後開始之財政年度生效。

香港會計準則第7號 現金流量表的修訂
香港會計準則第12號 所得稅的修訂

香港會計準則第7號的修訂 – 現金流量表

該等修訂引入額外披露事項，使財務報表使用者能評估因融資活動所造成之負債變動。

採納該等修訂對該等財務報表並無影響。

香港會計準則第12號的修訂 – 所得稅

該等修訂與確認遞延稅項資產有關並澄清若干必需的考量，包括與按公平值計量的債務工具相關的遞延稅項資產該如何入賬。

採納該等修訂對該等財務報表並無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

(B) NEW/REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 2	Share-Based Payment ¹
HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC)-Int 23	Uncertainty over income tax treatments ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

Amendments to HKFRS 2 – Share-Based Payment

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The directors of the Company anticipate that the application of the above new and revised standards and amendments will have no material impact on the consolidated financial statements.

3. 採納香港財務報告準則(「香港財務報告準則」) – 續

(B) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提前採納下列已頒佈但尚未生效且可能與本集團之財務報表相關之新訂／經修訂香港財務報告準則。本集團目前擬於有關準則生效當日應用該等變動。

香港財務報告準則第2號的修訂	以股份為基礎的付款 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益 ¹
香港財務報告準則第15號的修訂	客戶合約收益 ¹
香港財務報告準則第16號	租賃 ²
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理的不確定性 ²

¹ 於二零一八年一月一日或之後開始之年度期間生效。

² 於二零一九年一月一日或之後開始之年度期間生效。

香港財務報告準則第2號的修訂 – 以股份為基礎的付款

該等修訂本規定歸屬及非歸屬條件對按現金結算以股份為基礎之支付計量的會計處理；預扣稅責任具有淨額結算特徵的以股份為基礎之支付交易；以及交易類別由現金結算變更為權益結算之以股份為基礎之支付條款及條件的修訂。

本公司董事預計應用上述新訂及經修訂準則及修訂將不會對綜合財務報表造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") – continued

(B) NEW/REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE – continued *HKFRS 9 – Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

3. 採納香港財務報告準則(「香港財務報告準則」) – 續

(B) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續 *香港財務報告準則第9號 – 金融工具*

香港財務報告準則第9號引進金融資產分類及計量的新規定。在目的為持有資產以收取合約現金流量的業務模式內持有的債務工具(業務模式測試)以及具產生現金流量的合約條款且僅為支付本金及未償還本金利息的債務工具(合約現金流量特徵測試)，一般按攤銷成本計量。倘該實體業務模式的目的為持有及收取合約現金流量以及出售金融資產，則符合合約現金流量特徵測試的債務工具按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量。實體可於初步確認時作出不可撤銷的選擇，以按公平值計入其他全面收益計量並非持作買賣的股本工具。所有其他債務及股本工具按公平值計入損益(「按公平值計入損益」)計量。

香港財務報告準則第9號就並非按公平值計入損益計量的所有金融資產納入新的預期虧損減值模式(取代香港會計準則第39號的已產生虧損模式)以及新的一般對沖會計規定，以令實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號遵照香港會計準則第39號項下金融負債的確認、分類及計量規定，惟指定按公平值計入損益的金融負債除外，而負債信貸風險變動引致的公平值變動金額於其他全面收益確認，除非會產生或擴大會計錯配風險則作別論。此外，香港財務報告準則第9號保留香港會計準則第39號終止確認金融資產及金融負債的規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

(B) NEW/REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE – continued *HKFRS 9 - Financial Instruments – continued*

The directors of the Group has reviewed the Group’s financial assets as at 31 December 2017 and anticipates that the application of the expected credit loss model of HKFRS 9 in the future will result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets and is not likely to have other material impact on the results and financial position of the Group based on an analysis of the Group’s existing business model.

The above assessments were made based on an analysis of the Group’s financial assets and financial liabilities as at 31 December 2017 on the basis of the facts and circumstances that existed at that date. As facts and circumstances may change during the period ending leading up to the initial date of application of HKFRS 9, which is expected to be 1 January 2018, the assessment of the potential impact is subject to change.

HKFRS 15 – Revenue from Contracts with customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

3. 採納香港財務報告準則(「香港財務報告準則」) – 續

(B) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續 *香港財務報告準則第9號 – 金融工具 – 續*

本集團董事已審閱本集團於二零一七年十二月三十一日的金融資產，並預計日後應用香港財務報告準則第9號的預期信貸損失模式將會導致對尚未就本集團金融資產產生的信貸損失提前撥備，且按照對本集團現時業務模式的分析不大可能會對本集團的業績及財務狀況造成其他重大影響。

以上評估乃按對本集團於二零一七年十二月三十一日的金融資產及金融負債按照於該日存在的事實及情況作出的分析得出。由於直至初步應用香港財務報告準則第9號當日(預期將為二零一八年一月一日)期間內的事實及情況可能會出現變動，故對潛在影響的評估屬可予變動。

香港財務報告準則第15號 – 客戶合約收益

該新準則設立一個單獨之收入確認框架。該框架之核心原則為實體應確認收入以用金額描述轉讓承諾貨品或服務予客戶，該金額反映預期該實體有權就交換該等貨品及服務所收取之代價。香港財務報告準則第15號取代現有收入確認指引，包括香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號要求透過五個步驟確認收入：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至各履約責任
- 第五步：於各履約責任完成時確認收入

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

(B) NEW/REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE – continued *HKFRS 15 – Revenue from Contracts with customers – continued*

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments HKFRS 15 – Revenue from Contracts with customers

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements. Management has performed a detail assessment and expects that the implementation of the HKFRS 15 would not result in any significant impact on the Group’s financial position and results of operations. Meanwhile, there will be additional disclosure requirement under HKFRS 15 upon its adoption. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

3. 採納香港財務報告準則(「香港財務報告準則」) – 續

(B) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續 *香港財務報告準則第15號 – 客戶合約收益 – 續*

香港財務報告準則第15號包含與特定收入相關之特定指引，該等指引或會改變香港財務報告準則現時應用之方法。該準則亦對收入相關之披露事項作出重大之定性及定量改進。

香港財務報告準則第15號的修訂 – 客戶合約收益

香港財務報告準則第15號的修訂載有關於確定履約責任；主事人與代理人的應用；知識產權授權；及過渡規定的澄清。管理層已進行周詳評估，並預期實行香港財務報告準則第15號將不會對本集團的財務狀況及經營業績造成任何重大影響。同時，於採納香港財務報告準則第15號時將存在額外披露規定。香港財務報告準則第15號於二零一八年一月一日或之後開始的年度期間生效，並允許提早應用。

香港財務報告準則第16號 – 租賃

香港財務報告準則第16號於生效日期起將取代香港會計準則第17號「租賃」及相關註釋，引入單一承租人會計處理模式並規定承租人就為期超過12個月的所有租賃確認資產及負債，除非相關資產價值較低。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，於現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括如承租人合理肯定會行使選擇權延續租賃或不行使選擇權而終止租賃的情況下，將於選擇權期間內作出的付款。此會計處理方法與承租人會計法顯著不同，後者適用於根據原準則香港會計準則第17號分類為經營租賃的租賃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

(B) NEW/REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE – continued *HKFRS 16 – Leases – continued*

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As set out in Note 28 below, the future aggregate minimum lease payments under non-cancellable operating lease of the Group as at 31 December 2017 amounted to approximately HK\$217,000. Based on current leasing patterns, the Group expects the adoption of HKFRS 16 as compared with the current accounting policy would not significantly impact the Group’s financial performance but it is expected that a certain portion of the operating lease commitments would be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

HK(IFRIC)-Int 22 – Foreign Currency Transactions and Advance Consideration

HK (IFRIC)-Int 22 is set out in accordance with HKAS 21 “The Effect of Changes in Foreign Exchange Rate” requires an entity to record a foreign currency transaction by applying the exchange rate at the date of the transaction. HKAS 21 states that the date of the transaction is the date on which the transaction first qualifies for recognition in accordance with HKFRSs. When an entity pays or receives consideration in advance in a foreign currency, it generally recognises a non-monetary asset or non-monetary liability before the recognition of the related asset, expense or income. HK(IFRIC)-Int 22 addresses how to determine a date of the transaction for the purpose of determining the exchange rate to use an initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

The Group is not yet in a position to state whether they will result in substantial changes to the Group’s accounting policies and financial statements.

