

民生教育集团有限公司

Minsheng Education Group Company Limited

(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 : 1569



2018

Annual Report 年報



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COMPANY PROFILE

公司簡介

Minsheng Education Group Company Limited (the “**Company**”), together with its subsidiaries (collectively refer to as the “**Group**” or “**We**”), is one of the largest private provider of higher education in China. As at 31 December 2018, the Group had enrollment of 65,496 students in aggregate and employed 4,353 employees in aggregate.

As at 31 December 2018, the Group owned and operated ten schools in the People’s Republic of China (the “**PRC**” or “**China**”), six of them are higher education schools, namely Chongqing College of Humanities, Science and Technology, Dianchi College of Yunnan University, Pass College of Chongqing Technology and Business University, Chongqing Vocational College of Applied Technology, Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) and Chongqing Electronic Information College; two of them are secondary vocational schools, namely Laoling Minsheng Secondary Vocational School and Laoling Secondary Vocational and Technical School which has been managed and operated under an entrustment management arrangement; and two of them are high schools, namely Shouguang Bohai Experimental School and Laoling Senior High School Affiliated with Minsheng Education Group. Through these schools, the Group primarily offer formal higher education, including formal undergraduate education and junior college education.

Through over 10 years of operation in the field of formal higher education, we believe that we have established a strong reputation in the relevant parts of China, which helps us attract high-quality students and teachers and pave the way for our success. We intend to maintain and strengthen our market position in the formal higher education industry in China.

民生教育集团有限公司(「**本公司**」)，連同其附屬公司(統稱「**本集團**」或「**我們**」)為中國最大民辦高等教育供應商之一。於2018年12月31日，本集團的入學學生總人數為65,496名，並聘有合共4,353名僱員。

截至2018年12月31日，本集團在中華人民共和國(「**中國**」)擁有及營辦十所學校，其中六所為高等學校，即重慶人文科技學院、雲南大學滇池學院、重慶工商大學派斯學院、重慶應用技術職業學院、內蒙古豐州職業學院(青城分院)及重慶電信職業學院；其中兩所為中職學校，即樂陵民生職業中等專業學校及按委託管理安排營辦的樂陵市職業中等專業學校；及其中兩所為高中學校，即壽光渤海實驗學校及民生教育集團附屬樂陵高級中學。透過該等學校，本集團主要提供高等學歷教育，包括本科學歷教育及大專教育。

透過在高等學歷教育領域超過10年的營運，我們相信我們已在中國的相關區域建立了良好的聲譽，有助我們吸納高質素的學生及教師，並為我們的成功鋪路。我們旨在維持及加強我們在中國高等學歷教育行業的市場地位。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Li Xuechun (*Chairman of the Board*)
Ms. Zhang Weiping
Mr. Zuo Yichen
Mr. Lam Ngai Lung

Non-executive Directors

Mr. Lin Kaihua
Ms. Li Yanping

Independent Non-executive Directors

Mr. Chan Ngai Sang, Kenny
Mr. Yu Huangcheng
Mr. Wang Wei Hung, Andrew

AUDIT COMMITTEE

Mr. Chan Ngai Sang, Kenny (*Chairman*)
Mr. Yu Huangcheng
Mr. Wang Wei Hung, Andrew

REMUNERATION COMMITTEE

Mr. Wang Wei Hung, Andrew (*Chairman*)
Mr. Li Xuechun
Mr. Yu Huangcheng

NOMINATION COMMITTEE

Mr. Li Xuechun (*Chairman*)
Mr. Chan Ngai Sang, Kenny
Mr. Yu Huangcheng

AUTHORISED REPRESENTATIVES

Mr. Lam Ngai Lung
Mr. Zuo Yichen

COMPANY SECRETARY

Ms. Ng Wing Shan, *FCIS, FCS*

董事會

執行董事

李學春先生(*董事會主席*)
張衛平女士
左燿晨先生
林毅龍先生

非執行董事

林開樺先生
李雁平女士

獨立非執行董事

陳毅生先生
余黃成先生
王惟鴻先生

審核委員會

陳毅生先生(*主席*)
余黃成先生
王惟鴻先生

薪酬委員會

王惟鴻先生(*主席*)
李學春先生
余黃成先生

提名委員會

李學春先生(*主席*)
陳毅生先生
余黃成先生

授權代表

林毅龍先生
左燿晨先生

公司秘書

吳詠珊女士 · *FCIS, FCS*

LEGAL ADVISOR

As to Hong Kong law:

Luk & Partners
In Association with Morgan, Lewis & Bockius

法律顧問

有關香港法律：

陸繼鏘律師事務所
與摩根路易斯律師事務所聯營

AUDITOR

Ernst & Young
Certified Public Accountants

核數師

安永會計師事務所
執業會計師

COMPLIANCE ADVISER

TC Capital International Limited

合規顧問

天財資本國際有限公司

REGISTERED OFFICE

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

註冊辦事處

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

Room 301, Full Tower
No. 9 Dongsanhuan Zhonglu
Chaoyang District
Beijing, PRC

總部及中國主要營業地點

中國北京市
朝陽區
東三環中路9號
富爾大廈301室

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3202A, 32/F., Tower 1, Lippo Centre
89 Queensway Road
Admiralty
Hong Kong

香港主要營業地點

香港
金鐘
金鐘道89號
力寶中心第一座32樓3202A室

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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

開曼群島股份登記及過戶處

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

HONG KONG SHARE REGISTRAR

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

香港證券登記處

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

PRINCIPAL BANKER

Industrial and Commercial Bank of China
Chongqing Heyang Branch

主要往來銀行

中國工商銀行重慶合陽支行

STOCK CODE

1569

股份代號

1569

COMPANY WEBSITE

www.minshengedu.com

公司網頁

www.minshengedu.com

FINANCIAL HIGHLIGHTS

財務摘要

A summary of the audited results and of the assets and liabilities of the Group for the last five financial years is set out below:

本集團於過去五個財政年度的經審核業績及資產及負債的概要載列如下：

		Year ended 31 December					
		截至12月31日止年度					
		2014	2015	2016	2017	2018	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Revenue	收益	402,515	426,317	444,997	477,780	623,143	
Cost of revenue	收益成本	(146,811)	(164,653)	(186,391)	(199,092)	(289,775)	
Gross profit	毛利	255,704	261,664	258,606	278,688	333,368	
Profit before tax	除稅前溢利	222,266	246,679	251,358	262,962	348,276	
Profit for the year	年度溢利	196,327	213,457	249,749	260,847	332,828	

		As at 31 December					
		於12月31日					
		2014	2015	2016	2017	2018	
		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	
Non-current assets	非流動資產	943,523	970,711	1,067,152	1,761,935	5,046,451	
Current assets	流動資產	1,357,314	1,038,757	1,156,718	2,459,910	1,578,021	
Current liabilities	流動負債	320,349	354,157	520,943	773,755	1,507,081	
Net current assets	流動資產淨值	1,036,965	684,600	635,775	1,686,155	70,940	
Total assets less current liabilities	總資產減流動負債	1,980,488	1,655,311	1,702,927	3,448,090	5,117,391	
Non-current liabilities	非流動負債	62,775	236,370	132,015	301,407	1,587,996	
Net assets	資產淨值	1,917,713	1,418,941	1,570,912	3,146,683	3,529,395	
Total equity	總權益	1,917,713	1,418,941	1,570,912	3,146,683	3,529,395	

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Minsheng Education Group Company Limited, I am pleased to present the annual results of the Group for the year ended 31 December 2018 (the “**Reporting Period**”).

BUSINESS REVIEW

The year 2018 has been a fruitful year for the Group and the management team as the Group has been expanding its school network and numbers of student through investment and acquisition of school in China and overseas. During year

各位尊敬的股東：

本人謹代表民生教育集團有限公司董事(「**董事**」)會(「**董事會**」)，欣然呈報本集團截至2018年12月31日止年度(「**報告期**」)的全年業績。

業務回顧

本集團及管理團隊於2018年取得碩果累累，透過投資及收購國內外學校擴大大學校網絡及學生規模。於2018年，本集團已刊發公告簽約收購的學校共4所，分別為壽光

2018, the Group announced the acquisition of four schools, namely Shouguang Bohai Experimental School, Dianchi College of Yunnan University (“**Dianchi College**”), Hebei University of Technology City College and Qufu Fareast Vocational and Technical College (“**Fareast College**”). During the Reporting Period, the transactions in relation to Shouguang Bohai Experimental School and Dianchi College were completed and were fully takenover, and their financial results have been consolidated in the financial results of the Group under the prevailing accounting principles. Furthermore, during the Reporting Period, the first batch of students enrolled by Laoling Minsheng Secondary Vocational School and Laoling Senior High School Affiliated with Minsheng Education Group (both of which were invested in and established by the Company) commenced the school year in September 2018. In terms of overseas expansion, In May 2018, we (as the cornerstone investor) have invested in Top Education Group Ltd. (Stock Code: 1752), a private higher education provider in Australia offering accredited undergraduate and postgraduate award courses in business and law, which was listed on the Main Board of the Stock Exchange on 11 May 2018. Our total student enrollment increased from 41,120 as at 31 December 2017 to 65,496 as at 31 December 2018. Our revenue has increased from approximately RMB477.8 million for the year ended 31 December 2017 to approximately RMB623.1 million for the year ended 31 December 2018 and profit of the year increased from approximately RMB260.8 million for the year ended 31 December 2017 to approximately RMB332.8 million for the year ended 31 December 2018.

PROSPECTS

Going forward, with a series of policies and documents in favour to the higher education segment promulgated by the PRC government, we intend to further expand our school network coverage, with an aim to promote the integration of enterprises into vocational schools and universities. We aim to achieve such goal by carefully selecting suitable acquisition targets and/or establishing new schools. Meanwhile, we intend to expand the scale of our business operations in the existing schools and diversify our revenue primarily through optimizing major offerings, offering undergraduate studies to graduates

渤海實驗學校、雲南大學滇池學院(「**滇池學院**」)、河北工業大學城市學院及曲阜遠東職業技術學院(「**遠東學院**」)。其中壽光渤海實驗學校及滇池學院已於報告期內完成交割和全面接管事項，其財務業績已按照現行會計原則合併至本集團財務業績。此外，於報告期內，本公司投資及設立的樂陵民生職業中等專業學校及民生教育集團附屬樂陵高級中學招收的第一批學生已於2018年9月開學。海外擴張方面，於2018年5月，我們作為基石投資者已投資澳洲成峰高教集團有限公司(股份代號：1752)，該公司為一家位於澳洲的私立高等教育機構並提供獲認可的商科及法律本科生及研究生學位課程，並於2018年5月11日在聯交所主板上市。我們的入學學生總人數由2017年12月31日的41,120名上升至2018年12月31日的65,496名。我們的收益由截至2017年12月31日止年度約人民幣477.8百萬元增至截至2018年12月31日止年度約人民幣623.1百萬元，而年內溢利則由截至2017年12月31日止年度約人民幣260.8百萬元上升至截至2018年12月31日止年度約人民幣332.8百萬元。

前景

展望未來，隨著中國政府相繼頒佈扶持高等教育的一系列政策和文件，我們有意進一步拓寬我們的學校網絡覆蓋，促進產教融合。為達成目標，我們會審慎甄選合適的收購目標及／或成立新學校。與此同時，我們亦有意擴張現有學校的業務營運規模，並主要透過在相關政府部門批准的情況下優化專業設置、向大專課程畢業生提供本科課程，以增加收益來源。本集團將憑藉在教育行業積累的豐富經驗，以培養高端應用型人才為定

of junior college programs, upon the approvals from the relevant government authorities. Leveraging on the extensive experience accumulated in the education industry and with its aim at cultivating sophisticated talents with application-oriented skills, the Group will strengthen the integration of enterprises with vocational schools and universities and deepen school-enterprise cooperation by taking advantage of the opportunities brought by governmental policies, and further expand the Group's school network and student number through mergers and acquisitions of quality undergraduate schools and higher vocational junior colleges.

APPRECIATION

Finally, on behalf of the Board, I would like to take this opportunity to thank our management and all the staff of the Group for their loyalty and dedication. I would also like to thank our shareholders and business partners for their trust and confidence in the Board and management of the Group. With the concerted efforts of all staffs, I believe the business of the Group will continue to thrive and generate greater return for our shareholders.

Li Xuechun

Chairman

Hong Kong, 14 March 2019

位，把握政策機遇，加強產教融合和校企合作，通過併購優質的本科、高職大專學院，進一步擴大本集團的學校網絡和學生人數。

鳴謝

最後，本人謹代表董事會，借此機會感謝我們的管理層及本集團全體員工的忠誠及奉獻。本人亦十分感謝我們的股東及商業夥伴對本集團董事會及管理層的信任及信心。本人相信，憑藉所有員工的共同努力，本集團的業務將繼續蓬勃發展，並為我們的股東帶來更大回報。

主席

李學春

香港，2019年3月14日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



BUSINESS OVERVIEW

Our primary focus is to provide high-quality private higher education and vocational education in China dedicated to nurturing application-oriented professionals. We offer a comprehensive range of diverse majors and courses, including through our collaborative relationships and cooperative education programs with local businesses and government agencies, through which we strive to improve our students' theoretical literacy, practical technique and career prospects. As a result, we have achieved high graduate employment rates for our graduates from the schools we own and/or operate. We attribute the relatively high graduate employment rates to the effectiveness of our education programmes, which we believe will continue to elevate our brand reputation and help us attract talented students.

業務概覽

我們主要集中於中國提供優質的民辦高等教育和職業教育，致力於培養應用型專業人才。我們提供多樣化的專業及課程，包括通過與地方企業及政府機構的合作關係及合作教育計劃，藉此提升學生的理論素養和實踐技能及就業前景。因此，我們擁有及／或營辦的學校取得較高的畢業生就業率。我們認為，相對較高的畢業生就業率反映我們教育課程的成果，我們相信此將繼續提升品牌聲譽及有助我們吸引優秀學生。

On 22 March 2017, the Company launched a public offering on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), becoming the first listed private higher education group in China. The Company is one of the largest private higher education providers in China, as measured by total number of student enrollment. Benefitting from the continuous implementation of external mergers and acquisitions, the Group had enrollment of 65,496 students in aggregate as at 31 December 2018, representing a significant increase of 59.28% as compared with that as at 31 December 2017. The Group currently manages and/or operates 10 schools, in addition to the five existing schools operated in Chongqing and Inner Mongolia, the PRC, the Group has acquired or agreed to acquire new schools in Yunnan, Shandong and Hebei in 2018, further increasing the number of the Group’s schools and expanding the Group’s coverage. Our 10 school include:

- (i) **Six higher education schools** – Chongqing College of Humanities, Science and Technology, Dianchi College of Yunnan University, Pass College of Chongqing Technology and Business University, Chongqing Vocational College of Applied Technology, Chongqing Electronic Information College and Inner Mongolia Fengzhou Vocational College (Qingcheng Branch);
- (ii) **Two secondary vocational schools** – Laoling Minsheng Secondary Vocational School and Laoling Secondary Vocational and Technical School which has been managed and operated under an entrustment management arrangement; and
- (iii) **Two high schools** – Shouguang Bohai Experimental School and Laoling Senior High School Affiliated with Minsheng Education Group.

於2017年3月22日，本公司作為第一家上市的中國民辦高等教育集團在香港聯合交易所有限公司(「聯交所」)公開發售。按學生入學總人數計算，本公司為中國最大民辦高等教育供應商之一。得益於外延併購項目的持續落地，截至2018年12月31日，本集團在校學生總人數達65,496名，較2017年12月31日大幅增長59.28%。本集團現時管理及／或營辦10所學校，除了原有在中國重慶及內蒙古營辦5所學校外，本集團於2018年在雲南、山東及河北收購或同意收購新的學校，本集團學校數量和覆蓋地區進一步增加。本集團的10所學校包括：

- (i) **高等學校6所**—重慶人文科技學院、雲南大學滇池學院、重慶工商大學派斯學院、重慶應用技術職業學院、重慶電信職業學院及內蒙古豐州職業學院(青城分院)；
- (ii) **中職學校2所**—樂陵民生職業中等專業學校及按委託管理安排營辦的樂陵市職業中等專業學校；及
- (iii) **高中學校2所**—壽光渤海實驗學校及民生教育集團附屬樂陵高級中學。

OVERVIEW OF THE BUSINESS REVIEW DURING THE REPORTING PERIOD

During the Reporting Period, the Group gained significant achievement in terms of external mergers and acquisitions, investment in and establishment of new schools and expansion of financing channels, which have laid down a solid foundation for the future development of the Group.

1. Mergers and Acquisitions

The Group mainly adopts a merger and acquisition strategy to achieve its goal of growth. During the Reporting Period, the Group announced the acquisition of four schools, namely Shouguang Bohai Experimental School, Dianchi College, Hebei University of Technology City College and Fareast College. During the Reporting Period, the transactions in relation to Shouguang Bohai Experimental School and Dianchi College of Yunnan University were completed and were fully takenover, and their financial results have been consolidated in the financial results of the Group under the prevailing accounting principles.

Please refer to the sections headed “Acquisition Completed during the Reporting Period” and “Acquisition in Progress during the Reporting Period” in this annual report for details.

2. Investment in and Establishment of New Schools

During the Reporting Period, the first batch of students enrolled by Laoling Minsheng Secondary Vocational School and Laoling Senior High School Affiliated with Minsheng Education Group (both of which were invested in and established by the Company) commenced the school year in September 2018.

In May 2018, we (as the cornerstone investor) have invested in Top Education Group Ltd. (Stock Code: 1752), a private higher education provider in Australia offering accredited undergraduate and postgraduate award courses in business and law, which was listed on the Main Board of the Stock Exchange on 11 May 2018.

報告期內的業務回顧概覽

於報告期內，本集團在外延併購、投資及設立新學校及拓展融資渠道多方面都取得佳績，為本集團未來的發展奠定堅實的基礎。

1. 併購

本集團主要通過併購戰略以達到增長的目標，於報告期內，本集團已刊發公告簽約收購的學校共4所，分別為壽光渤海實驗學校、滇池學院、河北工業大學城市學院及遠東學院。其中壽光渤海實驗學校及雲南大學滇池學院已於報告期內完成交割和全面接管事項，其財務業績已按照現行會計原則合併至本集團財務業績。

詳情請參閱本年報內「報告期內已完成的收購」及「報告期內待完成的收購」兩節。

2. 投資及設立新學校

於報告期內，本公司投資及設立的樂陵民生職業中等專業學校及民生教育集團附屬樂陵高級中學招收的第一批學生已於2018年9月開學。

於2018年5月，我們作為基石投資者已投資澳洲成峰高教集團有限公司(股份代號：1752)，該公司為一家位於澳洲的私立高等教育機構並提供獲認可的商科及法律本科生及研究生學位課程，並於2018年5月11日在聯交所主板上市。

Please refer to the section headed “Investments in and Newly Established Schools during the Reporting Period” in this annual report for details.

詳情請參閱本年報內「報告期內投資及新設立的學校」一節。

3. Expansion of Financing Channels

On 23 August 2018, the Company entered into the comprehensive strategic cooperation agreement with The Industrial and Commercial Bank of China Limited Chongqing Branch (“**ICBC**”) in order to build a long-term and stable comprehensive strategic cooperation relationship between ICBC and the Company. Subject to credit approval, ICBC intends to provide the Company with the indicative overall financing credit of no less than RMB10 billion in the next three years.

On 28 December 2018, the Company entered into a strategic cooperation agreement with CICC Capital Management Co., Ltd. regarding an education industry merger and acquisition fund. Both parties intend to cooperate with each other via the merger and acquisition fund with a total size of approximately RMB10 billion which is to be raised in four phases.

Please refer to the section headed “Expansion of Financing Channels during the Reporting Period” in this annual report for details.

3. 拓展融資渠道

於2018年8月23日，本公司與中國工商銀行股份有限公司重慶市分行(「**工商銀行**」)簽訂全面戰略合作協議，以建立工商銀行與本公司長期、穩定的全面戰略合作關係。工商銀行在授信審批准准的前提下，在未來三年內向本公司提供累計不低於人民幣100億元的意向性融資。

於2018年12月28日，本公司與中金資本運營有限公司就教育產業併購基金簽訂戰略合作協議。雙方擬通過併購基金的形式進行合作，基金總規模約人民幣100億元，擬分四期募集。

詳情請參閱本年報內「報告期內拓展的融資渠道」一節。

ACQUISITION COMPLETED DURING THE REPORTING PERIOD

Dianchi College of Yunnan University

Dianchi College is an independent college located in Yunnan, the PRC, offering undergraduate courses. As at 31 December 2018, there were 18,948 students enrolled in Dianchi College. According to the Notice of the Yunnan Provincial Department of Education on the 13th Five-Year Plan for the Development of Ordinary Higher Education Scales issued by the Yunnan Provincial Department of Education on 13 January 2017, the Yunnan Provincial Department of Education has set a “Goal Guidance of Development Scale for General Higher Education 2020 (普通高等教育2020年規模發展指導目標)” for Dianchi College which shall target to reach 28,000 students in 2020.

報告期內已完成的收購

雲南大學滇池學院

滇池學院為一所位於中國雲南省的獨立學院，提供本科課程。於2018年12月31日，滇池學院有在校生18,948人。根據雲南省教育廳於2017年1月13日印發的《雲南省教育廳關於核定「十三五」普通高等教育規模發展指導目標的通知》，雲南省教育廳給予滇池學院的「普通高等教育2020年規模發展指導目標」達到28,000名。

On 20 August 2018, Minsheng Vocational Education Company Limited (“**Minsheng Vocational**”), a wholly-owned subsidiary of the Company, and with the relevant vendors entered into a share purchase agreement (the “**Share Purchase Agreement**”) in relation to the acquisition of 51% of the issued share capital of Leed International Education Group Inc. (“**Leed International**”) (the “**Acquisition**”), pursuant to which Minsheng Vocational conditionally agreed to acquire, and the relevant vendors conditionally agreed to sell 51% of the share capital of Leed International at the consideration of RMB582.5 million equivalent USD. The consideration was mainly financed by the internal resources of the Group. In addition to the consideration, pursuant to the terms of the Share Purchase Agreement, Minsheng Vocational shall be responsible to repay on behalf of Leed International a debt in the amount of the USD equivalent of RMB231.0 million to a third party.

Further, on 20 August 2018, Leed International, Minsheng Vocational and the relevant vendors entered into an entrustment agreement, pursuant to which Minsheng Vocational would be entrusted to manage, among others, Leed International and its subsidiaries in certain aspects, and the remaining 49% of the issued share capital of Leed International (the “**Equity Entrustment Agreement**”), with effect from the date of completion of the Share Purchase Agreement.

As a condition precedent to the payment of the first instalment of the consideration, on 20 August 2018, among others, Minsheng Vocational, Chongqing Huizhi Education Services Company Limited* (重慶匯智教育服務有限公司) (“**Chongqing Huizhi**”), Yunnan Dianjiao Asset Management Company Limited* (雲南滇教資產管理有限公司) (“**Dianjiao AM Co**”) and Dianchi College entered into an entrusted management agreement, pursuant to which, the entire management of Dianjiao AM Co and Dianchi College is entrusted to Minsheng Vocational and Chongqing Huizhi (“**Dianchi College Management Agreement**”).

於2018年8月20日，本公司的全資附屬公司民生職業教育有限公司(「**民生職業教育**」)就收購勵德國際教育集團有限公司(「**勵德集團**」)已發行股本的51%(「**收購事項**」)與相關賣方訂立股份購買協議(「**股份購買協議**」)，據此，民生職業教育有條件同意收購及相關賣方有條件同意出讓勵德集團股本中的51%，代價為人民幣5.825億元按匯率換算的等值美元，代價主要由本集團內部資源撥付。除了代價外，民生職業教育將根據股份購買協議的約定，代勵德集團向第三方支付人民幣2.310億元按匯率換算的等值美元的債務。

此外，於2018年8月20日，勵德集團、民生職業教育及相關賣方訂立一份委託管理協議，據此，民生職業教育受託管理(其中包括)勵德集團及其附屬公司(就若干方面而言)，及勵德集團餘下49%的已發行股本(「**股權託管協議**」)，自股份購買協議之交割日起生效。

作為第一期代價支付的先決條件，於2018年8月20日，民生職業教育、重慶匯智教育服務有限公司(「**重慶匯智**」)、雲南滇教資產管理有限公司(「**資產管理公司**」)及滇池學院等訂立一份委託管理協議，據此，資產管理公司和滇池學院的全部委託管理權授予民生職業教育及重慶匯智(「**滇池學院委託管理協議**」)。

On 20 December 2018, the Company announced that the Acquisition had been completed. The change of the articles of association, the board members and the legal representative of both the school sponsor of Dianchi College and Dianchi College have been completed and have been filed/registered with the relevant government authorities in China.

Accordingly, the Equity Entrustment Agreement has come into effect upon the completion. The 49% of the issued share capital of Leed International owned by the vendors and its corresponding equity interest and/or the school sponsor's interest, the business operations, assets, human resources, financial matters of Leed International and its subsidiaries have already been entrusted and/or delivered to Minsheng Vocational for the Company's control and management. Accordingly, 100% of the financial results of Leed International and its subsidiaries (including Dianchi College and Dianjiao AM Co) are consolidated into the financial statements of the Group.

Pursuant to the Share Purchase Agreement, it is agreed that, Minsheng Vocational and/or its affiliated company would extend loans of up to RMB400 million to the relevant vendors. On 24 December 2018, among others, Chongqing Yuecheng Zhiyuan Education Technology Co., Ltd. ("**Chongqing Yuecheng**"), a consolidated affiliated entity of the Company, as the lender and a borrower designated by the relevant vendors entered into a loan agreement, pursuant to which, Chongqing Yuecheng agreed to lend to the borrower, and the borrower agreed to borrow from Chongqing Yuecheng, a loan in the principal amount of RMB200 million. For further details of the loan, please refer to the announcement dated 26 December 2018 published by the Company and the paragraph headed "Connected Transactions" in the Report of the Directors in this annual report.

For details of the Acquisition, please refer to the circular dated 20 December 2018 and the announcements dated 21 August 2018, 11 September 2018, 5 October 2018, 20 December 2018 and 26 December 2018, published by the Company.

於2018年12月20日，本公司宣佈該收購事項的交割已妥為完成。滇池學院的學校舉辦者及滇池學院的章程、董事會成員及法定代表人變更均已完成並於中國相關政府部門妥為備案／註冊。

因此，股權託管協議也於完成交割時生效，由賣方持有的勵德集團的49%已發行股本及其對應的股權及／或學校舉辦者權益、業務營運、資產、人力資源、財務事宜已委託及／或交付民生職業教育代本公司控制及管理。據此，勵德集團及其附屬公司(包括滇池學院和資產管理公司)的財務業績100%合併至本集團的財務報表。

根據股份購買協議，經協定，民生職業教育及／或其聯屬公司將給予相關賣方高達人民幣4億元的貸款。於2018年12月24日，(其中包括)重慶悅誠智遠教育科技有限公司(「**重慶悅誠**」，本公司一家合併附屬實體)(作為貸款人)及相關賣方指定的借款人訂立一份貸款協議，據此重慶悅誠同意貸款給借款人，而借款人同意向重慶悅誠籌借本金為人民幣2億元的貸款。有關貸款的進一步詳情，請參閱本公司日期為2018年12月26日的公告及本年報內董事會報告「關連交易」一段。

有關收購事項的詳情，請參閱本公司日期為2018年12月20日的通函及日期為2018年8月21日、2018年9月11日、2018年10月5日、2018年12月20日及2018年12月26日的公告。

Shouguang Bohai Experimental School

Shouguang Bohai Experimental School* (壽光渤海實驗學校) (“**Bohai Experimental School**”), also known as, The Experimental High School associated with University of Chinese Academy of Sciences Basic Education Institute* (中國科學院大學基礎教育研究院附屬實驗中學) and Shouguang No. 1 Secondary School Branch School* (壽光市第一中學分校), which is a high school located in Shouguang, Shandong Province, the PRC. As at 31 December 2018, there were 2,544 students in Bohai Experimental School.

On 10 March 2018, Shiji Kuangao (Beijing) Investment Management Co., Ltd.* (世紀寬高(北京)投資管理有限公司) (“**Shiji Kuangao**”) entered into a school sponsor’s interest transfer agreement (“**Interest Transfer Agreement**”) with Shouguang City Hongjing Town Development and Investment Company Limited* (壽光市宏景城鎮建設投資有限公司) and Shouguang City No.1 Middle School* (壽光市第一中學), pursuant to which, Shiji Kuangao agreed to acquire 100% of the school sponsor’s interest of Bohai Experimental School, and the land, building, facilities and equipment of the east side of the Bohai Experimental School for a total consideration of approximately RMB151.73 million.

On 12 March 2018, Chongqing Jierui Education Technology Co., Ltd.* (重慶傑睿教育科技有限公司) (“**Jierui**”), a consolidated affiliated entity of the Company, entered into an equity transfer agreement with the shareholder of Shiji Kuangao and Shiji Kuangao, to acquire 100% of the equity interest of Shiji Kuangao (“**Equity Transfer Agreement**”) for a consideration of RMB4 million. Pursuant to the Interest Transfer Agreement, Shiji Kuangao will be entitled to acquire Bohai Experimental School.

The completion of the Equity Transfer Agreement and the Interest Transfer Agreement took place on 2 May 2018. For details of the above transaction, please refer to the announcements of the Company dated 12 March 2018, 13 April 2018 and 2 May 2018.

壽光渤海實驗學校

壽光渤海實驗學校(亦稱中國科學院大學基礎教育研究院附屬實驗中學及壽光市第一中學分校)(「**渤海實驗學校**」)為一所位於中國山東省壽光市的高中學校。截至2018年12月31日，渤海實驗學校在校學生為2,544人。

於2018年3月10日，世紀寬高(北京)投資管理有限公司(「**世紀寬高**」)與壽光市宏景城鎮建設投資有限公司和壽光市第一中學簽署學校舉辦者權益轉讓協議(「**權益轉讓協議**」)，據此，世紀寬高同意收購渤海實驗學校100%學校舉辦者權益及渤海實驗學校東校區的土地、房屋和設施設備等，總代價為約人民幣15,173萬元。

於2018年3月12日，本公司的一家合併附屬實體重慶傑睿教育科技有限公司(「**傑睿公司**」)與世紀寬高的股東及世紀寬高訂立股權轉讓協議，以人民幣4百萬元的作價收購世紀寬高100%股權(「**股權轉讓協議**」)。根據權益轉讓協議，世紀寬高將有權收購渤海實驗學校。

股權轉讓協議及權益轉讓協議於2018年5月2日完成，有關上述交易的詳情，請參閱本公司日期為2018年3月12日、2018年4月13日及2018年5月2日的公告。

On 2 May 2018, Chongqing Mengzhuo Education Technology Co., Ltd.* (重慶夢卓教育科技有限公司), an indirect wholly-owned subsidiary of the Company, entered into a set of contractual arrangements in relation to Shiji Kuangao, Jierui and its shareholders, so that the Group is able to exercise control over Shiji Kuangao as the school sponsor of Bohai Experimental School and the Company is able to consolidate the financial results of Jierui, Shiji Kuangao and Bohai Experimental School into the Group's results from the commencement date of the contractual arrangements, i.e. 2 May 2018. For details of the contractual arrangements, please refer to the announcement of the Company dated 2 May 2018.

Chongqing Electronic Information College

Chongqing Electronic Information College* (重慶電信職業學院) is a full-time ordinary higher education institution located in Chongqing city, the PRC. As at 31 December 2018, there were 6,080 students in Chongqing Electronic Information College.

On 6 November 2017, Chongqing Yuecheng entered into a capital increase agreement with Chongqing Chuangsite Technology Company Limited and Chongqing Electronic Information College, pursuant to which Chongqing Yuecheng agreed to make a capital contribution of RMB125.0 million to Chongqing Electronic Information College (“**Capital Contribution**”). Commencing from 1 December 2017, Chongqing Yuecheng has been entrusted to manage Chongqing Electronic Information College and its subsidiary, including but not limited to the aspects of the assets, business operation, human resources, students and legal documents of the Chongqing Electronic Information College and its subsidiary. In return of its management services, Chongqing Yuecheng is entitled to 51% of the net profits of the Chongqing Electronic Information College. The financial results of the Chongqing Electronic Information College and its subsidiary were consolidated in the financial results of the Group under the prevailing accounting principles since the commencement of the entrustment arrangement.

於2018年5月2日，本公司間接全資附屬公司重慶夢卓教育科技有限公司就世紀寬高、傑睿公司及其股東訂立一系列合約安排，從而本集團能夠行使對世紀寬高作為渤海實驗學校舉辦者的控制，及本公司可自合約安排開始之日(2018年5月2日)起將傑睿公司、世紀寬高及渤海實驗學校的財務業績合併在本集團的業績內。有關合約安排的詳情，請參閱本公司日期為2018年5月2日的公告。

重慶電信職業學院

重慶電信職業學院為一所位於中國重慶市的全日制普通高等院校。截至2018年12月31日，重慶電信職業學院在校學生為6,080人。

於2017年11月6日，重慶悅誠、重慶創思特科技有限公司和重慶電信職業學院簽署增資協議。根據增資協議，重慶悅誠同意向重慶電信職業學院增資人民幣1.250億元(「增資」)。自2017年12月1日起，重慶悅誠接受委託對重慶電信職業學院及其附屬公司進行管理，包括但不限於重慶電信職業學院及其附屬公司的資產、業務、人力資源、學生和法律文件，作為其管理服務的回報，重慶悅誠有權獲得重慶電信職業學院淨利潤的51%。自委託管理安排開始，重慶電信職業學院及其附屬公司的財務業績將按照現行會計原則合併至本集團財務業績。

On 23 February 2018, Chongqing Yuecheng has completed the Capital Contribution to Chongqing Electronic Information College and has completed all the registration procedures with Chongqing City Civil Affairs Bureau (重慶市民政局) in relation to Chongqing Yuecheng becoming one of the school sponsors of Chongqing Electronic Information College. Accordingly, Chongqing Yuecheng owns 51% of the school sponsor's interest in Chongqing Electronic Information College. Chongqing Yuecheng has also completed all registration procedures with Chongqing City Civil Affairs Bureau in relation to the change of the legal representative of Chongqing Electronic Information College to the person designated by Chongqing Yuecheng.

ACQUISITION IN PROGRESS DURING THE REPORTING PERIOD

Qufu Fareast Vocational and Technical College

Fareast College is a full-time ordinary higher education institution located in Qufu city, Shandong province the PRC.

On 23 November 2018, Chongqing Yuecheng, as purchaser, and a third party (“**Ms. Pan**”), as vendor, entered into a share transfer agreement (the “**Share Transfer Agreement**”), pursuant to which Ms. Pan agreed to sell 51% of the equity interest of Qufu Changyong Corporate Management Consulting Company Limited (“**Qufu Changyong**”) to Chongqing Yuecheng, and Chongqing Yuecheng agreed to acquire the equity interest of Qufu Changyong, at a total consideration of RMB91.8 million. Upon the completion, Chongqing Yuecheng will hold 51% of equity interest in Qufu Changyong and indirectly hold 51% of sponsor interest in Fareast College through Qufu Changyong.

Subsequent to the execution of the Share Transfer Agreement, on 23 November 2018, Chongqing Yuecheng, Ms. Pan, Qufu Changyong and Fareast College signed an entrustment agreement (the “**Fareast College Entrustment Agreement**”), pursuant to which, with effect from the date of completion of the payment of the first instalment until the date of completion, Fareast College will be entrusted to Chongqing Yuecheng for management. During the entrustment period, 51% of the net profit of Fareast College will be paid to Chongqing Yuecheng as management fee.

於2018年2月23日，重慶悅誠已完成向重慶電信職業學院增資，並已完成於重慶市民政局就重慶悅誠成為重慶電信職業學院學校舉辦者之一的所有登記備案手續。據此，重慶悅誠擁有重慶電信職業學院的51%學校舉辦者權益。重慶悅誠也已完成重慶市民政局就重慶電信職業學院法定代表人變更為重慶悅誠指定人士的所有登記備案手續。

報告期內待完成的收購

曲阜遠東職業技術學院

遠東學院為一所位於中國山東省曲阜市的全日制普通高等院校。

於2018年11月23日，重慶悅誠(作為買方)與第三方(「**潘女士**」，作為賣方)訂立股權轉讓協議(「**股權轉讓協議**」)，據此，潘女士同意向重慶悅誠轉讓其持有曲阜昌永企業管理諮詢有限責任公司(「**曲阜昌永**」)51%的股權權益，重慶悅誠同意收購曲阜昌永股權權益，總代價為人民幣9,180萬元。在交割完成後，重慶悅誠持有曲阜昌永51%的股權，並通過曲阜昌永間接持有遠東學院51%的舉辦者權益。

於簽署股權轉讓協議後，於2018年11月23日，重慶悅誠、潘女士、曲阜昌永及遠東學院簽訂委託管理協議(「**遠東學院委託管理協議**」)，據此，自第一期款項支付完畢之日起至交割日，遠東學院將委託予重慶悅誠進行管理。於委託管理期間，遠東學院淨利潤的51%將歸重慶悅誠所有，作為管理服務費。

For details, please refer to announcements dated 25 November 2018 and 15 January 2019 published by the Company.

In February 2019, the payment of the relevant first instalment was completed, upon which, Chongqing Yuecheng has commenced its holistic and comprehensive management of Fareast College, including but not limited to the overall entrustment of all aspects of Fareast College, such as seals and certificates, businesses, assets, finance, human resources, students, and legal matters. Chongqing Yuecheng has been therefore entitled to 51% of the net profit of Fareast College during the term of the Fareast College Entrustment Agreement as management fee, but the acquisition has not been completed.

Hebei University of Technology City College

Hebei University of Technology City College* (河北工業大學城市學院) (“**City College**”) is a full time independent college offering undergraduate studies located in Tianjin city, the PRC.

On 9 July 2018, the Company entered into a framework agreement (the “**Framework Agreement**”) with the Zhangjiakou Municipal People’s Government (張家口市人民政府) (the “**Zhangjiakou Government**”) and Hebei University of Technology (河北工業大學), together with the Zhangjiakou Government, (the “**Parties**”) in relation to the proposed cooperation (the “**Proposed Cooperation**”) regarding the operation of the City College. Pursuant to the Framework Agreement, with the support of Zhangjiakou Government, Hebei University of Technology and the Company will co-operate the City College in Zhangjiakou City of Hebei Province. By taking advantage of the respective strengths, the Parties strive to make the City College the best private undergraduate college in Hebei Province and the application-oriented training base for talents in Hebei Province through the opportunity of organizing the 2022 Winter Olympic Games, with around 10,000 undergraduate and junior college students in total. For details, please refer to the announcement of the Company dated 9 July 2018.

有關詳情，請參閱本公司日期為2018年11月25日及2019年1月15日的公告。

於2019年2月，第一期款項有關款項已經支付完畢，重慶悅誠已經開始對遠東學院進行整體、全面的管理，包括但不限於遠東學院印章證照、業務、資產、財務、幹部人事、學生、法律等全面的委託管理。在遠東學院委託管理協議生效的期間，遠東學院的淨利潤的51%已歸重慶悅誠所有，作為管理服務費，但該收購事項還待完成。

河北工業大學城市學院

河北工業大學城市學院(「**城市學院**」)為一所位於中國天津市的全日制獨立學院，提供本科課程。

於2018年7月9日，本公司與張家口市人民政府(「**張家口政府**」)及河北工業大學(連同張家口政府，稱為「**各方**」)就有關擬合作(「**擬合作**」)舉辦城市學院簽署框架協議(「**框架協議**」)。根據框架協議，在張家口政府的支持下，河北工業大學和本公司將在河北省張家口市共同舉辦城市學院，通過發揮各自優勢，爭取借助在張家口舉辦2022年冬季奧林匹克運動會之契機，將城市學院打造成河北省最佳民辦本科高校和河北省應用型人才培養基地，本專科在校生規模達到1萬人左右。有關詳情，請參閱本公司日期為2018年7月9日的公告。

On 22 August 2018, Chongqing Yuecheng entered into (i) a cooperation agreement with Hebei University of Technology in relation to the cooperation of sponsoring the City College; and (ii) a framework agreement with Hebei University of Technology in relation to the conversion of the City College into an independently organised private undergraduate higher education institution. On 23 August 2018, Chongqing Yuecheng entered into an agreement with the Zhangjiakou Government and Zhangjiakou Economic Development Zone Management Committee* (張家口經濟開發區管理委員會) in relation to the cooperation of construction and development of City College. For details on the above agreements, please refer to the announcement of the Company dated 24 August 2018.

Anhui Wonder University of Information Engineering

Anhui Wonder University of Information Engineering* (安徽文達信息工程學院) (“**Wonder University**”) is an independently organised private undergraduate higher education institution located in Hefei city, Anhui province, the PRC which was established in 2001, offering courses and programs leading to higher education degrees.

On 30 August 2017, Chongqing Yuecheng entered into an acquisition agreement with the current school sponsor of Wonder University pursuant to which Chongqing Yuecheng agreed to acquire 51% of the school sponsor’s interest in Wonder University for a total consideration of RMB500.0 million.

As at 31 December 2018, the application for transferring the school sponsorship is going through the approval procedures of government authorities. The Company is closely following up the progress of approval procedures and will publish further announcements in respect of such matter pursuant to the Rules Governing the Listing Securities on the Stock Exchange (the “**Listing Rules**”) in due course.

INVESTMENTS IN AND NEWLY ESTABLISHED SCHOOLS DURING THE REPORTING PERIOD

Laoling Minsheng Secondary Vocational School

The Group established Laoling Minsheng Secondary Vocational School* (樂陵民生職業中等專業學校) in Laoling, Dezhou city, Shandong province, the PRC on 20 September 2016. It has completed its first phase construction and commenced the school year in September 2018. As at 31 December 2018, there were 261 students.

於2018年8月22日，重慶悅誠與河北工業大學簽署(i)合作舉辦城市學院協議書；及(ii)有關城市學院轉設為獨立設置的民辦本科高校的框架協議書。於2018年8月23日，重慶悅誠與張家口政府及張家口經濟開發區管理委員會簽署城市學院建設與發展合作協議。有關上述協議的詳情，請參閱本公司日期為2018年8月24日的公告。

安徽文達信息工程學院

安徽文達信息工程學院(「**文達學院**」)為一所於2001年創辦，位於中國安徽省合肥市的獨立設置的民辦本科高等院校，提供本科及專科課程。

於2017年8月30日，重慶悅誠與文達學院現有學校舉辦者訂立收購協議，據此，重慶悅誠同意收購文達學院51%的學校舉辦者權益，總代價為人民幣5.0億元。

於2018年12月31日，轉讓學校舉辦者權益的申請正經政府部門審批，本公司正在密切跟進審批手續的進展，並將依照聯交所證券上市規則(「**上市規則**」)於適當時候就此事宜進一步予以公告。

報告期內投資及新設立的學校

樂陵民生職業中等專業學校

本集團已於2016年9月20日在中國山東省德州市樂陵建設樂陵民生職業中等專業學校，首期建築已完成，並於2018年9月開學。截至2018年12月31日，共有在校學生261人。

Laoling Senior High School Affiliated with Minsheng Education Group* (民生教育集团附屬樂陵高級中學) (“Minsheng Laoling Senior High School”)

On 12 February 2018, Jierui entered into an agreement and a supplemental agreement (collectively, the “**Laoling Agreements**”) with the People’s Government of Laoling* (樂陵市人民政府) (the “**Laoling Government**”) in relation to the proposed establishment of a high school offering grade 10 to grade 12 secondary education programs in Laoling, Dezhou city, Shandong province, the PRC, namely Minsheng Laoling Senior High School, which commenced the school year in September 2018. As at 31 December 2018, there were 482 students.

Top Education Group Ltd.

The Group has invested in Top Education Group Ltd. (“**Top Education**”) (Stock Code: 1752) which is a private higher education provider in Australia offering accredited undergraduate and postgraduate award courses in business and law and was listed on the main board of the Stock Exchange on 11 May 2018.

On 21 April 2018, Minsheng Education Development Company Limited, a direct wholly-owned subsidiary of the Company, entered into a cornerstone investment agreement with Top Education to subscribe for 209,000,000 ordinary shares at the final offer price in the initial public offering of Top Education.

As at 31 December 2018, the shares in Top Education held by the Group represented approximately 8.1% of the total issued share capital of Top Education.

EXPANSION OF FINANCING CHANNELS DURING THE REPORTING PERIOD

During the Reporting Period, the Group proactively expanded financing channels a number of ways such as bank loans, merger and acquisition fund, with a view to provide regular and long-term financial support for the business development of the Company.

民生教育集团附屬樂陵高級中學(「民生樂陵高中」)

於2018年2月12日，傑睿公司與樂陵市人民政府(「樂陵政府」)訂立關於擬在中國山東省德州市樂陵設立提供高中一年級至高中三年級中學教育的高級中學的協議及補充協議(「樂陵協議」)，即民生樂陵高中，並於2018年9月開學。截至2018年12月31日，共有在校學生482人。

澳洲成峰高教集團有限公司

本集團已投資澳洲成峰高教集團有限公司(「成峰高教」)(股份代號：1752)，該公司為一家位於澳洲的私立高等教育機構並提供獲認可的商科及法律本科生及研究生學位課程，且於2018年5月11日在聯交所主板上市。

於2018年4月21日，本公司的直接全資附屬公司民生教育發展有限公司與成峰高教訂立基石投資協議，以按成峰高教首次公開發售的最終要約價認購209,000,000股普通股。

於2018年12月31日，本集團持有成峰高教之股份佔成峰高教已發行股本總額約8.1%。

報告期內拓展的融資渠道

報告期內，本公司積極拓展融資渠道，通過銀行貸款，併購基金等多種形式，為本公司業務發展提供長期、穩定的金融支持。

Establishment of an Education Industry Merger and Acquisition Fund with CICC Capital Management Co., Ltd.

On 28 December 2018, the Company entered into a strategic cooperation agreement with CICC Capital Management Co., Ltd. (“**CICC Capital**”) regarding an education industry merger and acquisition fund (the “**M&A Fund**”).

Both parties intend to cooperate with each other via the M&A Fund with a total size of approximately RMB10 billion, which is to be raised in four phases. Both parties intend to (1) be market-facing, conducive to development of the nation, and promoting employment, (2) focus on investments in the private higher education industry, and (3) promote industry-education integration and the school-enterprise cooperation in order to cultivate more high-skilled talents. The Company shall be entitled to the first priority to acquire any investment project proposed to be disposed of by the M&A Fund on the same conditions as those offered to other purchasers.

The Comprehensive Strategic Cooperation Agreement Entered Into with the Industrial and Commercial Bank of China Chongqing Branch

On 23 August 2018, the Company entered into a comprehensive strategic cooperation agreement with The Industrial and Commercial Bank of China Limited Chongqing Branch (“**ICBC**”), in order to build a long-term and stable comprehensive strategic cooperation relationship between ICBC and the Company.

Subject to credit approval, ICBC intends to provide the Company with the indicative overall financing credit of no less than RMB10 billion in the next three years to support various funding needs of the Company in developing education and education-related businesses, including but not limited to pre-project loans, project loans, working capital loans, M&A loans, M&A funds, equity financing and financial leasing.

Financing cost are in-line with the bank’s benchmark interest rate. The strategic cooperation agreement is valid for five years from the date of signing the strategic cooperation agreement.

與中金資本運營有限公司成立教育產業併購基金

於2018年12月28日，本公司與中金資本運營有限公司(「**中金資本**」)就教育產業併購基金(「**併購基金**」)簽訂戰略合作協議。

雙方擬通過併購基金的形式進行合作，基金總規模約人民幣100億元，擬分四期募集。雙方將(1)堅持面向市場、服務發展、促進就業，(2)重點投資民辦高等教育，及(3)推進產教融合、校企合作，培養更多高技能人才。當併購基金退出投資項目時，本公司擁有優先收購權，同等條件下優先收購併購基金投資項目。

與中國工商銀行重慶市分行簽訂全面戰略合作協議

於2018年8月23日，本公司與中國工商銀行股份有限公司重慶市分行(「**工商銀行**」)簽訂全面戰略合作協議以建立工商銀行與本公司長期、穩定的全面戰略合作關係。

工商銀行在授信審批核准的前提下，在未來三年內向本公司提供累計不低於人民幣100億元的意向性融資，用於支持本公司發展教育及教育相關業務等多樣化的需求，包括但不限於項目前期貸款、項目貸款、流動資金貸款、併購貸款、併購基金、股權融資及融資租賃等方式。

融資成本原則按銀行基準利率。戰略合作協議的有效期自戰略合作協議簽訂之日起五年。

For other financial services to be provided by ICBC to the Company and other details of the strategic cooperation agreement, please refer to the announcement of the Company dated 27 August 2018.

有關工商銀行將提供予本公司的其他金融服務及戰略合作協議的其他詳情，請參閱本公司日期為2018年8月27日的公告。

OUR SCHOOLS IN CHINA

Ten schools in the PRC were managed and/or operated by the Group as at 31 December 2018, four of which are located in Chongqing, four are located in Shandong, one is situated in Inner Mongolia and one in Yunnan. Through these schools, we primarily offer higher education, including undergraduate and junior college education. Set forth below are certain particulars of the ten schools of the Group.

我們在中國的學校

於2018年12月31日，本集團在中國管理及／或營辦十所學校，其中四所位於重慶，四所位於山東，一所位於內蒙古及一所位於雲南。透過該等學校，我們主要提供高等教育，包括本科及高職(大專)學歷教育。下列刊載本集團旗下十所學校的若干詳細資料。

Undergraduate Schools

Chongqing College of Humanities, Science and Technology

Chongqing College of Humanities, Science and Technology is a formal university-level higher education school located in Chongqing, the PRC. Its predecessor, Southwest University Yucai College, was recognized by the Ministry of Education of the PRC (the "MOE") as an independent college in March 2003. In April 2013, the college was approved by the MOE to convert to a private independently organised university-level education school and was the first and one and only one private higher education school in Chongqing obtaining such approval for conversion. Chongqing College of Humanities, Science and Technology provides undergraduate and junior college education. In 2018, the college had 15 second-level colleges offering 43 undergraduate majors and 1 junior college major, covering 9 subject categories.

本科學校

重慶人文科技學院

重慶人文科技學院為一所位於中國重慶的本科層次高等學校，其前身西南大學育才學院於2003年3月獲中國教育部(「教育部」)認可為獨立學院。於2013年4月，該學院經教育部批准轉設為獨立設置的民辦本科高校，為重慶第一所也是目前唯一一所取得批准轉設的民辦高校。重慶人文科技學院提供本科及大專學歷教育。於2018年，學院現設有15個二級學院，學院有43種本科專業及1種專科專業招生，涵蓋合共9大學科門類。

The tuition fee for Chongqing College of Humanities, Science and Technology for the 2018-2019 school year is approximately RMB12,000 to RMB18,000.

重慶人文科技學院2018-2019學年的學費為約人民幣12,000元至人民幣18,000元。

Dianchi College of Yunnan University

Dianchi College of Yunnan University is an independent college located in Kunming, Yunnan Province, the PRC, which was established in 2001. Dianchi College of Yunnan University offers formal undergraduate education. In 2018, the college offered 48 undergraduate majors, covering 8 subject categories.

雲南大學滇池學院

雲南大學滇池學院於2001年創辦，為一所位於中國雲南省昆明市的獨立學院。雲南大學滇池學院提供本科學歷教育。於2018年，學院設有48種本科專業招生，涵蓋八大學科門類。

The tuition fee for Dianchi College of Yunnan University for the 2018-2019 school year is approximately RMB16,000 to RMB24,500 (the tuition fee depends on the major).

雲南大學滇池學院2018-2019學年的學費為約人民幣16,000元至人民幣24,500元(學費視乎專業而定)。

Pass College of Chongqing Technology and Business University

重慶工商大學派斯學院

Pass College of Chongqing Technology and Business University is an independent college located in Chongqing, the PRC, which was certified by the MOE in December 2003. This college provides undergraduate and junior college education. In 2018, the college offered 24 undergraduate majors and 1 junior college major.

重慶工商大學派斯學院於2003年12月獲教育部認證，為一所位於中國重慶的獨立學院，其提供本科及大專學歷教育。於2018年，學院有24種本科專業及1種專科專業招生。

The tuition fee for Pass College of Chongqing Technology and Business University for the 2018-2019 school year is approximately RMB12,000 to RMB16,000.

重慶工商大學派斯學院2018-2019學年的學費為約人民幣12,000元至人民幣16,000元。

Pass College of Chongqing Technology and Business University officially commenced the student enrollment of adult higher education in March 2017. The school currently offers three undergraduate majors, namely business administration, marketing and accounting. In December 2018, Pass College of Chongqing Technology and Business University has admitted 3,614 adult students for degree and junior college programs and will report for the school year in March 2019.

重慶工商大學派斯學院於2017年3月正式開展成人高等教育的招生工作。目前開設專業為工商管理、市場營銷及會計學三個本科專業。於2018年12月重慶工商大學派斯學院已錄取了3,614名成人教育本、專科學生，將於2019年3月報到。

Higher Vocational Schools

高職學院

Chongqing Electronic Information College

重慶電信職業學院

Chongqing Electronic Information College is a full-time ordinary higher education institution located in Chongqing city, the PRC, providing junior college education. In 2018, the college offered 21 majors.

重慶電信職業學院為一所位於中國重慶市的全日制普通高等院校，提供高職(大專)學歷教育。於2018年，學院招生專業21種。

The tuition fee for Chongqing Electronic Information College for the 2018-2019 school year is approximately RMB8,800 to RMB12,000 (the tuition fee depends on the major).

重慶電信職業學院2018-2019學年的學費為約人民幣8,800元至人民幣12,000元(學費視乎專業而定)。

Chongqing Vocational College of Applied Technology

Chongqing Vocational College of Applied Technology is a full-time ordinary higher education institution located in Chongqing, the PRC, providing junior college education. This college obtained approval as a higher vocational school by the People's Government of Chongqing in April 2005 and was registered with the Civil Affairs Department of Chongqing in December 2006. In 2018, the college offered 20 majors.

The tuition fee for Chongqing Vocational College of Applied Technology for the 2018-2019 school year is approximately RMB9,000 to RMB9,800.

Inner Mongolia Fengzhou Vocational College (Qingcheng Branch)

Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) is a full-time ordinary higher education institution located in Hohhot, Inner Mongolia, the PRC, providing junior college education. We became one of its school sponsors and have been entitled to the entire interest in Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) in 2008. In the 2018-2019 school year, the college offered 12 majors.

The tuition fee for Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) for the 2018-2019 academic year is approximately RMB7,000 (the tuition fee is applied to all majors).

Secondary Vocational Schools**Laoling Minsheng Secondary Vocational School**

Laoling Minsheng Secondary Vocational School is a full-time regular specialized secondary school located in Laoling, Shandong province, the PRC, providing secondary vocational education, and the first batch of students enrolled has commenced the school year in September 2018. In 2018, the school offered 8 majors.

重慶應用技術職業學院

重慶應用技術職業學院為一所位於中國重慶市的全日制普通高等院校，提供高職(大專)學歷教育。於2005年4月獲重慶市人民政府批准成為高等職業學校，並於2006年12月在重慶市民政局登記。於2018年，學院招生專業20種。

重慶應用技術職業學院2018-2019學年的學費為約人民幣9,000元至人民幣9,800元。

內蒙古豐州職業學院(青城分院)

內蒙古豐州職業學院(青城分院)為一所位於中國內蒙古呼和浩特市的全日制普通高等院校，提供高職(大專)學歷教育。我們於2008年成為學校舉辦者之一並有權享有內蒙古豐州職業學院(青城分院)的全部權益。於2018-2019學年，學院招生專業12種。

內蒙古豐州職業學院(青城分院)2018-2019學年的學費為約人民幣7,000元(該學費適用於所有專業)。

中職學校**樂陵民生職業中等專業學校**

樂陵民生職業中等專業學校為一所位於中國山東省樂陵市的全日制普通中等專業院校，提供中專學歷教育，第一批招收的學生已於2018年9月開學。於2018年，學校招生專業8種。

Laoling Secondary Vocational and Technical School

Laoling Secondary Vocational and Technical School is a full-time regular specialized secondary school located in Laoling, Shandong Province, the PRC, providing secondary vocational education. As disclosed in the prospectus of the Company dated 10 March 2017 (“**Prospectus**”), pursuant to certain cooperation agreements entered into between the Group, the People’s Government of Laoling and the Bureau of Education of Laoling, Laoling Secondary Vocational and Technical School will be managed and operated by Laoling Minsheng Secondary Vocational School under an entrustment management arrangement. In 2018, the school offered 12 majors.

High Schools

Shouguang Bohai Experimental School

Shouguang Bohai Experimental School is a high school located in Shouguang, Shandong province, the PRC, offering grade 10 to grade 12 secondary education programs.

Laoling Senior High School Affiliated with Minsheng Education Group

Laoling Senior High School Affiliated with Minsheng Education Group is a high school located in Laoling, Shandong province, the PRC, and the first batch of enrolled students have started the school year in September 2018.

Our Investments in Overseas Schools

In addition to our schools in the PRC, we have invested in Top Education in May 2018 as mentioned under the paragraph headed “Investment in the Newly Established Schools during the Reporting Period” above in this annual report.

The Group has also invested in Beacon International College PTE. LTD. (“**Beacon International College**”) in Singapore and Hong Kong Nang Yan College of Higher Education Limited (“**Hong Kong Nang Yan College**”) in Hong Kong.

樂陵市職業中等專業學校

樂陵市職業中等專業學校為一所位於中國山東省樂陵市的全日制普通中等專業院校，提供中專學歷教育。如本公司日期為2017年3月10日之招股章程(「招股章程」)所披露，根據本集團、樂陵市人民政府與樂陵市教育局訂立之若干合作協議，樂陵民生職業中等專業學校將按委託管理安排營辦樂陵市職業中等專業學校。於2018年，學校招生專業12種。

高中學校

壽光渤海實驗學校

壽光渤海實驗學校為一所位於中國山東省壽光市的高中學校，提供高中一年級至高中三年級中學教育。

民生教育集團附屬樂陵高級中學

民生教育集團附屬樂陵高級中學校為一所位於中國山東省樂陵市的高中學校，第一批招收的學生已於2018年9月開學。

我們於海外學校的投資

除我們於中國的學校外，誠如本年報上文「報告期內投資及新設立的學校」一段項下所述，我們於2018年5月投資成峰高教。

本集團亦已投資位於新加坡的Beacon International College PTE. LTD. (「培根國際學院」)及位於香港的香港能仁專上學院有限公司(「香港能仁學院」)。

As at 31 December 2018, we directly owned approximately 8.1% equity interest in Top Education and 25.6% equity interest in Beacon International College, and were one of the two members of Hong Kong Nang Yan College, which is a company limited by guarantee established under the laws of Hong Kong.

於2018年12月31日，我們直接擁有成峰高教約8.1%股權及培根國際學院25.6%股權，並為根據香港法例設立的擔保有限公司香港能仁學院的兩名成員之一。

NUMBER OF ENROLLED STUDENTS

On 31 December 2018, the total student enrollment of the Group amounted to 65,496, representing an increase of 59.28% as compared to that of 31 December 2017.

入學學生人數

於2018年12月31日，本集團的在校生總人數為65,496名，較與2017年12月31日的在校生人數增長59.28%。

Schools	學校	Number of Enrolled Students	
		2018	2017
Chongqing College of Humanities, Science and Technology	重慶人文科技學院	20,696	19,529
Dianchi College of Yunnan University	雲南大學滇池學院	18,948	N/A ^(Note) 不適用 ^(備註)
Pass College of Chongqing Technology and Business University	重慶工商大學派斯學院	10,923	10,471
Chongqing Electronic Information College	重慶電信職業學院	6,080	5,948
Chongqing Vocational College of Applied Technology	重慶應用技術職業學院	3,157	2,884
Inner Mongolia Fengzhou Vocational College (Qingcheng Branch)	內蒙古豐州職業學院(青城分院)	2,048	2,288
Laoling Minsheng Secondary Vocational School	樂陵民生職業中等專業學校	261	N/A ^(Note) 不適用 ^(備註)
Laoling Secondary Vocational and Technical School	樂陵市職業中等專業學校	357	N/A ^(Note) 不適用 ^(備註)
Shouguang Bohai Experimental School	壽光渤海實驗學校	2,544	N/A ^(Note) 不適用 ^(備註)
Laoling Senior High School Affiliated with Minsheng Education Group	民生教育集團附屬樂陵高級中學	482	N/A ^(Note) 不適用 ^(備註)
Total	總計	65,496	41,120

Note:

Dianchi College of Yunnan University, Shouguang Bohai Experimental School and Laoling Secondary Vocational and Technical School were not operated by the Group as at 31 December 2017. No students had been enrolled in Laoling Minsheng Secondary Vocational School and Laoling Senior High School Affiliated with Minsheng Education Group as at 31 December 2017.

備註：

雲南大學滇池學院、壽光渤海實驗學校及樂陵市職業中等專業學校於2017年12月31日尚未成為本集團營運的學校。樂陵民生職業中等專業學校及民生教育集團附屬樂陵高級中學於2017年12月31日尚未開始收學生。

OPERATIONAL UPDATE ON BUSINESS OF THE GROUP

1. **The Group's schools have added new enrollment majors that meet the needs of industrial development.**

17 majors include data science and big data technology, mobile internet application technology, aged service and management, medical inspection technology, railway traffic operation management, network new media, financial engineering and so on. The new majors adapt the development of the industry, meet the need of the market in the cultivation direction of high-end talents of applied knowledge, is conducive to increasing enrollment and employment, and is conducive to enhancing the core competitiveness of the school.

2. **The employment rate of the graduates of the Group is much higher than the provincial average employment rate the schools locate in.**

For example, Dianchi College of Yunnan University's employment rate reached around 97.44%, Chongqing Vocational College of Applied Technology's employment rate reached around 97.72%, and the overall quality of our students is recognized by the society.

3. **The Group has recruited more high-quality teaching staff.**

As at 31 December 2018, a total of 4,353 employees were serving the Group, a significant increase of 2,662 employees as compared to 2017, to accommodate the development of the school and the educational management requirements for the increase in the number of students.

本集團業務運作更新

1、本集團高校新增符合產業發展需要的**17個專業**，如數據科學與大數據技術、移動互聯網應用技術、老年服務與管理、醫學檢驗技術、鐵道交通運營管理、網絡新媒體、金融工程等。新專業適應產業發展，符合市場需求的高端應用型人才培養方向，有利於增加招生和就業，有利於提升學校的核心競爭力。

2、本集團畢業生就業率遠高於所在省市平均就業率。如雲南大學滇池學院就業率達97.44%左右，重慶應用技術職業學院就業率達97.72%左右，學生的整體培養品質得到社會認可。

3、本集團聘用更多高素質教職員。於2018年12月31日擁有合共4,353名僱員服務於本集團，同比2017年的2,662名僱員有較大的增加，以適應學校發展和對學生數量增加後的教育管理要求。

4. **The Group has strengthened its management team.** Newly hired outstanding management talents with more experience and ability. For example, Chongqing College of Humanities, Science and Technology has adjusted the leadership of the school-level leadership team and has recruited the vice-principal through the open recruitment internally and externally. Compared with last year, the new management in schools are more capable with a reasonable structure. The schools also set the promotion criteria for the staff at the team and departmental levels in order to select the talents, to increase sense of responsibility and to improve management efficiency.
- 4、本集團加強了管理團隊。新聘更有經驗、能力強的優秀管理骨幹。例如，重慶人文科技學院對校級領導班子進行了換屆調整，通過公開競聘的方式面向校內外選聘副校長。與去年相比，新的學校管理層更加精幹，結構更加合理。學校還對科級和處級管理幹部進行了重新競聘上崗，選賢用能，增強了責任感，提高了管理效能。
5. **The Group has upgraded its teaching conditions and enhanced the learning environment.** In 2018, the Group further improved the schools' educational and teaching hardware conditions, purchased a batch of new experimental training equipment, and improved and enhanced the educational environment. The construction of the new campus of Laoling Minsheng Secondary Vocational School has been completed and has been in use since September 2018.
- 5、本集團提升教學條件和優化學習環境。2018年全年本集團進一步改善學校的教育教學硬件條件，購置一批新的實驗培訓設備，改善及優化育人環境。樂陵民生職業中等專業學校新校園的建設已經竣工，並已自2018年9月開學投入使用。
6. **The quality of talent training in the Group's schools has gained a good social reputation, and was awarded in multiple national contests.** In 2018, Chongqing College of Humanities, Science and Technology won 3 first prizes, 24 second prizes and 29 third prizes in the 4th National Applied Talents Integrated Skills Competition (「第四屆全國應用型人才綜合技能大賽」). Dianchi College was awarded "Role Model Chinese Higher Education Institute in Innovation and Entrepreneurship 2018" (「2018年度中國創業創新典型示範高校」). It also won a gold prize in the "The National Final of China's Internet + Innovation and Entrepreneurship among University Students" (《第四屆中國「互聯網+」大學生創新創業大賽全國總決賽》).
- 6、本集團學校人才培養品質贏得了良好的社會聲譽，並且在全國多項專業大賽中獲得獎勵。在2018年，重慶人文科技學院在第四屆全國應用型人才綜合技能大賽中獲一等獎3名、二等獎24名及三等獎29名。滇池學院榮獲「2018年度中國創業創新典型示範高校」稱號，亦在《第四屆中國「互聯網+」大學生創新創業大賽全國總決賽》中獲得金獎。

OUTLOOK

The schools of the Group are committed to cultivating outstanding professional talents equipped with application-oriented skills. Recently, the PRC government has promulgated a series of policies and documents including the Implementation Plan on National Vocational Education Reform (《國家職業教育改革實施方案》), China's Education Modernization 2035 (《中國教育現代化2035》) and Implementation Plan on the Advancement of Education Modernization (2018-2022) (《加快推進教育現代化實施方案(2018-2022年)》), with an aim to promote the integration of enterprises with vocational schools and universities, encourage the cultivation of application-oriented talents and operate diversified vocational schools. The Chinese government's work report clearly stated the reform and improvement of the examination methods for higher vocational colleges, and large-scale expansion of one million people this year.

Leveraging on the extensive experience accumulated in the education industry and with its aim at cultivating sophisticated talents with application-oriented skills, the Group will strengthen the integration of enterprises with vocational schools and universities and deepen school-enterprise cooperation by taking advantage of the opportunities brought by governmental policies, and further expand the Group's school network and student number through mergers and acquisitions of quality undergraduate schools and higher vocational (junior) colleges. These will be financed majorly from the internal resources of the Group.

FINANCIAL REVIEW

Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group derives revenue primarily from tuition fees and boarding fees our schools collect from students.

