CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司

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

Stock Code 股份代號：1586

2019
Annual Report 年報

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Definitions
釋義

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

於本年度報告內，除文義另有所指外，下列詞彙具有以下涵義。

"AGM(s)" 「股東週年大會」	annual general meeting(s) of the Company 指本公司的股東週年大會
"Articles" 「章程細則」	the articles of association of the Company adopted on 18 June 2016 指本公司於2016年6月18日採納的組織章程細則
"Audit Committee" 「審核委員會」	the audit committee of the Company 指本公司的審核委員會
"Board" 「董事會」	the board of Directors of the Company 指本公司的董事會
"CEO" 「行政總裁」	chief executive officer of the Company 指本公司的行政總裁
"China" or "PRC" 「中國」	the People's Republic of China 中華人民共和國
"CG Code" 「《企業管治守則》」	the "Corporate Governance Code" set out in Appendix 14 to the Listing Rules 指《上市規則》附錄14所載的《企業管治守則》
"Company", "our Company", "Group", "our Group", "China Leon", "we" or "us" 「本公司」、「本集團」、「中國力鴻」或「我們」	China Leon Inspection Holding Limited (中國力鴻檢驗控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 29 July 2015 and except where the context indicated otherwise its subsidiaries 指中國力鴻檢驗控股有限公司，一家於2015年7月29日根據開曼群島法律註冊成立的獲豁免有限責任公司及(除文義另有所指外)其附屬公司
"Controlling Shareholders" 「控股股東」	Mr. LI Xiangli, Ms. ZHANG Aiying, Mr. LIU Yi, Leon Cornerstone Investment Holding Limited, Swan Stone Investment Holding Limited and Hawk Flying Investment Holding Limited 指李向利先生、張愛英女士、劉翊先生、Leon Cornerstone Investment Holding Limited、Swan Stone Investment Holding Limited及Hawk Flying Investment Holding Limited
"Director(s)" 「董事」	the director(s) of the Company 指本公司董事
"HK$" 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 指香港法定貨幣，港元

Definitions
釋義

"Beijing Huaxia Lihong"	Beijing Huaxia Lihong Commodity Inspection Co., Ltd. (北京華夏力鴻商品檢驗有限公司), a company incorporated in the PRC on 19 January 2009 and an indirect wholly-owned subsidiary of our Company
「北京華夏力鴻」	北京華夏力鴻商品檢驗有限公司，一家於2009年1月19日在中國註冊成立的公司，為本公司的間接全資附屬公司
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
「《上市規則》」	指《聯交所證券上市規則》(經不時修訂)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules
「《標準守則》」	指《上市規則》附錄10所載之《上市發行人董事進行證券交易的標準守則》
"Nomination Committee"	the nomination committee of the Company
「提名委員會」	指本公司的提名委員會
"year"	from 1 January 2019 to 31 December 2019
「本年度」	指自2019年1月1日至2019年12月31日
"Prospectus"	the prospectus of the Company dated 29 June 2016
「招股章程」	指本公司日期為2016年6月29日的招股章程
"Remuneration Committee"	the remuneration committee of the Company
「薪酬委員會」	指本公司的薪酬委員會
"RMB"	Renminbi, the lawful currency of the PRC
「人民幣」	指中國的法定貨幣，人民幣
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
「《證券及期貨條例》」	指香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其 他方式修改
"Share(s)"	ordinary share(s) of par value US$0.00005 each in the issued share capital of our Company
「股份」	指本公司已發行股本中每股面值0.00005美元的普通股
"Shareholder(s)"	holder(s) of the Shares
「股東」	指股份持有人
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
「聯交所」	指香港聯合交易所有限公司
"%"	per cent.
「%」	指百分比

Company Profile
公司概況

China Leon Inspection Holding Limited ("China Leon" or "We"), headquartered in Beijing, is an international third-party independent testing and inspection company listed on the Main Board of the Stock Exchange (stock code: 1586.HK), and the first company within TIC industry from China to be listed in Hong Kong. We are committed to providing our clients with the best services available in (1) inspection; (2) surveying; and (3) witnessing and ancillary services through stringent professional standards, consistent operation procedures and industry-leading labs.