3. 採納香港財務報告準則(「香港財務報告準則」) – 續

(B) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續 *香港財務報告準則第16號 – 租賃 – 續*

就出租人會計法而言，香港財務報告準則第16號大致轉承了香港會計準則第17號的出租人會計法規定。因此，出租人繼續將其租賃分類為經營租賃及融資租賃，並且對兩類租賃進行不同的會計處理。

如下文附註28所載，本集團於二零一七年十二月三十一日根據不可撤銷經營租賃的未來最低租賃款項總額為約217,000港元。基於當前租賃模式，本集團預期採納香港財務報告準則第16號將不會對本集團的財務表現構成重大影響(與現行會計政策相比)，但預期該等經營租賃承擔的若干部分將在綜合財務狀況表中確認為使用權資產及租賃負債。

香港(國際財務報告詮釋委員會)詮釋第22號 – 外幣交易及預付代價

香港(國際財務報告詮釋委員會) – 詮釋第22號乃根據香港會計準則第21號「匯率變動的影響」載列，當中規定實體藉應用交易日期的匯率記錄外幣交易。香港會計準則第21號列明，交易日期為交易根據香港財務報告準則首次符合資格確認的日期。當實體以外幣支付或收取墊支代價時，其一般會於確認相關資產、開支或收入前確認非貨幣資產或非貨幣負債。香港(國際財務報告詮釋委員會) – 詮釋第22號處理當實體以外幣收取或支付墊支代價時如何釐定交易日期，藉以釐定用以作出相關資產、開支或收入初步確認的匯率。

本集團未能確定該等準則是否將導致本集團的會計政策及財務報表出現重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") – continued

(B) NEW/REVISED HKFRSS THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE – continued *HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments*

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

4. BASIS OF PREPARATION

4.1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited.

4.2 BASIS OF MEASUREMENT

The consolidated financial statements have been prepared under the historical cost basis.

4.3 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Company is Renminbi ("RMB"), which is same as the presentation currency of the consolidated financial statements.

3. 採納香港財務報告準則(「香港財務報告準則」) – 續

(B) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 – 續 *香港(國際財務報告詮釋委員會) – 詮釋第23號 – 所得稅處理的不確定性*

該詮釋透過就如何反映所得稅會計處理涉及的不確定性因素提供指引，為香港會計準則第12號所得稅的規定提供支持。

根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更好預測不確定性因素的解決方式。實體亦須假設稅務機關將會檢討其有權檢討的金額，並在作出上述檢討時完全知識所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性因素採用「最可能金額」或「預期值」法兩者中能更好預測不確定性因素解決方式的方法作出反映。

4. 編製基準

4.1 合規聲明

綜合財務報表已根據香港會計師公會頒佈之所有適用的香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)以及香港聯合交易所有限公司主板證券上市規則的披露規定編製。

4.2 計量基準

綜合財務報表按歷史成本基準編製。

4.3 功能及呈列貨幣

本公司之功能貨幣為人民幣(「人民幣」)，而人民幣亦為綜合財務報表的呈列貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

5.2 SUBSIDIARIES

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

5.3 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts, rebates and other similar allowances.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and

5. 重大會計政策

5.1 綜合基準

綜合財務報表包括本公司及其附屬公司的財務報表。集團公司之間的跨公司交易及結餘連同未變現溢利於編製綜合財務報表時悉數對銷。未變現虧損亦會予以對銷，除非有關交易於轉讓資產時有證據顯示減值，則會於損益內確認虧損。

5.2 附屬公司

附屬公司為本公司可對其行使控制權之投資對象。倘下列全部三項因素均存在：有權控制投資對象；對來自投資對象之浮動回報承擔風險或擁有權利；及能運用對投資對象之權利以影響其浮動回報時，本公司即控制投資對象。當事實或情況表明任何該等控制權因素可能存在變動，控制權會獲重新評估。

於本公司的財務狀況表中，附屬公司投資按成本扣除減值列賬（如有）。附屬公司的業績由本公司按已收及應收股息入賬。

5.3 收益確認

收益按已收或應收代價的公平值計量，並就折扣、回贈及其他類似津貼扣減。

銷售貨品的收益於貨品交付及擁有權轉移時確認，同時須達成以下所有條件：

- 本集團將貨品擁有權的重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權相關的所售貨品持續管理權，亦不保留對所售貨品的實際控制權；
- 收益金額能可靠計量；
- 與交易相關的經濟利益很可能流入本集團；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.3 REVENUE RECOGNITION – continued

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate and rental income is accrued on a time proportion basis over the lease term.

5.4 PLANT AND EQUIPMENT

Plant and equipment including electric equipment, plant and machinery, motor vehicles and furniture and equipment in the production or supply of goods, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Plant and equipment are depreciated so as to write off their costs net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Electric equipment	3 years
Plant and machinery	10 years
Motor vehicles	4 years
Furniture and equipment	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

5. 重大會計政策－續

5.3 收益確認－續

- 交易產生或將產生的成本能可靠計量。

利息收入參照未償還本金按適用利率以時間基準計算，而租金收入則於租約期間按時間比例基準計算。

5.4 廠房及設備

廠房及設備包括用於生產及供應貨品或作行政用途的電力設備、廠房及機器、汽車以及傢俱及設備，按成本減累計折舊及累計減值虧損(如有)列賬。

廠房及設備的成本包括其購入價及收購該等項目直接應佔的成本。

只有當項目相關的未來經濟利益有可能流入本集團，以及該項目的成本能可靠計量時，後續成本方計入資產的賬面值或確認為獨立資產(如適用)。被替換部分的賬面值會被終止確認。所有其他維修及保養在其產生的財政期間於損益內確認為開支。

廠房及設備採用直線法扣除其估計可使用年期內的預期剩餘價值以撇銷其成本。使用年期、剩餘價值及折舊方法於各報告期末檢討及於適當時予以調整。有關使用年期如下：

電力設備	3年
廠房及機器	10年
汽車	4年
傢俱及設備	5年

倘資產的賬面值高於其估計可收回金額，則資產會即時撇減至其可收回金額。

出售廠房及設備項目的收益或虧損按出售所得款項淨額與其賬面值的差額釐定，並於出售時於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.5 LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

5.6 INVENTORIES

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

5. 重大會計政策 – 續

5.5 租賃

當租賃條款實質上將所有權的絕大部分風險及回報轉移至承租人，則分類為融資租賃。所有其他租賃被分類為經營租賃。

本集團作為出租人

經營租賃租金收入於相關租約期間按直線法於損益確認。商討及安排經營租賃時產生的起始直接成本加入租賃資產的賬面值，並於租約期間按直線法確認為開支。

本集團作為承租人

根據經營租賃應付的租金總額於租約期間按直線法於損益確認，惟倘具另一有系統基準更能代表所消耗租賃資產經濟利益的時間模式則除外。已收租賃優惠於租約期間確認為租金開支總額的組成部分。

5.6 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者中的較低者確認。成本包括所有採購成本、轉換成本及將存貨送至現有地點及達致現有狀況所需的其他成本。成本採用加權平均法計算。可變現淨值指日常業務過程中的估計售價減完成的估計成本及進行銷售必要的估計成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.7 IMPAIRMENT OF OTHER ASSET

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- Plant and equipment; and
- Prepaid lease payments
- Inventories

An impairment loss is recognised as an expense immediately for the amount by which the asset's recoverable amount is estimated to be less than its carrying amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent of those other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit ("CGU")). As a result, some assets are tested individually for impairment and some are tested at CGU level.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

5.8 RESEARCH EXPENDITURE

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

5. 重大會計政策 – 續

5.7 其他資產減值

於各報告期末，本集團檢視以下資產的賬面值以決定有否迹象顯示該等資產出現減值虧損或之前確認的減值虧損不再存在或可能已減少：

- 廠房及設備；及
- 預付租賃款項
- 存貨

估計資產的賬面值超逾其可收回金額的部分須即時確認減值虧損為開支。可收回金額為反映市況的公平值減出售成本與使用價值兩者的較高者。於評估使用價值時，估計未來現金流量採用反映當時市場對金錢的時間價值評估及該項資產的特有風險的除稅前折現率折現至其現值。

就評估減值而言，倘資產產生的現金流入大致上並不獨立於其他資產，則可收回金額按可獨立產生現金流入的最小資產組合（即現金產生單位（「現金產生單位」））釐定。因此，部分資產會個別進行減值測試，另有部分則按現金產生單位水平進行測試。

倘於後來撥回減值虧損，則資產的賬面值會增加至其經修訂估計可收回金額，惟賬面值增加部分不得超逾該項資產於過往年度如無確認減值虧損而釐定的賬面值。減值虧損撥回即時確認為收入。

5.8 研究開支

研究活動開支於產生期間確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at banks and in hand as well as short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

5.10 SHARE CAPITAL

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

5.11 FINANCIAL INSTRUMENT

a) *Financial assets*

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables) and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using effective interest method, less any identified impairment losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

5. 重大會計政策一續

5.9 現金及現金等價物

現金及現金等價物包括銀行及手頭現金，以及隨時可轉換為已知金額現金及承受不重大價值變動風險，且原到期日為三個月或以內的短期高流通性的投資。

5.10 股本

普通股分類列作權益。股本使用已發行股份之面值予以釐定。如與發行股份有關的任何交易成本為股權交易直接應佔的遞增成本，則任何該等成本乃從股份溢價中扣除（減去任何相關所得稅利益）。

5.11 金融工具

a) *金融資產*

本集團於初步確認時按照收購資產目的對其金融資產進行分類。金融資產初步按公平值加收購該金融資產直接產生的交易成本計量。常規金融資產買賣於交易日確認或終止確認。常規買賣指其條款規定須於一般按有關市場的規例或慣例訂立的時限內交付資產的合約項下的金融資產買賣。