The revenue of the Group increased by approximately 30.4% from approximately RMB477.8 million in 2017 to approximately RMB623.1 million in 2018. This increase was primarily due to the increase of the Group's student enrollment and average tuition fees.

未來展望

本集團的院校一直以培養具備應用型技能的優秀專業人才為目標。近期，中國政府相繼頒佈了《國家職業教育改革實施方案》、《中國教育現代化2035》、及《加快推進教育現代化實施方案(2018-2022年)》等一系列政策和文件，促進產教融合，鼓勵培養應用型人才，建設多元化辦學格局。中國政府工作報告中明確提出，改革完善高職院校考試招生辦法、今年大規模擴招100萬人。

本集團將憑藉在教育行業積累的豐富經驗，以培養高端應用型人才為定位，把握政策機遇，加強產教融合和校企合作，通過併購優質的本科、高職(大專)學校，進一步擴大本集團的學校網絡和學生人數。有關併購將主要由本集團的內部資源提供資金。

財務回顧

收益

收益指於報告期內所提供的服務的價值。本集團主要自學校向學生收取的學費及住宿費錄得收益。

本集團的收益由2017年的約人民幣477.8百萬元增加約30.4%至2018年的約人民幣623.1百萬元。增長主要由於本集團學生入學人數及平均學費增加所致。

Cost of Sales

Cost of sales consists primarily of staff costs, depreciation and amortization, cost of cooperative education, utilities, cost of repairs, office expenses, student study and practice fees and other costs.

The cost of sales increased by approximately 45.6% from RMB199.1 million in 2017 to approximately RMB289.8 million in 2018. This increase was primarily due to (i) the increase in the number of teachers recruited by the Group's schools during the Reporting Period; (ii) the increase in the teachers' remuneration and benefits; and (iii) the increase in depreciation costs as a result of consolidation of the newly acquired schools into the Group.

Gross Profit

The gross profit increased by approximately 19.6% from approximately RMB278.7 million in 2017 to approximately RMB333.4 million in 2018, and gross profit margin slightly decreased by 4.8% from approximately 58.3% in 2017 to approximately 53.5% in 2018, which was mainly due to the increase in number and salary of teachers and the increase in depreciation of new schools newly consolidated to the Group.

Other Income and Gains

Other income and gains consists primarily of government grants, management service income, investment income from short-term investments measured at amortised cost and short-term investments measured at fair value through profit or loss, available for-sale investments and investment deposits, bank interest income and rental income.

Other income and gains increased by approximately 29.8% from approximately RMB146.3 million in 2017 to approximately RMB189.9 million in 2018. This increase was primarily due to (i) the payment of 100% net profit of Dianchi College and Dianjiao AM Co to the Group as entrustment management service fees during the term of Dianchi College Management Agreement; (ii) the increase in the interest income of bank deposits; and (iii) net exchange gains was recorded during the Reporting Period.

銷售成本

銷售成本主要包括員工成本、折舊及攤銷、合作教育成本、水電費、維修成本、辦公室開支、學生學習及實習費及其他成本。

銷售成本由2017年的人民幣199.1百萬元增加約45.6%至2018年約人民幣289.8百萬元。有關增長主要由於(i)本集團旗下學校於報告期內增聘新的教師；(ii)教師薪酬及福利費的增加；及(iii)新併入本集團的學校導致折舊費用增加。

毛利

毛利由2017年約人民幣278.7百萬元增加約19.6%至2018年約人民幣333.4百萬元，而毛利率由2017年約58.3%略微下跌4.8%至2018年約53.5%，主要由於報告期內本集團學校教師人數及薪酬增加以及新併入本集團學校導致折舊費用增加所致。

其他收入及收益

其他收入及收益主要包括政府補助、管理服務收入、按攤銷成本計量的短期投資及按公平值計入損益計量的短期投資、可供出售投資及投資存款的投資收入、銀行利息收入及租金收入。

其他收入及收益由2017年約人民幣146.3百萬元增加約29.8%至2018年約人民幣189.9百萬元。增長主要由於(i)滇池學院委託管理協議期間，滇池學院及資產管理公司的100%淨利潤作為支付予本集團的委託管理服務費；(ii)銀行存款的利息收入增加；及(iii)於報告期內錄得匯兌收益淨額。

Selling and Distribution Expenses

Selling and distribution expenses consist primarily of salaries and other benefits for our staff who are in charge of student recruitment and advertising, advertising expenses and student recruitment expenses.

Selling and distribution expenses increased from approximately RMB7.8 million in 2017 to approximately RMB16.8 million in 2018, primarily due to the increase in enrollment costs as a result of consolidation of several newly acquired schools into the Group during the Reporting Period.

Administrative Expenses

Administrative expenses primarily consist of the salaries and other benefits for general and administrative staff, office-related expenses, depreciation of office buildings and equipment, property management and environmental protection related expenses, travel and transportation expenses and rental expenses.

Administrative expenses increased by approximately 14.2% from approximately RMB125.7 million in 2017 to approximately RMB143.5 million in 2018, primarily due to (i) the increase in share option expenses of the Group; (ii) the increase in staff costs as a result of consolidation of several newly acquired schools into the Group during the Reporting Period; (iii) the increase in property management and environmental protection related expenses; and (iv) the increase in maintenance fees incurred by several schools of the Group.

銷售及分銷開支

銷售及分銷開支主要包括負責招生及廣告的人員的薪金及其他福利、廣告開支及招生開支。

隨著報告期內多所新學校併入本集團導致相關的招生費用成本上升，銷售及分銷開支由2017年約人民幣7.8百萬元增加至2018年約人民幣16.8百萬元。

行政開支

行政開支主要包括一般及行政員工的薪金及其他福利、辦公相關的開支、辦公大樓及設備折舊、物業管理及環保相關開支、差旅開支及租金開支。

行政開支由2017年的約人民幣125.7百萬元增加約14.2%至2018年的約人民幣143.5百萬元，主要由於(i)本集團購股權開支的增加；(ii)報告期內多所新學校併入本集團導致人員成本上升；(iii)物業管理及環保相關費用的增加；及(iv)本集團旗下多所學校的維修費用的增加。

Other Expenses, Net

Other expenses consist primarily of expenses relating to donations made to third-party educational and other institutions, net loss on disposal of property, plant and equipment.

Other expenses, net decreased substantially from approximately RMB25.2 million in 2017 to approximately RMB0.8 million in 2018. This decrease was primarily attributable to (i) the decrease in net loss on disposal of property, plant and equipment during the Reporting Period as compared with 2017; and (ii) the net exchange gain recorded in 2018 as compared with net exchange loss in 2017.

Finance Costs

Finance costs mainly represent interests on banks loans and other borrowings interest on finance leases which were originally borne by the schools we newly acquired through merger and acquisition during the Reporting Period. And the effective interest rate amortisation for a put option liability in relation to the acquisition of Dianchi College of Yunnan University.

Finance costs increased from approximately RMB3.0 million in 2017 to approximately RMB13.2 million in 2018, mainly due to the increase in interests on existing loans of the Group's newly-consolidated schools and the interest we paid on bank loans and other borrowings.

Loss from Investments

Loss from investments increased from approximately RMB0.3 million in 2017 to approximately RMB0.6 million in 2018, which was mainly due to the pro-rata recognition of its share of loss of Beacon International College (an associated company) for the year by the Group.

其他開支淨額

其他開支主要包括有關向第三方教育及其他機構捐款的開支、出售物業、廠房及設備虧損淨額。

其他開支淨額由2017年約人民幣25.2百萬元大幅下降至2018年約人民幣0.8百萬元，主要由於(i)報告期內發生的出售物業、廠房及設備虧損淨額較2017年減少；及(ii)2018年錄得外幣匯兌淨收益，而2017年則錄得外幣匯兌淨虧損。

融資成本

報告期內，融資成本主要指銀行貸款利息及就融資租賃的其他借貸利息(該等利息原本由我們新併購的學校負擔)，以及就涉及收購雲南大學滇池學院的認沽期權負債的實際利率攤銷。

融資成本由2017年的約人民幣3.0百萬元增加至2018年的約人民幣13.2百萬元，主要由於新併入本集團的學校原有的貸款之利息及我們所支付的銀行貸款及其他借款利息增加所致。

投資損失

投資損失由2017年約人民幣30萬元增加至2018年約人民幣60萬元，主要原因為本集團按照比例確認其應佔聯營公司培根國際學院當年虧損的份額。

Profit for the Year

As a result of the above factors, profit for the year of 2018 of the Group increased by approximately 27.6% from approximately RMB260.8 million in 2017 to approximately RMB332.8 million in 2018.

Core Net Profit

The Group defines its core net profit as its profit for the year after adjusting for those items which are not indicative of the Group's operating performances (as presented in the table below). This is not an International Financial Reporting Standards ("IFRSs") measure. The Group has presented this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors. The following table shows profit and adjusted net profit of the Group for the years presented below:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年度溢利	332,828	260,847
Add:	加：		
Listing-related expenses	上市相關開支	-	25,738
Unrealised exchange (gain)/loss	未變現匯兌(收益)/虧損	(7,738)	20,468
Share option expenses	購股權開支	13,108	3,300
Core net profit	核心淨溢利	338,198	310,353

Core net profit in 2018 increased by approximately RMB27.8 million (approximately 9.0%) as compared with 2017. Core net profit margin decreased from approximately 65.0% in 2017 to approximately 54.3% in 2018.

年度溢利

由於上述因素，本集團2018年年度溢利由2017年約人民幣260.8百萬元增加約27.6%至2018年約人民幣332.8百萬元。

核心淨溢利

本集團將其核心淨溢利定義為就與本集團經營表現無關的項目作出調整後的全年溢利(如下表所呈列)。其並非一項國際財務報告準則(「國際財務報告準則」)計量。本集團呈列該項目，乃由於本集團認為其為本集團管理層以及分析師或投資者所採用的本集團經營表現的重要補充計量。下表載列本集團於以下所呈列年度的溢利與經調整淨溢利：

2018年的核心淨溢利較2017年增加約人民幣27.8百萬元(約9.0%)。核心淨利潤率由2017年的約65.0%下降至2018年的約54.3%。

FINANCIAL AND LIQUIDITY POSITION

Net Current Assets

As at 31 December 2018, the Group had net current assets of approximately RMB70.9 million, which primarily consisted of cash and bank balances. The current assets as at 31 December 2018 decreased to approximately RMB1,578.0 million from approximately RMB2,459.9 million as at 31 December 2017. The decrease in current assets primarily reflected that (i) the cash and bank balances decreased from approximately RMB1,696.3 million as at 31 December 2017 to approximately RMB1,505.8 million as at 31 December 2018, mainly due to the cash outflows of RMB601.5 million, a result of the acquisition of Shiji Kuangao and Leed International; and the repayment of bank and other borrowings led to the outflows in 2018; and (ii) the available-for-sale investments and investment deposit decreased from approximately RMB466.3 million and RMB243.4 million, respectively, as at 31 December 2017 to nil as at 31 December 2018, due to their maturity. The current liabilities increased from approximately RMB773.8 million as at 31 December 2017 to approximately RMB1,507.1 million as at 31 December 2018, mainly reflecting (i) an increase of approximately RMB212.3 million in contract liabilities/deferred revenue because of the increase in tuition fee received due to an increase in student numbers for the 2018-2019 school year as at 31 December 2018 and the completion of acquisitions of Shouguang Bohai Experimental School and Dianchi College of Yunnan University in 2018; (ii) an increase of approximately RMB100.5 million in bank and other borrowings; and (iii) an increase of approximately RMB407.5 million in other payables and accruals mainly due to an increase in payables for purchase of teaching equipment, etc.

CAPITAL STRUCTURE

The shares of the Company have been listed on the Main Board of the Stock Exchange since 22 March 2017. There is no material change in the capital structure of the Company since the Listing Date and up to the date of this annual report. The capital of the Company comprises only ordinary shares.

As at 31 December 2018, the Company's issued share capital was USD40,177 and the number of its issued ordinary shares was 4,017,720,000 of USD0.00001 each.

財務及流動資金狀況

流動資產淨值

於2018年12月31日，本集團擁有流動資產淨值約人民幣70.9百萬元，主要包括現金及銀行結餘。於2018年12月31日的流動資產由2017年12月31日的約人民幣2,459.9百萬元減少至約人民幣1,578.0百萬元。流動資產減少主要反映(i)現金及銀行結餘由2017年12月31日的約人民幣1,696.3百萬元減少至2018年12月31日的約人民幣1,505.8百萬元，乃主要因收購世紀寬高及勵德集團導致現金流出人民幣601.5百萬元；及2018年償還銀行和其他借貸流出；及(ii)可供出售投資及投資存款因到期分別由2017年12月31日的約人民幣466.3百萬元及人民幣243.4百萬元下降至2018年12月31日的零。流動負債由2017年12月31日的約人民幣773.8百萬元增加至2018年12月31日的約人民幣1,507.1百萬元，主要反映(i)合約負債／遞延收益增加約人民幣212.3百萬元，乃因收取的學費增加，蓋因於2018年12月31日就2018-2019學年的學生人數增加及2018年完成收購壽光渤海實驗學校及雲南大學滇池學院；(ii)銀行及其他借貸增加約人民幣100.5百萬元；及(iii)主要由於採購教學設備等應付款項增加，其他應付款項及應計費用增加約人民幣407.5百萬元。

股本結構

本公司股份自2017年3月22日起於聯交所主板上市。自上市日期起及直至本年報日期，本公司股本結構並無重大變動。本公司的股本僅包含普通股。

於2018年12月31日，本公司已發行股本為40,177美元及其已發行每股面值0.00001美元的普通股的數目為4,017,720,000股。

Capital Commitments

The Group had the following capital commitments at the end of the respective reporting period:

資本承擔

本集團於有關報告期末的資本承擔如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Equipment	設備	10,887	7,653
Buildings	樓宇	110,595	19,364
Loans committed to a third party	向第三方承諾的貸款	400,000	-
Loans committed to an associate	向一間聯營公司承諾的貸款	-	8,359
Acquisition of private schools	收購民辦學校	591,800	500,000
		1,113,282	535,376

At the end of the Reporting Period, the Group did not have significant capital commitments that are authorised but not contracted for.

於報告期末，本集團並無重大已授權但未訂約的資本承擔。

Indebtedness

The Group's interest-bearing bank and other borrowings primarily consisted of short-term working capital loans to supplement our working capital and finance our expenditure and long-term project loans for the continuous development of our school buildings and facilities.

債務

本集團的計息銀行及其他借貸主要包括用於補充營運資金及為我們的支出提供資金的短期營運資金貸款及用於持續興建學校樓宇及設施的長期項目貸款。

The bank loans and other borrowings amounted to RMB458.7 million as at 31 December 2018, all dominated in Renminbi. As at 31 December 2018, our bank loans and other borrowings bore effective interest rates ranging from 1.2% to 24.0% per annum.

於2018年12月31日的銀行貸款及其他借款達人民幣458.7百萬元，均以人民幣計值。於2018年12月31日，我們的銀行貸款及其他借款按1.2%至24.0%的實際年利率計息。

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and other borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

本集團的目標為通過使用經營內部產生之現金流量及其他借款維持資金持續供應與靈活性之間的平衡。本集團定期檢討主要資金狀況以確保有足夠財務資源履行財務責任。

Contingent Liabilities

As at 31 December 2018, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group (2017: nil).

或然負債

於2018年12月31日，本集團並無任何重大或然負債、擔保或本集團任何成員公司並無未決或面臨的任何重大訴訟或申索(2017年：無)。

Pledge of Assets

As at 31 December 2018, certain of the Group's buildings and land with a net carrying amount of approximately RMB342.0 million (2017: RMB284.4 million) were pledged to secure bank loans and other borrowings.

Foreign Exchange Exposure

The majority of the Group's revenue and expenditures are denominated in RMB. As at 31 December 2018, certain bank balances were denominated in United States dollar ("US\$") and Hong Kong dollar ("HK\$"). The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Gearing Ratio

The gearing ratio increased to 13.0% as at 31 December 2018 from approximately 5.5% as at 31 December 2017 (the gearing ratio is calculated by dividing total borrowings by total equity and multiplying the resulting value by 100%), due to the increase in interests on existing loans of the Group's newly-consolidated schools and the interest we paid on bank loans and other borrowings.

Salary increment for Employees, Training and Development

In 2018, in order to motivate our faculty staff for better work performance, the Group has reviewed and increased the salaries of employees. The increment in salaries is based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. As required by PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including pension, medical, maternity, work-related injury, unemployment insurance and housing provident fund.

In addition, the Group provides comprehensive training programs to its existing and newly recruited employees and/or sponsors its employees to attend various job-related training courses and also support some excellent teachers to study, train and communicate with famous universities abroad.

資產質押

於2018年12月31日，本集團賬面淨值為約人民幣342.0百萬元(2017年：人民幣284.4百萬元)的若干樓宇及土地已予抵押以取得銀行貸款及其他借款。

外幣匯兌風險

本集團的大部份收益及開支以人民幣計值。於2018年12月31日，若干銀行結餘以美元(「美元」)及港元(「港元」)計值。本集團目前並無任何外匯對沖政策。管理層將持續監察本集團的外幣匯兌風險及考慮適時採取審慎措施。

資本負債率

於2018年12月31日，資本負債率由2017年12月31日約5.5%上升至13.0% (資本負債率乃按總借款除以總權益再將所得值乘以100%計算)，乃由於新併入本集團的學校原有的貸款之利息及我們所支付的銀行貸款及其他借款利息增加所致。

僱員薪酬、培訓及發展

本集團2018年為激勵教職員工更加出色優異地工作，檢討及增加了僱員的薪酬。增加的薪酬乃基於彼等的表現、經驗及現行行業慣例而釐定，並會定期檢討所有薪酬政策及組合。我們根據中國法律及法規的規定為我們的僱員參與由當地政府管理的各項僱員社會保障計劃，其中包括養老、醫療、生育、工傷和失業保險及住房公積金。

此外，本集團為其現有及新聘用的僱員提供全面培訓及／或資助僱員參加各種與工作有關的培訓課程，也支持部份優秀教師去國外知名大學學習、培訓和交流。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

BOARD OF DIRECTORS

Executive Directors

Mr. Li Xuechun, aged 65, is the founder of our Group. Since October 1998, Mr. Li has served as chairman of the board of directors of Li'ang Industry. He was appointed as a Director of the Company on 13 December 2005 and has been the Chairman of the Board since 17 January 2006. Mr. Li has more than 10 years of experience in the education industry, having served as the Chairman of the Board since 2006. In addition, Mr. Li served as the vice-chairman of the Chinese Association for Non-Government Education* (中國民辦教育協會) from May 2008 to November 2016 and has served as the executive-chairman of Chongqing Association for Non-Government Education* (重慶民辦教育協會) since 2014. Mr. Li is responsible for the strategic development of our Group. Mr. Li graduated from the CPC Central Party School* (中共中央黨校) with a degree in Economic Management in June 1988 through long distance learning courses. Mr. Li was a member of the 11th and 12th National Committee of Chinese People's Political Consultative Conference* (中國人民政治協商會議全國委員會) and a representative of Science Education Culture Health and Sport Commission* (中國人民政治協商會議教科文衛體委員會) of the 12th National Committee of Chinese People's Political Consultative Conference. Mr. Li was awarded as a National Education Industry Model Worker* (全國優秀教育工作者) by the Ministry of Education of the PRC in September 2014. Mr. Li did not hold any directorship in other listed companies during the last three years.

Mr. Li is the father-in-law of Mr. Zuo Yichen, the executive Director and the President of the Company.

董事會

執行董事

李學春先生，65歲，本集團的創辦人。自1998年10月起，李先生擔任利昂實業董事長。彼於2005年12月13日獲委任為本公司的董事，並自2006年1月17日起出任董事會主席。李先生在教育界擁有逾10年經驗，自2006年起擔任董事會主席。此外，李先生自2008年5月至2016年11月擔任中國民辦教育協會副會長及自2014年起擔任重慶民辦教育協會執行會長。李先生負責本集團的策略發展。李先生於1988年6月畢業於中共中央黨校，透過函授課程取得經濟管理學位。李先生為第十一屆、第十二屆中國人民政治協商會議全國委員會委員，第十二屆中國人民政治協商會議全國委員會教科文衛體委員會委員。於2014年9月，李先生獲中國教育部評為全國優秀教育工作者。李先生在過去三年並無於其他上市公司擔任任何董事職位。

李先生為本公司執行董事兼總裁左熠晨先生的岳父。

* English names are translated for identification purpose only.

* 英譯名僅供識別。

Ms. Zhang Weiping, aged 54, joined the Group in April 2007. Ms. Zhang was appointed as a Director of our Company on 27 July 2008, and served as the Chief Operational Officer of our Group from April 2007 to August 2016. Ms. Zhang was appointed as the Chief Executive Officer of the Company on 1 August 2016. Since September 2000, Ms. Zhang has held various positions with Chongqing College of Humanities, Science and Technology, including being appointed as professor by Southwestern Normal University Yucai College* (西南師範大學育才學院) (a predecessor of Chongqing College of Humanities, Science and Technology) in 2004. She currently serves as the executive principal and party secretary of the school. Ms. Zhang has more than 15 years of experience in the education industry and is responsible for the overall management and operation of our Group. Ms. Zhang graduated from Southwestern University* (西南大學) (formerly known as Southwestern Normal College* (西南師範學院)) with a bachelor's degree in law in 1988 and a master's degree in law in 1998. Ms. Zhang held various positions with Southwestern University during the period from 1988 to 2007, where she was appointed an associate professor in 2001 before receiving a further promotion to the position of researcher in 2007. Between December 2007 to December 2012, Ms. Zhang was a representative member of Chongqing Municipal People's Congress* (重慶市人民代表大會). She has served as a vice president of the Higher Education Commission of the China Non-Governmental Education Association* (中國民辦教育協會) since 2011. Ms. Zhang was awarded the "Advance Education Workers in Chongqing* (先進教育工作者)" award by Chongqing Municipal Education Commission in September 2007. She was also named as an "Outstanding Party Affairs Worker* (優秀黨務工作者)" by Southwestern University* (西南大學) in June 2006. Ms. Zhang did not hold any directorship in other listed companies during the last three years.

張衛平女士，54歲，於2007年4月加入本集團。於2008年7月27日，張女士獲委任為本公司董事，並自2007年4月至2016年8月擔任本集團首席運營官。張女士於2016年8月1日獲委任為本公司行政總裁。自2000年9月起，張女士於重慶人文科技學院擔任多個職務，包括於2004年獲西南師範大學育才學院(重慶人文科技學院的前身)委任為教授。彼現時擔任該校執行院長兼黨委書記。張女士於教育界擁有逾15年經驗，負責本集團的整體管理及營運。張女士於1988年畢業自西南大學(前稱西南師範學院)，獲法學學士學位，並於1998年取得法律碩士學位。自1988年至2007年期間，張女士於西南大學擔任多個職務，彼於2001年獲委任為副教授，其後，於2007年進一步晉升為研究員。於2007年12月至2012年12月，張女士擔任重慶市人民代表大會代表。彼自2011年起擔任中國民辦教育協會高等教育專業委員會副會長。張女士於2007年9月獲重慶市教育委員會評為重慶先進教育工作者。彼亦於2006年6月獲西南大學評為優秀黨務工作者。張女士在過去三年並無於其他上市公司擔任任何董事職位。

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* 英譯名僅供識別。

Mr. Zuo Yichen, aged 38, joined the Group in August 2016 as Vice President. Mr. Zuo was appointed as a Director of our Company on 23 August 2016 and currently act as the President of our Company. Mr. Zuo has more than 14 years of experience in banking practice. Prior to joining our Group, Mr. Zuo was employed by the Bank of China from July 2002 to March 2016, and last occupied the position of head office senior manager. Mr. Zuo graduated from Beijing Foreign Studies University* (北京外國語大學) in 2002 with a bachelor of arts degree, majoring in French. Mr. Zuo did not hold any directorship in other listed companies during the last three years.

Mr. Zuo is the son-in-law of Mr. Li Xuechun, the executive Director and chairman of the Board of the Company.

Mr. Lam Ngai Lung, aged 42, joined the Group in May 2012 as the general manager of our investment department and was subsequently appointed as a Director of our Company on 23 August 2016. Mr. Lam has served as the Chief Financial Officer of our Group since 22 May 2016. Mr. Lam has more than 15 years of experience in the field of accounting, and finance. Prior to joining our Group, He served as an audit assistant with Nexia Charles Mar Fan & Co., a firm of Certified Public Accounts, between September 2000 and November 2003. From November 2003 to October 2006, Mr. Lam was employed by PricewaterhouseCoopers and last occupied the position of senior associate. Between November 2006 and March 2007, Mr. Lam was employed as an assistant manager at TOM Group Limited, a company listed on the Stock Exchange (stock code: 2383) since August 2004 and was primarily responsible for internal operational reviews. From March 2007 to May 2012, Mr. Lam served as an advisory manager at KPMG. Mr. Lam graduated from the Hong Kong University of Science and Technology in November 1999 with a bachelor of science in mathematics degree. In October 2000, He obtained the Postgraduate Certificate in Professional Accounting from the City University of Hong Kong. Mr. Lam has been a member of the Hong Kong Institute of Certified Public Accountants since 2004 and a Chartered Financial Analyst (CFA) charterholder since 2005. Mr. Lam did not hold any directorship in other listed companies during the last three years.

左燿晨先生，38歲，於2016年8月加入本集團，擔任總裁。左先生於2016年8月23日獲委任為本公司董事，現為本公司總裁。左先生於銀行實務方面擁有逾14年經驗。在加入本集團前，左先生於2002年7月至2016年3月任職於中國銀行，離職前擔任總行高級經理。左先生於2002年畢業於北京外國語大學，取得文學學士學位，主修法語。左先生在過去三年並無於其他上市公司擔任任何董事職位。

左先生為本公司執行董事兼董事會主席李學春先生的女婿。

林毅龍先生，42歲，於2012年5月加入本集團並擔任投資部總經理，隨後於2016年8月23日獲委任為本公司董事。林先生自2016年5月22日起出任本集團財務總監。林先生於會計及財務方面擁有逾15年經驗。在加入本集團前，彼於2000年9月至2003年11月於執業會計師事務所馬炎璋會計師行擔任審計助理。於2003年11月至2006年10月，林先生受聘於羅兵咸永道會計師事務所及離職前職位為高級審計員。於2006年11月至2007年3月，林先生獲委聘為自2004年8月於聯交所上市的TOM集團有限公司(股份代號：2383)的副經理，主要負責內部業務審查。於2007年3月至2012年5月，林先生擔任畢馬威會計師事務所顧問經理。林先生於1999年11月畢業自香港科技大學，取得理學學士學位，主修數學。於2000年10月，彼獲得香港城市大學專業會計研究生證書。林先生自2004年起為香港會計師公會會員，並自2005年起為特許金融分析師持證人。林先生在過去三年並無於其他上市公司擔任任何董事職位。

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* 英譯名僅供識別。

Non-executive Directors

Mr. Lin Kaihua, aged 52, was appointed by the Board as a non-executive Director on 28 June 2017. Mr. Lin has extensive experience in business operation and financial management. He is an executive director and vice president of Overseas Chinese Town (Asia) Holdings Ltd.* (華僑城(亞洲)控股有限公司) (“**OCT (Asia)**”) (stock code: 3366), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited and which holds approximately 8.26% of the issued share capital of the Company. He also holds director positions in certain subsidiaries of OCT (Asia) and Beijing Guangying Real Estate Development Co., Ltd.* (北京廣盈房地產開發有限公司) (an associate of OCT (Asia)), and is also the deputy general manager of Overseas Chinese Town (HK) Company Limited (the controlling shareholder of OCT (Asia)). Since joining Overseas Chinese Town Enterprise Company in 1992, Mr. Lin has held a number of positions including but not limited to the deputy general manager and the chief financial officer of Overseas Chinese Town (Shanghai) Land Company* (華僑城(上海)置地有限公司) (an indirect non-wholly owned subsidiary of the OCT (Asia)), the deputy general manager of Shenzhen Overseas Chinese Town Entertainment Investment Company Limited* (深圳華僑城都市娛樂投資公司) (a wholly-owned subsidiary of OCT Ltd.), chief financial officer of Shenzhen Overseas Chinese Town Holding Company Limited* (深圳華僑城控股股份有限公司) (currently known as OCT Ltd.), and the chief financial officer of Shenzhen Bay Hotel* (深圳灣大酒店) (currently known as “**InterContinental Shenzhen* (華僑城大酒店)**”). Mr. Lin holds a bachelor’s degree and a master’s degree in accounting and has obtained Certified Public Accountant and Senior Accountant title.

非執行董事

林開樺先生，現年52歲，於2017年6月28日獲董事會委任為非執行董事。林先生具有相當豐富的企業營運及財務管理經驗。林先生現為華僑城(亞洲)控股有限公司(「**華僑城(亞洲)**」)(股份代號：3366)，其股份於香港聯合交易所有限公司主板上市及持有本公司已發行股本約8.26%權益的執行董事及副總裁。林先生同時兼任華僑城(亞洲)多個附屬公司的董事職位、北京廣盈房地產開發有限公司(華僑城(亞洲)的聯營公司)董事及香港華僑城有限公司(華僑城(亞洲)的控股股東)副總經理。林先生自1992年加入華僑城集團公司以來出任多個職位，包括但不限於華僑城(上海)置地有限公司(華僑城(亞洲)的間接非全資附屬公司)副總經理兼財務總監、深圳華僑城都市娛樂投資公司(華僑城股份的全資附屬公司)副總經理、深圳華僑城控股股份有限公司(現為華僑城股份)財務總監及深圳灣大酒店(現為「**華僑城大酒店**」)財務總監。林先生持有會計學學士及碩士學位，並已獲得註冊會計師及高級會計師資格。

* English names are translated for identification purpose only.

* 英譯名僅供識別。

Ms. Li Yanping, aged 59, was appointed as a non-executive Director on 28 June 2017. Ms. Li has been the Vice Principal of Pass College of Chongqing Technology and Business University, a school in which the Group owns 100% school sponsor interest, since March 2016. Ms. Li has over 30 years of experience in the financial service industry and possesses extensive experience in management and internal audit. Prior to joining the Group, Ms. Li was the Deputy Division Chief at the Xi'an Branch of Internal Audit Bureau of Industrial and Commercial Bank of China ("ICBC") (中國工商銀行內部審計局西安分局) from 2006 to 2016 and has worked as an auditor at ICBC from 1999 to 2004. She has also worked at various positions in ICBC from 1980 to 2004. Ms. Li has obtained a bachelor's degree in economics and management from the Party School of the Central Committee of the Communist Party of China (中央黨校) and is a senior economist. Ms. Li is the daughter of Mr. Li Xuerang who is a cousin of Mr. Li Xuechun, a controlling shareholder of the Company, an executive Director and the chairman of the Board.

Independent Non-executive Directors

Mr. Chan Ngai Sang, Kenny, aged 54, was appointed as an independent non-executive Director of our Company on 2 March 2017. Mr. Chan is a partner and founder of Kenny Chan & Co., a firm of Certified Public Accountants. Mr. Chan has over 30 years' experience in accounting, taxation, auditing and corporate finance and has been involved in several mergers, acquisitions and initial public offering projects. Mr. Chan holds a bachelor of commerce degree from the University of New South Wales and is a member of Chartered Accountants Australia and New Zealand, the Association of International Accountants, CPA Australia, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr. Chan is also a fellow member of the Hong Kong Institute of Directors. Mr. Chan served as president of the Hong Kong Branch of the Association of International Accountants in the years 2012-2015. Mr. Chan is an independent non-executive director of Zhongyuan Bank Co., Ltd., CMIC Ocean En-Tech Holding Co., Ltd., Hebei Construction Group Corporation Limited and Kingland Group Holdings Limited, all are listed on the Main Board of the Stock Exchange.

李雁平女士，現年59歲，於2017年6月28日獲委任為非執行董事。李女士自2016年3月以來出任重慶工商大學派斯學院(一所由本集團擁有100%學校出資人權益的學校)副院長一職。李女士在金融服務業擁有超過30年的經驗，彼亦擁有相當豐富的管理及內部審計經驗。在加入本集團前，李女士於2006年至2016年曾擔任中國工商銀行內部審計局西安分局副處長。於1999年至2004年，李女士曾擔任中國工商銀行審計師。彼亦於1980年至2004年於中國工商銀行任職多個職位。李女士於中央黨校獲得經濟及管理學學士學位，彼為一名資深經濟師。李女士為Li Xuerang先生的女兒，而Li Xuerang先生為本公司控股股東、執行董事兼董事會主席李學春先生的堂兄。

獨立非執行董事

陳毅生先生，54歲，於2017年3月2日獲委任為本公司獨立非執行董事。陳先生為執業會計師事務所陳毅生會計師事務所之合夥人兼創辦人。陳先生於會計、稅務、審計及企業融資方面擁有逾30年經驗，曾參與多項併購及首次公開發售項目。陳先生自新南威爾斯大學取得商學士學位，並為澳洲及新西蘭特許會計師公會、國際會計師公會、澳洲會計師公會、香港會計師公會及香港稅務學會會員。陳先生亦為香港董事學會資深會員。陳先生於2012年至2015年曾任國際會計師公會香港分會會長。陳先生現為中原銀行股份有限公司、華商國際海洋能源科技控股有限公司、河北建設集團股份有限公司及景聯集團控股有限公司的獨立非執行董事，該等公司均為於聯交所主板上市的公司。

Mr. Yu Huangcheng, aged 43, was appointed as an independent non-executive Director of our Company on 2 March 2017. From March 2009 to March 2010, Mr. Yu was employed by the Investment Promotion Bureau of Haidian District* (海澱區投資促進局) and last occupied the position of section chief (科長). Since March 2010, Mr. Yu has served as an investment director at Kunwu Jiuding Capital Holdings Co., Ltd. (昆吾九鼎投資控股股份有限公司), which is a company listed on the Shanghai Stock Exchange (stock code: 600053). Mr. Yu graduated from Macquarie University in Australia with a Master's degree in applied finance in November 2008. Mr. Yu did not hold any directorship in other listed companies during the last three years.

Mr. Wang Wei Hung, Andrew, aged 63, was appointed as an independent non-executive Director of our Company on 2 March 2017. He was admitted as Solicitor of the High Court in Hong Kong in January 1982 and has over 30 years of experience in the legal practice. Mr. Wang was the Head of Legal and Compliance Department of China Development Bank Corporation Hong Kong Branch between from August 2010 to September 2011. Before joining China Development Bank Corporation Hong Kong, he was a Partner of the Finance & Projects Group of DLA Piper Hong Kong from October 2006 to November 2009. Mr. Wang has also been a Notary Public since 1992. Actively involved in public sector advisory and statutory bodies, amongst the appointments he is the Chairman of Appeal Tribunal Panel (Building Ordinance), and former member of Notaries Public Disciplinary Tribunal Panel. In 2005, he was invited by former President of the United States Bill Clinton to participate in the Clinton Global Initiative Fund held in New York 2005. Mr. Wang has served as an independent non-executive director of Infinity Financial Group (Holdings) Limited (新融宇集團(控股)有限公司), a company listed on the Stock Exchange (stock code: 1152) from October 2011 to June 2017. Mr. Wang graduated from Concordia University, Canada with a bachelor of arts degree in Communications Arts.

余黃成先生，43歲，於2017年3月2日獲委任為本公司獨立非執行董事。於2009年3月至2010年3月，余先生受聘於海澱區投資促進局，離任前的職務為科長。自2010年3月起，余先生擔任昆吾九鼎投資控股股份有限公司的投資主管，其為一間於上海證券交易所上市的公司(股份代號：600053)。余先生畢業於澳洲的麥考瑞大學，並於2008年11月獲得應用金融碩士學位。余先生在過去三年並無於其他上市公司擔任任何董事職位。

王惟鴻先生，63歲，於2017年3月2日獲委任為本公司獨立非執行董事。彼於1982年1月獲認許為香港高等法院律師，擁有逾30年法律執業經驗。王先生於2010年8月至2011年9月期間為國家開發銀行香港分行法律及合規部主管。加入國家開發銀行香港前，彼於2006年10月至2009年11月擔任歐華律師事務所金融及項目部合夥人。王先生自1992年起亦為國際公證人。彼積極參與公共領域的顧問及法定組織，任命包括上訴審裁團(建築物條例)主席及公證人紀律審裁組前成員。於2005年，彼獲前美國總統克林頓邀請參與於2005年在紐約舉行的克林頓全球倡議基金(Clinton Global Initiative Fund)。王先生自2011年10月至2017年6月期間擔任新融宇集團(控股)有限公司(一間於聯交所上市的公司(股份代號：1152))的獨立非執行董事。王先生畢業於加拿大Concordia University並獲得傳媒藝術文學士學位。

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SENIOR MANAGEMENT

Mr. Wang Wei, aged 52, joined the Group in October 2005 and is currently the financial director and head of finance department of Chongqing College of Humanities, Science and Technology. Mr. Wang has over 15 years of experience in finance and accounting and is primarily responsible for the finance and accounting of our Group's schools in Chongqing. Prior to joining our Group, Mr. Wang worked as accountant with Beijing Zhongruicheng Lianhe Accounting Firm Chongqing Branch* (北京中瑞誠聯合會計事務所重慶分所) and Chongqing Tongguan Accounting Firm Co., Ltd.* (重慶通冠會計師事務所有限責任公司). Mr. Wang graduated from Jiangxi Caijing College* (江西財經學院) with a bachelor degree in economics in July 1989.

Mr. Li Jiandong, aged 46, joined our Group in January 2016 and is currently the deputy officer of logistics of Chongqing College of Humanities, Science and Technology and has been primarily responsible for the logistical support of our schools in Chongqing. Prior to joining our Group, Mr. Li served as the general manager of Shandong Dongying Jinheng Furniture Co., Ltd.* (山東東營金恒家具有限公司), a company primarily engaged in export and trading of furniture, between June 2010 to December 2015. From March 1999 to March 2010, Mr. Li was employed by Shandong Shenghui Timber Co, Ltd.* (山東勝輝木業有限公司) and last occupied the position of deputy general manager.

COMPANY SECRETARY

Ms. Ng Wing Shan is the company secretary of our Company and was appointed on 21 September 2016. Ms. Ng is a fellow member of The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Ms. Ng is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited (formerly known as SW Corporate Services Group Limited) and her major responsibility is assisting listed companies in professional company secretarial work.

高級管理層

王偉先生，52歲，於2005年10月加入本集團，目前擔任重慶人文科技學院財務總監及財務部主管。王先生於財務及會計方面擁有逾15年經驗並主要負責本集團在重慶的學校之財務及會計。於加入本集團前，王先生於北京中瑞誠聯合會計師事務所重慶分所及重慶通冠會計師事務所有限責任公司擔任會計師。王先生於1989年7月畢業於江西財經學院，獲得經濟學學士學位。

李建東先生，46歲，於2016年1月加入本集團，目前擔任重慶人文科技學院後勤副主任，主要負責我們於重慶的學校的後勤支援。於加入本集團前，李先生於2010年6月至2015年12月期間擔任山東東營金恒家具有限公司(一間主要從事家具出口及貿易的公司)總經理。於1999年3月至2010年3月，李先生受聘於山東勝輝木業有限公司及離職前的職位為副總經理。

公司秘書

吳詠珊女士為本公司公司秘書及於2016年9月21日獲委任。吳女士為香港特許秘書公會及英國特許秘書及行政人員公會之資深會員。吳女士為方圓企業服務集團(香港)有限公司(前稱信永方圓企業服務集團有限公司)副總監，其主要職責為協助上市公司進行專業公司秘書工作。

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REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present the reports and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2018.

GLOBAL OFFERING

The Company was incorporated on 13 December 2005 as an exempted company with limited liability under the laws of the Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange on 22 March 2017 (the "Listing Date").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in providing educational services in the PRC. Details of the principal activities of the Group's subsidiaries are set out in Note 1 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group during the year ended 31 December 2018 as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the section headed "Chairman's Statement" on pages 7 to 9 and "Management Discussion and Analysis" on pages 10 to 37. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Events after the Reporting Period" on page 120.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules as at the date of this annual report.

董事會欣然呈報本公司及本集團截至2018年12月31日止年度的報告及經審核綜合財務報表。

全球發售

本公司於2005年12月13日根據開曼群島法律註冊成立為獲豁免有限責任公司。本公司的股份已於2017年3月22日(「上市日期」)於聯交所主板上市。

主要業務

本公司的主要業務為投資控股。本集團主要於中國提供教育服務。本集團附屬公司的主要業務詳情已載列於綜合財務報表附註1。

業務回顧

根據香港法例第622章公司條例附表5的規定對本集團業務的中肯審視，包括對本集團截至2018年12月31日止年度財務表現的分析、本集團業務未來可能發展的說明及本集團與其持份者(對本集團擁有重大影響並關乎本集團業務成功者)的主要關係，載於第7頁至第9頁的「主席報告」及第10頁至第37頁的「管理層討論及分析」章節。該等討論構成本年報的一部分。自財政年度結束後發生並影響本公司的事項載於第120頁的「報告期後之事項」一節。

足夠公眾持股量

基於本公司所得的公開資料及據董事所知悉，於本年報日期，本公司已按上市規則的規定，維持不少於本公司已發行股本總額25%的足夠公眾持股量。

RESULTS

The Group's results for the year ended 31 December 2018 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 155 to 312.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group believes that risk management is important to the Group's success. Key operational risks faced by the Group include, among others, changes in general market conditions and perceptions of formal higher education, changes in the regulatory environment in the PRC education industry, the ability of the Group to offer quality education to students, the ability of the Group to increase student enrollment and/or raise tuition rates, the potential expansion of the Group into other regions in China, availability of financing to fund the Group's expansion and business operations and competition from other school operators that offer similar quality of education and have similar scale.

In addition, the Group also faces numerous market risks, such as foreign currency risk and liquidity risks that arise in the normal course of the Group's business.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans with floating interest rates. It is the Group's policy to keep certain borrowings at floating rates of interest so as to minimise the fair value interest rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the Directors will consider hedging significant interest rate risk should the need arise.

Foreign Currency Risk

All of the Group's turnover and substantially all of the Group's operating expenses are denominated in RMB, which is not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

業績

本集團截至2018年12月31日止年度的業績及本集團於當日的財務狀況已載列於第155頁至第312頁的綜合財務報表。

主要風險及不確定因素及風險管理

本集團認為風險管理對本集團的成功至關重要。本集團所面對的主要營運風險包括(但不限於)中國教育行業的整體市場狀況、民辦高等教育觀念及監管環境變化、本集團向學生提供優質教育和提升招生率及/或提高學費的能力、擴展至中國其他地區的潛力、支持本集團擴展及業務營運的可用融資和提供相若教育質素且規模相近的其他學校營運商的競爭。

此外，本集團亦面對日常業務過程中的各種市場風險，例如外幣風險及流動資金風險。

利率風險

本集團就市場利率變動承擔的風險主要與其浮息銀行貸款相關。本集團的政策為保持若干浮息借貸，以盡量降低公平值利率風險。本集團現時並無利用任何衍生合約對沖其利率風險。然而，董事將於必要時考慮對沖重大利率風險。

外幣風險

本集團全部營業額及幾乎全部營運開支乃按人民幣計值，而人民幣並非可自由兌換貨幣。中國政府控制人民幣與外幣的兌換，並在若干情況下控制貨幣匯出中國。外幣短缺或會限制本集團中國附屬公司匯兌足夠外幣向本集團支付股息或其他款項的能力。

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and other borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

To properly manage these risks, the Group has established risk management structures and measures. The details are set out on pages 135 to 137 "Risk Management and Internal Control" of corporate governance report.

SUMMARY OF FINANCIAL INFORMATION

A summary of the Group's results, assets and liabilities for the last five financial years are set out on page 6 "Financial Highlights" of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in Note 13 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS HELD

The Group held equity investment at fair value through other comprehensive income and equity investment at fair value through profit or loss during the year ended 31 December 2018. Details of equity investment at fair value through other comprehensive income and equity investment at fair value through profit or loss of the Group as at 31 December 2018 are set out in Note 18 to the consolidated financial statements.

BANK LOANS AND OTHER LOANS

Particulars of bank and other borrowings as at 31 December 2018 are set out in Note 26 to the consolidated financial statements.

流動資金風險

本集團的目標為通過使用內部營運所得現金流量及其他借款維持資金持續供應與靈活性之間的平衡。本集團定期檢討主要資金狀況以確保有足夠財務資源履行其財務責任。

為妥善管理此等風險，本集團已建立風險管理架構和措施。有關詳情載於企業管治報告內第135頁至第137頁之「風險管理及內部監控」。

財務資料概要

本集團於過去五個財政年度的業績、資產及負債概要已載列於本年報第6頁的「財務摘要」。該概要並非經審核財務報表的一部分。

物業、廠房及設備

本集團的物業、廠房及設備的變動詳情已載列於綜合財務報表附註13。

持有的重大投資

本集團於截至2018年12月31日止年度持有按公平值計入其他全面收益的股權投資及按公平值計入損益的股權投資。本集團於2018年12月31日的按公平值計入其他全面收益的股權投資及按公平值計入損益的股權投資詳情已載列於綜合財務報表附註18。

銀行貸款及其他貸款

於2018年12月31日的銀行及其他借款的詳情載於綜合財務報表附註26。

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 30 to the consolidated financial statements.

RESERVES AND DISTRIBUTION RESERVE

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 42 to the financial statements and in the consolidated statement of changes in equity on pages 159 to 160, respectively. As at 31 December 2018, the aggregate amount of reserve available for distribution to equity shareholders of the Company was approximately RMB1,123,693,000 (2017: RMB1,150,992,000).

DIVIDEND POLICY

Policy on payment of dividend is in place setting out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to its shareholders. The Company does not have any pre-determined dividend payout ratio. The declaration and payment of dividends shall be determined at the sole discretion of the Board after taking into account the Company's financial performances, working capital requirements, future prospects and other factors and the applicable regulations. The policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

DIVIDEND

The Board does not recommend the payment of a final dividend to the Shareholders of the Company for the year ended 31 December 2018 (year ended 31 December 2017: nil).

There is no arrangement that a shareholder has waived or agreed to waive any dividend.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the laws of the Cayman Islands or under the Company's Articles of Association that require the Company to offer new shares on a pro-rata basis to its existing Shareholders.

股本

本公司於年內的股本變動詳情已載列於綜合財務報表附註30。

儲備及可供派發儲備

本公司及本集團的年內儲備變動詳情已分別載列於財務報表附註42及第159頁至第160頁的綜合權益變動表。於2018年12月31日，可向本公司權益股東派發的儲備總額為約人民幣1,123,693,000元(2017年：人民幣1,150,992,000元)。

股息政策

本公司設立股息派付政策，當中載列本公司就向股東宣派、派付或分派其淨利潤作為股息擬應用的原則及指引。本公司並無任何預設股息分派比率。股息之宣派及派付須由董事會經考慮本公司的財務表現、營運資金需求、未來計劃及其他因素以及適用規定後全權酌情決定。股息政策會定期檢討，任何修訂須交由董事會審批。

股息

董事會不建議向本公司股東派發截至2018年12月31日止年度的末期股息(截至2017年12月31日止年度：無)。

概無股東放棄或同意放棄任何股息的安排。

優先購買權

開曼群島法律或本公司組織章程細則並無優先購買權條文以要求本公司按比例向其現有股東發售新股份。

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2018.

購買、出售或贖回本公司上市證券

於截至2018年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司已上市之證券。

MAJOR CUSTOMERS AND SUPPLIERS

No service provided to a single customer contributes 10% or more of the total revenue of the Group during the Reporting Period.

主要客戶及供應商

於報告期內，並無向單一客戶提供的服務貢獻本集團總收益10%或以上。

Purchases from the Group's five largest suppliers accounted for 40.3% of the total purchases for in 2018 and purchases from the largest supplier included therein amounted to 21.1% of the Group's total purchases for the year.

自本集團五大供應商的採購佔2018年的總採購40.3%，而當中包括自最大供應商的採購佔本集團年度總採購的21.1%。

None of the Directors, any of their associates, or any of the substantial shareholders of the Company (which are disclosed to the Directors) had any beneficial interest in the Group's five largest customers and suppliers.

概無董事、任何彼等的聯繫人或任何本公司主要股東(已向董事披露者)於本集團五大客戶及供應商擁有任何實益權益。

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term goals. The Group maintains a good relationship with employees, customers and suppliers. During the Reporting Period, there were no material and significant dispute between the Group and its employees, customers and/or suppliers.

與僱員、客戶及供應商的關係

本集團明白到與其僱員、客戶及供應商維持良好關係以達成其即時及長遠目標的重要性。本集團與僱員、客戶及供應商維持良好關係。於報告期內，概無本集團與其僱員、客戶及／或供應商的重大及嚴重糾紛。

USE OF NET PROCEEDS FROM LISTING

Net proceeds from the Listing (including the over-allotment option and after deducting underwriting fee and relevant expenses) amounted to approximately HK\$1,374.7 million. As at 31 December 2018, a total amount of HK\$909.2 million out of the net proceeds had been used by the Group according to the allocation set out in the Prospectus.

The following sets forth a summary of the utilisation of the net proceeds:

上市所得款項淨額用途

上市所得款項淨額(包括超額配股部份及經扣除包銷費用及相關開支後)為約1,374.7百萬港元。於2018年12月31日,所得款項淨額中合共909.2百萬港元已由本集團根據招股章程所載分配予以動用。

下表載列所得款項淨額使用概要:

Purpose 用途	Percentage to total amount 佔總金額百分比	Net proceeds 所得款項淨額 HKD 港元 (million) (百萬元)	Utilised amount at 31 December 2018 於2018年 12月31日 已動用金額 HKD 港元 (million) (百萬元)	Unutilised amount at 31 December 2018 於2018年 12月31日 尚未動用金額 HKD 港元 (million) (百萬元)
Acquiring additional existing schools in the PRC and overseas 收購中國及海外其他現有學校	55.0%	756.1	694.8	61.3
Establishing new schools or expanding the existing schools we own or operate 建立新學校或擴充我們擁有或營辦的現有學校	21.2%	291.4	–	291.4
Repaying a term loan from a third-party financial institution 償還自第三方金融機構取得的定期貸款	14.8%	203.5	162.0	41.5
Financing working capital and general corporate use 為營運資金及一般公司用途提供資金	9.0%	123.7	52.4	71.3
Total 總計	100.0%	1,374.7	909.2	465.5

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the sections headed “Acquisition completed during the Reporting Period” and “Acquisition on progress during the Reporting Period” in the Management Discussion and Analysis in this annual report, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2018.

重大收購及出售

除本年報內管理層討論及分析中「報告期內已完成的收購」及「報告期內待完成的收購」各節所披露者外,本集團於截至2018年12月31日止年度並無任何其他重大附屬公司、聯營公司及合營企業收購事項或出售事項。

CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 December 2018 amounted to approximately RMB834,000 (2017: approximately RMB2,629,000).

慈善捐款

本集團於截至2018年12月31日止年度所作的慈善捐款約為人民幣834,000元(2017年：約人民幣2,629,000元)。

RECTIFICATION MEASURES

As disclosed in the “Business” section of the Prospectus of the Company, the Group has certain buildings occupied by Chongqing College of Humanities, Science and Technology, Pass College of Chongqing Technology and Business University and Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) that had defective titles. The Group has ceased using such buildings and the Group is using the best efforts to promptly make appropriate applications with the relevant government authorities to obtain the required permits and/or acceptance checks. As at the date of this annual report, the status of the buildings are as follows:

整改措施

誠如本公司招股章程「業務」一節所披露，重慶人文科技學院、重慶工商大學派斯學院及內蒙古豐州職業學院(青城分院)佔用的若干樓宇存在業權瑕疵。本集團已停止使用該等樓宇，而本集團正盡力向相關政府機關及時作出適當申請，以取得規定的許可證及／或驗收。截至本年報日期，樓宇的狀況如下：

Buildings occupied by 樓宇由以下機構佔用	Total number of buildings with defective titles as disclosed in the Prospectus 於招股章程披露之 存在業權瑕疵 的樓宇總數	Total number of buildings which we have obtained the building ownership certificates as at the date of this annual report 於本年報日期， 我們已取得房屋 所有權證的樓宇總數	The number of buildings covered by applications with the relevant government authorities to obtain the required permits and/or acceptance checks as at the date of this annual report 於本年報日期向相關政府機關 作出申請，以取得規定的 許可證及／或驗收的樓宇數目
Chongqing College of Humanities, Science and Technology 重慶人文科技學院	15	12	3
Pass College of Chongqing Technology and Business University 重慶工商大學派斯學院	3	3	—
Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) 內蒙古豐州職業學院(青城分院)	5	—	5

DIRECTORS

The Directors during the year of 2018 and up to the date of this annual report were as follows:

Executive Directors

Mr. Li Xuechun (*Chairman of the Board*)
Ms. Zhang Weiping (*Chief Executive Officer*)
Mr. Zuo Yichen (*President*)
Mr. Lam Ngai Lung (*Chief Financial Officer*)

Non-executive Directors

Mr. Lin Kaihua
Ms. Li Yanping

Independent Non-executive Directors

Mr. Chan Ngai Sang, Kenny
Mr. Yu Huangcheng
Mr. Wang Wei Hung, Andrew

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Board considers such Directors to be independent in accordance with Rule 3.13 of the Listing Rules.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 38 to 43 of this annual report.

董事

於2018年內及直至本年報日期的董事如下：

執行董事

李學春先生(董事會主席)
張衛平女士(行政總裁)
左燿晨先生(總裁)
林毅龍先生(財務總監)

非執行董事

林開樺先生
李雁平女士

獨立非執行董事

陳毅生先生
余黃成先生
王惟鴻先生

獨立非執行董事的獨立性確認

本公司已根據上市規則第3.13條從各獨立非執行董事取得獨立性確認，而董事會認為根據上市規則第3.13條，該等董事為獨立人士。

董事履歷

董事的個人履歷已載列於本年報第38頁至第43頁。

DIRECTORS INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 8 to the consolidated financial statements, no Director had a material beneficial interest in, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year 2018 and up to the date of this annual report.

COMPETITION AND CONFLICT OF INTERESTS

During the year of 2018, none of the Directors or substantial shareholders of the Company or their respective associates had engaged in any business which competes or may compete, either directly or indirectly, with the businesses of the Group or has any conflict of interests with the Group.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Each of the controlling shareholders has made an annual declaration in respect of their compliance with the terms of non-competition undertaking during the Reporting Period. Details of the non-competition undertaking are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus. The non-competition undertakings in respect of the controlling shareholders have become effective from the Listing Date.

STRUCTURED CONTRACTS IN RELATION TO WONDER UNIVERSITY AND CHONGQING ELECTRONIC INFORMATION COLLEGE

A. Background and overview

We currently hold our interest in our consolidated affiliated entity, namely, Chongqing Electronic Information College (the "PRC Operating School") and will hold our interest in our consolidated affiliated entity, namely, and Wonder University upon the completion of the acquisition of

董事於重大交易、安排或合約中的權益

除綜合財務報表附註8所披露者外，於2018年及直至本年報日期，董事概無於本公司或其附屬公司簽訂的對本集團業務屬重大的任何交易、安排或合約中，直接或間接擁有重大實益權益。

競爭及利益衝突

本公司董事或主要股東或彼等各自之聯繫人概無於2018年內從事任何與本集團業務直接或間接構成或可能構成競爭的業務或與本集團有任何利益衝突。

控股股東的不競爭承諾

各控股股東已就報告期間遵守不競爭承諾的條款作出年度聲明。不競爭承諾的詳情載於招股章程「與控股股東的關係」一節。有關控股股東的不競爭承諾已自上市日期起生效。

有關文達學院及重慶電信職業學院的結構性合約

A. 背景及概覽

由於中國法律法規一般限制外資擁有權參與中國民辦教育行業，故我們目前透過一系列合約（「結構性合約」）持有位於中國的合併附屬實體重慶電信職業學院（「中國營運學校」）權益，及將於完成收

Wonder University (together referred as “**PRC Operating Schools**”) in the PRC through a series of contracts (the “**Structured Contracts**”) as PRC laws and regulations generally restrict foreign ownership in the private education industry in the PRC. PRC laws and regulations currently restrict the operation of higher education institutions to Sino-foreign cooperation ownership, in addition to imposing qualification requirements on the foreign owners. We do not hold any equity interest in our PRC Operating Schools. The Structured Contracts, through which we obtain control over and derive the economic benefits from our PRC Operating School, have been narrowly tailored to achieve our business purpose and minimize the potential conflict with relevant PRC laws and regulations.

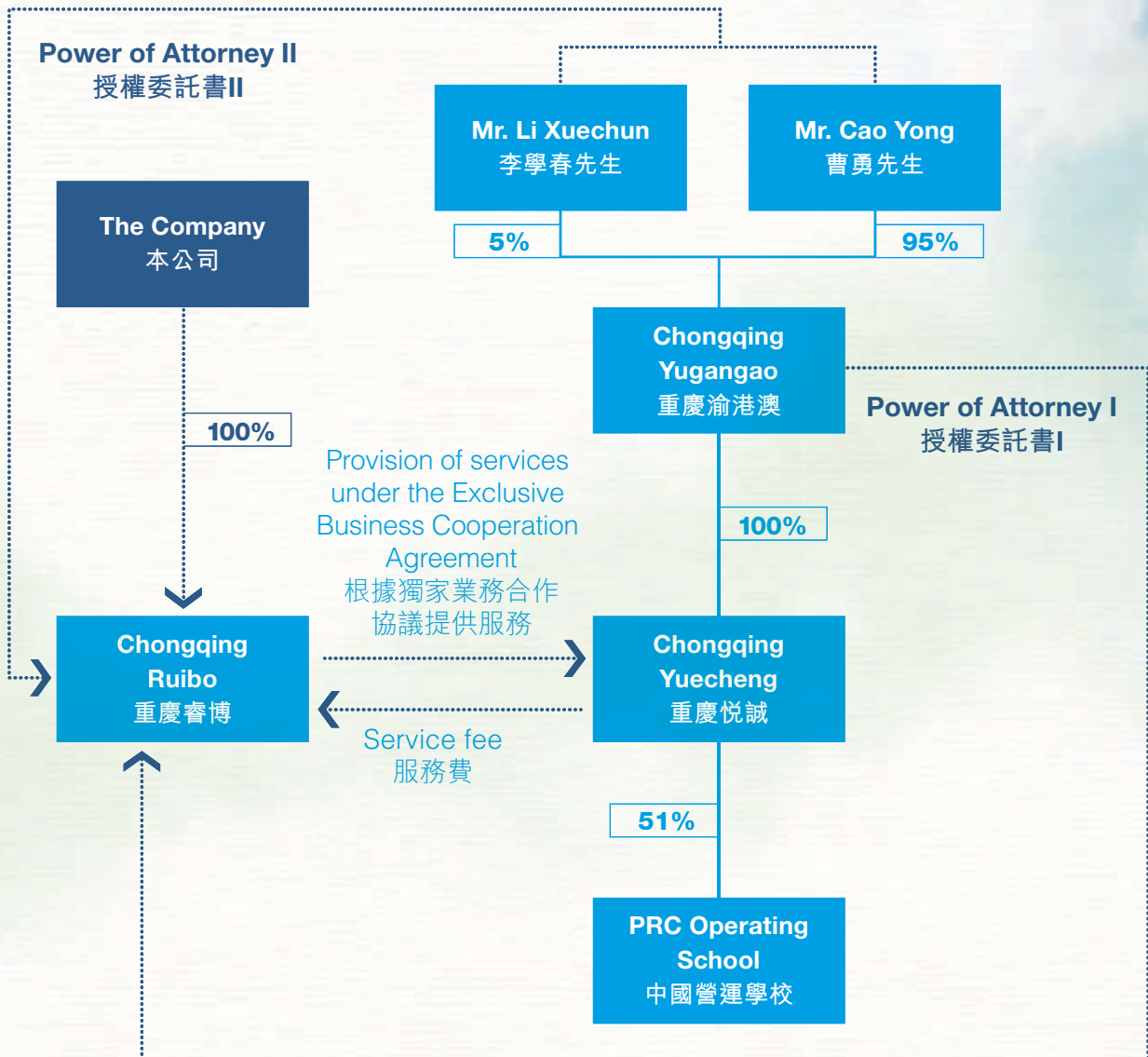
In order to comply with the PRC laws and regulations as set out above while availing ourselves of international capital markets and maintaining effective control over all of our operations, on 27 September 2017, our wholly-owned subsidiary, Chongqing Ruibo Mincheng Education Technology Co. Ltd. (“**Chongqing Ruibo**”) entered into various agreements that constitute the Structured Contracts with, among others, our PRC Operating Schools and Chongqing Yuecheng Zhiyuan Education Technology Co., Ltd. (“**Chongqing Yuecheng**” or the “**School Sponsor**”) and together with the PRC Operating Schools, the “**PRC Operating Entities A**”), under which all economic benefits arising from the business of our PRC Operating School and the School Sponsor are transferred to Chongqing Ruibo to the extent permitted under the PRC laws and regulations by means of service fees payable by our PRC Operating School and our School Sponsor to Chongqing Ruibo. Although the registered shareholders are not consolidated as part of our Group, they are parties to certain agreements which constitute the Structured Contracts to ensure that the Shareholders’ rights of Chongqing Yuecheng are actually controlled by Chongqing Ruibo.

購文達學院(統稱「該等中國營運學校」)後持有合併附屬實體文達學院權益。目前，根據中國法律法規，除對外國所有者規定資歷要求外，中外合作擁有權下經營的高等教育機構亦受限制。我們並無持有該等中國營運學校的任何股權。我們透過結構性合約控制中國營運學校，從中獲得經濟利益，而我們亦為達成業務目標及降低與相關中國法律法規的潛在衝突而嚴謹制定該等合約。

為遵守上述中國法律法規，同時推進我們進入國際資本市場及有效控制所有營運，我們的全資附屬公司重慶睿博民晟教育科技有限公司(「**重慶睿博**」)於2017年9月27日與(其中包括)該等中國營運學校及重慶悅誠智遠教育科技有限公司(「**重慶悅誠**」或「**學校出資人**」，連同該等中國營運學校合稱為「**中國營運實體A**」)簽訂多項構成結構性合約的協議，據此，我們的中國營運學校及學校出資人的業務產生的所有經濟利益以中國營運學校及我們的學校出資人向重慶睿博支付服務費的形式轉至重慶睿博，惟須獲得中國法律法規的許可。儘管已註冊股東並無合併為本集團一部分，彼等仍為構成結構性合約的若干協議的訂約方，以確保重慶悅誠的股東權利實際上由重慶睿博控制。

The following simplified diagram illustrates the flow of economic benefits from the PRC Operating Entities A to the Group stipulated under the Structured Contracts:

以下簡圖說明按結構性合約規定從中國營運實體A至本集團的經濟利益流動：



As of the date of this annual report, we have not encountered any interference or encumbrance from any governing bodies in our plan to adopt the Structured Contracts and the consolidated financial results of our PRC Operating School, which engage in higher education service, are consolidated to those of our Group.

截至本年報日期，並無任何監管機關干預或阻礙我們按計劃採納結構性合約，而從事高等教育服務的中國營運學校的綜合財務業績已併入本集團業績。

B. Summary of the Material Terms of the Structured Contracts

The major provisions of the Structured Contracts are summarized as follows:

(1) Exclusive Business Cooperation Agreement

Pursuant to the exclusive business cooperation agreement entered into between Chongqing Ruibo and Chongqing Yuecheng (the “**Exclusive Business Cooperation Agreement**”), Chongqing Ruibo agreed to provide exclusive technical services to Chongqing Yuecheng, including but not limited to, technical services, network support, business consulting, market consulting, system maintenance and other services necessary for the business of or as required by Chongqing Yuecheng and allowed under the PRC law. Under the Exclusive Business Cooperation Agreement, Chongqing Ruibo is entitled to charge Chongqing Yuecheng each financial year for a service fee equals to all the amount of its net profit (after deducting all costs, expenses, taxes, losses from the previous year (if required by the law) and the statutory provident fund as required by law) for the corresponding period. Chongqing Ruibo has the right (but not the obligation) to adjust the amount of such service fee by reference to, among others, the actual services provided and the actual business operations and needs of Chongqing Yuecheng, provided that any adjusted amount shall not cause any difficulties for the operation of both of Chongqing Ruibo and Chongqing Yuecheng.

B. 結構性合約重要條款概要

結構性合約的主要條款概述如下：

(1) 獨家業務合作協議

根據重慶睿博及重慶悅誠訂立的獨家業務合作協議(「**獨家業務合作協議**」)，重慶睿博同意向重慶悅誠提供獨家的技術服務，包括但不限於技術服務、網絡支持、商業諮詢、市場諮詢、系統維護及其他重慶悅誠要求的並且中國法律允許的在開展業務時所必要的服務。根據獨家業務合作協議，重慶睿博有權在每個財政年度從重慶悅誠收取相等於其同期淨利潤(在扣除所有成本、費用、稅項、上年度的虧損(如法律要求)及法律要求的法定公積金等之後)的服務費。重慶睿博有權(但沒有義務)按照(其中包括)提供予重慶悅誠的實際服務及重慶悅誠實際業務營運及需求調整相關的服務費，但前提是任何經調整的數額應不導致重慶睿博和重慶悅誠營運困難。

(2) Equity Pledge Agreements

Pursuant to the equity pledge agreement entered into by and among Chongqing Ruibo, Chongqing Yugangao Enterprise Management Consultant Company Limited (“**Chongqing Yugangao**”) and Chongqing Yuecheng (the “**Equity Pledge Agreement I**”), Chongqing Yugangao agreed to pledge and grant the first priority security interests over the entire equity interest of Chongqing Yuecheng owned by Chongqing Yugangao together with all related rights thereto to Chongqing Ruibo as security for performance of the Structured Contracts and all direct, indirect, consequential damages and foreseeable loss of interest incurred by Chongqing Ruibo as a result of enforcement of the obligations of Chongqing Yugangao and Chongqing Yuecheng under the Structured Contracts until all such obligations are discharged to the satisfaction of Chongqing Ruibo.

In addition, pursuant to the equity pledge agreement entered into by and among Chongqing Ruibo, Chongqing Yugangao, Mr. Li Xuechun (“**Mr. Li**”) and Mr. Cao Yong (“**Mr. Cao**”) (the “**Equity Pledge Agreement II**”, together with the Equity Pledge Agreement I, the “**Equity Pledge Agreements**”), Mr. Li and Mr. Cao agreed to pledge and grant the first priority security interests over the 100% equity interest of Chongqing Yugangao owned by Mr. Li and Mr. Cao in aggregate together with all related rights thereto to Chongqing Ruibo as security for performance of the Structured Contracts and all direct, indirect, consequential damages and foreseeable loss of interest incurred by Chongqing Ruibo as a result of enforcement of the obligations of Mr. Li, Mr. Cao and Chongqing Yugangao under the Structured Contracts until all such obligations are discharged to the satisfaction of Chongqing Ruibo.

