



CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司

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

Stock Code 股份代號：1586

2018

Interim Report 中期報告

CONTENTS 目錄

02	Definitions 釋義
04	Corporate Information 公司資料
06	Management Discussion and Analysis 管理層討論與分析
10	Financial Review 財務回顧
18	Additional Information 補充資料
30	Report on Review of Interim Condensed Consolidated Financial Statements 中期簡明綜合財務報表審閱報告
32	Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 中期簡明綜合損益及其他全面收益表
34	Interim Condensed Consolidated Statement of Financial Position 中期簡明綜合財務狀況表
36	Interim Condensed Consolidated Statement of Changes in Equity 中期簡明綜合權益變動表
37	Interim Condensed Consolidated Statement of Cash Flows 中期簡明綜合現金流量表
39	Notes to the Interim Condensed Consolidated Financial Statements 中期簡明綜合財務報表附註

DEFINITIONS

釋義

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings: 於本中期報告內，除文義另有所指外，下列詞彙具有以下涵義：

“Audit Committee” 「審核委員會」	the audit committee of the Company 本公司的審核委員會
“Board of Directors” or “Board” 「董事會」	the board of Directors 董事會
“CEO” 「行政總裁」	the chief executive officer of the Company 本公司的行政總裁
“China” or “PRC” 「中國」	the People’s Republic of China, which for the purpose of this report and for geographical reference only, excludes Hong Kong, Macau and Taiwan 中華人民共和國，就本報告而言及僅供地域參考之用，不包括香港、澳門及台灣
“Company”, “our Company”, “Group”, “our Group”, “China Leon”, “we” or “us” 「本公司」、「本集團」、「中國力鴻」 或「我們」	China Leon Inspection Holding Limited (中國力鴻檢驗控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 29 July 2015 and, except where the context indicated otherwise, its subsidiaries 中國力鴻檢驗控股有限公司，一家於2015年7月29日根據開曼群島法律註冊成立的獲豁免有限責任公司及(除文義另有所指外)其附屬公司
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“HK\$” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 香港法定貨幣，港元
“IPO” 「首次公开发售」	the Company’s initial public offering of its Shares 本公司首次公开发售其股份
“Listing Rules” 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange 《聯交所證券上市規則》
“Model Code” 「《標準守則》」	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix 10 to the Listing Rules 《上市規則》附錄10所載之「《上市發行人董事進行證券交易的標準守則》」
“Period” 「本期間」	the six months ended 30 June 2018 截至2018年6月30日止六個月
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 中國的法定貨幣人民幣

DEFINITIONS

釋義

“SFO” 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其他方式修改
“Share Option Scheme” 「購股權計劃」	the share option scheme approved and adopted by the Company at the annual general meeting held on 5 May 2017 本公司於2017年5月5日舉行的股東週年大會上批准及採納的購股權計劃
“Share(s)” 「股份」	the ordinary share(s) of par value US\$0.00005 each in the issued share capital of the Company 本公司已發行股本中每股面值0.00005美元的普通股
“Shareholder(s)” 「股東」	the holder(s) of the Shares 股份持有人
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“%” 「%」	per cent. 百分比

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LI Xiangli (*Chairman and CEO*)
Ms. ZHANG Aiyong (*Vice President*)
Mr. LIU Yi (*Vice President*)
Mr. YANG Rongbing (*Vice Chairman*) (appointed on 23 July 2018)

Non-executive Director

Mr. WANG Gang

Independent Non-executive Directors

Mr. WANG Zichen
Mr. ZHAO Hong
Mr. LIU Hoi Keung (appointed on 23 July 2018)
Mr. YANG Rongbing (re-designated as Executive Director on 23 July 2018)

COMPANY SECRETARY

Mr. CHAN Oi Fat (appointed on 28 February 2018)
Ms. HUI Yin Shan (resigned on 28 February 2018)

AUTHORISED REPRESENTATIVES

Mr. LI Xiangli
Mr. CHAN Oi Fat (appointed on 28 February 2018)
Ms. HUI Yin Shan (resigned on 28 February 2018)

AUDIT COMMITTEE

Mr. LIU Hoi Keung (*Chairman*) (appointed on 23 July 2018)
Mr. WANG Zichen
Mr. ZHAO Hong
Mr. YANG Rongbing (ceased on 23 July 2018)

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUDITOR

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

董事會

執行董事

李向利先生(*董事長兼行政總裁*)
張愛英女士(*副主席*)
劉翊先生(*副主席*)
楊榮兵先生(*副董事長*)(於2018年7月23日獲委任)

非執行董事

王綱先生

獨立非執行董事

王梓臣先生
趙虹先生
廖開強先生(於2018年7月23日獲委任)
楊榮兵先生(於2018年7月23日調任為執行董事)

公司秘書

陳愛發先生(於2018年2月28日獲委任)
許燕珊女士(於2018年2月28日辭任)

授權代表

李向利先生
陳愛發先生(於2018年2月28日獲委任)
許燕珊女士(於2018年2月28日辭任)

審核委員會

廖開強先生(*主席*)(於2018年7月23日獲委任)
王梓臣先生
趙虹先生
楊榮兵先生(於2018年7月23日不再擔任)

薪酬委員會

趙虹先生(*主席*)
張愛英女士
王梓臣先生

提名委員會

李向利先生(*主席*)
趙虹先生
王梓臣先生

核數師

安永會計師事務所
香港
中環
添美道1號
中信大廈22樓

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

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75 Fort Street
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Grand Cayman KY1-1108
Cayman Islands

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Tianzhu Free Trade Zone
Beijing, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wan Chai, Hong Kong

PRINCIPAL BANKER

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

HONG KONG LEGAL ADVISOR

Loong & Yeung Solicitors
Room 1603, 16th Floor, China Building
29 Queen's Road Central
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

1586

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中國總部及主要營業地點

中國北京
北京天竺綜合保稅區
竺園路
12號院
78號樓

香港主要營業地點

香港灣仔
告士打道 128 號
祥豐大廈 16 樓 F 室

主要銀行

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

香港法律顧問

龍炳坤、楊永安律師行
香港中環
皇后大道中 29 號
華人行 16 樓 1603 室

主要股份過戶登記處

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

香港股份過戶登記分處

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

股份代號

1586

網站

www.huaxialihong.com

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS AND MARKET REVIEW

According to the Chinese government, in the first half of 2018, accumulated production volume of raw coal in China was 1.697 billion tons, representing a year-on-year increase of 3.9%. During the year, China continues to phase out its outdated and invalid production capacity, speed up the release of quality and advanced production capacity and the elimination of invalid and low-quality production capacity and increase the proportion of advanced coal production capacity.

In the first half of 2018, supply-side reform proceeded in an orderly manner, boosting continuous growth of market price and volume of coal. During the Period, our revenue and gross profit were RMB101.9 million and RMB54.2 million, respectively, representing decreases of 3.8% and 5.2%, respectively, as compared with the corresponding period of last year. The overall gross profit margin during the Period was 53.2%, slightly lower than 54.0% for the same period of last year.

During the Period, we stepped up our efforts in market development as per the established corporate strategy, upgrading the 13 service centers in Mainland China on an ongoing basis while setting up five new service centres abroad, in order to further complete our service network. Currently, the overseas service centres are under construction. Meanwhile, we increased our investment in R&D and made steady progress. We believe the Company's strategic planning will reinforce our market leading position and help us cope with challenges both at home and abroad.

In the first half of 2018, Beijing Huaxia Lihong Commodity Inspection Co., Ltd. ("Beijing Huaxia Lihong"), an indirect wholly-owned subsidiary of China Leon, successfully won the bid for the commercial coal third-party coal inspection services project in Northern Shannxi Mining Area for 陝西省煤炭運銷(集團)有限責任公司 (Shaanxi Coal Selling and Transportation (Group) Corporation*) ("Shaan Coal"). This project generates an income of approximately RMB30,000,000 per year with a contractual term of five years and is expected to contribute over RMB140,000,000 to the Group's revenue. Shaan Coal agreed to engage Beijing Huaxia Lihong to provide Shaan Coal with commercial coal third-party coal inspection services in Northern Shannxi Mining Area.

業務及市場回顧

根據中國政府資料，於2018年上半年，全國原煤累計產量16.97億噸，同比增長3.9%。全國今年繼續退出落後和無效產能，加快釋放優質先進產能，倒逼無效低質產能加快退出，提高煤炭先進產能所佔比重。

2018年上半年，供給側改革有序推進，煤炭市場價量繼續上行。於本期間內，我們的收入及毛利分別為人民幣101.9百萬元及人民幣54.2百萬元，較去年同期分別下跌3.8%及5.2%。於本期間內，總體毛利率為53.2%，略低於去年同期的54.0%。

本期間內，我們根據既定的公司戰略加大市場開發力度，持續升級中國大陸的十三個服務中心，並在海外市場新設五個服務中心，服務網絡進一步完善。目前海外服務中心正在建設中。與此同時，我們進一步加強研發工作，進展順利。我們相信公司戰略規劃有助於我們保持市場領先地位，應對國內及國際市場挑戰。

2018年上半年，中國力鴻之間接全資附屬公司北京華夏力鴻商品檢驗有限公司(「北京華夏」)成功中標陝西省煤炭運銷(集團)有限責任公司(「陝煤」)陝北礦區商品煤第三方煤炭檢驗服務項目。此項目年度收入約3,000萬人民幣，合同服務期限為5年，預測給本集團貢獻收入超過1.4億人民幣。陝煤同意委聘北京華夏力鴻於陝北礦區向陝煤提供商品煤第三方煤炭檢驗服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Further, as a result of the gradual exhaustion of coal resources in central and eastern China, Xinjiang became a key energy succession area and coal resources strategic storage area, accounting for 40% of proven reserves in China. The “Outline of the Thirteenth Five-Year Plan for the National Economic and Social Development of the Xinjiang Uyghur Autonomous Region” issued in 2017 mentions “promoting clean and efficient use of coals as its main direction, focusing on industrial restructuring and development transformation and establishing the 14th major coal base in China based on four major coal fields in Dzungar (準噶爾), Tuha (吐哈), Ili (伊犁) and Kubai (庫拜), respectively”. Also, “Coal transfer from Xinjiang to other areas (疆煤外送)” and “Electricity Transmission from Xinjiang to other areas (疆電外送)” will become the key projects. Thus, in the first half of 2018, China Leon established a subsidiary in Xinjiang and set up a mobile laboratory as well as further developed coal testing and inspection business, so as to solidify its leading position in coal testing and inspection industry.

BUSINESS STRATEGIES AND FUTURE OUTLOOK

Given the coal's long-term dominant position in China's energy structure, the coal testing and inspection industry also has steady growth potentials. Only a moderate portion of coal is currently subject to independent testing and inspection. In the long run, benefiting from the further liberalization of coal trade, the coal subject to testing and inspection may potentially account for almost the entirety of the coal for consumption. In international markets, coal is also an important energy. So far, the Company has established overseas service centres in Singapore, Indonesia, Malaysia, India and Australia (all five overseas service centres are under construction) through new construction as well as acquisition. We believe the establishment of overseas service centres will enhance our brand recognition internationally, increase our overseas revenue, and set us off on our march to the international market.

此外，在中東部地區煤炭資源逐漸枯竭的情況下，新疆已成為中國重要的能源接替區和煤炭資源戰略儲備區，佔全國已探明儲量的40%。在2017年發佈的《新疆維吾爾自治區國民經濟和社會發展第十三個五年規劃綱要》中，有這樣的表述：「以推進煤炭清潔高效利用為主攻方向，以調整產業結構和轉變發展管道為重點，依託準噶爾、吐哈、伊犁、庫拜四大煤田，建設國家第十四個大型煤炭基地」。並且，「疆煤外送」和「疆電外送」將成為重點項目。故此，2018年上半年，中國力鴻在新疆成立子公司並設立移動實驗室，煤炭檢測及檢驗業務進一步開拓，鞏固中國力鴻在煤炭檢測及檢驗行業的領導地位。

業務策略及未來展望

在中國的能源結構中，由於煤炭長期佔主導地位，煤炭檢測及檢驗行業亦擁有穩定的增長潛力。目前，進行獨立檢測及檢驗的煤炭比例並不大。長遠來看，得益於煤炭交易進一步自由化，接受檢測及檢驗的煤炭數量可能會接近於煤炭的總消耗量。在國際市場中，煤炭同樣是重要能源之一。公司目前已在 新加坡、印尼、馬來西亞、印度及澳洲通過新建及收購的方式設立海外服務中心（目前五個海外服務中心全部在建設中）。我們認為海外服務中心的設立將提高公司國際知名度，增加海外收入，吹響中國力鴻進軍國際市場的號角。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Further solidify our leadership in coal testing and inspection industry

We believe that coal testing and inspection are our core competency. We intend to continue to solidify our leadership in this industry by (1) upgrading and expanding our network of service centres; (2) strengthening our research and development capabilities to improve our testing procedures and laboratorial capabilities; and (3) consolidating China's coal testing and inspection market through selected acquisitions.

We intend to enhance our core competency by identifying and capturing new growth opportunities in the coal testing and inspection market. As our current services are being offered primarily to seaborne coal trade through the four major coal-trade ports in northern China, we plan to expand our testing services to inland coal trade, a market largely untapped by independent assurance providers. Through our long-term stable business relationship with large coal miners and power generators, we are able to capture and compile comprehensive data relating to quality testing results in our internal information system. We will also adapt our internal information system to interact with our customers' systems and facilitate our provision of comprehensive quality management services spanning the entire coal distribution chain. As we will build our management services upon our strong testing capabilities, we believe we are well positioned to leverage our established brand recognition and quality control measures to launch these new services.

Upgrade and expand our network of service centers

To improve our service capabilities and to accommodate increased business volume domestically, we intend to upgrade some of our laboratorial facilities at our existing service centers located in northern China. Our expansion plans will further strengthen our local market shares by allowing us to enhance our service capabilities through site tours and provide improved customer experience.

Our current service centers primarily cover major seaports for coal trade in China. As our operation continues to grow, we also plan to expand our service network to other regions that are strategically important to China's seaborne coal trade, including certain key seaports located in Shandong province (north) and Fujian province (south). As we further penetrate the coal testing and inspection market for coal transport via rail or truck, we expect to set up new service centers at strategically-located railway hubs that are critical for inland coal trade. Our plans for geographic expansion reflect our commitment to providing convenient access to our services by locating the nearest full-service testing facilities. An expanded network coverage of key seaports and railway hubs will allow us to develop and provide comprehensive quality control services spanning the entire coal distribution chain.

進一步鞏固我們在煤炭檢測及檢驗行業的領導地位

我們認為，煤炭檢測及檢驗是我們的核心競爭力。我們計劃通過以下措施繼續鞏固我們在該行業的領導地位：(1) 持續升級及拓展我們的服務中心網路；(2) 增強我們的研發能力以提升檢測程式和實驗能力；及(3) 通過選定收購，整合中國的煤炭檢測及檢驗市場。

我們擬通過物色和把握煤炭檢測及檢驗市場新的增長機會，提高我們的核心競爭力。由於我們現時主要為透過北方四港進行的下水煤交易提供服務，我們計劃將檢測服務拓展至陸路煤炭貿易，這是大部分未被獨立質保供應商開發的市場。透過與大型煤炭開採商及電力公司長期穩定的業務關係，我們能在我們的內部資訊系統中獲取並編製有關品質檢測結果的綜合資料。我們的內部資訊系統亦將與客戶系統結合以便於我們提供涵蓋整個煤炭分銷鏈的全面品質管制服務。我們將依據強大的檢測能力提供管理服務，因此，我們認為，我們處於有利位置且可利用已有的品牌認可度及品質控制措施以推出該等新服務。

升級及拓展我們的服務中心網路

在國內，為提升我們的服務能力及應付新增的業務量，我們擬升級北方部分現有服務中心的實驗室設施。我們的擴張計劃可使我們更好地透過網點提升服務及帶來更佳的客戶體驗，從而進一步提升我們的地方市場份額。

我們目前的服務中心主要覆蓋中國的主要煤炭交易海港。隨著業務的持續增長，我們亦計劃將服務網路拓展至其他對中國下水煤交易而言具有重要戰略意義的地區，包括位於山東省(北方)及福建省(南方)的若干重要海港。隨著我們進一步滲透煤炭(通過鐵路或貨車運輸的煤炭)檢測及檢驗市場，我們期望於對陸路煤炭貿易至關重要的戰略性地點的鐵路樞紐設立新服務中心。我們的地區擴展計劃體現了我們通過設立最近的全套服務檢測設施提供便捷服務的承諾。拓展後覆蓋重要海港及鐵路樞紐的網路將使我們能夠開展並提供涵蓋整個煤炭分銷鏈的全面品質管制服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Outside China, we are selectively opening service facilities to provide coal testing services in countries with abundant coal export and import volume which represent large potential markets for us. Currently, the Company is vigorously constructing five overseas service centres. In the future, we intend to establish our presence in those countries and obtain more shares of business of clients from those countries in China by leveraging our integrated service capabilities. We will also upgrade our internal information infrastructure to interconnect with our overseas service facilities and allow seamless exchange of information and expertise, creating an integrated network to serve the domestic and cross-border flows of coal.