貸款及應收款項

該等資產為並無於活躍市場報價且具固定或待付的非衍生金融資產，主要透過向客戶提供貨品及服務產生（貿易應收款項），當中亦包括其他類別合約貨幣資產。於初步確認後，會使用實際利率法按攤銷成本減任何已識別減值虧損列賬。攤銷成本於計及收購時的折讓或溢價後計算，並包括組成實際利率其中部分的費用及交易成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.11 FINANCIAL INSTRUMENT – continued

b) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- Significant changes in the technological market, economic or environment that have an adverse effect on the debtor.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

5. 重大會計政策 – 續

5.11 金融工具 – 續

b) 金融資產減值虧損

本集團於各報告期末評估是否有任何客觀迹象顯示金融資產出現減值。倘有客觀證據顯示因初始確認資產後發生一項或多項事件而導致金融資產出現減值，而有關事件對金融資產估計未來現金流量的影響能夠可靠地計量，則金融資產已出現減值。減值證據可能包括：

- 債務人面對重大財政困難；
- 違反合約，如未能償還或拖欠利息或本金付款；
- 債務人有可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境出現重大變動，因而對債務人造成不利影響。

貸款及應收款項

倘客觀證據顯示資產已減值，則於損益確認減值虧損，並按資產賬面值與按原本實際利率貼現的估計未來現金流量現值(不包括尚未產生的未來信貸虧損)之間的差額計量。

當資產的可收回金額增加在客觀而言與確認減值後所發生的事件有關時，減值虧損會於其後期間撥回，惟規定資產在撥回減值當日的賬面值不得超過如無確認減值的攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.11 FINANCIAL INSTRUMENT – continued

c) *Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred.

Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost including bank borrowings, trade payables, other payables and accruals and deposits received and amount due to a director subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

d) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense for the year ended 31 December 2017 and 2016. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

e) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

f) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

5. 重大會計政策 – 續

5.11 金融工具 – 續

c) *金融負債*

本集團視乎金融負債產生的目的將其金融負債分類。

按攤銷成本計量的金融負債初步按公平值減所產生的直接應佔成本計量。

按攤銷成本計算的金融負債包括銀行借款、貿易應付款項、其他應付款項、應計費用和已收按金，以及應付一名董事款項，其後使用實際利息法按攤銷成本計量。有關利息開支於損益確認。

收益或虧損於終止確認負債時透過攤銷於損益中確認。

d) *實際利息法*

實際利息法為計算金融資產或金融負債攤銷成本以及分配截至二零一七年及二零一六年十二月三十一日止年度的利息收入或利息開支的方法。實際利率為透過金融資產或負債預測年期或(如適用)較短期間準確折現估計未來現金收款或付款的利率。

e) *股本工具*

本公司發行的股本工具按已收所得款項扣除直接發行成本記賬。

f) *終止確認*

凡收取金融資產所帶來的未來現金流量的合約權利屆滿，或金融資產經已轉讓，而轉讓符合香港會計準則第39號規定的終止確認準則，則本集團終止確認該金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.11 FINANCIAL INSTRUMENT – continued

f) *Derecognition – continued*

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

5.12 FOREIGN CURRENCY

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate(s) (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

5.13 INCOME TAXES

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

5. 重大會計政策－續

5.11 金融工具－續

f) *終止確認－續*

當有關合約中訂明的責任獲解除、注銷或屆滿時，則會終止確認金融負債。

倘本集團於重新磋商金融負債條款後向債權人發行其本身的股本工具，以清償全部或部分金融負債，則所發行股本工具為已付代價，並於最初確認及按金融負債或其部分於消除當日的公平值計量。倘所發行股本工具的公平值不能可靠計量，則計量股本工具，以反映所消除金融負債的公平值。所消除金融負債或其部分的賬面值與已付代價之間的差額於年內損益確認。

5.12 外幣

集團實體以彼等經營業務所在主要經濟環境貨幣（「功能貨幣」）以外的貨幣進行的交易，按交易發生時的適用匯率入賬。外幣貨幣資產及負債則以報告期末的適用匯率換算。以外幣歷史成本計量的非貨幣項目毋須重新換算。

因結算貨幣項目及換算貨幣項目而產生的匯兌差額於產生期間在損益中確認。

5.13 所得稅

所得稅包括即期稅項及遞延稅項。

即期稅項乃按已就毋須就所得稅課稅或不可扣減所得稅的項目作出調整的日常業務溢利或虧損，按報告期末已頒佈或實際頒佈的稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.13 INCOME TAXES – continued

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognized assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognized directly in equity in which case the taxes are also recognised directly in equity.

5.14 EMPLOYEE BENEFITS

a) *Defined contribution retirement plan*

Pursuant to the relevant regulations of the PRC government, the Group participates in a central pension scheme operated by the local municipal government (the “Scheme”), whereby the subsidiary of the Company in the PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiary of the Company. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

5. 重大會計政策－續

5.13 所得稅－續

遞延稅項乃就作財務報告的資產與負債賬面值，與就稅務所用相應數值間的暫時性差額確認。除不影響會計或應課稅溢利的商譽及已確認資產與負債外，會就所有應課稅暫時性差額確認遞延稅項負債。遞延稅項資產於有可能動用應課稅溢利抵銷可扣稅暫時性差額的情況下確認。遞延稅項乃按適用於資產或負債的賬面值變現或結算的預期方式及於報告期末已頒佈或大致上頒佈稅率計量。

遞延稅項負債會因源自於附屬公司的投資的應課稅暫時性差額確認，惟倘本集團能够控制該暫時性差額的撥回且該暫時性差額於可見將來很可能不會撥回則另作別論。

所得稅乃於損益中確認，惟倘所得稅與其他全面收入確認的項目有關，在此情況下，稅項亦於其他全面收入確認，或倘所得稅與直接於權益確認的項目有關，在此情況下，稅項亦直接於權益確認。

5.14 僱員福利

a) *界定供款退休計劃*

根據中國政府的相關規例，本集團參與由地方市級政府運作的中央退休金計劃（「計劃」），據此，本公司的中國附屬公司須按僱員基本薪金的若干百分比向計劃作出供款，以提供退休福利的資金。地方市級政府承諾承擔本公司附屬公司所有現有及未來退休僱員的退休福利責任，本集團有關計劃的唯一責任是根據計劃持續作出所需供款。計劃的供款於產生時在損益中扣除。概無根據計劃作出撥備，已沒收的供款可用於減少未來供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.14 EMPLOYEE BENEFITS – continued

b) Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

5.15 SEGMENT REPORTING

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product lines.

For the purposes of assessing segment performance and allocating resources between segments, the directors assess segment profit or loss by gross profit or loss as measured in Financial Information.

For the purpose of presenting geographical location of the Group's revenue from external customers and the Group's non-current assets, country of domicile is determined by reference to the country where the majority of the Company's subsidiaries operate.

5.16 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

5. 重大會計政策－續

5.14 僱員福利－續

b) 短期僱員福利

短期僱員福利是指預計在僱員提供相關服務的年度報告期末後12個月以前將全數結付的僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務的年度確認。

5.15 分部報告

本集團根據定期向執行董事報告以供彼等就本集團業務組成部分的資源分配作出決定及檢討該等組成部分表現的內部財務資料，識別經營分部及編製分部資料。內部財務資料中向執行董事報告的業務組成部分按本集團主要產品線釐定。

就評估分部表現及分部之間的資源分配而言，董事按財務資料中計量的損益總額評估分部損益。

就呈列本集團來自外界客戶的收益及本集團非流動資產的地域位置而言，業務註冊國家乃參考本公司大部分附屬公司經營所在的國家釐定。

5.16 撥備及或然負債

當本集團因過去事項而須承擔法定或推定責任，而有關責任可能需要付出可合理地估計的經濟利益時，便為未確定時間或金額的負債確認撥備。

如果經濟利益需要外流的可能性不大，或不能對數額作出可靠估計，則有關責任會作為或然負債披露，惟若經濟利益外流的可能性極低則作別論。如有可能產生的責任，其存在僅能以一個或數個未來事項的發生或不發生來證實，亦披露為或然負債，除非經濟利益外流的可能性極低則作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.17 RELATED PARTIES

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

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

5. 重大會計政策一續

5.17 關連方

倘某一方屬以下任何一項，則被視為與本集團有關連：

- (a) 倘屬以下人士，即該人士或該人士的近親與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司的主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
 - (i) 該實體與本集團屬同一集團的成員公司（即各自的母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 一家實體為另一實體的聯營公司或合營企業（或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一家實體為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) 實體為本集團或與本集團有關連的實體就僱員福利設立的離職後福利計劃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

5. SIGNIFICANT ACCOUNTING POLICIES – continued

5.17 RELATED PARTIES – continued

(b) – continued

(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 key management personnel of the entity (or of a parent of the entity).