中國力鴻檢驗控股有限公司(「中國力鴻」或「我們」),總部位於北京,是在香港聯合交易所主板上市(股份代號:1586.HK)的國際第三方獨立檢驗檢測機構,也是首家在香港上市的中國第三方檢驗檢測機構。我們致力於通過嚴格專業的標準、統一規範的流程和行業領先的技術設備,為國內外諸多行業提供(1)檢測服務;(2)鑒定服務;及(3)見證及輔助服務。

Our competitive advantages consist of our (1) comprehensive service network; (2) stable customer relations; (3) rigorous internal control system; (4) industry leading technical expertise and strong R&D capabilities; (5) well established brand and company reputation; (6) open and inclusive talent recruitment policies, and flexible and diverse in-house talent training and development programs, such as "apprenticeship system" and "management trainee program", which have continuously powered the Company's growth towards greater heights.

我們在行業內的競爭優勢,得益於:(1)完善的服務網絡佈局;(2)長期穩定的客戶關係;(3)健全和完善的內控體系;(4)頂尖的技術團隊,強大的研發能力;(5)長期建立的品牌優勢,良好的公司信譽;及(6)開放包容的人才引進政策,靈活多樣的人才培養計劃,如「學徒制」、「管培生」為企業的發展提供了源源不斷的動力。

We are determined to become the world's leading international third-party independent inspection and testing services provider, to achieve this goal, we have formulated the following strategic plans: (1) further cement our leading position in the coal testing and inspection industry, accelerate business expansions in energy and commodities inspections, and further penetrate into any related field with innovative service offerings; (2) continuously improvement of our management and control systems, further reduction in operation costs, fully utilise our in-house developed equipment and systems to upgrade our services, as well as (3) attract talents through M&A and incubator framework to further improve the service capabilities and expand the service scope, and continuously promote our enterprise wide business platforms.

我們立志成為世界領先的國際第三方獨立檢驗檢測機構,特制定如下戰略規劃,(1)進一步穩固在煤炭檢測及檢驗行業的龍頭地位,加強能源和大宗商品檢測細分領域的發展,勇於開拓衍生及創新業務;(2)加強精細化管理,持續降低運營成本,利用自主研發的設備及系統,持續升級及優化我們的服務網絡中心;及(3)以「聯邦制」、「孵化制」的模式吸引優秀人才和團隊,進一步提高服務能力及擴大服務範圍,多維度持續推進企業平台化建設。

Board of Directors

Executive Directors

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

Non-executive Director

Mr. WANG Gang

Independent Non-executive Directors

Mr. WANG Zichen
Mr. ZHAO Hong
Mr. LIU Hoi Keung

Company Secretary

Mr. CHAN Oi Fat

Authorised Representatives

Mr. LI Xiangli
Mr. CHAN Oi Fat

Audit Committee

Mr. LIU Hoi Keung *(Chairman)*
Mr. WANG Zichen
Mr. ZHAO Hong

Remuneration Committee

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

Nomination Committee

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

董事會

執行董事

李向利先生*(主席兼行政總裁)*
張愛英女士*(副總裁)*
劉翊先生*(副總裁)*
楊榮兵先生*(副主席)*

非執行董事

王綱先生

獨立非執行董事

王梓臣先生
趙虹先生
廖開強先生

公司秘書

陳愛發先生

授權代表

李向利先生
陳愛發先生

審核委員會

廖開強先生*(主席)*
王梓臣先生
趙虹先生

薪酬委員會

趙虹先生*(主席)*
張愛英女士
王梓臣先生

提名委員會

李向利先生*(主席)*
王梓臣先生
趙虹先生

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

核數師

德勤 • 關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一座35樓

Registered Office

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

註冊辦事處

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

Headquarters and Principal Place of Business in the PRC

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

中國總部及主要營業地點

中國北京
天竺綜合保稅區竺園路
12號院
78號樓

Principal Place of Business in Hong Kong

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

香港主要營業地點

香港灣仔
告士打道128號
祥豐大廈16樓F室

Principal Banker

China Merchants Bank Shuangyushu Sub-branch
Ligong Science & Technology Building
No. 9 Zhongguancun South Street
Haidian District
Beijing, China

主要銀行

招商銀行雙榆樹支行
中國北京
海淀區
中關村南大街9號
理工科技大廈

Hong Kong Legal Advisor

Michael Li & Co.
19/F Prosperity Tower
39 Queen's Road Central Central,
Hong Kong