(2) 股權質押協議

根據由重慶睿博、重慶渝港澳企業管理諮詢有限公司(「**重慶渝港澳**」)及重慶悅誠簽訂的股權質押協議(「**股權質押協議I**」)，重慶渝港澳同意，將重慶渝港澳所持有的重慶悅誠的全部股權及全部相關權利質押並授予第一順序擔保權益給重慶睿博，作為履行結構性合約以及重慶睿博因履行重慶渝港澳及重慶悅誠於結構性合約項下的義務而導致的所有直接、間接、從屬損失和可預見的利益損失的擔保，直至所有該等義務都滿足了重慶睿博的要求而被解除。

另外，根據由重慶睿博、重慶渝港澳、李學春先生(「**李先生**」)及曹勇先生(「**曹先生**」)之間簽訂的股權質押協議(「**股權質押協議II**」，連同股權質押協議I合稱為「**股權質押協議**」)，李先生與曹先生同意將由李先生與曹先生合計持有的重慶渝港澳100%股權及全部相關權利質押並授予第一順序擔保權益給重慶睿博，作為履行結構性合約以及重慶睿博因履行李先生、曹先生及重慶渝港澳於結構性合約項下的義務而導致的所有直接、間接、從屬損失和可預見的利益損失的擔保，直至所有該等義務都滿足了重慶睿博的要求而被解除。

(3) Exclusive Call Option Agreements

Pursuant to the exclusive call option agreement entered into by and among Chongqing Ruibo, Chongqing Yugangao and Chongqing Yuecheng (the “**Exclusive Call Option Agreement I**”), Chongqing Yugangao has irrevocably and unconditionally granted Chongqing Ruibo the right to, as and when permitted by the applicable PRC laws and regulations during the term of the Structured Contracts, acquire all or part of the 100% equity interest of Chongqing Yuecheng held by Chongqing Yugangao at a consideration which is the lower of the registered capital contribution by Chongqing Yugangao to Chongqing Yuecheng and nominal consideration, or otherwise at the lowest price permitted by the then applicable PRC laws and regulations.

In addition, pursuant to the exclusive call option agreement entered into by and among Chongqing Ruibo, Chongqing Yugangao, Mr. Li and Mr. Cao (the “**Exclusive Call Option Agreement II**”, together with Exclusive Call Option Agreement I, the “**Exclusive Call Option Agreements**”), Mr. Li and Mr. Cao have irrevocably and unconditionally granted Chongqing Ruibo the right to, as and when permitted by the applicable PRC laws and regulations during the term of the Structured Contracts, acquire all or part of the 100% equity interest of Chongqing Yugangao together held by Mr. Li and Mr. Cao for the lower of the registered capital contribution by Mr. Li and Mr. Cao to Chongqing Yugangao and nominal consideration, or otherwise at the lowest price permitted by the then applicable PRC laws and regulations. In addition, pursuant to the Exclusive Call Option Agreement II, Mr. Li and Mr. Cao have irrevocably undertaken that, subject to the PRC laws and regulations, they will return to the Company any consideration they receive in the event that the Company acquires the equity interest in Chongqing Yuecheng when unwinding the Structured Contracts.

(3) 獨家購買權協議

根據重慶睿博、重慶渝港澳及重慶悅誠簽訂的獨家購買權協議（「**獨家購買權協議I**」），重慶渝港澳已經不可撤銷及無條件地授權重慶睿博在適用的中國法律法規允許的情況下，於結構性合約期間，以重慶渝港澳對重慶悅誠註冊資本出資和名義代價中的較低者或當時適用的中國法律法規允許的最低代價，收購重慶渝港澳所持有的重慶悅誠100%股權的全部或者部分。

另外，根據重慶睿博、重慶渝港澳、李先生及曹先生簽訂的獨家購買權協議（「**獨家購買權協議II**」，連同獨家購買權協議I合稱為「**獨家購買權協議**」），李先生及曹先生已經不可撤銷及無條件地授權重慶睿博在適用的中國法律法規允許的情況下，於結構性合約期間，以李先生及曹先生對重慶渝港澳的註冊資本出資和名義代價中的較低者或當時適用的中國法律法規允許的最低代價收購李先生及曹先生所共同持有的重慶渝港澳100%股權的全部或者部分。此外，根據獨家購買權協議II，李先生和曹先生已不可撤銷地承諾，以遵守中國法律法規為前提，他們將把其因本公司在解除結構性合約時收購重慶悅誠股權而收到的任何代價返還給本公司。

(4) Shareholders' Rights Entrustment Agreements and Power of Attorneys

Shareholders' Rights Entrustment Agreement I and Power of Attorney I

Pursuant to the shareholders' rights entrustment agreement executed by and among Chongqing Ruibo, Chongqing Yugangao and Chongqing Yuecheng (the "**Shareholders' Rights Entrustment Agreement I**"), Chongqing Yugangao executed a power of attorney in favour of Chongqing Ruibo (the "**Power of Attorney I**") pursuant to which Chongqing Yugangao has irrevocably and unconditionally authorized Chongqing Ruibo to, among other things:

- (i) act as the agent of Chongqing Yugangao and to make decisions which Chongqing Yugangao is entitled to make as the shareholder of Chongqing Yuecheng on behalf of Chongqing Yugangao;
- (ii) exercise all its rights of shareholder and voting rights in Chongqing Yuecheng as granted by the PRC law and the articles and associations of Chongqing Yuecheng, including but not limited to selling, transferring, pledging or otherwise dealing in all or any of the equity interests in Chongqing Yuecheng; and
- (iii) serve as the legal representative, chairman, executive director or manager of Chongqing Yuecheng in accordance with its articles and associations, or nominate, appoint or change the legal representative, chairman, directors, supervisors, chief executive officer, manager or other management level personnel of Chongqing Yuecheng.

Chongqing Ruibo is entitled to authorize any person or entity, any Directors or any successor or liquidator of such directors to exercise the rights which Chongqing Ruibo is authorized to exercise under the Power of Attorney I.

(4) 股東表決權委託協議及授權委託書

股東表決權委託協議I及授權委託書I

根據重慶睿博、重慶渝港澳及重慶悅誠簽署的股東表決權委託協議(「**股東表決權委託協議I**」)，重慶渝港澳簽署了一份向重慶睿博授權的授權委託書(「**授權委託書I**」)，根據該授權委託書重慶渝港澳不可撤銷及無條件授權重慶睿博：

- (i) 作為重慶渝港澳的代理人及代表重慶渝港澳作出重慶渝港澳作為重慶悅誠的股東而有權作出的決定；
- (ii) 行使中國法律及重慶悅誠的章程授予的於重慶悅誠的所有股東權利及投票權，包括但不限於出售、轉讓、質押或以其他方式處置重慶悅誠全部或任何股權；及
- (iii) 根據重慶悅誠的章程擔任重慶悅誠的法定代表人、主席、執行董事或經理，或提名、委任或替換重慶悅誠的法定代表人、主席、董事、監事、首席執行官、經理或其他管理層人員。

重慶睿博有權授權任何人或實體、任何董事或任何該等董事之繼承人或清盤人執行重慶睿博在授權委託書I下被授權行使的權利。

In addition, pursuant to the Shareholders' Rights Entrustment Agreement I, Chongqing Yugangao guarantees and undertakes that:

- (i) in the event it receives any asset (including the equity interest of Chongqing Yuecheng) in relation to the liquidation, winding-up, dismissal or termination of Chongqing Yuecheng, Chongqing Yugangao agrees to transfer at nil consideration or at the lowest consideration as permitted by the then applicable laws and regulations to Chongqing Ruibo such asset; and
- (ii) without prior approval of Chongqing Ruibo, it will neither, directly or indirectly, participate or engage in any business which is or may be in competition with the business of Chongqing Yuecheng or its associated companies, or be engaged by any entity which is or may be in competition with the business of Chongqing Yuecheng or its associated companies, or hold any assets of such entity or hold more than 5% interest in such entity.

Pursuant to the Shareholders' Rights Entrustment Agreement I, any successor to Chongqing Yugangao shall hold the respective equity interest in Chongqing Yuecheng subject to conditions, requirements and obligations under the Shareholders' Rights Entrustment Agreement I.

另外，根據股東表決權委託協議 I，重慶渝港澳保證及承諾如下：

- (i) 在重慶渝港澳接收到重慶悅誠有關清盤、清算、解散或終止的任何資產(包括重慶悅誠的股權)時，重慶渝港澳同意無償或以當時適用的法律及法規允許的最低代價將該等資產轉讓予重慶睿博；及
- (ii) 在沒有得到重慶睿博的事先許可的情況下，重慶睿博不會直接或間接地參與或開展任何與重慶悅誠或其關連公司業務存在或可能存在競爭的業務，或受任何與重慶悅誠或其關連公司業務存在或可能存在競爭的實體委託，或持有該等實體的任何資產或持有該等實體超過5%的權益。

根據股東表決權委託協議 I，重慶渝港澳的任何繼承者持有重慶悅誠的相應股權，應以遵守股東表決權委託協議 I 的條件、要求及義務為前提。

Shareholders' Rights Entrustment Agreement II and Power of Attorney II

Pursuant to the shareholders' rights entrustment agreement executed by and among Chongqing Ruibo, Mr. Li, Mr. Cao and Chongqing Yugangao (the "**Shareholders' Rights Entrustment Agreement II**", together with the Shareholders' Rights Entrustment Agreement I, the "**Shareholders' Rights Entrustment Agreements**"), Mr. Li and Mr. Cao executed a power of attorney in favour of Chongqing Ruibo (the "**Power of Attorney II**", together with the Power of Attorney I, the "**Power of Attorneys**") pursuant to which Mr. Li and Mr. Cao have irrevocably and unconditionally authorized Chongqing Ruibo to, among other things:

- (i) act as the agent of Mr. Li and Mr. Cao to convene and attend shareholder meetings of Chongqing Yugangao in accordance with its articles and associations;
- (ii) exercise all their rights of shareholders and voting rights in Chongqing Yugangao as granted by the PRC law and its articles and associations, including but not limited to selling, transferring, pledging or otherwise dealing in all or any of the equity interests in Chongqing Yugangao; and
- (iii) serve as the legal representative, chairman, executive director or manager of Chongqing Yugangao in accordance with its articles and associations, or nominate, appoint or change the legal representative, chairman, directors, supervisors, chief executive officer, manager or other management level personnel of Chongqing Yugangao.

Chongqing Ruibo is entitled to authorize any person or entity, any Directors or any successor or liquidator of such Directors to exercise the rights which Chongqing Ruibo is authorized to exercise under the Power of Attorney II.

股東表決權委託協議II及授權委託書II

根據重慶睿博、李先生、曹先生及重慶渝港澳簽署的股東表決權委託協議(「**股東表決權委託協議II**」, 連同股東表決權委託協議I合稱為「**股東表決權委託協議**」), 李先生及曹先生簽署了一份向重慶睿博授權的授權委託書(「**授權委託書II**」, 連同授權委託書I合稱為「**授權委託書**」), 根據該授權委託書李先生及曹先生不可撤銷及無條件地授權重慶睿博:

- (i) 作為李先生及曹先生的代理人根據重慶渝港澳的章程召集並參加重慶渝港澳的股東大會;
- (ii) 行使中國法律及重慶渝港澳的章程授予的於重慶渝港澳的所有股東權利及投票權, 包括但不限於出售、轉讓、質押或以其他方式處置重慶渝港澳全部或任何股權; 及
- (iii) 根據重慶渝港澳的章程擔任重慶渝港澳的法定代表人、主席、執行董事或經理, 或提名、委任或替換重慶渝港澳的法定代表人、主席、董事、監事、首席執行官、經理或其他管理層人員。

重慶睿博有權授權任何人或實體、任何董事或任何該等董事之繼承人或清盤人執行重慶睿博在授權委託書II下被授權行使的權利。

In addition, pursuant to the Shareholders' Rights Entrustment Agreement II, each of Mr. Li and Mr. Cao guarantees and undertakes that:

- (i) in the event he receives any asset (including the equity interest of Chongqing Yugangao) in relation to the liquidation, winding-up, dismissal or termination of Chongqing Yugangao, he agrees to transfer at nil consideration or at the lowest consideration as permitted by the then applicable laws and regulations to Chongqing Ruibo such asset; and
- (ii) without prior approval of Chongqing Ruibo, he will neither, directly or indirectly, participate or engage in any business which is or may be in competition with the business of Chongqing Yugangao or its associated companies, or be engaged by any entity which is or may be in competition with the business of Chongqing Yugangao or its associated companies, or hold any assets of such entity or hold more than 5% interest in such entity.

Pursuant to the Shareholders' Rights Entrustment Agreement II, in the event of Mr. Li's or Mr. Cao's death, loss of capacity, marriage, divorce or bankruptcy or other similar events affecting Mr. Li or Mr. Cao in exercising their respective shareholders' rights of Chongqing Yugangao, any successor to Mr. Li or Mr. Cao shall hold the respective equity interest in Chongqing Yugangao subject to conditions, requirements and obligations under the Shareholders' Rights Entrustment Agreement II.

另外，根據股東表決權委託協議II，李先生及曹先生保證及承諾如下：

- (i) 在其收到重慶渝港澳有關清盤、清算、解散或終止的任何資產(包括重慶渝港澳的股權)時，其同意無償或以當時適用法律及法規允許的最低代價將該等資產轉讓予重慶睿博；及
- (ii) 在沒有得到重慶睿博的事先許可的情況下，其將不會直接或間接地參與或展開任何與重慶渝港澳或其關連公司業務存在或可能存在競爭的業務，或受任何與重慶渝港澳或其關連公司業務存在或可能存在競爭的實體委託，或持有該等實體的任何資產或持有該等實體超過5%的權益。

根據股東表決權委託協議II，在李先生或曹先生因去世、失去能力、結婚、離婚或破產或其他類似事件從而影響李先生或曹先生行使其於重慶渝港澳各自的股東權益，李先生或曹先生的任何繼承者持有其在重慶渝港澳相應的股權，應以遵守股東表決權委託協議II的條件、要求及義務為前提。

(5) Spouse Undertakings

Pursuant to the spouse undertakings (“**Spouse Undertakings**”) executed by Ms. Shi, the spouse of Mr. Cao, Ms. Shi has irrevocably undertaken that:

- (a) she has full knowledge of and has consented to the entering into of the Structured Contracts to which Mr. Cao is a party, and in particular, the equity interest in Chongqing Yugangao owned by Mr. Cao is not part of the common assets of Mr. Cao and herself, she is not entitled to any rights attached to such equity interests of Mr. Cao in Chongqing Yugangao (including the rights arising from the Structured Contracts), she shall not engage in any activities interfering the performance of the Structured Contracts (including but not limited to claiming her entitlement to the equity interest of Chongqing Yugangao owned by Mr. Cao and any rights arising from the Structured Contracts).
- (b) she has not, is not and shall not in the future participate in the operation and management in relation to Chongqing Yugangao and claim any interest in relation to the equity interest and assets of Chongqing Yugangao.
- (c) in the event she receives all or part of the equity interest of Chongqing Yugangao for any reason, she agrees to be a party to the Structured Contracts and be bound by the relevant restrictions as set out in the Structured Contracts and perform any act and execute all necessary documents in order to give effect to such restrictions.

(5) 配偶承諾函

根據石女士(曹先生的配偶)簽署的配偶承諾函(「**配偶承諾函**」), 石女士不可撤銷地承諾:

- (a) 她完全知悉並同意曹先生作為其中一方簽訂結構性合約, 及尤其是, 曹先生持有的重慶渝港澳的股權不屬於曹先生與她自己的共同財產, 她不享有曹先生在重慶渝港澳股權的任何權益(包括結構性合約所產生的權利), 她不會採取任何干涉結構性合約履行之行動(包括但不限於主張對曹先生擁有的重慶渝港澳股權的所有權及結構性合約所產生的任何權利)。
- (b) 她未曾、不會且未來也不會參與有關重慶渝港澳的經營和管理及主張與重慶渝港澳的股權和資產有關的任何權益。
- (c) 如果由於任何原因導致其獲得重慶渝港澳全部或部分股權, 她同意作為結構性合約的一方及受結構性合約規定的有關限制的約束, 及採取任何行動並簽署一切所需文件以使該等限制得以有效實施。

Authorization to obtain assets of Chongqing Yuecheng

Pursuant to the Shareholders' Rights Entrustment Agreement I and the Power of Attorney I, Chongqing Ruibo has been authorized to exercise all rights of Chongqing Yugangao as the sole shareholder of Chongqing Yuecheng under applicable laws and the articles of association of Chongqing Yuecheng, including but not limited to the right to dividends and right to deal with the assets of Chongqing Yuecheng. It is also the guarantee and undertaking that, in the Shareholders' Rights Entrustment Agreement I, in the event it receives any asset (including the equity interest of Chongqing Yuecheng) in relation to the liquidation, winding-up, dismissal or termination of Chongqing Yuecheng, Chongqing Yugangao agrees to transfer at nil consideration or at the lowest consideration as permitted by the then applicable laws and regulations to Chongqing Ruibo such asset.

Dispute resolution

Pursuant to the Structured Contracts, any dispute arising from the validity, interpretation and performance of the Structured Contracts between the parties thereto should first be resolved through negotiation. If the parties are unable to settle the dispute within 30 days, any party may submit the said dispute to the Chongqing Arbitration Commission with a view to resolving the dispute through arbitration in accordance with the arbitration rules thereof. The results of the arbitration shall be final and binding on all relevant parties. The arbitral commission shall have the right to award remedies over the equity interest and property interest and other assets of Chongqing Yuecheng, injunctive relief (for the conduct of business or to compel the transfer of assets) or order the winding up of Chongqing Yuecheng (the "**Arbitral Award Provisions**").

授權以獲得重慶悅誠的資產

根據股東表決權委託協議I及授權委託書I，重慶睿博已被授權行使在適用法律及重慶悅誠公司章程下重慶渝港澳作為重慶悅誠唯一股東的所有權利，包括但不限於分紅權和處置重慶悅誠資產的權利。這也是在股東表決權委託協議I中重慶渝港澳對其收到的因重慶悅誠的清算、清盤、解散或終止的任何資產(包括重慶悅誠的股權)時同意以零代價或當時適用的法律法規允許的最低代價向重慶睿博轉讓該等資產的保證和承諾。

爭議解決

根據結構性合約，因結構性合約的有效性、解釋和履行而引起的各方之間的任何爭議應先通過協商解決。如各方未能於30日內解決爭議，任何一方可以將該爭議提交給重慶仲裁委員會，以按照其當時有效的仲裁規則通過仲裁解決爭議。仲裁結果為終局及對所有有關各方具有約束力。仲裁委員會有權對重慶悅誠的股權、財產權益及其他資產裁定救濟措施、(就有關業務或強制性的資產轉讓)裁定強制救濟或命令重慶悅誠清盤(「**仲裁裁定條款**」)。

The Structured Contracts also provide that pending formation of the arbitral tribunal or in appropriate cases, the courts of Hong Kong, the Company's place of incorporation (the Cayman Islands), Chongqing Yuecheng's place of establishment (the PRC), the jurisdiction where the principal assets of Chongqing Ruibo and Chongqing Yuecheng are located (the PRC) have the power to grant interim remedies in support of the arbitration (the "**Interim Remedies Provisions**").

However, as advised by the Legal advisor to the Company as to the laws of the PRC, Global Law Office (the "**PRC Legal Advisor**") according to the PRC laws and regulations, the arbitral tribunal normally would not grant such kind of remedies or injunctive relief or winding up order of such PRC operational entities as Chongqing Yuecheng under the PRC laws and regulations. For instance, the arbitral commission has no authority to grant such injunctive relief, nor will it be able to order the winding up of the PRC operational entities pursuant to existing PRC laws and regulations. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and Cayman Islands may not be recognizable or enforceable in China.

C. Business Activities of PRC Operating Entities A

The consolidated affiliated entities of the Group include Chongqing Yuecheng and Chongqing Electronic Information College. Chongqing Yuecheng is an investment holding company. Chongqing Electronic Information College is a full-time higher education institution provided junior college education.

結構性合約還規定，在組建仲裁庭之前，或在適當的情況下，香港、本公司成立地點(開曼群島)、重慶悅誠的成立地點(中國)、重慶睿博及重慶悅誠主要資產所在地的管轄區(中國)的法院有權裁定臨時救濟措施以支持仲裁(「**臨時救濟條款**」)。

然而，根據本公司之中國法律顧問北京環球律師事務所(「**中國法律顧問**」)的意見，根據中國的法律法規，仲裁庭根據中國的法律法規通常不會就中國經營實體如重慶悅誠裁定上述救濟措施或強制救濟或清盤令。例如，依照現行的中國法律法規，仲裁委員會無權給予此類強制救濟，也不能下令中國經營實體清盤。此外，海外法院如香港和開曼群島法院頒佈的臨時救濟或執行令在中國可能不被承認或執行。

C. 中國營運實體A的業務活動

本集團的合併附屬實體包括重慶悅誠及重慶電信職業學院。重慶悅誠為一家投資控股公司。重慶電信職業學院為一家全日制高等院校，提供大專教育。

D. Significance and financial contributions of PRC Operating Entities A to the Group

Pursuant to the Structured Contracts, the Group obtains control over and derives the economic benefits from the PRC Operating Entities A. The table below sets out the financial contribution of the PRC Operating Entities A to the Group:

D. 中國營運實體A對本集團的重要性及財務貢獻

根據結構性合約，本集團取得中國營運實體A的控制權，並從中獲得經濟利益。下表載列中國營運實體A對本集團的財務貢獻：

Significances and financial contribution to the Group			
對本集團的重要性及財務貢獻			
	Revenue	Net Profit	Total Assets
	收益	純利	總資產
	For the year ended	For the year ended	As of
	31 December 2018	31 December 2018	31 December 2018
	截至2018年12月31日	截至2018年12月31日	於2018年12月31日
	止年度	止年度	止年度
Significances and financial contribution to the Group 對本集團的重要性及財務貢獻	9.3%	(0.3)%	13.8%

E. Revenue and assets involved in Structured Contracts

	Revenue	Assets
	收益	資產
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	For the year ended	As at
	31 December 2018	31 December 2018
	截至2018年12月31日	於2018年12月31日
	止年度	止年度
PRC Operating Entities A 中國營運實體A	57,655	913,485

E. 結構性合約所涉收益及資產

F. Regulatory Framework

Higher Education

According to the PRC laws and regulations, the business of the PRC Operating School is a restricted business to foreign investors at present.

The PRC Operating School engages in higher education in the PRC. From April 2015, in accordance with the Catalogue of Industries for Guiding Foreign Investment (2015 Revision)*, higher education has been revised from encouraged business to restricted business for foreign investors. At present, pursuant to Catalogue of Industries for Guiding Foreign Investment (2017 Revision)*, higher education is a restricted business for foreign investors and limited to Sino-foreign cooperative operations led by Chinese nationals. The Company is an overseas company registered outside the PRC, which is a foreign investor; and accordingly, if the equity interest in Chongqing Yuecheng were owned by the Company, it would be regarded as a foreign investor as well.

Furthermore, pursuant to the Implementation Opinions on Encouraging and Guiding Private Fund's Entry into the Education Sector and Promoting Healthy Development of Private Education* (《關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見》) promulgated by the Ministry of Education of the PRC on 18 June 2012 the foreign portion of the total investment in a Sino-foreign joint venture private school should be below 50% (the “**Foreign Ownership Restriction**”).

As advised by the PRC Legal Advisor, pursuant to Regulations on Sino-foreign Cooperation of Educational Institutions* (《中外合作辦學條例》) and its implementing measures (the “**Implementing Measures**”), the foreign investor of a Sino-foreign cooperative educational institution shall be a foreign educational institution with relevant qualification and the quality of education services provided by it is relatively high (the “**Qualification Requirement**”). There are no specific criteria or guidance on the Qualification Requirement under the current PRC laws and regulations.

F. 監管框架

高等教育

根據中國法律法規，目前中國營運學校的業務是對外國投資者限制的業務。

中國營運學校在中國從事高等教育。2015年4月起，根據《外商投資產業指導目錄(2015年修訂)》，高等教育對外國投資者由鼓勵類業務修訂為限制類業務。目前，根據《外商投資產業指導目錄(2017年修訂)》，高等教育對外國投資者是限制類業務，限於中外合作辦學，中方主導。本公司是中國境外註冊的一家境外公司，是外國投資者，相應地，如果本公司持有重慶悅誠的股權，重慶悅誠也將被視為外國投資者。

此外，根據中華人民共和國教育部於2012年6月18日頒佈的《關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見》，中外合作辦學機構中的境外資金的比例應低於50% (「**外國所有權限制**」)。

根據中國法律顧問的意見以及《中外合作辦學條例》及其實施辦法(「**實施辦法**」)，中外合作辦學機構的外方投資者應為具有相應的辦學資格和較高的辦學質量(「**資格要求**」)的教育機構。目前中國法律法規對於資格要求尚未有具體的標準和指引。

As further advised by the PRC Legal Advisor, the principal business of the PRC Operating School falls within the aforesaid industry, and the Company, as a foreign investor investing in the business of operating higher education in the PRC, is subject to the Qualification Requirement. Based on its interview with the Education Department of Anhui Province (the “**Education Department**”) in September 2017, PRC Legal Advisor was informed that: (i) the restrictions to foreign investors as stipulated in relevant PRC laws and regulations apply to Sino-foreign cooperative education in Anhui Province; and (ii) no further implementation measures or specific guidance have been promulgated under the Regulations on Sino-foreign Cooperation of Educational Institutions and the Implementing Measures in Anhui which sets out the procedures and specific criteria for the satisfaction of the Qualification Requirement. The PRC Legal Advisor is therefore of the view that (i) there are no specific requirements in the Implementing Measures or specific criteria or guidance under the current PRC laws and regulations as to how Chongqing Yuecheng can be regarded as an educational institution; and (ii) if Chongqing Yuecheng were a subsidiary of the Group, it would not be qualified to act as a foreign investor in a Sino-foreign cooperative educational institution, until the relevant specific implementation measures and/or guidance have been promulgated to enable the Group to attain such qualification.

Based on the above and as confirmed by the PRC Legal Advisor, in order to achieve the business purpose of the Company, the Structured Contracts, through which the Group will be able to exercise full control over Chongqing Yuecheng and consolidate the financial results of Chongqing Yuecheng into the accounts of the Group, have been utilized to minimize the potential conflict with relevant PRC laws and regulations.

* For identification purpose only

根據中國法律顧問的進一步建議，中國營運學校的主營業務被歸類於前述的行業，本公司作為在中國投資運營高等教育的外國投資者，受限於資格要求。基於其2017年9月對安徽省教育廳(「**教育廳**」)的訪談，中國法律顧問被告知：(i)相關中國法律法規所規定的對外國投資者的限制，適用於安徽省的中外合作辦學；及(ii)就《中外合作辦學條例》及其實施辦法，安徽省沒有頒佈進一步的列明滿足資格要求之程序和具體標準的實施辦法或具體指引。因此，中國法律顧問認為(i)就重慶悅誠如何能被視為一個教育機構，實施辦法中沒有具體的要求，現行的中國法律法規項下沒有具體標準或指引；及(ii)如重慶悅誠是本集團的附屬公司，其不符合作為中外合作辦學機構中外國投資者的資格要求，直至頒佈相關具體實施辦法及／或指引使本集團能夠取得該資格。

基於上述以及中國法律顧問的確認，為實現本公司的商業目的，採用了結構性合約(通過該結構性合約本集團將可實現對重慶悅誠的完全控制並且將重慶悅誠的財務業績合併到本集團的賬目中)以最大限度地減少與相關中國法律法規的潛在衝突。

* 僅供識別

G. Risks associated with the arrangements and the actions taken to mitigate the risks

Risks

As the primary beneficiary of Chongqing Yuecheng, the Group is exposed to the business risks and financial risks faced by Chongqing Yuecheng. There is no assurance that Chongqing Yuecheng will generate any profit which can be paid to the Group through the Exclusive Business Cooperation Agreement and the Shareholders' Rights Entrustment Agreement I. Any profit or loss of Chongqing Yuecheng (net of intra-group transactions) will be reflected in the consolidated financial statement of the Group. The exercise of the Exclusive Call Option Agreement I is subject to applicable laws and regulations of the PRC. There is no assurance that the acquisition of the equity interest in Chongqing Yuecheng held by Chongqing Yugangao under the Exclusive Call Option Agreement I will be permitted in the future, or whether such acquisition will incur any costs and expenses to the Group in addition to the consideration stipulated under the Exclusive Call Option Agreement I. Due to these limitations, the transfer of equity interest in Chongqing Yuecheng pursuant to the exercise of the call option under the Exclusive Call Option Agreement I may still be subject to substantial costs.

At the time when the Structured Contracts were entered into, the PRC Legal Advisor advised that the execution, delivery and performance of the Structured Contracts by each of the parties thereto, were in compliance with (i) the provisions under the articles of association of such party and (ii) any applicable PRC laws and regulations. However, the interpretation and implementation of the laws and regulations concerning the foreign investment in the PRC, and their application to and effect on the legality, binding effect and enforceability of contracts, are subject to the discretion of competent PRC legislative, administrative and judicial authorities. In particular, there is no assurance that PRC legislative, administrative or judicial authorities will not adopt a different or contrary interpretation or view against view of the Company and its legal advisor in respect of the legality, binding effect and enforceability of the Structured Contracts, and may determine that the contracts do not comply with applicable regulations.

G. 與安排有關的風險及為降低風險而採取的行動

風險

作為重慶悅誠的首要受益人，本集團面臨重慶悅誠所面臨的業務風險和財務風險。不能保證重慶悅誠將會產生任何利潤，並通過獨家業務合作協議和股東表決權委託協議I支付予本集團。任何重慶悅誠的利潤或損失(除去公司內部的交易)將會反映在本集團的綜合財務報表中。獨家購買權協議I的執行受限於適用的中國法律法規。不能保證根據獨家購買權協議I收購重慶渝港澳持有的重慶悅誠的股權在未來是被允許的，或該等收購是否會對本集團產生除獨家購買權協議I中規定的代價外的任何成本和費用。因該等限制，根據執行獨家購買權協議I的購買權轉讓重慶悅誠的股權可能仍會涉及大量的成本。

於結構性合約簽訂時，中國法律顧問告知，結構性合約的協議各方簽署、交付和履行結構性合約是符合(i)各自章程的規定，及(ii)任何適用的中國法律法規。然而，關於在中國的外國投資的法律法規的解釋和實施，及其在合法性、約束力和合約的可執行性上的應用和效力受限於有權中國立法、行政和司法機關的裁量。尤其是不能保證中國立法、行政或司法機關將不會採用一個與本公司及其法律顧問關於結構性合約的合法性、約束力和可執行性的觀點不同或者相反的解釋或觀點，並且可能認定合約不符合適用的法規。

Further, the Structured Contracts may not provide control over Chongqing Yugangao and Chongqing Yuecheng as effective as direct ownership; Mr. Li, Mr. Cao and Chongqing Yugangao may have potential conflicts of interest with the Company; and the Structured Contracts may be subject to scrutiny of the tax authorities and additional tax may be imposed on the Group.

We believe that there are limited business insurance products available in the market, and to the best knowledge of the Directors, no insurance products specifically designed for protecting the risks relating to the Structured Contracts are available in the PRC market. Further, it is not compulsory for Chongqing Yugangao and Chongqing Yuecheng to maintain an insurance policy to cover risks relating to the Structured Contracts under the applicable PRC laws and regulations. Accordingly, the Group has not purchased any insurance to cover the above risks.

Internal control

In order to mitigate the risks associated with the Structured Contracts, the Company has put in place effective internal controls over Chongqing Ruibo, Chongqing Yuecheng and Chongqing Yugangao to safeguard its assets held through the Structured Contracts. As a wholly-owned subsidiary of the Company, Chongqing Ruibo is subject to all the internal control process and procedures applicable to the Group.

The operations of Chongqing Yugangao and Chongqing Yuecheng are exclusively controlled by Chongqing Ruibo through the Structured Contracts and the Group has applied its internal control processes and procedures to Chongqing Yugangao and Chongqing Yuecheng. In particular, pursuant to the Structured Contracts, (i) Chongqing Ruibo has the right to nominate, appoint or terminate, the legal representatives, chairman, directors, supervisors, chief executive officer, manager and other senior management members of Chongqing Yugangao and Chongqing Yuecheng; (ii) without the prior consent of Chongqing Ruibo, Chongqing Yugangao and Chongqing Yuecheng is not allowed to dispose of any of their respective assets with a value of RMB1,000,000 or more.

此外，結構性合約可能不會提供對重慶渝港澳和重慶悅誠如直接持股一樣有效的控制；李先生、曹先生和重慶渝港澳也許會與本公司有潛在的利益衝突；結構性合約也許受限於稅務機關的審查並且可能會對本集團徵收額外的稅款。

我們相信市場上可獲得的業務保險產品是有限的，並且據董事的最佳理解，中國市場上沒有可用的針對於保護關於結構性合約風險設計的保險產品。此外，在適用的中國法律法規下，重慶渝港澳和重慶悅誠並無強制義務購買保險以保障與結構性合約有關的風險。相應地，本集團沒有購買任何保險以保障上述風險。

內部控制

為降低結構性合約的相關風險，本公司對重慶睿博、重慶悅誠和重慶渝港澳實行有效的內部控制，以保障其通過結構性合約所持有的資產。作為本公司之全資附屬公司，重慶睿博受制於所有適用於本集團的內部控制流程及程序。

重慶渝港澳和重慶悅誠的運營由重慶睿博通過結構性合約獨家控制，並且本集團將其內部控制的流程和程序應用於重慶渝港澳和重慶悅誠。特別是根據結構性合約，(i)重慶睿博有權提名、委任或終止重慶渝港澳和重慶悅誠的法定代表人、董事長、董事、監事、首席執行官、經理和其他高級管理人員；(ii)未經重慶睿博的事先同意，重慶渝港澳和重慶悅誠不得處置任何其各自價值人民幣1,000,000元或以上的資產。

H. Material changes

As of the date of this annual report, there were no material changes in the Structured Contracts and/or the circumstances under which the Structured Contracts were adopted.

I. Unwinding of the Structured Contracts

As of the date of this annual report, there has not been any unwinding of any Structured Contracts, nor has there been any failure to unwind any Structured Contracts when the restrictions that led to the adoption of the Structured Contracts are removed. In the event that the PRC regulatory environment changes and all of the Qualification Requirement, the Foreign Ownership Restriction and the Foreign Control Restriction are removed (and assuming there are no other changes in the relevant PRC laws and regulations), Chongqing Ruibo will exercise the Equity Call Option in full to unwind the contractual arrangements so that the Company will be able to directly operate the schools without using the Structured Contracts.

For details of the above Structured Contracts, please refer to the announcement of the Company dated 27 September 2017.

H. 重大變動

截至本年報日期，結構性合約及／或採納結構性合約所基於的情況並未發生重大變動。

I. 結構性合約的解除

截至本年報日期，並未解除任何結構性合約，亦未發生在致使採納結構性合約的限制取消時無法解除結構性合約的任何情況。倘中國監管環境有變而所有資格要求、外資擁有權限制及外資控制權限制被撤銷(假設相關中國法律法規概無其他變動)，重慶睿博將悉數行使權益認購權以解除合約安排，使本公司能夠直接經營學校而無須使用結構性合約。

有關上述結構性合約的詳情，請參閱本公司日期為2017年9月27日之公告。

CONTRACTUAL ARRANGEMENTS IN RELATION TO BOHAI EXPERIMENTAL SCHOOL

有關渤海實驗學校的合約安排

The Contractual Arrangements

合約安排

On 2 May 2018, Chongqing Mengzhuo Education Technology Co., Ltd.* (重慶夢卓教育科技有限公司) (“**Chongqing Mengzhuo**”), an indirect wholly-owned subsidiary of the Company, entered into a set of agreements in relation to Shiji Kuangao, Jierui and its shareholders, Mr. Li and Mr. Li Jiandong (“**Mr. Li JD**”), namely, the (a) Exclusive Business Cooperation Agreement B, (b) Equity Pledge Agreements B, (c) Exclusive Call Option Agreements B, (d) Shareholders’ Rights Entrustment Agreements B; and (e) Power of Attorneys B, and (f) Spouse Undertakings B, (as defined below) (collectively, the “**Contractual Arrangements**”).

於2018年5月2日，本公司間接全資附屬公司重慶夢卓教育科技有限公司(「**重慶夢卓**」)就世紀寬高、傑睿公司及其股東李先生及李建東先生(「**李建東先生**」)，訂立了一系列協議，名為(a)獨家業務合作協議B，(b)股權質押協議B，(c)獨家購買權協議B，(d)股東表決權委託協議B；及(e)授權委託書B，及(f)配偶承諾函B(定義見下文)(統稱「**合約安排**」)。

Shiji Kuangao, Bohai Experimental School and Laoling Minsheng Secondary School Limited as the school sponsor of Laoling Senior High School Affiliated with Minsheng Education Group are referred to as “**PRC Operating Company and School**” and together with Jierui, referred to as “**PRC Operating Entities B**” in this section.

於本節內，世紀寬高、渤海實驗學校及樂陵民生職業中等專業學校(作為民生教育集團附屬樂陵高級中學學校舉辦者)稱為「**中國營運公司及學校**」(連同傑睿公司稱為「**中國營運實體B**」)。

Pursuant to the Contractual Arrangements:

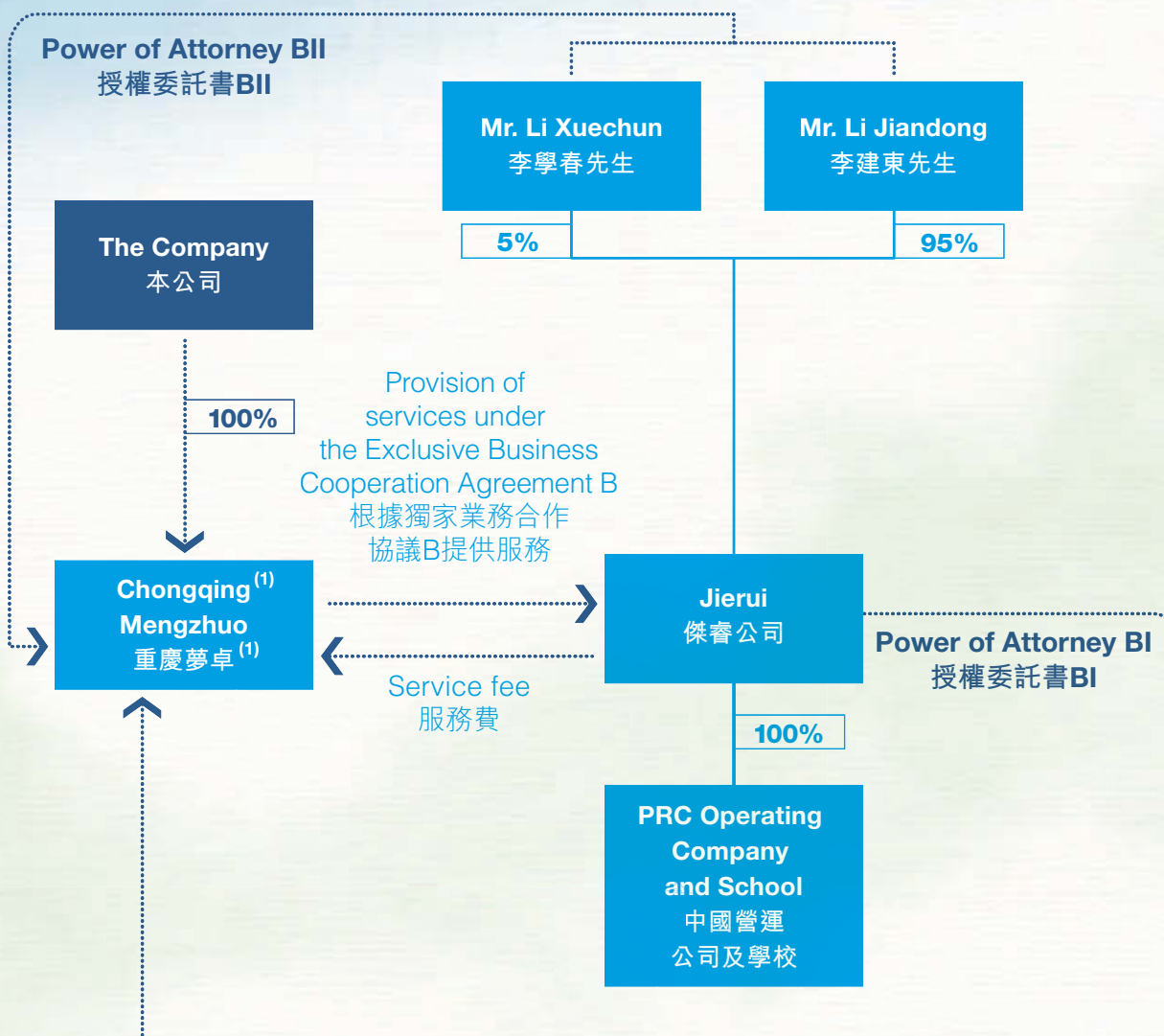
- (i) the Group is able to exercise control over (i) Shiji Kuangao as the school sponsor of Bohai Experimental School; and (ii) Laoling Minsheng Secondary School Limited as the school sponsor of Laoling Senior High School Affiliated with Minsheng Education Group;
- (ii) the Group has the right to govern the management of Jierui and Shiji Kuangao;
- (iii) the Group has the right to deal with the assets of Jierui and Shiji Kuangao;
- (iv) the Group has the right to acquire the entire equity interest of Jierui and Shiji Kuangao (as and when the PRC relevant rules and regulations allow it to do so);
- (v) the Company is able to consolidate the financial results of Jierui, Shiji Kuangao and Bohai Experimental School into the Group's results from the commencement date of the Contractual Arrangements; and
- (vi) none of Jierui (as the sole shareholder of Shiji Kuangao) and Mr. Li and Mr. Li JD (as the shareholders of Jierui) will obtain or receive any financial or commercial benefits from the equity interest in Jierui or Shiji Kuangao (as the case may be) under the Contractual Arrangements despite holding direct or indirect equity interest in Shiji Kuangao.

The following diagram illustrates the relationship among the Company, Chongqing Mengzhuo, Jierui, Shiji Kuangao, Bohai Experimental School and the shareholders of Jierui:

根據合約安排：

- (i) 本集團能夠行使對(i)世紀寬高作為渤海實驗學校舉辦者；及(ii)樂陵民生職業中等專業學校作為民生教育集團附屬樂陵高級中學學校舉辦者的控制；
- (ii) 本集團有權支配對傑睿公司及世紀寬高的管理；
- (iii) 本集團有權處置傑睿公司及世紀寬高的資產；
- (iv) 本集團有權收購傑睿公司及世紀寬高的全部股權(於中國相關規則及法規允許情況下)；
- (v) 本公司能夠自合約安排開始之日起將傑睿公司、世紀寬高及渤海實驗學校之財務業績合併在本集團之業績內；及
- (vi) 傑睿公司(作為世紀寬高的唯一股東)及李先生和李建東先生(作為傑睿公司的股東)儘管直接或間接持有世紀寬高之股權，在合約安排下均將不會從傑睿公司或世紀寬高(視情況而定)的股權權益中獲取或收取任何財務或商業利益。

下圖顯示了公司與重慶夢卓、傑睿公司、世紀寬高、渤海實驗學校和傑睿公司的股東之間的關係：



Note:

(1) Chongqing Mengzhuo is indirectly wholly-owned by the Company.

附註：

(1) 重慶夢卓由本公司間接全資擁有。

Reasons for use of the Contractual Arrangements

According to the PRC laws and regulations, the business of Bohai Experimental School is a restricted business to foreign investors at present.

使用合約安排的原因

根據中國法律法規，目前渤海實驗學校的業務是對外國投資者限制的業務。

Bohai Experimental School engages in high school education in the PRC. From March 2002, in accordance with the Catalogue of Industries for Guiding Foreign Investment (2002 Revision), high school education has been revised as restricted business for foreign investors. At present, pursuant to the Foreign Investment Catalogue (2017), high school education is a restricted business for foreign investors and limited to Sino-foreign cooperative operations led by Chinese nationals. The Company is an overseas company registered outside the PRC, which is a foreign investor; and accordingly, if the equity interest in Shiji Kuangao was owned by the Company, it would be regarded as a foreign investor as well.

Furthermore, pursuant to the Implementation Opinions, the foreign portion of the total investment in a Sino-foreign joint venture private school is subject to the Foreign Ownership Restriction.

As advised by the PRC Legal Advisors, pursuant to Implementing Measures, the foreign investor of a Sino-foreign cooperative educational institution is subject to the Qualification Requirement. There is no specific criteria or guidance on the Qualification Requirement under the current PRC laws and regulations.

渤海實驗學校在中國從事高中教育。自2002年3月起，根據《外商投資產業指導目錄(2002年修訂)》，高中教育對外國投資者修訂為限制類業務。目前，根據外商投資目錄(2017年)，高中教育對外國投資者是限制類業務，限於中外合作辦學，中方主導。本公司是中國境外註冊的一家境外公司，是外國投資者，相應地，如果本公司持有世紀寬高的股權，世紀寬高也將被視為外國投資者。

此外，根據實施意見，中外合作辦學機構中的境外資金的比例受外國所有權限制所規限。

根據中國顧問的意見以及實施辦法，中外合作辦學機構的外方投資者受資格要求所規限。目前中國法律法規對於資格要求尚未有具體的標準和指引。

As further advised by the PRC Legal Advisors, the principal business of Bohai Experimental School falls within the aforesaid industry, and the Company, as a foreign investor investing in the business of operating high school education in the PRC, is subject to the Qualification Requirement. Based on its interview with the Education Bureau of Shouguang City (the “**Education Bureau**”) in May 2018, the PRC Legal Advisors was informed that: (i) the restrictions to foreign investors as stipulated in the relevant PRC laws and regulations apply to Sino-foreign cooperative education in Shouguang City; and (ii) no further implementation measures or specific guidance have been promulgated under the Regulations on Sino-foreign Cooperation of Educational Institutions and the Implementing Measures in Shandong or Shouguang which sets out the procedures and specific criteria for the satisfaction of the Qualification Requirement. The PRC Legal Advisors is therefore of the view that (i) there are no specific requirements in the Implementing Measures or specific criteria or guidance under the current PRC laws and regulations as to how Shiji Kuangao can be regarded as an educational institution; and (ii) if Shiji Kuangao were a subsidiary of the Group, it would not be qualified to act as a foreign investor in a Sino-foreign cooperative educational institution, until the relevant specific implementation measures and/or guidance have been promulgated to enable the Group to attain such qualification.

Based on the above and as confirmed by the PRC Legal Advisors, in order to achieve the business purpose of the Company, the Contractual Arrangements, through which the Group will be able to exercise full control over Shiji Kuangao and consolidate the financial results of Jierui, Shiji Kuangao and Bohai Experimental School into the accounts of the Group, have been utilized to minimize the potential conflict with relevant PRC laws and regulations.

根據中國法律顧問的進一步建議，渤海實驗學校的主營業務被歸類於前述的行業，本公司作為在中國投資運營高中教育的外國投資者，受限於資格要求。基於其2018年5月對壽光市教育局(「教育局」)的訪談，中國法律顧問被告知：(i)相關中國法律法規所規定的對外國投資者的限制，適用於壽光市的中外合作辦學；及(ii)就《中外合作辦學條例》及其實施辦法，山東省沒有頒佈進一步的列明滿足資格要求之程序和具體標準的實施辦法或具體指引。因此，中國法律顧問認為(i)就世紀寬高如何能被視為一個教育機構，實施辦法中沒有具體的要求，現行的中國法律法規項下沒有具體標準或指引；及(ii)如世紀寬高是本集團的附屬公司，其不符合作為中外合作辦學機構中外國投資者的資格要求，直至頒佈相關具體實施辦法及／或指引使本集團能夠取得該資格。

基於上述以及經中國法律顧問確認，為實現本公司的商業目的，採用了合約安排(通過該合約安排本集團將可實現對世紀寬高的完全控制並且將傑睿公司、世紀寬高和渤海實驗學校的財務業績合併到本集團的賬目中)以最大限度地減少與相關中國法律法規的潛在衝突。

Termination of the Contractual Arrangements

The Directors confirm that the Company will monitor the development of the relevant PRC laws and regulations on the Foreign Ownership Restriction and the Qualification Requirement and other relevant restrictions on foreign investors and work closely with Jierui and Shiji Kuangao to take all reasonable steps to comply with the other requirements or terminate the Contractual Arrangements to the extent possible and practicable under the relevant PRC laws and regulations.

In addition to monitoring the development of the relevant PRC laws and regulations on the Qualification Requirement, the Company is also minded to further develop its capabilities to provide higher education services overseas in order to be prepared to satisfy the Qualification Requirement when the relevant specific criteria and guidance become available. The Group owns approximately 25.6% equity interest in Beacon International College PTE LTD. in Singapore and is one of two members of Hong Kong Nang Yan College of Higher Education Limited in Hong Kong. The Group currently participates in the management of these two schools mainly through its representatives who are appointed as directors or governors of each school. As these schools are overseas schools of higher education, which are in line with the principles set out in the Regulations on Sino-foreign Cooperation of Educational Institutions and the Implementation Measures in relation to the status of a foreign investor in a Sino-foreign cooperative educational institution, the Directors believe such investment and involvement in overseas educational institutions will be conducive to the Group's satisfaction of the Qualification Requirement when the relevant laws, regulation, procedures and/or guidance are promulgated.

合約安排的終止

董事確認，本公司將跟蹤有關外國所有權限制及資格要求的相關中國法律法規發展以及其他有關外國投資者的相關限制，並與傑睿公司及世紀寬高密切合作，採取一切合理步驟以遵守其他要求或根據相關中國法律法規盡可能並切實可行地終止合約安排。

除跟蹤相關中國法律法規在資格要求方面的發展之外，本公司還有意進一步發展其在境外提供高等教育服務的能力，以便在有相關具體標準及指引時做好滿足資格要求的準備。本集團在新加坡擁有培根國際學院有限公司約25.6%股權，也是在香港的香港能仁專上學院有限公司的兩名成員之一。本集團目前主要通過委派本集團代表擔任每所學校的董事或校董以參與對兩所學校的管理。由於該等學校為境外的高等教育學校，符合《中外合作辦學條例》及其實施辦法對外國投資者在中外合作辦學機構中地位的規定，董事相信該等對境外教育機構的投資和參與將有助於本集團在相關法律、法規、流程及／或指引被頒佈時滿足資格要求。

Details of the Contractual Arrangements

The major provisions of the contracts in the Contractual Arrangements are summarized as follows:

(1) Exclusive Business Cooperation Agreement B

Pursuant to the exclusive business cooperation agreement entered into between Chongqing Mengzhuo and Jierui (the “**Exclusive Business Cooperation Agreement B**”), Chongqing Mengzhuo agreed to provide exclusive technical services to Jierui, including but not limited to, technical services, network support, business consulting, market consulting, system maintenance and other services necessary for the business of or as required by Jierui and allowed under the PRC law.

Under the Exclusive Business Cooperation Agreement B, Chongqing Mengzhuo is entitled to charge Jierui each financial year for a service fee equals to all the amount of its net profit (after deducting all costs, expenses, taxes, losses from the previous year (if required by the law) and the statutory provident fund as required by law) for the corresponding period. Chongqing Mengzhuo has the right (but not the obligation) to adjust the amount of such service fee by reference to, among others, the actual services provided and the actual business operations and needs of Jierui, provided that any adjusted amount shall not cause any difficulties for the operations of both of Chongqing Mengzhuo and Jierui.

合約安排的詳情

合約安排的合約的主要條文概述如下：

(1) 獨家業務合作協議B

根據重慶夢卓與傑睿公司訂立的獨家業務合作協議(「**獨家業務合作協議B**」)，重慶夢卓同意向傑睿公司提供獨家技術服務，包括但不限於技術服務、網路支持、業務諮詢、市場諮詢、系統維護及其他傑睿公司業務所需的或傑睿公司要求的並且中國法律所允許的服務。

根據獨家業務合作協議B，重慶夢卓有權在每個財務年度從傑睿公司收取相等於其同期淨利潤(在扣除所有成本、費用、稅項、上年度的虧損(如法律要求)及法律要求的法定公積金之後)的服務費。重慶夢卓有權(但沒有義務)按照(其中包括)提供予傑睿公司的實際服務及傑睿公司實際業務營運及需求調整相關的服務費，但前提是任何經調整的數額應不導致重慶夢卓和傑睿公司營運困難。

(2) Equity Pledge Agreements B

Pursuant to the equity pledge agreement entered into by and among Chongqing Mengzhuo, Jierui and Shiji Kuangao (the “**Equity Pledge Agreement BI**”), Jierui agreed to pledge and grant the first priority security interests over the entire equity interest of Shiji Kuangao owned by Jierui together with all related rights thereto to Chongqing Mengzhuo as security for performance the Contractual Arrangements and all direct, indirect, consequential damages and foreseeable loss of interest incurred by Chongqing Mengzhuo as a result of enforcement of the obligations of Jierui and Shiji Kuangao under the Contractual Arrangements until all such obligations are discharged to the satisfaction of Chongqing Mengzhuo or as required by PRC laws and regulations.

In addition, pursuant to the equity pledge agreement entered into by and among Chongqing Mengzhuo, Jierui, Mr. Li and Mr. Li JD (the “**Equity Pledge Agreement BII**”, together with the Equity Pledge Agreement BI, the “**Equity Pledge Agreements B**”), Mr. Li and Mr. Li JD agreed to pledge and grant the first priority security interests over the 100% equity interest of Jierui owned by Mr. Li and Mr. Li JD in aggregate together with all related rights thereto to Chongqing Mengzhuo as security for performance the Contractual Arrangements and all direct, indirect, consequential damages and foreseeable loss of interest incurred by Chongqing Mengzhuo as a result of enforcement of the obligations of Mr. Li, Mr. Li JD and Jierui under the Contractual Arrangements until all such obligations are discharged to the satisfaction of Chongqing Mengzhuo or as required by PRC laws and regulations.

(2) 股權質押協議B

根據由重慶夢卓、傑睿公司及世紀寬高簽訂的股權質押協議(「**股權質押協議BI**」)，傑睿公司同意，將傑睿公司所持有的世紀寬高的全部股權及全部相關權利質押並授出第一順序擔保權益給重慶夢卓，作為履行合約安排以及重慶夢卓因履行傑睿公司及世紀寬高於合約安排項下的義務而導致的所有直接、間接、從屬損失和可預見的利益損失的擔保，直至所有該等義務都滿足了重慶夢卓的要求或應中國法律法規要求而被解除。

此外，根據由重慶夢卓、傑睿公司、李先生及李建東先生之間簽訂的股權質押協議(「**股權質押協議BII**」，連同股權質押協議BI合稱為「**股權質押協議B**」)，李先生與李建東先生同意將由李先生與李建東先生持有的傑睿公司100%股權及全部相關權利質押並授出第一順序擔保權益給重慶夢卓，作為履行合約安排以及重慶夢卓因履行李先生、李建東先生及傑睿公司於合約安排項下的義務而導致的所有直接、間接、從屬損失和可預見的利益損失的擔保，直至所有該等義務都滿足了重慶夢卓的要求或應中國法律法規要求而被解除。

(3) Exclusive Call Option Agreements B

Pursuant to the exclusive call option agreement entered into by and among Chongqing Mengzhuo, Jierui and Shiji Kuangao (the “**Exclusive Call Option Agreement BI**”), Jierui has irrevocably and unconditionally granted Chongqing Mengzhuo the right to, as and when permitted by the applicable PRC laws and regulations during the term of the Contractual Arrangements, acquire all or part of the 100% equity interest of Shiji Kuangao held by Jierui at a consideration which is the lower of the registered capital contribution by Jierui to Shiji Kuangao and nominal consideration, or otherwise at the lowest price permitted by the then applicable PRC laws and regulations. In addition, pursuant to the Exclusive Call Option Agreement BI, Jierui has irrevocably undertaken that, subject to the PRC laws and regulations, they will return to the Company any consideration they receive in the event that the Company acquires the equity interest in Shiji Kuangao when unwinding the Contractual Arrangements.

In addition, pursuant to the exclusive call option agreement entered into by and among Chongqing Mengzhuo, Jierui, Mr. Li and Mr. Li JD (the “**Exclusive Call Option Agreement BII**”, together with Exclusive Call Option Agreement BI, the “**Exclusive Call Option Agreements B**”), Mr. Li and Mr. Li JD have irrevocably and unconditionally granted Chongqing Mengzhuo the right to, as and when permitted by the applicable PRC laws and regulations during the term of the Contractual Arrangements, acquire all or part of the 100% equity interest of Jierui together held by Mr. Li and Mr. Li JD for the lower of the registered capital contribution by Mr. Li and Mr. Li JD to Jierui and nominal consideration, or otherwise at the lowest price permitted by the then applicable PRC laws and regulations. In addition, pursuant to the Exclusive Call Option Agreement BII, Mr. Li and Mr. Li JD have irrevocably undertaken that, subject to the PRC laws and regulations, they will return to the Company any consideration they receive in the event that the Company acquires the equity interest in Jierui when terminating the Contractual Arrangements.

(3) 獨家購買權協議B

根據重慶夢卓、傑睿公司及世紀寬高簽訂的獨家購買權協議(「**獨家購買權協議BI**」)，傑睿公司已經不可撤銷及無條件地授權重慶夢卓在適用的中國法律法規允許的情況下，於合約安排期間，以傑睿公司對世紀寬高註冊資本出資和名義代價中的較低者或屆時適用的中國法律法規允許的最低代價，收購傑睿公司所持有的世紀寬高100%股權的全部或者部分。此外，根據獨家購買權協議BI，傑睿公司已不可撤銷地承諾，以遵守中國法律法規為前提，其將把其因本公司在解除合約安排時收購世紀寬高股權而收到的任何代價返還給本公司。

此外，根據重慶夢卓、傑睿公司、李先生及李建東先生簽訂的獨家購買權協議(「**獨家購買權協議BII**」，連同獨家購買權協議BI合稱為「**獨家購買權協議B**」)，李先生及李建東先生已不可撤銷及無條件地授權重慶夢卓在適用的中國法律法規允許的情況下，於合約安排期間，以李先生及李建東先生對傑睿公司的註冊資本出資和名義代價中的較低者或屆時中國法律法規允許的最低代價收購李先生及李建東先生所共同持有的傑睿公司100%股權的全部或者部分。此外，根據獨家購買權協議BII，李先生及李建東先生已不可撤銷地承諾，以遵守中國法律法規為前提，他們將把其因本公司在終止合約安排時收購傑睿公司股權而收到的任何代價返還給本公司。

(4) Shareholders' Rights Entrustment Agreements B and Power of Attorneys B

Shareholders' Rights Entrustment Agreement B1 and Power of Attorney B1

Pursuant to the shareholders' rights entrustment agreement executed by and among Chongqing Mengzhuo, Jierui and Shiji Kuangao (the "**Shareholders' Rights Entrustment Agreement B1**"), Jierui executed a power of attorney in favour of Chongqing Mengzhuo (the "**Power of Attorney B1**") pursuant to which Jierui has irrevocably and unconditionally authorized Chongqing Mengzhuo to, among other things:

- (i) act as the agent of Jierui and to make decisions which Jierui is entitled to make as the shareholder of Shiji Kuangao on behalf of Jierui;
- (ii) exercise all its rights of shareholder and voting rights in Shiji Kuangao as granted by the PRC law and the articles and associations of Shiji Kuangao, including but not limited to selling, transferring, pledging or otherwise dealing in all or any of the equity interests in Shiji Kuangao; and
- (iii) serve as the legal representative, chairman, executive director or manager of Shiji Kuangao in accordance with its articles and associations, or nominate, appoint or change the legal representative, chairman, directors, supervisors, chief executive officer, manager or other management level personnel of Shiji Kuangao.

Chongqing Mengzhuo is entitled to authorize any person or entity, any Directors or any successor or liquidator of such Directors to exercise the rights which Chongqing Mengzhuo is authorized to exercise under the Power of Attorney B1.

(4) 股東表決權委託協議B和授權委託書B

股東表決權委託協議B1和授權委託書B1

根據重慶夢卓、傑睿公司及世紀寬高簽署的股東表決權委託協議(「**股東表決權委託協議B1**」), 傑睿公司簽署了一份向重慶夢卓授權的授權委託書(「**授權委託書B1**」), 根據該授權委託書傑睿公司不可撤銷及無條件授權重慶夢卓(其中包括):

- (i) 作為傑睿公司的代理人及代表傑睿公司作出傑睿公司作為世紀寬高的股東而有權作出的決定;
- (ii) 行使中國法律及世紀寬高的章程授予其的於世紀寬高的所有股東權利及投票權, 包括但不限於出售、轉讓、質押或以其他方式處置世紀寬高全部或任何股權; 及
- (iii) 根據世紀寬高的章程擔任世紀寬高的法定代表人、主席、執行董事或經理, 或提名、委任或替換世紀寬高的法定代表人、主席、董事、監事、首席執行官、經理或其他管理層人員。

重慶夢卓有權授權任何人或實體、任何董事或任何該等董事之繼承人或清盤執行人行使重慶夢卓在授權委託書B1下被授權行使的權利。

In addition, pursuant to the Shareholders' Rights Entrustment Agreement BI, Jierui guarantees and undertakes that:

- (i) in the event it receives any asset (including the equity interest of Shiji Kuangao) in relation to the liquidation, winding-up, dismissal or termination of Shiji Kuangao, Jierui agrees to transfer at nil consideration or at the lowest consideration as permitted by the then applicable laws and regulations to Chongqing Mengzhuo such asset; and
- (ii) without prior approval of Chongqing Mengzhuo, it will neither, directly or indirectly, participate or engage in any business which is or may be in competition with the business of Shiji Kuangao or its associated companies, or be engaged by any entity which is or may be in competition with the business of Shiji Kuangao or its associated companies, or hold any assets of such entity or hold more than 5% interest in such entity.

Pursuant to the Shareholders' Rights Entrustment Agreement BI, any successor to Jierui shall hold the respective equity interest in Shiji Kuangao subject to conditions, requirements and obligations under the Shareholders' Rights Entrustment Agreement BI.

Shareholders' Rights Entrustment Agreement BII and Power of Attorney BII

Pursuant to the shareholders' rights entrustment agreement executed by and among Chongqing Mengzhuo, Mr. Li, Mr. Li JD and Jierui (the "**Shareholders' Rights Entrustment Agreement BII**", together with the Shareholders' Rights Entrustment Agreement BI, the "**Shareholders' Rights Entrustment Agreements B**"), Mr. Li and Mr. Li JD executed a power of attorney in favour of Chongqing Mengzhuo (the "**Power of Attorney BII**", together with the Power of Attorney BI, the "**Power of Attorneys B**") pursuant to which Mr. Li and Mr. Li JD have irrevocably and unconditionally authorized Chongqing Mengzhuo to, among other things:

此外，根據股東表決權委託協議BI，傑睿公司保證並承諾：

- (i) 在收到世紀寬高有關清盤、清算、解散或終止的任何資產(包括世紀寬高的股權)時，傑睿公司同意無償或以屆時適用的法律及法規允許的最低代價將該等資產轉讓予重慶夢卓；及
- (ii) 在沒有得到重慶夢卓的事先許可的情況下，其將不會直接或間接地參與或開展任何與世紀寬高或其聯營公司存在或有可能存在競爭的業務，或受任何與世紀寬高或其聯營公司的業務存在或有可能存在競爭的實體委託，或持有該等實體的任何資產或持有該等實體超過5%的權益。

根據股東表決權委託協議BI，傑睿公司的任何繼承者持有世紀寬高的相應股權，應遵守股東表決權委託協議BI的條件、要求及義務。

股東表決權委託協議BII及授權委託書BII

根據重慶夢卓、李先生、李建東先生及傑睿公司簽署的股東表決權委託協議(「**股東表決權委託協議BII**」，連同股東表決權委託協議BI合稱為「**股東表決權委託協議B**」)，李先生及李建東先生簽署了一份向重慶夢卓授權的授權委託書(「**授權委託書BII**」，連同授權委託書BI合稱為「**授權委託書B**」)，根據該授權委託書李先生及李建東先生不可撤銷及無條件地授權重慶夢卓(其中包括)：

- (i) act as the agent of Mr. Li and Mr. Li JD to convene and attend shareholder meetings of Jierui in accordance with its articles and associations;
- (ii) exercise all their rights of shareholders and voting rights in Jierui as granted by the PRC law and its articles and associations, including but not limited to selling, transferring, pledging or otherwise dealing in all or any of the equity interests in Jierui; and
- (iii) serve as the legal representative, chairman, executive director or manager of Jierui in accordance with its articles and associations, or nominate, appoint or change the legal representative, chairman, directors, supervisors, chief executive officer, manager or other management level personnel of Jierui.

Chongqing Mengzhuo is entitled to authorize any person or entity, any Directors or any successor or liquidator of such Directors to exercise the rights which Chongqing Mengzhuo is authorized to exercise under the Power of Attorney BII.

In addition, pursuant to the Shareholders' Rights Entrustment Agreement BII, each of Mr. Li and Mr. Li JD guarantees and undertakes that:

- (i) in the event he receives any asset (including the equity interest of Jierui) in relation to the liquidation, winding-up, dismissal or termination of Jierui, each of them agrees to transfer at nil consideration or at the lowest consideration as permitted by the then applicable laws and regulations to Chongqing Mengzhuo such asset; and

- (i) 作為李先生及李建東先生的代理根據傑睿公司的章程召集並出席傑睿公司的股東會議；
- (ii) 行使他們由中國法律及傑睿公司的章程所授予的於傑睿公司的所有股東權利及投票權，包括但不限於出售、轉讓、質押或以其他方式處置傑睿公司全部或部分股權；及
- (iii) 根據傑睿公司的章程擔任傑睿公司的法定代表人、主席、執行董事或經理，或提名、委任或替換傑睿公司的法定代表人、主席、董事、監事、首席執行官、經理或其他管理層人員。

重慶夢卓有權授權任何人或實體、任何董事或任何該等董事之繼承人或清盤人執行重慶夢卓在授權委託書BII下被授權行使的權利。

另外，根據股東表決權委託協議BII，李先生及李建東先生保證及承諾如下：

- (i) 在其收到傑睿公司有關清盤、清算、解散或終止的任何資產(包括傑睿公司的股權)時，其同意無償或以當時適用法律及法規允許的最低代價將該等資產轉讓予重慶夢卓；及

- (ii) without prior approval of Chongqing Mengzhuo, neither of them will, directly or indirectly, participate or engage in any business which is or may be in competition with the business of Jierui or its associated companies, or be engaged by any entity which is or may be in competition with the business of Jierui or its associated companies, or hold any assets of such entity or hold more than 5% interest in such entity.