Further strengthen our research and development efforts

We believe that technical improvements are critical to our service offerings and our ability to compete effectively in a concentrated market, therefore we dedicate to deploying adequate resources to advance our research and development efforts. Automation is a principal focus of our research and development efforts. We plan to strengthen our internal research as well as collaboration with third-party institutions to develop automated service process, which will allow us to significantly reduce labor costs, minimize human error and improve efficiency for our services. We also plan to develop and upgrade our internal technology infrastructure to support our new business offerings, including comprehensive quality control services. Combined with our customers' systems, the upgraded technology infrastructure will capture and compile the test results from our complete service sessions, and enable us to manage holistically the coal quality over a prescribed period of time.

Pursue strategic acquisition or investment to enhance our service capabilities and expand our service coverage

We have built our business so far primarily through organic growth. There are still significant acquisition or investment opportunities in the coal testing and inspection market. Among these opportunities, we are focused on service capabilities or coverage that would enhance or complement our core service offerings. The key criteria we apply in selecting acquisition or investment targets primarily include their market size, customer base, technical capabilities and management team. We will not only consider independent assurance providers like us but also suitable assurance providers affiliated with coal miners or consumers. We believe that strategic acquisition or investment allows us to enlarge our technician base and laboratory size to support our growing business volume cost-effectively.

We will also consider targets in other testing markets, including fuel, mineral and chemical products, if their growth prospects and profitability are sufficiently attractive. Benefiting from our stringent quality control and standardized operational measures, we believe that acquisition or investment in testing businesses on other products will create synergy. We believe our investment will further expand our service scope in the future.

在海外地區，我們正在有選擇性地開設服務設施，在煤炭進出口量龐大且對我們來說潛在市場巨大的國家提供煤炭檢測服務。目前公司正在加緊建設海外的五個服務網點。未來我們將利用我們的綜合服務能力，獲得該等國家市場份額，並獲得該等國家客戶在中國業務的更多份額。我們亦將升級內部資訊基礎設施以與我們的海外服務設施相互連接，並實現資訊與專業知識的無縫交換，從而創建一體化網路以服務國內及跨境煤炭行業。

進一步加強我們的研發工作

我們認為，技術改進對我們的服務供應及能否在集中的市場上有效競爭至關重要，因此我們致力於部署充足的資源推進我們的研發工作。自動化是我們研發工作的重中之重。我們計劃加強內部研發能力並加強與第三方機構的合作以發展自動化服務程式，該程式將使我們的人工成本大幅降低、人為錯誤最小化及服務效率得到提高。我們亦計劃發展及升級我們的內部技術基礎設施以支援綜合品質管制服務等新業務。與客戶系統相結合的升級技術基礎設施將自我們的完整服務獲取並編製檢測結果，亦使我們能夠於規定期限內整體控制煤炭品質。

進行戰略收購或投資以提高服務能力及擴大服務範圍

迄今為止，我們主要通過有機增長建立業務。煤炭檢測及檢驗市場仍然存在重大收購或投資機會。在該等機會中，我們注重能夠提升或完善我們核心服務的服務能力或範圍。我們篩選收購或投資目標的重要標準主要包括其市場規模、客戶群、技術能力及管理團隊。我們不僅會考慮到像我們一樣的獨立質保供應商，亦會考慮到附屬於煤炭開採商或客戶的合適質保供應商。我們認為，戰略收購或投資能使我們擴大技術人員基礎及實驗室規模，以具成本效益的方式支援我們不斷增長的業務量。

倘其他檢測市場的發展前景及盈利能力有足夠吸引力，我們亦會將該等市場的目標考慮在內，包括燃料、礦業及化工產品。得益於我們嚴格的品質控制及標準化的操作措施，我們認為，收購或投資其他商品的檢測業務將會創造協同效應。我們認為，我們的投資將在日後進一步拓展我們的服務範圍。

FINANCIAL REVIEW

財務回顧

OVERVIEW

概覽

		For the six months ended 30 June 截至6月30日止六個月		
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元	Change 變動
Revenue	收入	101,895	105,909	(3.8%)
Gross profit	毛利	54,199	57,142	(5.2%)
Profit before tax	稅前利潤	12,139	28,465	(57.4%)
Profit for the Period	期內利潤	7,352	23,159	(68.3%)

REVENUE

The Group's revenue decreased by 3.8% from approximately RMB105.9 million for the six months ended 30 June 2017 to approximately RMB101.9 million for the Period. The decrease is mainly contributed by a decline in business volume of the Group's testing services at Huanghua Port, despite an increase in business volume at Tangshan Port and at overseas subsidiaries. The table below sets forth the revenue breakdown of each of our service offerings.

收入

本集團的收入從截至2017年6月30日止六個月的約人民幣105.9百萬元減至本期間的約人民幣101.9百萬元，減幅為3.8%。該減少乃主要由於儘管本集團唐山港及海外附屬公司的檢測服務業務量有所上升，惟黃驊港的檢測服務業務量減少。下表載列我們各項服務的收入明細。

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
Testing services	檢測服務	84,306	87,838
Surveying services	鑒定服務	13,289	14,417
Witnessing and ancillary services	見證及輔助服務	4,300	3,654
		101,895	105,909

FINANCIAL REVIEW

財務回顧

COST OF SALES

The Group's cost of sales decreased by 2.2% from approximately RMB48.8 million for the six months ended 30 June 2017 to approximately RMB47.7 million for the Period, representing 46.0% and 46.8% of the Group's revenue for the respective periods. The decrease in the Group's cost of sales was primarily attributable to lower port charges at Huanghua Port as a result of reduction in business volume there.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit decreased by 5.2% from approximately RMB57.1 million for the six months ended 30 June 2017 to approximately RMB54.2 million for the Period. The gross profit margin slightly decreased from 54.0% for the six months ended 30 June 2017 to 53.2% for the Period, which was due to lower gross margin from business brought by the Group's overseas subsidiaries.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses increased from approximately RMB1.0 million for the six months ended 30 June 2017 to approximately RMB1.9 million for the Period, which was mainly due to an increase in entertainment and advertising expenses incurred by overseas subsidiaries.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased from approximately RMB26.4 million for the six months ended 30 June 2017 to approximately RMB39.2 million for the Period, which was chiefly due to (1) an increase in employees' total remuneration packages; (2) rise in manpower-related and administrative costs at overseas subsidiaries as part of the Group's overseas expansion plans; (3) an increase in research and development expenditure; and (4) depreciation of properties, plant and equipment which only commenced in the second half of last year especially for overseas subsidiaries.

OTHER EXPENSES

During the Period, the Group recorded other expenses amounting to RMB1.4 million, compared to RMB1.7 million during the same period of last year. This is mainly due to a smaller foreign exchange loss, fewer corporate donations and fewer impairment loss for the Period as compared to the same period of last year.

銷售成本

本集團的銷售成本從截至2017年6月30日止六個月的約人民幣48.8百萬元減至本期間的約人民幣47.7百萬元，減幅為2.2%，分別佔本集團各期間收入的46.0%及46.8%。本集團銷售成本減少乃主要由於黃驊港的業務量減少導致港口費降低。

毛利及毛利率

本集團的毛利從截至2017年6月30日止六個月的約人民幣57.1百萬元減至本期間的約人民幣54.2百萬元，減幅為5.2%。毛利率從截至2017年6月30日止六個月的54.0%輕微下降至本期間的53.2%，主要原因是本集團的海外附屬公司帶來的業務毛利率較低。

銷售及分銷開支

本集團的銷售及分銷開支從截至2017年6月30日止六個月約人民幣1.0百萬元增至本期間約人民幣1.9百萬元，主要由於海外附屬公司產生的娛樂及廣告開支增加。

行政開支

本集團的行政開支從截至2017年6月30日止六個月的約人民幣26.4百萬元增至本期間的約人民幣39.2百萬元，主要由於(1)僱員整體薪酬待遇提升；(2)作為本集團海外擴張計劃其中一環，海外附屬公司的人力相關及行政成本增加；(3)研發開支增加；及(4)去年下半年始開始的物業、廠房及設備折舊(特別就海外附屬公司計提)。

其他開支

於本期間，本集團錄得其他開支人民幣1.4百萬元，而去年同期則為人民幣1.7百萬元，主要由於與去年同期相比，本期間的匯兌虧損、公司捐款及減價虧損較少。

FINANCIAL REVIEW

財務回顧

FINANCE COSTS

The Group recorded a finance cost of approximately RMB0.2 million and RMB0.6 million for the six months ended 30 June 2017 and the Period, respectively, representing an increase of 218.9%, as a result of finance costs incurred by interest-bearing bank loans for the Period, whereas in the same period of last year, lower finance costs were incurred due to settlement of bank loans in March 2017.

INCOME TAX EXPENSE

During the Period, income tax expense amounted to approximately RMB4.8 million, decreasing by approximately RMB0.5 million as compared to approximately RMB5.3 million for the corresponding period of last year, because of the combined influence of a decrease in profit before tax and an increase of tax losses not recognised.

PROFIT FOR THE PERIOD

The Group's profit for the Period decreased by 68.3% from approximately RMB23.2 million for the six months ended 30 June 2017 to approximately RMB7.4 million in the Period, which was mainly attributable to a significant rise in manpower-related costs and administrative expenses stemming from overseas expansion of the Group's testing and inspection business.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist primarily of buildings, vehicles, equipment and construction in progress. The Group had property, plant and equipment of RMB106.5 million and RMB108.8 million as at 31 December 2017 and 30 June 2018, respectively. The increase as at 30 June 2018 was primarily due to addition of plant and equipment by overseas subsidiaries and addition of leasehold improvements to an office building, partially offset by decreasing book value of certain vehicles of the Group.

INVESTMENT PROPERTIES

Investment properties consist of a commercial property in Beijing, which was originally purchased at RMB25.5 million in April 2014, and Room 202 and 302 of Wanxingyuan Yingang in Cangzhou, which were originally purchased at RMB1.3 million in August 2011. The investment properties of the Group had a carrying amount of RMB22.0 million and RMB21.4 million as at 31 December 2017 and 30 June 2018, respectively.

財務成本

截至2017年6月30日止六個月及本期間，本集團分別錄得融資成本約人民幣0.2百萬元及0.6百萬元，增幅為218.9%，主要是由於本期間計息銀行貸款產生財務成本，而去年同期因於2017年3月償還銀行貸款致使財務成本較低。

所得稅開支

於本期間內，因稅前溢利減少及未確認稅務虧損增加之綜合影響，所得稅開支約為人民幣4.8百萬元，與去年同期約人民幣5.3百萬元相比減少約人民幣0.5百萬元。

本期間利潤

本集團本期間利潤從截至2017年6月30日止六個月的約人民幣23.2百萬元減至本期間的約人民幣7.4百萬元，減幅為68.3%，主要歸因於人力相關成本及行政開支因於海外擴展本集團的檢測及檢驗業務而大幅增加。

物業、廠房及設備

物業、廠房及設備主要包括建築、車輛、設備及在建工程。於2017年12月31日及2018年6月30日，本集團的物業、廠房及設備分別為人民幣106.5百萬元及人民幣108.8百萬元。於2018年6月30日，該增加乃主要由於海外附屬公司添置廠房及設備及添置辦公大樓的租賃物業裝修，因本集團若干機動車輛的賬面值減少而被局部抵銷。

投資物業

投資物業包括一項位於北京的商業物業，該物業最初於2014年4月以人民幣25.5百萬元購入，另一項位於滄州銀港小區萬興園202及302室，該物業最初於2011年8月以人民幣1.3百萬元購入。於2017年12月31日及2018年6月30日，本集團的投資物業賬面值分別為人民幣22.0百萬元及人民幣21.4百萬元。

FINANCIAL REVIEW

財務回顧

TRADE AND BILLS RECEIVABLES

The Group's trade and bills receivables primarily represented amounts and bills receivables from its customers for its services provided in the ordinary course of business. As at 31 December 2017 and 30 June 2018, the Group had trade and bills receivables of approximately RMB22.6 million and RMB34.4 million, respectively. Such increase in receivables as at 30 June 2018 was mainly attributable to a slower collection from certain customers as the contracts were being renewed.

PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group's prepayments, deposits and other receivables primarily represent rental payments, value-added tax, prepayment for construction in process, and deposits paid to enter open tender process and land auction process. The current portion of the Group's prepayments, deposits and other receivables increased by approximately RMB0.7 million from approximately RMB18.6 million as at 31 December 2017 to approximately RMB19.3 million as at 30 June 2018, primarily due to increased tender process deposits and increased debit balance of value-added tax payables, partially offset by the decrease of estimated input tax. The non-current portion of the Group's prepayments, deposits and other receivables stood at approximately RMB0.9 million and RMB0.8 million as at 31 December 2017 and 30 June 2018 respectively, which can be seen as quite steady for both periods.

AVAILABLE-FOR-SALE INVESTMENTS AND OTHER CURRENT FINANCIAL ASSETS

The Group's available-for-sale investments and other current financial assets primarily represent low-risk financial products purchased from commercial banks using its cash on hand. Available-for-sale investments are classified to other current financial assets under IFRS 9 which is adopted as at 1 January 2018 by the Group. As at 31 December 2017 and 30 June 2018, the fair value of our available-for-sale investments and other current financial assets reached RMB21.3 million and RMB16.3 million, respectively. The decrease as at 30 June 2018 was due to the redemption by the Group of some of the bank financial products for working capital use.

貿易應收款項及應收票據

本集團的貿易應收款項及應收票據主要指日常業務過程中就本集團所提供服務應收客戶的款項及票據。於2017年12月31日及2018年6月30日，本集團的貿易應收款項及應收票據分別約為人民幣22.6百萬元及人民幣34.4百萬元。2018年6月30日的應收款項增加主要由於部分客戶合同處於續簽過程中導致回款速度放緩。

預付款項、按金及其他應收款項

本集團的預付款項、按金及其他應收款項主要指租金付款、增值稅、在建工程預付款項及為參與公開招標流程及土地拍賣流程而支付的按金。本集團預付款項、按金及其他應收款項的流動部分從2017年12月31日的約人民幣18.6百萬元增至2018年6月30日的約人民幣19.3百萬元，增加約人民幣0.7百萬元，主要由於招標流程按金及應付增值稅的借方結餘增加，因估計進項稅減少而被局部抵銷。本集團預付款項、按金及其他應收款項的非流動部分於2017年12月31日及2018年6月30日分別為約人民幣0.9百萬元及人民幣0.8百萬元，於兩個期間維持穩定。

可供出售投資及其他流動金融資產

本集團的可供出售投資及其他流動金融資產主要指使用手頭現金自商業銀行購買的低風險金融產品。根據本集團於2018年1月1日採納的《國際財務報告準則》第9號，可供出售投資分類為其他流動金融資產。於2017年12月31日及2018年6月30日，可供出售投資及其他流動金融資產的公允價值分別為人民幣21.3百萬元及人民幣16.3百萬元。於2018年6月30日，有關減少乃由於本集團贖回部分銀行理財產品作營運資金用途。

FINANCIAL REVIEW

財務回顧

CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents consist primarily of cash and bank balances denominated in RMB. As at 31 December 2017 and 30 June 2018, the Group's cash and cash equivalents were RMB48.8 million and RMB56.4 million, respectively. The increase in the Group's cash and cash equivalents as at 30 June 2018 was primarily attributable to (1) net cash inflows generated from operating activities of RMB7.6 million; (2) disposal of financial products of RMB45.0 million; (3) new bank loans and other borrowing of RMB18.0 million; and (4) cash acquired from acquisition of a subsidiary of RMB2.4 million; partially offset by (1) purchase of financial products of RMB40.0 million; (2) repayment of bank loans and other borrowing of RMB18.0 million; and (3) purchase of properties, plant and equipment and intangible assets of RMB8.0 million.

TRADE PAYABLES

The Group's trade payables primarily represent amounts payable for port charges. As at 31 December 2017 and 30 June 2018, the Group had trade payables of approximately RMB3.7 million and RMB7.8 million, respectively. The increase in the Group's trade payables as at 30 June 2018 was primarily attributable to (1) an increase in port charges payable at Tangshan port; and (2) increase in overseas amount payable to third-party inspection companies.

CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

The Group's contract liabilities, other payables and accruals primarily represent advance from contracts with customers, accrued salaries, wages and benefits and other payables. As at 31 December 2017 and 30 June 2018, the Group had contract liabilities, other payables and accruals of RMB31.7 million and RMB30.7 million, respectively. Such decrease as at 30 June 2018 was mainly due to the release of payment of construction fees to vendors, partially offset by an increase in accrued salaries, wages and benefits.

INTEREST-BEARING BANK LOANS

The Group had interest-bearing bank loans of approximately RMB16.2 million and RMB13.2 million as at 31 December 2017 and 30 June 2018, respectively. The decrease in the Group's interest-bearing bank loans was due to progressive repayment of the principal loan amount.