香港法律顧問

李智聰律師事務所
香港中環
皇后大道中39號
豐盛創建大廈19樓

Hong Kong Branch Share Registrar and Transfer Office

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

香港股份過戶登記分處

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

Principal Share Registrar and Transfer Office

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

主要股份過戶登記處

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

Stock Code

1586

股份代號

1586

Website

www.huaxialihong.com

網站

www.huaxialihong.com

Financial Highlights
財務摘要

- Revenue for 2019 amounted to approximately RMB396.5 million, representing an increase of 69.6% from approximately RMB233.8 million recorded in 2018.
- Gross profit for 2019 amounted to approximately RMB186.2 million, representing an increase of 51.5% from approximately RMB122.9 million recorded in 2018.
- Profit for the year 2019 amounted to approximately RMB28.8 million, representing a increase of 486.8% from approximately RMB4.9 million recorded in 2018.
- Final dividend of RMB0.0375 per share recommended, resulting in a full-year dividend of RMB0.0375 per share.

- 2019年收入約為人民幣396.5百萬元，較2018年的約人民幣233.8百萬元增加69.6%。
- 2019年毛利約為人民幣186.2百萬元，較2018年的約人民幣122.9百萬元增加51.5%。
- 2019年年內利潤約為人民幣28.8百萬元，較2018年的約人民幣4.9百萬元增加486.8%。
- 建議末期股息每股人民幣0.0375元，全年股息為每股人民幣0.0375元。

Financial Summary
財務概要

		For the year ended 31 December 截至12月31日止年度				
		2015	2016	2017	2018	**2019**
		2015年	2016年	2017年	2018年	**2019年**
		RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	**人民幣千元**
Revenue	**收入**	155,789	186,466	200,921	233,750	**396,456**
Gross profit	毛利	80,449	96,359	110,684	122,908	**186,207**
Profit before income tax	所得稅前利潤	33,023	38,058	43,137	14,212	**46,900**
Income tax expense	所得稅開支	(5,448)	(4,430)	(8,434)	(9,311)	**(18,143)**
Profit for the year	**年內利潤**	27,575	33,628	34,703	4,901	**28,757**
Profit attributable to:	**以下各項應佔利潤：**					
Owners of the Company	本公司擁有人	27,607	33,628	35,595	14,021	**24,171**
Non-controlling interests	非控股權益	(32)	-	(892)	(9,120)	**4,586**

		As at 31 December 於12月31日				
		2015	2016	2017	2018	**2019**
		2015年	2016年	2017年	2018年	**2019年**
		RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	**人民幣千元**
Total assets	資產總值	195,516	216,758	254,370	328,854	**414,485**
Total liabilities	負債總額	134,517	45,108	56,072	131,863	**193,215**
Equity attributable to owners of the Company	本公司擁有人應佔權益	60,838	171,650	195,206	201,884	**222,953**

Chairman's Statement
主席報告

On behalf of the Board of China Leon, I am pleased to present the annual report of the company and its subsidiaries for the year ended December 31st, 2019.

本人謹代表中國力鴻董事會欣然提呈包括本公司及其附屬公司截至2019年12月31日止年度報告。

In 2019, the global GDP growth continued to slow down, coupled with stagnating trade and industrial production. The TIC industry, however, remains strong amid weakening global economic growth. It is well established in Europe and North America, while rapid growth has been recorded in China. The TIC industry has been positioned as a high-tech industry in China. The State Administration for Market Regulation proposed in 2019, to promote the marketization of inspection agencies, providing a better market environment for highly competitive enterprises. Our company has also benefited from this. By adopting strategies focused on sustainable growth, we have developed derivative and innovative businesses while consolidating the energy testing services. In addition to maintaining comparative advantages in traditional operations, we actively developed the upstream markets and delivered supporting services such as quality control, technical consulting, branding, and management output. As the company successfully developed diversified business models, invested and adopted technical innovation, and put more focus on talent acquisition and cultivation, the Group continued to record a healthy performance in 2019 and significantly increased its overall strength. Since the company went public in 2016, we have consistently delivered a stable return on capital with cumulative dividend payout of RMB23.0 million.