Pursuant to the Shareholders' Rights Entrustment Agreement BII, in the event of death, loss of capacity, marriage, divorce or bankruptcy of Mr. Li and Mr. Li JD, or other similar events affecting Mr. Li or Mr. Li JD in exercising their respective shareholders' rights of Jierui, any successor to Mr. Li or Mr. Li JD shall hold the respective equity interest in Jierui subject to conditions, requirements and obligations under the Shareholders' Rights Entrustment Agreement BII.

(5) Spouse Undertakings B

Pursuant to the spouse undertakings ("Spouse Undertakings B") executed by Ms. Xin, the spouse of Mr. Li JD, Ms. Xin has irrevocably undertaken that:

- (a) she has full knowledge of and has consented to the entering into of the Contractual Arrangements to which Mr. Li JD is a party, and in particular, the equity interest in Jierui owned by Mr. Li JD is not part of the common assets of Mr. Li JD and herself, she is not entitled to any rights attached to such equity interests of Mr. Li JD in Jierui (including the rights arising from the Contractual Arrangements), she shall not engage in any activities interfering the performance of the Contractual Arrangements (including but not limited to claiming her entitlement to the equity interest of Jierui owned by Mr. Li JD and any rights arising from the Contractual Arrangements);

- (ii) 在沒有得到重慶夢卓的事先許可的情況下，他們均將不會直接或間接地參與或開展任何與傑睿公司及其關連公司存在或有可能存在競爭的業務，或受任何與傑睿公司或其關連公司有或可能有競爭性業務的實體委託，或持有該等實體的任何資產或持有該等實體超過5%的權益。

根據股東表決權委託協議BII，在李先生或李建東先生去世、失去行為能力、結婚、離婚或破產的情況下或其他類似影響李先生或李建東先生行使其各自於傑睿公司的股東權益的情況下，李先生或李建東先生的任何繼承者持有其各自在傑睿公司相應的股權，惟應遵守股東表決權委託協議BII的條件、要求及義務。

(5) 配偶承諾函B

根據信女士(李建東先生的配偶)簽署的配偶承諾函(「配偶承諾函B」)，信女士不可撤銷地承諾：

- (a) 她完全知悉並同意李建東先生作為一方簽訂合約安排，及尤其是，李建東先生持有的傑睿公司的股權不屬於李建東先生與她自己的共同財產，她無權享有李建東先生在傑睿公司股權的任何權益(包括合約安排所產生的權利)，她不會採取任何干涉合約安排之行動(包括但不限於主張其對李建東先生擁有的傑睿公司股權及合約安排所產生的任何權利的所有權)；

- (b) she has not, is not and shall not in the future participate in the operation and management in relation to Jierui and claim any interest in relation to the equity interest and assets of Jierui;
- (c) in the event she receives all or part of the equity interest of Jierui for any reason, she agrees to be a party to the Contractual Arrangements and be bound by the relevant restrictions as set out in the Contractual Arrangements and perform any act and execute all necessary documents in order to give effect to such restrictions.

- (b) 她未曾、現在沒有且未來也不會參與有關傑睿公司的經營和管理及主張與傑睿公司的股權和資產有關的任何權益；
- (c) 如果由於任何原因導致其獲得傑睿公司全部或部分股權，她同意作為合約安排的一方並受合約安排規定的有關限制的約束，及採取任何行動並簽署一切所需文件以使該等限制得以有效實施。

Further information about the Contractual Arrangements

Authorization to obtain assets of Shiji Kuangao

Pursuant to the Shareholders' Rights Entrustment Agreement BI and the Power of Attorney BI, Chongqing Mengzhuo has been authorized to exercise all rights of Jierui as the sole shareholder of Shiji Kuangao under applicable laws and the articles of association of Shiji Kuangao, including but not limited to the right to dividends and right to deal with the assets of Shiji Kuangao. It is also the guarantee and undertaking that, in the Shareholders' Rights Entrustment Agreement BI, in the event it receives any asset (including the equity interest of Shiji Kuangao) in relation to the liquidation, winding-up, dismissal or termination of Shiji Kuangao, Jierui agrees to transfer at nil consideration or at the lowest consideration as permitted by the then applicable laws and regulations to Chongqing Mengzhuo such asset.

有關合約安排的進一步資料

授權以獲得世紀寬高的資產

根據股東表決權委託協議BI及授權委託書BI，重慶夢卓已被授權行使在適用法律及世紀寬高公司章程下重慶夢卓作為世紀寬高唯一股東的所有傑睿公司權利，包括但不限於分紅權和處置世紀寬高資產的權利。這也是在股東表決權委託協議BI中傑睿公司對其收到的因世紀寬高的清算、清盤、解散或終止的任何資產(包括世紀寬高的股權)時同意以零代價或當時適用法律法規允許的最低價格向重慶夢卓轉讓該等資產的保證和承諾。

Dispute resolution

Pursuant to the Contractual Arrangements, any dispute arising from the validity, interpretation and performance of the Contractual Arrangements between the parties thereto should first be resolved through negotiation. If the parties are unable to settle the dispute within 30 days, any party may submit the said dispute to the Chongqing Arbitration Commission with a view to resolving the dispute through arbitration in accordance with the arbitration rules thereof. The results of the arbitration shall be final and binding on all relevant parties. The arbitral commission shall have the right to award remedies over the equity interest and property interest and other assets of Jierui, injunctive relief (for the conduct of business or to compel the transfer of assets) or order the winding up of Jierui (the “**Arbitral Award Provisions**”).

The Contractual Arrangements also provide that pending formation of the arbitral tribunal or in appropriate cases, the courts of Hong Kong, the Company's place of incorporation (the Cayman Islands), Jierui's place of establishment (the PRC), the jurisdiction where the principal assets of Chongqing Mengzhuo or Jierui are located (the PRC) have the power to grant interim remedies in support of the arbitration (the “**Interim Remedies Provisions**”).

However, as advised by the PRC Legal Advisors, according to the PRC laws and regulations, the arbitral tribunal normally would not grant such kind of remedies or injunctive relief or winding up order of such PRC operational entities as Jierui under the PRC laws and regulations. For instance, the arbitral commission has no authority to grant such injunctive relief, nor will it be able to order the winding up of the PRC operational entities pursuant to existing PRC laws and regulations. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and Cayman Islands may not be recognizable or enforceable in China.

爭議解決

根據合約安排，因合約安排的有效性、解釋和履行而引起的各方之間的任何爭議應先通過協商解決。如各方未能於30日內解決爭議，任何一方可以將該爭議提交給重慶仲裁委員會，以按照當時有效的仲裁規則通過仲裁解決爭議。仲裁結果為終局及對所有有關各方具有約束力。仲裁委員會有權對傑睿公司的股權、財產權益及其他資產裁定救濟措施、強制救濟(用於開展業務或強制轉移資產)或命令傑睿公司清盤(「**仲裁裁定條款**」)。

合約安排還規定，在組建仲裁庭之前，或在適當的情況下，香港、本公司註冊成立地點(開曼群島)、傑睿公司的成立地點(中國)、重慶夢卓或傑睿公司主要資產所在地的管轄區(中國)的法院有權裁定臨時救濟措施以支持仲裁(「**臨時救濟條款**」)。

然而，根據中國法律顧問的意見，根據中國的法律法規，仲裁庭根據中國的法律法規通常不會對該等中國經營實體如傑睿公司裁定該等救濟措施或強制救濟或清盤令。例如，依照現行的中國法律法規，仲裁委員會無權給予此類強制救濟，也不能命令中國經營實體清盤。此外，海外法院如香港和開曼群島法院頒佈的臨時救濟或強制執行令在中國可能不被承認或強制執行。

Conflict of interests

The Company confirms that appropriate arrangements have been made to address the potential conflict of interests between Shiji Kuangao and the Group. In particular, the undertakings executed by Jierui in favour of Chongqing Mengzhuo provide that it will neither, directly or indirectly, participate or engage in any business which is or may be in competition with the business of Shiji Kuangao or its associated company, or acquire or hold any such business, nor carry on any activities which may lead to any conflict of interest between itself and Chongqing Mengzhuo. Pursuant to Shareholders' Rights Entrustment Agreement BI and the Power of Attorney BI, Jierui guarantees and undertakes that the exercise of the rights as granted to Chongqing Mengzhuo or as authorized by Jierui shall not give rise to any conflict of interests.

Legality and enforceability of the Contractual Arrangements

The PRC Legal Advisors confirmed that (i) the Contractual Arrangements comply with the relevant laws and regulations in the PRC applicable to Shiji Kuangao and the respective articles of association of Shiji Kuangao and Chongqing Mengzhuo; and (ii) the Contractual Arrangements would not be deemed as concealing illegal intentions with a lawful form and void under the PRC Contract Law (《中華人民共和國合同法》).

In addition, pursuant to the Shareholders' Rights Entrustment Agreement BI and the Power of Attorney BI, appropriate arrangements have been made to protect the Company's interests in the event of winding up or liquidation of Shiji Kuangao to avoid any practical difficulties in enforcing the Contractual Arrangements.

利益衝突

本公司確認已做適當的安排以解決世紀寬高和本集團之間潛在的利益衝突。尤其是傑睿公司簽署的有利於重慶夢卓的承諾表示，其將不會直接或間接地參與或從事任何與世紀寬高或其關連公司的業務存在或可能存在競爭的業務，或收購或持有任何該等業務，或從事任何可能會導致任何其與重慶夢卓之間利益衝突的活動。根據股東表決權委託協議BI和授權委託書BI，傑睿公司保證並承諾重慶夢卓被授予的或由傑睿公司所授權的權利的行使將不會導致任何的利益衝突。

合約安排的合法性和可執行性

中國法律顧問確認(i)合約安排符合世紀寬高所適用的相關中國法律法規以及世紀寬高和重慶夢卓各自的章程；及(ii)合約安排不會被視為《中華人民共和國合同法》規定的以合法形式掩蓋非法目的以及無效。

此外，根據股東表決權委託協議BI和授權委託書BI，為避免任何在執行合約安排中的實際困難，已做適當的安排以在世紀寬高清算或清盤時保護本公司的利益。

As advised by the PRC Legal Advisors, other than the Arbitral Award Provisions and the Interim Remedies Provisions, which may not be enforced under the relevant laws of the PRC, all the contractual rights and obligations under the Contractual Arrangements are enforceable under PRC laws. Based on the legal opinion from the PRC Legal Advisors, the Directors believe that, other than the Arbitral Award Provisions and the Interim Remedies Provisions, each of the Contractual Arrangements which confers significant control and economic benefits from Jeirui or Shiji Kuangao to Chongqing Mengzhuo is enforceable under the relevant laws and regulations of the PRC.

根據中國法律顧問的意見，除仲裁裁定條款和臨時救濟條款(可能不能在相關的中國法律下被執行)外，合約安排項下的所有合同權利和義務均能在中國法律下被執行。基於中國法律顧問的法律意見，董事相信，除仲裁裁定條款和臨時救濟條款外，傑睿公司或世紀寬高授予重慶夢卓重大控制和經濟利益的每個合約安排在相關中國法律法規下均可被執行。

Significance and financial contributions of PRC Operating Entities B to the Group

中國營運實體B對本集團的重要性及財務貢獻

Pursuant to the Contractual Arrangements, the Group obtains control over and derives the economic benefits from the PRC Operating Entities B. The table below sets out the financial contribution of the PRC Operating Entities B to the Group:

根據結構性合約，本集團取得中國營運實體B的控制權，並從中獲得經濟利益。下表載列中國營運實體B對本集團的財務貢獻：

	Significances and financial contribution to the Group 對本集團的重要性及財務貢獻		
	Revenue 收益	Net Profit 純利	Total Assets 總資產
	For the year ended 31 December 2018 截至2018年12月31日 止年度	For the year ended 31 December 2018 截至2018年12月31日 止年度	As of 31 December 2018 於2018年12月31日
Significances and financial contribution to the Group 對本集團的重要性及財務貢獻	2.1%	(1.4)%	2.8%

Revenue and assets involved in Contractual Arrangements

合約安排所涉收益及資產

	Revenue 收益	Assets 資產
	RMB'000 人民幣千元	RMB'000 人民幣千元
	For the year ended 31 December 2018 截至2018年12月31日 止年度	As at 31 December 2018 於2018年12月31日
PRC Operating Entities B 中國營運實體B	12,953	185,117

Consolidation of financial results

Based on the Contractual Arrangements and the legal opinion provided by the PRC Legal Advisors, the Directors are of the view that the Contractual Arrangements have allowed the Company to consolidate the financial results of PRC Operating Entities B under the prevailing accounting principles.

Risks involved in the Contractual Arrangements

As the primary beneficiary of Shiji Kuangao, the Group is exposed to the business risks and financial risks faced by Shiji Kuangao. There is no assurance that Shiji Kuangao will generate any profit which can be paid to the Group through the Exclusive Business Cooperation Agreement B and the Shareholders' Rights Entrustment Agreement BI. Any profit or loss of Shiji Kuangao (net of intra-group transactions) will be reflected in the consolidated financial results of the Group. The exercise of the Exclusive Call Option Agreement BI is subject to applicable laws and regulations of the PRC. There is no assurance that the acquisition of the equity interest in Shiji Kuangao held by Jierui under the Exclusive Call Option Agreement BI will be permitted in the future, or whether such acquisition will incur any costs and expenses to the Group in addition to the consideration stipulated under the Exclusive Call Option Agreement BI. Due to these limitations, the transfer of equity interest in Shiji Kuangao pursuant to the exercise of the call option under the Exclusive Call Option Agreement BI may still be subject to substantial costs.

合併財務業績

基於合約安排以及中國法律顧問提供的法律意見，董事認為合約安排允許本公司在現行的會計準則下合併中國營運實體B的財務業績。

合約安排的風險

作為世紀寬高的首要受益人，本集團面臨世紀寬高所面臨的業務風險和財務風險。不能保證世紀寬高將會產生任何利潤，並通過獨家業務合作協議B和股東表決權委託協議BI支付予本集團。任何世紀寬高的利潤或損失（除去集團內部的交易）將會反映在本集團的綜合財務業績中。獨家購買權協議BI的執行受限於適用的中國法律法規。不能保證根據獨家購買權協議BI收購傑睿公司持有的世紀寬高的股權在未來是被允許的，或是否該等收購將會對本集團產生除獨家購買權協議BI中規定的代價外的任何成本和費用。因該等限制，根據執行獨家購買權協議BI的購買權轉讓世紀寬高的股權可能仍會涉及大量的成本。

The PRC Legal Advisors is of the opinion that as at the date of this annual report, the execution, delivery and performance of the Contractual Arrangements by each of the parties thereto, is in compliance with (i) the provisions under the articles of association of such party and (ii) any applicable PRC laws and regulations. However, the interpretation and implementation of the laws and regulations concerning the foreign investment in the PRC, and their application to and effect on the legality, binding effect and enforceability of contracts, are subject to the discretion of competent PRC legislative, administrative and judicial authorities. In particular, there is no assurance that PRC legislative, administrative or judicial authorities will not adopt a different or contrary interpretation or view against view of the Company and its legal advisors in respect of the legality, binding effect and enforceability of the Contractual Arrangements, and may determine that the contracts do not comply with applicable regulations.

Further, the Contractual Arrangements may not provide control over Jierui and Shiji Kuangao as effective as direct ownership; Mr. Li, Mr. Li JD and Jierui may have potential conflicts of interest with the Company; and the Contractual Arrangements may be subject to scrutiny of the tax authorities and additional tax may be imposed on the Group.

We believe that there are limited business insurance products available in the market, and to the best knowledge of our Directors, no insurance products specifically designed for protecting the risks relating to the Contractual Arrangements are available in the PRC market. Further, it is not compulsory for Jierui and Shiji Kuangao to maintain an insurance policy to cover risks relating to the Contractual Arrangements under the applicable PRC laws and regulations. Accordingly, the Group has not purchased any insurance to cover the above risks.

中國法律顧問認為，截至本年報日期，合約安排的協議各方簽署、交付和履行合約安排是符合(i)各自章程的規定，及(ii)任何適用的中國法律法規。然而，關於在中國的外國投資的法律法規的解釋和實施，及其在合法性、約束力和合約的可執行性上的應用和效力受限於主管的中國立法、行政和司法機關的裁量。尤其是不能保證中國立法、行政或司法機關將不會採用一個與本公司及其法律顧問關於合約安排的合法性、約束力和可執行性的觀點不同或者相反的解釋或觀點，並且可能認定合約不符合適用的法規。

此外，合約安排可能不會提供對傑睿公司和世紀寬高如直接持股一樣有效的控制；李先生、李建東先生和傑睿公司也許會與本公司有潛在的利益衝突；合約安排也許會受到稅務機關的審查並且可能會對本集團徵收額外的稅款。

我們相信市場上可獲得的業務保險產品是有限的，並且據我們董事所知，中國市場上沒有可用的針對於保護關於合約安排風險而設計的保險產品。此外，在適用的中國法律法規下，傑睿公司和世紀寬高並無強制義務購買保險以保障與合約安排有關的風險。相應地，本集團沒有購買任何保險以保障上述風險。

Internal control

The Company has put in place effective internal controls over Chongqing Mengzhuo, Jierui and Shiji Kuangao to safeguard its assets held through the Contractual Arrangements. As a wholly-owned subsidiary of the Company, Chongqing Mengzhuo is subject to all the internal control process and procedures applicable to the Group.

The operations of Jierui and Shiji Kuangao are exclusively controlled by Chongqing Mengzhuo through the Contractual Arrangements and the Group has applied its internal control processes and procedures to Jierui and Shiji Kuangao. In particular, pursuant to the Contractual Arrangements, (i) Chongqing Mengzhuo has the right to nominate, appoint or terminate, the legal representatives, chairman, directors, supervisors, chief executive officer, manager and other senior management members of Jierui and Shiji Kuangao; (ii) without the prior consent of Chongqing Mengzhuo, Jierui and Shiji Kuangao is not allowed to dispose of, transfer, pledge or in any way deal with, any of their respective assets (except, within the ordinary course of business, with a value of RMB1,000,000 or less), business, operation power and/or revenue.

Financing arrangements

It is expected that the funds necessary for Jierui to satisfy its payment obligations under the Interest Transfer Agreement will be indirectly financed by the Group's internal resources by way of loan(s) or other legal financial arrangement(s) with Jierui and/or Shiji Kuangao.

內部控制

本公司已對重慶夢卓、傑睿公司及世紀寬高實行有效的內部控制，以保障其通過合約安排持有的資產。作為本公司的全資附屬公司，重慶夢卓受制於所有適用於本集團的內部控制流程及程序。

傑睿公司和世紀寬高的運營由重慶夢卓通過合約安排獨家控制，並且本集團已將其內部控制的流程和程序應用於傑睿公司和世紀寬高。特別是，根據合約安排，(i)重慶夢卓有權提名、委任或終止傑睿公司和世紀寬高的法定代表人、主席、董事、監事、首席執行官、經理和其他高級管理人員；(ii)未經重慶夢卓的事先同意，傑睿公司和世紀寬高不得處置、轉讓、質押或以任何形式處理任何其各自的資產(在日常業務過程中，價值人民幣1,000,000元或以下的除外)、業務、運營權利及／或收入。

融資安排

預期傑睿公司為履行其於權益轉讓協議下之付款義務所需之資金，將間接以本集團之內部資源以借貸的方式或其他與傑睿公司及／或世紀寬高合法的財務安排來撥付。

Other information

Apart from Shiji Kuangao, Jierui does not generate revenue from any other subsidiaries of the Company.

As at the date of this annual report, Chongqing Mengzhuo has not encountered any interference or encumbrance from any governing bodies in operating its business through Jierui or Shiji Kuangao under the Contractual Arrangements.

The Directors confirm that the Company has complied in full with the guidance letter HKEx-GL77-14 issued by the Stock Exchange in relation to listed issuers using contractual arrangements for their business in respect of the Contractual Arrangements.

For details of the Contractual Arrangements, please refer to the announcements of the Company dated 12 March 2018, 13 April 2018 and 2 May 2018.

其他資料

除世紀寬高外，傑睿公司不從本公司任何其他附屬公司獲得收入。

截至本年報日期，重慶夢卓根據合約安排通過傑睿公司或世紀寬高營運業務時尚未受到任何管理機構的任何干擾或妨礙。

董事確認本公司已全面遵守由聯交所發佈的關於上市發行人就其業務使用合約安排的指引信HKEx-GL77-14。

有關合約安排的詳情，請參閱本公司日期為2018年3月12日、2018年4月13日及2018年5月2日之公告。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARE, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), Chapter 571 of the Laws of Hong Kong), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Issuers (the “Model Code”), were as follows:

董事及主要行政人員於股份、相關股份及債權證中擁有的權益或淡倉

於2018年12月31日，本公司董事及主要行政人員於本公司或其相關法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有根據證券及期貨條例第352條須記錄於由本公司存置的登記冊，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉如下：

Long Position in the Shares

股份中的好倉

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目	Position 好倉／淡倉	Approximate percentage of shareholding in the Company as at 31 December 2018 於2018年12月31日於本公司的股權概約百分比
Mr. Li Xuechun ^(Note) 李學春先生 ^(附註)	Beneficial owner 實益擁有人	3,000,000,000	Long 好倉	74.67%
Ms. Zhang Weiping 張衛平女士	Beneficial owner 實益擁有人	30,000,000	Long 好倉	0.75%
Mr. Zuo Yichen 左燭晨先生	Beneficial owner 實益擁有人	8,000,000	Long 好倉	0.20%
Mr. Lam Ngai Lung 林毅龍先生	Beneficial owner 實益擁有人	8,000,000	Long 好倉	0.20%
Ms. Li Yanping 李雁平女士	Beneficial Owner 實益擁有人	1,000,000	Long 好倉	0.02%

Note: Mr. Li holds 90% of the issued share capital of Minsheng Group Company Limited (formerly known as Honest Cheer Investments Limited) (“Minsheng Group”) and is its sole director and he is therefore deemed to be interested in the shares held by Minsheng Group. Ms. Li Ning, daughter of Mr. Li, holds the remaining 10% of the issued share capital of Minsheng Group.

附註：李先生持有民生集團有限公司(前稱誠悅投資有限公司)(「民生集團」)90%已發行股本，並為民生集團的唯一董事，故被視為持有民生集團的股份的權益。李寧女士為李先生的女兒，彼持有民生集團餘下的10%已發行股本。

Save as disclosed above, as at 31 December 2018, neither the Chief Executives nor any of the Directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) 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 (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2018, so far as is known to any Directors or chief executive of the Company, the following persons (other than Director or chief executive of the Company) or corporations who had interest or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

除上述披露者外，於2018年12月31日，本公司的主要行政人員或董事概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有或被視為擁有(i)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(包括根據證券及期貨條例的有關條文彼等被當作或視為擁有的權益或淡倉)；或(ii)根據證券及期貨條例第352條須記錄於該條所述登記冊內；或(iii)根據標準守則須知會本公司及聯交所的權益或淡倉。

主要股東於股份及相關股份中擁有的權益或淡倉

就本公司董事及主要行政人員所知，於2018年12月31日，於本公司股份及相關股份擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或須記錄於根據證券及期貨條例第336條須存置的登記冊內的權益或淡倉的人士(本公司董事及主要行政人員除外)或公司如下：

Name of Shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 持有股份數目	Position 好倉／淡倉	Approximate percentage of shareholding in the Company as at 31 December 2018 於2018年12月31日 於本公司的股權 概約百分比
Minsheng Group (formerly known as Honest Cheer Investments Limited) 民生集團(前稱誠悅投資有限公司)	Beneficial owner 實益擁有人	3,000,000,000	Long 好倉	74.67%
City Legend International Limited 華昌國際有限公司	Beneficial owner 實益擁有人	332,000,000	Long 好倉	8.26%

Save as disclosed above, as at 31 December 2018, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme", at no time during the year 2018 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any of the Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by any of them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' SERVICE CONTRACTS AND OTHER INFORMATION

Each of our executive Directors (other than Mr. Lam Ngai Lung) has entered into a service contract with the Company for an initial fixed term of three years commencing from 1 August 2016 and Mr. Lam Ngai Lung has entered into a service contract with the Company for an initial fixed term of three years commencing from 22 May 2016. The term of each of the service contracts between the Company and the executive Directors will be automatically renewed for a further term of three years upon the expiration of the initial term, until terminated by not less than three months' notice in writing served by either party on the other (or otherwise in accordance with the terms of the relevant service contract).

除上述披露者外，於2018年12月31日，本公司董事及主要行政人員概不知悉任何其他人士或公司於本公司之股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或記錄於本公司須根據證券及期貨條例第336條存置的登記冊內的權益或淡倉。

董事認購股份及債權證的權利

除「購股權計劃」一節所披露者外，任何董事或彼等各自的配偶或18歲以下子女概無於2018年年內任何時間獲授任何權利，藉收購本公司股份獲取利益，而彼等亦無於期內行使任何該等權利。本公司或其任何附屬公司於年內概無訂立任何安排，致使董事可於任何其他團體收購該等權利。

董事服務合約及其他資料

各執行董事(林毅龍先生除外)均與本公司訂立服務合約，初步固定年期為三年，自2016年8月1日起生效，而林毅龍先生與本集團訂立的服務合約初步固定年期為三年，自2016年5月22日起生效。本公司與各執行董事之間的服務合約年期會於初步年期屆滿後自動重續三年，直至任何一方向另一方送達不少於三個月書面通知(或根據相關服務合約條款)予以終止為止。

Each of our independent non-executive Directors has entered into a service contract with the Company for an initial fixed term of one year commencing from the Listing Date and the term of each of these service contracts will be automatically renewed for a further term of one year after the expiration of the initial term, until terminated by not less than three months' notice in writing by served by either party on the other (or otherwise in accordance with the terms of the relevant service contract).

Mr. Lin Kaihua and Ms. Li Yanping have been appointed as non-executive Directors with effect from 28 June 2017. Each of them has entered into an appointment letter with the Company for an initial term of one year, subject to retirement by rotation and re-election in accordance with the articles of association of the Company and the term of each of the appointment may be renewed for a further term of one year by mutual agreement between the above respective director and the Company upon expiration of the initial term and each renewed term.

In accordance with article 84 (1) of the Company's articles of association, Mr. Li Xuechun, Ms. Zhang Weiping and Mr. Wang Wei Hung, Andrew will retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

各獨立非執行董事均與本公司訂立服務合約，自上市日期起計，初步固定年期為一年，該等服務合約的年期會於初步年期屆滿後自動重續一年，直至任何一方向另一方送達不少於三個月書面通知(或根據相關服務合約條款)予以終止為止。

林開樺先生及李雁平女士獲委任為非執行董事，自2017年6月28日起生效。彼等均與本公司訂立委任書，初步任期為期一年，並須根據本公司組織章程細則的規定輪席退任及重選連任，且彼等各自任期可在初始任期及每個任期屆滿前由上述各董事與本公司協商後續任一年。

根據本公司組織章程細則第84(1)條，李學春先生、張衛平女士及王惟鴻先生將於應屆股東週年大會輪值退任董事會及膺選連任。

概無在擬於應屆股東週年大會上重選的董事與本公司或其任何附屬公司簽訂任何尚未到期而不可由本公司或任何其附屬公司於一年內免付補償(法定補償除外)予以終止的服務合約。

DEED OF NON-COMPETITION

As set out in the Prospectus, the Company would adopt, among others, the following measures to avoid any conflict of interests arising from competing business and to safeguard the interests of the Shareholders: (i) the Company would disclose decisions on matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the non-competition undertaking of the controlling shareholders in the annual reports of the Company; and (ii) the controlling shareholders would make an annual declaration on compliance with their undertaking under the Deed of Non-competition in the annual report of the Company.

The Company confirms that there were no conflicts of interests between the controlling shareholders and the Group arising from any competing business during the period from 1 January 2018 to 31 December 2018 (both dates inclusive) (the “**Relevant Period**”).

The independent non-executive Directors have reviewed the status of compliance of the Deed of Non-competition and confirmed that nothing has come to their attention that the controlling shareholders have breached any undertaking or provisions under the Deed of Non-competition during the Relevant Period.

The controlling shareholders have also confirmed that they have complied with their undertaking under the Deed of Non-competition during the Relevant Period and have made an annual declaration on such compliance.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2018 and up to the date of this annual report.

不競爭契據

誠如招股章程所載，本公司將採取(其中包括)以下措施以避免由競爭業務產生的任何利益衝突，並保障股東利益：(i)本公司將在本公司的年度報告中披露獨立非執行董事審閱關於控股股東遵守和執行不競爭承諾事宜作出的決定；及(ii)控股股東將於本公司年度報告內就其遵守不競爭契據項下的承諾作出年度聲明。

本公司確認自2018年1月1日起至2018年12月31日(包括首尾兩日)期間(「**相關期間**」)控股股東與本集團並無由任何競爭業務引起之利益衝突。

獨立非執行董事已審閱不競爭契據的遵守情況，並確認他們沒有注意到控股股東在相關期間違反了不競爭契據下的任何承諾或條款。

控股股東也已確認他們已在相關期間遵守其在不競爭契據項下的承諾及已對該等遵守作出年度聲明。

管理合約

於截至2018年12月31日止年度及直至本年報日期概無訂立或存續有關管理及執行本公司全部或任何重要部份業務的合約。

SHARE OPTION SCHEME

The following is a summary of principal terms of the share option scheme (the “**Shares Option Scheme**”) conditionally approved by a resolution of our sole shareholder passed on 2 March 2017 and adopted by a resolution of the Board on 2 March 2017 (the “**Adoption Date**”). The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

1. Purpose

The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in the Company and help motivate them to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined below), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

2. Who may join

The Board may, at its absolute discretion, offer options (“**Options**”) to subscribe for such number of shares in accordance with the terms set out in the Share Option Scheme to:

- (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group (“**Executive**”), any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group (“**Employee**”);
- (b) a director or proposed director (including an independent non-executive director) of any member of the Group;

購股權計劃

以下為經唯一股東於2017年3月2日通過的決議案有條件批准及由董事會於2017年3月2日(「**採納日期**」)的決議案所採納的購股權計劃(「**購股權計劃**」)的主要條款概要。購股權計劃的條款符合上市規則第17章的條文。

1. 目的

購股權計劃旨在向合資格人士(定義見下段)提供於本公司擁有個人股權的機會，並激勵彼等提升日後對本集團所作出的貢獻，及／或就彼等過往的貢獻給予獎勵，以吸引及挽留或以其他方式繼續維持與對本集團的業績、增長或成功而言乃屬重要及／或其貢獻有利於或將有利於本集團的業績、增長或成功之合資格人士的合作關係，另外就行政人員(定義見下文)而言，亦有助本集團吸引及挽留經驗豐富且具備才能的人士及／或就彼等過往的貢獻給予獎勵。

2. 可參與人士

董事會可全權酌情根據購股權計劃所載條款向以下人士提呈購股權(「**購股權**」)以認購有關數目的股份：

- (a) 本集團任何成員公司的任何執行董事、經理，或擔當行政、管理、監管或類似職位的其他僱員(「**行政人員**」)、任何僱員人選、任何全職或兼職僱員，或當其時被調往本集團任何成員公司擔任全職或兼職工作的人士(「**僱員**」)；
- (b) 本集團任何成員公司的董事或候選董事(包括獨立非執行董事)；

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|---|---|
| (c) a direct or indirect shareholder of any member of the Group; | (c) 本集團任何成員公司的直接或間接股東； |
| (d) a supplier of goods or services to any member of the Group; | (d) 向本集團任何成員公司供應貨品或服務的供應商； |
| (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; | (e) 本集團任何成員公司的客戶、顧問、業務或合營夥伴、加盟商、承包商、代理或代表； |
| (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; | (f) 向本集團任何成員公司提供設計、研究、開發或其他支援或任何建議、諮詢、專業或其他服務的個人或實體； |
| (g) an associate of any of the persons referred to in paragraphs (a) to (f) above; and | (g) 上文(a)至(f)段所述任何人士的聯繫人；及 |
| (h) any person involved in the business affairs of the Company whom the Board determines to be appropriate to participate in the Share Options Scheme (the persons referred above are the “ Eligible Persons ”). | (h) 涉及本公司業務事宜且董事會認為適合參與購股權計劃的任何人士(上述人士為「 合資格人士 」)。 |

3. *Maximum number of shares*

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue as at the Listing Date (such 10% limit representing 400,000,000 shares excluding shares which may fall to be issued upon the exercise of the Over-allotment Option granted by the Company) (the “**Scheme Mandate Limit**”) provided that:

3. *最高股份數目*

因行使根據計劃及本集團任何其他計劃將予授出的所有購股權而可能發行的最高股份數目，合共不得超過截至上市日期已發行股份的10%（10%的上限指400,000,000股股份，不包括因本公司所授出超額配股權獲行使而可能將予發行的股份）（「**計劃授權上限**」），前提是：

- (a) the Company may at any time as our Board may think fit seek approval from Shareholders of the Company to refresh the Scheme Mandate Limit, save that the maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not exceed 10% of shares of the Company in issue as at the date of approval by the Shareholders of the Company in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Share Option Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes of the Company) shall not be counted for the purposes of calculating the Scheme Mandate Limit as refreshed. The Company shall send to Shareholders of the Company a circular containing the details and information required under the Listing Rules;
- (b) the Company may seek separate approval from the Shareholders of the Company in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by the Company before such approval is obtained. The Company should issue a circular to the Shareholders of the Company containing the details and information required under the Listing Rules; and
- (c) the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Group shall not exceed 30% of the Company's issued share capital from time to time. No Options may be granted under the Share Option Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.
- (a) 本公司可於董事會認為合適時隨時尋求本公司股東批准，以更新計劃授權上限，惟因行使根據購股權計劃及本公司任何其他計劃將予授出的所有購股權而可能發行的最高股份數目，不得超過本公司股東於股東大會上批准更新計劃授權上限當日本公司已發行股份的10%。就計算經更新的計劃授權上限而言，過往根據購股權計劃及本公司任何其他計劃授出的購股權(包括根據購股權計劃或本公司任何其他計劃的條款而屬尚未行使、已註銷、已失效或已行使的購股權)不應計算在內。本公司須向本公司股東寄發一份載有上市規則規定的詳情及資料的通函；
- (b) 本公司可於股東大會上尋求本公司股東另行批准授出超過計劃授權上限的購股權，惟取得有關批准前，超出計劃授權上限的購股權僅可授予本公司指定的合資格人士。本公司須向本公司股東寄發一份載有上市規則規定的詳情及資料的通函；及
- (c) 因行使根據購股權計劃及本集團任何其他計劃已授出但尚未行使的全部購股權而可能發行的最高股份數目，不得超過本公司不時已發行股本的30%。倘根據購股權計劃及本公司任何其他購股權計劃授出的購股權超出有關上限，則不得根據上述計劃授出任何購股權。

4. Maximum entitlement of each participant

No Option may be granted to any one person such that the total number of shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period exceeds 1% of the Company's issued share capital from time to time. Where any further grant of Options to such an Eligible Person would result in shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue, such further grant shall be separately approved by the Shareholders of the Company in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. The Company shall send a circular to the Shareholders of the Company disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the Listing Rules. The number and terms (including the subscription price) of the Options to be granted to such Eligible Person must be fixed before the approval of the Shareholders of the Company and the date of the Board meeting proposing such grant shall be taken as the offer date for the purposes of calculating the subscription price of those Options.

5. Offer and grant of Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the shares on the Stock Exchange or an integral multiple thereof).

4. 各參與者享有購股權數目上限

概無向任何一名人士授出購股權，致使因行使於任何12個月期間授予及將授予該人士的購股權而發行及將予發行的股份總數超過本公司不時已發行股本的1%。倘向上述合資格人士增授購股權，會導致因行使直至增授購股權當日（包括該日）止12個月期間已授予及將授予該合資格人士的所有購股權（包括已行使、已註銷及尚未行使的購股權）而已發行及將予發行的股份合共超過已發行股份的1%，增授購股權須經本公司股東在股東大會上另行批准，而該合資格人士及其緊密聯繫人（或如合資格人士為關連人士，則其聯繫人）須放棄投票。本公司須向本公司股東寄發一份披露合資格人士的身份、將授予該合資格人士的購股權（及先前已授出的購股權）的數目及條款及載列上市規則規定的詳情及資料的通函。將授予該合資格人士的購股權數目及條款（包括認購價）須於本公司股東批准前釐定，而就計算該等購股權的認購價而言，建議授出購股權的董事會會議日期須被視作要約日期。

5. 提呈及授出購股權

根據購股權計劃條款，董事會有權自採納日期起計10年內隨時向由董事會可全權酌情選擇的任何合資格人士提呈授出購股權，以按認購價認購董事會（根據購股權計劃條款）釐定的有關數目的股份（惟認購的股份須為在聯交所買賣股份的一手或以其完整倍數為單位）。

6. Granting Options to connected persons

Subject to the terms in the Share Option Scheme, only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a director, chief executive or a substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive director of the Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5.0 million, such further grant of Options must be approved by the Shareholders of the Company (voting by way of a poll). The Company shall send a circular to the Shareholders containing the information required under the Listing Rules. The grantee, his associates and all core connected persons of the Company must abstain from voting in favor at such general meeting.

Approval from the Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

6. 向關連人士授出購股權

根據購股權計劃條款，僅於及只要上市規則如此規定，倘擬向本公司董事、主要行政人員或主要股東(定義見上市規則)或彼等各自的任何聯繫人提呈任何購股權，則有關要約須經本公司獨立非執行董事(不包括其或其聯繫人為購股權承授人的獨立非執行董事)事先批准。

倘向本公司一名主要股東(定義見上市規則)或獨立非執行董事或彼等各自的任何聯繫人授出購股權，致使因行使直至授出購股權當日(包括該日)止12個月期間授予及將授予該人士的所有購股權(包括已行使、已註銷及尚未行使的購股權)而已發行及將予發行的證券：

- (a) 合共超過已發行相關類別證券的0.1%；及
- (b) (倘證券於聯交所上市)根據各授出日期證券的收市價計算，總值超過5.0百萬港元，則增授購股權須經本公司股東(以投票方式投票表決)批准。本公司須向股東寄發一份載有上市規則規定的資料的通函。本公司承授人、其聯繫人及所有核心關連人士須在有關股東大會上放棄投贊成票。

向身為本公司主要股東或獨立非執行董事、或彼等各自的任何聯繫人的參與者授出購股權的條款如有任何變動須經股東批准。本公司承授人、其聯繫人及所有核心關連人士須在有關股東大會上放棄投贊成票。

7. Restriction on the time of grant of Options

The Board shall not grant any Option under the Share Option Scheme after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements.

8. Minimum holding period, vesting and performance target

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the Option in respect of any of the shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an Option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the Option can be exercised.

7. 授出購股權的時間限制

董事會知悉內幕消息後，不得根據購股權計劃授出任何購股權，直至內幕消息根據上市規則規定獲公佈為止。尤其於緊接以下兩者中較早發生者前一個月開始至業績公佈刊發當日止期間不得授出購股權，即董事會為批准本公司任何年度、半年度、季度或任何其他中期業績（無論上市規則規定與否）而舉行董事會會議日期（即根據上市規則首先知會聯交所的日期）；及本公司刊發任何年度、半年度、季度或任何其他中期業績（無論上市規則規定與否）的最後限期。

8. 最短持有期限、歸屬及績效目標

根據上市規則條文，於提呈授出購股權時，董事會可全權酌情施加除購股權計劃所載之外董事會認為恰當的有關購股權的任何條件、約束或限制（載於載有授出購股權要約的函件中），包括（於不影響上述一般原則的情況下）證明及／或維持有關本公司及／或承授人達致業績、經營或財務目標的合格標準、條件、約束或限制，承授人在履行若干條件或維持責任方面的滿意表現或行使任何股份的購股權權利歸屬前的時間或期間，惟有關條款或條件不得與購股權計劃的任何其他條款或條件抵觸。為免生疑問，根據上述董事會可釐定的有關條款及條件（包括有關購股權的歸屬、行使或其他事項的條款及條件），於購股權可獲行使前並無須持有購股權的最短期限，而購股權可獲行使前承授人亦毋須達致任何業績目標。

9. Amount payable for Options and offer period

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date no later than 28 days after the offer date (the “**Acceptance Date**”). Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

10. Subscription price

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall not be less than whichever is the highest of:

- (a) the nominal value of a share;
- (b) the closing price of a share as stated in the Stock Exchange’s daily quotations sheet on the offer date; and

9. 購股權的應付金額及要約期限

合資格人士可於要約日期起計28日內接納授出購股權的要約，惟不可在購股權計劃有效期屆滿後接納授出購股權。本公司於有關合資格人士須接納購股權要約之日，即不遲於要約日期後28日的日期(「**接納日期**」)或之前接獲由承授人正式簽署的構成接納購股權要約的要約函件副本，連同以本公司為收款人的1.00港元匯款(作為授出購股權的代價)時，則購股權被視作已獲授出且經合資格人士接納並生效。該匯款於任何情況下不得退回。

任何購股權授出要約可按少於要約所呈的股份數目予以接納，惟接納份數須以於聯交所買賣股份的一手或以任何完整倍數為單位，且該數目須清晰載於構成接納購股權要約的要約函件副本內。倘直至接納日期授出購股權的要約未獲接納，則將被視作遭不可撤回地拒絕。

10. 認購價

任何特定購股權的認購價須由董事會於授出有關購股權時全權酌情釐定(及須於載有授出購股權要約的函件中訂明)，惟認購價不得低於以下三者中的最高者：

- (a) 股份面值；
- (b) 於要約日期在聯交所每日報價表所載的股份收市價；及

- (c) the average closing price of a share as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days (as defined in the Listing Rules) immediately preceding the offer date.

11. Exercise of Option

- (a) An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) within the Option period in the manner as set out in this Share Option Scheme by the grantee (or his or her legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of a certificate from our auditors pursuant to the Share Option Scheme, the Company shall accordingly allot and issue the relevant number of shares to the grantee (or his or her legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or his or her legal personal representative(s)) share certificate(s) in respect of the shares so allotted.
- (b) The exercise of any Option may be subject to a vesting schedule to be determined by the Board in its absolute discretion, which shall be specified in the offer letter.
- (c) The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.

- (c) 緊接要約日期前5個營業日(定義見上市規則)股份於聯交所每日報價表所載的平均收市價。

11. 行使購股權

- (a) 承授人(或其合法遺產代理人)將按本購股權計劃所載方式於購股權期間, 通過向本公司發出說明購股權獲行使及訂明購股權行使所涉及的股份數目的書面通知全部或部份行使(倘僅部份行使, 須以一手或其任何完整倍數為單位予以行使)購股權。各有關通知須隨附發出的通知所涉及的股份總認購價全數的款項。於接獲通知且(如適用)接獲核數師根據購股權計劃發出的證書後28日內, 本公司須相應地向承授人(或其合法遺產代理人)配發及發行自有關行使日期(不包括該日)起入賬列作繳足的有關數目的股份, 並向承授人(或其合法遺產代理人)發出所配發股份的股票。
- (b) 行使任何購股權可能受由董事會全權酌情釐定且須於要約函件中訂明的歸屬時間表規限。
- (c) 任何購股權須待本公司股東於股東大會上批准本公司法定股本的任何必要增加後方可行使。

- (d) Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
- (i) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement pursuant to the terms of the Share Option Scheme exists with respect to such grantee, he or she (or his or her legal representative(s)) may exercise the Option up to the grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his or her death or permanent disability or such longer period as the Board may determine;
 - (ii) in the event that the grantee ceases to be an Executive for any reason (including his or her employing company ceasing to be a member of the Group) other than his or her death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his or her employment to an affiliate company or the termination of his or her employment with the relevant member of the Group by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
- (d) 根據下文所述及在購股權授出條款及條件的規限下，承授人可於購股權期間隨時行使購股權，惟須符合以下各項：
- (i) 倘承授人於行使(或全部行使)購股權前身故或永久性殘疾且該承授人概無發生購股權計劃條款所列終止聘任或委任事件，承授人(或其合法遺產代理人)可於其身故或永久性殘疾後起計12個月或董事會可能釐定的更長期間內行使緊接承授人身故或永久性殘疾之前承授人應有的購股權(以尚未行使者為限)；
 - (ii) 除承授人身故、永久性殘疾、根據適用於本集團退休計劃於有關時期退休或轉職至聯屬公司或因辭職或構成罪行終止而終止與本集團有關成員公司的僱傭關係外，承授人因任何原因(包括其受僱公司不再為本集團成員公司)而不再為行政人員，購股權(以尚未行使者為限)將於終止受僱日期失效且不可行使，除非董事會另行決定在此情況下購股權(或其餘下部份)可於有關終止日期後於董事會全權酌情釐定的有關期限內行使；

- (iii) if a general offer is made to all holders of shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of the Shareholders of the Company (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (iv) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the grantees who have Options unexercised at the same time as it dispatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his or her legal representatives or receiver) may until the expiry of the earlier of:
- (1) the Option period;
 - (2) the period of two months from the date of such notice; or
 - (3) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his or her Option.
- (iii) 倘向所有股份持有人提出全面要約且該要約成為或被宣稱為無條件(在收購要約的情況下)或於有關本公司股東大會上以必要大多數股東通過(在協議安排的情況下),則承授人有權(在收購要約的情況下)於該要約成為或被宣稱為無條件的當日後一個月內或(在協議安排的情況下)於本公司通知的時間及日期前任何時候行使購股權(以尚未行使者為限);
- (iv) 倘旨在或有關本公司的重組計劃或與任何其他公司合併的計劃而提呈由本公司及其股東或債權人之間作出和解或安排,則本公司應於向本公司所有股東或債權人寄發召開考慮該項和解或安排的會議通知的同時向擁有尚未行使購股權的承授人發出通知,此後各承授人(或其合法遺產代理人或接管人)可直以下日期屆滿(以下列三者中較早發生者為準)前行使其全部或部份購股權:
- (1) 購股權期間;
 - (2) 有關通知之日起計兩個月期間;或
 - (3) 法院批准有關和解或安排當日。

- (v) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her options at any time not later than two Business Days (as defined in the Listing Rules) prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day (as defined in the Listing Rules) immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

12. Life of Share Option Scheme

Subject to the terms of this Share Option Scheme, the Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme. As at 31 December 2018, the remaining life of the Share Option Scheme was approximately 8 years and 3 months.

- (v) 倘本公司向其股東發出召開股東大會以考慮及酌情批准自願清盤本公司決議案的通告，則本公司須於知會本公司每位股東的同日或其後盡快將相關事宜知會所有承授人，每位承授人(或其合法遺產代理人)有權於不遲於建議舉行本公司股東大會前兩個營業日(定義見上市規則)內任何時間通過向本公司發出書面通知行使其全部或任何購股權，同時將通知所涉及股份的總認購價悉數支付予本公司，其後本公司將盡快且在任何情況下於不遲於緊接上述建議舉行股東大會日期前的一個營業日(定義見上市規則)向承授人配發有關股份，入賬列作繳足。

12. 購股權計劃的期限

在本購股權計劃條款的規限下，計劃將自其成為無條件之日起計10年之期間內有效，其後不再授出或提呈購股權，但購股權計劃的條文將在所有其他方面繼續具有效力。在到期前授出而當時尚未行使的全部購股權均將仍然有效，並可在購股權計劃規限下按照該計劃行使。於2018年12月31日，購股權計劃的剩餘年期約為8年零3個月。

13. Lapse of Share Option

An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:

- (a) the expiry of the Option period;
- (b) the expiry of any of the period referred to paragraphs related to exercise of the Option;
- (c) subject to the terms of the period mentioned in the paragraph headed "Share Option Scheme — 11. Exercise of Option" in this section, the date of the commencement of the winding-up of the Company;
- (d) there is an unsatisfied judgement, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in this Share Option Scheme with respect to the exercise of the Option;
- (f) a bankruptcy order has been made against any director or shareholder of the grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

13. 購股權失效

購股權(以尚未行使者為限)將於發生以下情況時(以最早發生者為準)自動失效及不可行使:

- (a) 購股權期間屆滿;
- (b) 有關行使購股權的段落所述的任何期間屆滿;
- (c) 受本節「購股權計劃— 11.行使購股權」一段所述的期限所規限,本公司開始清盤的日期;
- (d) 存在尚未執行而對承授人不利的判決、法令或裁決,或董事會有理由相信承授人無力償付或無法合理期望承授人未來有力償付其債務;
- (e) 發生令任何人士有權採取任何行動、委派任何人士、提出起訴或接獲本購股權計劃中就行使購股權所述任何指令之情況;
- (f) 在任何司法權區內對承授人(為一間公司)的任何董事或股東下達破產令。

任何購股權失效時毋須支付任何賠償金,惟董事會有權酌情以其認為對任何特定情況屬恰當的方式,支付此賠償金予承授人。

14. Adjustment

In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalization of profits or reserves, right issue, consolidations, reclassification, reconstruction, sub-division or reduction of the share capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the maximum number of shares subject to the Share Option Scheme; and/or
- (b) the aggregate number of shares subject to the Option so far as unexercised; and/or
- (c) the subscription price of each outstanding Option.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalization issue), the auditors appointed by the Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (a) any such adjustments shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalization issue, the auditors shall confirm to the Board in writing that the adjustments satisfy this requirement;
- (b) any such adjustments shall be made on the basis that the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as practicable same as (but shall not be greater than) it was before such event;
- (c) no such adjustments shall be made the effect of which would be to enable a share to be issued at less than its nominal value;

14. 調整

倘本公司資本架構發生任何變動而任何購股權仍可予行使，則無論通過溢利或儲備資本化、供股、合併、重新分類、重組、拆細或削減本公司股本的方式，倘董事會認為恰當，則可指示調整：

- (a) 購股權計劃涉及的最高股份數目；及／或
- (b) 未行使購股權涉及的股份總數；及／或
- (c) 各未行使購股權的認購價。

當董事會確定該等調整屬恰當時(不包括資本化發行引致的調整)，本公司委聘的核數師將向董事會書面證明其認為該等調整屬公平合理，惟：

- (a) 任何該等調整須給予合資格人士與其過往有權獲得的股本之比例相同的股本。就任何該等調整而言，除就資本化發行所作任何調整外，核數師須書面向董事會確認有關調整符合本條規定；
- (b) 任何該等調整的基準為，承授人因悉數行使任何購股權而應付的總認購價須盡可能與調整前保持相同(但不得超過調整前數目)；
- (c) 任何該等調整不得使股份以低於其面值的價格發行；

- (d) any such adjustments shall be made to in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (e) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

15. Cancellation of Options not exercised

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):

- (a) the grantee commits or permits or attempts to commit or permit a breach of restriction on transferability of Option or any terms or conditions attached to the grant of the Option;
- (b) the grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or its subsidiary.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

- (d) 任何該等調整須根據上市規則第17章及聯交所不時頒佈的有關上市規則詮釋的補充指引的條文作出；及
- (e) 作為交易代價的證券發行不得被視為須作出該等調整的情況。

15. 註銷未行使的購股權

董事會有權基於以下理由通過向承授人發出書面通知，說明該等購股權由該通知所指明的日期(「**註銷日期**」)起全部或部分註銷：

- (a) 承授人作出或允許作出或試圖作出或允許違反購股權轉讓性的限制或授予購股權所附帶的任何條款或條件；
- (b) 承授人向董事會提出書面要求註銷購股權；或
- (c) 倘董事會認為承授人以任何方式所作出的行為損害或不利於本公司或其附屬公司的利益。

就於註銷日期尚未行使的購股權的任何部份而言，購股權將被視作自註銷日期起已被註銷。任何該等註銷毋須支付任何賠償金，惟董事會有權酌情以其認為在任何特定情況下屬恰當的方式向承授人支付此賠償金。

16. Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the allotment date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members. Accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the allotment date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the allotment date.

Share issued upon the exercise of an Option shall not carry rights until the registration of the grantee (or any other person) as the holder thereof.

17. Termination

The Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme. Upon termination of the Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

16. 股份地位

於行使購股權時將予配發的股份受不時頒佈的組織章程細則及開曼群島法例的所有條文規限，並自(i)配發日，或(ii)倘該日為本公司暫停辦理股份過戶登記之日，則為重新恢復辦理股份過戶登記的首日起在各方面與當時現有已發行繳足股份享有同等權益，因此將賦予持有人參與於(i)配發日，或(ii)倘該日為本公司暫停辦理股份過戶登記之日，則為重新恢復辦理股份過戶登記的首日或之後派付或作出的所有股息或其他分派的權利，惟不包括先前已宣派或建議或議決派付或作出記錄日期早於配發日的任何股息或其他分派。

於承授人(或任何其他人士)登記為股份持有人前，因行使購股權發行的股份不會附帶任何權利。

17. 終止

本公司可於股東大會上通過決議案隨時終止購股權計劃的運作。待上述購股權計劃終止後，不得進一步提呈購股權，惟購股權計劃的條文在其他各方面仍然具有效力。於有關終止前已授出但當時尚未行使的所有購股權仍然有效，並可在購股權計劃規限下按照購股權計劃行使。

18. Transferability

The Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Option or attempt to do so (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee.

19. Alteration of Share Option Scheme

The Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of the Shareholders of the Company in general meeting:

- (a) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Share Option Scheme);
- (b) any alteration to the provisions of the Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of grantee;
- (c) any change to the authority of the Board or any person or committee delegated by the Board pursuant to the Share Option Scheme to administer the day-to-day running of the Scheme; and
- (d) any alteration to the aforesaid alteration provisions.

provided always that the amended terms of the Share Option Scheme shall comply with the applicable requirements of the Listing Rules.

18. 可轉讓性

購股權屬承授人個人所有，且不得轉讓，任何承授人均不得以任何方式向任何第三方出售、轉讓、押記、抵押、留置或增設有關於任何購股權的任何權益（法定或實益）或試圖如此行事（承授人可提名一名代名人以其名義登記根據購股權計劃發行的股份除外）。一旦違反上述規定，本公司有權註銷授予該承授人的任何或部份尚未行使的購股權。

19. 修訂購股權計劃

購股權計劃可通過董事會決議案在任何方面予以修訂，除非本公司股東在股東大會上事先批准普通決議案，否則不得進行以下修訂：

- (a) 對其條款及條件的任何重大變動，或對已授出購股權的條款的任何變動（根據購股權計劃的現有條款生效的修訂除外）；
- (b) 對與上市規則第17.03條所載事宜有關的購股權計劃條文有利於承授人的任何變動；
- (c) 購股權計劃所載之董事會或董事會委派之任何人士或委員會管理計劃日常運作之權力的任何變動；及
- (d) 對前述修訂條文的任何變動。

惟購股權計劃的經修訂條款須符合上市規則的適用規定。

20. Conditions of the Share Option Scheme

The Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the approval of the Shareholders for the adoption of the Share Option Scheme;
- (b) the approval of the Stock Exchange for the listing of and permission to deal in, a maximum of 400,000,000 shares to be allotted and issued pursuant to the exercise of the Share Option Scheme in accordance with the terms and conditions of the Share Option Scheme;
- (c) the commencement of dealing in the shares of the Company on the Stock Exchange; and
- (d) the obligations of the underwriters under the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.

If the permission referred to in paragraph (b) above is not granted within two calendar months after the Adoption Date:

- (i) the Share Option Scheme will forthwith terminate;
- (ii) any Option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect;
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any Option; and
- (iv) the Board may further discuss and devise another share option scheme that is applicable to a private company for adoption by our Company.

20. 購股權計劃的條件

購股權計劃須待以下條件達成當日方始生效：

- (a) 股東批准採納購股權計劃；
- (b) 聯交所批准根據購股權計劃的條款及條件行使購股權計劃而將予配發及發行的最多400,000,000股股份上市及買賣；
- (c) 本公司股份於聯交所開始買賣；及
- (d) 包銷商於包銷協議項下的責任成為無條件且並無根據所涉條款規定而終止或以其他方式終止。

倘上文(b)段所述批准未能於採納日期後兩個曆月授出，則：

- (i) 購股權計劃將隨即終止；
- (ii) 根據購股權計劃授出或同意授出的任何購股權及有關授出的任何要約將會失效；
- (iii) 概無人士根據或就購股權計劃或任何購股權而擁有任何權利或利益或須承擔任何責任；及
- (iv) 董事會可進一步討論及修訂另一份由本公司採納的適用於私營公司之購股權計劃。

OPTIONS GRANTED UNDER THE SCHEME

根據計劃授出的購股權

Details of the Options granted and outstanding for the year ended 31 December 2018, are as follows:

截至2018年12月31日止年度已授出及尚未行使購股權詳情如下：

Number of Options granted:

已授出購股權數目：

Category and name of participant	參與者類別及名稱	Date of grant of share options (Note)	Exercise price (HKD)	Exercise Period	Outstanding as at 1 January 2018	Number of ordinary shares subject to share options granted under the Post-IPO Share Option Scheme				Outstanding as at 31 December 2018
						Granted during the year ended 31 December 2018	Exercised during the year ended 31 December 2018	Lapsed during the year ended 31 December 2018	Outstanding as at 31 December 2018	
		授出購股權日期 (附註)	行使價 (港元)	行使期	於2018年1月1日尚未行使	於截至2018年12月31日止年度授出	於截至2018年12月31日止年度行使	於截至2018年12月31日止年度失效	於2018年12月31日尚未行使	
Zhang Weiping	張衛平	31/8/2017	1.39	31/8/2017 – 30/8/2022 (Note 2)	20,000,000	-	-	-	20,000,000	
		27/8/2018	1.66	27/8/2018 – 26/8/2023 (Note 2)	-	10,000,000	-	-	10,000,000	
Zuo Yichen	左燿晨	31/8/2017	1.39	31/8/2017 – 30/8/2022 (Note 2)	5,000,000	-	-	-	5,000,000	
		27/8/2018	1.66	27/8/2018 – 26/8/2023 (Note 2)	-	3,000,000	-	-	3,000,000	
Lam Ngai Lung	林毅龍	31/8/2017	1.39	31/8/2017 – 30/8/2022 (Note 2)	5,000,000	-	-	-	5,000,000	
		27/8/2018	1.66	27/8/2018 – 26/8/2023 (Note 2)	-	3,000,000	-	-	3,000,000	
Li Yanping	李雁平	27/8/2018	1.66	27/8/2018 – 26/8/2023 (Note 2)	-	1,000,000	-	-	1,000,000	
Other employees	其他員工	31/8/2017	1.39	31/8/2017 – 30/8/2022 (Note 2)	5,000,000	-	-	-	5,000,000	
		27/8/2018	1.66	27/8/2018 – 26/8/2023 (Note 2)	-	10,750,000	-	-	10,750,000	
Total	總計				35,000,000	27,750,000	-	-	62,750,000	

Note:

- (1) The closing prices of the shares of the Company on 31 August 2017 and 27 August 2018, being the dates on which the Share Options were granted, were HK\$1.39 and HK\$1.66 per share respectively.
- (2) The Share Options with respect to a grantee will be exercisable in the following manner:
- (i) 20% of the share options will be vested on the first anniversary of the date of grant and will be exercisable within five years from the first anniversary of the date of grant.
 - (ii) 20% of the share options will be vested on the second anniversary of the date of grant and will be exercisable within five years from the second anniversary of the date of grant.
 - (iii) 20% of the share options will be vested on the third anniversary of the date of grant and will be exercisable within five years from the third anniversary of the date of grant.
 - (iv) 20% of the share options will be vested on the fourth anniversary of the date of grant and will be exercisable within five years from the fourth anniversary of the date of grant.
 - (v) 20% of the share options will be vested on the fifth anniversary of the date of grant and will be exercisable within five years from the fifth anniversary of the date of grant.

附註：

- (1) 本公司股份於2017年8月31日及2018年8月27日(均為購股權授出之日期)之收市價分別為每股1.39港元及1.66港元。
- (2) 承授人名下之購股權將可按以下方式行使:
- (i) 20%的購股權將於授出日期起計滿一週年之日歸屬,並於授出日期滿一週年之日起計五年內將可予行使。
 - (ii) 20%的購股權將於授出日期起計滿兩週年之日歸屬,並於授出日期滿兩週年之日起計五年內將可予行使。
 - (iii) 20%的購股權將於授出日期起計滿三週年之日歸屬,並於授出日期滿三週年之日起計五年內將可予行使。
 - (iv) 20%的購股權將於授出日期起計滿四週年之日歸屬,並於授出日期滿四週年之日起計五年內將可予行使。
 - (v) 20%的購股權將於授出日期起計滿五週年之日歸屬,並於授出日期滿五週年之日起計五年內將可予行使。

As at the date of this annual report, the remaining number of shares available for issue under the Share Option Scheme is 337,250,000 shares, representing approximately 8.4% of the total issued shares of the Company.

During the year ended 31 December 2018, no Options were exercised, cancelled or lapsed under the Share Option Scheme.

The subjectivity and uncertainty of the values of Options are set out in Note 31 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed in this annual report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year 2018. The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors of the Company and its subsidiaries.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed 4,353 (2017: 2,662) staff in the PRC and Hong Kong. The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage and training programs.

於本年報日期，購股權計劃項下可供發行的餘下股份數目為337,250,000股，佔本公司已發行股份總數約8.4%。

於截至2018年12月31日止年度，概無購股權計劃項下購股權獲行使、註銷或失效。

購股權價值的主觀性及不確定性載於綜合財務報表附註31。

股票掛鈎協議

除本年報所披露之購股權計劃外，本公司於報告期內概無訂立或於報告期末存續將導致或可能導致本公司發行股份或規定本公司訂立任何將導致或可能導致本公司發行股份的協議的股票掛鈎協議。

獲許可彌償保證條文

惠及董事的獲許可彌償保證條文於現時有效及於整個2018年度內一直有效。於整個年度內本公司已購買及持有董事責任保險，為本公司及其附屬公司董事提供適當的保險保障。

僱員及薪酬政策

於2018年12月31日，本集團於中國及香港聘用的員工為4,353名(2017年：2,662名)。本集團會按僱員表現、工作經驗及當時市價釐定彼等之酬金。其他僱員福利包括強制性公積金、保險及醫療津貼及培訓項目。

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

The Directors and senior management may also receive Options to be granted under the Share Option Scheme. For further details of the Share Option Scheme, please refer to "Share Option Scheme" in this annual report.

Details of the remuneration of the Directors, and five highest paid individuals during the year ended 31 December 2018 are set out in Notes 8 and 9 to the consolidated financial statements.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in "Employee benefits" of Note 2.4 to the consolidated financial statements.

CONNECTED TRANSACTIONS

The Company has entered into the following connected transaction (as defined in the Listing Rules) for the year ended 31 December 2018:

On 24 December 2018, among others, Chongqing Yuecheng (as the lender), Leed National Education Technology (Beijing) Limited* (as the borrower), Minsheng Vocational and National Education Holding Limited ("**National Education**") entered into a loan agreement (the "**Loan Agreement**"), pursuant to which, Chongqing Yuecheng agreed to lend to Leed National, and Leed National agreed to borrow from Chongqing Yuecheng a loan in the principal amount of RMB200 million (the "**Loan**").

本集團已設立薪酬委員會，以參照本集團的經營業績、董事及高級管理層的個人表現及可資比較市場慣例審閱本集團董事及高級管理層的酬金政策及架構。

董事及高級管理層亦可根據購股權計劃獲得購股權。有關購股權計劃的進一步詳情，請參閱本年報的「購股權計劃」。

董事及五名最高薪酬人士於截至2018年12月31日止年度的薪酬詳情載列於綜合財務報表附註8及9。

退休及僱員福利計劃

有關本公司的退休及僱員福利計劃詳情載列於綜合財務報表附註2.4「僱員福利」。

關連交易

於截至2018年12月31日止年度，本公司曾訂立以下關連交易(定義見上市規則)：

於2018年12月24日，重慶悅誠(作為貸款方)、勵德國教教育科技(北京)有限公司(作為借款方)、民生職業教育及National Education Holding Limited(「**National Education**」)等訂立一份貸款協議(「**貸款協議**」)，據此，重慶悅誠同意貸款給勵德國教，而勵德國教同意向重慶悅誠籌借本金為人民幣2億元的貸款(「**貸款**」)。

* English name is translated for identification purpose only.

* 英譯名僅供識別。

Leed International is a subsidiary of the Company, held as to, among others, 51% by Minsheng Vocational, a wholly-owned subsidiary of the Company. The other 49% of the issued share capital of Leed International held by the relevant vendors (including National Education, which is holding 39.99% in Leed International) are entrusted to the Company for management pursuant to the Equity Entrustment Agreement. Since National Education holds more than 10% of the issued share capital of Leed International, it is a substantial shareholder of Leed International, and therefore a connected person of the Company at subsidiary level. Based on information available to the Company, one of the shareholders of Leed International, namely Leed National Education Technology (Beijing) Limited (“**Leed National**”), is ultimately beneficially controlled and owned by the ultimate beneficial owners of the relevant vendors in the Acquisition, and is, therefore, an associate of the relevant vendors and a connected person at the subsidiary level of the Company. According to Chapter 14A of the Listing Rules, the transactions contemplated under the Loan Agreement constitute a connected transaction at the subsidiary level of the Company and subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and independent shareholders’ approval requirements. For further details on the Loan Agreement, please refer to the announcement published by the Company on 26 December 2018.

For details on the Acquisition, please refer to the paragraph headed “Acquisition completed during the Reporting Period – Danchi College of Yunnan University” in the Management Discussion and Analysis on pages 13 to 15 in this annual report.

Save as disclosed above, details of the related party transactions entered into by the Group during the year ended 31 December 2018 are set out in Note 38 to the consolidated financial statements. The transactions as set out therein do not fall under “Connected Transactions” or “Continuing Connected Transactions” in accordance with Chapter 14A of the Listing Rules.