現金及現金等價物

本集團的現金及現金等價物主要包括以人民幣計值的現金及銀行結餘。於2017年12月31日及2018年6月30日，本集團的現金及現金等價物分別為人民幣48.8百萬元及人民幣56.4百萬元。於2018年6月30日，本集團現金及現金等價物的增加主要源於(1)經營活動所得現金流入淨額人民幣7.6百萬元；(2)出售金融產品所得款項人民幣45.0百萬元；(3)新增銀行貸款及其他借款人民幣18.0百萬元；及(4)收購一間附屬公司所得現金人民幣2.4百萬元；因(1)購買為數人民幣40.0百萬元的金融產品；(2)償還銀行貸款及其他借款人民幣18.0百萬元；及(3)購買為數人民幣8.0百萬元的物業、廠房及設備以及無形資產而被局部抵銷。

貿易應付款項

本集團的貿易應付款項主要指就港口費用應付的款項。於2017年12月31日及2018年6月30日，本集團的貿易應付款項分別為人民幣3.7百萬元及人民幣7.8百萬元。於2018年6月30日，本集團貿易應付款項的增加主要源於(1)唐山港的應付港口費增加；及(2)應付委托第三方檢驗公司的海外款項增加。

合約負債、其他應付款項及應計項目

本集團的合約負債、其他應付款項及應計項目主要指客戶合約墊款、應計薪金、工資及福利以及其他應付款項。於2017年12月31日及2018年6月30日，本集團的合約負債、其他應付款項及應計項目為人民幣31.7百萬元及人民幣30.7百萬元。於2018年6月30日，有關減少主要由於發放向賣方支付的建築費用，因應計薪金、工資及福利增加而被局部抵銷。

計息銀行貸款

於2017年12月31日及2018年6月30日，本集團的計息銀行貸款分別約為人民幣16.2百萬元及人民幣13.2百萬元。本集團的計息銀行貸款減少乃由於逐步償還貸款本金額。

FINANCIAL REVIEW

財務回顧

INTEREST-BEARING OTHER BORROWINGS

As at 30 June 2018, the Group had interest-bearing other borrowings amounting to approximately RMB4.6 million, compared to RMB1.6 million as at 31 December 2017. Such increase was due to a new borrowing of RMB3.0 million from the same lender.

LIQUIDITY AND CAPITAL RESOURCES

The Group had cash and cash equivalents of RMB56.4 million as at 30 June 2018. The Group is in a strong and healthy financial position and has enough resources to support its operations and meet its foreseeable capital expenditures.

TREASURY MANAGEMENT AND FUNDING POLICY

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

We have a prudent treasury operation to manage our investments in financial products. We only invest in low risk financial instruments from reputable commercial banks that can be redeemed on a same-day basis or otherwise within a short notice period, including primarily bank-sponsored wealth management products, such as bonds, money market funds and interbank deposits. We purchase and redeem financial products multiple times over the course of a year as and when needed to meet our real-time funding requirements, as a result of which our cash flows related to the purchase and disposal of financial products were significantly higher than the period-end balance amounts.

CASH FLOWS FROM OPERATING ACTIVITIES

The Group had net cash flows from operating activities of approximately RMB14.3 million and RMB7.6 million for the six months ended 30 June 2017 and the Period, respectively. The decrease in the Group's cash flows from operating activities was primarily due to our lower revenue generation and higher remuneration and administrative expenses for the Period.

其他計息借款

於2018年6月30日，本集團其他計息借款約為人民幣4.6百萬元，而2017年12月31日則為人民幣1.6百萬元。有關增加主要由於向同一貸款人取得新造借款人民幣3.0百萬元。

流動資金及資本資源

於2018年6月30日，本集團的現金及現金等價物為人民幣56.4百萬元。本集團財務狀況穩健，且擁有充足資源以支援其運營及應付可預見的資本開支。

資金管理及融資政策

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

我們以審慎的資金營運來管理於金融產品的投資。我們僅向聲譽良好的商業銀行提供的低風險金融工具進行投資，該等金融工具可於當日或較短通知期間內贖回，主要包括銀行發行的理財產品，如債券、貨幣市場基金及同業存款。我們在一年中於須滿足實時資金需求時多次購買並贖回金融產品，因此與購買及處置金融產品有關的現金流量顯著高於期末結餘。

經營活動所得現金流量

截至2017年6月30日止六個月及本期間，本集團經營活動所得現金流量淨額分別約為人民幣14.3百萬元及人民幣7.6百萬元。本集團經營活動所得現金流量減少主要歸因於本期間產生較少收入以及薪酬及行政開支較高。

FINANCIAL REVIEW

財務回顧

CASH FLOWS FROM FINANCING ACTIVITIES

The Group had net cash inflows and net cash outflows from financing activities of approximately RMB5.3 million and RMB0.5 million for the six months ended 30 June 2017 and the Period, respectively. The cash flows from financing activities of the Group changed to net outflows, which was primarily due to (1) attainment of bank loans partially offset by repayment of borrowings leading to no cash inflows from loans; and (2) interest paid on borrowings of RMB0.5 million.

COMMITMENTS

As at 30 June 2018, the Group had a total capital commitment of approximately RMB2.5 million for contracted but not performed acquisition of property, plant and equipment.

CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have any significant contingent liabilities or guarantees to third parties.

GEARING RATIO

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

融資活動所得現金流量

截至2017年6月30日止六個月及本期間，本集團融資活動現金流量分別為淨流入約人民幣5.3百萬元及淨流出約人民幣0.5百萬元。本集團融資活動所得現金流變為淨流出主要歸因於(1)獲得銀行貸款由償還借款抵銷，導致貸款並無產生現金流入；及(2)就借款支付利息人民幣0.5百萬元。

承擔

於2018年6月30日，本集團就已訂約但尚未進行的物業、廠房及設備收購的資本承擔總額約為人民幣2.5百萬元。

或有負債

於2018年6月30日，本集團並無任何重大或有負債，亦未向第三方作出擔保。

資本負債比率

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

		2018 30 June 2018年 6月30日 RMB'000 人民幣千元	2017 31 December 2017年 12月31日 RMB'000 人民幣千元
Total debt	債務總額	17,761	17,742
Total equity	權益總額	198,340	198,298
Gearing Ratio	資本負債比率	9.0%	8.9%

FINANCIAL REVIEW

財務回顧

CREDIT RISK

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

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

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

EXCHANGE RISK

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

SIGNIFICANT INVESTMENTS

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Period, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies.

CHARGES ON ASSETS

During the year ended 31 December 2017, the Group purchased two properties from an independent third party with a cash consideration of RMB37,657,000. These properties were pledged by this third party for certain purpose before the purchase. The pledge has not been released and the property ownership certificates have not been obtained as of 30 June 2018.

In addition, certain of the Group's investment properties with a total carrying value of RMB20,464,000 were pledged to obtain a bank facility amounting to RMB15,000,000 which has been terminated as at 30 June 2018. The pledge of these investment properties has not been released as of 30 June 2018.

信貸風險

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

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

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

外匯風險

於本期間，本集團面臨的外匯風險較小，因此，於本期間，本集團並無對沖任何外幣波動。

重大投資

於本期間，本集團並未進行任何重大投資。

附屬公司及關聯公司的重大收購及處置

於本期間，本集團並未進行附屬公司及關聯公司的任何重大收購及處置。

資產抵押

截至2017年12月31日止年度，本集團向一名獨立第三方購買兩項物業，現金對價為人民幣37,657,000元。於購買前，該等物業由該第三方就若干目的質押。有關質押尚未解除，而截至2018年6月30日，尚未取得物業產權證書。

此外，賬面總值為人民幣20,464,000元的本集團投資物業曾質押，以取得為數人民幣15,000,000元的銀行融資（已於2018年6月30日終止）。於2018年6月30日，該等投資物業之質押尚未解除。

ADDITIONAL INFORMATION

補充資料

CHANGES IN DIRECTORS' INFORMATION

Changes in Directors' information which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below:

Mr. YANG Rongbing, an independent non-executive Director, the chairman and a member of the Audit Committee, has been re-designated as an executive Director and appointed as the Vice Chairman of the Company with effect from 23 July 2018. He ceased to be the chairman and a member of the Audit Committee with effect from 23 July 2018. He is entitled to receive a remuneration of HK\$1,200,000 per annum and 3,000,000 share options under his service contract with effect from 23 July 2018.

Mr. LIU Hoi Keung has been appointed as an independent non-executive Director as well as the chairman and a member of the Audit Committee with effect from 23 July 2018.

Details of the above changes were disclosed in the Company's announcement dated 23 July 2018.

Mr. YANG Rongbing also ceased to act as an executive director and the chief executive officer of SMI Holdings Group Limited (stock code: 0198) on 31 May 2018.

HUMAN RESOURCES

As at 30 June 2018, the Group had 841 employees in total. The Group's employee compensation includes base salary, bonuses and cash subsidies. In general, the Group determines employee compensation based on each employee's performance, qualifications, position and seniority. We are subject to social insurance contribution plans organized by PRC local governments. In accordance with the relevant national and local social welfare and housing reserve fund laws and regulations, we are required to pay, on behalf of our employees, monthly social insurance premiums covering basic pension insurance, basic medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing reserve fund.

董事信息變更

根據上市規則第13.51B(1)條須予披露的董事信息變更載列如下：

獨立非執行董事兼審核委員會主席及成員楊榮兵先生已調任為執行董事及獲委任為本公司副董事長，自2018年7月23日起生效。彼不再為審核委員會主席及成員，自2018年7月23日起生效。根據彼自2018年7月23日起生效的服務合約，彼有權收取酬金每年1,200,000港元及3,000,000份購股權。

廖開強先生已獲委任為獨立非執行董事以及審核委員會主席及成員，自2018年7月23日起生效。

有關上述變更的詳情於本公司日期為2018年7月23日的公告中披露。

楊榮兵先生亦於2018年5月31日終止擔任星美控股集團有限公司(股份代號：0198)的執行董事及行政總裁。

人力資源

截至2018年6月30日，本集團的僱員總數為841名。本集團的僱員薪酬包括基本薪金、獎金及現金補貼。通常情況下，本集團根據每名僱員的績效、資格、職位和資歷決定僱員薪酬。我們遵從中華人民共和國地方政府組織的社會保險繳納規定。按照相關的國家和地方社會福利及住房公積金法律法規，我們須代表僱員每月繳納一定的社會保險費，包括基本養老保險、基本醫療保險、失業保險、工傷保險、生育保險及住房公積金。

ADDITIONAL INFORMATION

補充資料

USE OF PROCEEDS FROM THE GLOBAL OFFERING

As set out in the section headed “Future Plans and Use of Proceeds” in the prospectus for the IPO of the Company dated 29 June 2016 (the “Prospectus”) and the updates in the “Change in Use of Proceeds from the Global Offering” announcement of the Company dated 16 June 2017, the Company intends to use the net proceeds from its global offering for the follow purposes:

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

全球發售所得款項用途

誠如日期為2016年6月29日有關首次公開發售的招股章程「未來計畫及所得款項用途」一節及本公司於2017年6月16日發佈的「更改全球發售所得款項用途」公告之更新所載，本公司擬將全球發售所得款項淨額用作下列用途：

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

Changes in Use of Proceeds During the Period

As announced by the Company on 23 March 2018, the Board resolved on 23 March 2018 to change the proposed use of proceeds. Set out below are details of the initial allocation of net proceeds and the revised allocation of actual net proceeds:

於期內更改所得款項用途

誠如公司於2018年3月23日所公佈，董事會於2018年3月23日，通過更改所得款項金額用途的決議。原定所得款項淨額及實際所得款項淨額調整分配詳情如下表所示：

		Initial allocation of net proceeds and its percentage to total proceeds 原定分配所得款項淨額及佔總款項比例 (Approximately RMB million) (約百萬元人民幣)		Revised allocation of net proceeds and its percentage to total proceeds 更改分配後所得款項淨額及佔總款項比例 (Approximately RMB million) (約百萬元人民幣)		Amount utilized 已使用的金額 (Approximately RMB million) (約百萬元人民幣)	The remaining balance of proceeds after the revised allocation 更改分配後的所得款項餘額 (Approximately RMB million) (約百萬元人民幣)
To construct new service facilities at Huanghua port	黃驊港興建新的服務設施	16.4	30.0%	16.4	30.0%	14.2	2.2
To construct new service facilities at Tangshan port	唐山港興建新的服務設施	13.7	25.0%	13.7	25.0%	13.7	0.0
To construct new service facilities at Tianjin port	天津港興建新的服務設施	10.9	20.0%	-	0.0%	-	-
Strategic acquisition or investment	戰略收購或投資	8.2	15.0%	19.1	35.0%	8.2	10.9
To fund general corporate purposes	一般公司用途提供資金	5.4	10.0%	5.4	10.0%	5.4	0.0
Total	合計	54.6	100.0%	54.6	100.0%	41.5	13.1

ADDITIONAL INFORMATION

補充資料

Reasons for the Changes in Use of Proceeds

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

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

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

更改所得款項用途的原因

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

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

為使上市所得款項淨額獲得更佳用途以及保障股東的最大權益，本公司計畫原定的用於天津港興建新的服務設施的20%所得款項金額的剩餘資金約1,090萬元人民幣將被重新分配。於本報告書之日，上市所得款項尚未投資該專案。

ADDITIONAL INFORMATION 補充資料

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

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

SUBSEQUENT EVENT AFTER THE PERIOD Pledging of Shares by the Controlling Shareholders and Loan Agreement with Covenant Relating to Specific Performance of the Controlling Shareholders

As disclosed in the Company's announcement of 30 August 2018, on 30 August 2018, the Company and Wan Tai Investments Limited ("Wan Tai", an indirect wholly-owned subsidiary of CCBI International (Holdings) Limited), among others, entered into a subscription agreement (the "Subscription Agreement"), pursuant to which, the Company conditionally agreed to issue a secured guaranteed note (the "Note") with an aggregate principal amount of HK\$68,000,000 with interest rate of 10% per annum to Wan Tai, and Wan Tai conditionally agreed to subscribe for the Note from the Company.

Subject to the satisfaction of certain conditions precedents, the Company agreed to issue to Wan Tai by way of private placement, and Wan Tai agreed to subscribe for the Note from the Company, in the principal amount up to HK\$68,000,000, which will mature on the maturity date (the "Maturity Date"), being the first anniversary of the issue date (the "Issue Date", which is a date within five business days after the conditions precedent having satisfied or waived, or such other date as the Company and Wan Tai may agree in writing).

Subject to the prior written approval by the holder of the Note, the Company may, on the anniversary of the Issue Date, request extension of the Maturity Date to no later than the second anniversary or the third anniversary, as the case may be, of the Issue Date.

根據公司戰略，我們打算通過投資設立附屬公司、與當地業務和合作夥伴成立合資企業及／或收購現有公司的方式以拓展公司的服務能力和範圍。2017年我們通過戰略收購或投資方式，已設立了五個海外服務中心，完成了東南亞服務網路佈局，集團業務開始進入國際化、多元化。未來我們還將加大資本投入，繼續拓展海外網路並開拓其他商品的檢驗、檢測業務。於本期間，我們並未達成任何新的收購協定亦未確定任何收購及投資項目。

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

本期間後的後續事項 控股股東質押股份及貸款協議連同與控股股東的特定履約責任有關的契諾

誠如本公司於2018年8月30日公佈所披露，於2018年8月30日，本公司與建銀國際(控股)有限公司間接全資附屬公司萬鈦投資有限公司(「萬鈦」)(其中包括)訂立認購協議(「認購協議」)，據此本公司有條件同意向萬鈦發行本金總額為68,000,000港元按年利率10%計息的有抵押擔保票據(「票據」)，而萬鈦有條件同意向本公司認購票據。

待若干先決條件達成後，本公司同意以非公開配售方式向萬鈦發行，而萬鈦同意向本公司認購本金額最多為68,000,000港元的票據。票據將於到期日(「到期日」)到期。到期日即發行日(「發行日」)，為先決條件達成或獲豁免後五個營業日內其中一日或本公司與萬鈦可能書面協定的其他日期)第一週年當日。

待獲票據持有人事先書面批准後，本公司可於發行日週年日要求將到期日延至不遲於發行日第二週年或第三週年日(視適用情況而定)。

ADDITIONAL INFORMATION 補充資料

The Note shall bear interest on its outstanding principal amount from the Issue Date to the Maturity Date, at the rate of 10% per annum, due and payable in arrear every six months by the Company from the Issue Date.

To secure the indebtedness and liabilities of the Company to Wan Tai under the Note, each of Leon Cornerstone Investment Holding Limited, Hawk Flying Investment Holdings Limited and Swan Stone Investment Holding Limited (collectively, the "Controlling Shareholders") charged 26,090,000 Shares, 35,550,000 Shares and 49,290,000 Shares, respectively, on an aggregate basis being 110,930,000 Shares representing approximately 27.73% of the total issued share capital of the Company as at 30 August 2018, in favour of Wan Tai.

For so long as the Note remains outstanding, if the collateral coverage ratio (the "Collateral Coverage Ratio", as defined in the announcement of the Company dated 30 August 2018) falls below 2.0, each of the Controlling Shareholders agrees and undertakes to charge additional Shares in favour of Wan Tai so that the Collateral Coverage Ratio will increase to no less than 2.5.

In addition to the aforementioned share charges, each of Mr. Li Xiangli ("Mr. Li") and Ms. ZHANG Aiying ("Ms. Zhang") provides personal guarantee in favour of Wan Tai in respect of the obligations of the Company, the Controlling Shareholders, Mr. Li and Ms. Zhang under the transaction documents (the "Transaction Documents", as defined in the announcement of the Company dated 30 August 2018).