(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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

5. 重大會計政策－續

5.17 關連方－續

(b) – 續

(vi) 實體受(a)所識別人士控制或受共同控制。

(vii) (a)(i)中所識別的人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

(viii) 實體或其所屬集團任何成員公司為本集團或本集團母公司提供主要管理人員服務。

某一人士的近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響的有關家屬成員，包括：

- (i) 該名人士的子女及配偶或家庭伴侶；
- (ii) 該名人士的配偶或家庭伴侶的子女；及
- (iii) 該名人士或該名人士的配偶或家庭伴侶的受養人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

DEPRECIATION

The Group depreciates the plant and equipment in accordance with the accounting policies stated in note 5.4. The estimated useful lives reflect the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of these assets. The management reassesses the estimated useful lives at the end of each of the reporting date.

IMPAIRMENT OF RECEIVABLES

The management assesses impairment of receivables on a regular basis. This estimate is based on the credit history of the customers and debtors and current market conditions. The management reassesses the impairment of receivables at the end of each of the reporting date.

ESTIMATES OF CURRENT TAX AND DEFERRED TAX

Significant judgement is required in determining the amount of the provision for tax and the timing of payment of the related tax. Where the final tax outcomes are different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

6. 重大會計估計及判斷

本集團根據以往經驗及其他因素，包括預期日後在合理情況下相信會出現的事件，對所作的會計估計和判斷持續進行評估。

本集團就未來作出估計和假設，按定義所得出的會計估計難免偏離實際結果。對下一財政年度的資產及負債賬面值有重大調整的重大風險的估計及判斷討論如下：

折舊

本集團按附註5.4所列的會計政策將廠房及設備折舊。估計使用年期反映董事對本集團打算自使用該等資產獲取未來經濟利益的期間作出的估計，管理層於報告期間各期末重新評估估計使用年期。

應收款項減值

管理層定期評估應收款項的減值，有關估計根據客戶及債務人的信貸記錄以及當期市況作出。管理層於報告期間各期末重新評估應收款項減值。

當期稅項及遞延稅項估計

決定稅項撥備金額及支付相關稅項時間時須作出重大判斷，當最後稅務結果與最初記錄的金額不同時，有關差額將對作出決定的期間的所得稅及遞延稅項撥備構成影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

7. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold in the normal course.

OPERATING SEGMENT INFORMATION

For management purpose, the Group operates in one business unit based on their products, and has one reportable and operating segment: packaging and sales of dried seafood, algae and fungi, seafood snacks and frozen seafood. The board of directors of the Company, being the chief operating decision maker, reviews monthly sales reports to determine the selling price of their products and monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment.

INFORMATION ABOUT MAJOR CUSTOMERS

No customer contributed 10% or more of the Group's revenue during the year ended 31 December 2017. (2016: Nil)

INFORMATION ABOUT GEOGRAPHICAL AREAS

The Group's sales by geographical areas, based on the delivery destination of the goods as requested by the customers, were all domestic and within the PRC.

The Group's non-current assets other than financial instruments mainly represent plant and equipment and prepaid lease payments are located in the PRC.

8. OTHER INCOME AND OTHER GAINS/(LOSSES), NET

7. 收入及分部資料

收益指正常過程中所售貨品的已收及應收款項淨額。

經營分部資料

就管理而言，本集團根據產品經營一個業務單位，並有一個可呈報及經營分部：包裝及銷售乾海產品，藻類產品及菌類產品、海洋休閒產品及海鮮凍品。本公司董事會（即最高級經營決策者）每月審閱銷售報告，以釐定其產品售價及監察其業務單位的經營業績，藉此作出有關資源分配及表現評估的決定。

有關主要客戶的資料

截至二零一七年十二月三十一日止年度，概無客戶貢獻本集團收益的10%或以上（二零一六年：零）。

有關地區的資料

本集團根據客戶要求的送貨地點劃分地區，按地區分類的銷售均為本地銷售及位於中國境內。

本集團除金融工具以外的非流動資產主要為位於中國的廠房及設備和預付租賃款項。

8. 其他收入及其他收益／（虧損）淨額

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款利息收入	575	279
Interest income on secured loan receivables (Note 19(ii))	應收有抵押貸款利息收入（附註19(ii)）	68	—
Proceeds received from patent transfer	自專利轉讓收取的所得款項	—	94
Rental income	租金收入	54	58
Exchange loss	匯兌虧損	(649)	—
Others	其他	147	4
Total	總計	195	435

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

9. FINANCE COSTS

9. 財務成本

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest charge on:	以下項目的利息開支：		
– Secured bank borrowings (Note)	– 有抵押銀行借款(附註)	–	219
Total	總計	–	219

Note: The bank borrowings had been fully settled on 4 May 2016.

附註：銀行借款已於二零一六年五月四日悉數結算。

10. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

10. 除所得稅前溢利

除所得稅前溢利已扣除下列各項：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Auditors' remuneration	核數師酬金	934	5
Amortization of prepaid lease payments	預付租賃款項攤銷	50	50
Costs of sales (Note)	銷售成本(附註)	480,901	349,642
Research expenditure	研究開支	554	1,283
Depreciation of plant and equipment	廠房及設備折舊	101	116
Operating lease rental in respect of:	下列各項的經營租賃租金：		
– Rented premises	– 租用處所	1,842	1,674
Listing expenses	上市開支	16,669	9,012
Staff costs (including directors' emoluments – Note 13)	員工成本(包括董事酬金 – 附註13)		
– Salaries and wages	– 薪金及工資	19,500	13,875
– Bonuses	– 花紅	9,515	–
– Retirement scheme contribution	– 退休計劃供款	2,562	2,192

Note: Cost of sales are mainly comprised of cost of inventories recognised as expenses, which amounting to RMB450,954,000 (2016: RMB325,626,000).

附註：銷售成本主要包括確認為開支的存貨成本人民幣450,954,000元(二零一六年：人民幣325,626,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

11. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of comprehensive income represents:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current tax	當期稅項		
Tax for the year	年度稅項	33,516	23,633
Under-provision in respect of prior year	過往年度撥備不足	667	631
Deferred tax	遞延稅項		
Current year	本年度	-	-
Total	總計	34,183	24,264

Under the Law of the PRC on Enterprise Income Tax ("EIT") and Implementation Regulations of the EIT Law, the tax rate of the Company's PRC subsidiaries is 25%.

Provision for the PRC Enterprise Income Tax ("EIT") for the year ended 31 December 2017 and 2016 was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws, and regulations applicable to the subsidiaries operated in the PRC.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable income arising in Hong Kong for the year ended 31 December 2017 and 2016.

The income tax expense for the year can be reconciled to the profit before income tax per the consolidated statement of comprehensive income as follows:

11. 所得稅開支

綜合全面收益表中的稅項金額指：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current tax		
Tax for the year	33,516	23,633
Under-provision in respect of prior year	667	631
Deferred tax		
Current year	-	-
Total	34,183	24,264

根據《中國企業所得稅法》(「《企業所得稅法》」)及《企業所得稅法實施條例》，本公司中國附屬公司的稅率為25%。

截至二零一七年及二零一六年十二月三十一日止年度的中國企業所得稅(「企業所得稅」)撥備根據按適用於在中國經營的附屬公司的有關所得稅法例及規例計算所得的估計應課稅溢利作出。

由於本集團截至二零一七年及二零一六年十二月三十一日止年度並無在香港錄得應課稅溢利，因此並無就香港利得稅作出撥備。

年內的所得稅開支與綜合全面收益表所列的除所得稅前溢利對賬如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	104,385	85,416
Tax thereon at domestic rates applicable to profit or loss in the jurisdictions concerned	按適用於有關司法權區內損益的本地稅率計算的稅項	28,668	22,146
Under-provision in prior year	過往年度撥備不足	667	631
Tax effect of expenses not deductible for tax purposes	不可就稅項扣除的開支的稅務影響	4,993	1,537
Others	其他	(145)	(50)
Income tax expense for the year	年內所得稅開支	34,183	24,264

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

12. BASIC AND DILUTED EARNINGS PER SHARE

12. 每股基本及攤薄盈利

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profits	溢利		
Profit attributable to owners of the Company	本公司擁有人應佔溢利	70,202	61,152
		2017 二零一七年 Number'000 千股	2016 二零一六年 Number'000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares (Note)	普通股加權平均數目 (附註)	864,375	750,000

Note: Weighted average of 750,000,000 ordinary shares for the year ended 31 December 2016, being the number of shares in issue immediately after the completion of capitalisation issue in June 2017 as detailed in Note 24(g), deemed to have been issued throughout the year ended 31 December 2016 and up to 17 July 2017, immediately before the completion of the placing of the Company's new shares.

Weighted average of 864,375,000 ordinary shares for the year ended 31 December 2017, includes the weighted average of 250,000,000 ordinary shares issued immediately after the completion of placing, in addition to the aforementioned 750,000,000 ordinary shares for the year ended 31 December 2016.

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares during the years ended 31 December 2017 and 2016.