The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

勵德集團為本公司的附屬公司，由(其中包括)本公司全資附屬公司民生職業教育持有51%股權。根據股權託管協議，由相關賣方(包括National Education，其持有勵德集團39.99%股權)持有的勵德集團其他49%已發行股本已委託本公司管理。由於National Education持有勵德集團超過10%已發行股本，其為勵德集團一位主要股東，因而屬本公司之附屬公司層面的關連人士。根據本公司取得的資料，勵德集團的股東之一(即勵德國教教育科技(北京)有限公司(「勵德國教」))最終由收購事項相關賣方的最終實益擁有人實益控制及擁有，因而為相關賣方的聯繫人及本公司之附屬公司層面的關連人士。根據上市規則第14A章，貸款協議項下擬進行的交易構成本公司之附屬公司層面的關連交易，並須遵守申報及公告規定，但獲豁免遵守通函、獨立財務意見及獨立股東批准的規定。有關貸款協議的進一步詳情，請參閱本公司於2018年12月26日刊發的公告。

有關收購事項的詳情，請參閱本年報第13至15頁管理層討論及分析內「報告期內已完成的收購－雲南大學滇池學院」一段。

除上文所披露者外，本集團於截至2018年12月31日止年度所訂立的關連方交易詳情已載列於綜合財務報表附註38。當中所載交易概無構成上市規則第14A章項下之「關連交易」或「持續關連交易」。

本公司確認其已遵守上市規則第14A章項下的披露規定。

ENVIRONMENTAL PROTECTION POLICIES

The Group is principally engaged in providing educational services, a line of business that generally does not have material impact on the environment. During the year ended 31 December 2018, the Group did not incur any material cost of compliance with applicable environmental laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2018 and up to the date of this annual report, the Group has complied with the relevant laws and regulations that have a significant impact on the Company.

EVENTS AFTER THE REPORTING PERIOD

The important events occurred since the year ended 31 December 2018 are disclosed in the sub-section headed Qufu Fareast Vocational and Technical College under the section ACQUISITION IN PROGRESS DURING THE REPORTING PERIOD and Note 43 to the financial statements.

LITIGATION

During the year ended 31 December 2018 and up to the date of this annual report, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board has committed to achieving high corporate governance standards in order to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has complied with all the code provisions set forth in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “**Corporate Governance Code**”) during the year ended 31 December 2018. The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of maintaining high corporate governance standards.

For details, please see the Corporate Governance Report in this annual report on pages 122 to 140.

環境保護政策

本集團主要從事提供教育服務，而此類業務一般不會對環境造成重大影響。截至2018年12月31日止年度，本集團並未在遵守適用環境法律及法規方面產生任何重大成本。

遵守法律及法規

截至2018年12月31日止年度及直至本年報日期，本集團已遵守對本公司產生重大影響的相關法律及法規。

報告期後之事項

於截至2018年12月31日止年度後發生的重要事情已於報告期內待完成的收購一節下曲阜遠東職業技術學院分節及財務報表附註43中披露。

訴訟

於截至2018年12月31日止年度及直至本年報日期，本公司概無牽涉任何重大訴訟或仲裁，且就董事所知，本公司並無尚未了結或面臨威脅的重大訴訟或申索。

企業管治常規守則

董事會致力於達致高標準的企業管治，務求保障股東權益及提升本公司企業價值及問責性。本公司於截至2018年12月31日止年度一直遵守上市規則附錄十四所載的企業管治守則(「**企業管治守則**」)中載列的所有守則條文。董事會將繼續審閱及監督本公司的企業管治常規，以維持高標準的企業管治。

詳情請參見本年報第122頁至第140頁的企業管治報告。

AUDIT COMMITTEE

The Company established an audit committee in compliance with the Corporate Governance Code. The members of the audit committee have discussed with the management, and reviewed, the 2018 consolidated financial statements as set out in this annual report.

AUDITOR

The financial statements of the Group for the year ended 31 December 2018 had been audited by Ernst & Young, who will retire and being eligible, offer themselves for reappointment as auditor at the forthcoming annual general meeting of the Company. The Company has not changed its external auditor since its Listing and up to the date of this annual report.

RECOMMENDATION TO CONSULT PROFESSIONAL TAX ADVICE

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities. If the shareholders of the Company are not sure about the tax effect on the purchase, holding, sale, trading or exercise of any rights attached to the relevant shares of the Company, they are recommended to consult independent experts for advice.

On behalf of the Board

Li Xuechun
Chairman

Hong Kong, 14 March 2019

審核委員會

本公司已按企業管治守則成立審核委員會。審核委員會的成員已與管理層討論並審視載列於本年報的2018年綜合財務報表。

核數師

本集團於截至2018年12月31日止年度的財務報表已由安永會計師事務所審核。彼等將任滿告退，但表示願意於應屆週年股東大會應聘連任為核數師。自本公司上市起直至本年報日期，本公司並無更換其外聘核數師。

諮詢專業稅務意見的推薦建議

本公司並不知悉本公司股東因持有本公司證券而獲提供任何稅務寬減或減免。倘本公司股東不確定購買、持有、出售、買賣或行使本公司相關股份附帶之權利的稅務影響，建議彼等諮詢獨立專家以取得意見。

承董事會命

主席
李學春

香港，2019年3月14日

CORPORATE GOVERNANCE REPORT

企業管治報告

INTRODUCTION

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

During the period from 1 January 2018 up to 31 December 2018 (both dates inclusive), the Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

THE BOARD

General

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith and in the best interests of the Company and its shareholders. The Board sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Group. It is also responsible for approving certain specific matters such as annual and interim results, major transactions, director appointments or reappointments, investment policy, dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the executive Directors and members of senior management. The functions and power that are so delegated are reviewed periodically to ensure that they remain appropriate. All Directors are provided with monthly updates on the Company's performance and financial position to enable the Board as a whole and each Director to discharge their duties.

緒言

董事會致力秉持高水平的企業管治及商業道德標準，堅信此乃提升投資者信心及增加股東回報的必然舉措。董事會不時檢討其企業管治常規以符合持份者日益提高的期望、遵守愈發嚴格的監管規定並履行其對卓越企業管治的承擔。

由2018年1月1日起至2018年12月31日止期間(首尾兩日包括在內)，本公司已遵守上市規則附錄十四所載的企業管治守則的所有守則條文。

董事會

一般事項

董事會承諾為本公司提供有效及負責任的領導。董事須個別及共同地為本公司及其股東最佳利益真誠行事。董事會制訂本集團的整體目標及策略、監察及評估其營運及財務表現並審閱本集團的企業管治標準。其亦負責審批年度及中期業績、主要交易、委任或續聘董事、投資政策、股息及會計政策等若干具體事宜。董事會已指派及授權執行董事及高級管理層成員負責執行其業務策略及管理本集團業務的日常營運。董事會定期檢討所委派職能及權力以確保有關指派仍屬合適。全體董事每月均獲提供有關本公司表現及財務狀況的最新資料，以便董事會整體及各董事履行職務。

All Board members have separate and independent access to the Group's senior management to fulfill their duties. Independent professional advice can be sought to assist the relevant Directors to discharge their duties at the Group's expense upon their request.

The Board has established three Board committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee (each a “**Board Committee**” and collectively the “**Board Committees**”), to oversee different areas of the Company's affairs. For details, please see “Board Committees” below.

The Board currently comprises four executive Directors, namely Mr. Li Xuechun, Ms. Zhang Weiping, Mr. Zuo Yichen and Mr. Lam Ngai Lung, two non-executive Directors, namely Mr. Lin Kaihua and Ms. Li Yanping and three independent non-executive Directors, namely, Mr. Chan Ngai Sang, Kenny, Mr. Yu Huangcheng and Mr. Wang Wei Hung, Andrew. A list of the Directors identifying their roles and functions are available on the websites of the Company and the Stock Exchange.

Their biographical details and (where applicable) their family relationships are set out in the section headed “Directors and Senior Management” in this annual report. All Directors are required to declare to the Board upon their first appointment, the directorships or other positions they are concurrently holding at other companies or organizations. These interests are updated on an annual basis and when necessary.

Mr. Li Xuechun, the chairman of Board, is the father-in-law of Mr. Zuo Yichen, who is an executive Director. Ms. Li Yanping is the daughter of Mr. Li Xuerang who is a cousin of Mr. Li Xuechun, a controlling shareholder of the Company, an executive Director and chairman of the Board. Save as disclosed herein, there are no other financial, business, family or other material/relevant relationships among members of the Board.

各董事會成員可分別獨立接觸本集團的高級管理層，以履行彼等的職責。相關董事亦可自身要求徵詢獨立專業意見，協助彼等履行職責，費用由本集團承擔。

董事會已成立三個董事會委員會，即審核委員會、薪酬委員會及提名委員會(各自稱為「董事會委員會」及統稱為「該等董事會委員會」)，以監察本公司事務的不同範疇。詳情請參見下文「董事委員會」。

董事會現時包括四名執行董事李學春先生、張衛平女士、左燿晨先生及林毅龍先生，兩名非執行董事林開樺先生及李雁平女士以及三名獨立非執行董事陳毅生先生、余黃成先生及王惟鴻先生。列明董事角色及職能的董事名單可於本公司及聯交所網站查閱。

彼等的履歷詳情及(如適用)彼等的親屬關係載於本年報「董事及高級管理層」一節。全體董事須於首次獲委任時向董事會申報彼等同時在其他公司或機構擔任的董事或其他職務，有關利益申報每年或於需要時更新。

董事會主席李學春先生為執行董事左燿晨先生的岳父。李雁平女士為Li Xuerang先生之女，而Li Xuerang先生為本公司控股股東、執行董事兼董事會主席李學春先生之堂兄。除本段披露者外，董事會成員間並無其他財務、業務、親屬或其他重大／相關關係。

Corporate Governance Function

The Board is also responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Group, and the training and continuous professional development of directors and senior management. The Board also reviews the disclosures in the corporate governance report to ensure compliance. The Board's responsibility in this regard includes:

- (a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
- (d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on matters;
- (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report; and
- (f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

During the year ended 31 December 2018, the Board has reviewed the Company's corporate governance practices and the Company's compliance with the Corporate Governance Code.

企業管治職能

董事會亦負責制定、檢討及監察本集團的企業管治政策及常規與遵守法律及法規情況，以及董事及高級管理層的培訓及持續專業發展。董事會亦審閱企業管治報告內的披露資料以確保符合要求。就此而言，董事會的職責包括：

- (a) 檢討及監察本公司的政策及常規是否遵守法律及監管規定；
- (b) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (c) 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊；
- (d) 制定及檢討本公司的企業管治政策及常規並向董事會提出建議，及向董事會匯報有關事宜；
- (e) 檢討本公司遵守企業管治守則及企業管治報告所載披露的情況；及
- (f) 檢討及監察本公司遵守本公司檢舉政策的情況。

於截至2018年12月31日止年度，董事會已檢討本公司的企業管治常規及本公司遵守企業管治守則的情況。

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the Shareholders and the Group. They serve actively on the Board and the Board Committees to provide their independent and objective views.

In compliance with Rules 3.10(1) and (2) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing one-third of the Board. Each independent non-executive Director has confirmed his independence to the Company with reference to the factors set out in Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all of the independent non-executive Directors are independent.

BOARD COMMITTEES

The Board is supported by a number of committees, including the Audit Committee, the Nomination Committee and the Remuneration Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the websites of the Company and the Stock Exchange.

All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Chan Ngai Sang, Kenny, Mr. Yu Huangcheng and Mr. Wang Wei Hung, Andrew. Mr. Chan Ngai Sang, Kenny, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

獨立非執行董事的獨立身份

獨立非執行董事的角色乃向董事會提供獨立及客觀的意見，為本集團提供足夠的制約及平衡，以保障股東及本集團整體利益。彼等於董事會及董事會委員會上積極提供獨立及客觀的意見。

為遵守上市規則第3.10(1)和(2)條及3.10A條，本公司已委任三名獨立非執行董事，佔董事會人數三分之一。各獨立非執行董事已根據上市規則第3.13條所載因素向本公司確認其獨立身份。根據有關確認的內容，本公司認為全體獨立非執行董事均屬獨立。

董事委員會

董事會獲得多個委員會(包括審核委員會、提名委員會及薪酬委員會)支援。各董事委員會均訂明經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於本公司及聯交所網站可供查閱。

所有該等董事委員會均獲提供足夠資源以履行其職務，包括於需要時聽取管理層或專業意見。

審核委員會

審核委員會包括三名獨立非執行董事，即陳毅生先生、余黃成先生及王惟鴻先生。陳毅生先生獲委任為審核委員會主席，彼擁有合適專業資格且具備會計事務經驗。

During the year ended 31 December 2018, the Audit Committee mainly performed following duties:

- reviewed the Group's audited annual results for the year ended 31 December 2017 and the unaudited interim results for the six months ended 30 June 2018, met with the external auditors to discuss such annual results and interim results, and was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure had been made;
- reviewed the accounting principles and practices adopted by the Group, and recommended the appointment of external auditors; and
- assisted the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management, including meeting with the management of the Company and internal control review department regarding the internal control of the Group and review the capabilities and scope of review of the internal control assessment team of the Group.

The principal responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems, and relationship with external auditors of the Group, overseeing the audit process and performing other duties, reviewing the interim and annual results, and such responsibilities as assigned by the Board. The Audit Committee had also reviewed the audited annual consolidated financial statements for the year ended 31 December 2018.

For details on the internal control and risk management systems, please see "Risk Management and Internal Control" below.

截至2018年12月31日止年度，審核委員會主要履行下列職責：

- 審閱本集團截至2017年12月31日止年度的經審核年度業績及截至2018年6月30日止六個月的未經審核中期業績，與外聘核數師會面以討論有關年度業績及中期業績，並認為相關財務報表乃根據適當的會計準則及規定編製，並已作出足夠披露；
- 審閱本集團採納的會計原則及慣例及就外聘核數師的委任提出推薦建議；及
- 協助董事會履行其維持有效內部監控及風險管理系統的職責，包括與本公司管理層及負責內部監控的審計部門就本集團的內部監控開會及審閱本集團的內部監控評核團隊的能力及審閱範圍。

審核委員會的主要職責乃就財務申報過程、內部監控及風險管理系統是否有效及維持與本集團外聘核數師關係提供獨立意見藉以協助董事會、監督審核過程及履行其他職責、審核中期及年度業績以及董事會委派的有關責任。審核委員會亦已審閱截至2018年12月31日止年度的經審核年度綜合財務報表。

有關內部監控及風險管理系統的詳情，請參閱下文「風險管理及內部監控」。

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Wang Wei Hung, Andrew (independent non-executive Director), Mr. Li Xuechun (executive Director) and Mr. Yu Huangcheng (independent non-executive Director). The chairman of the Remuneration Committee is Mr. Wang Wei Hung, Andrew. The principal responsibilities of the Remuneration Committee are to review and make recommendations to the Board on the overall remuneration structure and policy for all Directors and senior management as well as the specific remuneration packages for the executive Directors and senior management. No Director takes part in any decision of the Board on his own remuneration. The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration and fees paid to members of the Board, market rates and factors such as each director's workload, performance, responsibility, job complexity and the Group's performance are taken into account.

During the year ended 31 December 2018, the Remuneration Committee mainly performed the following duty:

- reviewed the Group's remuneration policy and reviewed and approved the remuneration package of the executive Directors and senior management for the year of 2018.
- assessing performance of the executive Directors.

The remuneration of the members of the senior management (including all executive Directors) of the Group by band for the year ended 31 December 2018 is set out below:

Remuneration bands	薪酬範圍	Number of persons 人數
Nil to HK\$1,000,000	零至1,000,000港元	1
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	1
HK\$2,000,001 to HK\$3,000,000	2,000,001港元至3,000,000港元	3
over HK\$3,000,000	3,000,000港元以上	1

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in Notes 8 and 9 to the consolidated financial statements, respectively.

薪酬委員會

薪酬委員會包括三名成員，即王惟鴻先生（獨立非執行董事）、李學春先生（執行董事）及余黃成先生（獨立非執行董事）。王惟鴻先生為薪酬委員會主席。薪酬委員會的主要職責為檢討全體董事及高級管理層的整體薪酬架構及政策以及執行董事及高級管理層的個別薪酬組合，並就以上事項向董事會提供建議。概無董事參與董事會有關其本身薪酬的決定。本公司對薪酬政策的目標是根據業務所需及行業慣例，確保薪酬待遇公平及具競爭力。本公司因應市場水準、各董事的工作量、表現、職責、工作難度及本集團表現等因素，釐定向董事會成員支付的薪酬及袍金水平。

截至2018年12月31日止年度，薪酬委員會主要履行下列職責：

- 檢討本集團2018年的薪酬政策及檢討以及批准執行董事及高級管理層的薪酬待遇。
- 評估執行董事的表現。

截至2018年12月31日止年度按範圍劃分本集團高級管理層（包括全體執行董事）成員的薪酬載列如下：

根據上市規則附錄十六須予披露的有關董事酬金及五名最高薪酬僱員的進一步詳情分別載於綜合財務報表附註8及9。

Nomination Committee

The Nomination Committee comprises three members, namely, Mr. Li Xuechun (chairman of the Board and executive Director), Mr. Yu Huangcheng (independent non-executive Director) and Mr. Chan Ngai Sang, Kenny (independent non-executive Director). The chairman of the Nomination Committee is Mr. Li Xuechun. The principal responsibilities of the Nomination Committee are to review the composition of the Board, including its structure, size and diversity at least annually to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group and make recommendations in any proposed changes to the Board to complement the Company's corporate strategy. It also carries out the process of identifying, considering and recommending to the Board suitably qualified persons by making reference to the skills, experience and expertise of such individuals, the Company's needs and other relevant statutory requirements and regulations to become a member of the Board, monitor the succession planning of Directors and assess the independence of independent non-executive Directors. An external recruitment agency may be engaged to carry out the recruitment and selection process where necessary. The Nomination Committee will also review the Board Diversity Policy (as defined below) from time to time, so as to develop and review measurable objectives for the implementing the Board Diversity Policy (as defined below) and to monitor the progress on achieving these objectives.

During the year ended 31 December 2018, the Nomination Committee has reviewed the structure, size and composition of the Board, and whether the composition of the Board complied with the requirements of the board diversity policy during the year of 2018.

提名委員會

提名委員會包括三名成員，即李學春先生（董事會主席兼執行董事）、余黃成先生（獨立非執行董事）及陳毅生先生（獨立非執行董事）。李學春先生為提名委員會主席。提名委員會的主要職責為最少每年檢討董事會的組成，包括其架構、規模及多元化，以確保董事會具備適合本集團業務所需的均衡專業知識、技能及經驗，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議。提名委員會亦通過參考有關人士的技能、經驗及專業知識、本公司的需求及其他相關監管規定及規例，物色、考慮及向董事會推薦適當合資格人士加入董事會、監察董事繼任安排以及評估獨立非執行董事的獨立身份。本公司於有需要時或會委聘外界招聘代理機構進行招聘及甄選工作。提名委員會亦將不時檢討董事會多元化政策（定義見下文），以為執行董事會多元化政策（定義見下文）訂立及檢討可計量目標，並監察達成該等目標的進度。

於截至2018年12月31日止年度，提名委員會已審閱2018年董事會的架構、人數及組成，以及董事會成員的組成是否符合董事會多元化政策的要求。

BOARD DIVERSITY POLICY

Pursuant to the Listing Rules, the Board adopted a board diversity policy (the “**Board Diversity Policy**”) on 2 March 2017. The Company recognizes and embraces the benefits of diversity of Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

The Nomination Committee has set measurable objectives (in terms of gender, age, skills and experience) to implement the Board Diversity Policy. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness.

During the year ended 31 December 2018, the Nomination Committee has reviewed the diversity of the Board and considered that the Group has achieved the measurable objectives of the Board Diversity Policy in terms of age, educational background, professional experience, skills, knowledge and length of services.

DIVIDEND POLICY

For the dividend policy adopted by the Company, please refer to “Dividend Policy” in the Report of the Directors on page 48 in this annual report.

董事會多元化政策

根據上市規則，董事會於2017年3月2日採納董事會多元化政策(「**董事會多元化政策**」)。本公司確認及受惠於董事會成員多元化帶來的裨益。儘管董事會的所有委任將繼續堅持任人唯才的原則，本公司將確保董事會具備均衡且切合本公司業務需要的技能、經驗及多元化觀點。本公司將按多項多元化準則遴選候選人，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他方面)、技能以及知識。

提名委員會已就性別、年齡、技能及經驗制定可計量目標以推行董事會多元化政策，並不時檢視該等目標以確保其合適及確定達成該等目標之進度。提名委員會將在適當時候檢討董事會多元化政策，以確保政策持續有效。

截至2018年12月31日止年度，提名委員會已檢討董事會多元化，並認為就年齡、教育背景、專業經驗、技能、知識及服務年期而言，本集團已達致董事會多元化政策之可計量目標。

股息政策

有關本公司採納的股息政策，請參閱本年報第48頁董事會報告的「股息政策」。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and Chief Executive Officer are separate and are not performed by the same individual as this ensures better checks and balances and hence better corporate governance. Mr. Li Xuechun holds the position of the Chairman, who is primarily responsible for the strategic development of the Group. Ms. Zhang Weiping serves as the Chief Executive Officer, who is primarily responsible for the overall management and operation of the Group.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The term of each of the executive Directors and independent non-executive Directors of the Company is subject to his retirement and re-election at annual general meeting in accordance with the Company's articles of association. In accordance with the Company's articles of association, a person may be appointed as a Director either by the Shareholders in general meeting or by the Board. Each of the non-executive Directors has entered into an appointment letter with the Company for an initial term of one year, subject to retirement by rotation and re-election in accordance with the articles of association of the Company and the term of each of the appointment may be renewed for a further term of one year by mutual agreement between the non-executive Director and the Company upon expiration of the initial term and each renewed term. Any Directors appointed by the Board as additional Directors shall hold office until the next following annual general meeting or any Director appointed by the Board to fill casual vacancies shall hold office until the next following general meeting, and are eligible for re-election by the Shareholders. In addition, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years, and are eligible for re-election by the Shareholders.

主席及行政總裁

主席與行政總裁之角色應有所區分，且不應由同一人兼任，以確保作出更有效的制衡，繼而建立更高效的企業管治。李學春先生擔任主席一職，主要負責本集團的策略發展。張衛平女士擔任行政總裁，主要負責本集團整體管理及營運。

委任及重選董事

本公司各執行董事及獨立非執行董事須根據本公司組織章程細則於股東週年大會上退任及膺選連任。根據本公司的組織章程細則，任何人士均可由股東於股東大會上或由董事會委任為董事。各非執行董事與本公司訂立委聘函件，初步為期一年，並須根據本公司組織章程細則的規定輪席退任及重選連任，並各委聘任期可在初始任期及每個任期屆滿前由非執行董事與本公司協商後續任一年。任何獲董事會委任為新增董事的董事任期僅至下屆股東週年大會為止或任何獲董事會委任以填補臨時空缺的董事的任期僅直至下屆股東大會為止，惟彼等符合資格由股東重選。此外，於每屆股東週年大會當時為數至少三分之一的董事(如董事人數並非三(3)的倍數，則須為最接近但不少於三分之一的董事人數)須輪流退任，惟各董事須最少每隔三年於股東週年大會上輪流退任一次，並符合資格由股東重選。

BOARD MEETINGS

In compliance with the Corporate Governance Code, Board meetings will be held regularly and at least four times a year at approximately quarterly intervals. For regular Board meetings, notices of at least 14 days are given to facilitate maximum attendance of the Directors. Directors may propose to the Chairman or the Company Secretary to include matters in the agenda for regular board meetings.

At board meetings, the Directors will be provided with the relevant documents to be considered and approved. Draft and final versions of minutes are sent to all Directors for their comments and records respectively within a reasonable time after the board meeting is held. Minutes of Board meetings are kept by the Company Secretary or a duly appointed secretary of the Board meeting and are open for inspection by any Director.

During the year ended 31 December 2018, the Board held 13 meetings. During the meetings of the Board held in 2018 the Board reviewed the operation and financial performance and reviewed and approved the annual results for the year ended 31 December 2017 and the interim results for the six months ended 30 June 2018, etc..

董事會會議

根據企業管治守則，董事會會議定期及每年約每隔一季度最少舉行四次。就例行董事會會議而言，會議通知最少14天前發出以達致最高董事出席率。董事可向主席或本公司秘書提議，以將事宜列入例行董事會會議議程。

於董事會會議上，相關文件將提供予董事以便其考慮及批准。於董事會會議召開後合理時間內，記錄的草擬稿及最終稿將分別發放予全體董事，以供其評論及記錄。董事會會議記錄由公司秘書或正式任命的董事會會議秘書保存並由任何董事隨時查閱。

截至2018年12月31日止年度，董事會舉行13次會議。於2018年舉行的董事會會議上，董事會檢討經營及財務表現以及審閱及批准截至2017年12月31日止年度的年度業績及截至2018年6月30日止六個月的中期業績等。

The individual attendance record of each Director for the meetings of the Board, Board committees and the general meeting of the Company held during the year ended 31 December 2018 is set out below:

各董事於截至2018年12月31日止年度舉行的本公司董事會、董事會委員會及股東大會會議的個別出席記錄載列如下：

		2018 Meetings Attended/Held 2018年出席／舉行的會議				Annual General Meeting
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	股東週年大會
Executive Directors	執行董事					
Mr. Li Xuechun (Chairman)	李學春先生(主席)	13/13	N/A 不適用	3/3	3/3	1/1
Ms. Zhang Weiping	張衛平女士	13/13	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Zuo Yichen	左熠晨先生	13/13	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Lam Ngai Lung	林毅龍先生	13/13	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Non-executive Directors	非執行董事					
Mr. Lin Kaihua	林開樺先生	11/13	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Li Yanping	李雁平女士	11/13	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-executive Directors	獨立非執行董事					
Mr. Chan Ngai Sang, Kenny	陳毅生先生	8/13	2/2	N/A 不適用	2/3	1/1
Mr. Yu Huangcheng	余黃成先生	10/13	2/2	3/3	3/3	1/1
Mr. Wang Wei Hung, Andrew	王惟鴻先生	13/13	2/2	3/3	N/A 不適用	1/1
Total Number of Meeting	會議數目總計	13	2	3	3	1

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

董事及行政人員的保險

本公司已就其董事及行政人員可能會面對的法律訴訟作出適當的投保安排。

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

董事持續培訓及專業發展

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. Briefings and updates on the latest development regarding the Listing Rules and other applicable regulatory requirements are provided to the Board during Board meetings to ensure compliance and enhance their awareness of good corporate governance practices. The Company will also arrange regular seminars to provide Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time.

所有新委任的董事均獲提供必要的入職培訓及資料，確保其對本公司的營運及業務以及其於相關法規、法例、規則及條例下對彼等的責任有適當程度的了解。本公司於董事會會議上向董事會提供有關上市規則及其他適用監管規定最新發展的簡介及最新資料，以確保董事遵守有關法規，以及加深彼等對良好企業管治常規的認識。本公司亦會定期舉辦研討會不時為董事提供上市規則及其他相關法律及監管規定的最新發展及變動的資料。

During the year ended 31 December 2018, the Directors participated in the following trainings:

截至2018年12月31日止年度，董事參與培訓如下：

Name of Director 董事姓名		Type of Training ¹ 培訓類別 ¹
<i>Executive Directors</i>		
Mr. Li Xuechun (Chairman of the Board)	執行董事 李學春先生(董事會主席)	B
Ms. Zhang Weiping	張衛平女士	B
Mr. Zuo Yichen	左熠晨先生	B
Mr. Lam Ngai Lung	林毅龍先生	B
<i>Non-executive Directors</i>		
Mr. Lin Kaihua	非執行董事 林開樺先生	A, B
Ms. Li Yanping	李雁平女士	B
<i>Independent Non-executive Directors</i>		
Mr. Chan Ngai Sang, Kenny	獨立非執行董事 陳毅生先生	A, B
Mr. Yu Huangcheng	余黃成先生	B
Mr. Wang Wei Hung, Andrew	王惟鴻先生	B

Note:

1. Type A training includes: attending training sessions, including but not limited to, briefings, seminars, conferences and workshops relating to directors' duties and responsibilities/corporate governance/updates on Listing Rules amendments and similar activities.

Type B training includes: reading relevant news alerts, newspapers, journals, magazines, updates and relevant publications relating to the economy/general business/directors' duties and responsibilities and similar activities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the period from the 1 January 2018 up to 31 December 2018 (both dates inclusive).

The Company has also established a code no less exacting than the Model Code for securities transactions by senior management who are likely to be in possession of unpublished price-sensitive or inside information of the Company.

附註：

1. A類培訓包括：參加培訓課程，包括但不限於簡報、座談會、會議及有關董事職責及責任／企業管治／上市規則修訂本更新及類似活動的講座。

B類培訓包括：閱讀相關新聞快報、報章、刊物、雜誌、更新及與經濟／一般業務／董事職責及責任以及類似活動相關之有關刊物。

董事進行證券交易的標準守則

本公司已採用上市規則附錄十所列的標準守則。

已經向全體董事作出具體查詢，董事已確認彼等由2018年1月1日起至2018年12月31日止期間內(首尾兩日包括在內)一直遵守標準守則。

本公司亦制訂有不遜於標準守則的守則作為可能擁有本公司未公開的股價敏感資料或內幕消息的高級管理層進行證券交易的守則。

COMPANY SECRETARY

Ms. Ng Wing Shan is the company secretary of the Company and was appointed on 21 September 2016. Ms. Ng is a fellow member of The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Ms. Ng is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited (formerly known as SW Corporate Services Group Limited) and her major responsibility is assisting listed companies in professional company secretarial work.

Ms. Ng's primary contact person at the Company is Mr. Lam Ngai Lung, an executive Director and the chief financial officer of the Company.

For the year ended 31 December 2018, Ms. Ng has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognizes its responsibility to ensure the Company maintains a sound and effective risk management and internal control system.

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. Review of the Group's internal controls covering major financial, operational and compliance controls, as well as risk management functions. The controls built into the risk management system are intended to manage significant risks in the Group's business.

The Board is in charge of managing the overall risks of our Group. It is responsible for considering, reviewing and approving any significant business decision involving material risk exposures, such as our decision to expand our school network into new geographic areas, and to enter into cooperative business relationships with third parties to establish new schools. The Group also maintains insurance coverage which is in line with customary practice in the PRC education industry, including school liability insurance. The Group also has arrangements with certain banks in place to ensure that it will be able to obtain credit to support its business operation and expansion.

公司秘書

吳詠珊女士為本公司公司秘書及於2016年9月21日獲委任。吳女士為香港特許秘書公會及英國特許秘書及行政人員公會之資深會員。吳女士為方圓企業服務集團(香港)有限公司(前稱信永方圓企業服務集團有限公司)副總監，其主要職責為協助上市公司處理專業公司秘書工作。

吳女士於本公司之主要聯絡人為本公司執行董事兼財務總監林毅龍先生。

截至2018年12月31日止年度，吳女士已根據上市規則第3.29條，參加不少於15小時的相關專業培訓。

風險管理及內部監控

董事會確認其確保本公司維持健全有效風險管理及內部監控系統的責任。

本集團的內部監控系統乃為確保資產不會被不當挪用及未經授權處理以及管理經營風險而設計。本集團的內部監控檢討涵蓋主要財務、營運及合規監控以及風險管理職能。風險管理系統中設立的監控乃為管理本集團業務的重大風險。

董事會負責管理本集團的整體風險，亦負責考慮、審查及批准涉及重大風險敞口的任何重要業務決策，如決定擴大學校網絡至新地區以及與第三方訂立合作業務關係以興建新學校。本集團亦投購符合中國教育行業慣例的保險，包括學校責任保險。本集團還與若干銀行訂立安排，確保我們能獲得信貸以支持我們的業務營運及擴展。

As disclosed in the Prospectus, taking into account the internal control measures implemented by the Group in connection with the non-compliance incidents disclosed under the section headed “Business — Legal Proceedings and Compliance” in the Prospectus, the on-going monitoring and supervision by the Board and the principals of the Group’s schools with the assistance from professional external advisers where required, and the fact that, as confirmed by the Directors, the non-compliance incidents did not involve fraud or dishonesty, the Directors are of the view that our enhanced internal control measures are adequate and effective.

The Company has established an internal audit department to carry out its internal audit functions by assisting the Board to implement the Group’s risk management framework. The work of the internal audit department will be reviewed by the Audit Committee and the Board annually. During the year ended 31 December 2018, the Audit Committee, with reference to and based on the internal audit report issued by the independent audit firm, conducted a review on the effectiveness of the Group’s risk management and internal control systems, including financial, operational and compliance controls and risk management functions, adequacy of resources, qualifications and experience of staff of the Company’s accounting, internal control and financial reporting functions, and training programmes and budget. The Board has considered and discussed the internal audit report issued by the independent audit firm, the work conducted by the independent audit firm, the Audit Committee’s view on the Group’s risk management and internal control systems and their effectiveness. The Board and the Audit Committee are satisfied with the effectiveness and adequacy of the risk management and internal control of the Group.

如招股章程所披露，考慮到本集團就招股章程「業務－法律程序及合規情況」一節所披露的違規事件所採取的內部控制措施、董事會及本集團學校的校長於需要時在外部專業顧問協助下持續監控及監管，以及經董事確認違規事件不涉及欺詐或不誠實，故董事認為，我們經加強的內部控制措施足夠有效。

本公司已成立內部審核部門，以協助董事會履行其內部審核職能，從而實施本集團的風險管理框架。內部審核部門的工作將由審核委員會及董事會每年進行審閱。截至2018年12月31日止年度，經參考且根據獨立審計事務所發佈的內部審計報告，審核委員會對本集團風險管理及內部控制系統的成效進行審閱，審閱內容包括財務、營運及合規控制及風險管理活動、資源的充足性、本公司會計、內部監督及財務申報方面的員工資格及經驗以及培訓課程及預算。董事會已審議及討論獨立審計事務所發佈的內部審計報告、獨立審計事務所開展的工作、審核委員會就本集團的風險管理及內部控制系統以及其有效性發佈的觀點。董事會及審核委員會信納本集團風險管理及內部控制的有效性及其充足性。

The Group regulates the handling and dissemination of inside information according to the “Guidelines on Disclosure of Inside Information” published by the Securities and Future Commission in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

DIRECTORS’ RESPONSIBILITY IN PREPARING FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company’s consolidated financial statements which give a true and fair view of the Group’s state of affairs, results and cash flows for the year and in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as going concern.

本集團按證券及期貨事務監察委員會於2012年6月頒佈的《內幕消息披露指引》監管內幕消息的處理及發佈，以確保適當批准披露該等消息前維持保密，並以有效率及一致的方式發佈該等消息。本公司定期提醒董事及僱員妥善遵守所有有關內幕消息的政策。此外，本公司讓董事、高級管理人員及僱員掌握最新之監管最新資料。本公司將編製或更新合適指引或政策以確保遵守監管規定。

董事負責編製財務報表

董事會明白本身有責任根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例之披露要求編製本公司綜合財務報表，真實公平反映本集團於本年度的事務情況、業績及現金流量。本公司已根據審慎及合理的判斷及估計選擇合適的會計政策並貫徹採用。董事會認為本集團備有充足資源於可見未來繼續經營業務，且並不知悉任何可能影響本公司業務或致令本公司持續經營能力成疑的事件或狀況的重大不確定因素。

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditor of the Company, Ernst & Young, during the year ended 31 December 2018 was approximately as follows:

Type of Services	服務類型	Amount 金額 RMB'000 人民幣千元
Audit services	審核服務	3,180
– Annual audit service	– 年度審核服務	3,180
Non-audit services	非審核服務	1,280
– Assurance service on a circular	– 通函鑒證服務	1,280
Total	總計	4,460

核數師酬金

本公司核數師安永會計師事務所截至2018年12月31日止年度為本集團提供有關審核及非審核服務的概約酬金如下：

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

At general meetings of the Company, the shareholders will have the opportunity to communicate directly with the Directors. The chairman of the Board and the chairman of each of the Board Committees will attend the annual general meetings to answer shareholders' questions. The auditor of the Company will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

與股東及投資者溝通

本公司認為，與股東有效溝通是加強投資者關係及讓投資者了解本集團業務、業績及策略的重要因素。本公司亦了解，及時全面披露資訊以便股東及投資者作出知情投資決定的重要性。

於本公司股東大會上，股東有機會可以與董事直接對話。董事會主席及各董事委員會主席須出席股東週年大會回應股東的問題。本公司核數師亦會出席股東週年大會解答有關審核工作、核數師報告編製過程與內容、會計政策及核數師獨立性等問題。

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website of the Company at (www.minshengedu.com), where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

SHAREHOLDERS' RIGHTS

General

To safeguard our shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of Extraordinary General Meeting and Putting Forward Proposals

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

為促進有效溝通，本公司採取股東溝通政策，旨在建立本公司與其股東之間的雙向關係與交流，並且在(www.minshengedu.com)設立本公司網站，刊載本公司業務與發展、財務資料、企業管治常規及其他方面的最新資料供公眾查閱。

股東權利

一般資料

為保障本公司股東的權益與權利，在股東大會商討的各項事宜(包括選舉個別董事)須以獨立的決議案提出。

在股東大會提出的所有決議案須根據上市規則以投票方式表決，而投票結果須在各股東大會結束後適時在本公司及聯交所網站公佈。

召開股東特別大會及提呈議案

股東可以根據組織章程細則提呈議案在本公司股東大會討論。在提出要求當日持有不少於本公司附有權利可在本公司股東大會投票的繳足股本十分之一的一或多名股東，有權隨時向董事會或本公司公司秘書提出書面要求，由董事會召開本公司股東特別大會，以處理該項要求指明的事宜，而該會議須在提出要求後兩個月內召開。倘若在提出要求後21天內，董事會未有按要求召開會議，則提出要求者可以相同的方式召開會議，由於董事會未有召開會議而導致提議人所承擔的一切合理開支，須由本公司向提議人補償。

Procedures for Proposing a Person for Election as a Director

Pursuant to the Article 85 of the articles of associations of the Company, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice (as defined therein) signed by a Member (as defined therein) (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Mr. Lam Ngai Lung of Room 3202A, 32/F., Tower 1, Lippo Centre, 89 Queensway Road, Admiralty, Hong Kong (email address: msedu@minshengedu.com).

CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no change in the memorandum and articles of association of the Company during the Reporting Period and up to the date of this annual report.

提名人士參選董事的程序

根據本公司的組織章程細則第85條，除非獲董事推薦參選，或由正式合資格出席大會並可於會上投票的股東(定義見組織章程細則)(並非擬參選者)簽署通知(定義見組織章程細則)，表明擬提名相關人士參選，且獲提名人士簽署該通知表明願意參選，否則除會上退任董事外，概無任何人士有資格於任何股東大會上參選董事。上述通知須呈交總辦事處或過戶登記處，通知期不得少於七(7)日，如該等通知是於就選舉董事而召開股東大會的通告寄發後始呈交，則呈交該(等)通知的期間為就選舉董事而召開股東大會的通告寄發後翌日起計至不遲於該股東大會舉行日期前七(7)日。

向董事會查詢

股東如須向董事會查詢有關本公司的事宜，可提交查詢至林毅龍先生(地址為香港金鐘道89號力寶中心第一座32樓3202A室)(電郵地址：msedu@minshengedu.com)。

更改組織章程文件

於報告期內及截至本年報之日期，本公司的組織章程大綱及細則概無變動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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

香港中環
添美道1號
中信大廈22樓

**To the shareholders of
Minsheng Education Group Company Limited**
(Incorporated in the Cayman Islands with limited liability)

致：民生教育集團有限公司全體股東
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Minsheng Education Group Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 155 to 312, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們已審核載於第155頁至第312頁民生教育集團有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)之綜合財務報表。該等綜合財務報表包括於2018年12月31日之綜合財務狀況表及截至該日期止年度的綜合損益及其他全面收益表、綜合權益變動表、綜合現金流量表以及包括主要會計政策概要的綜合財務報表附註。

我們認為該等綜合財務報表已經根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈之國際財務報告準則(「**國際財務報告準則**」)真實而中肯地反映貴集團於2018年12月31日之綜合財務狀況及其截至該日期止年度的綜合財務表現及其綜合現金流量，並已根據香港公司條例之披露規定妥善編製。

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

意見基準

我們根據香港會計師公會(「香港會計師公會」)頒佈之香港審計準則(「香港審計準則」)進行審核。我們於該等準則下的責任，會於我們的報告中核數師就審核綜合財務報表承擔的責任一節作進一步描述。根據香港會計師公會的專業會計師職業道德守則(「該守則」)，我們獨立於貴集團，並已根據該守則履行我們其他道德責任。我們相信，我們所獲得的審核憑證充分且恰當地為我們的審核意見提供基準。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項乃本期間我們的綜合財務報表審核中最為重大的事項。該等事項於我們對綜合財務報表進行整體審核及提出意見時處理，我們不會對該等事項提供單獨意見。吾等審核下列各項事項時如何應對的描述也以此為依據。

我們已履行於我們的報告中核數師就審核綜合財務報表承擔的責任一節中描述(包括有關該等事項)的責任。因此，我們的審計工作包括履行應對綜合財務報表重大錯誤陳述風險評估而設計的審計程序。我們的審核程序結果，包括處理以下事項而執行的程序，為綜合財務報表隨附的審核意見提供基準。

KEY AUDIT MATTERS (CONTINUED)**Key audit matter****關鍵審核事項***Income tax*
所得稅

According to the Implementation Rules for the Law for Promoting Private Education (the "**Implementation Rules**"), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatments. The Implementation Rules provide that the relevant authorities under the State Council may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. Up to 31 December 2018, no separate policies, regulations or rules have been introduced by the authorities in this regard.

Except for Laoling Minsheng Education High School Company Limited which was incorporated as a limited company, no corporate income tax was provided on the income from the provision of formal educational services by the Group's schools in the People's Republic of China (the "**PRC Schools**"), which require reasonable returns, with reference to the preferential tax treatments. Significant judgement is required in determining the provision for income taxes as there are uncertainties in interpreting the relevant tax laws and regulations in respect to the preferential tax treatments enjoyed by the PRC Schools. The Group engaged an external legal advisor for the assessment of income tax obligations, and there were significant judgements involved in the management's analysis and assessment, such as an assessment on possible outcome of the tax provision based on historical experiences, and estimations about future events after 31 December 2018 that may cause the Group to change its judgements regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact the tax expense in the period that such determination is made.

Relevant disclosures are included in notes 3 and 10 to the financial statements.

關鍵審核事項(續)**How our audit addressed the key audit matter****我們的審核如何處理關鍵審核事項**

As to our audit procedures, we have:

- discussed with the Group's PRC external legal advisor about the tax position taken by the PRC Schools, in particular, whether the PRC Schools were required to pay income tax by their respective tax authorities by the end of year 2018 and whether the PRC Schools which enjoyed such preferential tax treatments were in compliance with applicable laws and regulations in China;
- reviewed the legal opinion issued by the external legal advisor;
- assessed any new policies, regulations or rules that have been introduced by the authorities up to the date of this report, which might have impact on the tax position of the PRC Schools;
- checked historical tax returns (if available); and
- involved our internal tax experts to assist us in analysing the preferential tax treatments enjoyed by the PRC Schools and assessing the adequacy of tax provisions.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

關鍵審核事項

Income tax

所得稅

根據民辦教育促進法實施條例(「**實施條例**」)，民辦學校不論是否要求合理回報，均可享稅務優惠。實施條例規定，國務院屬下的相關機關可向要求合理回報的民辦學校推行稅務優惠及相關適用政策。直至2018年12月31日，機關並無就此推出單行政策、法規或規則。

稅務優惠方面，除以有限公司註冊成立的樂陵民生教育高級中學有限公司外，貴集團位於中華人民共和國的學校(「**中國學校**」)要求合理回報，並未就提供正規教育服務所得收入作出企業所得稅撥備。確認所得稅撥備需要作出重大判斷，因就中國學校可否採納該稅務優惠適用相關法律及法規之詮釋存在不確定性。貴集團聘請外部法律顧問評估所得稅稅負，管理層的分析及評估涉及重大判斷，例如對根據歷史經驗作出稅項撥備可能產生後果的評估以及就2018年12月31日之後發生可能導致貴集團改變對稅項負債充足度判斷事項的估計。該等稅項負債的變動將會影響作出決定期間的稅項開支。

相關披露載於財務報表附註3及10。

關鍵審核事項(續)

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

就我們的審核程序而言，我們已：

- 與貴集團的外部中國法律顧問討論中國學校的稅務狀況，尤其在其相關稅務機關有否要求中國學校支付截至2018年年底之所得稅及中國學校享有之該等稅務優惠是否符合中國之適用法律及法規；
- 審閱外部法律顧問出具之法律意見；
- 評估機關直至本報告日期已推出而可能影響中國學校稅務狀況的任何新政策、法規或規則；
- 檢查過往報稅表(如適用)；及
- 邀請我們的內部稅務專家協助我們分析中國學校所享受的稅務優惠，並評估稅項撥備是否恰當。

KEY AUDIT MATTERS (CONTINUED)**Key audit matter****關鍵審核事項***Goodwill impairment**商譽減值*

As at 31 December 2018, the Group had significant amounts of goodwill arising from acquisitions of Chongqing College of Humanities, Science and Technology in prior year and Leed International Education Group Inc. in the current year of RMB304 million and RMB1,381 million respectively, which were supported by an annual impairment review. No impairment charge has been recorded against goodwill in the current year. Certain assumptions used in the impairment review were subjective and involved significant judgements and estimates, and they included:

- the future cash flow growth assumptions used in the Group's most recent budgets for the next five years approved by management, including future industry development, pricing strategies, market supply and demand, and gross margins;
- the growth rate used beyond the period covered by the budgets; and
- the discount rate applied to future cash flows.

The accounting judgements and estimates and disclosure related to the impairment assessment are included in notes 3 and 15 to the financial statements.

關鍵審核事項(續)**How our audit addressed the key audit matter****我們的審核如何處理關鍵審核事項**

In order to evaluate the impairment test carried out by management and assess the value-in-use of the cash-generating units, we have performed the following procedures:

- evaluated management's future cash flow forecasts and the process by which they were drawn up;
- assessed the actual performance in the year against the prior year budgets to evaluate historical forecasting accuracy;
- assessed the key assumptions by checking against the historical trend and industry index;
- performed sensitivity analyses on the forecasts;
- analysed the discount rate used by comparing to the industry index with the assistance of our internal valuation experts; and
- evaluated the adequacy of the Group's disclosures regarding the goodwill impairment testing.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

關鍵審核事項

Goodwill impairment

商譽減值

於2018年12月31日，貴集團因以前年度收購重慶人文科技學院及本年度收購勵德國際教育集團有限公司而分別產生重大金額的商譽人民幣304百萬元及人民幣1,381百萬元，並由年度減值審查支持。本年度並無錄得商譽的減值開支。減值審查採用之若干假設乃主觀且涉及重大判斷及估計，而當中包括：

- 於貴集團最近期已獲管理層批准的未來五年預算中採用的未來現金流量增長假設，包括未來行業發展、定價政策、市場供求及毛利率；
- 預算涵蓋期間後所使用的增長率；及
- 應用至未來現金流量的貼現率。

有關減值評估的會計判斷、估計及披露載於財務報表附註3及15內。

關鍵審核事項(續)

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

為評價管理層所作的減值測試及評估現金產生單位的在用價值，我們已執行以下程序：

- 評價管理層的未來現金流量預測及該等預測的制訂過程；
- 對比以往的年度預算，評估年內的實際表現及評價過往預測的準確性；
- 檢查過往趨勢及行業指數，以評估關鍵假設；
- 對預測執行敏感度分析；
- 與行業指數比較，在我們的內部估值專家協助下分析經採用的貼現率；及
- 評價貴集團對於商譽減值測試的披露是否恰當。

KEY AUDIT MATTERS (CONTINUED)**Key audit matter****關鍵審核事項***Revenue recognition**確認收益*

The occurrence and completeness of the Group's revenue are of high inherent risk because of the large volume of tuition and boarding fees processed. In addition, tuition and boarding fees paid in advance at or prior to the beginning of each academic year are recognised as revenue proportionately over the fiscal years covering that academic year. Therefore, revenue may be recorded in the incorrect period of the fiscal year.

The accounting policy of revenue recognition and disclosure of the amount of revenue are included in notes 2.4 and 5 to the financial statements.

關鍵審核事項(續)**How our audit addressed the key audit matter****我們的審核如何處理關鍵審核事項**

As to our audit procedures, we have:

- tested the controls on the collection of tuition and boarding fees and the controls designed and applied by the Group to calculate the deferred revenue and the corresponding amount of revenue;
- on a sample basis, reviewed and checked the relevant supporting documentation including the student payment records, official student records registered with the relevant PRC education authorities, and the payment remittance receipts of tuition and boarding fees;
- recalculated the amounts of contract liabilities and revenue recognised during the year; and
- reconciled the number of newly enrolled students during the year to the enrolment approval by the relevant PRC education authorities, and the total number of students at the fiscal year end to the records on the China Credentials Verification website.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

關鍵審核事項

Revenue recognition

確認收益

由於要進行大量的學費及住宿費交易，貴集團收益的發生及完整性有很高的固有風險。此外，預先或於各學年開始前繳付的學費及住宿費乃按比例確認為涵蓋該學年的財政年度之收益。因此，收益可能錄入錯誤的財政年度期間。

收益金額的收益確認會計政策及披露載於財務報表附註2.4及5內。

關鍵審核事項(續)

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

就我們的審核程序而言，我們已：

- 測試收取學費及住宿費的監控及貴集團就計算遞延收益及相關收益金額而設計及應用之監控；
- 以抽樣方式，審核及檢查相關證明文件，包括學生付款記錄、相關中國教育機關登記的官方學籍記錄以及學費及住宿費匯款收據；
- 重新計算年內確認的合約負債及收益金額；及
- 與相關中國教育機關的入學批准作對照，核對年內新入學學生數目，並與中國高等教育學生信息網的記錄作對照，核對財政年度完結時的學生總人數。

KEY AUDIT MATTERS (CONTINUED)**Key audit matter****關鍵審核事項***Acquisitions of subsidiaries**收購附屬公司*

During the year ended 31 December 2018, the Group undertook certain acquisitions, including acquisition of Leed International Education Group Inc. ("**Leed International**") and certain other acquisitions, which were determined by the directors as business combinations. Pursuant to share purchase agreement in relation to the acquisition of Lead International, the Group is committed to grant an option to the sellers to sell the remaining 49% of the issued share capital of Leed International at the exercise price based on a predetermined formula (the "**Put Option**"). Details of these acquisitions and the Put Option are set out in notes 29 and 33 to the financial statements.

These acquisitions were material to the Group and involved significant judgements and estimates related to the accounting treatments of the Put Option liability, the non-controlling interests and the purchase price allocation. Management were assisted by external valuation specialists in determining the fair values of the identifiable assets and liabilities at acquisition dates which involved a number of assumptions.

Relevant disclosure of significant accounting judgements and estimates is included in note 3 to the financial statements.

關鍵審核事項(續)**How our audit addressed the key audit matter****我們的審核如何處理關鍵審核事項**

As to our audit procedures, we have:

- evaluated the accounting treatments for the Put Option and the non-controlling interests;
- obtained from management the respective agreements relating to these acquisitions and checked if the payments of purchase consideration agreed with the terms as set out in these agreements;
- evaluated the identification of acquired assets and liabilities;
- assessed the fair values of the identified assets and liabilities and the fair value of the Put Option liability against available market data;
- evaluated the competency and objectivity of the external valuation specialists appointed by the Group to perform the valuations;
- involved our internal valuation specialists to assist us in assessing the fair values of such acquired assets and liabilities by considering the valuation methodologies adopted and the assumptions used by the Group; and
- assessed the adequacy of the disclosures in the financial statements in respect of these acquisitions.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

關鍵審核事項

Acquisitions of subsidiaries

收購附屬公司

截至2018年12月31日止年度，貴集團進行若干收購事項，包括收購勵德國際教育集團有限公司(「勵德集團」)及若干其他收購，董事將該等收購事項釐定為業務合併。根據與收購勵德集團有關的股份購買協議，貴集團承諾授予賣方出售勵德集團剩餘49%已發行股本的購股權(「認沽期權」)，行使價按預先釐定的公式計算。有關該等收購事項及認沽期權的詳情載於財務報表附註29及33。

該等收購事項對貴集團而言屬重大，且涉及有關認沽期權負債、非控股權益及收購價格分配會計處理的重大判斷及估計。外部估值專家協助管理層釐定可識別資產及負債於收購日期的公平值，當中涉及多項假設。

重大會計判斷及估計相關披露載於財務報表附註3。

關鍵審核事項(續)

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

就我們的審核程序而言，我們已：

- 評價認沽期權及非控股權益的會計處理；
- 自管理層取得與該等收購事項有關的各自協議並檢查收購代價付款是否與該等協議所載的條款一致；
- 評價所收購資產及負債的識別；
- 評估可識別資產及負債以及認沽期權負債相對市場可查閱數據的公平值；
- 評價由貴公司委聘進行估值的外部估值專家的能力及客觀性；
- 邀請我們的內部估值專家協助我們透過考量所採納的估值方法及貴集團所用的假設後評估所收購資產及負債的公平值；及
- 評價財務報表對該等收購事項的披露是否充分。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

載入年報的其他資料

貴公司董事須對其他資料負責。其他資料包括載於年報內的資料，惟不包括綜合財務報表及我們的核數師報告。

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

就我們對綜合財務報表的審核，我們的責任是閱讀其他資料，於過程中考慮其他資料是否與綜合財務報表或我們於審核過程中所了解的情況存在重大不符之處或似乎存在重大錯誤陳述。倘我們根據已履行的工作認為其他資料存在重大錯誤陳述，我們需要就此如實報告。於本方面，我們沒有任何事項需要報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈之國際財務報告準則及香港公司條例的披露規定編製真實且公平的綜合財務報表，並就董事釐定為對編製綜合財務報表不存在由於欺詐或錯誤而導致重大錯誤陳述所必需的內部監控系統負責。

於編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及採用持續經營基準供為會計之用，除非貴公司董事有意將貴集團清盤或停止經營或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團的財務報告程序的責任。

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

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

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

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

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

核數師就審核綜合財務報表承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們的意見的核數師報告。我們僅向閣下(作為整體)提呈報告，且概無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證乃高水平的保證，惟不能保證按照香港審計準則進行審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期它們單獨或滙總起來可能影響此等綜合財務報表使用者依賴此等報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，我們運用了專業判斷，並在整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足及適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控系統之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控系統，以設計適當的審核程序，但目的並非對貴集團內部監控系統的有效性發表意見。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

核數師就審核綜合財務報表承擔的責任(續)

- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師於報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不再持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責集團審核的方向、監督及執行。我們為審核意見承擔全部責任。

我們與審核委員會溝通(其中包括)計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部監控系統的任何重大缺陷。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Mee Kwan, Helena.

Ernst & Young

Certified Public Accountants

Hong Kong

14 March 2019

核數師就審核綜合財務報表承擔的責任(續)

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地認為會影響我們獨立性的所有關係及其他事項以及(如適用)相關防範措施。

與審核委員會溝通的事項中，我們釐定對本期綜合財務報表的審核最為重要的事項，從而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期我們報告中溝通的事項而造成的負面後果超過其所產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人為李美群。

安永會計師事務所

執業會計師

香港

2019年3月14日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2018 截至2018年12月31日止年度

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
REVENUE	收益	5	623,143	477,780
Cost of sales	銷售成本		(289,775)	(199,092)
Gross profit	毛利		333,368	278,688
Other income and gains	其他收入及收益	5	189,884	146,292
Selling and distribution expenses	銷售及分銷開支		(16,794)	(7,783)
Administrative expenses	行政開支		(143,501)	(125,701)
Other expenses, net	其他開支淨額		(835)	(25,222)
Finance costs	融資成本	6	(13,202)	(3,043)
Share of loss of an associate	分佔聯營公司虧損		(644)	(269)
PROFIT BEFORE TAX	除稅前溢利	7	348,276	262,962
Income tax expense	所得稅開支	10	(15,448)	(2,115)
PROFIT FOR THE YEAR	年度溢利		332,828	260,847
Attributable to:	以下應佔：			
Owners of the parent	母公司擁有人		332,839	259,947
Non-controlling interests	非控股權益		(11)	900
			332,828	260,847
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：	12		
Basic	基本		RMB人民幣 0.0828元	RMB人民幣 0.0686元
Diluted	攤薄		RMB人民幣 0.0827元	RMB人民幣 0.0686元

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
 綜合損益及其他全面收益表(續)

Year ended 31 December 2018 截至2018年12月31日止年度

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
PROFIT FOR THE YEAR	年度溢利	332,828	260,847
OTHER COMPREHENSIVE INCOME	其他全面收益		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	可能於期後期間重新分類至損益之其他全面收益：		
Available-for-sale investments:	可供出售投資：		
Change in fair value	公平值變動	-	320
Reclassification adjustments for gains on maturity included in profit or loss	計入損益之到期收益重新分類調整	-	(111)
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	(18,577)	30,886
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	可能於期後期間重新分類至損益的其他全面收益淨額	(18,577)	31,095
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	不會於期後期間重新分類至損益的其他全面收益：		
Equity investments designated at fair value through other comprehensive income:	指定為按公平值計入其他全面收益的股權投資：		
Changes in fair value	公平值變動	(2,070)	-
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	54,973	(60,317)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	不會於期後期間重新分類至損益的其他全面收益淨額	52,903	(60,317)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	年度其他全面收益	34,326	(29,222)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收益總額	367,154	231,625
Total comprehensive income attributable to:	以下應佔全面收益總額：		
Owners of the parent	母公司擁有人	367,165	230,725
Non-controlling interests	非控股權益	(11)	900
		367,154	231,625

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 2018年12月31日

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	2,157,994	1,066,138
Prepaid land lease payments	預付土地租賃款項	14	744,785	330,957
Goodwill	商譽	15	1,685,099	303,937
Other intangible assets	其他無形資產	16	6,257	3,380
Investments in associates	聯營公司投資	17	2,030	36,023
Equity investment at fair value through other comprehensive income	按公平值計入其他全面收益的股權投資	18	6,380	–
Equity investment at fair value through profit or loss	按公平值計入損益的股權投資	18	61,347	–
Available-for-sale investment	可供出售投資	18	–	6,000
Other non-current assets	其他非流動資產	19	382,559	15,500
Total non-current assets	非流動資產總值		5,046,451	1,761,935
CURRENT ASSETS	流動資產			
Inventories	存貨	20	1,381	1,351
Trade receivables	貿易應收款項	21	5,510	807
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	22	62,986	31,784
Available-for-sale investments	可供出售投資	18	–	466,320
Investment deposits	投資存款	18	–	243,370
Cash and bank balances	現金及銀行結餘	23	1,505,820	1,696,278
Restricted bank balances	受限制銀行結餘	23	2,324	20,000
Total current assets	流動資產總值		1,578,021	2,459,910
CURRENT LIABILITIES	流動負債			
Deferred revenue	遞延收益	24	–	321,835
Contract liabilities	合約負債	24	534,097	–
Other payables and accruals	其他應付款項及應計費用	25	697,349	289,809
Deferred income – current	遞延收入 – 即期	28	19,937	17,134
Interest-bearing bank and other borrowings	計息銀行及其他借貸	26	244,635	144,118
Tax payable	應付稅項		11,063	859
Total current liabilities	流動負債總額		1,507,081	773,755
NET CURRENT ASSETS	流動資產淨值		70,940	1,686,155
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		5,117,391	3,448,090

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
綜合財務狀況表(續)

31 December 2018 2018年12月31日

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Deferred income – non-current	遞延收入－非即期	28	282,027	271,407
Interest-bearing bank and other borrowings	計息銀行及其他借貸	26	214,099	30,000
Other long term liability	其他長期負債		310,538	–
Put option liability	認沽期權負債	29	781,332	–
Total non-current liabilities	非流動負債總額		1,587,996	301,407
Net assets	資產淨值		3,529,395	3,146,683
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	30	307	307
Reserves	儲備	32	3,408,101	3,025,378
			3,408,408	3,025,685
Non-controlling interests	非控股權益		120,987	120,998
Total equity	總權益		3,529,395	3,146,683

LI XUECHUN

李學春

Director

董事

LAM NGAI LUNG

林毅龍

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2018 截至2018年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Share capital	Contributed surplus	Capital reserve	Statutory reserve	Share option reserve	Available-for-sale investment revaluation reserve	Retained profits	Exchange fluctuation reserve	Total	Non-controlling interests	Total equity
Notes												
附註		股本	實繳盈餘	資本儲備	法定儲備	購股權儲備	可供出售投資 資重估儲備	留存溢利	外匯波動 儲備	合計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元
		Note 30		Note 32(b)	Note 32(c)	Note 31(iii)						
		附註30		附註32(b)	附註32(c)	附註31(iii)						
At 1 January 2017	於2017年1月1日	209	160,308	-	467,334	-	111	967,240	(24,290)	1,570,912	-	1,570,912
Profit for the year	年度溢利	-	-	-	-	-	-	259,947	-	259,947	900	260,847
Other comprehensive income for the year:	年度其他全面收益：											
Change in fair value of available-for-sale investments	可供出售投資之公平值變動	-	-	-	-	-	320	-	-	320	-	320
Release of reserve upon maturity of available-for-sale investments	於可供出售投資到期時撥回儲備	-	-	-	-	-	(111)	-	-	(111)	-	(111)
Exchange differences related to foreign operations	有關換算海外業務之匯兌差額	-	-	-	-	-	-	-	(29,431)	(29,431)	-	(29,431)
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	-	209	259,947	(29,431)	230,725	900	231,625
Capitalisation of share premium into ordinary shares	股份溢價資本化為普通股	30	28	(28)	-	-	-	-	-	-	-	-
Issue of shares for the Initial Public Offering ("IPO")	就首次公開發售(「首次公開發售」)發行股份	30	70	1,245,683	-	-	-	-	-	1,245,753	-	1,245,753
Share issue expense	股份發行費用	-	-	(28,530)	-	-	-	-	-	(28,530)	-	(28,530)
Contribution from a shareholder	股東注資	-	-	3,525	-	-	-	-	-	3,525	-	3,525
Recognition of share-based payment expenses	確認以股份為基礎的付款的費用	31	-	-	-	3,300	-	-	-	3,300	-	3,300
Acquisition of a subsidiary	收購一家附屬公司	33	-	-	-	-	-	-	-	-	120,098	120,098
Transfer from retained profits	轉撥自留存溢利	-	-	-	78,539	-	-	(78,539)	-	-	-	-
At 31 December 2017	於2017年12月31日	307	160,308*	1,220,650*	545,873*	3,300*	320*	1,148,648*	(53,721)*	3,025,685	120,998	3,146,683

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
綜合權益變動表(續)

Year ended 31 December 2018 截至2018年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔											Total 總權益
		Share capital 股本	Contributed surplus 實收盈餘	Capital reserve 資本儲備	Statutory reserve 法定儲備	Share option reserve 購股權儲備	Available-for-sale investment revaluation reserve 可供出售投資重估儲備	Fair value reserve of financial assets at fair value through other comprehensive income 按公平值計入其他全面收益的金額資產之公平值儲備	Retained profits 留存溢利	Exchange fluctuation reserve 外匯波動儲備	Total 合計	Non-controlling interests 非控股權益	Total 總權益
Notes		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
附註		Note 30 附註30		Note 32(b) 附註32(b)	Note 32(c) 附註32(c)	Note 31(iii) 附註31(iii)							
At 31 December 2017	於2017年12月31日	307	160,308	1,220,650	545,873	3,300	320	-	1,148,648	(53,721)	3,025,685	120,998	3,146,683
Effect of adoption of IFRS 9	採納國際財務報告準則第9號之影響	-	-	-	-	-	(320)	2,450	320	-	2,450	-	2,450
At 1 January 2018 (restated)	於2018年1月1日(經重列)	307	160,308	1,220,650	545,873	3,300	-	2,450	1,148,968	(53,721)	3,028,135	120,998	3,149,133
Profit for the year	年度溢利	-	-	-	-	-	-	-	332,839	-	332,839	(11)	332,828
Other comprehensive income for the year:	年度其他全面收益:												
Change in fair value of an equity investment at fair value through other comprehensive income	按公平值計入其他全面收益的股權投資之公平值變動	-	-	-	-	-	-	(2,070)	-	-	(2,070)	-	(2,070)
Exchange differences related to foreign operations	有關換算海外業務之匯兌差額	-	-	-	-	-	-	-	36,396	36,396	-	-	36,396
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	-	-	(2,070)	332,839	36,396	367,165	(11)	367,154
Recognition of share-based payment expenses	確認以股份為基礎的付款的費用	31	-	-	-	13,108	-	-	-	-	13,108	-	13,108
Transfer from retained profits	轉撥自留存溢利	-	-	-	80,599	-	-	-	(80,599)	-	-	-	-
At 31 December 2018	於2018年12月31日	307	160,308*	1,220,650*	626,472*	16,408*	-*	380*	1,401,208*	(17,325)*	3,408,408	120,987	3,529,395

* These reserve accounts comprise the consolidated reserves of RMB3,408,101,000 in the consolidated statement of financial position as at 31 December 2018 (2017: RMB3,025,378,000).