Pursuant to the Transaction Documents, each of the Controlling Shareholders undertakes to Wan Tai that, among others, (a) Mr. Li shall remain as a Director, an executive Director and the chairman of the Board; or (b) unless with the prior written consent of Wan Tai, the aggregate number of the charged Shares shall at all times be not less than 110,930,000.

It will be an event of default if any of the above specific performance obligations is breached. Upon occurrence of an event of default, the Note shall become immediately due and repayable in accordance with the conditions of the Note, and Wan Tai is entitled to redeem all or a portion of the Note.

Mr. Li, Ms. Zhang and Mr. LIU Yi ("Mr. Liu") are parties acting in concert and by virtue of the SFO, Mr. Li, Ms. Zhang and Mr. Liu are deemed to be interested in the Shares which are interested by each other and accordingly, as at 30 August 2018, interested in 225,810,000 Shares, representing approximately 56.45% interests in the Company.

票據將自發行日至到期日以其未償還本金額按年利率10%計息，並自發行日起每六個月到期應付及須由本公司支付。

為就本公司於票據項下對萬鈦承擔的債務及責任提供抵押，Leon Cornerstone Investment Holding Limited、Hawk Flying Investment Holdings Limited及Swan Stone Investment Holding Limited（統稱「控股股東」）各自以萬鈦為受益人分別質押26,090,000股股份、35,550,000股股份及49,290,000股股份，總計為110,930,000股股份，相當於2018年8月30日本公司已發行股本總額約27.73%。

於票據仍未償還期間，倘抵押品償付比率（「抵押品償付比率」，定義見本公司日期為2018年8月30日的公告）跌至2.0以下，則各控股股東同意及承諾將以萬鈦為受益人質押額外股份，以使抵押品償付比率升至不低於2.5。

除上述股份質押外，李向利先生（「李先生」）及張愛英女士（「張女士」）各自就交易文件（「交易文件」，定義見本公司日期為2018年8月30日的公告）項下本公司、控股股東、李先生及張女士的義務向萬鈦提供個人擔保。

根據交易文件，各控股股東向萬鈦承諾（其中包括）(a) 李先生將仍為董事、執行董事兼本公司董事長；或(b) 除非萬鈦事先書面同意，否則質押股份總數將始終不少於110,930,000股。

倘上述任何特定履約責任遭違反，即構成違約事件。倘發生違約事件，票據根據票據的條件將即時到期並須予償還，而萬鈦有權贖回全部或部分票據。

李先生、張女士及劉翊先生（「劉先生」）為一致行動人士，根據《證券及期貨條例》，李先生、張女士及劉先生被視為於各自擁有權益的股份中擁有權益，故於225,810,000股股份（截至2018年8月30日）中擁有權益，相當於本公司權益約56.45%。

ADDITIONAL INFORMATION

補充資料

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (For the six months ended 30 June 2017: Nil).

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of its shareholders as a whole. The Company has adopted the code provisions on Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code to govern its corporate governance practices. During the Period, save as disclosed below, the Company complied with all applicable code provisions as set out in the CG Code.

Apart from the deviation from code provision A.2.1 of the CG Code that the roles of chairman and chief executive officer of the Company were performed by the same individual, the Company has been in compliance with all the code provisions under the CG Code. In the opinion of the Directors, through supervision by the Board and the independent non-executive Directors, with effective control of the Company's internal check and balance mechanism, the same individual performing the roles of chairman and chief executive officer can achieve the goal of improving the Company's efficiency in decision-making and execution and effectively capturing business opportunities. Many leading international corporations also have similar arrangements.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of their offices or employments, are likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Period.

中期股息

董事會已決議，不會就本期間宣派任何中期股息（截至2017年6月30日止六個月：無）。

企業管治常規

本公司確認，良好的企業管治對增強本公司的管理及保障其股東的整體利益而言意義重大。本公司已採納上市規則附錄14《企業管治守則》及《企業管治報告》（「《企業管治守則》」）所載守則條文，以作為其本身監管其企業管治常規的守則。於本期間內，除下文所披露者外，本公司已遵守《企業管治守則》所載全部適用守則條文。

除董事長及行政總裁的角色一直由同一人擔任而偏離《企業管治守則》第A.2.1條守則條文外，本公司已遵守《企業管治守則》所載所有守則條文。董事認為，透過董事會及獨立非執行董事的監管，加上本公司內部制衡機制的有效制約，由同一人兼任董事長及行政總裁的安排可以達到提高本公司決策及執行效率，有效抓住商機的目的。不少國際領先公司亦採取類似安排。

為維持高標準的企業管治，董事會將不斷審閱及監察本公司的常規。

證券交易的《標準守則》

本公司已採納《標準守則》作為董事及本集團高級管理層（彼等因有關職位或受僱工作而可能擁有有關本公司或其證券的內幕消息）買賣本公司證券的行為守則。

經作出具體查詢後，全體董事均確認於本期間內已遵守《標準守則》。此外，本公司並未獲悉本集團高級管理層於本期間內有任何不遵守《標準守則》的情況。

ADDITIONAL INFORMATION

補充資料

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CHANGES SINCE 31 DECEMBER 2017

There were no other significant changes in the Group's financial position or from the information disclosed under the section headed "Management Discussion and Analysis" in the annual report for the year ended 31 December 2017.

REVIEW OF FINANCIAL INFORMATION

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules.

Following the cessation of Mr. YANG Rongbing and the appointment of Mr. LIU Hoi Keung as the chairman and a member of the Audit Committee on 23 July 2018, the Audit Committee now comprises three members, namely Mr. LIU Hoi Keung (Chairman), Mr. WANG Zichen and Mr. ZHAO Hong, all being the independent non-executive Directors.

The Audit Committee and Ernst & Young, the external auditor, have reviewed the unaudited interim condensed consolidated statements of the Group for the Period.

購買、出售或贖回本公司上市證券

本期間內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

2017年12月31日後的變動

本集團的財務狀況與截至2017年12月31日止年度的年報內的財務狀況及「管理層討論及分析」一章所披露的資料並無其他重大轉變。

審閱財務資料

本公司已遵照《上市規則》第3.21條規定設立審核委員會。

於2018年7月23日，楊榮兵先生不再擔任及廖開強先生獲委任為審核委員會主席及成員後，審核委員會現由三名成員組成，即廖開強先生(主席)、王梓臣先生及趙虹先生，彼等均為獨立非執行董事。

審核委員會及外部核數師安永會計師事務所已審閱本集團於本期間的未經審核中期簡明綜合報表。

ADDITIONAL INFORMATION

補充資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

To the knowledge of the Board, as at 30 June 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (b) which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or (c) which were required under the Model Code to be notified to the Company and the Stock Exchange, were as follows:

董事及最高行政人員於股份中擁有的權益

就董事會所知，截至2018年6月30日，董事或本公司最高行政人員於本公司或任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份及債權證中擁有(a)根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據《證券及期貨條例》有關條文被當作或視為擁有的權益或淡倉）；或(b)根據《證券及期貨條例》第352條須登記於該條所指登記冊的權益或淡倉；或(c)根據《標準守則》須知會本公司及聯交所的權益或淡倉如下：

Name of Directors	Nature of interest	Number of Shares ^(Note 1)	Approximate percentage to the issued share capital of the Company 佔本公司已發行股本的概約百分比
董事姓名	權益性質	股份數目 ^(附註1)	
Mr. LI Xiangli (Notes 2, 3 & 4) 李向利先生(附註2、3及4)	Interests held jointly with another person 與另一人士共同持有的權益 Interests of a controlled corporation 受控法團權益 Interests of spouse 配偶權益	225,722,000 (L)	56.43%
Ms. ZHANG Aiyong (Notes 2, 4 & 5) 張愛英女士(附註2、4及5)	Interests held jointly with another person 與另一人士共同持有的權益 Interests of a controlled corporation 受控法團權益 Interests of spouse 配偶權益	225,722,000 (L)	56.43%
Mr. LIU Yi (Notes 2 & 6) 劉翊先生(附註2及6)	Interests held jointly with another person 與另一人士共同持有的權益 Interests of a controlled corporation 受控法團權益	225,722,000 (L)	56.43%

ADDITIONAL INFORMATION

補充資料

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) On 31 January 2016, Mr. LI Xiangli, Ms. ZHANG Aiying and Mr. LIU Yi entered into an acting-in-concert deed to acknowledge and confirm that they are parties acting in concert in respect of each of the members of our Group during and since the three years ended 31 December 2013, 2014 and 2015 and continue after the date of the deed. Pursuant to the deed, Ms. ZHANG Aiying and Mr. LIU Yi shall support Mr. LI Xiangli's decisions on material matters in relation to the operation and management of the Group by exercising their voting rights at the meetings of the shareholders and boards of the members of the Group in accordance with the decision of Mr. LI Xiangli. For details, please refer to the section headed "Relationship with Controlling Shareholders — Our Controlling Shareholders Acting in Concert" in the prospectus for the IPO dated 29 June 2016. By virtue of the SFO, Mr. LI Xiangli, Ms. ZHANG Aiying and Mr. LIU Yi are deemed to be interested in the Shares which are interested by each other.
- (3) Leon Cornerstone Investment Holding Limited ("Leon Investment") is beneficially and wholly-owned by Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli is deemed to be interested in the Shares held by Leon Investment.
- (4) Ms. ZHANG Aiying is the spouse of Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli and Ms. ZHANG Aiying are deemed to be interested in the Shares which are interested by each other.
- (5) Swan Stone Investment Holding Limited ("Swan Stone") is beneficially and wholly-owned by Ms. ZHANG Aiying. By virtue of the SFO, Ms. ZHANG Aiying is deemed to be interested in the Shares held by Swan Stone.
- (6) Hawk Flying Investment Holding Limited ("Hawk Flying") is beneficially and wholly-owned by Mr. LIU Yi. By virtue of the SFO, Mr. LIU Yi is deemed to be interested in the Shares held by Hawk Flying.
- (7) As at 30 June 2018, the issued share capital of the Company was 400,000,000 Shares.

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2018, there were no interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or were required under the Model Code to be notified to the Company and the Stock Exchange.

附註：

- (1) 英文字母「L」指該人士於股份中的好倉。
- (2) 於2016年1月31日，李向利先生、張愛英女士及劉翊先生訂立一致行動契據，承認及確認，於截至2013年、2014年及2015年12月31日止三個年度期間、自截至2013年、2014年及2015年12月31日止三個年度起及於契據日期之後，彼等為就本集團各成員公司一致行動的各方。根據契據，張愛英女士及劉翊先生將根據李向利先生的決定，透過在本集團成員公司股東及董事會會議上行使投票權，支持李向利先生就本集團運營及管理相關重大事宜作出的決定。詳情請參閱日期為2016年6月29日有關首次公開發售的招股章程「與控股股東的關係 — 一致行動的控股股東」一節。根據《證券及期貨條例》，李向利先生、張愛英女士及劉翊先生被視為於各自擁有權益的股份中擁有權益。
- (3) Leon Cornerstone Investment Holding Limited (「Leon Investment」)由李向利先生實益及全資擁有。根據《證券及期貨條例》，李向利先生被視為於Leon Investment所持有的股份中擁有權益。
- (4) 張愛英女士為李向利先生的配偶。根據《證券及期貨條例》，李向利先生及張愛英女士被視為於各自擁有權益的股份中擁有權益。
- (5) Swan Stone Investment Holding Limited (「Swan Stone」)由張愛英女士實益及全資擁有。根據《證券及期貨條例》，張愛英女士被視為於Swan Stone所持有的股份中擁有權益。
- (6) Hawk Flying Investment Holding Limited (「Hawk Flying」)由劉翊先生實益及全資擁有。根據《證券及期貨條例》，劉翊先生被視為於Hawk Flying所持有的股份中擁有權益。
- (7) 於2018年6月30日，本公司已發行股本為400,000,000股股份。

除上文所披露者外及就董事所深知，於2018年6月30日，概無董事或本公司最高行政人員於本公司或其相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括根據《證券及期貨條例》有關條文被當作或視為擁有的權益或淡倉)，或根據《證券及期貨條例》第352條須登記於該條所指登記冊的權益及淡倉，或根據《標準守則》須知會本公司及聯交所的權益及淡倉。

ADDITIONAL INFORMATION

補充資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES

So far as the Directors are aware, as of 30 June 2018, the following corporations/persons (other than Directors and chief executive of the Company) had interests of 5% or more in the issued Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於股份中擁有的權益

就董事所知，截至2018年6月30日，下列公司／人士（董事及本公司最高行政人員除外）於已發行股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部的條文須向本公司及聯交所披露，或根據《證券及期貨條例》第336條須由本公司備存的登記冊所記錄的5%或以上權益：

Name of Shareholders	Nature of interest	Number of Shares ^(Note 1)	Approximate percentage to the issued share capital of the Company 佔本公司已發行股本的概約百分比
股東姓名／名稱	權益性質	股份數目 ^(附註1)	
Ms. WEI Yajuan (Note 2) 魏雅娟女士(附註2)	Interests of spouse 配偶權益	225,722,000 (L)	56.43%
Leon Investment (Note 3) Leon Investment (附註3)	Beneficial owner 實益擁有人	140,882,000 (L)	35.22%
Swan Stone (Note 4) Swan Stone (附註4)	Beneficial owner 實益擁有人	49,290,000 (L)	12.32%
Hawk Flying (Note 5) Hawk Flying (附註5)	Beneficial owner 實益擁有人	35,550,000 (L)	8.89%
China Certification & Inspection Group Co., Ltd. ("CCIC") (Note 6) 中國檢驗認證(集團)有限公司 (「中國檢驗認證集團」)(附註6)	Interests of a controlled corporation 受控法團權益	46,500,000 (L)	11.63%
China Inspection Company Limited ("CIC") (Note 6) 中國檢驗有限公司 (「中檢公司」)(附註6)	Interests of a controlled corporation 受控法團權益	46,500,000 (L)	11.63%
China Dragon Inspection & Certification (H.K.) Limited ("China Dragon") (Note 6) 中龍檢驗認證(香港)有限公司 (「中龍」)(附註6)	Beneficial owner 實益擁有人	46,500,000 (L)	11.63%
Mr. LI Dexin (Note 7) 李德新先生(附註7)	Interests of a controlled corporation 受控法團權益	23,700,000 (L)	5.93%

ADDITIONAL INFORMATION

補充資料

Name of Shareholders	Nature of interest	Number of Shares ^(Note 1)	Approximate percentage to the issued share capital of the Company 佔本公司已發行股本的概約百分比
股東姓名／名稱	權益性質	股份數目 ^(附註1)	

New Virtue Investment Holding Limited ("New Virtue") (Note 7)	Beneficial owner	23,700,000 (L)	5.93%
New Virtue Investment Holding Limited (「New Virtue」)(附註7)	實益擁有人		
Ms. ZHENG Guangping (Note 8) 鄭光平女士(附註8)	Interests of spouse 配偶權益	23,700,000 (L)	5.93%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Ms. WEI Yajuan is the spouse of Mr. LIU Yi. By virtue of the SFO, Ms. WEI Yajuan is deemed to be interested in the Shares which are interested by Mr. LIU Yi.
- (3) Leon Investment is beneficially and wholly-owned by Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli is deemed to be interested in the Shares held by Leon Investment.
- (4) Swan Stone is beneficially and wholly-owned by Ms. ZHANG Aiyong. By virtue of the SFO, Ms. ZHANG Aiyong is deemed to be interested in the Shares held by Swan Stone.
- (5) Hawk Flying is beneficially and wholly-owned by Mr. LIU Yi. By virtue of the SFO, Mr. LIU Yi is deemed to be interested in the Shares held by Hawk Flying.
- (6) China Dragon is a 99.88% owned subsidiary of CIC, which is a 75% owned subsidiary of CCIC. By virtue of the SFO, CIC and CCIC are deemed to be interested in the Shares held by China Dragon.
- (7) New Virtue is beneficially and wholly-owned by Mr. LI Dexin. By virtue of the SFO, Mr. LI Dexin is deemed to be interested in the Shares held by New Virtue.
- (8) Ms. ZHENG Guangping is the spouse of Mr. LI Dexin. By virtue of the SFO, Ms. ZHENG Guangping is deemed to be interested in the Shares which are interested by Mr. LI Dexin.
- (9) As at 30 June 2018, the issued share capital of the Company was 400,000,000 Shares.

附註：

- (1) 英文字母「L」指該人士於股份中的好倉。
- (2) 魏雅娟女士是劉翊先生的配偶。根據《證券及期貨條例》，魏雅娟女士被視為於劉翊擁有權益的股份中擁有權益。
- (3) Leon Investment由李向利先生實益及全資擁有。根據《證券及期貨條例》，李向利先生被視為於Leon Investment所持有的股份中擁有權益。
- (4) Swan Stone由張愛英女士實益及全資擁有。根據《證券及期貨條例》，張愛英女士被視為於Swan Stone所持有的股份中擁有權益。
- (5) Hawk Flying由劉翊先生實益及全資擁有。根據《證券及期貨條例》，劉翊先生被視為於Hawk Flying所持有的股份中擁有權益。
- (6) 中龍為中檢公司(為中國檢驗認證集團擁有75%權益的附屬公司)擁有99.88%權益的附屬公司。根據《證券及期貨條例》，中檢公司及中國檢驗認證集團被視為於中龍所持有的股份中擁有權益。
- (7) New Virtue由李德新先生實益及全資擁有。根據《證券及期貨條例》，李德新先生被視為於New Virtue所持有的股份中擁有權益。
- (8) 鄭光平女士是李德新先生的配偶。根據《證券及期貨條例》，鄭光平女士被視為於李德新先生擁有權益的股份中擁有權益。
- (9) 於2018年6月30日，本公司已發行股本為400,000,000股股份。

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2018, no other persons (other than the Directors or the chief executive of the Company) own interests or short positions in the Shares or underlying shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or interests or short positions required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

除上文所披露者外及就董事所深知，於2018年6月30日，概無其他人士(董事及本公司最高行政人員除外)於股份及相關股份中擁有記入本公司根據《證券及期貨條例》第336條須予存置登記冊的權益或淡倉或根據《證券及期貨條例》第XV部第2及3分部須向本公司及聯交所披露的權益或淡倉。

ADDITIONAL INFORMATION

補充資料

SHARE OPTION SCHEME

The Company had adopted the Share Option Scheme on 5 May 2017. The purpose of the Share Option Scheme is to enable the Company to grant options to employees, directors and other participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high caliber employees and attract human resources that are valuable to the Group.