附註：截至二零一六年十二月三十一日止年度，750,000,000股普通股加權平均數（即緊隨於二零一七年六月完成資本化發行（詳情載於附註24(g)）後之已發行股份數目）被視為於截至二零一六年十二月三十一日止年度及直至二零一七年七月十七日（緊接本公司新股份配售完成前）已發行。

截至二零一七年十二月三十一日止年度，864,375,000股普通股的加權平均數除上述截至二零一六年十二月三十一日止年度的750,000,000股普通股外，包括緊隨配售完成後250,000,000股已發行普通股的加權平均數。

由於本集團於截至二零一七年及二零一六年十二月三十一日止年度並無任何潛在攤薄股份，故每股攤薄盈利與每股基本盈利相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

13. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF EMPLOYEES

DIRECTORS' REMUNERATION

Directors' emoluments are as follows:

2017

		Fees	Salaries	Bonuses	Allowances and other benefits in kind	Retirement scheme contributions	Total emoluments
		袍金	薪金	花紅	津貼及其他實物福利	退休計劃供款	總酬金
		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
Executive directors:	執行董事：						
Mr. Liu Rongru	劉榮如先生	-	655	4,325	-	9	4,989
Mr. Jiang Dehua	蔣德華先生	-	598	2,163	-	8	2,769
Mr. Lin Jiangtang	林江棠先生	-	486	1,298	-	10	1,794
		-	1,739	7,786	-	27	9,552
Independent non-executive directors:	獨立非執行董事：						
Mr. Huang Xingluan	黃興學先生	43	-	-	-	-	43
Mr. Liu Dajin	劉大進先生	43	-	-	-	-	43
Ms. Cheng Shing Yan	鄭承欣女士	65	-	-	-	-	65
		151	-	-	-	-	151
Total	總計	151	1,739	7,786	-	27	9,703

13. 董事薪酬及僱員酬金

董事薪酬

董事酬金如下：

二零一七年

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

13. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF EMPLOYEES – continued DIRECTORS' REMUNERATION – continued 2016

13. 董事薪酬及僱員酬金 – 續

董事薪酬 – 續
二零一六年

		Fees	Salaries	Bonuses	Allowances and other benefits in kind 津貼及其他實物福利	Retirement scheme contributions 退休計劃供款	Total emoluments 總酬金
		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	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors:	執行董事：						
Mr. Liu Rongru	劉榮如先生	-	240	-	-	9	249
Mr. Jiang Dehua	蔣德華先生	-	180	-	-	8	188
Mr. Lin Jiangtang	林江棠先生	-	121	-	-	10	131
		-	541	-	-	27	568
Independent non-executive directors:	獨立非執行董事：						
Mr. Huang Xingluan	黃興學先生	-	-	-	-	-	-
Mr. Liu Dajin	劉大進先生	-	-	-	-	-	-
Ms. Cheng Shing Yan	鄭承欣女士	-	-	-	-	-	-
		-	-	-	-	-	-
Total	總計	-	541	-	-	27	568

No director received any emoluments from Group as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 December 2017 and 2016. No director waived or agreed to waive any emoluments for the years ended 31 December 2017 and 2016.

截至二零一七年及二零一六年十二月三十一日止年度，概無董事向本集團收取任何酬金作為邀請加入本集團或加入本集團後的獎勵，或作為辭去職位的補償。截至二零一七年及二零一六年十二月三十一日止年度，概無董事放棄或同意放棄收取任何酬金。

THE FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group for the years ended 31 December 2017 and 2016 are analysed as followed:

五位最高薪人士

截至二零一七年及二零一六年十二月三十一日止年度本集團五位最高薪人士的分析如下：

		2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
Directors	董事	3	2
Non-directors, the highest paid individual	最高薪非董事人士	2	3
		5	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

13. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF EMPLOYEES – continued

THE FIVE HIGHEST PAID INDIVIDUALS – continued

Details of the remuneration of the above non-directors, the highest paid individual for the year ended 31 December 2017 and 2016 are as follows:

Salaries and other emoluments	薪金及其他酬金
Retirement scheme contribution	退休計劃供款

13. 董事薪酬及僱員酬金 – 續

五位最高薪人士 – 續

上述截至二零一七年及二零一六年十二月三十一日止年度的最高薪非董事人士的薪酬詳情如下：

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
2,809	923
24	30
2,833	953

The number of the highest paid non-directors fell within the following emolument band:

酬金介乎以下級別的最高薪非董事人士人數：

	2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
Nil to RMB1,000,000	1	3
RMB1,000,001 to RMB2,000,000	–	–
RMB2,000,001 to RMB3,000,000	1	–
	2	3

For the years ended 31 December 2017 and 2016, no emoluments were paid by the Group to any director or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. There were no arrangements under which a director waived or agreed to waive any emoluments for the years ended 31 December 2017 and 2016.

截至二零一七年及二零一六年十二月三十一日止年度，本集團概無向任何董事或五位最高薪人士任何一人支付酬金，作為邀請加入本集團或加入本集團後的獎勵，或作為辭去職位的補償。截至二零一七年及二零一六年十二月三十一日止年度，概無董事放棄或同意放棄收取任何酬金的安排。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

13. REMUNERATION OF DIRECTORS AND EMOLUMENTS OF EMPLOYEES – continued SENIOR MANAGEMENT EMOLUMENTS

Emoluments paid or payable to members of senior management who are not directors were within the following bands:

		2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
Nil to RMB1,000,000	零至人民幣1,000,000元	3	4
RMB1,000,001 to RMB2,000,000	人民幣1,000,001元至 人民幣2,000,000元	–	–
RMB2,000,001 to RMB3,000,000	人民幣2,000,001元至 人民幣3,000,000元	1	–
		4	4

14. PLANT AND EQUIPMENT

13. 董事薪酬及僱員酬金 – 續

高級管理層酬金
已付或應付董事以外高級管理層成員的
酬金介乎以下級別：

14. 廠房及設備

		Electric equipment 電力設備 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Furniture and equipment 傢俱及設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2016 and 31 December 2016	於二零一六年一月一日及 二零一六年十二月三十一日	118	70	320	241	749
Additions	添置	5	–	30	–	35
At 31 December 2017	於二零一七年十二月三十一日	123	70	350	241	784
Accumulated depreciation:	累計折舊：					
At 1 January 2016	於二零一六年一月一日	90	21	165	161	437
Charge for the year	年內計提	9	7	71	29	116
At 31 December 2016	於二零一六年十二月三十一日	99	28	236	190	553
Charge for the year	年內計提	8	6	67	20	101
At 31 December 2017	於二零一七年十二月三十一日	107	34	303	210	654
Net book value:	賬面淨值：					
At 31 December 2017	於二零一七年十二月三十一日	16	36	47	31	130
At 31 December 2016	於二零一六年十二月三十一日	19	42	84	51	196

The above items of plant and equipment are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual values.

上述廠房及設備項目於計及其估計剩餘價值後按直線法於估計使用年期折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

15. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments represented prepaid operating lease payments for tidal flats in PRC. The lease prepayments expensed in the profit or loss amounted to approximately RMB50,000 for the years ended 31 December 2017 and 2016.

16. DEPOSITS PAID TO SUPPLIERS

The balance represents the earnest money paid to the fishermen for securing their long term supply of the raw materials. The deposits are unsecured, interest-free and the balances were subject to a repayable on demand clause once the contracts are being terminated.

17. INVENTORIES

At 31 December 2017, the carrying amount of inventories carried at the lower of cost and net realisable value amounted to RMB41,575,000 (2016: RMB31,591,000). During the year, no impairment losses has been recognised (2016: nil).

15. 預付租賃款項

本集團的預付租賃款項指中國灘涂的預付經營租賃付款。截至二零一七年及二零一六年十二月三十一日止年度，於損益中列作開支的租賃預付款項約為人民幣50,000元。

16. 支付予供應商之按金

結餘指支付予漁民而獲得長期原材料供應的誠意金。有關按金為無抵押及免息，而結餘須於合約終止時按要求條款即時償還。

17. 存貨

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials	原材料	20,927	16,593
Finished goods	製成品	20,648	14,998
		41,575	31,591

於二零一七年十二月三十一日，按成本與可變現淨值兩者中的較低者計值的賬面值為人民幣41,575,000元(二零一六年：人民幣31,591,000元)。年內，並無確認任何減值虧損(二零一六：零)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

18. TRADE RECEIVABLES

Trade receivables	貿易應收款項
Less: allowance for doubtful debt	減：呆賬撥備

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

97,914 74,533

– –

97,914 74,533

Based on the invoice dates, the ageing analysis of the Group's trade receivables net of impairment provision is as follows:

根據票據日期，本集團的貿易應收款項（扣除減值撥備）賬齡分析如下：

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
-----------------------------------	-----------------------------------

68,384 48,282

28,168 24,488

1,362 1,763

97,914 74,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

18. TRADE RECEIVABLES – continued

The credit term granted by the Group to its trade customers is normally 30 days to 90 days. The ageing analysis of the Group's trade receivables that are neither individually nor collectively considered to be impaired is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Neither past due nor impaired	尚未到期或減值	97,914	74,490
Past due for less than 3 months	逾期少於三個月	–	43
		97,914	74,533

The movement in the allowance for impairment of trade receivables is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	–	110
Impairment losses recognised	已確認減值虧損	–	–
Written off	撇銷	–	(110)
Carrying amount at 31 December	於十二月三十一日的賬面值	–	–

At 31 December 2016, trade receivables that are past due nor impaired related to a number of customers for whom there was no recent history of default. The management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

The directors consider that the carrying amounts of trade receivables approximate their fair values.