* 該等儲備賬包括於2018年12月31日的綜合財務狀況表內金額為人民幣3,408,101,000元(2017年: 人民幣3,025,378,000元)的綜合儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2018 截至2018年12月31日止年度

	Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES 經營活動所得現金流量			
Profit before tax 除稅前溢利		348,276	262,962
Adjustments for: 就以下各項調整：			
Finance costs 融資成本	6	13,202	3,043
Share of loss of an associate 分佔聯營公司虧損		644	269
Dividend income from an equity investment at fair value through other comprehensive income/an available-for-sale investment 按公平值計入其他全面收益的股權投資／可供出售投資股息收入	5,7	–	(360)
Investment income from available-for-sale investments and investment deposits 可供出售投資及投資存款的投資收入	5,7	–	(24,693)
Investment income from short-term investments measured at amortised cost and short-term investments measured at fair value through profit or loss 按攤銷成本計量的短期投資及按公平值計入損益計量的短期投資的投資收入	5,7	(15,172)	–
Bank interest income 銀行利息收入	5	(23,228)	(7,789)
Fair value gains on an equity investment at fair value through profit or loss 按公平值計入損益的股權投資的公平值收益	7	(296)	–
Loss on disposal of items of property, plant and equipment, net 處置物業、廠房及設備項目虧損淨額	7	140	1,966
Government grants released 已發放的政府補助	28	(78,358)	(102,956)
Depreciation 折舊	7,13	71,720	47,344
Recognition of prepaid land lease payments 確認預付土地租賃款項	7,14	7,736	2,717
Amortisation of other intangible assets 其他無形資產攤銷	7,16	1,241	1,042
Provision for expected credit losses of trade receivables 貿易應收款項之預期信貸虧損撥備	7	80	–
Provision for expected credit losses of other receivables 其他應收款項之預期信貸虧損撥備	7	47	–
Reversal of impairment of other receivables 其他應收款項減值撥回	7	(500)	–
Provision for equity-settled share option expense 以股權結算的購股權費用撥備	31	13,108	3,300
		338,640	186,845
Decrease/(increase) in inventories 存貨減少／(增加)		122	(55)
Decrease in trade receivables 貿易應收款項減少		551	641
Increase in prepayments, other receivables and other assets 預付款項、其他應收款項及其他資產增加		(4,370)	(4,165)
Increase in long-term prepayments, other receivables and other assets 長期預付款項、其他應收款項及其他資產增加		(2,120)	–
Decrease in other payables and accruals (Decrease)/increase in contract liabilities/deferred revenue 其他應付款項及應計費用減少(減少)／遞延收益增加		(269,392)	(14,399)
Government grants received 已收政府補助	28	72,482	65,984
Decrease in restricted bank deposits 受限制銀行存款減少		17,676	–
Cash generated from operations 經營所得現金		143,688	254,838
Interest received 已收利息		23,228	7,789
Income tax paid 已付所得稅		(5,487)	(1,333)
Net cash flows from operating activities 經營活動所得現金流量淨額		161,429	261,294

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

Year ended 31 December 2018 截至2018年12月31日止年度

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Net cash flows from operating activities	經營活動所得現金流量淨額		161,429	261,294
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動所得現金流量				
Increase in prepayment for acquisition of land use right	就收購土地使用權的預付款項增加		(30,000)	–
Purchase of items of property, plant and equipment	購置物業、廠房及設備項目		(240,862)	(43,634)
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		236	(61)
Additions to other intangible assets	添置其他無形資產	16	(4,118)	(786)
Additions to prepaid land lease payments	預付土地租賃款項增加	14	–	(650)
Acquisition of subsidiaries	收購附屬公司	33	(601,493)	22,727
Purchase of an equity investment at fair value through profit or loss	購買按公平值計入損益的股權投資		(56,376)	–
Purchase of short-term investments measured at fair value through profit or loss	購買按公平值計入損益計量的短期投資		(753,300)	–
Receipt from maturity of short-term investments measured at fair value through profit or loss	按公平值計入損益計量的短期投資到期的收款		1,219,620	–
Dividend income from an equity investment at fair value through other comprehensive income/an available-for-sale investment	按公平值計入其他全面收益的股權投資／可供出售投資股息收入		–	360
Redemption of investment deposits and available-for-sale investments	贖回投資存款及可供出售投資		–	1,998,790
Purchase of investment deposits and available-for-sale investments	購買投資存款及可供出售投資		–	(2,321,790)
Investment income from investment deposits and available-for-sale investments	投資存款及可供出售投資所得投資收入		15,172	24,693
Repayment of a loan to an associate	一間聯營公司償還貸款		–	676
Repayment of a loan to a third party	第三方償還貸款		–	30,000
Advance of a loan to an associate	向一間聯營公司墊付貸款		(10,355)	(15,572)
Net cash flows used in investing activities	投資活動所用現金流量淨額		(461,476)	(305,247)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

Year ended 31 December 2018 截至2018年12月31日止年度

	Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動所得現金流量			
Proceeds from issues of shares on initial public offering and over-allotment option	就首次公開發售及超額配股權發行股份的所得款項	-	1,245,753
Contribution from a shareholder	股東注資	-	3,525
Repayment of loans from related parties	償還關連方貸款	-	(14,073)
Repayment of loans from the ultimate holding company	償還最終控股公司貸款	-	(125,413)
New bank and other borrowings	新增銀行及其他借貸	34,000	-
Increase in other non-current assets	其他非流動資產增加	(3,806)	-
Prepayment for listing expenses	上市開支預付款項	-	(26,029)
Repayment of other loans	償還其他貸款	(137,974)	(34,339)
Interest paid	已付利息	(25,883)	(1,582)
Interest element of finance lease rental payments	融資租賃租金付款的利息部分	(3,863)	-
Capital element of finance lease rental payments	融資租賃租金付款的資本部分	(27,870)	-
Net cash flows (used in)/from financing activities	融資活動(所用)/所得現金流量淨額	(165,396)	1,047,842
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS 現金及現金等價物(減少)/增加淨額			
Cash and cash equivalents at beginning of year	年初現金及現金等價物	1,939,648	964,922
Effect of foreign exchange rate changes, net	匯率變動影響，淨額	31,615	(29,163)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	1,505,820	1,939,648
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS 現金及現金等價物結餘分析			
Cash and bank balances	現金及銀行結餘	23 1,505,820	1,696,278
Investment deposits with original maturity of less than three months when acquired	獲得時原始到期日為三個月以下的投資存款	23 -	243,370
		1,505,820	1,939,648

NOTES TO FINANCIAL STATEMENTS

財務報表附註

1. CORPORATE AND GROUP INFORMATION

Minsheng Education Group Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 December 2005 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in providing educational services in the People’s Republic of China (the “**PRC**”).

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Minsheng Group Company Limited (formerly known as Honest Cheer Investments Limited), which was incorporated in the British Virgin Islands.

1. 公司及集團資料

民生教育集團有限公司(「**本公司**」)於2005年12月13日在開曼群島根據開曼群島法例註冊成立為獲豁免有限公司。本公司註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司為投資控股公司。年內，本公司及其附屬公司(統稱「**本集團**」)主要於中華人民共和國(「**中國**」)提供教育服務。

董事認為本公司之控股公司及最終控股公司為民生集團有限公司(前稱誠悅投資有限公司)(於英屬處女群島註冊成立的有限公司)。

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries

Particulars of the Company's principle subsidiaries are as follows:

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Minsheng Education Company Limited 民生教育有限公司	Cayman Islands 開曼群島	US\$50,000 50,000美元	100%	-	Investment holding 投資控股
Minsheng Vocational Education Company Limited ("Minsheng Vocational") 民生職業教育有限公司(「民生職業教育」)	Cayman Islands 開曼群島	US\$10 10美元	100%	-	Investment holding 投資控股
Minsheng Education Development Company Limited 民生教育發展有限公司	Cayman Islands 開曼群島	US\$50,000 50,000美元	100%	-	Investment holding 投資控股
Leed International Education Group Inc. ("Leed International") ^a 勵德國際教育集團有限公司(「勵德集團」) ^a	Cayman Islands 開曼群島	US\$44,875 44,875美元	-	100%	Investment holding 投資控股
Leed International Education Group (China) Limited ^a 勵德國際教育集團(中國)有限公司 ^a	Hong Kong 香港	US\$1,282 1,282美元	-	100%	Investment holding 投資控股
Chongqing Li'ang Industry Company Limited* 重慶利昂實業有限公司	The PRC/ Mainland China 中國/中國大陸	US\$14,500,000 14,500,000美元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing College of Humanities, Science and Technology* 重慶人文科技學院	The PRC/ Mainland China 中國/中國大陸	RMB55,000,000 人民幣55,000,000元	-	100%	Provision of formal undergraduate and junior college education services 提供正規大學學歷及大專教育服 務

1. 公司及集團資料(續)

有關附屬公司之資料

本公司主要附屬公司的詳情如下所示：

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principle subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Pass College of Chongqing Technology and Business University* 重慶工商大學派斯學院	The PRC/ Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	-	100%	Provision of formal undergraduate and junior college education services 提供正規大學學歷及大專教育服務
Chongqing Vocational College of Applied Technology* 重慶應用技術職業學院	The PRC/ Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	-	100%	Provision of junior college education services 提供大專教育服務
Chongqing Yujinggang Education Investment Company Limited* 重慶渝京港教育投資有限公司	The PRC/ Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	-	100%	Investment in education projects 投資教育項目
Chongqing Hechuan Renwen Hospital Company Limited* 重慶合川人文醫院有限公司	The PRC/ Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	-	100%	Provision of disease diagnosis and treatment services 提供疾病診斷和治療服務
Chongqing Bozhi Education Services Company Limited ("Bozhi Education")* 重慶博智教育服務有限公司(「博智教育」)	The PRC/ Mainland China 中國/中國大陸	US\$9,000,000 9,000,000美元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing Li'ang Education Services Company Limited* 重慶利昂教育服務有限公司	The PRC/ Mainland China 中國/中國大陸	RMB30,000,000 人民幣30,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing Pass Education Services Company Limited* 重慶派斯教育服務有限公司	The PRC/ Mainland China 中國/中國大陸	RMB300,000 人民幣300,000元	-	100%	Provision of university and college logistics services 提供大學及高等院校物流服務

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principle subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Inner Mongolia Fengzhou Vocational College (Qingcheng Branch)* 內蒙古豐州職業學院(青城分院)	The PRC/ Mainland China 中國/中國大陸	RMB4,000,000 人民幣4,000,000元	-	100%	Provision of junior college education services 提供大專教育服務
Chongqing Huizhi Education Services Company Limited ("Chongqing Huizhi")* 重慶匯智教育服務有限公司(「重慶匯智」)	The PRC/ Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	-	100%	Provision of university logistics services 提供大學物流服務
Laoling Minsheng Secondary Vocational School* 樂陵民生職業中等專業學校	The PRC/ Mainland China 中國/中國大陸	RMB30,000,000 人民幣30,000,000元	-	100%	Provision of secondary vocational education and technical training 提供中等職業教育及技術培訓
Chongqing Yugangao Enterprise Management Consultant Company Limited ("Chongqing Yugangao")** 重慶渝港澳企業管理諮詢有限公司(「重慶渝港澳」)#	The PRC/ Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	-	100%	Provision of rental and business management services 提供租賃及業務管理服務
Chongqing Yuecheng Zhiyuan Education Technology Company Limited ("Chongqing Yuecheng")** 重慶悅誠智遠教育科技有限公司(「重慶悅誠」)#	The PRC/ Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing Electronic Information College** 重慶電信職業學院#	The PRC/ Mainland China 中國/中國大陸	RMB183,680,000 人民幣183,680,000元	-	51%	Provision of junior college education services 提供大專教育服務
Chongqing Zhenzhi Real Estate Company Limited** 重慶臻智置業有限公司#	The PRC/ Mainland China 中國/中國大陸	RMB8,000,000 人民幣8,000,000元	-	51%	Real estate development 房地產開發

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principle subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Chongqing Jierui Education Technology Company Limited** 重慶傑睿教育科技有限公司*	The PRC/ Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing Fanyun Education Technology Company Limited** 重慶凡韻教育科技有限公司*	The PRC/ Mainland China 中國/中國大陸	RMB20,000,000 人民幣20,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing Jiehan Education Technology Company Limited** 重慶傑翰教育科技有限公司*	The PRC/ Mainland China 中國/中國大陸	RMB20,000,000 人民幣20,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Shiji Kuangao (Beijing) Investment Management Co., Ltd.** 世紀寬高(北京)投資管理有限公司*	The PRC/ Mainland China 中國/中國大陸	RMB2,000,000 人民幣2,000,000元	-	100%	Provision of investment management and services 提供投資管理及服務
Shouguang Bohai Experimental School** 壽光渤海實驗學校*	The PRC/ Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	-	100%	Provision of junior and high school education 提供初高中教育
Laoling Minsheng Education High School Company Limited** 樂陵民生教育高級中學有限公司*	The PRC/ Mainland China 中國/中國大陸	RMB30,000,000 人民幣30,000,000元	-	100%	Provision of high school education 提供高中學校教育
Leed (China) Education Technology Co., Limited ("Leed (China)")** 勵德(中國)教育科技有限公司(「勵德中國」)^	The PRC/ Mainland China 中國/中國大陸	US\$29,000,000 29,000,000美元	-	100%	Provision of education consulting and management services 提供教育諮詢及管理服務

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principle subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Yunnan Dianchi Education and Training Co., Limited ("Dianchi CO.")** 雲南滇池教育培訓有限公司(「滇池公司」)^	The PRC/ Mainland China 中國/中國大陸	RMB120,000,000 人民幣120,000,000元	-	100%	Provision of education consulting and management services 提供教育諮詢及管理服務
Dianchi College of Yunnan University** 雲南大學滇池學院^	The PRC/ Mainland China 中國/中國大陸	RMB290,183,700 人民幣290,183,700元	-	100%	Provision of formal undergraduate college education services 提供正規本科高校教育服務
Yunnan Dianchi Education Management Co., Limited ** 雲南滇池教育管理有限公司^	The PRC/ Mainland China 中國/中國大陸	RMB100,000,000 人民幣100,000,000元	-	100%	Provision of education consulting and management services 提供教育諮詢及管理服務
Yunnan Dianchi Vocational College Co., Limited** 雲南滇池職業學院有限公司^	The PRC/ Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	-	100%	Provision of education consulting and management services 提供教育諮詢及管理服務
Yunnan Dianjiao Asset Management Co., Limited ("Dianjiao AM Co")^ 雲南滇教資產管理有限公司(「資產管理公司」)^	The PRC/ Mainland China 中國/中國大陸	RMB1,000,000 人民幣1,000,000元	-	100%	Provision of asset management and project investment and management services 提供資產管理及項目投資及管理 服務
Yunnan Leed Education Technology Co., Limited** 雲南勵德教育科技有限公司^	The PRC/ Mainland China 中國/中國大陸	RMB205,078,000 人民幣205,078,000元	-	100%	Provision of education consulting and management services 提供教育諮詢及管理服務

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principle subsidiaries are as follows: (continued)

- * The English names of these companies represent the best effort made by management of the Company to directly translate the Chinese names as they do not register any official English names.
- # These entities are owned through contractual arrangements.
- ^ The Group accounts for the acquisition of the 100% of the shares of these entities as if the remaining 49% of equity interest was acquired on the date of acquisition. Further details of the acquisition are included in note 33 to the financial statements.

Except for Bozhi Education and Leed (China), which were established as wholly-foreign-invested enterprises, all the above PRC companies were established as domestic-invested enterprises.

During the year, the Group acquired Shouguang Bohai Experimental School and Dianchi College of Yunnan University from third parties. Further details of these acquisitions are included in note 33 to the financial statements.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

- * 該等公司的英文名稱為本公司管理層按竭力基準對其中文名稱的直譯，蓋因該等公司並無註冊任何正式英文名稱。
- # 該等實體乃透過合約安排而持有。
- ^ 本集團將收購該等實體的100%股權入賬處理，猶如餘下49%股權於收購日期已予收購。收購事項的進一步詳情載於財務報表附註33。

除了成立為外商獨資企業之博智教育及勵德中國外，上述所有的中國公司均成立為境內投資企業。

於年內，本集團從第三方處收購壽光渤海實驗學校及雲南大學滇池學院。有關該等收購的進一步詳情載於財務報表附註33。

上表所列乃董事認為主要影響本集團年度業績或構成資產淨值絕大部分的本公司附屬公司。董事認為詳列其他附屬公司的資料將會令篇幅過於冗長。

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an equity investment at fair value through other comprehensive income, an equity investment at fair value through profit or loss, loan to an associate included in other non-current assets and certain available-for-sale investments, which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”), and all values are rounded to the nearest thousand except otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

2.1 編製基準

該等財務報表乃根據國際會計準則理事會(「國際會計準則理事會」)頒佈之國際財務報告準則(「國際財務報告準則」)(包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)及香港公司條例之披露規定而編製。除按公平值計入其他全面收益的股權投資、按公平值計入損益的股權投資、計入非流動資產的貸款予聯營公司及若干可供出售投資乃按公平值計量外，該等財務報表乃按歷史成本慣例法編製。該等財務報表均以人民幣(「人民幣」)呈列，除非另有說明，否則所有金額均四捨五入至最接近的千位整數。

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)於截至2018年12月31日止年度的財務報表。附屬公司即由本公司直接或間接控制的實體，包括結構性實體。若本集團可藉對被投資者的參與而獲得或有權獲得浮動回報，則說明本集團對該被投資方具有控制權，且有能力通過其對被投資方的權力(如向本集團給予當前能力指示被投資方有關活動的現有權利)而影響有關回報。

若本公司擁有被投資方一半以下投票權或類似權利(直接或間接地)，則本集團在評估其是否對被投資方擁有權力時將考慮所有相關事實及情況，包括：

- (a) 與被投資方其他投票持有人的合約性安排；
- (b) 因其他合約安排而產生的權利；及
- (c) 本集團的投票權及潛在投票權。

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

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

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

2.1 編製基準(續)

綜合基準(續)

附屬公司的財務報表乃按照與本公司相同的報告期間，採用一致的會計政策予以編製。附屬公司的業績在本集團取得控制之日起綜合入賬，並將繼續綜合入賬，直至該控制不再存在之日為止。

即使導致非控股權益出現赤字結餘，損益及其他全面收益各組成部分歸屬於本集團母公司擁有人及非控股股東。所有集團內公司間的資產及負債、權益、收入、開支及集團內成員公司間交易產生的現金流量於綜合入賬時全面對銷。

倘事實及情況顯示上文所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資方。附屬公司的所有權權益變動(並無失去控制權)，按權益交易入賬。

倘本集團失去一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計換算差額；及確認(i)所收代價的公平值、(ii)所保留任何投資的公平值及(iii)損益賬中任何因此產生的盈餘或虧損。先前於其他全面收益內確認的本集團應佔部分重新分類為損益或留存溢利(如適用)，按照倘若本集團已直接出售相關資產及負債所須採用的相同基準分類。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised standards for the first time for the current year's consolidated financial statements.

IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
<i>Annual Improvements 2014-2016 Cycle</i>	<i>Amendments to IFRS 1 and IAS 28</i>

Other than as further explained below, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

2.2 會計政策變動及披露變動

本集團已就本年度的綜合財務報表首次採納下列新訂及經修訂準則。

國際財務報告準則第9號	金融工具
國際財務報告準則第15號	客戶合約收益
國際財務報告詮釋委員會詮釋第22號	外幣交易及預付代價
國際財務報告準則第2號(修訂本)	以股份為基礎的付款交易的分類及計量
國際財務報告準則第4號(修訂本)	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具
國際財務報告準則第15號(修訂本)	關於國際財務報告準則第15號客戶合約收益的澄清
國際會計準則第40號(修訂本)	投資物業轉讓
2014年至2016年週期的年度改進	國際財務報告準則第1號及國際會計準則第28號的修訂

除下文進一步闡述的影響外，採納上述新訂及經修訂準則並無對該等財務報表造成重大財務影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (a) 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 recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

Classification and measurement

The following information sets out the impacts of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("**ECLs**").

2.2 會計政策變動及披露變動(續)

- (a) 國際財務報告準則第9號金融工具於2018年1月1日或之後開始的年度期間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的所有三個方面：分類及計量、減值及對沖會計。

本集團已於2018年1月1日的適用權益期初結餘中確認過渡調整。因此，比較資料並無予以重列，而是繼續根據國際會計準則第39號呈報。

分類及計量

下列資料載列採納國際財務報告準則第9號對財務狀況表的影響，包括以國際財務報告準則第9號的預期信貸虧損(「**預期信貸虧損**」)取代國際會計準則第39號已產生信貸虧損計算的影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Classification and measurement (continued)

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

2.2 會計政策變動及披露變動(續)

(a) (續)

分類及計量(續)

於2018年1月1日，國際會計準則第39號項下的賬面值與國際財務報告準則第9號項下所呈報的結餘之對賬如下：

	Notes 附註	IAS 39 measurement 國際會計準則第39號計量		Reclassification 重新分類 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	IFRS 9 measurement 國際財務報告準則第9號計量		
		Category 類別	Amount 金額 RMB'000 人民幣千元			Category 類別	Amount 金額 RMB'000 人民幣千元	
Financial assets Available-for sale investments		金融資產 可供出售投資	AFS ¹	472,320	(472,320)	-	N/A 不適用	-
To: Financial assets at fair value through profit or loss	(ii)	轉至：按公平值計入損益的金融資產			466,320	-		
To: Financial assets at fair value through other comprehensive income	(i)	轉至：按公平值計入其他全面收益的金融資產			6,000	-		
Trade receivables	(iii)	貿易應收款項	L&R ²	807	-	-	AC ³	807
Financial assets included in prepayments, other receivables and other assets		計入預付款項、其他應收款項及其他資產的金融資產	L&R	14,313	-	-	AC	14,313
Loan to an associate included in other non-current assets		計入其他非流動資產的提供予聯營公司之貸款	N/A 不適用	-	33,455	-	FVPL ⁴	33,455
From: Loan to an associate included in investments in associates	(ii)	轉自：計入聯營公司投資的提供予聯營公司之貸款			(33,455)	-		
Financial assets at fair value through profit or loss		按公平值計入損益的金融資產	N/A 不適用	-	466,320	-	FVPL ⁴	466,320
From: Available-for-sale investments	(ii)	轉自：可供出售投資			(466,320)	-		
Financial assets at fair value through other comprehensive income		按公平值計入其他全面收益的金融資產	N/A 不適用	-	6,000	2,450	FVOCI ⁵	8,450
From: Available-for-sale investment	(i)	轉自：可供出售投資			(6,000)	-		
Investment deposits		投資存款	L&R	243,370	-	-	AC	243,370
Cash and bank balances		現金及銀行結餘	L&R	1,696,278	-	-	AC	1,696,278
Restricted bank balances		受限制銀行結餘	L&R	20,000	-	-	AC	20,000
				2,447,088	33,455	2,450		2,482,993
Other assets Loan to an associate included in investments in associates		其他資產 計入聯營公司投資的提供予聯營公司之貸款	N/A 不適用	33,455	(33,455)	-	N/A 不適用	-
To: Loan to an associate included in other non-current assets	(ii)	轉至：計入其他非流動資產的提供予聯營公司之貸款			33,455	-		
				33,455	(33,455)	-		-
Total assets		總資產		2,480,543	-	2,450		2,482,993

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Classification and measurement (continued)

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows: (continued)

	IAS 39 measurement 國際會計準則第39號計量			IFRS 9 measurement 國際財務報告準則第9號計量	
	Category 類別	Amount 金額 RMB'000 人民幣千元	Reclassification 重新分類 RMB'000 人民幣千元	Category 類別	Amount 金額 RMB'000 人民幣千元
Financial liabilities	金融負債				
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	AC 262,590	-	AC	262,590
Interest-bearing bank and other borrowings	計息銀行及其他借貸	AC 174,118	-	AC	174,118
		436,708	-		436,708

- ¹ AFS: Available-for-sale investments
² L&R: Loans and receivables
³ AC: Financial assets or financial liabilities at amortised cost
⁴ FVPL: Financial assets at fair value through profit or loss
⁵ FVOCI: Financial assets at fair value through other comprehensive income

Notes:

- (i) The Group has elected the option to irrevocably designate certain of its previous available-for-sale equity investments as equity investments at fair value through other comprehensive income.
- (ii) The Group has classified its unlisted investments previously classified as available-for-sale investments and loan to an associate included in investments in associates as financial assets measured at fair value through profit or loss as these non-equity investments did not pass the contractual cash flow characteristics test in IFRS 9.
- (iii) The gross carrying amounts of the trade receivables under the column "IAS 39 measurement – Amount" represent the amounts before the measurement of ECLs.

2.2 會計政策變動及披露變動(續)

(a) (續)

分類及計量(續)

於2018年1月1日，國際會計準則第39號項下的賬面值與國際財務報告準則第9號項下所呈報的結餘之對賬如下：
(續)

- ¹ AFS: 可供出售投資
² L&R: 貸款及應收款項
³ AC: 按攤銷成本計量的金融資產或金融負債
⁴ FVPL: 按公平值計入損益的金融資產
⁵ FVOCI: 按公平值計入其他全面收益的金融資產

附註：

- (i) 本集團選擇將部分先前分類為可供出售的股權投資不可撤銷地指定為按公平值計入其他全面收益的股權投資。
- (ii) 本集團將先前分類為可供出售投資及計入聯營公司投資的提供予聯營公司之貸款的非上市投資分類為按公平值計入損益計量的金融資產，原因為該等非股權投資未能通過國際財務報告準則第9號內的合約現金流量特徵測試
- (iii) 「國際會計準則第39號計量－金額」欄下的貿易應收款項賬面總值指計量預期信貸虧損前的金額。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Impairment

The following table reconciles the aggregate opening impairment allowances under IAS 39 to the ECL allowances under IFRS 9. Further details are disclosed in note 22 to the financial statements.

	Impairment allowances under IAS 39 as 31 December 2017	Re-measurement	ECL allowances under IFRS 9 at 1 January 2018
	於2017年12月31日 根據國際會計準則 第39號的減值撥備	重新計量	於2018年1月1日 根據國際財務報告 準則第9號的預期 信貸虧損撥備
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables	-	-	-
Financial assets included in prepayments, other receivables and other assets	736	-	736
	736	-	736

Hedge accounting

The adoption of hedge accounting requirement of IFRS 9 has no impact on the Group's consolidated financial statements, as the Group does not have any hedge instrument.

2.2 會計政策變動及披露變動(續)

(a) (續)

減值

下表將根據國際會計準則第39號的期初減值撥備總額與根據國際財務報告準則第9號的預期信貸虧損撥備對賬。進一步詳情於財務報表附註22披露。

對沖會計

採納國際財務報告準則第9號的對沖會計規定對本集團的綜合財務報表並無影響，蓋因本集團並無任何對沖工具。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Impact on reserves and retained profits

The impact of transition to IFRS 9 on reserves and retained profits is as follows:

2.2 會計政策變動及披露變動(續)

(a) (續)

對儲備及留存溢利的影響

過渡至國際財務報告準則第9號對儲備及留存溢利的影響如下：

		Reserves and retained profits 儲備及 留存溢利 RMB'000 人民幣千元
Fair value reserve under IFRS 9 (available-for-sale investment revaluation reserve under IAS 39)	國際財務報告準則第9號項下的公平值儲備(國際會計準則第39號項下的可供出售投資重估儲備)	
Balance as at 31 December 2017 under IAS 39	根據國際會計準則第39號於2017年12月31日的結餘	320
Reclassification of financial assets from available-for-sale investments to financial assets at fair value through profit or loss	將金融資產由可供出售投資重新分類為按公平值計入損益的金融資產	(320)
Balance as at 1 January 2018 under IFRS 9	根據國際財務報告準則第9號於2018年1月1日的結餘	-
Retained profits	留存溢利	
Balance as at 31 December 2017 under IAS 39	根據國際會計準則第39號於2017年12月31日的結餘	1,148,648
Reclassification of available-for-sale investments to financial assets at fair value through profits or loss	將可供出售投資重新分類為按公平值計入損益的金融資產	320
Balance as at 1 January 2018 under IFRS 9	根據國際財務報告準則第9號於2018年1月1日的結餘	1,148,968

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Impact on reserves and retained profits (continued)

The impact of transition to IFRS 9 on reserves and retained profits is as follows: (continued)

2.2 會計政策變動及披露變動(續)

(a) (續)

對儲備及留存溢利的影響(續)

過渡至國際財務報告準則第9號對儲備及留存溢利的影響如下:(續)

		Reserves and retained profits 儲備及 留存溢利 RMB'000 人民幣千元
Fair value reserve of financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產公平值儲備	
Balance as at 31 December 2017 under IAS 39	根據國際會計準則第39號於2017年12月31日的結餘	-
Reclassification of financial assets from available-for-sale investments to financial assets at fair value through other comprehensive income	將金融資產由可供出售投資重新分類為按公平值計入其他全面收益的金融資產	2,450
Balance as at 1 January 2018 under IFRS 9	根據國際財務報告準則第9號於2018年1月1日的結餘	2,450

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) IFRS 15 and its amendments replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in notes 3 and 5 to the financial statements. As a result of the application of IFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

The cumulative effect of the initial application of IFRS 15 was recognised as an adjustment to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 18 and related interpretations.

2.2 會計政策變動及披露變動(續)

(b) 國際財務報告準則第15號及其修訂本代替國際會計準則第11號建築合約、國際會計準則第18號收益及相關詮釋，除少數例外情況外，其適用於所有與客戶合約產生的收益。國際財務報告準則第15號制定一個新的五步模式，將自客戶合約產生的收益入賬。根據國際財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加系統化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。有關披露載於財務報表附註3及5。由於應用國際財務報告準則第15號，本集團於財務報表附註2.4就收益確認相關會計政策作出變動。

本集團採用經修改追溯應用法採納國際財務報告準則第15號。根據該方法，該準則可應用至初始應用日期的所有合約或僅應用至於此日期尚未完成的合約。本集團選擇應用該準則至2018年1月1日尚未完成的合約。

初始應用國際財務報告準則第15號的累計影響已於2018年1月1日確認為對留存溢利期初餘額的調整。因此，比較資料未予重列，且仍根據國際會計準則第18號及相關詮釋進行列報。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2018 as a result of the adoption of IFRS 15:

2.2 會計政策變動及披露變動(續)

(b) (續)

下文所載為採納國際財務報告準則第15號對於2018年1月1日之各財務報表項目之影響金額：

		Note 附註	Increase/ (decrease) 增加/(減少) RMB'000 人民幣千元
Liabilities	負債		
Deferred revenue	遞延收益	24	(321,835)
Contract liabilities	合約負債	24	321,835
Total liabilities	負債總額		–

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

Set out below are the amounts by which each financial statement line item was affected as at 31 December 2018 and for the year ended 31 December 2018 as a result of the adoption of IFRS 15. The adoption of IFRS 15 has had no impact on other comprehensive income or on the Group's operating, investing and financing cash flows.

Consolidated statement of financial position as at 31 December 2018:

2.2 會計政策變動及披露變動(續)

(b) (續)

下文所載為採納國際財務報告準則第15號對於2018年12月31日及截至2018年12月31日止年度之各財務報表項目之影響金額。採納國際財務報告準則第15號對其他全面收益或本集團之經營、投資及融資現金流量並無影響。

於2018年12月31日的綜合財務狀況表：

			Amounts prepared under 根據以下國際財務報告 準則編製的金額		Increase/ (decrease) 增加/(減少)
	Note 附註	IFRS 15 國際財務報告 準則第15號	Previous IFRS 先前採納的 國際財務報告 準則		
		RMB'000 人民幣千元	RMB'000 人民幣千元		RMB'000 人民幣千元
Deferred revenue	遞延收益	24	–	534,097	(534,097)
Contract liabilities	合約負債	24	534,097	–	534,097
Total liabilities	負債總額		534,097	534,097	–

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

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

Amendments to IFRS 3	<i>Definition of a Business</i> ²
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 16	<i>Leases</i> ¹
IFRS 17	<i>Insurance Contracts</i> ³
Amendments to IAS 1 and IAS 8	<i>Definition of Materiality</i> ²
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ¹
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 ¹

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈惟未有生效之國際財務報告準則

本集團於該等財務報表中並未採用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號 (修訂本)	業務的定義 ²
國際財務報告準則第9號 (修訂本)	具有負補償之提前還款特性 ¹
國際財務報告準則第10號 及國際會計準則第28號 (修訂本)	投資者與其聯營公司或合營企業之間的資產出售或出資 ⁴
國際財務報告準則第16號	租賃 ¹
國際財務報告準則第17號	保險合約 ³
國際會計準則第1號及 國際會計準則第8號 (修訂本)	重大的定義 ²
國際會計準則第19號 (修訂本)	計劃修訂、縮減或結算 ¹
國際會計準則第28號 (修訂本)	於聯營公司及合營企業的長期權益 ¹
國際財務報告詮釋委員會 詮釋第23號	所得稅處理的不確定性 ¹
2015年至2017年週期之 年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號之修訂 ¹

- ¹ 於2019年1月1日或之後開始的年度期間生效
- ² 於2020年1月1日或之後開始的年度期間生效
- ³ 於2021年1月1日或之後開始的年度期間生效
- ⁴ 尚未確定強制生效日期但可供採納

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

預期本集團適用的該等國際財務報告準則的進一步資料如下：

國際財務報告準則第3號修訂本澄清及提供有關業務定義的額外指引。該等修訂闡明，一組綜合活動及資產須至少包括一項輸入參數與一個重要過程共同對創造收益的能力作出重大貢獻，方能被視為一項業務。在並未包含所有創造收益的輸入參數及過程的情況下，業務亦可存在。該等修訂取消對市場參與者是否具備能力收購業務並持續產生收益進行的評估，相反，重點放在已取得輸入參數及已取得重要過程能否共同對創造收益的能力作出重大貢獻。該等修訂亦縮窄收益的定義，以聚焦於向客戶提供的貨品或服務、投資收入或來自日常活動的其他收入。此外，該等修訂提供有關評估已取得過程是否屬重大的指引，並引入選擇性公平值集中度測試，允許對一組已收購活動及資產是否屬一項業務進行簡單評估。本集團預期於2020年1月1日起按前瞻基準採納該等修訂。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

國際財務報告準則第10號及國際會計準則第28號的修訂本涉及國際財務報告準則第10號與國際會計準則第28號之間對於處理投資者與其聯營公司或合營企業間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。倘交易涉及不構成一項業務的資產，則由該交易產生的收益或虧損於投資者的損益中確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂將按前瞻基準應用。國際財務報告準則第10號及國際會計準則第28號修訂本的原強制生效日期於2016年1月已由國際會計準則理事會剔除，而新的強制生效日期將於完成對聯營公司及合營企業的更廣泛會計審閱後釐定。然而，該等修訂現時可供採納。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

IFRS 16, replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17.

Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會詮釋第4號釐定安排是否包含租賃、常設詮釋委員會詮釋第15號經營租賃－優惠及常設詮釋委員會詮釋第27號評估涉及租賃法律形式之交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括就租賃向承租人提供兩項選擇性確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租期內作出租金付款為負債(即租賃負債)及反映於租期內可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合國際會計準則第40號有關投資物業的定義，或有使用權資產與一組物業、廠房及設備類別有關(在此情況下將應用重估模式)，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債將於其後增加，以反映租賃負債的利息；以及減少以反映租金付款。承租人將須個別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦須於若干事件發生(例如租賃期變更或因用於釐定租金付款的一項指數或費率變更而引致未來租金付款變更)時重新計量租賃負債。承租人一般將租賃負債的重新計量金額確認為有使用權資產之調整。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。

出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。國際財務報告準則第16號要求承租人及出租人作出較國際會計準則第17號所要求的更詳細披露。承租人可選擇使用全面追溯或經修改的追溯應用方式應用該準則。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. IFRS 16 is not expected to have material impact on the Group's financial statements.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

本集團將由2019年1月1日起採納國際財務報告準則第16號。本集團計劃採納國際財務報告準則第16號的過渡性安排，以確認初步採納的累計影響為於2019年1月1日留存溢利期初結餘之調整，並將不會重列比較數字。此外，本集團計劃將新規定應用於先前應用國際會計準則第17號識別為租賃的合約，並按餘下租金付款使用本集團於初次應用日期的增量借款利率貼現之現值計量租賃負債。有使用權資產將按租賃負債金額計量，且經有關租賃的任何預付或應計租金付款調整，而該等款項於緊接初次應用日期前於財務狀況表中確認。本集團計劃對租賃期於初次應用日期12個月內結束的租賃合約使用準則所允許之豁免。於2018年，本集團已就採納國際財務報告準則第16號的影響進行詳細的評估。預期國際財務報告準則第16號不會對本集團的財務報表造成重大影響。

國際會計準則第1號及國際會計準則第8號對重大提供新定義。新定義指出，倘遺漏、錯誤陳述或掩蓋資料可合理地預期會對一般用途財務報表的主要使用者根據該等財務報表作出的決策造成影響，則有關資料屬重大。該等修訂闡明，重大與否將視乎資料性質或程度而定。倘錯誤陳述資料可合理地預期會對主要使用者作出的決策造成影響，則其屬重大。本集團預期由2020年1月1日起按前瞻基準採納該等修訂。預期該等修訂將不會對本集團的財務報表造成任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

國際會計準則第28號的修訂澄清國際財務報告準則第9號的剔除範圍僅包括應用權益法的於聯營公司或合營企業的權益，而不包括實質上構成於聯營公司或合營企業投資淨額一部分而並無應用權益法的長期權益。因此，實體在對該等長期權益入賬時應用國際財務報告準則第9號，包括國際財務報告準則第9號項下的減值規定，而非國際會計準則第28號。僅當確認聯營公司或合營企業虧損及於聯營公司或合營企業投資淨額的減值時，國際會計準則第28號方會應用於該投資淨額，其中包括長期權益。本集團預期於2019年1月1日採納該等修訂，並將使用修訂中的過渡規定基於2019年1月1日存在的事實及情況評估該等長期權益的業務模式。本集團亦擬於採納該等修訂時應用重列過往期間比較資料之豁免。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

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

2.3 已頒佈惟未有生效之國際財務報告準則(續)

國際財務報告詮釋委員會詮釋第23號闡述稅務處理涉及影響國際會計準則第12號應用的不確定性(通常稱為「**不確定稅務狀況**」)時所得稅(即期及遞延)的會計處理。該詮釋不適用於國際會計準則第12號範圍以外的稅項或徵費，亦無具體規定與不確定稅務處理相關的利息及罰款。該詮釋具體說明：(i)實體有否單獨考慮不確定稅務處理；(ii)實體就稅務機關審查稅務處理作出的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況的變化。該詮釋將追溯應用，即在毋須事後確認情況下全面追溯應用，或在應用累計影響作為初步應用當日期初權益的調整情況下追溯應用，而不重列比較資料。本集團預期於2019年1月1日起採納該詮釋。預期該詮釋不會對本集團的財務報表造成任何重大影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Investments in associates***

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

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

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

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 主要會計政策概要***於聯營公司的投資***

聯營公司指本集團一般持有不少於20%投票權的長期權益而對其有重大影響力的實體。重大影響力為可參與被投資方的財政及營運政策決定，但不可控制或共同控制該等政策。

本集團於聯營公司的投資，是採用權益會計法按本集團所佔資產淨值減任何減值損失於綜合財務狀況表列賬。

本集團所佔聯營公司的收購後業績及其他全面收益分別計入綜合損益及綜合其他全面收益。此外，若於聯營公司的權益有任何直接確認的變動，本集團會於綜合權益變動表內確認任何應佔變動（如適用）。本集團與聯營公司之間交易所產生的未變現收益及虧損，均以本集團於聯營公司的投資為限予以抵銷，除非未變現虧損是基於所轉讓資產的減值。

倘於聯營公司的投資成為於合營企業的投資（反之亦然），則保留權益不會重新計量，而該投資會繼續以權益法入賬。在所有其他情況下，失去聯營公司的重大影響後，本集團會按其公平值計量及確認任何保留投資。失去重大影響後，聯營公司賬面值與保留投資公平值及出售所得款項之間的差異於損益確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

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

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽

業務合併以購買法入賬。轉讓的代價乃以收購日期的公平值計量，該公平值為本集團所轉讓資產、本集團自被收購方的前擁有人承擔的負債及本集團發行以換取被收購方控制權的股權於收購日期的公平值的總和。於各項業務合併中，本集團選擇按公平值或分佔被收購方可識別淨資產的比例計量非控股權益中屬於現有所有權權益並賦予其持有人權利在清盤時按比例分佔淨資產的被收購方的部分。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時支銷。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟狀況及相關條件，評估所承擔的金融資產及負債，以作出適當分類及標示，包括區分被收購方所訂立的主合約中的嵌入式衍生工具。

倘業務合併分階段進行，先前持有的股權按其於收購日期的公平值重新計量，而任何因此產生的盈虧於損益確認。

由收購方將予轉讓的任何或然代價按於收購日期的公平值確認。分類為資產或負債的或然代價按公平值計量，而公平值變動乃於損益確認。分類為權益的或然代價將不會重新計量，而其後結算會於權益入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

商譽首先按成本計量，即已轉讓代價、已確認的非控股權益金額及本集團先前所持有被收購方股權的任何公平值的總和，超逾所收購可識別淨資產及所承擔負債的差額。倘此代價及其他項目的總和低於所收購淨資產的公平值，則其差額將於重新評估後於損益內確認為議價收購收益。

首次確認後，商譽按成本減任何累計減值虧損計量。商譽每年會作減值測試，倘有事件或情況變化顯示賬面值可能減值，則會更頻密地進行測試。本集團於12月31日對商譽進行年度減值測試。為進行減值測試，本集團將於業務合併中收購的商譽由收購日期起分配至預期可從合併產生的協同效益中獲益的各現金產生單位或現金產生單位組別，而不論本集團其他資產或負債有否分配至該等單位或組別。

減值乃通過評估商譽所屬的現金產生單位(現金產生單位組別)的可收回金額而釐定。倘現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。就商譽所確認的減值虧損不會於其後期間撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

Fair value measurement

The Group measures an equity investment designated at FVOCI, equity investment at fair value through profit or loss and loan to an associate included in other non-current assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

倘商譽分配至現金產生單位(或現金產生單位組別)，而該單位當中部分業務被出售，則於釐定出售損益時，與所出售業務有關的商譽會計入該業務的賬面值。於該等情況售出的商譽乃按出售業務的相對價值及現金產生單位的保留部分計量。

公平值計量

本集團於各報告期末以公平值計量指定按公平值計入其他全面收益的股權投資、按公平值計入損益的股權投資及計入其他非流動資產的提供予聯營公司之貸款。公平值乃市場參與者於計量日期進行的有序交易中出售資產所收取或轉讓負債所支付的價格。公平值乃假設出售資產或轉讓負債的交易於該資產或負債的主要市場(或倘無主要市場，則為對該資產或負債最有利的市場)進行而計量。本集團必須可於該主要市場或最有利市場進行交易。資產或負債的公平值乃採用市場參與者為資產或負債定價時所用的假設計量，並假設市場參與者按本身最佳經濟利益行事。

非金融資產的公平值計量，會衡量市場參與者最大程度及最佳使用該資產得到經濟利益的能力，或將該資產售予另一可最大程度及最佳使用該資產的市場參與者而獲得經濟利益的能力。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.4 主要會計政策概要(續)

公平值計量(續)

本集團採用在有關情況下屬適當的估值技術，且有充足數據可計量公平值、盡量使用相關可觀察資料同時盡量避免使用不可觀察資料。

所有於財務報表中計量或披露公平值的資產及負債，按對公平值計量整體重要的最低水平參數分類為下述的公平值級別：

- 第1級 – 按相同資產或負債於活躍市場的報價(未經調整)
- 第2級 – 基於一種估值方法而其最低水平參數對公平值計量有重要性且可以直接或間接觀察者
- 第3級 – 基於一種估值方法而其最低水平參數對公平值計量有重要性且不可以觀察者

在財務報表重複確認的資產及負債，本集團於各報告期末重新衡量分類，以釐定公平值等級(以對公平值計量整體重要的最低水平參數作準)有否轉變。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

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

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

2.4 主要會計政策概要(續)

非金融資產減值

當資產(存貨及金融資產除外)存在減值跡象或須對資產進行年度減值測試時，會估計資產的可收回金額。資產的可收回金額是指資產或現金產生單位的使用價值與其公平值減出售成本兩者之中的較高者，並會就個別資產釐定，除非該資產並非很大程度上獨立於其他資產或資產組別而產生現金流入，則可收回金額按資產所屬現金產生單位釐定。

僅當資產的賬面值超過其可收回金額時方會確認減值虧損。評估使用價值時，以反映當前市場評定的貨幣時間價值與資產特有風險的稅前貼現率將估計未來現金流量貼現為現值。減值虧損於產生期間自損益中扣除，列入與該已減值資產的功能一致的同類開支。

在各報告期間結束時均會評估是否有跡象顯示之前確認的減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就該資產確認的減值虧損(商譽除外)方可撥回，但撥回後的數額不得高於假設以往年度並無就資產確認減值虧損而原應釐定的賬面值(已扣除任何折舊/攤銷)。該減值虧損的撥回於產生期間計入損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);

2.4 主要會計政策概要(續)

關連方

倘任何一方符合以下條件，則被視為與本集團有關連：

- (a) 倘該方屬以下一方或以下一方的家庭近親成員，且
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘該方為符合下列任何條件的實體：
- (i) 該實體與本集團為同一集團的成員；
 - (ii) 一個實體為另一個實體(或為另一個實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營企業；
 - (iii) 該實體與本集團均為同一第三方的合營企業；
 - (iv) 一個實體為第三方實體的合營企業，而另一個實體為該第三方實體的聯營公司；
 - (v) 該實體是以本集團或本集團關聯實體的僱員為受益人的離職後福利計劃；
 - (vi) 該實體受(a)項所指人士控制或共同控制；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies: (continued)

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

2.4 主要會計政策概要(續)

關連方(續)

(b) 倘該方為符合下列任何條件的實體:(續)

(vii) (a)(i)項所指人士對該實體有重大影響力或為該實體(或該實體母公司)的主要管理層成員;及

(viii) 該實體或該實體所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

物業、廠房及設備與折舊

物業、廠房及設備(在建項目除外)按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及使該資產達致其擬定用途的運作狀況及地點而所佔的任何直接成本。

物業、廠房及設備項目投產後產生的維修及保養等開支,一般於產生期間於損益中扣除。於符合確認準則的情況下,大型檢測開支乃資本化作為替代資產的賬面值。倘物業、廠房及設備之重要部分須定期更換,則本集團確認該等部分為具特定使用年期之個別資產並相應計提折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

Buildings	1.9% to 10%
Motor vehicles	9.5% to 23.8%
Furniture and equipment	9.5% to 31.7%
Computer equipment	11.9% to 31.7%

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

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

Construction in progress mainly represents buildings under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

折舊以直線法計算，按每項物業、廠房及設備項目之估計使用年期撇銷其成本至其剩餘價值。就此採用的主要年率如下：

樓宇	1.9%至10%
汽車	9.5%至23.8%
傢私及設備	9.5%至31.7%
電腦設備	11.9%至31.7%

倘其中一項物業、廠房及設備項目的不同部分的使用年期不同，則該項目的成本按合理基準分配至各部分，而各部分會單獨計提折舊。剩餘價值、使用年期及折舊方法至少於各財政年度結算日進行檢討，如認為適當即調整。

初步確認的物業、廠房及設備項目(包括任何重要部分)於出售或預期使用或出售不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益確認的任何出售或報廢盈虧，乃有關資產出售所得款項淨額與賬面值的差額。

在建工程主要包括在動工的樓宇，按成本值減任何減值虧損列賬且不予折舊。成本值包括建築的直接成本。在建工程在完成及可使用時重新歸類至適當類別的物業、廠房及設備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

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

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 to 10 years.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

個別收購的無形資產於初步確認時按成本計量。業務合併之中收購無形資產的成本乃該資產於收購日期的公平值。無形資產的可使用年期評估為有限或無限。可使用年期有限的無形資產隨後於可使用經濟年限內攤銷，並在有跡象顯示無形資產可能出現減值時評估減值。可使用年期有限的無形資產的攤銷期及攤銷方法至少於各財政年度結算日進行檢討。

電腦軟件

已購買的電腦軟件按成本減任何減值虧損列賬，並以直線法在5至10年的估計可使用年期内攤銷。

租賃

凡資產擁有權(法定業權除外)的絕大部分回報與風險撥歸本集團之租賃，均列為融資租賃。於融資租賃訂立時，租賃資產的成本按最低租金付款的現值資本化，並連同債項(不包括利息部分)一併列賬，藉以反映購買及融資情況。以資本化的融資租賃持有的資產納入物業、廠房及設備內，並按資產的租賃年期及估計可使用年期兩者中的較短者折舊。該等租賃的融資成本於損益表內扣除，以於租賃年期内反映恒定的支出比率。

透過具融資性質的租購合約取得的資產按融資租賃入賬，惟有關資產乃按其估計可使用年期予以折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

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

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

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

2.4 主要會計政策概要(續)

租賃(續)

倘資產所有權的絕大部分回報及風險仍由出租人承擔，則租賃作為經營租賃入賬。倘本集團為出租人，本集團根據經營租賃租出的資產計入非流動資產，根據經營租賃應收的租金按租期以直線法計入損益。倘本集團為承租人，根據經營租賃應付的租金(已扣除自出租人獲得的任何優惠)按租期以直線法自損益扣除。

經營租賃的預付土地租賃款項最初按成本列賬，其後按租期以直線法確認。

投資及其他金融資產(國際財務報告準則第9號下自2018年1月1日起適用的政策)

初始確認及計量

金融資產於初始確認時歸類為其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

2.4 主要會計政策概要(續)

投資及其他金融資產(國際財務報告準則第9號下自2018年1月1日起適用的政策)(續)

初始確認及計量(續)

於初始確認時，金融資產分類取決於金融資產的合約現金流量特性及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用不調整重大融資成分影響的可行權宜方法的貿易應收款項外，本集團初步按公平值加上(倘金融資產並非按公平值計入損益處理)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項按下文所載有關「收益確認(自2018年1月1日起適用)」的政策根據國際財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息(「純粹為支付本金及利息」)的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。

金融資產的所有常規買賣於交易日(即本集團承諾購買或出售該資產之日)確認。常規買賣指需要在一般由法規或市場慣例確定的期間交付資產的金融資產買賣。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2.4 主要會計政策概要(續)

投資及其他金融資產(國際財務報告準則第9號下自2018年1月1日起適用的政策)(續)

後續計量

金融資產的後續計量視乎其分類而定，載列如下：

按攤銷成本計量的金融資產(債務工具)

倘同時滿足以下條件，本集團將按攤銷成本計量金融資產：

- 金融資產乃於旨在持有金融資產以收取合約現金流量的業務模式中持有。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(國際財務報告準則第9號下自2018年1月1日起適用的政策)(續)

後續計量(續)

按公平值計入其他全面收益的金融資產(債務工具)

倘同時滿足以下條件，本集團將按公平值計入其他全面收益計量債務投資：

- 金融資產乃於旨在持有金融資產以收取合約現金流量及出售金融資產的業務模式中持有。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

就按公平值計入其他全面收益的債務投資而言，利息收入、外匯重估及減值虧損或撥回於損益中確認，並按與按攤銷成本計量之金融資產相同的方式計算。其餘公平值變動於其他全面收益中確認。於終止確認時，於其他全面收益中確認的累計公平值變動將重新計入損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要(續)

投資及其他金融資產(國際財務報告準則第9號下自2018年1月1日起適用的政策)(續)

後續計量(續)

指定按公平值計入其他全面收益的金融資產(股權投資)

於初始確認時，本集團可選擇於股權投資符合國際會計準則第32號金融工具：呈報項下的股本定義且並非持作買賣時，將其股權投資不可撤回地分類為指定按公平值計入其他全面收益的股權投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會重新計入損益。當支付權已確立、與股息有關的經濟利益可能流入本集團及能可靠計量股息金額時，股息於損益確認為其他收入，惟當本集團於作為收回金融資產部分成本的所得款項中獲益時則除外，在此情況下，該等收益於其他全面收益入賬。指定按公平值計入其他全面收益的股權投資不受減值評估影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss and other comprehensive income.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要(續)

投資及其他金融資產(國際財務報告準則第9號下自2018年1月1日起適用的政策)(續)

後續計量(續)

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣的金融資產、於初始確認時指定為按公平值計入損益的金融資產或強制要求按公平值計量的金融資產。倘收購金融資產旨在於短期內出售或購回，則有關金融資產將分類為持作買賣。除非衍生工具(包括獨立嵌入式衍生工具)被指定為實際對沖工具，否則亦會分類為持作買賣。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均以按公平值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收益分類，但倘能夠消除或顯著減少會計錯配，則債務工具可於初始確認時指定為按公平值計入損益。

按公平值計入損益的金融資產於財務狀況表中按公平值列賬，而公平值變動淨額則於損益及其他全面收益表中確認。

此類別包括本集團未有不可撤回地選擇按公平值計入其他全面收益進行分類的股權投資。當支付權已確立、與股息有關的經濟利益可能流入本集團及能可靠計量股息金額時，作為按公平值計入損益的金融資產分類的股權投資的股息亦於損益確認為其他收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(國際財務報告準則第9號下自2018年1月1日起適用的政策)(續)

後續計量(續)

按公平值計入損益的金融資產(續)

當嵌入混合合約(包含金融負債或非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險;具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義;且混合合約並非按公平值計入損益計量,則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量,且公平值變動於損益確認。僅當合約條款出現變更致使必須大幅修改現金流量,或重新分類金融資產而使其不再是按公平值計入損益處理的金融資產時,方會進行重新評估。

嵌入混合合約(包含金融資產主體)的衍生工具不予單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公平值計入損益的金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables and available-for-sale financial investments. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

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

Subsequent measurement

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

Loans and receivables

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

2.4 主要會計政策概要(續)

投資及其他金融資產(國際會計準則第39號下於2018年1月1日前適用的政策)

初始確認及計量

金融資產於初始確認時歸類為貸款及應收款項以及可供出售金融投資。金融資產初始確認時，以公平值加收購金融資產應佔的交易成本計量。

金融資產的所有常規買賣於交易日(即本集團承諾購買或出售該資產之日)確認。常規買賣指需要在一般由法規或市場慣例確定的期間交付資產的金融資產買賣。

後續計量

金融資產的後續計量視乎其分類而定，載列如下：

貸款及應收款項

貸款及應收款項指有固定或可確定付款且在活躍市場上並無報價的非衍生金融資產。初始計量後，該等資產隨後採用實際利率法以攤銷成本扣減任何減值撥備計量。計算攤銷成本時，考慮收購的任何折讓或溢價，包括實際利率所包含的費用或成本。實際利率攤銷計入損益及其他全面收益表的其他收入及收益。減值虧損在損益及其他全面收益表的其他開支確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Available-for-sale financial investments

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

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss and other comprehensive income in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss and other comprehensive income in other income and gains or other expenses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss and other comprehensive income as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

2.4 主要會計政策概要(續)

投資及其他金融資產(國際會計準則第39號下於2018年1月1日前適用的政策)(續)

後續計量(續)

可供出售金融投資

可供出售金融投資指非上市股權投資及銀行理財產品中的非衍生金融資產。分類為可供出售的股權投資指既未分類為持作買賣亦未指定按公平值計入損益的股權投資。該類別中的銀行理財產品指擬在不確定期限內持有且可能應流動資金需求或市場狀況變化而出售的銀行理財產品。

經初始確認後，可供出售金融投資其後按公平值計量，其未變現收益或虧損將作為其他全面收益在可供出售投資重估儲備之中確認，直至該投資終止確認(屆時累計收益或虧損確認為損益及其他全面收益表內的其他收入)或釐定為出現減值(當累計收益或虧損從可供出售投資重估儲備中被重新歸類至損益及其他全面收益表的其他收入及收益或其他開支內)。通過持有可供出售金融投資所賺取的利息和股息將分別作為利息收入和股息收入進行列報，並根據下文「收益確認(於2018年1月1日前適用)」所載政策確認為損益及其他全面收益表中的其他收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

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

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

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

2.4 主要會計政策概要(續)

投資及其他金融資產(國際會計準則第39號下於2018年1月1日前適用的政策)(續)

後續計量(續)

可供出售金融投資(續)

當非上市股權投資的公平值由於(a)合理公平值估計範圍變動就該投資而言屬重大或(b)上述範圍內各項估值的可能性不能合理評估及用於估計公平值而導致無法可靠計量時，該等投資按成本減任何減值虧損列賬。

本集團評估於不久的將來出售其可供出售金融投資的能力及意向是否仍屬適當。倘(在極少見的情況下)本集團因市場不活躍而無法買賣該等金融資產，而管理層能夠且有意持有該等金融資產至可預見將來或直至到期，則本集團可選擇重新分類該等資產。

就自可供出售類別重新分類而來的金融資產而言，重新分類日期的公平值賬面值成為其新攤銷成本，該資產過往在權益中確認的收益或虧損在投資餘下期限內按實際利率法在損益攤銷。新攤銷成本與到期金額之間的差額亦在資產餘下期限內按實際利率法攤銷。倘資產其後獲確定減值，權益中錄得的金額將重新分類至損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

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

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

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

2.4 主要會計政策概要(續)

終止確認金融資產(國際財務報告準則第9號下自2018年1月1日起適用的政策及國際會計準則第39號下於2018年1月1日前適用的政策)

金融資產(或(如適用)一項金融資產或一組同類金融資產的一部分)主要在出現下列情形時終止確認(即自本集團綜合財務狀況表移除):

- 從資產收取現金流量的權利已屆滿; 或
- 本集團已根據「轉手」安排出讓從資產收取現金流量的權利, 或已承擔向第三方無重大拖延全額支付所收現金流量的責任; 且(a)本集團已出讓資產的絕大部分風險及回報, 或(b)本集團雖未出讓或保留資產的絕大部分風險及回報但已出讓資產的控制權。

當本集團已出讓從資產收取現金流量的權利或訂立轉手安排, 會評估有否保留資產所有權的風險及回報以及相關保留程度。倘本集團並無出讓或保留資產的絕大部分風險及回報, 亦無出讓資產控制權, 本集團將以本集團持續參與程度為限繼續確認已出讓資產。在該情況下, 本集團亦確認相關負債。已出讓資產及相關負債根據反映本集團所保留權利及責任的基準計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2.4 主要會計政策概要(續)

金融資產減值(國際財務報告準則第9號下自2018年1月1日起適用的政策)

本集團就並非以公平值計入損益持有的所有債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原實際利率的近似值貼現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

一般法

預期信貸虧損分兩個階段確認。就首次確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月可能發生的違約事件所產生的信貸虧損計提預期信貸虧損撥備(12個月預期信貸虧損)。就首次確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提虧損撥備，而不論違約的時間(全期預期信貸虧損)。

本集團於各報告日期評估金融工具的信貸風險自初始確認後是否已大幅增加。在進行有關評估時，本集團會將金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險進行比較，並會考慮毋須過度耗費成本或努力而取得的合理及具支持性的資料，包括過往及前瞻性資料。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (continued)

General approach (continued)

The Group considers a financial asset in default (other than trade receivables) 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 主要會計政策概要(續)

金融資產減值(國際財務報告準則第9 號下自2018年1月1日起適用的政策) (續)

一般法(續)

倘內部或外部資料顯示，本集團可能無法悉數收取未償還合約款項(不考慮本集團持有的任何信貸提升措施)，則本集團認為金融資產出現違約(貿易應收款項除外)。倘無法合理預期會收回合約現金流量，金融資產將被撇銷。

簡化法

對於並無重大融資成分或本集團應用可行權宜方法不調整重大融資成分影響的貿易應收款項，本集團於計算預期信貸虧損時採用簡化法。根據簡化法，本集團並無追蹤信貸風險的變動，而是於各報告日期按全期預期信貸虧損確認虧損撥備。本集團已根據其以往信貸虧損經驗建立撥備矩陣，並就債務人特定的前瞻性因素及經濟環境作出調整。

對於包含重大融資成分的貿易應收款項及租賃應收款項，本集團選擇上文所述政策作為其會計政策，於計算預期信貸虧損時採納簡化方法。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018)

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

Financial assets carried at amortised cost

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

2.4 主要會計政策概要(續)

金融資產減值(國際會計準則第39號下於2018年1月1日前適用的政策)

本集團於各報告期結束時評估有否任何客觀證據顯示一項或一組金融資產出現減值。倘於資產初始確認後出現的一項或多項事件對一項或一組金融資產的估計未來現金流量有影響且能可靠估計，則表示存在減值。減值證據包括單一債務人或一組債務人面對重大財務困難、拖欠或延遲支付利息或本金付款、可能破產或進行其他財務重組之跡象，以及可觀察數據顯示估計未來現金流量出現相當的減少，例如與拖欠有關的欠款金額或經濟狀況變動。

按攤銷成本列賬的金融資產

對於按攤銷成本列賬的金融資產，本集團首先按個別基準評估單項屬重大或按組合基準評估按單項計非重大的金融資產是否存在減值。倘本集團經單項評估金融資產認為並無客觀減值證據，則不論資產重大與否均歸入一組具有類似信貸風險特徵的金融資產，並整體評估有否減值。經單獨減值評估已確認或繼續確認減值虧損的資產並不包含於組合減值評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Financial assets carried at amortised cost (continued)

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

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

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

2.4 主要會計政策概要(續)

金融資產減值(國際會計準則第39號下於2018年1月1日前適用的政策)(續)

按攤銷成本列賬的金融資產(續)

任何已識別之減值虧損金額，即資產的賬面值與估計未來現金流量現值(不包括尚未發生的未來信用損失)的差額。估計未來現金流量的現值按金融資產的原實際利率(即初始確認時計算的實際利率)貼現。

資產賬面值通過使用撥備賬扣減，而虧損於損益確認。利息收入持續按已扣減賬面值累計，而所用的利率即計量減值虧損時貼現未來現金流量所用的利率。倘不可能於未來收回且所有抵押品已變現或轉至本集團，則貸款及應收款項連同任何相關撥備可予撇銷。

倘於其後期間，減值確認後發生的事件導致估計減值虧損金額增減，則先前確認的減值虧損通過調整撥備賬增減。倘撇銷於日後收回，則收回的款項計入損益及其他全面收益表的其他開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

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

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

2.4 主要會計政策概要(續)

金融資產減值(國際會計準則第39號下於2018年1月1日前適用的政策)(續)

按成本列賬的資產

倘有客觀證據顯示，因未能可靠計量公平值而未按公平值列值的非上市股權工具出現減值虧損，或該衍生資產與該等非上市股權工具相聯繫並必須以該等非上市股權工具進行交割，則虧損金額按該資產的賬面值與估計未來現金流量的現值(按類似金融資產的現行市場回報率貼現)的差額計量。該等資產的減值虧損不予撥回。

可供出售金融投資

就可供出售金融投資而言，本集團於各報告期末評估有否任何客觀證據顯示一項或一組投資出現減值。

倘可供出售資產減值，則自其他全面收益剔除包括其成本(扣除任何本金付款及攤銷)及其現值之間的差額減過往在損益確認的任何減值虧損在內的金額，並在損益確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments (continued)

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

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

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of other income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

2.4 主要會計政策概要(續)

金融資產減值(國際會計準則第39號下於2018年1月1日前適用的政策)(續)

可供出售金融投資(續)

倘屬分類為可供出售的股權投資，客觀證據包括一項投資的公平值大幅或長期降至其成本值以下。「大幅」以相對於投資的最初成本評估，「長期」以公平值低於其最初成本的期間評估。倘存在減值證據，累計虧損(按收購成本與當前公平值的差額，減過往於損益就該投資確認的任何減值虧損計量)會由其他全面收益剔除，並於損益確認。分類為可供出售的股本工具的減值虧損不會透過損益撥回。減值後增加的公平值直接於其他全面收益確認。

於釐定是否「大幅」或「長期」時需作出判斷。於作出該判斷時，本集團評估(包括其他因素)一項投資公平值低於其成本的續時間及數額。

倘屬分類為可供出售的債務工具，減值根據按攤銷成本列賬的金融資產的相同標準評估。然而，所錄得的減值金額即為按攤銷成本與當前公平值的差額，減過往於損益就該投資確認的任何減值虧損計量的累計虧損。未來的利息收入持續按資產已扣減賬面值累計，而所用的利率即計量減值虧損時貼現未來現金流量所用的利率。利息收入錄為其他收入的一部分。倘債務工具其後的公平值增加可與在損益確認減值虧損後發生的事件客觀相關，則債務工具的減值虧損透過損益撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

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

The Group's financial liabilities include other payables and accruals, interest-bearing bank and other borrowings and put option liability.

Subsequent measurement

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

Loans and borrowings

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

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

2.4 主要會計政策概要(續)

金融負債(國際財務報告準則第9號下自2018年1月1日起適用及國際會計準則第39號下於2018年1月1日前適用的政策)

初始確認及計量

金融負債於初始確認時歸類為貸款及借款以及應付款項。

所有金融負債初始按公平值確認，而貸款及借款以及應付款項則須扣除直接應佔交易成本。

本集團的金融負債包括其他應付款項、應計費用、計息銀行及其他借貸以及認沽期權負債。

後續計量

不同類別的金融負債後續計量如下：

貸款及借款

初始確認後，貸款及借款其後以實際利率法按攤銷成本計量，如貼現影響並不重大，則按成本列賬。收益及虧損於終止確認負債時於損益確認，亦採用實際利率通過攤銷確認。

計算攤銷成本時已計及任何收購折讓或溢價，和實際利率所包含的費用或成本。實際利率攤銷則計入損益的融資成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Put option liability

After initial recognition, put option liability is subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

2.4 主要會計政策概要(續)

金融負債(國際財務報告準則第9號下自2018年1月1日起適用及國際會計準則第39號下於2018年1月1日前適用的政策)(續)

後續計量(續)

認沽期權負債

於初始確認後，認沽期權負債隨後使用實際利率法按攤銷成本計量。攤銷成本經計及收購時的任何折讓或溢價以及屬實際利率組成部份的費用或成本後計算。實際利率攤銷已包含於損益中的融資成本內。

終止確認金融負債(國際財務報告準則第9號下自2018年1月1日起適用及國際會計準則第39號下於2018年1月1日前適用的政策)

金融負債於負債的責任解除、取消或屆滿時終止確認。

倘現有金融負債被另一項由同一放貸人提供而絕大部分條款不同的負債所取代，或現有負債的條款經大幅修改，則有關取代或修改視為終止確認原有負債及確認新負債，而相關賬面值的差額會於損益確認。

存貨

存貨按成本及可變現淨值中的較低者入賬。成本按先入先出基準釐定。可變現淨值根據估計售價減直至出售時產生的估計成本計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

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

Income tax

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

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the year, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，及可隨時轉換成已知金額現金、價值變動風險不大且獲得時一般具有不超過三個月短暫到期日的短期高流通投資，再扣除須於要求時償還且屬於本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行現金(包括定期存款)。

所得稅

所得稅包括即期及遞延稅項。與損益以外確認項目有關的所得稅於損益以外確認，即於其他全面收益或直接於權益確認。

即期稅項資產和負債以預期從稅務機關收回或向其支付的金額計量，採用的稅率(及稅法)為年末前已頒佈或實際頒佈者，並已計及本集團經營所在國家現行的詮釋及慣例。

遞延稅項採用負債法，就各報告期間結束時資產及負債的計稅基準與其財務報告的賬面值之間的所有暫時性差異計提撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

所有應課稅暫時性差異均確認遞延稅項負債，惟以下情況除外：

- 倘遞延稅項負債產生自交易中對某一資產或負債的初次確認，且此交易並非業務合併，而交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對於投資附屬公司及聯營公司相關的應課稅暫時性差異，倘暫時性差異的逆轉時間能控制且可能不會在可見將來逆轉。

所有可扣減暫時性差異、結轉的未動用稅項抵免及任何未動用稅項虧損均確認為遞延稅項資產。若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差異、結轉的未動用稅項抵免及未動用稅項虧損，則會確認遞延稅項資產，惟以下情況除外：

- 倘有關可扣減暫時性差異的遞延稅項資產來自交易中對某一資產或負債的初步確認，且此交易並非業務合併，而交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司及聯營公司的投資的相關可扣減暫時性差異而言，僅在暫時性差異有可能在可見將來撥回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要(續)

所得稅(續)

於各報告期結束時審閱遞延稅項資產的賬面值，如不再可能有足夠的應課稅溢利以運用全部或部分遞延稅項資產，則扣除相應的數額。於各報告期結束時重新評估未確認的遞延稅項資產，倘可能有足夠的應課稅溢利以收回全部或部分遞延稅項資產，則確認相應的數額。

遞延稅項資產及負債以預期將資產變現或償還負債期間適用的稅率計量，並以於各報告期結束前已頒佈或實際頒佈的稅率(及稅法)為基準。

若現有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項與同一應課稅實體及同一稅務機關相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補貼

倘可合理保證將獲得補貼及將符合所有附帶條件，則按公平值確認政府補貼。倘該補貼與一項開支項目有關，則於擬用作補償之成本支銷期間有系統地確認為收入。

若補貼與資產有關，其公平值計入遞延收入賬，並於有關資產的預計可使用年期內，每年等額撥往損益或透過減少折舊費用從資產賬面值扣減，並撥往損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 主要會計政策概要(續)

收益確認(自2018年1月1日起適用)

客戶合約收益

客戶合約收益於貨品或服務的控制權轉移至客戶時確認，其金額反映本集團預期就交換該等貨品或服務有權獲得的代價。

當合約的代價包含可變金額，代價金額估算為本集團向客戶轉移貨品或服務而有權換取的代價。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素其後消除，使已確認累計收益金額極不可能發生重大收益撥回為止。

當合約包含融資成分並向客戶提供超過一年為轉移貨品或服務予客戶進行融資的重大利益時，收益按應收金額的現值計量，並使用貼現率貼現，有關貼現率將於本集團與客戶在合約開始時的獨立融資交易中反映。當合約包含融資成分並向本集團提供超過一年的重大財務利益時，合約項下確認的收益包括按實際利率法就合約負債累計的利息開支。就客戶付款至轉移所承諾貨品或服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號可行權宜方法，不會對重大融資成分的影響作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from contracts with customers (continued)

Tuition and boarding fees are generally received by colleges and high schools in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The portion of tuition and boarding payments received from students but not earned is recorded as contract liabilities and is reflected as a current liability as such amounts represent revenue that the Group expects to earn within one year. The academic year of the Group's schools is generally from September to June of the following year.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other income

Rental income is recognised on a time proportion basis over the lease terms.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Management service income is recognised when services are provided.