2019年，全球經濟增長動力減弱，貿易和工業生產疲軟，全球GDP增速持續放緩。雖然全球經濟存在一定的下行壓力，但是TIC行業具有抗週期波動能力強的特點，其中歐美TIC行業發展相對成熟，而中國TIC行業正處於高速發展階段。中國將TIC行業定位為高新技術行業，2019年中國市場監督管理總局提出要促進檢驗檢測機構向市場化的方向發展，為競爭實力突出的企業機構提供了更好的市場化環境，本公司也是受益者之一。我們堅持穩健的發展方針，在夯實能源檢測業務基礎上，開拓衍生及創新業務，在保持傳統作業場景下的相對優勢外，積極開展上游市場，質量管控配套服務，技術諮詢，品牌和管理輸出等業務。2019年，集團經營業績持續向好，綜合實力顯著增強，主要得益於公司成功開拓多元化業務模式，堅持科技創新投入與應用，注重優秀人才引進與培養。自2016年上市以來，持續的資本回報，累計派發股息人民幣23.0百萬元。

The Group has registered an upswing in its operations during the reporting period and achieved a significant growth in its performance. The Group generated a revenue of RMB396.5 million and net profit of RMB28.8 million in 2019, representing an increase of 69.6% and 486.8%, respectively, compared to 2018. The Board of Directors has passed the resolution for the proposed payment of the final dividend of RMB 0.0375 per share for this year.

本集團於報告期內運營良好，業績取得顯著增長。其中，集團2019年收入為人民幣396.5百萬元，淨利潤為人民幣28.8百萬元，較2018年增長69.6%及486.8%。董事會已決議就本年度建議派付末期股息每股人民幣0.0375元。

Increased input in research and development to improve customer experience. Technical innovation holds the key to our brand recognition and comparative competitiveness in different segments. We are actively involved in the standard-setting process at both national and industry levels. During the reporting period, our participation led to creation of 4 national standards, and within our own enterprise, we crystallized 39 corporate standards. By integrating LEON LIMS intelligent laboratory system and industrial sample preparation smart robots, we have now achieved supervisory, control, and tracking mechanisms of all aspects of the company's inspection and validation services. The sample preparation smart robot can run 24 hours a day, which has greatly improved our business efficiency, laying a solid foundation for quality control from production to distribution. In order to better develop and integrate the company's management system, enhance the level of standardization and digitalisation, and adapt to the strategic needs of group-oriented development, we worked together with SAP, the leader in international business management solution, to launch the ERP & HR information system in July 2019. We will continue to broaden the scope of this project and integrate different information and various resources under the enterprise ecosystem with the help of proven management tools, to achieve better efficiency, control risks and lay the foundation for incorporating new business in the future. In this era, when all things are connected via the internet, smart automation of energy testing is an irreversible trend. China's Leon's R & D and scientific achievements will contribute to a better competitive edge.

我們加大科研持續投入，提升客戶體驗。科技創新是我們在細分領域保持品牌認可度和相對競爭優勢的核心要素。公司積極參與國家標準、行業標準以及企業標準的制定，報告期內，共參與起草國家標準4項，創立企業標準39項。公司通過LEON LIMS智能實驗室系統結合智能工業機器人制樣設備，實現了對全公司檢驗業務各環節的監督管控和可追溯查詢，智能制樣機器人可24小時不間斷運行，大大提高業務效率，可為商品從生產到流通的全過程質量管控提供有力保障。為促進公司管理體系建設和融合，提升標準化、信息化建設水平，適應集團化發展的戰略需求，我們於2019年7月與國際企業管理解決方案巨頭SAP啟動了ERP & HR信息化項目，該項目還將持續推進，旨在借助成熟管理工具系統整合企業生態下的各項信息和資源，以達到提升效率，控制風險的目標，也為未來新業務的融入打下基礎。身處萬物互聯時代，智慧能源檢測不可逆轉，中國力鴻科技研發成果助力擴大競爭優勢。

Focus on talent training and development. As TIC is a professional and technical service industry, our company's vision is to build a strong pool of talents. By offering systematic talent development program and flexible incentives, we are confident that we are able to cultivate a group of exceptional and diligent talents who possess the spirit of craftsmanship and are highly aligned with our enterprise culture, to help ensure the company's sustainable and efficient development. In the future, we will target complementary and mutually beneficial sectors that are in line with our strategic development goals, proactively strengthen platform development and diligently practise efficient allocation of resources. We will adopt a centralized incubation model to attract top talents and teams in the industry to join us.