18. 貿易應收款項 – 續

本集團向其貿易客戶授出的信貸期一般為期30至90日。本集團並無個別或集體視為已減值的貿易應收款項的賬齡分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Neither past due nor impaired	尚未到期或減值	97,914	74,490
Past due for less than 3 months	逾期少於三個月	–	43
		97,914	74,533

貿易應收款項減值撥備的變動如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	–	110
Impairment losses recognised	已確認減值虧損	–	–
Written off	撇銷	–	(110)
Carrying amount at 31 December	於十二月三十一日的賬面值	–	–

於二零一六年十二月三十一日，概無逾期亦無減值的貿易應收款項與眾多近期並無拖欠記錄的客戶有關。管理層相信，毋須就該等結餘作出減值撥備，乃由於信貸質素並無重大變動及該等結餘仍被視為可悉數收回。本集團並無就該等結餘持有任何抵押品。

董事認為貿易應收款項的賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

19. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Secured loan receivable – Note (i) 應收有抵押貸款－附註(i)
Amount due from a related party – Note (ii) 應收關連方款項－附註(ii)
Others 其他

2017
二零一七年
RMB'000
人民幣千元

2016
二零一六年
RMB'000
人民幣千元

12,604

234

1,129

13,967

–

234

3,415

3,649

(i) The balance represents a loan receivable and accrued interest income from the loan receivable. On 12 December 2017, the Company has lend HK\$15 million (equivalent to RMB12,975,000) to an independent third party at 10% interest per annum for a two-month period. The Company has interest income on secured loan of approximately HK\$78,000 (equivalent to approximately RMB68,000) for the year end 31 December 2017. On 2 February 2018 and 26 March 2018, the term of the secured loan has been further extended and the balance has been subsequently settled on 28 March 2018.

(ii) The balance represents a rental deposit and rental prepayment paid to a company, which was controlled by the major shareholder's spouse. The balance was unsecured, interest-free, and will be repayable upon the end of lease term.

(i) 有關結餘指應收貸款及應收貸款的應計利息開支。於二零一七年十二月十二日，本公司按年利率10%向獨立第三方借出為期兩個月的15百萬港元（相當於人民幣12,975,000元）。截至二零一七年十二月三十一日止年度，本公司有抵押貸款的利息收入約為78,000港元（相當於人民幣約68,000元）。於二零一八年二月二日及二零一八年三月二十六日，有抵押貸款之期限已再延長而結餘隨後於二零一八年三月二十八日已清還。

(ii) 有關結餘指向一間由主要股東配偶控制的公司支付的租金按金及租金預付款項，該項結餘為無抵押、免息及須於租期屆滿時償還。

20. CASH AND CASH EQUIVALENTS

At 31 December 2017, cash and cash equivalents in the amount of RMB2,641,000 (2016: RMB31,000) and RMB282,602,000 (2016: RMB109,951,000) are denominated in HK\$ and RMB respectively. The cash and cash equivalent denominated in RMB are deposited in the PRC in the ordinary course of business. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

20. 現金及現金等價物

於二零一七年十二月三十一日，金額為人民幣2,641,000元（二零一六年：人民幣31,000元）及人民幣282,602,000元（二零一六年：人民幣109,951,000元）分別以港元及人民幣計值。在日常業務過程中，以人民幣計值的現金及現金等價物存放於中國。人民幣並非可自由兌換的貨幣及將資金匯出中國境外受中國政府頒佈之相關外匯管制的規則及法規所規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

21. TRADE PAYABLES

Trade payables 貿易應付款項

The credit terms of trade payables vary according to the terms agreed with different suppliers, normally 30 days. Based on the receipt of services and goods, which normally coincided with the invoice dates, the ageing analysis of the Group's trade payables as at 31 December 2017 and 2016 are as follows:

0 – 30 days 0至30日

The trade payables are short-term and hence the carrying values of the Group's trade payables are considered a reasonable approximate of fair value.

22. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

Amounts due to shareholders (Note) 應付股東款項(附註)
Others 其他

Note: The amounts due to shareholders were unsecured, interest-free, and repayable on demand. The balances have been capitalised upon listing.

21. 貿易應付款項

2017 2016
二零一七年 二零一六年
RMB'000 RMB'000
人民幣千元 人民幣千元

61,056 39,715

貿易應付款項的信貸期視乎與不同供應商協定的條款而有所不同，一般為期30日。根據一般與票據日期相同的服務及貨品接收日期，本集團於二零一七年及二零一六年十二月三十一日的貿易應付款項的賬齡分析如下：

2017 2016
二零一七年 二零一六年
RMB'000 RMB'000
人民幣千元 人民幣千元

61,056 39,715

貿易應付款項為短期款項，因此本集團貿易應付款項的賬面值被視公平值的合理近似值。

22. 應計費用、已收按金及其他應付款項

2017 2016
二零一七年 二零一六年
RMB'000 RMB'000
人民幣千元 人民幣千元

– 18,194
3,602 2,211

3,602 20,405

附註：應付股東款項為無抵押、免息及須按要
求償還。該等結餘將於上市後撥充資本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

23. RETIREMENT BENEFIT SCHEMES

The employees of the Group in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The Group's PRC companies are required to contribute certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

23. 退休福利計劃

本集團於中國的僱員為中國政府運作的國家管理退休福利計劃的成員。本集團的中國公司須按僱員薪酬的若干百分比向退休福利計劃供款，以提供有關福利的資金。本集團有關退休福利計劃的唯一責任是根據計劃作出所需供款。

24. SHARE CAPITAL

24. 股本

		Notes 附註	2017 二零一七年		2016 二零一六年	
			Number 數目 '000 千股	Amount 金額 RMB'000 人民幣千元	Number 數目 '000 千股	Amount 金額 RMB'000 人民幣千元
Authorised:	法定：					
Initial authorised share capital upon incorporation	於註冊成立後的初始法定股本	(a)	3,800	322	3,800	322
Subdivision of share capital	股本分拆	(c)	34,200	—	—	—
Increase in share capital upon capitalisation	於資本化後增加股本	(d)	9,962,000	87,090	—	—
			10,000,000	87,412	3,800	322

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

24. SHARE CAPITAL – continued

24. 股本－續

		2017 二零一七年		2016 二零一六年	
		Number 數目 '000 千股	Amount 金額 RMB'000 人民幣千元	Number 數目 '000 千股	Amount 金額 RMB'000 人民幣千元
	Notes 附註				
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	—	—	—	—
Issued of one ordinary share upon incorporation	於註冊成立後發行 一股普通股	(a)	—	—	—
Allotment of shares	配發股份	(b)	—	—	—
Subdivision of shares	股份分拆	(c)	1	—	—
Issue of ordinary shares upon capitalisation of shareholders' loan	於股東貸款撥充 資本後發行普通股	(e)	200	2	—
Issue of ordinary shares upon capitalisation	於資本化後發行 普通股	(f)	749,799	6,555	—
Issue of ordinary shares upon placing of shares	於配售股份後發行 普通股	(g)	250,000	2,166	—
At 31 December	於十二月三十一日		1,000,000	8,723	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

24. SHARE CAPITAL – continued

- (a) The Company was incorporated on 8 January 2016 in the Cayman Islands with an authorised share capital of HK\$380,000 (equivalent to RMB321,636) divided into 3,800,000 ordinary shares of HK\$0.01 each. Upon incorporation, one share of par value HK\$0.1 was allotted and issued fully-paid to a subscriber, which was then transferred to a shareholder at par.
- (b) On 8 January 2016, 99 shares were allotted and issued all credited as fully-paid to shareholders.
- (c) On 21 June 2017, each share of HK\$0.1 was subdivided into 10 shares of HK\$0.01 each. The number of authorized share capital has been increased from 3,800,000 to 38,000,000 while the number of issued and fully paid share capital has been increased from 100 to 1,000.
- (d) On 21 June 2017, the authorised share capital of the Company was increased from HK\$380,000 (equivalent to RMB321,636) to HK\$100,000,000 (equivalent to RMB87,411,432) by the creation of 9,962,000,000 ordinary shares of par value HK\$0.01 each.
- (e) On 22 June 2017, 200,000 shares were allotted and issued all credited as fully-paid to shareholders in consideration of the capitalisation of loans in the amount of HK\$22,807,000 (equivalent to RMB19,940,474) owing by the shareholders. The sum of HK\$2,000 (equivalent to RMB1,749) representing the par value of the ordinary shares of the Company, were credited to the Company's share capital. The remaining sum of HK\$22,805,000 (equivalent to RMB19,938,725) were credited to share premium account.
- (f) Pursuant to written resolutions passed on 22 June 2017, conditional upon the share premium account of the Company having sufficient balance, or otherwise being credited by way of global offering, the directors were authorised to allot and issue a total of 749,799,000 shares credited as fully paid at par by way of capitalisation of the sum of HK\$7,497,990 (equivalent to RMB6,555,492) standing to the credit of the share premium account of the Company.
- (g) On 18 July 2017, 250,000,000 ordinary shares of HK\$0.01 each of the Company were issued at a price of HK\$0.66 by way of placing. On the same date, the Company's ordinary shares were listed on the Stock Exchange. The proceeds of HK\$2,500,000 (equivalent to RMB2,166,075) representing the par value of the ordinary shares of the Company, were credited to the Company's share capital. The remaining proceeds of HK\$162,500,000 (equivalent to RMB140,794,875), before issuing expenses of approximately HK\$18,458,529 (equivalent to RMB15,993,023), were credited to share premium account.