2.4 主要會計政策概要(續)

收益確認(自2018年1月1日起適用) (續)

客戶合約收益(續)

一般情況下，大學及高中於每學年開始前預先收取學費及住宿費，初始記錄為合約負債。學費及住宿費於有關課程的相關期內按比例確認。已收學生的學費及住宿費但未賺取的部分入賬列作合約負債，並以流動負債表示，蓋因有關數額為本集團預計於一年內賺取的收益。本集團學校的學年一般由9月開始至下一年6月止。

本集團預期不會有任何向客戶轉移所承諾服務至客戶付款的期限超過一年的合約。因此，本集團未就貨幣時間價值對任何交易價格作出調整。

其他收入

租金收入於租賃年期內按時間比例確認。

利息收入按應計基準及以實際利率法，透過採用將金融工具在預期年限或較短期間(倘適用)之估計未來現金收入準確貼現至金融資產賬面淨值的利率予以確認。

股息收入於股東收取付款的權利確立、與股息相關的經濟利益很可能流入本集團且股息金額能可靠地計量時確認。

管理服務收入於提供服務時確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) Service income includes tuition fees and boarding fees of colleges and high schools of the Group.

The tuition fees from the schools of the Group are received in advance at the beginning of each academic year. Revenue is recognised after the price is fixed or determinable, and services are provided.

Tuition and boarding fees are generally received by colleges and high schools in advance prior to the beginning of each academic year, and are initially recorded as deferred revenue. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The portion of tuition and boarding payments received from students but not earned is recorded as deferred revenue and is reflected as a current liability as such amounts represent revenue that the Group expects to earn within one year. The academic year of the Group's schools is generally from September to June of the following year.

- (b) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (c) Rental income, on a time proportion basis over the lease terms.
- (d) Dividend income is recognised when the shareholders' right to receive payment has been established.

2.4 主要會計政策概要(續)

收益確認(自2018年1月1日起適用) (續)

本集團在經濟利益很可能流入本集團，且收益能可靠地計量時基於以下各項確認收益：

- (a) 服務收入包括本集團的大學及高中的學費及住宿費。

本集團學校學費於每個學年初預先收取。確定或可釐定價格及提供服務後，會確認收益入賬。

一般情況下，大學及高中於每學年開始前預先收取學費及住宿費，初始記錄為遞延收益。學費及住宿費於有關課程的相關期內按比例確認。已收學生的學費及住宿費但未賺取的部分會計入遞延收益，並以流動負債表示，有關數額即本集團預計於一年內賺取的收益。本集團學校的學年一般由9月開始至下一年6月止。

- (b) 利息收入乃以時間為基準，參考未償還本金及適用實際利率累計，而實際利率為初步確認時透過金融資產的整個預計年期將估計日後現金收益準確貼現至該資產的賬面淨值的比率。
- (c) 租金收入在租約期限內按時間比例基準確認。
- (d) 股息收入在股東收取付款的權利確立時予以確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details of which are given in note 31 to these financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 主要會計政策概要(續)

合約負債(自2018年1月1日起適用)

合約負債乃就本集團已自客戶收取代價(或到期代價金額)而向客戶轉移貨品或服務的責任。倘客戶在本集團向客戶轉移貨品或服務前支付代價，則會在作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收益。

以股份為基礎的付款

本公司運營購股權計劃，其目的為向對本集團成功運營作出貢獻的合資格參與者提供激勵及獎勵。本集團僱員(包括董事)接受以股份為基礎付款形式的薪酬，據此僱員提供服務作為股權工具的代價(「**股權結算交易**」)。

僱員股權結算交易的成本參照其於授予日期的公平值計量。進一步詳情載於該等財務報表附註31。

股權結算交易的成本於業績及／或服務條件得到滿足期間於僱員福利開支內確認，同時相應增加權益。歸屬日前各個報告期末於權益結算交易確認之累計費用乃反映歸屬期屆滿之程度及本集團認為當日對最終歸屬之權益工具數量之最佳估計。一段時期內損益的支出或計入乃反映期初及期末確認之累計費用的變動。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2.4 主要會計政策概要(續)

以股份為基礎的付款(續)

釐定授出日期報酬公平值時未慮及服務及非市場業績條件，但達致本集團對最終歸屬之權益工具數量之最佳估計時已對該等條件得到滿足的可能性作出評估。市場業績條件於授出日期公平值反映。報酬附帶的無相關服務要求的任何其他條件視為非歸屬條件。非歸屬條件反映於報酬的公平值並導致就報酬即時確認開支，除非還有服務及／或業績條件。

就因非市場業績及／或服務條件未得到滿足而未歸屬的報酬，無需確認開支。當報酬包括市場或非歸屬條件，則無論市場或非歸屬條件是否得到滿足，交易均視作歸屬，前提是所有其他業績及／或服務條件得到滿足。

當權益結算報酬條款被修訂時，倘若報酬原來的條款已得到滿足，則至少要按猶如條款未被修訂確認一項開支。此外，還需就任何增加以股份為基礎付款總公平值或以其他方式於修訂日期計量時使僱員獲益的修訂確認開支。

如權益結算報酬被註銷，則被視為於註銷當日已歸屬，而尚未就該報酬確認之任何費用須即時予以確認，包括本集團或僱員控制範圍內的非歸屬條件未能滿足的任何報酬。然而，倘有一項新報酬取代已經註銷報酬，及於授出當日被指定為該報酬的替代品，則該已註銷報酬及新報酬均被視為原有報酬之改動(如上文所述)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Employee benefits

Pension schemes

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

2.4 主要會計政策概要(續)

以股份為基礎的付款(續)

未行使購股權攤薄影響反映為計算每股盈利時攤薄股份的增加。

僱員福利

退休金計劃

本集團於中國內地經營的附屬公司的僱員須參與由地方市政府營運的中央退休金計劃。於中國內地經營的附屬公司須按其工資成本之某一百分比向中央退休金計劃供款。供款於根據中央退休金計劃規則應付時自損益扣除。

本集團亦根據強制性公積金計劃條例，為本集團於香港的全體僱員設立定額供款強制性公積金退休福利計劃(「**強積金計劃**」)。供款按僱員基本薪金百分比作出，並於根據強積金計劃條款須支付時自損益扣除。強積金計劃的資產由獨立管理基金保管，與本集團資產分開持有。本集團的僱主供款於注入強積金計劃時悉數歸屬僱員。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.4 主要會計政策概要(續)

借貸成本

收購、建設或生產合資格資產(即需要一段長時間方能達致其擬定用途或出售的資產)直接應佔的借貸成本資本化為該等資產之部分成本。當資產大致上可作其擬定用途或出售,則該等借貸成本將會停止資本化。於有待用於合資格資產的特定借貸作短期投資所賺取的投資收入乃從資本化的借貸成本中扣除。所有其他借貸成本於其產生期間支銷。借貸成本包括實體因借入資金而產生的利息及其他成本。

外幣

該等財務報表以人民幣呈報。本集團旗下各實體決定自身的功能貨幣,而計入各實體財務報表的項目均採用功能貨幣計量。本集團旗下實體入賬的外幣交易初步按其各自於交易日當時的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債,按於報告期末的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於損益確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The Company incorporated in the Cayman Islands uses the United States dollar as its functional currency. As the Group mainly operates in Mainland China, RMB is used as the presentation currency of the Company. As at the end of the reporting period, the assets and liabilities of the Company and certain overseas subsidiaries, which use currencies other than RMB as their functional currencies, are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into RMB at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

以外幣按過往成本計量的非貨幣項目，採用初始交易日期的匯率換算。以外幣按公平值計量的非貨幣項目，採用釐定公平值當日的匯率換算。換算以公平值計量的非貨幣項目所產生的收益或虧損視為等同於確認該項目公平值變動的收益或虧損(即於其他全面收益或損益確認公平值收益或虧損的項目的換算差額，亦分別於其他全面收益或損益確認)。

就釐定終止確認與預付代價有關的非貨幣資產或非貨幣負債產生的相關資產、開支或收入之初始確認匯率，初步交易日期為本集團初始確認有關預付代價產生的非貨幣資產或非貨幣負債之日。倘存在多筆預付或預收款項，本集團釐定每筆預付或預收代價款項的交易日期。

本公司於開曼群島註冊成立，使用美元作為功能貨幣。由於本集團主要於中國內地經營業務，故人民幣用作為本公司之呈列貨幣。於報告期末，本公司及使用人民幣以外的貨幣作為功能貨幣的若干海外附屬公司的資產及負債按報告期末當時的匯率換算為本公司的呈報貨幣，其損益及其他全面收益表按年內加權平均匯率換算為人民幣。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

2.4 主要會計政策概要(續)

外幣(續)

所產生的匯兌差額於其他全面收益確認並於匯兌波動儲備累計。出售海外業務時，其他全面收益中與該特定海外業務有關的組成部分於損益確認。

收購海外業務產生的任何商譽及收購所產生資產及負債賬面值的任何公平值調整視為海外業務的資產及負債，按收盤匯率換算。

3. 重大會計判斷及估計

編製本集團財務報表需要管理層作出影響所呈報收益、開支、資產與負債金額以及其附隨披露及或然負債披露的判斷、估計及假設。此等假設及估計的不確定因素可能導致日後須對受影響的資產或負債的賬面值作出重大調整。

判斷

於應用本集團會計政策過程中，管理層除作出涉及估計的判斷外，還作出以下對財務報表所確認數額影響重大的判斷。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Contractual arrangements

The Group exercises control over Chongqing Yugangao, Chongqing Yuecheng, Chongqing Electronic Information College, Chongqing Zhenzhi Real Estate Company Ltd., Chongqing Jierui Education Technology Company Limited, Chongqing Fanyun Education Technology Company Limited, Chongqing Jiehan Education Technology Company Limited, Shiji Kuangao (Beijing) Investment Management Co., Ltd., Shouguang Bohai Experimental School and Laoling Minsheng Education High School Company Limited (the “**Structured Entities**”) and enjoys economic benefits of the Structured Entities through a series of contractual arrangements.

The Group considers that it controls the Structured Entities notwithstanding the fact that it does not hold direct equity interest in the Structured Entities, as it has power over the financial and operating policies of the Structured Entities and receives substantially all of the economic benefits from the business activities of the Structured Entities through the contractual arrangements. Accordingly, the Structured Entities have been accounted for as subsidiaries during the year.

Current and deferred tax

Significant judgement is required in interpreting the relevant tax rules and regulations so as to determine whether the Group is subject to corporate income tax. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made. Further details of the current and deferred tax are set out in note 10 to the financial statements.

3. 重大會計判斷及估計(續)

判斷(續)

合約安排

本集團對重慶渝港澳、重慶悅誠、重慶電信職業學院、重慶臻智置業有限責任公司、重慶傑睿教育科技有限公司、重慶凡韻教育科技有限公司、重慶傑翰教育科技有限公司、世紀寬高(北京)投資管理有限公司、壽光渤海實驗學校及樂陵民生教育高級中學有限公司(「**結構性實體**」)行使控制權，並透過一系列合約安排享有結構性實體的經濟利益。

本集團認為儘管其並未直接持有結構性實體的股權，但仍控制結構性實體，因本集團對結構性實體財務及營運政策擁有權力並透過合約安排收取結構性實體業務活動產生幾乎所有的經濟利益。據此，年內結構性實體按附屬公司入賬。

即期及遞延稅項

詮釋相關稅務條例及法規時需作出重大判斷，以確定本集團是否須繳納企業所得稅。有關評估利用估計及假設，並可能需對未來事項作出一系列判斷。本集團可能獲悉新資料以致變更對現有稅項負債是否充足的判斷。該等稅項負債變動會影響決定變更期間的稅項開支。有關即期及遞延稅項的進一步詳情載於財務報表附註10。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Put option liability

Pursuant to share purchase agreement in relation to the acquisition of Lead International, the Group is committed to grant an option to the sellers to sell the remaining 49% of the issued share capital of Leed International at the exercise price based on a predetermined formula (the “**Put Option**”). Significant judgement is required in determining whether a present ownership interest exist in the shares that are subject to the Put Option, so as to determine the accounting treatment of the non-controlling interest and the Put Option liability. Management considers that the Group has present ownership interest over the remaining 49% interests in Leed International since the exercise price of the Put Option is determinable and the Group can exercise right over these interests and enjoy the related return. This assessment relies on estimates and assumptions and may involve a series of judgements. Further details of the Put Option liability are set out in notes 29 and note 33 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2018, the carrying amount of goodwill was RMB1,685,099,000 (2017: RMB303,937,000). Further details are given in note 15 to the financial statements.

3. 重大會計判斷及估計(續)

判斷(續)

認沽期權負債

根據收購勵德集團的股份購買協議，本集團承諾向賣方授出期權，以按依據預定公式計算的行使價出售餘下49%的勵德集團已發行股本(「**認沽期權**」)。釐定認沽期權所涉及股份是否存在現有所有權權益須作出重大判斷，以便確定非控股權益及認沽期權負債的會計處理方式。由於認沽期權的行使價可予釐定，且本集團能夠對勵德集團的餘下49%權益行使權利及享有相關回報，管理層認為本集團擁有該等權益的現有所有權權益。此評估依靠估計及假設，並可能涉及一系列判斷。認沽期權負債的進一步詳情載於財務報表附註29及附註33。

估計不確定因素

於年末時關於未來的主要假設及估計不確定因素的其他主要來源(具有導致須於下一個財政年度對資產及負債賬面值作出重大調整的重大風險)論述如下。

商譽減值

本集團至少每年釐定商譽有否減值一次，過程中需要對獲分配商譽的現金產生單位的使用價值作出估計，而估計使用價值時既需要本集團對現金產生單位的預期未來現金流量作出估計，亦需要選擇合適的折現率以便計算現金流量現值。於2018年12月31日，商譽的賬面值為人民幣1,685,099,000元(2017年：人民幣303,937,000元)。進一步詳情載於財務報表附註15。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the year. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit using key assumptions such as budgeted sales amounts and choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2018, the total carrying amount of property, plant and equipment and prepaid land lease payments that were subject to impairment tests was RMB182,243,000 (2017: RMB127,168,000).

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 40 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2018 was RMB6,380,000. Further details are included in note 40 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

非金融資產(商譽除外)減值

本集團於年末時評估全部非金融資產是否存在任何減值跡象。當有跡象顯示非金融資產賬面值可能不可收回時進行減值測試。當一項資產或現金產生單位的賬面值超過其可收回金額(即公平值減出售成本與其使用價值兩者中的較高者)時即存在減值。公平值減出售成本乃根據來自同類資產公平交易的受約束銷售交易的可用數據或可觀察市價減出售資產的增量成本計算。計算使用價值時，管理層必須估計來自資產或使用主要假設(如預算銷售額)現金產生單位的預期未來現金流量，並選取合適的貼現率，以計算該等現金流量的現值。於2018年12月31日，物業、廠房及設備的賬面值以及預付土地租賃款項的總額受限於減值測試，為人民幣182,243,000元(2017年：人民幣127,168,000元)。

非上市股權投資的公平值

非上市股權投資已根據財務報表附註40所詳述的市場基準估值技術進行估值。有關估值需要本集團確定可資比較的公眾公司(同業公司)及選擇價格倍數。此外，本集團須就流動性不足及規模差異的貼現作出估計。本集團將該等投資的公平值歸類為第3級。於2018年12月31日，非上市股權投資的公平值為人民幣6,380,000元。進一步詳情載於財務報表附註40。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Fair value of loan to an associate included in other non-current assets

The loan to an associate include in other non-current assets has been valued based on a discounted cash flow valuation technique as detailed in note 40 to the financial statements. The valuation requires the Group to make an estimate of the expected future cash flows and to choose a suitable discount rate in order to calculate the present value of those cash flows. The fair value of the loan to an associate included in other non-current assets at 31 December 2018 was RMB43,810,000. Further details are included in note 40 to the financial statements.

Purchase price allocation

The assessment of the fair value of the identifiable assets acquired and liabilities assumed required management estimations. The purchase price allocation for business combinations entered during the year ended 31 December 2018 required management estimations to determine the fair values of identifiable assets acquired and liabilities. The fair values of assets and liabilities acquired on the acquisition date are set out in note 33 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

計入其他非流動資產的向聯營公司貸款的公平值

計入其他非流動資產的向聯營公司貸款已根據財務報表附註40所詳述的貼現現金流估值技術進行估值。有關估值需要本集團就預期未來現金流量作出估計及選擇適當的貼現率以計算該等現金流量的現值。於2018年12月31日，計入其他非流動資產的向聯營公司貸款的公平值為人民幣43,810,000元。進一步詳情載於財務報表附註40。

購買價分配

評估所收購可識別資產及所承擔負債的公平值需要管理層作出估計。就於截至2018年12月31日止年度訂立的業務合併而言，有關購買價分配需要管理層進行估計以確定所收購可識別資產及負債的公平值。所收購資產及負債於收購日期的公平值載於財務報表附註33。

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of education services in the PRC.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about operating segments is presented.

Geographical information

During the year, the Group operated within one geographical segment because all of its revenue was generated in the PRC and over 90% of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no geographical segment information is presented.

Information about major customers

No revenue derived from service provided to a single customer accounted for 10% or more of the total revenue of the Group during the year.

4. 經營分部資料

本集團主要於中國提供教育服務。

國際財務報告準則第8號經營分部規定，經營分部按主要經營決策者為分配資源予各分部及評估其表現而定期審閱的有關本集團組成部分的內部報告為基礎而區分。向董事（為主要經營決策者）報告的資料在資源分配及表現評估方面並不包含不連續的經營分部的財務資料，且董事以整體審閱本集團的財務業績。因此，並無呈報有關經營分部的進一步資料。

地區資料

年內，本集團於一個地域分部內經營業務，是由於全部收益均於中國產生，而超過90%的長期資產／資本開支均位於／源自中國。因此，概無呈列任何地域分部資料。

有關主要客戶的資料

年內，並無來自向單一客戶提供服務的收入佔本集團總收益10%或以上。

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Revenue from contracts with customers	客戶合約收益		
Tuition fees	學費	570,630	440,368
Boarding fees	住宿費	52,513	37,412
		623,143	477,780
Other income and gains	其他收入及收益		
Dividend income from an available-for-sale investment	可供出售投資股息收入	-	360
Investment income from short-term investments measured at amortised cost and short-term investments measured at fair value through profit or loss/available-for-sale investments and investment deposits	按攤銷成本計量的短期投資及按公平值計入損益計量的短期投資/可供出售投資及投資存款之投資收入	15,172	24,693
Rental income	租金收入	2,926	1,659
Bank interest income	銀行利息收入	23,228	7,789
Government grants (note 28)	政府補貼(附註28)		
– Related to assets	– 資產相關	18,676	9,639
– Related to income	– 收入相關	59,682	93,317
Exchange gain, net	匯兌收益淨額	8,894	-
Management service income*	管理服務收入*	54,173	-
Fair value gains on equity investment at fair value through profit or loss	按公平值計入損益的股權投資公平值收益	296	-
Others	其他	6,837	8,835
		189,884	146,292

The government grants are related to the subsidies received from the local government for the purpose of compensating the operating expenses arising from the schools' teaching activities and expenditures on teaching facilities. There are no unfulfilled conditions or contingencies relating to such government grants recognised.

5. 收益、其他收入及收益

有關收益的分析如下：

政府補貼與就學校教學活動及教學設施開支產生的經營費用所作補償向當地政府收取的補助有關。有關已確認的政府補貼並無任何關連的未達成條件或或然事項。

5. REVENUE, OTHER INCOME AND GAINS (continued)

An analysis of revenue is as follows: (continued)

- * Pursuant to share management agreement in relation to the acquisition of Lead International, the entire management of Dianchi College of Yunnan University and Dianjiao AM Co shall be entrusted to Minsheng Vocational and Chongqing Huizhi with effect from the effective date of the share purchase agreement until the completion. In consideration for the management services provided by Minsheng Vocational and Chongqing Huizhi, Minsheng Vocational and Chongqing Huizhi shall be entitled to 100% of the net profit of Dianchi College of Yunnan University and Dianchi Management during the term of the management agreement.

Revenue from contracts with customers

- (i) Disaggregated revenue information

Timing of revenue recognition	收益確認時間	2018 RMB'000 人民幣千元
Tuition fees recognised over time	隨時間推移確認的學費	570,630
Boarding fees recognised over time	隨時間推移確認的住宿費	52,513
		623,143

The Group's contracts with students for colleges and high schools education programmes and boarding services can be terminated anytime without compensation. Tuition and boarding fees are determined and paid by the students before the start of each school year.

5. 收益、其他收入及收益(續)

有關收益的分析如下：(續)

- * 根據與收購勵德集團有關的股份委託管理協議，雲南大學滇池學院及資產管理公司的全部委託管理權將授予民生職業教育及重慶匯智，自股份購買協議生效日期起至完成為止。考慮到民生職業教育及重慶匯智提供的管理服務，於委託管理協議生效的期間，民生職業教育及重慶匯智將有權收取雲南大學滇池學院及資產管理公司的100%淨利潤。

客戶合約收益

- (i) 分類收益資料

本集團與學生就大學及高中教育課程及住宿服務訂立的合約，可隨時予以終止而無需支付任何賠償。學費及住宿費乃於各學年開始前釐定及由學生支付。

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(ii) The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting year:

	2018 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	計入報告期初合約負債的已 確認收益：
Tuition fees	學費 291,710
Boarding fees	住宿費 30,125
	321,835

No revenue recognised during the year related to performance obligations that were satisfied in prior years.

(iii) Transaction price allocated to the remaining performance obligations for contracts with customers

The contracts for education and boarding services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收益、其他收入及收益(續)

客戶合約收益(續)

(ii) 下表列載於本報告期間確認並計入報告年度期初合約負債的收益金額：

	2018 RMB'000 人民幣千元
計入報告期初合約負債的已 確認收益：	
學費	291,710
住宿費	30,125
	321,835

年內概無確認於過往年度完成履約責任的收益。

(iii) 分配至客戶合約餘下履約責任的交易價格

教育及住宿服務合約為期一年或以下。在國際財務報告準則第15號准許下，並無就分配至該等尚未履行合約的交易價格作出披露。

6. FINANCE COSTS

6. 融資成本

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Interest on loans from the ultimate holding company and related parties	來自最終控股公司及關連方的貸款的利息	-	491
Interest on bank loans and other loans	銀行貸款及其他貸款利息	8,925	2,552
Interest on finance leases	融資租賃利息	1,197	-
Interest on Put Option liability	認沽期權負債利息	3,080	-
		13,202	3,043

7. PROFIT BEFORE TAX

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

7. 除稅前溢利

本集團除稅前溢利乃扣除/(計入)以下
各項後達致：

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Depreciation	折舊	13	71,720	47,344
Amortisation of other intangible assets	其他無形資產攤銷	16	1,241	1,042
Minimum lease payments under operating leases	經營租賃的最低租金		8,125	6,983
Recognition of prepaid land lease payments	確認預付土地租賃款項	14	7,736	2,717
Auditor's remuneration	核數師酬金		3,180	4,247
Employee benefit expense (excluding directors' remuneration (note 8)):	僱員福利開支(不包括董事酬金(附註8)):			
Wages and salaries	工資及薪金		146,097	106,813
Equity-settled share option expense	以權益結算的購股權開支		2,514	451
Pension scheme contributions (defined contribution schemes)	退休金計劃供款(界定供款計劃)		41,284	28,432
			189,895	135,696
Foreign exchange differences, net	淨匯兌差額		(8,894)	20,468
Impairment of financial assets:	金融資產減值：			
Impairment of trade receivables	貿易應收款項減值	21	80	-
Impairment of financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產減值	22	47	-
Reversal of impairment of financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產減值撥回	22	(500)	-
			(373)	-
Dividend income from an available-for-sale investment	可供出售投資的股息收入		-	(360)
Investment income from available-for-sale investments and investment deposits	可供出售投資及投資存款的投資收入		-	(24,693)
Investment income from financial assets at fair value through profit or loss and investment deposits	按公平值計入損益的金融資產及投資存款的投資收入		(15,172)	-
Bank interest income	銀行利息收入		(23,228)	(7,789)
Fair value gains from an equity investment at fair value through profit or loss	按公平值計入損益的股權投資公平值收益		(296)	-
Loss on disposal of items of property, plant and equipment, net	處置物業、廠房及設備項目虧損淨額		140	1,966
Donation expense	捐贈開支		834	2,629

The exchange gain is included in "Other income" in the consolidated statement of profit or loss and other comprehensive income.

匯兌收益計入綜合損益及其他全面收益表內的「其他收入」。

8. DIRECTORS' REMUNERATION

Details of directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383 (1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Fees	袍金	603	489
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	11,713	10,785
Discretionary bonuses	酌情性花紅	-	115
Equity-settled share option expense	以股權結算的購股權費用	10,594	2,849
Pension scheme contributions	退休金計劃供款	15	39
		22,322	13,788
		22,925	14,277

During the year, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 31 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

8. 董事酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司規則第2分部(有關董事福利之資料披露)披露之本年度董事酬金詳情如下：

年內若干董事根據本公司購股權計劃就其對本集團提供服務獲授購股權，相關進一步詳情載於財務報表附註31。該等購股權歸屬期內於損益所確認的公平值乃於授出日期釐定，本年度財務報表所列數額載於前文董事薪酬披露內。

8. DIRECTORS' REMUNERATION (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Mr. Chan Ngai Sang	陳毅生先生	201	163
Mr. Yu Huangcheng	余黃成先生	201	163
Mr. Wong Wei Hung	王惟鴻先生	201	163
		603	489

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

(b) Executive directors

Year ended 31 December 2018

		Salaries, allowances and benefits in kind 薪金、津貼及實 物利益 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Discretionary bonuses 酌情性花紅 RMB'000 人民幣千元	Equity-settled share option expense 以股權結算的 購股權費用 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
Mr. Li Xuechun	李學春先生	2,348	-	-	-	2,348
Ms. Zhang Weiping	張衛平女士	5,532	-	-	6,915	12,447
Mr. Zuo Yichen	左熠晨先生	2,104	-	-	1,784	3,888
Mr. Lam Ngai Lung	林毅龍先生	1,422	15	-	1,784	3,221
		11,406	15	-	10,483	21,904

8. 董事酬金(續)

(a) 獨立非執行董事

於年內向獨立非執行董事支付的袍金如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Mr. Chan Ngai Sang	陳毅生先生	201	163
Mr. Yu Huangcheng	余黃成先生	201	163
Mr. Wong Wei Hung	王惟鴻先生	201	163
		603	489

於年內，概無其他獨立非執行董事應付酬金(2017年：無)。

(b) 執行董事

截至2018年12月31日止年度

8. DIRECTORS' REMUNERATION (continued)

(b) Executive directors (continued)

Year ended 31 December 2017

		Salaries, allowances and benefits in kind 薪金、津貼及實 物利益 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Discretionary bonuses 酌情性花紅 RMB'000 人民幣千元	Equity-settled share option expense 以股權結算的 購股權費用 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
Mr. Li Xuechun	李學春先生	2,537	-	-	-	2,537
Ms. Zhang Weiping	張衛平女士	5,041	-	115	1,899	7,055
Mr. Zuo Yichen	左熠晨先生	2,008	23	-	475	2,506
Mr. Lam Ngai Lung	林毅龍先生	1,199	16	-	475	1,690
		10,785	39	115	2,849	13,788

(c) A non-executive director

Year ended 31 December 2018

		Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Discretionary bonuses 酌情性花紅 RMB'000 人民幣千元	Equity-settled share option expense 以股權結算 的購股權費用 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
Ms. Li Yanping	李雁平女士	307	-	-	111	418

There was no arrangement under which a director waived or agreed to waive any remuneration during the year and no remuneration was paid to any of the directors by the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

8. 董事酬金(續)

(b) 執行董事(續)

截至2017年12月31日止年度

(c) 非執行董事

截至2018年12月31日止年度

於年內，概無董事放棄或同意放棄任何薪酬的安排，及本集團概無向任何董事支付薪酬作為加入或於加入本集團後的獎勵或離職補償。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year ended 31 December 2018 include four (2017: four) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining one (2017: one) highest paid employee who is neither a director nor chief executive of the Group, during the year are as follows:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	698	240
Pension scheme contributions	退休金計劃供款	13	–
		711	240

The remuneration of the non-director and non-chief executive highest paid employee fell within the following band:

		2018	2017
Nil to HK\$1,000,000	零至1,000,000港元	1	1

During the year, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 五名最高薪酬僱員

截至2018年12月31日止年度，本集團五名最高薪酬僱員包括四名(2017年：四名)董事，相關董事薪酬詳情載於上文附註8。年內其餘一名(2017年：一名)既非本集團董事亦非主要行政人員的最高薪酬僱員的薪酬詳情如下：

非董事及非主要行政人員的最高薪酬僱員薪酬介乎下列範圍：

於年內，概無最高薪酬僱員放棄或同意放棄任何薪酬，而本集團亦無向該五名最高薪酬僱員支付酬金作為加入本集團或於加入本集團後的獎勵或離職補償。

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company, Minsheng Education Company Limited, Minsheng Education Services Company Limited, Minsheng Education Development Company Limited, Minsheng Vocational, Minsheng Secondary Education Company Limited, Minsheng Education Technology Company Limited, Minsheng Education Information Company Limited and Leed International which were incorporated in the Cayman Islands, are not subject to income tax.

Minsheng Education Development (Hong Kong) Company Limited, Hong Kong College of Technology and Business Limited and Leed International Education Group (China) Limited which were incorporated in Hong Kong, were subject to profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

Pursuant to the PRC Corporate Income Tax Law and the respective regulations, except for the preferential tax rate of 15% under the Western Development Tax Incentive Scheme available to Chongqing Li'ang Education Services Company Limited and Chongqing Pass Education Services Company Limited, the companies of the Group which operate in Mainland China are subject to Corporate Income Tax ("CIT") at a rate of 25% on their respective taxable income.

10. 所得稅

本集團須根據本集團成員公司所在及經營之司法權區產生之溢利按實體基準繳付所得稅。

本公司、民生教育有限公司、民生教育服務有限公司、民生教育發展有限公司、民生職業教育、民生中學教育有限公司、民生教育科技有限公司、民生教育信息有限公司及勵德集團均於開曼群島註冊成立，毋須繳付所得稅。

民生教育發展(香港)有限公司、香港工商學院有限公司及勵德國際教育集團(中國)有限公司於香港註冊成立，其於香港產生之估計應課稅溢利年內須按16.5%的稅率繳納利得稅。

由於本集團並無在香港產生或賺取任何應課稅溢利，故此年內並無作出香港利得稅撥備。

根據中國企業所得稅法及有關法規，除重慶利昂教育服務有限公司及重慶派斯教育服務有限公司可享有的西部開發稅項獎勵計劃下的15%優惠稅率外，本集團旗下於中國內地營運的公司須就各自的應課稅收入按25%稅率繳付企業所得稅(「企業所得稅」)。

10. INCOME TAX (continued)

According to the Implementation Rules for the Law for Promoting Private Education (the “**Implementation Rules**”), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatments. Private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. It is stated in the Implementation Rules that the relevant authorities under the State Council may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. During the year, no separate policies, regulations or rules have been introduced by the authorities in this regard. In accordance with the historical tax returns filed to the relevant tax authorities, except for Laoling Minsheng Education High School Company Limited which was incorporated as a limited company, the Group’s schools which require reasonable returns did not pay corporate income tax and had enjoyed the preferential corporate income tax exemption treatments in 2018.

The major components of the income tax expense for the Group are as follows:

10. 所得稅(續)

根據《民辦教育促進法實施條例》(「**實施條例**」)，民辦學校不論要求取得合理回報與否，均可享受優惠政策。學校舉辦者不要求取得合理回報的民辦學校，依法享受與公辦學校同等的稅收優惠政策。實施條例規定，國務院相關部門可制定要求取得合理回報的民辦學校適用的稅收優惠政策及相關政策。年內，並無機關就此制定單獨的政策、法規及規則。根據向相關稅務機構遞交的過往納稅申報單，除以有限公司成立的樂陵民生教育高級中學有限公司外，集團要求取得合理回報的學校於2018年並未繳納企業所得稅並享受優惠企業所得稅待遇。

本集團所得稅開支的主要組成部分如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Current – Mainland China	即期－中國內地		
Charge for the year	年內徵繳	15,448	2,115

10. INCOME TAX (continued)

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

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Profit before tax	除稅前溢利	348,276	262,962
Tax at the statutory tax rates	按法定稅率計算之稅項	94,400	83,218
Lower tax rate enacted by local authority	當地機構頒佈之較低稅率	(8,889)	(873)
Adjustments in respect of current tax of previous years	就過往年度即期稅項作出之調整	3,565	175
Income not subject to tax	毋須課稅收入	(80,787)	(81,839)
Income tax arising from deemed interest income	視作利息收入產生之所得稅	5,223	-
Expenses not deductible for tax	不可扣稅開支	140	261
Tax losses utilised from previous years	已動用之過往年度稅項虧損	-	(53)
Tax losses not recognised	未確認之稅項虧損	1,796	1,226
		15,448	2,115

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

10. 所得稅(續)

採用本公司及其大部分附屬公司營業所在國家之法定稅率計算之除稅前溢利適用之稅項費用與按實際稅率計算之稅項費用之對賬如下：

根據中國企業所得稅法，在中國內地成立的外商投資企業向外國投資者宣派股息須繳納10%預扣稅。該規定自2008年1月1日起生效，且適用於2007年12月31日後的盈利。倘中國內地與外國投資者所在司法權區之間訂有稅務條約，或可採用較低的預扣稅稅率。就本集團而言，適用稅率為10%。因此，本集團須負責為於中國內地成立的附屬公司就2008年1月1日起產生的盈利所分派的股息繳納預扣稅。

10. INCOME TAX (continued)

At 31 December 2018, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China (2017: Nil). In the opinion of the directors, the Group's unremitted earnings will be retained in Mainland China for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totaled approximately RMB1,339,390,000 at 31 December 2018 (2017: RMB1,066,060,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

As at 31 December 2018, the Group had tax losses arising in Hong Kong of RMB1,488,000 (2017: RMB725,000), which are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also had tax losses arising in Mainland China of RMB9,163,000 (2017: RMB8,062,000), that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

11. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year (2017: Nil).

10. 所得稅(續)

於2018年12月31日，本集團並無就於中國內地成立之附屬公司須繳納預扣稅的未匯出盈利產生的應付預扣稅確認遞延稅項(2017年：無)。董事認為，本集團的未匯出盈利將留在中國內地用於擴充本集團營運，因此該等附屬公司於可見將來分派有關盈利的機會不大。於2018年12月31日，與於中國內地附屬公司投資有關而遞延稅項負債尚未確認的暫時差額總額合共約為人民幣1,339,390,000元(2017年：人民幣1,066,060,000元)。

本公司向其股東派付股息概不涉及所得稅影響。

於2018年12月31日，本集團在香港產生的稅項虧損為人民幣1,488,000元(2017年：人民幣725,000元)，可無限期用以抵銷出現虧損的公司的日後應課稅溢利。本集團於中國內地亦產生稅項虧損人民幣9,163,000元(2017年：人民幣8,062,000元)，有關稅項虧損將於一至五年內屆滿，可用於抵銷日後應課稅溢利。由於該等附屬公司已產生虧損一段時間，且認為並無可能有可用作扣減稅項虧損的應課稅溢利，故並無就該等虧損確認遞延稅項資產。

11. 股息

董事不建議就本年度派發任何股息(2017年：無)。

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

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 4,017,720,000 (2017: 3,790,753,205) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to owners of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

12. 母公司普通股權益持有人應佔每股盈利

每股基本盈利乃根據母公司擁有人應佔年度溢利及年內已發行普通股加權平均數4,017,720,000股(2017年: 3,790,753,205股)計算。

每股攤薄盈利乃根據母公司擁有人應佔年度溢利計算。計算時使用的普通股加權平均數即計算每股基本盈利所用之年內已發行普通股數目，以及視為行使或轉換所有潛在攤薄普通股為普通股時假設已無償發行的普通股加權平均數。

每股基本及攤薄盈利之計算乃根據：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Earnings	盈利		
Profit attributable to owners of the parent, used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利之母公司擁有人應佔溢利	332,839	259,947

		Number of shares 股份數目	
		2018	2017
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利之年內已發行普通股加權平均數	4,017,720,000	3,790,753,205
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Share options	購股權	4,993,230	886,898
		4,022,713,230	3,791,640,103

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings	Motor vehicles	Furniture and equipment	Computer equipment	Construction in progress	Total
		樓宇	汽車	傢私及裝置	電腦設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2018	2018年12月31日						
At 1 January 2018:	於2018年1月1日:						
Cost	成本	1,023,050	18,061	295,912	76,849	24,110	1,437,982
Accumulated depreciation	累計折舊	(144,566)	(10,213)	(169,886)	(47,179)	-	(371,844)
Net carrying amount	賬面淨值	878,484	7,848	126,026	29,670	24,110	1,066,138
At 1 January 2018, net of accumulated depreciation	於2018年1月1日，扣除累計折舊	878,484	7,848	126,026	29,670	24,110	1,066,138
Additions	添置	4,488	1,736	24,901	6,604	241,211	278,940
Acquisition of subsidiaries (note 33)	收購附屬公司(附註33)	748,300	3,666	41,689	357	91,000	885,012
Disposals	出售	-	(49)	(185)	(142)	-	(376)
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(30,815)	(2,233)	(29,776)	(8,896)	-	(71,720)
Transfers	轉撥	294,011	-	4,806	-	(298,817)	-
At 31 December 2018, net of accumulated depreciation	於2018年12月31日，扣除累計折舊	1,894,468	10,968	167,461	27,593	57,504	2,157,994
At 31 December 2018:	於2018年12月31日:						
Cost	成本	2,257,287	30,510	457,872	83,936	57,504	2,887,109
Accumulated depreciation	累計折舊	(362,819)	(19,542)	(290,411)	(56,343)	-	(729,115)
Net carrying amount	賬面淨值	1,894,468	10,968	167,461	27,593	57,504	2,157,994

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、廠房及設備(續)

		Buildings	Motor vehicles	Furniture and equipment	Computer equipment	Construction in progress	Total
		樓宇	汽車	傢私及裝置	電腦設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2017	2017年12月31日						
At 1 January 2017:	於2017年1月1日:						
Cost	成本	573,029	17,146	246,236	38,101	16,863	891,375
Accumulated depreciation	累計折舊	(102,236)	(8,979)	(139,810)	(28,634)	-	(279,659)
Net carrying amount	賬面淨值	470,793	8,167	106,426	9,467	16,863	611,716
At 1 January 2017, net of accumulated depreciation	於2017年1月1日， 扣除累計折舊	470,793	8,167	106,426	9,467	16,863	611,716
Additions	添置	732	8	20,273	2,245	17,669	40,927
Acquisition of a subsidiary (note 33)	收購一間附屬公司 (附註33)	418,000	1,083	22,550	21,047	64	462,744
Disposals	出售	(17)	(75)	(1,440)	(373)	-	(1,905)
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(18,386)	(1,335)	(24,152)	(3,471)	-	(47,344)
Transfers	轉撥	7,362	-	2,369	755	(10,486)	-
At 31 December 2017, net of accumulated depreciation	於2017年12月31日， 扣除累計折舊	878,484	7,848	126,026	29,670	24,110	1,066,138
At 31 December 2017:	於2017年12月31日:						
Cost	成本	1,023,050	18,061	295,912	76,849	24,110	1,437,982
Accumulated depreciation	累計折舊	(144,566)	(10,213)	(169,886)	(47,179)	-	(371,844)
Net carrying amount	賬面淨值	878,484	7,848	126,026	29,670	24,110	1,066,138

The Group's buildings are situated in Mainland China.

Certificates of ownership in respect of certain buildings of the Group located in Chongqing and Yunnan, the PRC with a total net carrying amount of approximately RMB150,497,000 at 31 December 2018 (2017: RMB192,121,000) have not yet been issued by the relevant PRC authorities. As at the end of the year, the directors were still in the process of obtaining these certificates.

At 31 December 2018, certain of the Group's buildings with a net carrying amount of approximately RMB291,177,000 (2017: RMB178,951,000) were pledged to secure bank loans and other borrowings (note 26).

本集團之樓宇位於中國內地。

相關中國機關尚未發出本集團位於中國重慶及雲南之若干樓宇之所有權證，該等樓宇於2018年12月31日之賬面淨值總額約為人民幣150,497,000元(2017年：人民幣192,121,000元)。於年末，董事仍在辦理取得該等所有權證的事宜。

於2018年12月31日，本集團賬面淨值為約人民幣291,177,000元(2017年：人民幣178,951,000元)的若干樓宇已予抵押以取得銀行貸款及其他借款(附註26)。

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Finance leases

The carrying value of the Group's buildings and equipment held under finance leases as at 31 December 2018 was RMB258,603,000 from the acquisition of subsidiaries (2017: Nil). Leased assets were pledged as security for the related finance lease payables.

14. PREPAID LAND LEASE PAYMENTS

These pieces of leasehold lands are located in Mainland China and are held under long term leases.

At 31 December 2018, certain of the Group's land with a net carrying amount of approximately RMB50,869,000 (2017: RMB105,424,000) was pledged to secure bank loans (note 26).

At 31 December 2018, certain of the Group's land with a net carrying amount of approximately RMB26,483,000 (2017: Nil) was pledged to secure certain loans of a non-controlling shareholder of Chongqing Electronic Information College.

13. 物業、廠房及設備(續)

融資租賃

於2018年12月31日，本集團收購附屬公司所得按融資租賃持有的樓宇及設備的賬面值為人民幣258,603,000元(2017年：無)。租賃資產已予質押作為相關融資租賃應付款項的抵押。

14. 預付土地租賃款項

		Note 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Carrying amount at beginning of year	於年初的賬面值		337,750	108,626
Additions	添置		-	650
Acquisition of a subsidiary	收購一間附屬公司		430,640	231,191
Recognised during the year (note 7)	於年內確認(附註7)		(7,736)	(2,717)
Carrying amount at end of year	於年末的賬面值		760,654	337,750
Current portion included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的即期部分	22	(15,869)	(6,793)
Non-current portion	非即期部分		744,785	330,957

該等租賃土地位於中國內地以長期租約持有。

於2018年12月31日，本集團賬面淨值為約人民幣50,869,000元(2017年：人民幣105,424,000元)的若干土地已予抵押以取得銀行貸款(附註26)。

於2018年12月31日，本集團賬面淨值為約人民幣26,483,000元(2017年：無)的若干土地已予抵押以取得重慶電信職業學院一名非控股股東的若干貸款。

15. GOODWILL

15. 商譽

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於1月1日	303,937	303,937
Acquisition of subsidiaries (note 33)	收購附屬公司(附註33)	1,381,162	-
At 31 December	於12月31日	1,685,099	303,937
Accumulated impairment:	累計減值：		
At beginning and end of year	於年初及年末	-	-
Net carrying amount:	賬面淨值：		
At 1 January	於1月1日	303,937	303,937
At 31 December	於12月31日	1,685,099	303,937

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the following cash-generating units for impairment testing:

商譽減值測試

透過業務合併收購的商譽分配至以下現金產生單位以進行減值測試：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Chongqing College of Humanities, Science and Technology	重慶人文科技學院	303,937	303,937
Leed International	勵德集團	1,381,162	-
		1,685,099	303,937

15. GOODWILL (continued)

Impairment testing of goodwill (continued)

Cash-generating unit of Chongqing College of Humanities, Science and Technology

The recoverable amount of the Chongqing College of Humanities, Science and Technology cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

		2018	2017
Sales amount (annual growth rate)	銷售金額(年度增長率)	6%	6%
Gross margins (% of revenue)	毛利率(佔收益率之百分比)	60%	60%
Long term growth rate	長期增長率	3%	3%
Pre-tax discount rate	稅前折現率	17%	17%

Cash-generating unit of Leed International

The recoverable amount of the Leed International cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

		2018
Sales amount (annual growth rate)	銷售金額(年度增長率)	15%
Gross margins (% of revenue)	毛利率(佔收益率之百分比)	50%
Long term growth rate	長期增長率	3%
Pre-tax discount rate	稅前折現率	16%

Budgeted sales amounts – The budgeted sales amounts are based on the historical data and management's expectation on the future market.

15. 商譽(續)

商譽減值測試(續)

重慶人文科技學院現金產生單位

重慶人文科技學院之現金產生單位之可收回金額乃根據使用價值計算方法釐定。該計算方法採用由高級管理層批准且涵蓋五年期間之財務預算所制定之現金流量預測。以下為管理層據以作出現金流量預測以對商譽進行減值測試的各項主要假設：

勵德集團現金產生單位

勵德集團之現金產生單位之可收回金額乃根據使用價值計算方法釐定。該計算方法採用由高級管理層批准且涵蓋五年期間之財務預算所制定之現金流量預測。以下為管理層據以作出現金流量預測以對商譽進行減值測試的各項主要假設：

預算銷售金額－預算銷售額乃基於歷史數據及管理層對未來市場的預期而釐定。

15. GOODWILL (continued)

Impairment testing of goodwill (continued)

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Long term growth rate – The long term growth rate is based on the historical data and management's expectation on the future market.

Pre-tax discount rate – The pre-tax discount rate reflects specific risks relating to the relevant unit, which is determined using the capital asset pricing model with reference to the beta coefficient and debt ratio of certain publicly listed companies conducting business in the PRC education industry.

The values assigned to the key assumptions on market development of the cash-generating unit and discount rate are consistent with external information sources.

15. 商譽(續)

商譽減值測試(續)

預算毛利率—用於釐定有關預算毛利率的價值所用的基準為緊接預算年度前所取得的平均毛利率，並對預期效率改善及預期市場發展作出上調。

長期增長率—長期增長率乃基於歷史數據及管理層對未來市場的預期而釐定。

稅前貼現率—稅前貼現率反映與有關單位相關的特定風險，乃使用資本資產定價模型並參考貝塔係數及若干在中國教育行業開展業務的公開上市公司的負債率釐定。

就有關現金產生單位的市場發展及貼現率的各項主要假設所賦予的價值與外部資料來源相一致。

16. OTHER INTANGIBLE ASSETS

16. 其他無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元
31 December 2018		
Cost at 1 January 2018, net of accumulated amortisation	於2018年1月1日的成本， 扣除累計攤銷	3,380
Addition	添置	4,118
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(1,241)
At 31 December 2018	於2018年12月31日	6,257
At 31 December 2018:	於2018年12月31日：	
Cost	成本	12,537
Accumulated amortisation	累計攤銷	(6,280)
Net carrying amount	賬面淨值	6,257
31 December 2017		
Cost at 1 January 2017, net of accumulated amortisation	於2017年1月1日的成本， 扣除累計攤銷	2,682
Addition	添置	786
Acquisition of a subsidiary (note 33)	收購一間附屬公司(附註33)	954
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(1,042)
At 31 December 2017	於2017年12月31日	3,380
At 31 December 2017:	於2017年12月31日：	
Cost	成本	7,830
Accumulated amortisation	累計攤銷	(4,450)
Net carrying amount	賬面淨值	3,380

17. INVESTMENTS IN ASSOCIATES

17. 於聯營公司的投資

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Share of net assets	分佔資產淨值	2,030	2,568
Loan to an associate – Hong Kong Nang Yan College of Higher Education Limited	向聯營公司(香港能仁專上學院有限公司)貸款	–	33,455
		2,030	36,023

The loan to an associate (Hong Kong Nang Yan College of Higher Education Limited) was unsecured, interest-free and repayable on demand. In the opinion of the directors, the loan was unlikely to be repaid in the foreseeable future and was considered as part of the Group's net investment in this associate as at 31 December 2017. Upon the adoption of IFRS 9, the Group has reclassified loan to an associate to debt investment at fair value through profit or loss included in other non-current assets.

向聯營公司(香港能仁專上學院有限公司)的貸款為無抵押、免息，並按要求償還。董事認為該筆貸款應不會於可見未來償還，並於2017年12月31日視其為本集團於該聯營公司投資淨額的一部分。於採納國際財務報告準則第9號後，本集團已將向聯營公司貸款重新分類為按公平值計入損益的債務工具，並計入其他非流動資產。

Particulars of the associates are as follows:

聯營公司的詳情如下：

Name	Particulars of equity/ interest held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
名稱	所持有股本/ 權益之詳情	註冊成立/ 成立及業務地點	本集團應佔所有權權益之百分比	主要業務
Beacon International College PTE. LTD.*	Ordinary shares	Republic of Singapore	25.6%	Commercial schools offering higher education programmes
Beacon International College PTE. LTD.*	普通股	新加坡共和國		提供高等教育項目之商業學校
Hong Kong Nang Yan College of Higher Education Limited*	Membership	Hong Kong	0%**	Education institution providing higher education
香港能仁專上學院有限公司*	成員公司	香港		提供高等教育之教育機構

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

* 未經香港安永或安永全球網絡之另一成員公司審核

17. INVESTMENTS IN ASSOCIATES (continued)

Particulars of the associates are as follows: (continued)

** The Group's subsidiary, Hong Kong College of Technology and Business Limited ("Hong Kong Technology and Business"), is one of the two members of Hong Kong Nang Yan College of Higher Education Limited ("Hong Kong Nang Yan"). Pursuant to the Articles of Association of Hong Kong Nang Yan, no portion of the income and property of Hong Kong Nang Yan shall be transferred directly or indirectly, by way of dividend, bonus, or otherwise, to any member of it. Hong Kong Technology and Business is entitled to appoint four members to the school management committee of Hong Kong Nang Yan which represent 29% of the voting rights.

The above investments are indirectly held by the Company.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Share of the associates' loss for the year	分佔聯營公司年內虧損	(644)	(269)
Share of the associates' total comprehensive income	分佔聯營公司之全面收益總額	(644)	(269)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司的投資之賬面總值	2,030	36,023

17. 於聯營公司的投資(續)

聯營公司的詳情如下:(續)

** 本集團之附屬公司香港工商學院有限公司(「香港工商學院」)乃香港能仁專上學院有限公司(「香港能仁」)兩間成員公司之一。根據香港能仁之組織章程細則，香港能仁之收入及物業概無以股息、花紅或其他形式直接或間接轉讓予其任何成員公司。香港工商學院有權就香港能仁的學校管理委員會委任四名成員，相當於投票權的29%。

以上投資由本公司間接持有。

下表闡述本集團之單獨而言並非重要的聯營公司之匯總財務資料：

18. OTHER INVESTMENTS

18. 其他投資

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Current assets	流動資產		
Investment deposits (i)	投資存款(i)	–	243,370
Available-for-sale investments (ii)	可供出售投資(ii)	–	466,320
		–	709,690
Non-current assets	非流動資產		
Equity investments measured at	按以下方式計量的股權投資		
– Fair value through other comprehensive income (iii)	– 按公平值計入其他全面收益(iii)	6,380	–
– Fair value through profit or loss (iv)	– 按公平值計入損益(iv)	61,347	–
Available-for-sale investment (iii)	可供出售投資(iii)	–	6,000
		67,727	6,000

(i) Investment deposits

Investment deposits were wealth management products with guaranteed returns. They were denominated in RMB. The investments were held for collection of contractual cash flows and the contractual cash flows of these investments qualify for solely payments of principal and interest, and hence they were measured at amortised cost.

Upon the adoption of IFRS 9, the Group has reclassified investment deposits to short-term investments measured at amortised cost. As at 31 December 2018, all investment deposits had been settled.

(i) 投資存款

投資存款為具保證回報的理財產品。該等產品以人民幣計值。有關投資乃持有以賺取合約現金流量，而該等投資的合約現金流量合資格為純粹本息付款，因而按攤銷成本計量。

於採納國際財務報告準則第9號後，本集團已將投資存款重新分類至按攤銷成本計量的短期投資。於2018年12月31日，所有投資存款均已結算。

18. OTHER INVESTMENTS (continued)**(ii) Available-for-sale investments**

Available-for-sale investments were wealth management products with an expected rate of return ranging from 3.2% to 4.3% per annum for the year. They were denominated in RMB. The return on all of these wealth management products was not guaranteed, and hence their contractual cash flows did not qualify for solely payments of principal and interest. Therefore, they were measured at fair value through profit or loss. None of these investments were past due. The fair values were based on cash flow discounted using the expected return based on management judgement and were categorised within level 3 of fair value hierarchy.

Upon the adoption of IFRS 9, the Group has reclassified available-for-sale investments to short-term investments measured at fair value through profit or loss. As at 31 December 2018, all wealth management products had been settled.

(iii) Equity investment at fair value through other comprehensive income

Equity investment at fair value through other comprehensive income represents an unlisted security. The fair value of the unlisted security is measured using a valuation technique with unobservable inputs and hence categorised within level 3 of the fair value hierarchy.

Upon the adoption of IFRS 9, such investment was reclassified from available-for-sale investment to equity investment at fair value through other comprehensive income.

18. 其他投資(續)**(ii) 可供出售投資**

可供出售投資為年內預期年回報率介乎3.2%至4.3%的理財產品。該等產品以人民幣計值。所有該等理財產品的回報並無保證，因而其合約現金流量不合資格為純粹本息付款。因此，該等產品按公平值計入損益計量。該等投資概無逾期。公平值乃根據採用基於管理層判斷的預期回報率貼現的現金流量計算，並屬於公平值層級的第三級。

於採納國際財務報告準則第9號後，本集團已將可供出售投資重新分類至按公平值計入損益計量的短期投資。於2018年12月31日，所有理財產品均已結算。

(iii) 按公平值計入其他全面收益的股權投資

按公平值計入其他全面收益的股權投資指非上市證券。非上市證券的公平值乃以採用不可觀察參數的估值方法計量，因而屬於公平值層級的第三級。

於採納國際財務報告準則第9號後，有關投資已由可供出售投資重新分類至按公平值計入其他全面收益的股權投資。

18. OTHER INVESTMENTS (continued)

(iv) Equity investment at fair value through profit or loss

Equity investment at fair value through profit or loss represents a listed security. The fair value of the listed security is determined based on the closing price quoted in an active market. It is categorised within level 1 of fair value hierarchy.

18. 其他投資(續)

(iv) 按公平值計入損益的股權投資

按公平值計入損益的股權投資指上市證券。上市證券的公平值乃基於活躍市場收市價釐定，其歸入公平值層級的第一級。

19. OTHER NON-CURRENT ASSETS

19. 其他非流動資產

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Prepayments for acquisition of land use rights	收購土地使用權的預付款項	193,074	15,500
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	136,043	-
Long-term prepayments, other receivables and other assets	長期預付款項、其他應收款項及其他資產	9,632	-
Loan to an associate – Hong Kong Nang Yan College of Higher Education Limited*	向聯營公司(香港能仁專上學院有限公司)貸款*	43,810	-
		382,559	15,500

* The loan to an associate (Hong Kong Nang Yan College of Higher Education Limited) is unsecured, interest-free and repayable on demand. Upon the adoption of IFRS 9, the Group has reclassified loan to an associate included in investments in associates to debt investment at fair value through profit or loss included in other non-current assets.

* 向聯營公司(香港能仁專上學院有限公司)的貸款為無抵押、免息，並按要求償還。於採納國際財務報告準則第9號後，本集團已將計入於聯營公司投資的向聯營公司貸款重新分類為按公平值計入損益的債務工具，並計入其他非流動資產。

20. INVENTORIES

20. 存貨

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Consumables	消耗品	1,381	1,351

21. TRADE RECEIVABLES

21. 貿易應收款項

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Trade receivables	貿易應收款項	5,510	807
Impairment	減值	-	-
		5,510	807

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming school year, which normally commences in September. The outstanding receivables represent amounts related to students who have applied for the delayed payment of tuition fees and boarding fees. There is no fixed term for delayed payments. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified students, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting year, based on the transaction date and net of loss allowance, is as follows:

本集團的學生需預付下個學年的學費及住宿費，學年一般於九月開始。尚未支付應收款項指與已申請延遲繳交學費及住宿費的學生相關的金額。延遲付款並無固定期限。本集團致力嚴格控制未支付應收款項，以減低信貸風險。高級管理層定期審查逾期結餘。基於上文所述及本集團的貿易應收款項涉及人數龐大而分散的學生，故並無重大信貸風險集中。本集團並無為其貿易應收款項結餘安排任何抵押品或其他信用增級。貿易應收款項為免息。

截至報告年度末，按交易日期及扣除虧損撥備計算，貿易應收款項的賬齡分析如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within 1 year	一年內	5,162	584
1 to 2 years	一至兩年	309	201
2 to 3 years	兩至三年	39	10
Over 3 years	三年以上	-	12
		5,510	807

21. TRADE RECEIVABLES (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At beginning of year	年初	-	-
Impairment losses (note 7)	減值虧損(附註7)	80	-
Amount written off as uncollectible	已撇銷為無法收回款項	(80)	-
At end of year	年末	-	-

Impairment under IFRS 9 for the year ended 31 December 2018

The Group applies the simplified approach to provide for the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The loss rate applied is minimal. The Group considered the trade receivables overdue over one year for students that are not dropped out from schools are not default as the tuition fees and boarding fees will be fully received upon the graduation of the students by reference to past experience.

Impairment under IAS 39 for the year ended 31 December 2017

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under IAS 39 is as follows:

		2017 RMB'000 人民幣千元
Less than 1 year past due	逾期少於一年	785
1 to 2 years past due	逾期一至兩年	10
2 to 3 years past due	逾期兩至三年	12
		807

21. 貿易應收款項(續)

貿易應收款項減值虧損撥備的變動如下：

截至2018年12月31日止年度根據國際財務報告準則第9號的減值

本集團應用簡化方法就國際財務報告準則第9號訂明之預期信貸虧損計提撥備，該準則允許就所有貿易應收款項採用全期預期虧損撥備。所應用虧損率甚微。本集團認為根據過往經驗，就未退學的學生而言，逾期超過一年的貿易應收款項並不屬違約，蓋因學生畢業時將全數支付學費及住宿費。

截至2017年12月31日止年度根據國際會計準則第39號的減值

根據國際會計準則第39號並非個別或全部被視為減值的貿易應收款項於2017年12月31日的賬齡分析如下：

21. TRADE RECEIVABLES (continued)

Impairment under IAS 39 for the year ended 31 December 2017 (continued)

Receivables that were past due but not impaired related to a number of independent students who were in temporary financial difficulties. Based on the individual assessment, the directors were of the opinion that no provision for impairment under IAS 39 was necessary given the various efforts of these students to raise funds.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Note 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Prepaid expenses		4,489	6,546
Prepaid land lease payments (current portion)	14	15,869	6,793
Advance to staff		4,074	2,548
Advance to third parties		11,434	1,584
Interest receivables		—	295
Deposits		10,219	2,500
Other receivables		17,137	12,254
		63,222	32,520
Impairment allowance		(236)	(736)
		62,986	31,784

Except for certain receivables for which the counterparty failed to make demanded repayment and the Group has made 100% provision (“**default receivables**”), the other balances will be settled within 12 months and has no historical default, the financial assets included in the above balance were categorised in stage 1 for measurement of ECLs at the end of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward- looking macroeconomic data. During the current year, except for the default receivables, the Group estimated the expected loss rate for the other receivables is minimal.

21. 貿易應收款項(續)

截至2017年12月31日止年度根據國際會計準則第39號的減值(續)

已逾期但未減值應收款項與多名有暫時財政困難的獨立學生有關。根據個別評估，董事認為根據國際會計準則第39號並無必要作出減值撥備，蓋因該等學生已作出各種努力進行籌資。

22. 預付款項、其他應收款項及其他資產

除對手方未按要求還款且本集團已全數計提撥備的若干應收款項(「**拖欠應收款項**」)外，其他結餘將於12個月內結清，且過往並無拖欠記錄。上述結餘所包含的金融資產歸類為報告期末計量預期信貸虧損的第1階段。於計算預期信貸虧損率時，本集團考慮過往虧損率，並就前瞻性宏觀經濟數據作出調整。於本年度，除拖欠應收款項外，本集團估計其他應收款項的預期虧損率不大。

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances. Other receivables are non-interest-bearing. The movements in the provision for impairment of deposits and other receivables are as follows:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of year	年初	736	736
Impairment losses recognised (note 7)	已確認減值虧損(附註7)	47	-
Reversal (note 7)	撥回(附註7)	(500)	-
Amount written off as uncollectible	已撇銷為無法收回款項	(47)	-
		236	736

The individually impaired other receivables relate to counterparties that were in financial difficulties or were in default in payments and no receivable is expected to be recovered.

22. 預付款項、其他應收款項及其他資產 (續)

本集團將致力維持對其未支付應收款項的嚴格控制，以減輕信貸風險。賬齡較長的結欠由高級管理層定期審閱。鑒於本集團的按金及其他應收款項涉及人數龐大而分散的對手方，故並無重大信貸風險集中。本集團並無就其按金及其他應收款項結餘持有任何抵押品或其他信用增級。其他應收款項不計息。按金及其他應收款項減值的撥備變動如下：

個別減值的其他應收款項乃就有財務困難或未能付款的對手方而作出且預期應收款項將不可收回。

23. CASH AND BANK BALANCES AND INVESTMENT DEPOSITS AND RESTRICTED BANK BALANCES

23. 現金及銀行結餘及投資存款及受限制銀行結餘

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	1,508,144	1,716,278
Investment deposits with licensed banks in Mainland China, at amortised cost (note 18)	於中國內地持牌銀行的投資存款，按攤銷成本(附註18)	-	243,370
		1,508,144	1,959,648
Less:	減：		
- Restricted bank balance	- 受限制銀行結餘	(2,324)	(20,000)
Cash and cash equivalents	現金及現金等價物	1,505,820	1,939,648
Cash and cash equivalents denominated in:	以下列貨幣計價的現金及現金等價物：		
- RMB	- 人民幣	1,480,138	1,195,492
- Hong Kong dollars (HK\$)	- 港元	2,808	721,680
- United States dollars (US\$)	- 美元	22,874	22,476

Investment deposits as at 31 December 2017 represented investments in wealth management products purchased from licensed banks in Mainland China, with an aggregate amount of RMB243,370,000. All investment deposits had been redeemed in 2018.

於2017年12月31日的投資存款指向中國內地持牌銀行購買的理財產品，總金額為人民幣243,370,000元。所有投資存款均於2018年贖回。

As at 31 December 2018, the Group's cash and cash equivalents denominated in RMB amounted to RMB1,480,138,000 (2017: RMB1,195,492,000). The RMB is not freely convertible into other currencies, however, under the 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.

於2018年12月31日，本集團的現金及現金等價物以人民幣計價，為人民幣1,480,138,000元(2017年：人民幣1,195,492,000元)。人民幣不可自由兌換為其他貨幣，然而，根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲允許通過獲授權銀行將人民幣兌換為其他貨幣以進行外匯業務。

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

存放於銀行的現金按每日銀行存款利率的浮息率賺取利息。銀行結餘乃存於並無近期違約記錄且具信譽的銀行。

23. CASH AND BANK BALANCES AND INVESTMENT DEPOSITS AND RESTRICTED BANK BALANCES (continued)

In accordance with the relevant laws and regulations imposed by the relevant PRC government authorities or the terms and conditions set out in the relevant government grant agreements, proceeds from government grants are required to be deposited into designated bank accounts and restricted to be used in the relevant projects. As at 31 December 2018, such balances were RMB42,573,000 (2017: RMB45,909,000).

24. CONTRACT LIABILITIES/DEFERRED REVENUE

Contract liabilities

Details of contract liabilities as at 31 December 2018 are as follows:

		31 December 2018 2018年 12月31日 RMB'000 人民幣千元
Short-term advances received from customers	向客戶收取的短期預付款	
Tuition fees	學費	486,752
Boarding fees	住宿費	47,345
		534,097

Deferred revenue

遞延收益

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Tuition fees	學費	291,710
Boarding fees	住宿費	30,125
		321,835

23. 現金及銀行結餘及投資存款及受限制銀行結餘(續)

根據相關中國政府當局實施的有關法律法規或有關政府補助金協議所載條款條件，政府補助金所得款項須存放於指定銀行賬戶並限定在有關項目使用。於2018年12月31日，結餘為人民幣42,573,000元(2017年：人民幣45,909,000元)。

24. 合約負債／遞延收益

合約負債

截至2018年12月31日的合約負債詳情如下：

**24. CONTRACT LIABILITIES/DEFERRED REVENUE
(continued)**

Contract liabilities include short-term advances received from students in relation to the proportionate service not yet provided. The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The students are entitled to refund of the payment in relation to the proportionate service not yet provided.

The significant increase in contract liabilities in the current year was mainly due to the acquisitions of businesses, resulting increases in contract liabilities of RMB227,999,000 as detailed in note 33 to the financial statements.