8,000,000 share options, each entitles its holder to subscribe for one Share, were granted to employees on 4 July 2017.

Movements in the share options during the Period were as follows:

Date of grant	Participant	No. of Share Options			As at 30/06/2018 於2018年 6月30日	Exercise price per Share (HK\$) (港元)	Exercise period
		As at 1/1/2018 於2018年 1月1日	Granted during the Period 本期間 已授出	Lapsed during the Period 本期間已 失效			
4/7/2017	Employees (aggregate)	2,325,000	-	(150,000) ³	2,175,000	1.28	4/7/2018-3/7/2023
	僱員(合計)	2,325,000	-	(150,000) ³	2,175,000	1.28	4/7/2019-3/7/2024
		3,100,000	-	(200,000) ³	2,900,000	1.28	4/7/2020-3/7/2025
		7,750,000	-	(500,000) ³	7,250,000		

Notes:

- The above share options are vested in one to three years and are exercisable for a period of five years commencing from the relevant vesting date and expiring at the close of business on the last day of the five year period.
- The Company received a consideration of RMB1.00 from each of the grantees for the share options granted on 4 July 2017.
- The share options were held by a grantee who ceased to be an employee of the Group during the Period.
- The closing price of the Shares on 3 July 2017, being the business day immediately before the date on which the options were granted, as quoted on the Stock Exchange was HK\$1.31.
- No options were exercised or cancelled during the Period.

Apart from the above movements, 3,000,000 share options, each entitles its holder to subscribe for one Share, were granted to Mr. YANG Rongbing (who was re-designated from an independent non-executive Director as an executive Director and appointed as the Vice Chairman of the Company on 23 July 2018) on 23 July 2018. The 3,000,000 share options are exercisable at the exercise price of HK\$1.414 for a period of five years commencing from the relevant vesting date and expiring at the close of business on the last day of the five year period. Each of 1,000,000 share options shall be vested on 23 July 2018, 23 July 2019 and 23 July 2020 respectively. The Company received a consideration of RMB1.00 from Mr. YANG Rongbing for the share options granted to him.

購股權計劃

本公司於2017年5月5日採納購股權計劃。購股權計劃旨在令本公司可向僱員、董事及其他參與者授出購股權，作為彼等對本集團所作貢獻的激勵或獎勵，及／或有助於本集團招募及留聘高水平僱員，並吸引對本集團而言屬寶貴的人力資源。

於2017年7月4日，已向僱員授出8,000,000份購股權(各自賦予其持有人權利認購一股股份)。

本期間的購股權變動如下：

附註：

- 上述購股權於一至三年內歸屬，可於自有關歸屬日期起計五年期間行使，並於該五年期間最後一日營業時間結束時屆滿。
- 本公司已就於2017年7月4日授出購股權自各承授人收取代價人民幣1.00元。
- 有關購股權由本期間內不再為本集團僱員的承授人持有。
- 股份於2017年7月3日(即緊接購股權授出當日之營業日)於聯交所報之收市價為1.31港元。
- 於本期間內，概無任何購股權獲行使或已註銷。

除上述變動外，於2018年7月23日，楊榮兵先生(於2018年7月23日由獨立非執行董事調任為執行董事並獲委任為本公司副董事長)獲授3,000,000份購股權(各自賦予其持有人認購一股股份之權利)。該3,000,000份購股權可於自有關歸屬日期起計五年期間按行使價1.414港元行使，並於該五年期間最後一日營業時間結束時屆滿。每批1,000,000份的購股權分別於2018年7月23日、2019年7月23日及2020年7月23日歸屬。本公司已就向楊榮兵先生授出購股權自彼收取代價人民幣1.00元。

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表審閱報告



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To the shareholders of China Leon Inspection Holding Limited

(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of China Leon Inspection Holding Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2018 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board.

The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of 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.

致中國力鴻檢驗控股有限公司全體股東

(於開曼群島註冊成立的有限責任公司)

簡介

我們已審閱隨附中國力鴻檢驗控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)於2018年6月30日的中期簡明綜合財務狀況表及截至該日止六個月期間之相關中期簡明綜合損益及其他全面收益表、權益變動表及現金流量表以及解釋附註。《香港聯合交易所有限公司證券上市規則》規定，有關中期簡明綜合財務報表的報告的編製須符合其有關規定及國際會計準則委員會頒佈之《國際會計準則》第34號「中期財務報告」(「《國際會計準則》第34號」)。

貴公司董事負責根據《國際會計準則》第34號編製及呈列該等中期簡明綜合財務報表。我們的責任是根據審閱結果對中期簡明綜合財務報表作出結論，並按雙方協定的委聘條款僅向整體股東報告，除此之外，本報告別無其他目的。我們不會就本報告之內容對任何其他人士負上或承擔任何責任。

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standard Board. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants
Hong Kong
24 August 2018

審閱範圍

我們已根據《國際審閱項目準則》第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱中期簡明綜合財務報表包括主要向負責財務及會計事務的人員作出查詢，並應用分析性及其他審閱程序。該審閱範圍遠小於根據《國際核數準則》進行審核之範圍，故不能令我們保證我們將知悉在審核中可能發現之所有重大事項。因此，我們不會發表審核意見。

結論

按照我們審閱的結果，我們並無發現任何事項令我們認為隨附中簡明綜合財務報表在所有重大方面未有按照《國際會計準則》第34號進行編製。

安永會計師事務所

執業會計師
香港
2018年8月24日

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

中期簡明綜合損益及其他全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2018
截至2018年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Notes 附註	
REVENUE	收入	3	101,895
Cost of sales	銷售成本		(47,696)
Gross profit	毛利		54,199
Other income and gains	其他收入及收益	4	1,352
Selling and distribution expenses	銷售及分銷開支		(1,946)
Administrative expenses	行政開支		(39,227)
Other expenses	其他開支		(1,440)
Finance costs	融資成本	6	(590)
Share of profit or loss of a joint venture and an associate	應佔合營企業及聯營企業的 利潤或虧損		(209)
PROFIT BEFORE TAX	稅前利潤	5	12,139
Income tax expense	所得稅開支	7	(4,787)
PROFIT FOR THE PERIOD	期內利潤		7,352
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人		11,435
Non-controlling interests	非控股權益		(4,083)
			7,352
			23,159

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

中期簡明綜合損益及其他全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2018
截至2018年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Note 附註	
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收益／(虧損)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods (net of tax):	於隨後期間重新分類至損益的其他全面收益／(虧損) (扣除稅款)：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		
		457	(609)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	期內其他全面收益／(虧損) (扣除稅款)		(609)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收益總額	7,809	22,550
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	11,892	22,459
Non-controlling interests	非控股權益	(4,083)	91
		7,809	22,550
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人應佔每股盈利		
Basic	基本	9	9
		RMB2.86 cents 人民幣 2.86 分	RMB5.77 cents 人民幣 5.77 分
Diluted	攤薄	9	9
		RMB2.85 cents 人民幣 2.85 分	RMB5.77 cents 人民幣 5.77 分

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

30 JUNE 2018
2018年6月30日

			30 June 2018 2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
		<i>Notes 附註</i>		
NON-CURRENT ASSETS				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	108,753	106,488
Investment properties	投資物業	11	21,355	21,992
Prepaid land lease payments	預付土地租賃款項	12	6,076	6,198
Goodwill	商譽		572	572
Intangible assets	無形資產		1,067	732
Investment in a joint venture	於合營企業的投資		–	1,678
Investment in an associate	於聯營企業的投資		2,899	3,108
Deferred tax assets	遞延稅項資產		853	1,041
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	14	771	929
Total non-current assets	非流動資產總值		142,346	142,738
CURRENT ASSETS				
	流動資產			
Trade and bills receivables	貿易應收款項及應收票據	13	34,444	22,563
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	14	19,268	18,581
Available-for-sale investments	可供出售投資	15	–	21,300
Other current financial assets	其他流動金融資產	15	16,300	–
Pledged deposits	已抵押存款	16	398	397
Cash and cash equivalents	現金及現金等價物	16	56,428	48,791
Total current assets	流動資產總值		126,838	111,632
CURRENT LIABILITIES				
	流動負債			
Trade payables	貿易應付款項	17	7,779	3,718
Contract liabilities	合約負債		1,989	1,569
Other payables and accruals	其他應付款項及應計項目	18	28,738	30,102
Interest-bearing bank loans and other borrowing	計息銀行貸款及其他借款	19	6,265	6,061
Tax payable	應納稅款		3,368	1,801
Dividend payable	應付股息		10,000	–
Interest payables	應付利息		73	–
Total current liabilities	流動負債總額		58,212	43,251
NET CURRENT ASSETS	流動資產淨值		68,626	68,381
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		210,972	211,119

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

30 JUNE 2018
2018年6月30日

		30 June 2018 2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2017 2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
	<i>Note</i> <i>附註</i>		
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank loans and other borrowings	計息銀行貸款及其他借款	11,496	11,681
	19		
Deferred tax liabilities	遞延稅項負債	1,111	1,111
Other payables	其他應付款項	25	29
Total non-current liabilities	非流動負債總額	12,632	12,821
Net assets	資產淨值	198,340	198,298
EQUITY	權益		
Equity attributable to owners of the parent	母公司擁有人應佔權益		
Share capital	股本	131	131
Reserves	儲備	198,065	195,075
Non-controlling interests	非控股權益	198,196 144	195,206 3,092
Total equity	權益總額	198,340	198,298

LI Xiangli
李向利
Director
董事

LIU Yi
劉翊
Director
董事

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

中期簡明綜合權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2018
截至2018年6月30日止六個月

		Attributable to owners of the parent 母公司擁有人應佔							
		Share capital	*Capital reserve	*Statutory reserves	*Exchange fluctuation reserve	*Retained profits	Total	Non-controlling interests	Total equity
		股本	*資本儲備	*法定儲備金	*匯兌波動儲備	*保留利潤	合計	非控股權益	權益總額
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		RMB'000	RMB'000	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	人民幣千元	人民幣千元
As at 1 January 2018	於2018年1月1日	131	92,895	15,755	1,311	85,114	195,206	3,092	198,298
Profit/(loss) for the period	期內利潤/(虧損)	-	-	-	-	11,435	11,435	(4,083)	7,352
Other comprehensive income for the period:	期內其他全面收益：								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	457	-	457	-	457
Total comprehensive income/(loss) for the period	期內全面收益/(虧損)總額	-	-	-	457	11,435	11,892	(4,083)	7,809
Final 2017 dividend declared (note 8)	所宣派的2017年期末股息(附註8)	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Equity-settled share option arrangements (note 20)	以權益結算的購股權安排(附註20)	-	521	-	-	-	521	-	521
Equity transactions with non-controlling shareholders	與非控股股東的權益交易	-	577	-	-	-	577	(577)	-
Acquisition of a subsidiary (note 21)	收購附屬公司(附註21)	-	-	-	-	-	-	1,712	1,712
As at 30 June 2018	於2018年6月30日	131	93,993	15,755	1,768	86,549	198,196	144	198,340
As at 1 January 2017	於2017年1月1日	131	93,019	11,426	3,226	63,848	171,650	-	171,650
Profit for the period	期內利潤	-	-	-	-	23,068	23,068	91	23,159
Other comprehensive loss for the period:	期內其他全面虧損：								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	(609)	-	(609)	-	(609)
Total comprehensive income/(loss) for the period	期內全面收益/(虧損)總額	-	-	-	(609)	23,068	22,459	91	22,550
Final 2016 dividend declared	所宣派的2016年期末股息	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Capital contributions from non-controlling shareholders	非控股股東的資本供款	-	-	-	-	-	-	2,413	2,413
Acquisition of a subsidiary	收購附屬公司	-	-	-	-	-	-	370	370
As at 30 June 2017	於2017年6月30日	131	93,019	11,426	2,617	76,916	184,109	2,874	186,983

* As at 30 June 2018, these reserve accounts comprise the consolidated reserves of RMB198,065,000 (unaudited) (31 December 2017: RMB195,075,000) in the interim condensed consolidated statement of financial position.

* 於2018年6月30日，該等儲備賬包括中期簡明綜合財務狀況報表內的綜合儲備人民幣198,065,000元(未經審核)(2017年12月31日：人民幣195,075,000元)。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2018
截至2018年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Notes 附註	
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before tax	稅前利潤	12,139	28,465
Adjustments for:	已就下列各項作出調整：		
Share of profit of a joint venture	應佔合營企業利潤	-	(5)
Share of loss of an associate	應佔聯營企業虧損	209	45
Finance costs	融資成本	590	185
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	5,291	4,241
Depreciation of investment properties	投資物業的折舊	637	606
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	122	122
Amortisation of intangible assets	無形資產攤銷	44	44
(Gain)/loss on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目的(收益)/虧損淨額	(119)	18
Gain on disposal of bank financial products	出售銀行理財產品的收益	(307)	(65)
Impairment of trade and other receivables	貿易應收款項及其他應收款項的減值	193	358
Equity-settled share option expense	以權益結算的購股權開支	521	-
		19,320	34,014
Increase in trade and bills receivables	貿易應收款項及應收票據增加	(12,064)	(16,475)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	845	(2,025)
Increase in trade payables	貿易應付款項增加	4,061	1,495
Decrease in contract liabilities, other payables and accruals	合約負債、其他應付款項及應計項目減少	(1,553)	(1,594)
Cash generated from operations	經營產生的現金	10,609	15,415
Income tax paid	已付所得稅	(2,985)	(1,128)
Net cash flows from operating activities	經營活動所得現金流量淨額	7,624	14,287

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2018
截至2018年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Notes 附註	
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(7,831)	(27,813)
Payment for intangible assets	無形資產付款	(200)	-
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目 所得款項	340	262
Purchase of bank financial products	購買銀行理財產品	(40,000)	(41,500)
Disposal of bank financial products	出售銀行理財產品	45,000	38,500
Gain on disposal of bank financial products	出售銀行理財產品的收益	307	65
Purchase of an interest in an associate	購買聯營企業的權益	-	(1,550)
Acquisition of a subsidiary, net of cash acquired	收購附屬公司， 扣除所得現金	2,369	(498)
(Increase)/decrease in pledged deposits	已抵押存款(增加)/減少	(1)	415
Net cash flows used in investing activities	投資活動所用現金流量淨額	(16)	(32,119)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Capital contributions from non-controlling shareholders	非控股股東注資	-	2,413
New bank loans and an other borrowing	新增銀行貸款及其他借款	18,000	24,690
Repayment of bank loans and an other borrowing	償還銀行貸款及其他借款	(17,981)	(10,244)
Interest paid	已付利息	(516)	(1,514)
Dividend paid	已付股息	-	(10,000)
Net cash flows (used in)/from financing activities	融資活動(所用)/所得現金 流量淨額	(497)	5,345
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/ (減少)淨額	7,111	(12,487)
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	526	(177)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	48,791	63,450
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	期末現金及現金等價物	56,428	50,786

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

1. CORPORATE AND GROUP INFORMATION

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

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

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

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with International Accounting Standard ("IASs") 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

The interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司及集團資料

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

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

董事認為，本公司由李向利先生及張愛英女士控制。李向利先生及張愛英女士為夫妻。

2. 編製基準及本集團會計政策變動

2.1 編製基準

截至2018年6月30日止六個月的中期簡明綜合財務報表乃根據《國際會計準則》(「《國際會計準則》」)第34號—*中期財務報告*及《香港聯合交易所有限公司證券上市規則》(「《上市規則》」)的有關披露規定而編製。

中期簡明綜合財務報表並未包括年度財務報表所需的所有資料及披露，故應連同本集團截至2017年12月31日止年度的年度財務報表一併閱讀。

中期簡明綜合財務報表乃以人民幣(「人民幣」)呈列。除另有所指外，所有數值均四捨五入至最接近的千位數。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* but did not restate previous financial statements and recognise transition adjustments against the opening balance of equity at 1 January 2018. The nature and the effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂

編製中期簡明綜合財務報表所採納的會計政策與編製本集團截至2017年12月31日止年度的年度綜合財務報表所依循者一致，惟採納由2018年1月1日起生效的新準則除外。本集團並無提早採納已頒佈但尚未生效的任何其他準則、詮釋或修訂。

本集團首次應用《國際財務報告準則》第15號客戶合約收入及《國際財務報告準則》第9號金融工具，並無重列過往財務報表及於2018年1月1日年初權益確認過渡調整。該等變動的性質及影響披露如下。

本集團於2018年首次應用多項其他修訂及詮釋，該等修訂及詮釋對本集團的中期簡明綜合財務報表並無影響。

《國際財務報告準則》第15號客戶合約收入

《國際財務報告準則》第15號取代《國際會計準則》第11號建築合約、《國際會計準則》第18號收入及相關詮釋，適用於所有因與客戶簽訂合約而產生的收入，除非該等合約屬其他準則之範圍。新準則制定客戶合約收入會計處理方法的五步模式。根據《國際財務報告準則》第15號，收入按反映實體預期有權就轉移商品或服務予客戶換取的代價的金額確認。

該準則規定實體須於對客戶合約應用模式各個步驟時，考慮所有相關事實及情況後作出判斷。該準則亦訂明將獲得合約的額外成本及與履行合約直接相關的成本入賬。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

The Group adopted IFRS 15 from 1 January 2018 using the modified retrospective method of adoption and applied the method only to the contracts that are not completed at the date of initial application. The adoption of IFRS 15 has no material impact on the Group's financial statements.