我們注重人才培養與發展。TIC是專業技術性服務行業，公司的長遠發展與優秀的人才儲備密不可分。公司擁有系統的人才培養計劃及靈活的激勵政策，有能力，有信心培養出一批刻苦勤奮，具有工匠精神且對企業文化高度認同的人才，助力企業持續、高效的發展。未來，探索和挖掘符合戰略發展方向，互補、互利性強的領域，積極加強平台建設，合理分配資源，以「聯邦制」和「孵化制」的模式吸引行業內優秀人才、團隊加盟。

Chairman's Statement
主席報告

Looking ahead to 2020, we will fully leverage on our international service network, maintain stable and quality customer relationships, and utilize suitable capital reserves to cement our leading position in the coal testing industry, and focus on developing testing services for other energy resources and commodities. We will break through the major roadblocks that are hindering the company's development by further enhancing enterprise innovation, expanding the brand's influence, strengthening refined management, and pooling resources, with a view to accelerating the company's sustainable development. Thus, we will create optimal returns for our investors!

Chairman
Mr. Li Xiangli

31 March 2020

展望2020年，本公司將充分發揮國際化服務網絡中心優勢，保持穩定優質的客戶關係，利用充足的資金儲備，鞏固煤炭檢測行業龍頭地位，著力發展其他能源及大宗商品產品檢測業務。未來，我們將進一步增強企業創新力，提升品牌影響力，強化精細化管理，集中資源對已經認定的影響和阻礙企業發展的主要矛盾和主要問題謀求突破，全面促進公司可持續發展，為投資者創造最佳回報！

主席
李向利先生

2020年3月31日

Profile of Directors and Senior Management
董事及高級管理人員簡介

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

以下為本集團現任董事及高級管理人員的簡介。

Directors

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

董事

董事會目前由八名董事組成，包括四名執行董事、一名非執行董事及三名獨立非執行董事。下表載列有關董事的資料。

Name 姓名	Age 年齡	Position 職位	Date of Appointment as Director 獲委任董事的日期
Executive Directors **執行董事**			
Mr. LI Xiangli 李向利先生	57	Chairman, CEO and executive Director 主席、行政總裁兼執行董事	13 January 2016 2016年1月13日
Ms. ZHANG Aiying 張愛英女士	57	Vice president and executive Director 副總裁兼執行董事	13 January 2016 2016年1月13日
Mr. LIU Yi 劉翊先生	55	Vice president and executive Director 副總裁兼執行董事	13 January 2016 2016年1月13日
Mr. YANG Rongbing 楊榮兵先生	39	Vice chairman and executive Director 副主席兼執行董事	18 June 2016 2016年6月18日
Non-executive Director **非執行董事**			
Mr. WANG Gang 王綱先生	49	Non-executive Director 非執行董事	13 January 2016 2016年1月13日
Independent non-executive Directors **獨立非執行董事**			
Mr. WANG Zichen 王梓臣先生	53	Independent non-executive Director 獨立非執行董事	18 June 2016 2016年6月18日
Mr. ZHAO Hong 趙虹先生	59	Independent non-executive Director 獨立非執行董事	18 June 2016 2016年6月18日
Mr. LIU Hoi Keung 廖開強先生	55	Independent non-executive Director 獨立非執行董事	23 July 2018 2018年7月23日

Executive Directors

Mr. LI Xiangli, aged 57, is the chairman, CEO and an executive Director. He is the spouse of Ms. ZHANG Aiying. Mr. Li is primarily responsible for the strategic planning and overall management of our Group. He is also the chairman of the Nomination Committee. Mr. Li joined our Group in April 2009 and was appointed as our executive Director on 13 January 2016. He is also a director of certain subsidiaries of our Company.