24. 股本一續

- (a) 本公司於二零一六年一月八日在開曼群島註冊成立，法定股本為380,000港元（相當於人民幣321,636元），分為3,800,000股每股面值0.01港元的普通股。於註冊成立後，一股面值為0.1港元的股份以繳足股款形式獲配發及發行予一名認購人，隨後按面值轉讓予一名股東。
- (b) 於二零一六年一月八日，99股股份以入賬列作繳足方式獲配發及發行予股東。
- (c) 於二零一七年六月二十一日，每股面值0.1港元的股份分為10股每股面值0.01港元的股份。法定股本的數目由3,800,000股增至38,000,000股，而已發行及繳足股本的數目亦由100股增至1,000股。
- (d) 於二零一七年六月二十一日，本公司透過增設9,962,000,000股每股面值0.01港元的普通股將法定股本由380,000港元（相當於人民幣321,636元）增加至100,000,000港元（相當於人民幣87,411,432元）。
- (e) 於二零一七年六月二十二日，股東獲配發及發行200,000股入賬列作繳足的股份，代價為將欠付股東之22,807,000港元（相當於人民幣19,940,474元）的貸款資本化。2,000港元（相當於人民幣1,749元）之款項指計入本公司股本的本公司普通股面值。餘下22,805,000港元（相當於人民幣19,938,725元）計入股份溢價賬。
- (f) 根據於二零一七年六月二十二日通過的書面決議案，待本公司股份溢價賬結餘充足或透過全球發售而取得進賬額後，董事獲授權透過將本公司股份溢價賬的進賬額7,497,990港元（相當於人民幣6,555,492元）資本化，配發及發行合共749,799,000股按面值入賬列作繳足股份。
- (g) 於二零一七年七月十八日，本公司250,000,000股每股面值0.01港元的普通股透過配售按0.66港元的價格發行。同日，本公司的普通股於聯交所上市。所得款項2,500,000港元（相當於人民幣2,166,075元）指計入本公司股本的本公司普通股面值。扣除發行開支約18,458,529港元（相當於人民幣15,993,023元）前的餘下所得款項162,500,000港元（相當於人民幣140,794,875元）計入股份溢價賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

25. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

25. 控股公司之財務狀況表

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NON-CURRENT ASSET	非流動資產			
Investment in subsidiary	於附屬公司的投資	26	—	—
CURRENT ASSETS	流動資產			
Prepayment and other receivables	預付款項及其他應收款項		12,622	2,426
Amounts due from subsidiaries	應收附屬公司款項		104,386	—
Cash and cash equivalents	現金及現金等值物		2,571	—
			119,579	2,426
CURRENT LIABILITIES	流動負債			
Accruals, deposits received and other payables	應計費用、已收按金及其他應付款項		1,052	9
Amounts due to subsidiaries	應付附屬公司款項		11,496	11,129
			12,548	11,138
NET CURRENT ASSETS/(LIABILITIES)	淨流動資產／(負債)		107,031	(8,712)
NET ASSETS/(LIABILITIES)	淨資產／(負債)		107,031	(8,712)
CAPITAL AND RESERVE	資本及儲備			
Share capital	股本	24	8,723	—
Reserves	儲備		98,308	(8,712)
TOTAL EQUITY/(DEFICIT)	總股權／(虧絀)		107,031	(8,712)

On the behalf of the directors

代表董事

Mr. Liu Rongru
劉榮如先生
Director
董事

Mr. Jiang Dehua
蔣德華先生
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

26. INVESTMENT IN SUBSIDIARY

26. 於附屬公司的投資

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Issued and fully paid share capital 已發行及繳足股本	% of ownership interest 擁有權益		Principal activities 主要業務
			2017 二零一七年	2016 二零一六年	
Billion Bond Holdings Limited 億健有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	Directly 100% 直接持有 100%	Directly 100% 直接持有 100%	Investment holding 投資控股
New Lead Worldwide Limited 新領環球有限公司	Hong Kong 香港	HK\$1 1港元	Indirectly 100% 間接持有 100%	Indirectly 100% 間接持有 100%	Investment holding 投資控股
Xiamen Wofan Foodstuff Company Limited 廈門沃豐食品有限公司	The People's Republic of China 中華人民共和國	RMB91,066,872 人民幣91,066,872元	Indirectly 100% 間接持有 100%	Indirectly 100% 間接持有 100%	Packaging and sale of seafood products 包裝及銷售海產品
Fujian Wofan Foodstuff Company Limited 福建省沃豐食品有限公司	The People's Republic of China 中華人民共和國	RMB10,000,000 人民幣10,000,000元	Indirectly 100% 間接持有 100%	Indirectly 100% 間接持有 100%	Packaging and sale of seafood products 包裝及銷售海產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

27. RELATED PARTY TRANSACTIONS

(A) Saved as disclosed elsewhere in these financial statements, during the year, the Group entered into the following transactions with related parties.

Related party identity and relationship 關連方身份及關係

Type of transaction 交易類型

2017
二零一七年
RMB'000
人民幣千元

2016
二零一六年
RMB'000
人民幣千元

Xiamen Yehong Foodstuffs Company Limited*, A company, which was controlled by the controlling shareholder's spouse 廈門葉紅食品有限公司 一間由控股股東的配偶控制的公司	Rental expense – cost of sales 租賃開支 – 銷售成本	119	77
	Rental expenses – administrative expenses 租賃開支 – 行政開支	79	51
		198	128
Fujian Quanzhou Dietary Condiment Company Limited*, A company, which was controlled by the controlling shareholder 福建省泉州市食育味業調味品有限公司 一間由控股股東控制的公司	Other income 其他收益	–	94
Mr. Liu Rongjian* Cousin of Mr. Liu Rongru 劉榮建先生 劉榮如先生的堂兄弟	Purchase – cost of sales (Note) 採購 – 銷售成本(附註)	747	978
Mr. Liu Rongzhong* Cousin of Mr. Liu Rongru 劉榮忠先生 劉榮如先生的堂兄弟	Purchase – cost of sales (Note) 採購 – 銷售成本(附註)	1,013	1,212

* The English name is translated for identification purpose only.

Note: The directors confirm that the above purchase transactions are entered into with trading terms similar to those with third parties.

27. 關連方交易

(A) 除該等財務報表別處所披露者外，於年內，本集團與關連方訂立以下交易。

附註：董事確認上述採購交易乃按與第三方訂立的類似交易條款訂立。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

27. RELATED PARTY TRANSACTIONS – continued (B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors for the year are set out below:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term benefits	短期福利	9,676	541
Contribution to retirement benefit scheme	退休福利計劃供款	27	27
Total	總計	9,703	568

The emoluments of senior management for the year are set out below:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term benefits	短期福利	2,949	834
Contribution to retirement benefit scheme	退休福利計劃供款	41	39
Total	總計	2,990	873

27. 關連方交易－續 (B) 主要管理人員薪酬

董事於本年度薪酬載列如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term benefits	短期福利	9,676	541
Contribution to retirement benefit scheme	退休福利計劃供款	27	27
Total	總計	9,703	568

高級管理層於本年度薪酬如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term benefits	短期福利	2,949	834
Contribution to retirement benefit scheme	退休福利計劃供款	41	39
Total	總計	2,990	873

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

28. OPERATING LEASE COMMITMENTS

THE GROUP AS LESSEE

Future minimum lease payments under non-cancellable operating leases in respect of rented premises are payable as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	217	424
In the second to fifth year, inclusive	第二至五年(包括首尾兩年)	—	107
		217	531

The Group leases a number of premises under operating leases. The leases run for an initial period of one (2016: one) year.

THE GROUP AS LESSOR

During the years ended 31 December 2016 and 2017 rental income were RMB58,000 and RMB54,000 respectively.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

28. 經營租賃承擔

本集團作為承租人
就租賃物業之不可撤回經營租約之未來應付的最低租賃付款如下：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	217	424
In the second to fifth year, inclusive	—	107
	217	531

本集團根據經營租約租賃一系列物業。該等租約初步為期一年(二零一六年：一年)。

本集團作為出租人

截至二零一六年及二零一七年十二月三十一日止年度，租金收入分別為人民幣58,000元及人民幣54,000元。

於本報告期末，本集團與租戶訂立合約，以下為未來最低租賃付款：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	54	54
In the second to fifth year, inclusive	第二至五年(包括首尾兩年)	143	197
		197	251

29. COMMITMENTS

29. 承擔

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Commitments for research and development project	研發項目承擔	—	500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

30. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits, respectively.

The directors of the Company reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through the payment of dividends, new shares issue and share buy-back as well as the issue of new debts or redemption of existing debt, if necessary.