The Group's contracts with customers for the provision of coal and coke testing and inspection services generally include one performance obligation. The Group has concluded that revenue from provision of testing services should be recognised at the point in time when the test result is delivered to the customer.

As required for the condensed interim financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Refer to note 3 to this condensed interim financial statements for the disclosure on disaggregated revenue.

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018. The Group did not restate the comparative information for the period beginning 1 January 2017. Therefore, the comparative information for each of the primary financial statements would follow the classification and measurement requirements of IAS 39.

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂(續)

《國際財務報告準則》第15號客戶合約收入(續)

本集團自2018年1月1日起按經修改追溯法採納《國際財務報告準則》第15號，並僅將該方法應用於在初次應用日期尚未完成的合約。採納《國際財務報告準則》第15號概無對本集團財務報表構成任何重大影響。

本集團就煤炭與焦炭檢測及檢驗與客戶訂立的合約通常包括一項履約責任。本集團所得出結論為，提供檢測服務的收入應於檢測結果交付予客戶時確認。

按簡明中期財務報表規定，本集團將自客戶合約確認之收入分拆為多個類別以說明收入及現金流量的性質、金額、時間及不明朗因素如何受經濟因素影響。有關分拆收入的披露請參閱本簡明中期財務報表附註3。

《國際財務報告準則》第9號金融工具

就於2018年1月1日或以後開始的年度期間，《國際財務報告準則》第9號金融工具取代《國際會計準則》第39號金融工具：確認及計量，合併金融工具會計處理方法的全部三個方面：分類及計量；減值；及對沖會計。

本集團已追溯應用《國際財務報告準則》第9號，首次應用日期為2018年1月1日。本集團並無重列2017年1月1日開始的期間的比較資料。因此，各初步財務報表的比較資料遵循《國際會計準則》第39號的分類及計量規定。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 9 Financial Instruments (continued)

A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of 1 January 2018 is as follows:

	Measurement category 計量類別		Carrying amount 賬面值		
	IAS 39 《國際會計準則》 第39號	IFRS 9 《國際財務報告準則》 第9號	IAS 39 《國際會計準則》 第39號 (Unaudited) (未經審核) RMB'000 人民幣千元	IFRS 9 《國際財務報告 準則》第9號 (Unaudited) (未經審核) RMB'000 人民幣千元	Difference 差額 (Unaudited) (未經審核) RMB'000 人民幣千元

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂(續)

《國際財務報告準則》第9號金融工具(續)

於2018年1月1日《國際會計準則》第39號項下賬面值與根據《國際財務報告準則》第9號呈報的結餘對賬如下：

Financial assets

金融資產

Other current financial assets

其他流動金融資產

Bank financial products 銀行理財產品	Available-for-sale financial assets 可供出售金融資產	Financial assets at FVPL 按公允價值計入損益的 金融資產	21,300	21,300	-
Trade and bills receivables 貿易應收款項及應收票據	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤銷成本計量的金融資產	22,563	22,563	-
Financial assets included in prepayments, deposits and other receivables 計入預付款項、按金及 其他應收款項的金融資產	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤銷成本計量的金融資產	9,257	9,257	-
Pledged deposits 已抵押存款	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤銷成本計量的金融資產	397	397	-
Cash and bank equivalents 現金及銀行等價物	Loans and receivables 貸款及應收款項	Financial assets at amortised cost 按攤銷成本計量的金融資產	48,791	48,791	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 9 *Financial Instruments* (continued)

(a) *Classification and measurement*

Except for certain trade and other receivables, under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI criterion").

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂(續)

《國際財務報告準則》第9號金融工具(續)

(a) *分類及計量*

除若干貿易及其他應收款項外，根據《國際財務報告準則》第9號，本集團初步按公允價值計量金融資產，對於並非按公允價值計入損益的金融資產，則按公允價值加交易成本計量。

根據《國際財務報告準則》第9號，債務金融工具其後按公允價值計入損益(「按公允價值計入損益」)、攤銷成本，或按公允價值計入其他全面收益(「按公允價值計入其他全面收益」)計量。有關分類基於兩個準則：本集團管理資產的業務模式以及工具的合約現金流量是否僅為「支付本金及尚未償還本金的利息」(「SPPI標準」)。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 9 *Financial Instruments* (continued)

(a) *Classification and measurement (continued)*

The new classification and measurement of the Group's financial assets are as follows:

- Financial assets at FVPL comprise bank financial products whose cash flow characteristics fail to meet the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under IAS 39, the Group's bank financial products were classified as available-for-sale financial assets.
- The Group's other financial assets continue to be measured at amortised cost upon the initial application of IFRS 9.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss and other comprehensive income.

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂(續)

《國際財務報告準則》第9號金融工具(續)

(a) 分類及計量(續)

本集團金融資產的新分類及計量如下：

- 按公允價值計入損益的金融資產包括現金流量特徵不符合SPPI標準或並非以收取合約現金流量或同時收取合約現金流量及出售為目的之業務模式持有的銀行理財產品。根據《國際會計準則》第39號，本集團的銀行理財產品分類為可供出售金融資產。
- 本集團的其他金融資產於首次應用《國際財務報告準則》第9號後繼續按攤銷成本計量。

本集團的業務模式評估於首次應用日期(即2018年1月1日)進行，其後追溯應用至2018年1月1日前並無終止確認的金融資產。評估債務工具的合約現金流量是否純粹包括本金及利息時，乃以初步確認有關資產時的事實及情況為基準。

本集團金融負債的會計處理方法仍與《國際會計準則》第39號所述者大致相同。與《國際會計準則》第39號的規定相似，《國際財務報告準則》第9號規定將或有對價負債視為按公允價值計量的金融工具，公允價值變動於損益及其他全面收益表確認。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 9 *Financial Instruments* (continued)

(a) *Classification and measurement (continued)*

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model.

The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by IAS 39.

(b) *Impairment*

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂(續)

《國際財務報告準則》第9號金融工具(續)

(a) *分類及計量(續)*

根據《國際財務報告準則》第9號，嵌入式衍生工具將不再與主體金融資產分開列示。反之，金融資產根據其合約條款及本集團業務模式分類。

金融負債及非金融主體合約的嵌入式衍生工具的會計處理方法與《國際會計準則》第39號所規定者並無變動。

(b) *減值*

採納《國際財務報告準則》第9號基本上改變本集團金融資產減值虧損的會計處理方法，以前瞻預期信貸虧損(「預期信貸虧損」)法取代《國際會計準則》第39號產生的虧損法。

《國際財務報告準則》第9號要求本集團就所有貸款及並非按公允價值計入損益持有的其他債務金融資產記錄預期信貸虧損撥備。

預期信貸虧損乃基於根據合約應付的合約現金流與本集團預期收取的所有現金流之間的差額。有關差額其後按與資產原訂實際利率相若的利率貼現。

就貿易及其他應收款項而言，本集團已應用該準則的簡化法，根據使用年內預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團的過往信貸虧損經驗得出的提列矩陣，就債務人及經濟環境的特定前瞻因素作出調整。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 9 Financial Instruments (continued)

(b) Impairment (continued)

The Group considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The statement of financial position as at 31 December 2017 does not have to be restated because the change of the policy causes little impact on the balances.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's consolidated financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's consolidated financial statements.

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂(續)

《國際財務報告準則》第9號金融工具(續)

(b) 減值(續)

本集團將合約付款逾期90日的金融資產視作違約。然而，於若干情況下，在並無計及本集團作出的任何信貸提升安排前，本集團亦可於內部或外界資料顯示本集團不大可能悉數收取未支付合約金額時將金融資產視作違約。

於2017年12月31日的財務狀況表毋須重列，原因為政策變動對結餘影響甚微。

國際財務報告詮釋委員會 – 詮釋第22號外匯交易及預付對價

該詮釋釐清，決定在終止確認預付對價相關非貨幣資產或非貨幣負債而初步確認相關資產、開支或收入(或其中部分)所用即期匯率時，交易日期為實體初步確認預付對價產生的非貨幣資產或非貨幣負債的日期。倘有多項預付款項或收款，則實體須決定預付對價各項付款或收款的交易日期。此詮釋對本集團綜合財務報表並無任何影響。

《國際會計準則》第40號之修訂轉讓投資物業

該等修訂釐清，實體應何時將物業(包括在建或開發中物業)轉入至投資物業或自投資物業轉出。該等修訂指明，於物業符合或不再符合投資物業定義且有證據顯示用途有變時，物業用途則有所變動。管理層對物業用途的意向有變不足以證明其用途有所變動。該等修訂對本集團的綜合財務報表並無任何影響。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 *Share-based Payment* in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 *Insurance Contracts*, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Group.

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂(續)

《國際財務報告準則》第2號之修訂以股份為基礎付款交易的分類及計量

國際會計準則理事會於2016年6月頒佈對《國際財務報告準則》第2號以股份為基礎付款的修訂，處理三個主要方面：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；就預扣稅承擔具有淨額結算特徵的以股份為基礎付款交易的分類；及以股份為基礎付款交易的條款及條件修改而將其分類由以現金結算改為以股權結算的會計處理方法。採用時，實體須應用該等修訂而毋須重列過往期間，惟倘選擇作出全部三項修訂且符合其他條件，則獲准作追溯應用。本集團並無就預扣稅承擔具有淨額結算特徵的以股份為基礎付款交易，且並無對其以股份為基礎付款交易的條款及條件作出任何修改，因此，該等修訂對本集團的綜合財務報表並無任何影響。

《國際財務報告準則》第4號之修訂與《國際財務報告準則》第4號保險合約一併採用《國際財務報告準則》第9號金融工具

該等修訂於實施《國際財務報告準則》第17號保險合約以取代《國際財務報告準則》第4號前，解決對實施新金融工具準則《國際財務報告準則》第9號所產生的問題。該等修訂對發出保險合約之實體提供兩個選擇：暫時豁免應用《國際財務報告準則》第9號及重疊法。該等修訂與本集團並不相關。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Amendments to IAS 28 Investments in Associates and Joint Ventures — Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards — Deletion of short-term exemptions for first-time adopters

Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. These amendments do not have any impact on the Group's consolidated financial statements.

2. 編製基準及本集團會計政策變動(續)

2.2 本集團採納的新訂準則、詮釋及修訂(續)

《國際會計準則》第28號之修訂聯營企業及合營企業投資 — 釐清按公允價值計入損益計量投資對象乃按個別投資作出的選擇

該等修訂釐清屬創投組織的實體或其他合資格實體，可選擇於初步確認時，按個別投資基準，按公允價值計入損益計量其於聯營企業及合營企業的投資。倘實體(本身並非投資實體)於屬投資實體的聯營企業及合營企業中擁有權益，實體可於應用權益法時，選擇保留該投資實體聯營企業或合營企業對投資實體聯營企業或合營企業於附屬公司的權益所應用公允價值計量。此選擇可於下列較後日期對各投資實體聯營企業或合營企業獨立作出：(a) 初步確認投資實體聯營企業或合營企業；(b) 聯營企業或合營企業成為投資實體；及(c) 投資實體聯營企業或合營企業首次成為母公司。該等修訂對本集團的綜合財務報表並無任何影響。

《國際財務報告準則》第1號之修訂首次採納國際財務報告準則 — 刪除首次採納人之短期豁免

《國際財務報告準則》第1號第E3至E7段的短期豁免已刪除，原因為現時已達到其擬定目的。該等修訂對本集團的綜合財務報表並無任何影響。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

3. 客戶合約收入

下文載列本集團客戶合約收入明細：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
Type of service	服務類型		
Testing services	檢測服務	84,306	87,838
Surveying services	鑒定服務	13,289	14,417
Witnessing and ancillary services	見證及輔助服務	4,300	3,654
Total revenue from contracts with customers	客戶合約收入總額	101,895	105,909
Geographical markets	地區市場		
Mainland China	中國內地	92,266	105,251
Overseas	海外	9,629	658
Total revenue from contracts with customers	客戶合約收入總額	101,895	105,909
Timing of revenue recognition	確認收入時間		
Services transferred at a point in time	在時間點轉移的服務	101,895	105,909
Total revenue from contracts with customers	客戶合約收入總額	101,895	105,909

The Group recognised impairment losses on receivables arising from contracts with customers, included under other expenses the statement of profit or loss and other comprehensive income, amounting to RMB193,000 and RMB198,000 for the six months ended 30 June 2018 and 2017, respectively.

The Group's revenue and contribution to consolidated results are mainly derived from coal testing and related technical services, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource arrangement and performance assessment. Accordingly, no segment information by profit, asset and liability is presented.

截至2018年及2017年6月30日止六個月，本集團確認計入損益及其他全面收益表的其他開支項下客戶合約產生的應收款項減值虧損分別為人民幣193,000元及人民幣198,000元。

本集團的收入及對綜合業績的貢獻主要來自煤炭檢測及相關技術服務，因其與內部向本集團高級管理層報告資料作資源安排及表現評估之方式一致而被視作單一可報告分部。因此，並無按溢利、資產及負債呈列的分部資料。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

4. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

4. 其他收入及收益

對本集團其他收入及收益的分析載列如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Note 附註	
Other income	其他收入		
Bank interest income	銀行利息收入	27	15
Tax refund	退稅	400	86
Rental income	租金收入	307	282
		734	383
Gains	收益		
Gain on disposal of bank financial products	出售銀行理財產品的收益	307	65
Gain on acquisition of subsidiaries	收購附屬公司的收益	34	85
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	162	15
Others	其他	115	113
		618	278
		1,352	661

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

5. 稅前利潤

本集團的稅前利潤經扣除/(計入)以下各項得出：

		For the six months ended 30 June 截至6月30日止六個月		
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元	
		Notes 附註		
Cost of services provided	所提供服務的成本		47,696	48,767
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10	5,291	4,241
Depreciation of investment properties	投資物業折舊	11	637	606
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	12	122	122
Amortisation of intangible assets	無形資產攤銷		44	44
Research and development costs:	研發成本：			
Current period expenditure	本期開支		2,965	1,856
Minimum lease payments under operating leases:	經營租賃項下最低租金：			
Land and buildings	土地及樓宇		3,283	3,838
Employee benefit expenses (including directors' and the chief executive's remuneration):	僱員福利開支(包括董事及最高行政人員薪酬)：			
Wages and salaries	工資及薪金		40,462	28,096
Pension scheme contributions	退休金計劃供款		2,806	2,629
Welfare and other expenses	福利及其他開支		4,995	5,726
Equity-settled share option expense	以權益結算的購股權開支	20	521	-
			48,784	36,451
Impairment of trade receivables	貿易應收款項減值		193	198
Impairment of other receivables	其他應收款項減值		-	160
(Gain)/loss on disposals of items of property, plant and equipment, net	出售物業、廠房及設備項目的(收益)/虧損淨額		(119)	18
Bank interest income	銀行利息收入		(27)	(15)
Gain on disposal of bank financial products	出售銀行理財產品的收益		(307)	(65)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	截至6月30日止六個月	
	2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest on bank loans and other borrowings 銀行貸款及其他借款利息	590	185

6. 融資成本

對融資成本的分析載列如下：

7. INCOME TAX

Pursuant to the local rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The Company's subsidiary incorporated in Hong Kong is subject to income tax at the rate of 16.5% on the estimated assessable profits. No provision for Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2018 and 2017.

The Company's subsidiaries in Mainland China are subject to income tax at a statutory rate of 25% on their respective taxable income, except for Beijing Huaxia Lihong Commodity Inspection Co., Ltd. ("Beijing Huaxia Lihong"), which has been identified as a "high and new technology enterprise" and was entitled to a preferential income tax rate of 15% for the six months ended 30 June 2018 and 2017.