24. 合約負債／遞延收益(續)

合約負債包括就尚未提供服務按比例向學生收取的短期預付款。本集團於每學年開始前預先向學生收取學費及住宿費。學費及住宿費於有關課程的相關期內按比例確認。學生有權按比例收回仍未提供服務的相關款項。

本年度合約負債大幅增加，主要由於收購業務，導致合約負債增加人民幣227,999,000元，詳情載於財務報表附註33。

25. OTHER PAYABLES AND ACCRUALS**25. 其他應付款項及應計費用**

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Accrued bonuses and other employee benefits	應計花紅及其他僱員福利	50,553	24,614
Payables for catering services	應付餐飲服務款項	13,794	6,970
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付款項	158,290	65,057
Payables for management fee	管理費應付款項	68,469	32,364
Miscellaneous expenses received from students (note (i))	收取學生的雜項開支(附註(i))	32,502	25,124
Other tax payable	其他應付稅項	1,131	2,605
Payables for audit fee	審計費用應付款項	3,960	2,250
Payables for interest	應付利息	6,426	32,309
Consideration payable for business combination	業務合併應付代價	91,730	-
Payables to companies controlled by the non-controlling shareholders of a subsidiary	應付一家附屬公司非控股股東所控制公司的款項	193,638	-
Other payables*	其他應付款項*	76,856	98,516
		697,349	289,809

25. OTHER PAYABLES AND ACCRUALS (continued)

- * Payables of RMB20,000,000 (2017: RMB72,000,000) to the non-controlling shareholder of Chongqing Electronic Information College is included within other payables.

Other payables are non-interest-bearing and repayable on demand.

Note (i): The amounts represent the miscellaneous expenses received from students which will be paid out on behalf of students.

25. 其他應付款項及應計費用(續)

- * 向重慶電信職業學院非控股股東支付的應付款項人民幣20,000,000元(2017年：人民幣72,000,000元)已計入其他應付款項。

其他應付款項為免息，並按要求償還。

附註(i)：金額為收取學生的雜項開支，將代學生支付。

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

26. 計息銀行及其他借貸

		2018			2017		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元
Current	即期						
Bank loans – secured	銀行貸款－有抵押	5.3-6.5	2019	49,600	5.2-12	2018	29,000
Current portion of long term bank loans – secured	長期銀行貸款的即期部分－有抵押	4.9-7.1	2019	51,500	8.3	2018	40,500
Other loans – unsecured	其他貸款－無抵押	4.8-24	2019	40,144	15-24	2018	74,618
Finance lease payables (note 27)	應付融資租賃(附註27)	6.5-7.7	2019	103,391	–	–	–
				244,635			144,118
Non-current	非即期						
Bank loans – secured	銀行貸款－有抵押	6.5-7.1	2020-2021	57,400	–	–	–
Government loan – secured	政府貸款－有抵押	1.2	2032	30,000	1.2	2032	30,000
Finance lease payables (note 27)	應付融資租賃(附註27)	6.5-7.7	2020-2021	126,699	–	–	–
				214,099			30,000
				458,734			174,118

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued) **26. 計息銀行及其他借貸(續)**

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Analysed into:	分析如下：		
Bank loans:	銀行貸款：		
Within one year or on demand	一年之內或按要求	101,100	69,500
In the second year	第二年	53,400	-
In the third to fifth years, inclusive	第三至第五年，首尾兩年包括在內	4,000	-
		158,500	69,500
Other borrowings repayable:	其他應償還貸款：		
Within one year or on demand	一年之內或按要求	40,144	74,618
Government loan:	政府貸款：		
Beyond five years	超過五年	30,000	30,000
Finance lease payables:	應付融資租賃：		
Within one year or on demand	一年之內或按要求	103,391	-
In the second year	第二年	107,591	-
In the third to fifth years, inclusive	第三至第五年，首尾兩年包括在內	19,108	-
		230,090	-
		458,734	174,118

Notes:

- (a) The Group's overdraft facilities amounted to nil (2017: Nil).
- (b) Certain of the Group's bank loans and government loan are secured by mortgages over the Group's certain property, plant and equipment and certain leasehold lands, which had an aggregate carrying value at the end of the reporting period of approximately RMB342,046,000 (2017: RMB284,375,000).
- (c) All borrowings are denominated in RMB.
- (d) The Group's other loans are unsecured, bear interest at rates ranging from 4.8% to 24%, and are repayable in one year.

附註：

- (a) 本集團的透支貸款金額為零(2017年：零)。
- (b) 本集團的若干銀行貸款及政府貸款由本集團若干物業、廠房及設備以及若干租賃土地抵押擔保，其於報告期末總賬面值約為人民幣342,046,000元(2017年：人民幣284,375,000元)。
- (c) 所有借款均以人民幣計值。
- (d) 本集團其他貸款為無抵押，利率為4.8%至24%之間，須於一年內償還。

27. FINANCE LEASE PAYABLES

The Group leased buildings and equipment in the year ended 31 December 2018 and the leases were classified as finance leases and have remaining lease terms of 2 to 3 years.

At 31 December 2018, the total future minimum lease payments under finance leases and their present values were as follows:

27. 應付融資租賃

截至2018年12月31日止年度，本集團租用樓宇及設備，有關租賃分類為融資租賃，剩餘租期二至三年。

於2018年12月31日，根據融資租賃應付的未來最低租金總額及其現值如下：

		Minimum lease payments 最低 租金付款 2018 RMB'000 人民幣千元	Present value of minimum lease payments 最低 租金付款現值 2018 RMB'000 人民幣千元
Amounts payable:	應付款項：		
Within one year	一年內	118,341	103,391
In the second year	第二年	115,208	107,591
In the third to fifth years, inclusive	第三至第五年，首尾兩年包括 在內	19,613	19,108
Total minimum finance lease payments	金融租賃最低租金總額	253,162	230,090
Future finance charges	未來融資費用	(23,072)	
Total net finance lease payables	應付融資租賃淨額總額	230,090	
Portion classified as current liabilities (note 26)	分類為流動負債部分(附註26)	(103,391)	
Non-current portion (note 26)	非流動部分(附註26)	126,699	

28. DEFERRED INCOME**28. 遞延收入**

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Government grants	政府補助		
At beginning of year	年初	288,541	139,503
Acquisition of subsidiaries (note 33)	收購附屬公司(附註33)	19,299	186,010
Grants received	已收補助	72,482	65,984
Charged to profit or loss (note 5)	計入損益(附註5)	(78,358)	(102,956)
At end of year	年末	301,964	288,541
Current	即期	19,937	17,134
Non-current	非即期	282,027	271,407
		301,964	288,541

These government grants are related to the subsidies received from the local government for the purpose of compensating the operating expenses arising from the Group's schools' teaching activities and expenditures on teaching facilities. Upon completion of the operating activities and the related projects, the grants related to the expense items will be recognised as other income directly in profit or loss and the grants related to an asset will be released to profit or loss over the expected useful life of the relevant asset.

該等政府補助金與收自當地政府的補貼有關，用於補償本集團學校教學活動而產生的經營開支及教學設施開支。當經營活動及相關項目完成後，與開支項目相關的補助金應直接於損益確認為其他收入，而與資產有關的補助金應在有關資產的預計可使用年內撥入損益。

29. PUT OPTION LIABILITY

The financial liability for the Put Option is recognised at the present value of the expected amount payable of RMB981.5 million upon exercise of the Put Option assuming that the purchase will take place in the fifth year after the effective date of the share purchase agreement in relation to the acquisition of Lead International. Such present value is calculated as RMB778.3 million with a discount rate of 4.75% (the published People's Bank of China benchmark rate). Further details are set out in notes 3 and 33 to the financial statements.

29. 認沽期權負債

認沽期權的金融負債乃於認沽期權獲行使後按預期應付款項人民幣981,500,000元的現值確認，當中假設購買將於有關收購勵德集團的股份購買協議生效日期起計第五年發生。有關現值按貼現率4.75%（中國人民銀行公佈的基準利率）計算為人民幣778,300,000元。進一步詳情載於財務報表附註3及33。

30. SHARE CAPITAL

Shares

30. 股本

股份

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Authorised:	法定：		
10,000,000,000 ordinary shares of US\$0.00001 each as at 31 December 2018 (2017: 10,000,000,000 ordinary shares)	於2018年12月31日的 10,000,000,000股每股 面值0.00001美元的普通股 (2017年：10,000,000,000 股普通股)	747	747
Issued and fully paid:	已發行及繳足股款：		
4,017,720,000 ordinary shares as at 31 December 2018 (2017: 4,017,720,000 ordinary shares)	於2018年12月31日的 4,017,720,000股普通股 (2017年：4,017,720,000 股普通股)	307	307

A summary of movements in the Company's share capital is as follows:

本公司股本變動概要如下：

		Number of shares in issue 已發行股份數目	Share capital 股本 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	2,589,451,200	209
Capitalisation issue (note (a))	資本化發行(附註(a))	410,548,800	28
Issuance of ordinary shares upon listing (note (b))	於上市時發行普通股(附註(b))	1,000,000,000	69
Exercise of over-allotment options (note (c))	行使超額配股權(附註(c))	17,720,000	1
At 31 December 2017, 1 January 2018 and 31 December 2018	於2017年12月31日、2018年 1月1日及2018年12月31日	4,017,720,000	307

30. SHARE CAPITAL (continued)

Shares (continued)

Notes:

- (a) 410,548,800 shares were allotted and issued to the sole shareholder of the Company, credited as fully paid at par value, immediately preceding the listing data on 22 March 2017 to the sole shareholder by way of capitalisation of the sum of US\$4,000 (approximately RMB28,000) standing to the credit of the capital reserve account of the Company;
- (b) On 22 March 2017, in connection with the Company's IPO as defined in the Prospectus, 1,000,000,000 new ordinary shares of the Company of US\$0.00001 each were issued at a price of HK\$1.38 per share;
- (c) On 20 April 2017, the Company issued additional 17,720,000 shares at the price of HK\$1.38 per share as a result of exercise of over-allotment options by the underwriters.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 31 to the financial statements.

31. 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. The Scheme became effective on 2 March 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The exercise price of share options is determinable by the board, but may not be less than the highest of (i) the nominal value of a share; (ii) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (iii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

30. 股本(續)

股份(續)

附註：

- (a) 於緊接2017年3月22日上市日期前，透過將本公司資本儲備賬進賬額4,000美元(約人民幣28,000元)資本化的方式向本公司唯一股東配發及發行410,548,800股股份，按面值入賬列作繳足；
- (b) 於2017年3月22日，就本公司的首次公開發售(定義見招股章程)，按每股1.38港元的價格發行1,000,000,000股每股面值0.00001美元的本公司新普通股；
- (c) 於2017年4月20日，由於包銷商行使超額配股權，本公司按每股1.38港元的價格發行額外17,720,000股股份。

購股權

本公司購股權計劃及根據計劃發行購股權的詳情載列於財務報表附註31內。

31. 購股權計劃

本公司運營購股權計劃(「**計劃**」)，其目的為向對本集團成功運營作出貢獻的合資格參與者提供激勵及獎勵。計劃於2017年3月2日生效，除非另行取消或修訂，將由該日期開始持續生效十年。

購股權的行使價由董事會釐定，但不得低於以下最高者(i)股份面值；(ii)本公司股份於購股權授出日期在聯交所的收市價；及(iii)本公司股份於緊接授出日期前五個交易日在聯交所的平均收市價。

31. SHARE OPTION SCHEME (continued)

(i) *Movements in share options*

The following share options were outstanding under the Scheme during the year:

		2018		2017	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均行使價	購股權數量	加權平均行使價	購股權數量
		HK\$	'000	HK\$	'000
		per share	千	per share	千
		每股港元		每股港元	
At 1 January	於1月1日	1.39	35,000	–	–
Granted during the year	年內授出	1.66	27,750	1.39	35,000
Exercised during the year	年內行使	–	–	–	–
At 31 December	於12月31日	1.51	62,750	1.39	35,000

31. 購股權計劃(續)

(i) 購股權變動

年內計劃項下以下購股權尚未行使：

31. SHARE OPTION SCHEME (continued)

(ii) Outstanding share options

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

31 December 2018

Number of options 購股權數量 '000 千	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
7,000	1.39	31 August 2018 to 30 August 2023 2018年8月31日至2023年8月30日
7,000	1.39	31 August 2019 to 30 August 2024 2019年8月31日至2024年8月30日
7,000	1.39	31 August 2020 to 30 August 2025 2020年8月31日至2025年8月30日
7,000	1.39	31 August 2021 to 30 August 2026 2021年8月31日至2026年8月30日
7,000	1.39	31 August 2022 to 30 August 2027 2022年8月31日至2027年8月30日
5,550	1.66	27 August 2019 to 26 August 2024 2019年8月27日至2024年8月26日
5,550	1.66	27 August 2020 to 26 August 2025 2020年8月27日至2025年8月26日
5,550	1.66	27 August 2021 to 26 August 2026 2021年8月27日至2026年8月26日
5,550	1.66	27 August 2022 to 26 August 2027 2022年8月27日至2027年8月26日
5,550	1.66	27 August 2023 to 26 August 2028 2023年8月27日至2028年8月26日
62,750		

31. 購股權計劃(續)

(ii) 未行使購股權

於報告期末尚未行使購股權的行使價及行使期如下：

2018年12月31日

31. SHARE OPTION SCHEME (continued)

(ii) Outstanding share options (continued)

31 December 2017

Number of options 購股權數量 '000 千	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
7,000	1.39	31 August 2018 to 30 August 2023 2018年8月31日至2023年8月30日
7,000	1.39	31 August 2019 to 30 August 2024 2019年8月31日至2024年8月30日
7,000	1.39	31 August 2020 to 30 August 2025 2020年8月31日至2025年8月30日
7,000	1.39	31 August 2021 to 30 August 2026 2021年8月31日至2026年8月30日
7,000	1.39	31 August 2022 to 30 August 2027 2022年8月31日至2027年8月30日
35,000		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

At 31 December 2018, the share options outstanding under the Scheme were divided into five tranches at their respective grant dates. Generally, the first tranche vests one year after the grant date while the remaining tranches vest in the subsequent four years each. There is a five-year exercise period for each share option granted under the Scheme.

The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 62,750,000 additional ordinary shares of the Company and additional share capital of HK\$5,000 (equivalent to approximately RMB4,000) and share premium of HK\$94,710,000 (equivalent to approximately RMB81,025,000) (before issue expenses).

31. 購股權計劃(續)

(ii) 未行使購股權(續)

2017年12月31日

* 購股權的行使價可於供股或紅股發行，或本公司股本的其他類似變動時作出調整。

於2018年12月31日，計劃項下未行使購股權按其各自的授出日期分為五個批次。整體而言，第一批次於授出日期後一年歸屬，其他批次分別在其後四年各年歸屬。購股權計劃項下授出各購股權均有五年的行使期。

根據本公司現時的股本結構，悉數行使未行使購股權將導致增發62,750,000股本公司普通股，增加股本5,000港元(相當於約人民幣4,000元)以及股份溢價94,710,000港元(相當於約人民幣81,025,000元)(未扣除發行開支)。

31. SHARE OPTION SCHEME (continued)

(iii) Fair value of the share options

The fair value of the share options granted during the year was HK\$24,194,000 (HK\$0.87 weighted average each) (2017: HK\$27,630,000), of which the Group recognised a share option expense of HK\$15,238,000 (equivalent to approximately RMB13,108,000) (2017: RMB3,300,000) during the year ended 31 December 2018.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using the popular binomial tree model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

		2018
Dividend yield (%)	股息率(%)	-
Volatility (%)	波幅(%)	48-55
Risk-free interest rate (%)	無風險利率(%)	2.09-2.14
Exit rate (%)	退出率(%)	-
Exercise multiple	行使倍數	2.2-2.8
		2017
Dividend yield (%)	股息率(%)	-
Volatility (%)	波幅(%)	53-61
Risk-free interest rate (%)	無風險利率(%)	1.2-1.38
Exit rate (%)	退出率(%)	-
Exercise multiple	行使倍數	2.2-2.8

The volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

31. 購股權計劃(續)

(iii) 購股權公平值

年內授出購股權的公平值為24,194,000港元(每份加權平均公平值為0.87港元)(2017年: 27,630,000港元), 當中本集團於截至2018年12月31日止年度確認購股權開支15,238,000港元(相當於約人民幣13,108,000元)(2017年: 人民幣3,300,000元)。

年內授出以股權結算購股權的公平值於授出日期使用流行的二項式模型估計, 慮及購股權授出所依據的條款及條件。下表列出模型使用的輸入數據:

波幅反映歷史波幅指示未來走勢的假設, 有關假設可能與實際結果不盡相同。

計量公平值時並未包括授出購股權的其他特性。

32. RESERVES**(a) Group**

The amounts of the Group's reserves and the movements therein for each of the years are presented in the consolidated statement of changes in equity on pages 159 to 160 of the financial statements.

(b) Capital reserve

The capital reserve of the Group represents the capital contribution premium from its then shareholders.

(c) Statutory reserve

Pursuant to the relevant laws in the PRC, the Company's subsidiaries in Mainland China shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the boards of directors of the relevant PRC subsidiaries. These reserves include (i) the general reserve of the limited liability companies and (ii) the development fund of schools.

- (i) In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

32. 儲備**(a) 本集團**

本集團於各年的儲備金額及其變動於本財務報表第159頁至第160頁的綜合權益變動表呈列。

(b) 資本儲備

本集團的資本儲備為其當時的股東的注資溢價。

(c) 法定儲備

根據中國相關法律，本公司中國內地的附屬公司須按各自董事會釐定的金額自除稅後溢利撥款至不可分派儲備基金。該等儲備包括(i)有限責任公司一般儲備及(ii)學校發展基金。

- (i) 根據《中華人民共和國公司法》，本集團若干附屬公司為內資企業，須將根據有關中國會計準則所釐定除稅後溢利的10%轉撥至各自的法定盈餘儲備，直至儲備達到各自註冊資本的50%。在符合《中華人民共和國公司法》所載若干限制的情況下，部分法定盈餘儲備可轉換為註冊股本，前提是撥充資本後結餘須不低於註冊資本的25%。

32. RESERVES (continued)

(c) Statutory reserve (continued)

- (ii) According to the relevant PRC laws and regulations, private schools that require reasonable returns are required to make appropriation to the development fund not less than 25% of the net income of the relevant schools as determined in accordance with generally accepted accounting principles in the PRC. The development fund is for the construction or maintenance of the school facilities or procurement or upgrade of educational equipment.

33. BUSINESS COMBINATION

(A) Year ended 31 December 2018

- (a) On 2 May 2018, the Group acquired a 100% of equity interest in Shiji Kuangao (Beijing) Investment Management Co., Ltd. (“**Shiji Kuangao**”) and a 100% school sponsor’s interest in Shouguang Bohai Experimental School (“**Bohai Experimental School**”). Shiji Kuangao holds a 100% school sponsor’s interest in Bohai Experimental School. Shiji Kuangao is an investment holding company and Bohai Experimental School is principally engaged in the provision of high school educational services in the PRC. The acquisition was made as part of the Group’s strategy to expand its network of schools. The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of Shiji Kuangao and Bohai Experimental School for the eight-month period from the acquisition date.

32. 儲備(續)

(c) 法定儲備(續)

- (ii) 根據相關中國法律法規，需要合理回報的民辦學校須將按中國公認會計原則計算的淨收入不少於25%撥至發展基金。發展基金乃用作興建或維修學校設施，或教育設備的採購或升級。

33. 業務合併

(A) 截至2018年12月31日止年度

- (a) 於2018年5月2日，本集團收世購紀寬高(北京)投資管理有限公司(「世紀寬高」)的100%股權及壽光渤海實驗學校(「渤海實驗學校」)的100%舉辦者權益。世紀寬高持有渤海實驗學校100%舉辦者權益。世紀寬高為一家投資控股公司，渤海實驗學校則主要於中國提供高中教育服務。該收購事項為本集團擴大其學校網絡策略的一部分。該收購事項已採用收購法入賬。該等綜合財務報表已將世紀寬高及渤海實驗學校自收購日期起計八個月期間的業績納入在內。

33. BUSINESS COMBINATION (continued)

(A) Year ended 31 December 2018 (continued)

(a) (continued)

The fair values of the identifiable assets and liabilities of Shiji Kuangao and Bohai Experimental School as at the date of acquisition were as follows:

		Notes 附註	Fair value recognised on acquisition 收購時 確認公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	13	305
Other non-current assets	其他非流動資產		161,297
Inventories	存貨		152
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		2,629
Cash and bank balances	現金及銀行結餘		5,047
Contract liabilities	合約負債	24	(2,871)
Other payables and accruals	其他應付款項及應計費用		(10,802)
Tax payable	應付稅項		(27)
Total identifiable net assets at fair value	可識別淨資產總額，按公平值		155,730
Satisfied by cash	以現金支付		64,000
Cash consideration payable	應付現金代價		91,730
			155,730
Analysis of cash flows on acquisition:	就收購事項的現金流量分析：		
Cash and bank balances acquired	所收購現金及銀行結餘		5,047
Cash paid	已付現金		(64,000)
Net cash outflow on acquisition included in cash flows from investing activities	計入投資活動所得現金流量的收購事項現金流出淨額		(58,953)

33. 業務合併(續)

(A) 截至2018年12月31日止年度(續)

(a) (續)

世紀寬高及渤海實驗學校於收購日期可識別資產及負債的公平值如下：

33. BUSINESS COMBINATION (continued)

(A) Year ended 31 December 2018 (continued)

(a) (continued)

The fair value of other receivables as at the date of acquisition approximated to its gross contractual amounts.

The Group incurred transaction costs of RMB100,000 for this acquisition. The transaction costs have been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

From the date of acquisition, Bohai Experimental School and Shiji Kuangao contributed RMB9,905,000 to the Group's revenue and caused a loss of RMB4,452,000 to the consolidated profit for the year ended 31 December 2018.

Had the combination taken place at the beginning of the year, the revenue from the Group and the profit of the Group for the year would have been RMB635,788,000 and RMB324,977,000, respectively.

33. 業務合併(續)

(A) 截至2018年12月31日止年度(續)

(a) (續)

其他應收款項於收購日期的公平值與其總合約金額相若。

本集團就是次收購事項產生交易成本人民幣100,000元。該等交易成本已於綜合損益及其他全面收益表計入行政開支。

自收購日期以來，渤海實驗學校及世紀寬高為本集團截至2018年12月31日止年度貢獻收益人民幣9,905,000元及導致綜合利潤虧損人民幣4,452,000元。

倘業務合併於年初進行，則年內本集團收益及利潤將分別為人民幣635,788,000元及人民幣324,977,000元。

33. BUSINESS COMBINATION (continued)

(A) Year ended 31 December 2018 (continued)

(b) On 20 August 2018, Minsheng Vocational, a wholly-owned subsidiary of the Company, entered into the share purchase agreement with Leed Education Holding Limited, National Education Holding Limited and Hyde Education Holding Limited (the “**Vendors**”), pursuant to which Minsheng Vocational agreed to acquire 51% of the issued share capital of Leed International from the Vendors at a cash consideration of RMB582.5 million. Leed International holds 100% school sponsor’s interest of Dianchi College of Yunnan University. Leed International is an investment holding company and Dianchi College of Yunnan University is principally engaged in formal undergraduate college educational services in the PRC. Also, the Put Option is to be granted by the Group to the Vendors to acquire the remaining 49% interest in Leed International. The Put Option must be granted within five years from the effective date of the share purchase agreement and is exercisable upon granting until the end of the five-year period. The minimum exercise price is RMB981.5 million. The acquisition was made as part of the Group’s strategy to expand its network of schools. The acquisition has been accounted for using the acquisition method. The handover was completed on 15 November 2018. Since then, Leed International has become a subsidiary of the Company.

The directors take the view that the Group has a present ownership interest in the 49% of the acquiree’s shares that are subject to the Put Option. The Group accounts for the acquisition of the 100% of the shares of Leed International (i.e., as if the remaining 49% of equity interest was acquired) on the date of acquisition. The consideration given includes the fair value of the Put Option liability to the Vendors. No non-controlling interest is recognised and the liability for the Put Option to the Vendors is accounted for as a financial liability in accordance with IFRS 9.

33. 業務合併(續)

(A) 截至2018年12月31日止年度(續)

(b) 於2018年8月20日，本公司的全資附屬公司民生職業教育與Leed Education Holding Limited、National Education Holding Limited及Hyde Education Holding Limited (「賣方」)訂立股份購買協議，據此，民生職業教育同意向賣方收購勵德集團51%已發行股本，現金代價為人民幣582,500,000元。勵德集團持有雲南大學滇池學院100%舉辦者權益。勵德集團為一家投資控股公司，而雲南大學滇池學院主要於中國從事正式本科高校教育服務。此外，本集團將向賣方授出認沽期權以收購勵德集團餘下49%權益。認沽期權必須於股份購買協議生效日期起計五年內授出，並於授出起直至五年期間結束前可予行使。最低行使價為人民幣981,500,000元。收購事項為本集團擴大其學校網絡策略之一部分。收購事項已採用收購法入賬。移交已於2018年11月15日完成。從此勵德集團成為本公司附屬公司。

董事認為，本集團於認沽期權所涉及被收購方的49%股份中擁有現有所有權權益。本集團於收購日期將收購勵德集團100%股份入賬(即猶如餘下49%股權已被收購)。相關代價包括對賣方認沽期權負債的公平值。概無確認非控股權益，且對賣方的認沽期權負債根據國際財務報告準則第9號入賬列作金融負債。

33. BUSINESS COMBINATION (continued)

(A) Year ended 31 December 2018 (continued)

(b) (continued)

The fair values of the identifiable assets and liabilities of Leed International and Dianchi College of Yunnan University as at the date of acquisition were as follows:

33. 業務合併(續)

(A) 截至2018年12月31日止年度(續)

(b) (續)

勵德集團及雲南大學滇池學院於收購日期可識別資產及負債的公平值如下：

		Notes 附註	Fair value recognised on acquisition 收購時確認 公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	13	884,707
Prepaid land lease payments	預付土地租賃款項		421,580
Other non-current assets	其他非流動資產		122,781
Trade receivables	貿易應收款項		5,334
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		23,734
Cash and bank balances	現金及銀行結餘		39,960
Contract liabilities	合約負債	24	(219,292)
Other payables and accruals	其他應付款項及應計費用		(549,873)
Deferred income – current	遞延收入 – 即期	28	(1,533)
Interest-bearing bank and other borrowings – current	計息銀行及其他借貸 – 即期		(203,978)
Tax payable	應付稅項		(216)
Deferred income – non-current	遞延收入 – 非即期	28	(17,766)
Interest-bearing bank and other borrowings – non-current	計息銀行及其他借貸 – 非即期		(215,148)
Other long term liability*	其他長期負債*		(310,700)
Total identifiable net liabilities at fair value	可識別淨負債總額，按公平值		(20,410)
Goodwill on acquisition	收購帶來的商譽	15	1,381,162
Satisfied by:	支付：		
Cash consideration	現金代價		582,500
Consideration payable – Put Option liability	應付代價 – 認沽期權負債	29	778,252
			1,360,752

33. BUSINESS COMBINATION (continued)

(A) Year ended 31 December 2018 (continued)

(b) (continued)

- * According to the share purchase agreement, the school campus of Dianchi College of Yunnan University which is owned by Dianchi Co. shall not form part of the Acquisition (the "Non-acquired Assets"). After the completion of the acquisition, the Group has the right to continually use the Non-acquired Assets for free until new campus of same size is established by Dianchi College of Yunnan University, and meanwhile the Company has the obligation to transfer the Non-acquired Assets to the Vendors with all taxes and charges arising from born by the Vendors. As such, the Group considered the fair value of the Non-acquired Assets should be recorded as payable to the Vendors.

The Group incurred transaction costs of RMB1,580,000 for this acquisition. The transaction costs have been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

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

		RMB'000 人民幣千元
Cash and bank balances acquired	所收購現金及銀行結餘	39,960
Cash paid	已付現金	(582,500)
Net cash outflow on acquisition included in cash flows from investing activities	計入投資活動所得現金流量的收購現金流出淨額	(542,540)

Since the acquisition, Leed International and Dianchi College of Yunnan University contributed RMB35,399,000 to the Group's revenue and RMB15,611,000 to the consolidated profit for the year ended 31 December 2018.

33. 業務合併(續)

(A) 截至2018年12月31日止年度(續)

(b) (續)

- * 根據股份購買協議，由滇池公司擁有的雲南大學滇池學院校園不構成收購事項的一部分(「非收購資產」)。於收購事項完成後，本集團有權繼續免費使用非收購資產，直至雲南大學滇池學院建成同等規模的新校區為止，同時本公司有責任將非收購資產轉讓予賣方，由此產生的所有稅項及費用均由賣方承擔。因此，本集團認為非收購資產的公平值應入賬列作應付賣方款項。

本集團就是次收購事項產生交易成本人民幣1,580,000元。該等交易成本已於綜合損益及其他全面收益表計入行政開支。

就收購附屬公司的現金流量分析如下：

		RMB'000 人民幣千元
Cash and bank balances acquired	所收購現金及銀行結餘	39,960
Cash paid	已付現金	(582,500)
Net cash outflow on acquisition included in cash flows from investing activities	計入投資活動所得現金流量的收購現金流出淨額	(542,540)

自收購事項以來，勵德集團及雲南大學滇池學院為本集團截至2018年12月31日止年度貢獻收益人民幣35,399,000元及綜合利潤人民幣15,611,000元。

33. BUSINESS COMBINATION (continued)

(A) Year ended 31 December 2018 (continued)

(b) (continued)

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been RMB919,052,000 and RMB358,428,000, respectively.

(B) Year ended 31 December 2017

On 6 November 2017, Chongqing Yuecheng, a subsidiary of the Company, entered into the capital increase agreement with Chongqing Chuangsite Technology Company Limited and Chongqing Electronic Information College, pursuant to which Chongqing Yuecheng agreed to make a capital contribution of RMB125 million to Chongqing Electronic Information College. Upon completion of the acquisition, 51% of the school sponsor's interest in Chongqing Electronic Information College would be owned by Chongqing Yuecheng. Chongqing Electronic Information College is a full-time ordinary higher education institution established in the PRC. The handover was completed on 1 December 2017. Since then, Chongqing Electronic Information College has become a subsidiary of the Company.

33. 業務合併(續)

(A) 截至2018年12月31日止年度(續)

(b) (續)

倘業務合併於年初進行，則年內本集團收益及利潤將分別為人民幣919,052,000元及人民幣358,428,000元。

(B) 截至2017年12月31日止年度

於2017年11月6日，本公司附屬公司重慶悅誠與重慶創思特科技有限公司和重慶電信職業學院簽署增資協議。根據增資協議，重慶悅誠同意向重慶電信職業學院增資人民幣125,000,000元。有關收購完成後，重慶悅誠將持有重慶電信職業學院51%舉辦者權益。重慶電信職業學院為一所於中國成立的全日制普通高等院校。移交已於2017年12月1日完成。從此重慶電信職業學院成為本公司附屬公司。

33. BUSINESS COMBINATION (continued)

(B) Year ended 31 December 2017 (continued)

The fair values of the identifiable assets and liabilities of Chongqing Electronic Information College as at the date of acquisition were as follows:

33. 業務合併(續)

(B) 截至2017年12月31日止年度(續)

重慶電信職業學院於收購日期可識別資產及負債的公平值如下：

		Notes 附註	Fair value recognised on acquisition 收購時確認 公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	13	462,744
Prepaid land lease payments	預付土地租賃款項	14	226,759
Other intangible assets	其他無形資產	16	954
Inventories	存貨		36
Trade receivables	貿易應收款項		575
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		140,599
Cash and bank balances	現金及銀行結餘		22,727
Restricted bank balance	受限制銀行結餘		20,000
Deferred revenue	遞延收益		(38,685)
Other payables and accruals	其他應付款項及應計費用		(196,122)
Deferred income – current	遞延收入 – 即期	28	(6,566)
Interest-bearing bank and other borrowings – current	計息銀行及其他借貸 – 即期		(178,457)
Tax payable	應付稅項		(22)
Deferred income – non-current	遞延收入 – 非即期	28	(179,444)
Interest-bearing bank and other borrowings – non-current	計息銀行及其他借貸 – 非即期		(30,000)
Total identifiable net assets at fair value	可識別淨資產總額，按公平值		245,098
Non-controlling interests	非控股權益		(120,098)
			125,000
Satisfied by cash	以現金支付		31,320
Consideration payable	應付代價		93,680
			125,000

33. BUSINESS COMBINATION (continued)

(B) Year ended 31 December 2017 (continued)

The Group incurred transaction costs of RMB250,000 in connection with the acquisition which remain unpaid as at 31 December 2017. The transaction costs have been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

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

	RMB'000 人民幣千元
Cash and bank balances acquired	22,727

Since the acquisition, Chongqing Electronic Information College contributed RMB5,970,000 to the Group's revenue and RMB1,837,000 to the consolidated profit for the year ended 31 December 2017.

33. 業務合併(續)

(B) 截至2017年12月31日止年度(續)

本集團就收購事項產生交易成本人民幣250,000元，於2017年12月31日尚未支付。該等交易成本已於綜合損益及其他全面收益表計入行政開支。

就收購一間附屬公司的現金流量分析如下：

	RMB'000 人民幣千元
購入現金及銀行結餘	22,727

自收購以來，重慶電信職業學院為本集團截至2017年12月31日止年度貢獻收益人民幣5,970,000元及綜合利潤人民幣1,837,000元。

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in assets and liabilities arising from financing activities

2018

		Other non-current assets 其他非流動資產 RMB'000 人民幣千元	Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Finance lease payable 應付融資租賃 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	–	174,118	–
Increase arising from acquisition of subsidiaries	因收購附屬公司導致增加	–	158,500	260,626
Changes from financing cash flows	融資現金流量變動	3,806	(103,974)	(31,733)
Interest expense	利息開支	–	–	1,197
At 31 December 2018	於2018年12月31日	3,806	228,644	230,090

34. 綜合現金流量表附註

融資活動所產生資產及負債的變動

2018年

2017

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Loans from the ultimate holding company 來自最終控股公司的貸款 RMB'000 人民幣千元	Loans from related parties 來自關連方的貸款 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	–	125,413	14,073
Increase arising from acquisition of a subsidiary	因收購一間附屬公司導致增加	208,457	–	–
Changes from financing cash flows	融資現金流量變動	(34,339)	(125,413)	(14,073)
At 31 December 2017	於2017年12月31日	174,118	–	–

2017年

35. CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any significant contingent liabilities (2017: Nil).

35. 或然負債

於2018年12月31日，本集團概無任何重大或然負債(2017年：無)。

36. OPERATING LEASE ARRANGEMENTS**(a) As lessor****Group**

The Group leases certain buildings under operating lease arrangements, with leases negotiated for terms ranging from one to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within one year	一年內	1,214	590
In the second to fifth years, inclusive	第二至第五年，首尾兩年 包括在內	1,117	10
		2,331	600

(b) As lessee**Group**

The Group leases certain of its buildings under operating lease arrangements. Leases for buildings were negotiated for initial terms ranging from one to ten years. At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within one year	一年內	987	2,372
In the second to fifth years, inclusive	第二至第五年，首尾兩年 包括在內	1,454	276
After five years	五年後	7,272	-
		9,713	2,648

36. 經營租賃安排**(a) 作為出租人****本集團**

本集團根據經營租賃安排租用若干樓宇，租期協定為一年至五年。租賃條款一般要求租客支付抵押按金，並根據當時市況定期調整租金。

於2018年12月31日，本集團根據與租客訂立於下列日期到期的不可撤銷經營租賃應收的未來最低租金總額如下：

(b) 作為承租人**本集團**

本集團根據經營租賃安排租用若干樓宇，樓宇的初始租期協定介乎一至十年。於2018年12月31日，本集團根據於下列日期到期的不可撤銷經營租賃應付的未來最低租金總額如下：

37. COMMITMENTS

In addition to the operating lease commitments detailed in note 36(b) above, the Group had the following capital commitments at the end of the reporting period:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Equipment	設備	10,887	7,653
Buildings	樓宇	110,595	19,364
Loans committed to a third party	向第三方承諾的貸款	400,000	-
Loans committed to an associate	向一間聯營公司承諾的貸款	-	8,359
Acquisition of private schools	收購民辦學校	591,800	500,000
		1,113,282	535,376

At the end of the reporting period, the Group did not have significant capital commitments that are authorised but not contracted for (2017: Nil).

37. 承擔

除上文附註36(b)所詳述的經營租賃承擔外，本集團於報告期期末的資本承擔如下：

於報告期末，本集團並無重大已授權但未訂約資本承擔(2017年：無)。

38. RELATED PARTY TRANSACTIONS

(a) Name and relationship of related parties

Name 名稱	Relationship 關係
Minsheng Group Company Limited (formerly known as Honest Cheer Investments Limited) 民生集團有限公司(前稱誠悅投資有限公司)	the ultimate holding company 最終控股公司
UCMG Management Limited 聯康國際有限公司	fellow subsidiary 同系附屬公司
Yangguang Healthcare Group Company Limited 陽光醫療集團有限公司	fellow subsidiary 同系附屬公司
Yangguang Healthcare Education Company Limited 陽光醫療教育有限公司	fellow subsidiary 同系附屬公司
Yangguang Healthcare Education (Hong Kong) Company Limited 陽光醫療教育(香港)有限公司	fellow subsidiary 同系附屬公司
Yangguang Healthcare Company Limited 陽光醫療有限公司	fellow subsidiary 同系附屬公司
Yangguang Healthcare (Hong Kong) Company Limited 陽光醫療(香港)有限公司	fellow subsidiary 同系附屬公司

38. 關連方交易

(a) 關連方的名稱及關係

38. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Interest expense to:	應付下列各方利息開支：		
Minsheng Group Company Limited (formerly known as Honest Cheer Investments Limited)	民生集團有限公司 (前稱誠悅投資有限公司)	-	439
UCMG Management Limited	聯康國際有限公司	-	32
Yangguang Healthcare Group Company Limited	陽光醫療集團有限公司	-	2
Yangguang Healthcare Education Company Limited	陽光醫療教育有限公司	-	2
Yangguang Healthcare Education (Hong Kong) Company Limited	陽光醫療教育(香港) 有限公司	-	2
Yangguang Healthcare Company Limited	陽光醫療有限公司	-	12
Yangguang Healthcare (Hong Kong) Company Limited	陽光醫療(香港)有限公司	-	2
		-	491

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

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	12,624	11,677
Discretionary bonuses	酌情性花紅	-	115
Equity-settled share option expense	以股權結算的購股權費用	11,578	3,120
Pension scheme contributions	退休金計劃供款	201	61
		24,403	14,973

Further details of directors' emoluments are included in note 8 to the financial statements.

(b) 除於財務報表其他地方所詳述的交易外，本集團在年內與關連方進行以下交易：

(c) 本集團主要管理人員的薪酬：

董事酬金的進一步詳情載於財務報表附註8。

39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

Financial assets

39. 金融工具分類

於報告期末，各類金融工具的賬面值如下：

2018年

金融資產

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Equity investment	Financial assets at amortised cost	Total
	按公平值計入損益的金融資產	按公平值計入其他全面收益的金融資產	股權投資	按攤銷成本計量的金融資產	總計
	Designated as such upon initial recognition	Held for trading			
	於初步確認時指定	持作買賣			
	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
Equity investment at fair value through other comprehensive income	-	-	6,380	-	6,380
Trade receivables	-	-	-	5,510	5,510
Financial assets included in prepayments, other receivables and other assets	-	-	-	27,120	27,120
Financial assets included in other non-current assets	43,810	-	-	2,120	45,930
Equity investment at fair value through profit or loss	-	61,347	-	-	61,347
Cash and bank balances	-	-	-	1,505,820	1,505,820
Restricted bank balances	-	-	-	2,324	2,324
	43,810	61,347	6,380	1,542,894	1,654,431

39. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2018

Financial liabilities

39. 金融工具分類(續)

於報告期末，各類金融工具的賬面值如下：(續)

2018年

金融負債

		Financial liabilities at amortised cost
		按攤銷成本計量的金融負債
		RMB'000
		人民幣千元
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	645,665
Interest-bearing bank and other borrowings – current	計息銀行及其他借貸－即期	244,635
Interest-bearing bank and other borrowings – non-current	計息銀行及其他借貸－非即期	214,099
Put option liability	認沽期權負債	781,332
		1,885,731

39. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2017

Financial assets

		Available- for-sale investments	Financial assets at amortised cost	Total
		可供出售投資	按攤銷成本計 量的金融資產	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Available-for-sale investments	可供出售投資	472,320	–	472,320
Trade receivables	貿易應收款項	–	807	807
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收 款項及其他資產的金融 資產	–	14,313	14,313
Investment deposits	投資存款	–	243,370	243,370
Cash and bank balances	現金及銀行結餘	–	1,696,278	1,696,278
Restricted bank balances	受限制銀行結餘	–	20,000	20,000
		472,320	1,974,768	2,447,088

2017

Financial liabilities

		Financial liabilities at amortised cost
		按攤銷成本計 量的金融負債
		RMB'000
		人民幣千元
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	262,590
Interest-bearing bank and other borrowings – current	計息銀行及其他借貸 – 即期	144,118
Interest-bearing bank and other borrowings – non-current	計息銀行及其他借貸 – 非即期	30,000
		436,708

39. 金融工具分類(續)

於報告期末，各類金融工具的賬面值如下：(續)

2017年

金融資產

Available- for-sale investments	Financial assets at amortised cost	Total
可供出售投資	按攤銷成本計 量的金融資產	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
472,320	–	472,320
–	807	807
–	14,313	14,313
–	243,370	243,370
–	1,696,278	1,696,278
–	20,000	20,000
472,320	1,974,768	2,447,088

2017年

金融負債

Financial liabilities at amortised cost
按攤銷成本計 量的金融負債
RMB'000
人民幣千元
262,590
144,118
30,000
436,708

40. 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:

40. 金融工具的公平值及公平值層級

本集團金融工具(賬面值與公平值合理相若者除外)的賬面值及公平值如下：

		2018 Carrying amounts 賬面值 RMB'000 人民幣千元	2018 Fair values 公平值 RMB'000 人民幣千元
Financial assets	金融資產		
Equity investment at fair value through other comprehensive income	按公平值計入其他全面收益的股權投資	6,380	6,380
Equity investment at fair value through profit or loss	按公平值計入損益的股權投資	61,347	61,347
Loan to an associate included in other non-current assets	計入其他非流動資產的向聯營公司貸款	43,810	43,810
		111,537	111,537
Financial liabilities	金融負債		
Interest-bearing bank and other loans – non-current	計息銀行及其他貸款 – 非即期	214,099	225,364
Put option liability	認沽期權負債	781,332	781,332
		995,431	1,006,696
		2017 Carrying amounts 賬面值 RMB'000 人民幣千元	2017 Fair values 公平值 RMB'000 人民幣千元
Financial assets	金融資產		
Wealth management products	理財產品	466,320	466,320
Financial liabilities	金融負債		
Interest-bearing bank and other loans – non-current	計息銀行及其他貸款 – 非即期	30,000	29,634

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Management has assessed that the fair values of cash and bank balances, investment deposits, financial assets included in prepayments, other receivables and other assets, trade receivables, financial liabilities included in other payables and accruals and current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

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

The fair value of the non-current portion of interest-bearing bank and other borrowings has 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 and other borrowings as at 31 December 2017 and 2018 was assessed to be insignificant.

The fair value of the put option liability has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair value of listed equity investment is based on quoted market prices.

40. 金融工具的公平值及公平值層級(續)

管理層已評估現金及銀行結餘、投資存款、計入預付款、其他應收款項及其他資產的金融資產、貿易應收款項、計入其他應付款項及應計費用的金融負債及計息銀行及其他借貸即期部分的公平值，與其賬面值相若，主要是由於該等工具短期內到期。

金融資產及負債的公平值以自願交易方(非強迫或清盤出售)當前交易中該工具的可交易金額入賬。以下方法及假設用作估計彼等的公平值：

計息銀行及其他借貸非即期部分的公平值乃透過採用具類似條款、信貸風險及餘下到期日的工具現時可用利率貼現預期未來現金流量計算。本集團於2017年及2018年12月31日就計息銀行及其他借貸的本身不履約風險乃評估為並不重大。

認沽期權負債的公平值透過採用具類似條款、信貸風險及餘下到期日的工具現時可用利率貼現預期未來現金流量計算。

上市股權投資的公平值按市場報價計算。

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair value of unlisted equity investment at fair value through other comprehensive income, which were previously classified as available-for-sale equity investments, have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate trading multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation (“**EV/EBITDA**”) multiple and enterprise value to sales (“**EV/S**”) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investment to measure the fair value. The directors believe that the estimated fair value resulting from the valuation technique, which is recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of the unlisted equity investment at fair value through other comprehensive income, which were previously classified as available-for-sale equity investment, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model and has quantified this as a reduction in fair value of approximately RMB59,000, using less favourable assumptions, and an increase in fair value of approximately RMB59,000, using more favourable assumptions.

40. 金融工具的公平值及公平值層級(續)

按公平值計入其他全面收益的非上市股權投資先前分類為可供出售股權投資，其公平值乃採用市場估值法進行估算，當中的假設並無取得可觀察市價或比率支持。有關估值須董事基於行業、規模、槓桿及策略釐定可資比較公眾公司(同業公司)，並計算各已識別可資比較公司的適當買賣倍數，諸如企業價值對除利息、稅項、折舊及攤銷前盈利(「**EV/EBITDA**」)倍數及企業價值對銷售額(「**EV/S**」)倍數。有關倍數乃以可資比較公司企業價值除以盈利計算。買賣倍數其後基於公司特定事實及情況就缺乏流通性及可資比較公司間的規模差異等考慮因素作出貼現。非上市股權投資的相關盈利計算應用經貼現倍數以計量公平值。董事相信，按此估值方法得出的估計公平值(於綜合財務狀況表入賬)及公平值的相關變動(於其他全面收益入賬)乃屬合理，並為報告期末最恰當的估值。

就先前分類為可供出售股權投資的按公平值計入其他全面收益的非上市股權投資的公平值，管理層已估計採用合理可能替代方式作為估值模型參數的潛在影響，並將其量化為公平值減少約人民幣59,000元(採用較不利假設)及公平值增加約人民幣59,000元(採用較有利假設)。

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair value of the loan to an associate included in other non-current assets has been estimated using a discounted cash flow valuation model based on assumptions that were not supported by observable market prices or rates. The valuation required the directors to make estimates about the expected future cash flows including expected future interest return on maturity of the loan to an associate. The directors believed that the estimated fair value resulting from the valuation technique, which is recorded in the consolidated statement of financial position, is reasonable, and that it is the most appropriate value at the end of the reporting period.

The fair values of unlisted available-for-sale investments in banks' wealth management products as at 31 December 2017 had been estimated using a discounted cash flow valuation model based on assumptions that were not supported by observable market prices or rates. The valuation required the directors to make estimates about the expected future cash flows including expected future interest return on maturity of the wealth management products. The directors believed that the estimated fair values resulting from the valuation technique, which were recorded in the consolidated statement of financial position, and the related changes in fair values, which were recorded in other comprehensive income, were reasonable, and that they were the most appropriate values at the end of the reporting period.

40. 金融工具的公平值及公平值層級(續)

計入其他非流動資產的向聯營公司貸款的公平值，乃採用貼現現金流估值模式估計，當中的假設並無取得可觀察市價或比率支持。有關估值須董事就預期未來現金流(包括向聯營公司貸款到期時的預期未來利息回報)作出估計。董事相信，按此估值方法得出的估計公平值(於綜合財務狀況表入賬)乃屬合理，並為報告期末最恰當的估值。

於2017年12月31日於銀行理財產品的非上市可供出售投資的公平值，乃採用貼現現金流估值模式估計，當中的假設並無取得可觀察市價或比率支持。有關估值須董事就預期未來現金流(包括理財產品到期時的預期未來利息回報)作出估計。董事相信，按此估值方法得出的估計公平值(於綜合財務狀況表入賬)及公平值的相關變動(於其他全面收益入賬)乃屬合理，並為報告期末最恰當的估值。

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis at the end of the reporting period:

31 December 2018

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察參數	Range 幅度	Sensitivity of fair value to the input 公平值對參數的敏感度
Unlisted equity investment	Valuation multiples	Average EV/EBITDA multiple	5.04	0.5% increase/(decrease) in average EV/EBITDA multiple would result in increase/(decrease) in fair value by RMB7,085
非上市股權投資	估值倍數	平均EV/EBITDA倍數	5.04	平均EV/EBITDA倍數上升/(下跌)0.5%將導致公平值增加/(減少)人民幣7,085元
		Average EV/S multiple	3.10	0.5% increase/(decrease) in average EV/S multiple would result in increase/(decrease) in fair value by RMB5,823
		平均EV/S倍數	3.10	平均EV/S倍數上升/(下跌)0.5%將導致公平值增加/(減少)人民幣5,823元
		Discount for lack of marketability	31.0%	0.5% increase/(decrease) in discount for lack of marketability would result in (decrease)/increase in fair value by RMB46,244
		缺乏市場流通性貼現率	31.0%	缺乏市場流通性貼現率上升/(下跌)0.5%將導致公平值(減少)/增加人民幣46,244元

40. 金融工具的公平值及公平值層級(續)

下表為金融工具估值於報告期末的重大不可觀察參數及量化敏感度分析的概要：

2018年12月31日

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis at the end of the reporting period: (continued)

31 December 2018

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察參數	Range 幅度	Sensitivity of fair value to the input 公平值對參數的敏感度
Loan to an associate included in other non-current assets	Discounted cash flow method	Discount rate	2.60% to 3.33%	0.5% increase/(decrease) in interest return rate would result in (decrease)/increase in fair value by RMB1,393,163/RMB1,452,977
計入其他非流動資產的向聯營公司貸款	貼現現金流方法	貼現率	2.60%至3.33%	利息回報率上升/(下跌)0.5%將導致公平值(減少)/增加人民幣1,393,163元/人民幣1,452,977元

31 December 2017

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察參數	Range 幅度	Sensitivity of fair value to the input 公平值對參數的敏感度
Unlisted wealth management products	Discounted cash flow method	Interest return rate	2.60% to 3.90%	0.5% increase/(decrease) in interest return rate would result in increase/(decrease) in fair value by RMB41,000
非上市理財產品	貼現現金流方法	利息回報率	2.60%至3.90%	利息回報率上升/(下跌)0.5%將導致公平值增加/(減少)人民幣41,000元

40. 金融工具的公平值及公平值層級(續)

下表為金融工具估值於報告期末的重大不可觀察參數及量化敏感度分析的概要:(續)

2018年12月31日

2017年12月31日

40. 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 31 December 2018

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investment designated at fair value through other comprehensive income	指定按公平值計入其他全面收益的 股權投資	-	-	6,380	6,380
Equity investment at fair value through profit or loss	按公平值計入損益的股權投資	61,347	-	-	61,347
Loan to an associate included in other non-current assets	計入其他非流動資產的向聯營公司 貸款	-	-	43,810	43,810
		61,347	-	50,190	111,537

As at 31 December 2017

於2017年12月31日

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Wealth management products	理財產品	-	-	466,320	466,320

40. 金融工具的公平值及公平值層級(續)

公平值層級

下表闡明本集團金融工具的公平值計量層級：

按公平值計量的資產

於2018年12月31日

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2017: Nil).

The Group did not have any financial liability measured at fair value at the end of the reporting period.

The movements in fair value measurements within Level 3 during the year are as follows:

40. 金融工具的公平值及公平值層級(續)

公平值層級(續)

於年內，第一級與第二級之間的公平值並無轉撥，亦無轉入或轉出第三級的公平值(2017年：無)。

於報告期末，本集團並無按公平值計量的任何金融負債。

年內第三級內公平值計量的變動如下：

		2018 RMB'000 人民幣千元
Equity investment at fair value through other comprehensive income/available-for-sale investment – unlisted	按公平值計入其他全面收益的股權投資／可供出售投資—非上市	
At 1 January	於1月1日	6,000
Effect of adoption of IFRS 9	採納國際財務報告準則第9號的影響	2,450
At 1 January (restated)	於1月1日(經重列)	8,450
Total losses recognised in other comprehensive income	於其他全面收益確認的虧損總額	(2,070)
At 31 December	於12月31日	6,380
Loan to an associate included in other non-current assets/loan to an associate included in investments in associates	計入其他非流動資產的向聯營公司貸款／計入於聯營公司投資的向聯營公司貸款	
At 1 January	於1月1日	33,455
Effect of adoption of IFRS 9	採納國際財務報告準則第9號的影響	–
At 1 January (restated)	於1月1日(經重列)	33,455
Additions	添置	10,355
At 31 December	於12月31日	43,810
Wealth management products	理財產品	
At 1 January	於1月1日	466,320
Effect of adoption of IFRS 9	採納國際財務報告準則第9號的影響	–
At 1 January (restated)	於1月1日(經重列)	466,320

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed

As at 31 December 2018

40. 金融工具的公平值及公平值層級(續)

公平值層級(續)

披露公平值的負債

於2018年12月31日

	Fair value measurement using 公平值計量使用			Total 總計
	Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	
Interest-bearing bank and other loans – 計息銀行及其他貸款				
non-current – 非即期	–	225,364	–	225,364
Put option liability 認沽期權負債	–	781,332	–	781,332
	–	1,006,696	–	1,006,696

As at 31 December 2017

於2017年12月31日

	Fair value measurement using 公平值計量使用			Total 總計
	Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	
Interest-bearing bank and other loans – 計息銀行及其他貸款				
– non-current – 非即期	–	29,634	–	29,634

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans, finance leases, other interest-bearing loans and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, other receivables and other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans with floating interest rates. It is the Group's policy to keep certain borrowings at floating rates of interest so as to minimise the fair value interest rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the directors of the Company will consider hedging significant interest rate risk should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings at the end of years 2017 and 2018 and assumed that the amounts of liabilities outstanding at the end of years 2017 and 2018 were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

41. 金融風險管理目標及政策

本集團的主要金融工具包括銀行貸款、融資租賃、其他計息貸款以及現金及銀行結餘。該等金融工具的主要目的乃為本集團的業務經營籌集資金。本集團有多種直接因營運產生的其他金融資產及負債，如貿易應收款項、其他應收款項以及其他應付款項及應計費用。

本集團金融工具所產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會審閱並協定管理各有關風險的政策，有關政策的概要如下。

利率風險

本集團就市場利率變動承擔的風險主要與其浮息銀行貸款相關。本集團的政策為保持若干浮息借貸，以盡量降低公平值利率風險。本集團現時並無利用任何衍生合約對沖其利率風險。然而，本公司董事將於必要時考慮對沖重大利率風險。

以下敏感度分析乃根據於2017年及2018年年末浮息銀行借貸的利率風險釐定，並假設於2017年及2018年年末的尚未償還負債金額於整個年度仍未償還。向主要管理人員內部匯報利率風險時，均以50個基點增減為準，此乃管理層對利率合理可能變動的評估。

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Interest rate risk (continued)**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profits for the years ended 31 December 2017 and 2018 would decrease/increase by RMB149,000 and RMB440,000, respectively. This is mainly attributable to the Group's exposure to variable interest rates on its bank loans.

Foreign currency risk

All of the Group's turnover and substantially all of the Group's operating expenses are denominated in RMB, which is not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in the US\$ exchange rate, with all other variables held constant, of the Group's profit before tax and equity.

Effect on profit before tax and equity

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Increase in the US\$ rate by 3%	美元匯率增加3%	681	22,376
Decrease in the US\$ rate by 3%	美元匯率下跌3%	(681)	(22,376)

Credit risk

The credit risk of the Group's financial assets, which comprise bank balances, trade receivables and deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

41. 金融風險管理目標及政策(續)**利率風險(續)**

倘利率上升/下跌50個基點及所有其他可變因素維持不變，本集團截至2017年及2018年12月31日止年度的稅後溢利將分別減少/增加人民幣149,000元及人民幣440,000元。這主要由於本集團銀行貸款的浮動利率風險所致。

外幣風險

本集團全部營業額及幾乎全部營運開支乃按人民幣計值，而人民幣並非可自由兌換貨幣。中國政府控制人民幣與外幣的兌換，並在若干情況下控制貨幣匯出中國大陸。外幣短缺或會限制本集團中國附屬公司匯兌足夠外幣向本集團支付股息或其他款項的能力。

下表載列於報告期間末，在所有其他可變因素維持不變的情況下，本集團的稅前溢利及股本對美元匯率合理可能變動的敏感度。

對除稅前溢利及股本的影響

	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Increase in the US\$ rate by 3%	681	22,376
Decrease in the US\$ rate by 3%	(681)	(22,376)

信貸風險

本集團金融資產(包括銀行結餘、貿易應收款項以及按金及其他應收款項)的信貸風險來自對手方違約，最高風險相當於該等工具的賬面值。

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Cash and cash equivalents

Most of the bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The expected credit loss is approximately zero.

Trade receivables

The Group's trade receivables are due from a number of individual students, credit quality of each student is assessed and outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on financial situation and historical payment records for groupings of various student segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off after one year of the graduation of the specific students and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 21 to the financial statements. The Group does not hold collateral as security.

Deposits and other receivables

As disclosed in note 22 to the financial statements, except for default receivables, deposits and other receivables were categorised in stage 1 for measurement of expected credit losses at the end of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the current year, except for the default receivables, the Group estimated the expected loss rate for the other receivables is minimal.

41. 金融風險管理目標及政策(續)

信貸風險(續)

現金及現金等價物

大部分銀行結餘及已抵押存款乃存於近期並無違約記錄且具信譽的銀行。預期信貸虧損約為零。

貿易應收款項

本集團的貿易應收款項為應收若干個別學生的款項。本集團評估每名學生的信貸質素，並定期監控尚未償還應收款項。

於各報告日期採用撥備矩陣進行減值分析以計量預期信貸虧損。撥備率乃根據具有類似虧損模式的各學生分部組別的財務狀況及過往支付記錄釐定。有關計算反映概率加權結果、貨幣時間價值及於報告日期可取得有關過往事件、現狀及未來經濟狀況預測的合理可靠資料。一般而言，貿易應收款項於相關學生畢業一年後予以撇銷，並無強制執行付款。於報告日期的最高信貸風險為財務報表附註21所披露各類金融資產的賬面值。本集團並無持有抵押品作為抵押。

按金及其他應收款項

誠如財務報表附註22所披露，除拖欠應收款項外，按金及其他應收款項歸類為報告期末計量預期信貸虧損的第1階段。於計算預期信貸虧損率時，本集團考慮過往虧損率，並就前瞻性宏觀經濟數據作出調整。於本年度，除拖欠應收款項外，本集團估計其他應收款項的預期虧損率不大。

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)***Credit risk (continued)*****Deposits and other receivables (continued)**

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances. Deposits and other receivables were mainly loans to employees, loans to third parties and other receivables.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and other borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

41. 金融風險管理目標及政策(續)***信貸風險(續)*****按金及其他應收款項(續)**

本集團將致力維持對其未支付應收款項的嚴格控制，以減輕信貸風險。賬齡較長的結欠由高級管理層定期審閱。鑒於本集團的按金及其他應收款項涉及人數龐大而分散的對手方，故並無重大信貸風險集中。本集團並無就其按金及其他應收款項結餘持有任何抵押品或其他信用增級。按金及其他應收款項主要為向僱員貸款、向第三方貸款及其他應收款項。

流動資金風險

本集團的目標為通過使用經營內部產生之現金流量及其他借款維持資金持續供應與靈活性之間的平衡。本集團定期檢討主要資金狀況以確保有足夠財務資源履行財務責任。

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

		As at 31 December 2018 於2018年12月31日					
		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求時償還	不超過三個月	三至不超過十二個月	一至五年	超過五年	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	645,665	-	-	-	-	645,665
Interest-bearing bank and other borrowings	計息銀行及其他借貸	12,310	27,451	200,389	206,054	28,732	474,936
Put option liability	認沽期權負債	-	-	-	981,500	-	981,500
		657,975	27,451	200,389	1,187,554	28,732	2,102,101

		As at 31 December 2017 於2017年12月31日					
		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求時償還	不超過三個月	三至不超過十二個月	一至五年	超過五年	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	262,590	-	-	-	-	262,590
Interest-bearing bank and other borrowings	計息銀行及其他借貸	118,354	24,403	4,789	11,120	31,691	190,357
		380,944	24,403	4,789	11,120	31,691	452,947

41. 金融風險管理目標及政策(續)

流動資金風險(續)

本集團金融負債於報告期末基於合約未貼現付款的到期情況如下：

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of business.

The directors review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through raising new debts as well as redemption of existing debts. The Group's overall strategy remained unchanged during the reporting period.

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. Capital represents equity attributable to owners of the parent. The debt-to-asset ratios as at the end of the reporting period are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Total liabilities	負債總額	3,095,077	1,075,162
Total assets	資產總額	6,624,472	4,221,845
Debt-to-asset ratios	資產負債率	47%	25%

The Group did not have any unutilised banking facilities at the end of the year.

41. 金融風險管理目標及政策(續)

資本管理

本集團的政策為維持穩健資本基礎，以保持債權人與市場的信心，同時維持未來業務發展。

董事不斷檢討資本架構，考慮資本成本及與各類資本相關的風險。根據董事的推薦建議，本集團會透過籌集新債及贖回現有債務平衡整體資本架構。本集團的整體策略於報告期間維持不變。

本集團採用資產負債率監測資金，資產負債率指負債總額除以資產總值。資本指母公司擁有人應佔股權。於報告期末的資產負債比率如下：

於年末，本集團並無任何備用銀行信貸。

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

42. 本公司之財務狀況表

於報告期末，本公司財務狀況表之資料如下所示：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	附屬公司投資	789	789
Other non-current assets	其他非流動資產	3,764	-
Total non-current assets	非流動資產總值	4,553	789
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	1,247,220	492,763
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產	1,682	857
Cash and bank balances	現金及銀行結餘	5,251	724,801
Total current assets	流動資產總值	1,254,153	1,218,421
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,645	3,931
Due to subsidiaries	應付附屬公司款項	20,252	25,678
Total current liabilities	流動負債總額	22,897	29,609
NET CURRENT ASSETS	流動資產淨值	1,231,256	1,188,812
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	1,235,809	1,189,601
NON-CURRENT LIABILITIES	非流動負債		
Due to a subsidiary	應付附屬公司款項	102,886	97,460
Total non-current liabilities	非流動負債總額	102,886	97,460
Net assets	淨資產	1,132,923	1,092,141
EQUITY	權益		
Share capital	股本	307	307
Reserves (note)	儲備(附註)	1,132,616	1,091,834
Total equity	總權益	1,132,923	1,092,141

LI XUECHUN

李學春

Director

董事

LAM NGAI LUNG

林毅龍

Director

董事

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Capital reserve	Share option reserve	Accumulated losses	Exchange fluctuation	Total reserves
		股本儲備	購股權儲備	累計虧損	匯兌波動儲備	儲備總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於2017年1月1日	-	-	(12,188)	(2,141)	(14,329)
Loss for the year	年度虧損	-	-	(53,945)	-	(53,945)
Other comprehensive income for the year:	年內其他全面收益：					
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	(60,317)	(60,317)
Total comprehensive income for the year	年度全面收益總額	-	-	(53,945)	(60,317)	(114,262)
Capitalisation issue of shares	資本化發行股份	(28)	-	-	-	(28)
Issue of shares pursuant to IPO	根據首次公開發售發行股份	1,245,683	-	-	-	1,245,683
Share issue expenses	股份發行費用	(28,530)	-	-	-	(28,530)
Recognition of share-based payment expenses	確認以股份為基礎之付款的費用	-	3,300	-	-	3,300
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	1,217,125	3,300	(66,133)	(62,458)	1,091,834
Loss for the year	年度虧損	-	-	(27,299)	-	(27,299)
Other comprehensive income for the year:	年內其他全面收益：					
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	54,973	54,973
Total comprehensive income for the year	年度全面收益總額	-	-	(27,299)	54,973	27,674
Recognition of share-based payment expenses	確認以股份為基礎之付款的費用	-	13,108	-	-	13,108
At 31 December 2018	於2018年12月31日	1,217,125	16,408	(93,432)	(7,485)	1,132,616

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the capital reserve account when the related options are exercised, or be transferred to retained profits should the related options expire.

42. 本公司之財務狀況表(續)

附註：

本公司儲備之概要如下所示：

		Capital reserve	Share option reserve	Accumulated losses	Exchange fluctuation	Total reserves
		股本儲備	購股權儲備	累計虧損	匯兌波動儲備	儲備總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於2017年1月1日	-	-	(12,188)	(2,141)	(14,329)
Loss for the year	年度虧損	-	-	(53,945)	-	(53,945)
Other comprehensive income for the year:	年內其他全面收益：					
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	(60,317)	(60,317)
Total comprehensive income for the year	年度全面收益總額	-	-	(53,945)	(60,317)	(114,262)
Capitalisation issue of shares	資本化發行股份	(28)	-	-	-	(28)
Issue of shares pursuant to IPO	根據首次公開發售發行股份	1,245,683	-	-	-	1,245,683
Share issue expenses	股份發行費用	(28,530)	-	-	-	(28,530)
Recognition of share-based payment expenses	確認以股份為基礎之付款的費用	-	3,300	-	-	3,300
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	1,217,125	3,300	(66,133)	(62,458)	1,091,834
Loss for the year	年度虧損	-	-	(27,299)	-	(27,299)
Other comprehensive income for the year:	年內其他全面收益：					
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	54,973	54,973
Total comprehensive income for the year	年度全面收益總額	-	-	(27,299)	54,973	27,674
Recognition of share-based payment expenses	確認以股份為基礎之付款的費用	-	13,108	-	-	13,108
At 31 December 2018	於2018年12月31日	1,217,125	16,408	(93,432)	(7,485)	1,132,616

購股權儲備包括已授出尚未行使購股權的公平值，於財務報表附註2.4以股份為基礎的付款會計政策內詳述。該數額於相關購股權獲行使時轉入資本儲備賬或當相關購股權過期時轉入留存溢利。

43. EVENTS AFTER THE REPORTING PERIOD

Loan from Bank of China (Hong Kong) Company Limited

In February 2019, according to a USD50 million banking facilities agreement (the “**Facilities Agreement**”) signed between the Company and Bank of China (Hong Kong) Company Limited, the Company withdrew HKD250 million for 5 years, which was mainly used for the Company’s mergers and acquisitions.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 14 March 2019.

43. 報告期後之事項

向中國銀行(香港)有限公司借款

於2019年2月，根據本公司與中國銀行(香港)有限公司簽署的5,000萬美元銀行授信協議(「**授信協議**」)，本公司已提取2.5億港元的借款，借款期為五年，主要用於本公司的併購。

44. 批准財務報表

該等財務報表已於2019年3月14日由董事會批准並授權發佈。



民生教育集团有限公司

Minsheng Education Group Company Limited