Management regards total equity as capital. The amount of capital as at 31 December 2016 and 2017 amounted to approximately RMB155,586,000 and RMB370,977,000, respectively, which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

30. 資本管理政策及程序

本集團管理其資本以確保本集團內的實體能繼續持續經營，同時透過優化債務及股權結餘以盡量提高股東回報。

本集團的資本結構包括債務淨額(扣除現金及現金等價物)及本公司擁有人應佔股權(分別包括已發行股本、儲備及保留溢利)。

本公司董事持續考慮資本成本及與資本有關的風險，以檢討其資本結構。本集團將透過派付股息、發行新股份及購回股份，以及發行新債項或贖回現有債項(如有需要)，以平衡其整體資本結構。

管理層將股權總額視為資本。於二零一六年及二零一七年十二月三十一日，資本金額分別約人民幣155,586,000元及人民幣370,977,000元，管理層經考慮預測資本開支及預測策略投資機會後，認為資本金額的水平適當。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

31. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount of financial assets and liabilities:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables	貸款及應收款項		
– Cash and cash equivalents	– 現金及現金等價物	285,243	109,982
– Trade and other receivables	– 貿易及其他應收款項	117,042	77,528
		402,285	187,510
Financial liabilities	金融負債		
Amortised cost	攤銷成本		
– Trade and other payables	– 貿易及其他應付款項	64,614	60,090

(A) FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Financial instruments not measured at fair value include bank deposits, cash and cash equivalents, trade and other receivables, trade and other payables and interest-bearing borrowings.

Due to their short term nature, the carrying value of bank deposits, cash and cash equivalents, trade and other receivables, trade and other payables approximates fair value.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade receivables, other receivables, bank balances and cash, trade payables and other payables.

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

31. 按類別劃分的金融資產及金融負債概要

下表載列金融資產及負債的賬面值：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables	貸款及應收款項		
– Cash and cash equivalents	– 現金及現金等價物	285,243	109,982
– Trade and other receivables	– 貿易及其他應收款項	117,042	77,528
		402,285	187,510
Financial liabilities	金融負債		
Amortised cost	攤銷成本		
– Trade and other payables	– 貿易及其他應付款項	64,614	60,090

(A) 並非按公平值計量的金融工具

並非按公平值計量的金融工具包括銀行存款、現金及現金等價物、貿易及其他應收款項、貿易及其他應付款項及計息借貸。

由於其性質屬短期，銀行存款、現金及現金等價物、貿易及其他應收款項、貿易及其他應付款項的賬面值均與彼等各自的公平值相若。

32. 財務風險管理目的及政策

本集團的主要金融工具包括貿易應收款項、其他應收款項、銀行結餘及現金、貿易應付款項及其他應付款項。

該等金融工具的詳情於各附註內披露。與該等金融工具有關的風險包括利率風險、信貸風險及流動資金風險，有關如何減低該等風險的政策載列如下。本公司董事管理及監察該等風險，以確保及時並有效實施適當措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

(A) INTEREST RATE RISK

As the Group has no significant interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rate.

(B) CREDIT RISK

At the end of reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action are taken to recover overdue debts. In addition, the directors of the Company review the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk of the Group is significantly reduced.

The credit risk of the Group is concentrated on trade receivables from the Group's five largest customers at 31 December 2016 and 2017 amounting to RMB29,486,000 and RMB37,516,000, respectively, and accounted for 40% and 38% of the Group's total trade receivables. In order to minimise the credit risk, the directors of the Company continuously monitor the level of exposure by frequent review of the credit evaluation of the financial condition and credit quality of its customers to ensure that prompt actions will be taken to lower exposure.

32. 財務風險管理目的及政策－續

(A) 利率風險

由於本集團並無重大計息資產及負債，本集團的收入及經營現金流量基本上不受市場利率變動影響。

(B) 信貸風險

於報告期末，本集團因對約方未能履行責任而對本集團構成財務損失的最大信貸風險來自合併財務狀況表所列各項已確認金融資產的賬面值。

為盡量減低信貸風險，本公司董事已指定團隊負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本公司董事檢視各項貿易應收款項於報告期末的可收回金額，以確保就不可收回金額作出充分減值虧損。就此，本公司董事認為得以大幅減低本集團的信貸風險。

於二零一六年及二零一七年十二月三十一日，本集團的信貸風險集中於本集團五大客戶的貿易應收款項，分別為人民幣29,486,000元及人民幣37,516,000元，佔本集團貿易應收款項總額的40%及38%。為盡量減低信貸風險，本公司董事頻密檢討財務狀況的信貸評估及客戶的信貸質量，以確保迅速採取行動減低風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

(C) LIQUIDITY RISK

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from current interest rate at the end of each reporting period.

2017

Non-derivatives:
Trade payables
Accruals, deposits received
and other payables

非衍生工具
貿易應付款項
應計款項、已收按金
及其他應付款項

32. 財務風險管理目的及政策 – 續

(C) 流動資金風險

本公司董事承擔流動資金風險管理的最終責任，彼等已建立適當的流動資金風險管理框架，以管理本集團的短期、中期及長期資金以及流動資金管理規定。本集團維持足夠的儲備及銀行融資，以流動資金風險。

下表詳列本集團非衍生金融負債的剩餘合約到期日。該表根據本集團最早可被要求還款當日的金融負債未貼現現金流量擬備，包括利息及本金現金流量。就利率流量為浮動利率而言，未貼現金額按各報告期末的當期利率計算。

二零一七年

Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
賬面值	合約未貼現現金流量總額	須於一年內或按要求清償
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
61,056	61,056	61,056
3,558	3,558	3,558
64,614	64,614	64,614

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有指示外，以人民幣列示)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – continued

(C) LIQUIDITY RISK – continued 2016

		Carrying amount	Total contractual undiscounted cash flow 合約未貼現現金流量總額	Within 1 year or on demand 須於一年內或按要求清償
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-derivatives:	非衍生工具			
Trade payables	貿易應付款項	39,715	39,715	39,715
Accruals, deposits received and other payables	應計款項、已收按金及其他應付款項	20,375	20,375	20,375
		60,090	60,090	60,090

(D) CURRENCY RISK

The Group mainly operated in the PRC with most of the transactions settled in RMB and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

32. 財務風險管理目的及政策－續

(C) 流動資金風險－續 二零一六年

	Carrying amount	Total contractual undiscounted cash flow 合約未貼現現金流量總額	Within 1 year or on demand 須於一年內或按要求清償
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-derivatives:			
Trade payables	39,715	39,715	39,715
Accruals, deposits received and other payables	20,375	20,375	20,375
	60,090	60,090	60,090

(D) 貨幣風險

本集團主要於中國經營，大多數交易以人民幣結算，且並無面臨因外幣匯率變動導致的重大風險。

33. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for each of the year ended 31 December 2017 were approved and authorised for issue by the board of directors on 29 March 2018.

33. 批准綜合財務報表

截至二零一七年十二月三十一日止年度的綜合財務報表由董事會於二零一八年三月二十九日批准及授權刊發。

FOUR-YEAR FINANCIAL SUMMARY

四年財務摘要

A summary of the results and assets, liabilities and equity of the Group for the last four financial years is depicted below:

本集團最近四個財政年度之業績與資產、負債及權益概要列示如下：

RESULTS

業績

		Year ended 31 December 十二月三十一日止年度			
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	收入	664,407	468,039	366,968	204,847
Cost of sales	銷售成本	(480,901)	(349,642)	(272,862)	(156,944)
Gross profit	毛利	163,506	118,397	94,106	47,903
Other income and other gains	其他收入及其他收益	195	435	411	(157)
Selling and distribution expenses	銷售及分銷費用	(23,806)	(17,838)	(14,547)	(8,536)
Administrative expenses	行政費用	(34,912)	(14,039)	(2,707)	(1,851)
Other expenses	其他費用	(598)	(1,320)	(1,012)	(274)
Finance costs	融資成本	–	(219)	(1,028)	(1,313)
Profit before income tax	除所得稅前溢利	104,385	85,416	75,223	35,772
Income tax expense	所得稅開支	(34,183)	(24,264)	(19,379)	(9,031)
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	70,202	61,152	55,844	26,471
Other comprehensive income	其他全面收入				
Items that may be classified subsequently to profit or loss:	其後可能重新分類至損益的項目：				
– Exchange differences arising from translation of foreign operations	– 換算海外業務產生的匯兌差額	(1,719)	(804)	–	–
Other comprehensive income for the year	年內其他全面收入	(1,719)	(804)	–	–
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收入總額	68,483	60,348	55,844	26,471
Earnings per share	每股盈利				
– basic and diluted (RMB)	– 基本及攤薄(人民幣)	0.0812	0.0815	0.0745	0.0353

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		As at 31 December 於十二月三十一日			
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Total Assets	資產總額	444,958	222,630	156,967	131,625
Total Liabilities	負債總額	73,981	67,044	55,929	66,431
Total Equity	權益總額	370,977	155,586	101,038	65,194



China Shenghai Food Holdings Company Limited

中國升海食品控股有限公司