7. 所得稅

根據開曼群島或英屬維爾京群島當地的規則及規例，本集團毋須繳納任何開曼群島或英屬維爾京群島所得稅。

本公司於香港註冊成立的附屬公司須就預估應課稅利潤按16.5%的稅率繳納所得稅。於截至2018年及2017年6月30日止六個月，本集團於香港並未產生任何應課稅利潤，故並無就香港利得稅作出撥備。

本公司於中國內地的附屬公司須就其各自應課稅收入按25%的法定稅率繳納所得稅，惟北京華夏力鴻商品檢驗有限公司（「北京華夏力鴻」）除外，其被認為「高新技術企業」，截至2018年及2017年6月30日止六個月有權按15%的所得稅優惠稅率繳納所得稅。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

7. INCOME TAX (CONTINUED)

Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. 所得稅(續)

其他地區應課稅利潤之稅項已根據現行法例、其有關之詮釋及慣例，按本集團營運所在的司法管轄區之現行稅率計算。

		For the six months ended 30 June	
		截至6月30日止六個月	
		2018	2017
		2018年	2017年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax	即期所得稅		
— Mainland China	— 中國內地	4,599	5,593
— Elsewhere	— 其他地區	-	38
Deferred	遞延	188	(325)
Tax charge for the period	期內稅項支出	4,787	5,306

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

7. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
Profit before tax	稅前利潤	12,139	28,465
Income tax charge at the statutory income tax rate of 25%	按25%的法定所得稅稅率計算的所得稅支出	3,035	7,116
Effect of different income tax rate for overseas entities	海外實體不同所得稅率的影響	(85)	(44)
Effect of preferential income tax rate	所得稅優惠稅率的影響	(2,467)	(2,927)
Tax losses not recognised	未確認的稅項虧損	3,674	1,481
Tax losses utilised from previous periods	過往期間動用之稅項虧損	(34)	(316)
Expenses not deductible for tax	不可扣稅開支	312	208
Additional tax deduction for research and development expenditure	研發開支補交稅扣減項	(260)	(219)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	預扣稅對本集團中國附屬公司可分派溢利的影響	585	500
Others	其他	27	(493)
Tax charge for the period at the effective rate	按實際稅率計算的期內稅項開支	4,787	5,306

8. DIVIDENDS

The proposed final cash dividend of RMB0.025 per share totalling RMB10,000,000 for the year ended 31 December 2017 was approved by the Company's shareholders on 11 May 2018.

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

7. 所得稅(續)

適用於按本公司及其大多數附屬公司所在司法管轄區法定稅率計算的稅前利潤的稅項開支與按實際稅率計算的稅項開支對賬如下：

8. 股息

建議就截至2017年12月31日止年度派付末期現金股息每股人民幣0.025元(合共人民幣10,000,000元)已於2018年5月11日獲本公司股東批准。

本公司董事會不建議就截至2018年6月30日止六個月派付任何中期股息(截至2017年6月30日止六個月：無)。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 400,000,000 (six months ended 30 June 2017: 400,000,000) in issue during the period, as adjusted to reflect the rights issue during the period.

The diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

9. 母公司普通股權益持有人應佔每股盈利

每股基本盈利乃按母公司普通權益持有人應佔期內利潤及期內已發行普通股加權平均數400,000,000股(截至2017年6月30日止六個月：400,000,000股)計算(經調整以反映期內供股)。

每股攤薄盈利乃按本公司普通權益持有人應佔期內溢利除以期內已發行普通股加權平均數計算，即用於計算每股基本盈利及將所有具攤薄潛力的普通股視為行使或轉換為普通股時假定已無償發行的普通股加權平均數。

根據以下各項計算每股基本及攤薄盈利：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	計算每股基本及攤薄盈利時所用母公司普通權益持有人應佔利潤	11,435	23,068

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

9. 母公司普通股權益持有人應佔每股盈利(續)

		Number of shares For the six months ended 30 June	
		股份數目 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核)	2017 2017年 (Unaudited) (未經審核)
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculations	計算每股基本盈利時所用期內已發行普通股加權平均數	400,000,000	400,000,000
Effect of dilution-weighted average number of ordinary shares: share option	攤薄影響 — 普通股加權平均數： 購股權	561,256	—
Weighted average number of ordinary shares for the purpose of the diluted earnings per share calculations	計算每股攤薄盈利時所用普通股加權平均數	400,561,256	400,000,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

10. PROPERTY, PLANT AND EQUIPMENT

10. 物業、廠房及設備

		Land and buildings 土地及樓宇 (Unaudited) (未經審核) RMB'000 人民幣千元	Vehicles 機動車輛 (Unaudited) (未經審核) RMB'000 人民幣千元	Electronic equipment and others 電子設備及其他 (Unaudited) (未經審核) RMB'000 人民幣千元	Construction in progress 在建工程 (Unaudited) (未經審核) RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 (Unaudited) (未經審核) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審核) RMB'000 人民幣千元
30 June 2018	2018年6月30日						
At 1 January 2018:	於2018年1月1日:						
Cost	成本	69,780	22,162	29,246	18,906	3,505	143,599
Accumulated depreciation	累計折舊	(2,435)	(16,639)	(16,481)	-	(1,556)	(37,111)
Net carrying amount	賬面淨值	67,345	5,523	12,765	18,906	1,949	106,488
At 1 January 2018, net of accumulated depreciation	於2018年1月1日，扣除累計折舊	67,345	5,523	12,765	18,906	1,949	106,488
Additions	添置	-	780	2,594	3,468	23	6,865
Transfers	轉撥	-	-	2,234	(7,662)	5,428	-
Acquisition of a subsidiary (note 21)	收購附屬公司(附註21)	-	4	755	-	200	959
Disposals	出售	-	(150)	(71)	-	-	(221)
Depreciation provided during the period (note 5)	期內折舊撥備(附註5)	(1,657)	(1,075)	(2,036)	-	(523)	(5,291)
Exchange realignment	匯兌調整	-	(5)	(42)	-	-	(47)
At 30 June 2018, net of accumulated depreciation	於2018年6月30日，扣除累計折舊	65,688	5,077	16,199	14,712	7,077	108,753
At 30 June 2018:	於2018年6月30日:						
Cost	成本	69,780	19,369	32,873	14,712	9,112	145,846
Accumulated depreciation	累計折舊	(4,092)	(14,292)	(16,674)	-	(2,035)	(37,093)
Net carrying amount	賬面淨值	65,688	5,077	16,199	14,712	7,077	108,753

During the year ended 31 December 2017, the Group purchased two buildings from an independent third party with a cash consideration of RMB37,657,000. These buildings were pledged by this third party for certain purpose before the transaction of purchase. The pledge has not been released and the buildings' property ownership certificates have not been obtained as of the date of these interim condensed financial statements.

截至2017年12月31日止年度，本集團自一名獨立第三方購入兩幢樓宇，現金對價為人民幣37,657,000元。於購買交易前，該第三方因某種目的而將該等樓宇抵押。截至此中期簡明財務報表日期，有關抵押尚未獲解除，且樓宇的物業所有權證書亦未獲得。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10. 物業、廠房及設備(續)

Land and buildings 土地及樓宇 (Unaudited) (未經審核) RMB'000 人民幣千元	Vehicles 機動車輛 (Unaudited) (未經審核) RMB'000 人民幣千元	Electronic equipment and others 電子設備及其他 (Unaudited) (未經審核) RMB'000 人民幣千元	Construction in progress 在建工程 (Unaudited) (未經審核) RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 (Unaudited) (未經審核) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審核) RMB'000 人民幣千元
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30 June 2017

2017年6月30日

At 1 January 2017:	於2017年1月1日:						
Cost	成本	22,553	21,372	23,016	18,978	4,370	90,289
Accumulated depreciation	累計折舊	(788)	(15,228)	(12,043)	-	(1,564)	(29,623)
Impairment	減值	-	-	-	(1,028)	-	(1,028)
Net carrying amount	賬面淨值	21,765	6,144	10,973	17,950	2,806	59,638
At 1 January 2017, net of accumulated depreciation and impairment	於2017年1月1日，扣除累計折舊及減值	21,765	6,144	10,973	17,950	2,806	59,638
Additions	添置	-	788	5,470	25,868	-	32,126
Transfers	轉撥	12,683	-	105	(12,905)	117	-
Acquisition of a subsidiary	收購附屬公司	-	118	528	-	-	646
Disposals	出售	-	(34)	(245)	-	-	(279)
Depreciation provided during the period (note 5)	期內折舊撥備(附註5)	(636)	(1,229)	(1,872)	-	(504)	(4,241)
Exchange realignment	匯兌調整	-	(9)	(38)	-	-	(47)
At 30 June 2017, net of accumulated depreciation and impairment	於2017年6月30日，扣除累計折舊及減值	33,812	5,778	14,921	30,913	2,419	87,843
At 30 June 2017:	於2017年6月30日:						
Cost	成本	35,236	21,609	29,453	31,941	3,837	122,076
Accumulated depreciation	累計折舊	(1,424)	(15,831)	(14,532)	-	(1,418)	(33,205)
Impairment	減值	-	-	-	(1,028)	-	(1,028)
Net carrying amount	賬面淨值	33,812	5,778	14,921	30,913	2,419	87,843

The carrying amount of a construction in progress exceeded its recoverable amount of RMB1,028,000 as at 30 June 2017. An impairment loss of RMB1,028,000 was recognised during the six months ended 30 June 2016.

於2017年6月30日，在建工程的賬面值超出其可收回金額人民幣1,028,000元。於截至2016年6月30日止六個月，已確認減值虧損人民幣1,028,000元。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

11. INVESTMENT PROPERTIES

11. 投資物業

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 30 June 2017 於2017年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost:	成本：		
At beginning and end of the period	期初及期末	26,833	25,513
Accumulated depreciation:	累計折舊：		
At beginning of the period	期初	(4,841)	(3,231)
Depreciation charge for the period (note 5)	期內折舊費用(附註5)	(637)	(606)
At end of the period	期末	(5,478)	(3,837)
Net carrying amount:	賬面淨值：		
At beginning of the period	期初	21,992	22,282
At end of the period	期末	21,355	21,676

Certain of the Group's investment properties with a total carrying value of RMB20,464,000 were pledged to obtain a banking facility from a bank amounting to RMB15,000,000 which has been terminated as at 30 June 2018. The pledge of these investment properties has not been released as of the date of these interim condensed financial statements.

本集團部分投資物業(賬面總值為人民幣20,464,000元)已被抵押，以從銀行獲得人民幣15,000,000元的銀行融資，該借款已於2018年6月30日到期。於此中期簡明財務報表日期，該等投資物業抵押尚未解除。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

12. PREPAID LAND LEASE PAYMENTS

12. 預付土地租賃款項

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 30 June 2017 於2017年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元
Carrying amount at beginning of the period	期初賬面值	6,436	10,608
Amortisation for the period (note 5)	期內攤銷(附註5)	(122)	(122)
Carrying amount at end of the period	期末賬面值	6,314	10,486
Current portion included in prepayments, deposits and other receivables (note 14)	計入預付款項、按金及其他應收款項的即期部分(附註14)	(238)	(238)
Non-current portion	非即期部分	6,076	10,248

13. TRADE AND BILLS RECEIVABLES

13. 貿易應收款項及應收票據

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	34,958	22,894
Impairment	減值	(514)	(331)
		34,444	22,563

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

13. TRADE AND BILLS RECEIVABLES (CONTINUED)

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of trade and bills receivables, based on the invoice date and net of provisions, is as follows:

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Within 3 months	3個月以內	28,076	18,597
3 to 6 months	3至6個月	4,551	2,411
6 months to 1 year	6個月至1年	1,596	1,543
Over 1 year	超過1年	221	12
		34,444	22,563

The amount due from the Group's joint venture included in the trade and bills receivables is as follows:

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Joint venture	合營企業	-	488

The above amount is unsecured and non-interest-bearing.

13. 貿易應收款項及應收票據(續)

本集團與其客戶的交易條款主要基於信貸，惟通常須預先付款的新客戶除外。信貸期通常為三個月。本集團尋求嚴格控制未償還應收款項。高級管理人員定期審核逾期結餘。本集團並未就貿易應收款項結餘持有任何抵押品或其他信用提升。貿易應收款項及應收票據均不計息。

基於發票日期及扣除撥備的貿易應收款項及應收票據的賬齡分析如下：

納入貿易應收款項及應收票據的應收本集團合營企業款項如下：

上述款項無擔保且不計息。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

14. 預付款項、按金及其他應收款項

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Prepaid land lease payments (note 12)	土地租賃預付款項(附註12)	238	238
Prepayments	預付款項	9,821	10,015
Deposits and other receivables	按金及其他應收款項	9,980	9,257
		20,039	19,510
Portion classified as non-current assets	分類為非流動資產的部分	(771)	(929)
		19,268	18,581

The amount due from the Group's associate included in prepayments and other receivables is as follows:

納入預付款項及其他應收款項的應收本集團聯營企業款項如下：

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Associate	聯營企業	-	871

The above amount is unsecured and non-interest-bearing.

上述款項無擔保且不計息。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

15. AVAILABLE-FOR-SALE INVESTMENTS AND OTHER CURRENT FINANCIAL ASSETS

15. 可供出售投資及其他流動金融資產

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產		
Bank financial products	銀行理財產品	16,300	-
Available-for-sale financial assets	可供出售金融資產		
Bank financial products	銀行理財產品	-	21,300

The financial products issued by banks have been classified as financial assets at fair value through profit or loss upon the application of IFRS 9 as these instruments did not meet the SPPI criterion. The fair values of the bank financial products have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

銀行所發行金融產品已於應用《國際財務報告準則》第9號時分類為按公允價值計入損益的金融資產，原因為此等工具未達到SPPI標準。銀行理財產品的公允價值乃按適用於條款、信貸風險及餘下年期相若的工具的現行利率貼現預期未來現金流量計算。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

16. 現金及現金等價物以及已抵押存款

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	56,428	48,791
Time deposits	定期存款	398	397
		56,826	49,188
Less: Time deposits pledged for construction in the process	減：在建工程已抵押定期存款	(398)	(397)
Cash and cash equivalents	現金及現金等價物	56,428	48,791

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

銀行現金根據每日銀行存款利率以浮動利率賺取利息。銀行結餘及定期存款乃存於最近並無拖欠歷史且具信譽的銀行。

人民幣不能自由兌換為其他貨幣。然而，根據中國內地的《外匯管理條例》及《結匯、售匯以及付匯管理規定》，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換作其他貨幣。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

17. TRADE PAYABLES

An ageing analysis of the trade payables based on the invoice date is as follows:

17. 貿易應付款項

根據發票日期的貿易應付款項的賬齡分析如下：

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Within 3 months	3個月內	6,537	3,650
3 to 6 months	3至6個月	1,138	1
6 months to 1 year	6個月至1年	43	8
1 to 2 years	1至2年	2	-
2 to 3 years	2至3年	-	-
Over 3 years	超過3年	59	59
		7,779	3,718

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

貿易應付款項不計利息，且在正常情況下將於90日內償付。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

18. OTHER PAYABLES AND ACCRUALS

18. 其他應付款項及應計項目

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Accrued salaries, wages and benefits	應計薪金、工資及福利	11,161	9,025
Other taxes payable	其他應納稅款	1,094	755
Payable to vendors of plant, property and equipment	應付廠房、物業及 設備業主款項	13,975	14,930
Others	其他	2,508	5,392
		28,738	30,102

Other payables are non-interest-bearing and have no fixed terms of settlement.

其他應付款項不計利息及並無固定還款期。

The amount due to the Group's associate included in the other payables and accruals is as follows:

納入其他應付款項及應計項目的應付本集團聯營企業款項如下：

		As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Associate	聯營企業	2,518	-

The above amount is unsecured and non-interest-bearing.

上述款項無擔保且不計息。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

19. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

19. 計息銀行貸款及其他借款

		As at 30 June 2018 (Unaudited) 於2018年6月30日(未經審核)			As at 31 December 2017 (Audited) 於2017年12月31日(經審核)		
		Effective interest rate (%) 實際利率 (%)	Maturity (year) 期限 (年)	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity (year) 期限 (年)	RMB'000 人民幣千元
Current	流動						
Current portion of long-term bank loans	長期銀行貸款的流動部分						
— Unsecured	— 無擔保	6.65	2019	6,249	6.65	2018	6,045
Current portion of an other borrowing	其他借款的流動部分						
— Unsecured	— 無擔保	9.75	2019	16	9.75	2018	16
				6,265			6,061
Non-current	非流動						
Long-term bank loans	長期銀行貸款						
— Unsecured	— 無擔保	6.65	2020	6,936	6.65	2020	10,112
Other borrowings	其他借款						
— Unsecured	— 無擔保	9.75	2020	10	9.75	2020	19
— Unsecured	— 無擔保	4.75	2022	1,550	4.75	2022	1,550
— Unsecured	— 無擔保	4.75	2023	3,000	—	—	—
				11,496			11,681
				17,761			17,742
Interest-bearing bank loans and other borrowings are denominated in:	以下列貨幣計值的計息銀行貸款及其他借款：						
— RMB	— 人民幣			17,735			17,707
— INR	— 印度盧比			26			35
				17,761			17,742

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

19. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS (CONTINUED)

The maturity profile of the bank loans and other borrowings is as follows:

19. 計息銀行貸款及其他借款(續)

銀行貸款及其他借款的到期情況如下：

	As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Analysed into:		
Bank loans and other borrowings repayable	分析為：	
Within one year	應償還銀行貸款及其他借款 一年以內到期	6,265
In the second year	於第二年到期	6,389
In the third to fifth years, inclusive	於第三至五年 (包括首尾兩年)到期	5,107
		5,204
		17,761
		17,742

Certain of the Group's other borrowings amounting to RMB4,550,000 as at 30 June 2018 and 31 December 2017 were loans from LEI Xihu, the non-controlling shareholder of a subsidiary.

The Group's bank loans amounting to RMB13,185,000 as at 30 June 2018 (31 December 2017: RMB16,157,000) were guaranteed by LI Xiangli and ZHANG Aiyong.

於2018年6月30日及2017年12月31日，本集團部分其他借款合計人民幣4,550,000元，乃來自附屬公司非控股股東雷西虎的貸款。

本集團於2018年6月30日為數人民幣13,185,000元(2017年12月31日：人民幣16,157,000元)的銀行貸款乃由李向利及張愛英作出擔保。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

20. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme are only the Group's employees. During the period, none of the grantees of the share options is a director, chief executive or substantial shareholder of the Company, nor an associate of any of them. The Scheme became effective on 4 July 2017 (being date of first grant under the Scheme) and, unless otherwise cancelled or amended, will remain in force for certain years from that date.

Particulars and movements of the shares under the Scheme during the period

Date of grant 授予日	Fair value per share 每股公允價值	As at 1 January 2018 於2018年 1月1日	Granted during the period 期內授出	Lapsed during the period 期內已失效	Vested during the period 期內歸屬	As at 30 June 2018 於2018年 6月30日
	(HK\$) (港元)					
4 July 2017						
2017年7月4日	0.34	7,750,000	-	500,000	-	7,250,000

The fair value of options granted during the six months ended 30 June 2018 was estimated on the date of grant using the following assumptions:

Dividend yield (%)	1.86
Expected volatility (%)	36.33
Historical volatility (%)	36.33
Risk-free interest rate (%)	1.79
Expected life of options (year)	5.00
Weighted average share price (HK\$ per share)	0.34

The weighted average fair value of the options granted during the six months ended 30 June 2018 was HK\$0.34 (year ended 31 December 2017: HK\$0.34).

For the six months ended 30 June 2018, the Group has recognised HK\$622,000 (equivalent to RMB521,000) of share-based payment expense in the statement of profit or loss and other comprehensive income (30 June 2017: Nil).

20. 購股權計劃

本公司經營一項購股權計劃(「購股權計劃」)，旨在為促成本集團業務成功的合資格參與者提供獎勵及回報。購股權計劃的合資格參與者僅為本集團僱員。期內，購股權承授人均非本公司董事、最高行政人員或主要股東，亦非彼等的聯繫人。購股權計劃於2017年7月4日(該日為首次按購股權計劃授出的日期)生效，除非另行取消或修訂，否則自該日期起特定期限內仍然有效。

期間內購股權計劃項下股份的詳情及變動

截至2018年6月30日止六個月授出的購股權的公允價值於授出日期按下列假設估計：

股息收益率 (%)	1.86
預期波幅 (%)	36.33
歷史波幅 (%)	36.33
無風險利率 (%)	1.79
購股權的預期年限 (年)	5.00
加權平均股價 (港元每股)	0.34

截至2018年6月30日止六個月授出的購股權加權平均公允價值為0.34港元(截至2017年12月31日止年度：0.34港元)。

截至2018年6月30日止六個月，本集團已於損益及其他全面收益表確認以股份為基礎付款開支622,000港元(相等於人民幣521,000元)(2017年6月30日：無)。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

21. BUSINESS COMBINATION

Beijing Huaxia Lihong directly owns half of the equity interests in Guangzhou Lihong Energy Testing Technology Co., Ltd., (“Guangzhou Lihong Energy”) and the voting power attached to the equity interests does not allow Beijing Huaxia Lihong to have the power to govern the financial and operating activities of Guangzhou Lihong Energy according to the articles of association of it. On 9 January 2018, Beijing Huaxia Lihong signed shareholders’ voting agreement with the other equity owner of Guangzhou Lihong Energy, agreed that Beijing Huaxia Lihong has the right to make the final decision when the two parties hold different opinions. The PRC lawyer of Beijing Huaxia Lihong confirmed that the shareholders’ voting agreement are valid under the relevant PRC laws. On top of the shareholders’ voting agreement, the directors are of the opinion that the Group has rights to variable returns from its involvement with Guangzhou Lihong Energy and that it has the ability to direct the relevant activities of Guangzhou Lihong Energy since 9 January 2018. Therefore, the financial statements of Guangzhou Lihong Energy are consolidated by the Company since 9 January 2018.

The fair values of the identifiable assets and liabilities of Guangzhou Lihong Energy Testing Technology Co., Ltd. as at the date of acquisition were as follows:

21. 業務合併

北京華夏力鴻直接擁有廣州力鴻能源檢測技術有限公司(「廣州力鴻能源」)的半數股權。根據其組織章程細則，有關股權所附表決權不允許北京華夏力鴻有權力管理廣州力鴻能源的融資及經營活動。於2018年1月9日，北京華夏力鴻與廣州力鴻能源其他權益擁有人簽訂股東表決協議，協定於雙方有不同意見時，北京華夏力鴻有權作出最終決定。北京華夏力鴻的中國律師確認，根據相關中國法律，股東表決協議屬有效。基於股東表決協議，董事認為，自2018年1月9日起，本集團有權就其參與廣州力鴻能源享有可變回報，且其有能力對廣州力鴻能源的相關活動作出指示。因此，廣州力鴻能源的財務報表自2018年1月9日起合併計入本公司。

廣州力鴻能源檢測技術有限公司於收購日期的可識別資產及負債的公允價值如下：

		<i>Notes</i> <i>附註</i>	9 January 2018 2018年1月9日 (Unaudited) (未經審核) RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	10	959
Trade receivables	貿易應收款項		994
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		301
Cash and cash equivalents	現金及現金等價物		2,369
Trade payables	貿易應付款項		(503)
Contract liabilities	合約負債		(2)
Other payables and accruals	其他應付款項及應計項目		(513)
Tax payable	應繳稅款		(181)
Total identifiable net assets at fair value	按公允價值計量可識別資產淨值總額		3,424
Non-controlling interests	非控股權益		(1,712)
			1,712
Gain on acquisition of a subsidiary	收購附屬公司收益	4	(34)
Total consideration	總對價		1,678
Satisfied by cash	以現金支付		-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

21. BUSINESS COMBINATION (CONTINUED)

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

21. 業務合併(續)

有關收購附屬公司之現金流量分析如下：

		For the six months ended 30 June 2018 截至2018年 6月30日止六個月 (Unaudited) (未經審核) RMB'000 人民幣千元
Cash and cash equivalents acquired	所獲得現金及現金等價物	2,369
Cash consideration	現金對價	-
Net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購附屬公司的現金及現金等價物流入淨額	2,369

Since the acquisition, the acquired companies contributed approximately RMB4,643,000 to the Group's revenue and approximately RMB1,506,000 to the Group's profit for the six months ended 30 June 2018.

Had the acquisition taken place at the beginning of the period, the revenue of the Group and the profit after tax of the Group for the six months ended 30 June 2018 would have been RMB101,895,000 and RMB7,352,000, respectively.

自收購完成後，截至2018年6月30日止六個月，所收購公司為本集團收入及利潤分別貢獻約人民幣4,643,000元及約人民幣1,506,000元。

如果收購於期初進行，本集團於截至2018年6月30日止六個月之收入及稅後利潤分別為人民幣101,895,000元及人民幣7,352,000元。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

22. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 11 to these interim condensed consolidated financial statements) under operating lease arrangements, with leases negotiated for terms of one to four years.

As at 30 June 2018 and 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Within one year	531	365
In the second to fifth years, inclusive	453	132
	984	497

(b) As lessee

The Group leases certain of its office premises, plant and warehouses under operating lease arrangements. Leases of the properties are negotiated for terms ranging from one year to ten years.

As at 30 June 2018 and 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Within one year	5,852	5,537
In the second to fifth years, inclusive	11,112	11,985
After five years	2,685	3,127
	19,649	20,649

22. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業(該等中期簡明綜合財務報表附註11)，經協商後的租賃期限為一年至四年。

於2018年6月30日及2017年12月31日，本集團根據與租戶訂立的不可撤銷經營租約於下列日期應收的未來最低租金總額如下：

(b) 作為承租人

本集團根據經營租賃安排租賃部分辦公場所、廠房及倉庫。經協商後的物業租賃期限為一年至十年。

於2018年6月30日及2017年12月31日，本集團根據不可撤銷經營租約須於下列日期應支付的未來最低租金總額如下：

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

23. COMMITMENTS

In addition to the operating lease commitments detailed in note 22(b) above, the Group had the following capital commitments as at 30 June 2018 and 31 December 2017:

23. 承擔

除上文附註22(b)所詳述經營租賃承擔外，本集團於2018年6月30日及2017年12月31日擁有以下資本承擔：

	As at 30 June 2018	As at 31 December 2017
	於2018年 6月30日 (Unaudited)	於2017年 12月31日 (Audited)
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Contracted, but not provided for: Property, plant and equipment	2,496	2,490
已訂約但未撥備： 物業、廠房及設備		

24. RELATED PARTY TRANSACTIONS

(a) Transaction with related parties during the period:

24. 關聯方交易

(a) 期內關聯方交易：

	For the six months ended 30 June	
	截至6月30日止六個月	
	2018	2017
	2018年	2017年
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Provision of testing service by a joint venture	-	350
Provision of testing service to a joint venture	-	620
Provision of technical services by an associate	283	517
Purchase of property, plant and equipment from an associate	3,130	-
Purchase of intangible asset from an associate	377	-
合營企業提供檢測服務		
向合營企業提供檢測服務		
聯營企業提供技術服務		
向聯營企業購買物業、廠房及設備		
向聯營企業購買無形資產		

In the opinion of the directors, the transactions between the Group and the related parties were based on prices mutually agreed between the parties and conducted in the ordinary course of business.

董事認為，本集團與關聯方之間的交易乃以訂約方共同協定之價格為基準且於一般業務過程中進行。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

24. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties:

Details of the outstanding balances with related parties are set out in notes 13, 14 and 18 to these interim condensed consolidated financial statements.

(c) Guarantee with related parties:

The Group's long-term bank loans amounting to RMB13,185,000 as at 30 June 2018 were guaranteed by LI Xiangli and ZHANG Aiyong.

(d) Compensation of key management personnel of the Group:

24. 關聯方交易 (續)

(b) 關聯方未償結餘：

與關聯方的未償還結餘詳情載於該等中期簡明綜合財務報表附註13、14及18。

(c) 關聯方擔保：

於2018年6月30日，本集團的長期銀行貸款為人民幣13,185,000元，由李向利及張愛英作出擔保。

(d) 本集團主要管理人員的酬金：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 (Unaudited) (未經審核) RMB'000 人民幣千元	2017 2017年 (Unaudited) (未經審核) RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	2,974	3,734
Pension scheme contributions	退休金計劃供款	139	132
Equity-settled share option expense	以權益結算的購股權開支	74	-
		3,187	3,866

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

25. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 30 June 2018 and 31 December 2017 are as follows:

Financial assets

	As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Debt instruments at amortised cost:	按攤銷成本計量的債務工具：	
Trade and bills receivables	34,444	22,563
Financial assets included in prepayments, deposits and other receivables	9,980	9,257
Pledged deposits	398	397
Cash and cash equivalents	56,428	48,791
Financial assets at fair value through profit and loss:	按公允價值計入損益的金融資產：	
Other current financial assets	16,300	21,300
	117,550	102,308

Financial liabilities

	As at 30 June 2018 於2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Financial liabilities at amortised cost:	按攤銷成本計量之金融負債：	
Trade payables	7,779	3,718
Financial liabilities included in other payables and accruals	16,483	20,322
Interest-bearing bank loans and other borrowings	17,761	17,742
Interest payable	73	-
	42,096	41,782

25. 按類別劃分的金融工具

於2018年6月30日及2017年12月31日，各類別金融工具的賬面值載列如下：

金融資產

金融負債

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

26. 公允價值及金融工具公允價值的層級

本集團金融工具的賬面值及公允價值(該等賬面值與公允價值合理相若者除外)載列如下:

		Carrying Amounts 賬面值		Fair Values 公允價值	
		As at 30 June 2018 於 2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於 2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元	As at 30 June 2018 於 2018年 6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	As at 31 December 2017 於 2017年 12月31日 (Audited) (經審核) RMB'000 人民幣千元
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產				
Other current financial assets	其他流動金融資產	16,300	21,300	16,300	21,300
Financial liabilities at amortised cost	按攤銷成本計量的金融負債				
Interest-bearing bank loans and other borrowings	計息銀行貸款及其他借款	17,761	17,742	17,761	17,742
Interest payables	應付利息	73	-	73	-
		17,834	17,742	17,834	17,742

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

The fair values of interest-bearing bank loans and other borrowings and interest payable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank loans, other borrowings and interest payables at 30 June 2018 was assessed to be insignificant.

The other current financial assets stated at fair value at 30 June 2018 and 31 December 2017 represented financial products issued by banks. The fair values of the other current financial assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

26. 公允價值及金融工具公允價值的層級(續)

管理層已評估現金及現金等價物、已抵押存款、貿易應收款項及應收票據、計入預付款項、按金及其他應收款項的金融資產、貿易應付款項、計入其他應付款項及應計項目的金融負債公允價值與其賬面值相若，此乃主要由於該等工具的到期期限較短。

本集團由財務經理主管的財務部，負責確定金融工具公允價值計量的政策及程序。於各報告日期，財務部分析金融工具的價值變動並確定估值中所應用的主要輸入值。

金融資產及負債的公允價值以該工具在自願交易方當前交易(而非被迫或清算出售)中可換取金額入賬。

估計公允價值時使用以下方法及假設：

計息銀行貸款及其他借款以及應付利息按條款、信貸風險及餘下年期相若的工具目前適用的利率貼現預計未來現金流量以計算其公允價值。經評估，於2018年6月30日，本集團自身的計息銀行貸款、其他借款及應付利息之違約風險並不重大。

於2018年6月30日及2017年12月31日以公允價值呈列的其他流動金融資產指由銀行發行的金融產品。其他流動金融資產的公允價值按條款、信貸風險及餘下年期相若的工具目前適用的利率貼現預計未來現金流量計算。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2018

	Fair value measurement using 公允價值計量採用			Total 合計
	Quoted prices in active markets 活躍市場報價 (Level 1) (未經審核) RMB'000 人民幣千元	Significant observable inputs 重要可觀察輸入數據 (Level 2) (未經審核) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察輸入數據 (Level 3) (未經審核) RMB'000 人民幣千元	
Other current financial assets 其他流動金融資產	-	16,300	-	16,300

As at 31 December 2017

於2017年12月31日

	Fair value measurement using 公允價值計量採用			Total 合計
	Quoted prices in active markets 活躍市場報價 (Level 1) (Audited) (經審核) RMB'000 人民幣千元	Significant observable inputs 重要可觀察輸入數據 (Level 2) (Audited) (經審核) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察輸入數據 (Level 3) (Audited) (經審核) RMB'000 人民幣千元	
Available-for-sale investments 可供出售投資	-	21,300	-	21,300

26. 公允價值及金融工具公允價值的層級(續)

公允價值層級

下表說明本集團金融工具的公允價值計量層級：

公允價值計量的資產：

於2018年6月30日

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Liabilities for which fair value are disclosed

As at 30 June 2018

		Fair value measurement using 公允價值計量採用			
		Quoted prices in active markets 活躍 市場報價 (Level 1) (第一層級) (Unaudited) (未經審核) RMB'000 人民幣千元	Significant observable inputs 重要可觀察 輸入數據 (Level 2) (第二層級) (Unaudited) (未經審核) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察 輸入數據 (Level 3) (第三層級) (Unaudited) (未經審核) RMB'000 人民幣千元	Total 合計 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest-bearing bank loans and other borrowings	計息銀行貸款及 其他借款	-	17,761	-	17,761
Interest payables	應付利息	-	73	-	73
		-	17,834	-	17,834

As at 31 December 2017

於2017年12月31日

		Fair value measurement using 公允價值計量採用			
		Quoted prices in active markets 活躍 市場報價 (Level 1) (第一層級) (Audited) (經審核) RMB'000 人民幣千元	Significant observable inputs 重要可觀察 輸入數據 (Level 2) (第二層級) (Audited) (經審核) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察 輸入數據 (Level 3) (第三層級) (Audited) (經審核) RMB'000 人民幣千元	Total 合計 (Audited) (經審核) RMB'000 人民幣千元
Interest-bearing bank loans and other borrowings	計息銀行貸款及 其他借款	-	17,742	-	17,742

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 JUNE 2018
2018年6月30日

27. EVENT AFTER THE REPORTING PERIOD

On 23 July 2018, the Company granted share options to Mr. YANG Rongbing, a director of the Company, under the share option scheme adopted by the Company on 5 May 2017, to subscribe for a total of 3,000,000 ordinary shares of US\$0.00005 each in the share capital of the Company, representing 0.75% of the issued share capital of the Company.

28. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 24 August 2018.

27. 報告期後事項

於2018年7月23日，本公司根據其於2017年5月5日採納的購股權計劃向本公司一名董事楊榮兵先生授出購股權，以認購本公司股本中合共3,000,000股每股面值0.00005美元之普通股，相當於本公司已發行股本之0.75%。

28. 批准中期簡明綜合財務報表

於2018年8月24日，董事會批准並授權發行中期簡明綜合財務報表。



CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司