Mr. Li has approximately 30 years of experience in the coal testing and inspection industry. Prior to joining our Group, from October 2008 to April 2009, Mr. Li served as a project manager of China Certification & Inspection Group Co., Ltd. (中國檢驗認證(集團)有限公司), a state-owned testing company that serves different industries, and was responsible for the establishment of the platform for mineral inspection. From January 1989 to September 2008, he worked at the coal inspection technology center of Qinhuangdao Entry-Exit Inspection and Quarantine Bureau (秦皇島出入境檢驗檢疫局) and was promoted to a deputy director in April 2004, responsible for coal testing and inspection.

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

Mr. Li is the sole director and sole shareholder of Leon Cornerstone Investment Holding Limited, a controlling shareholder of the Company, as disclosed in the "Substantial Shareholders' Interests in the Shares" section of the Directors' Report. Also, Mr. Li, Ms. ZHANG Aiying and Mr. LIU Yi (劉翊) entered into an acting-in-concert deed on 31 January 2016. Pursuant to the deed, Ms. ZHANG Aiying and Mr. LIU Yi (劉翊) shall support Mr. Li's decisions on material matters in relation to the operation and management of our Group by exercising their voting rights at the meetings of the shareholders and boards of the members of our Group in accordance with the decision of Mr. Li.

執行董事

李向利先生，57歲，擔任本公司主席兼行政總裁，亦為執行董事。李先生為張愛英女士的配偶，主要負責本集團戰略規劃及整體管理。其亦為提名委員會主席。於2009年4月，李先生加入本集團，於2016年1月13日，李先生獲委任為執行董事。其亦擔任本公司若干附屬公司的董事。

李先生在煤炭檢測及檢驗行業擁有約30年經驗。加入本集團之前，自2008年10月至2009年4月，李先生擔任中國檢驗認證(集團)有限公司(一家為多個行業提供檢測服務的國有公司)的項目經理，負責建立礦產品檢驗平台；自1989年1月至2008年9月，於秦皇島出入境檢驗檢疫局煤炭檢測技術中心工作，並於2004年4月晉升為副主任，負責煤炭檢測及檢驗業務。

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

誠如董事會報告「主要股東於股份中的權益」一節所披露，李先生為Leon Cornerstone Investment Holding Limited(本公司之控股股東)的唯一董事及唯一股東。此外，李先生、張愛英女士及劉翊先生於2016年1月31日簽訂一致行動契約。根據契約，張愛英女士與劉翊先生應依據李先生所作決策於本集團成員公司股東及董事會會議上行使其表決權支持李先生有關本集團經營與管理的重大事宜所作決策。

Ms. ZHANG Aiying, aged 57, is a vice president of the Company and an executive Director. She is the spouse of Mr. LI Xiangli. Ms. Zhang is primarily responsible for overall business management, overall management of the procurement and human resources departments of our Group. She is also a member of the Remuneration Committee. Ms. Zhang was appointed as our executive Director on 13 January 2016. She is also a director of certain subsidiaries of the Company.

張愛英女士，57歲，本公司副總裁兼執行董事。張女士為李向利先生的配偶，主要負責本集團業務以及採購及人力資源的整體管理。其亦為薪酬委員會成員。於2016年1月13日，張女士獲委任為執行董事。其亦擔任本公司若干附屬公司的董事。

Ms. Zhang has over 17 years of experience in coal industry. Prior to joining our Group, from May 1995 to February 2005. Ms. Zhang served as a manager of examination department of Shanxi Coal Import & Export Group Qinhuangdao Branch (山西煤炭進出口集團秦皇島分公司), a company primarily engaged in coal trading, and was responsible for coal testing. From August 1988 to May 1995, she was a teacher at No. 11 High School of Qinhuangdao (秦皇島市第十一中學), and was responsible for teaching chemistry.

張女士於煤炭行業擁有逾17年經驗。加入本集團之前，自1995年5月至2005年2月，張女士擔任山西煤炭進出口集團秦皇島分公司(一家主要從事煤炭交易的公司)化驗室主任，負責煤炭檢測業務；自1988年8月至1995年5月，任教於秦皇島市第十一中學，負責教授化學。

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

1988年7月，張女士獲中國河北師範學院化學系學士學位。

Ms. Zhang is the sole director and sole shareholder of Swan Stone Investment Holding Limited, a substantial shareholder of the Company (by virtue of the Listing Rules), as disclosed in the "Substantial Shareholders' Interests in the Shares" section of the Directors' Report. Also, Ms. Zhang, Mr. LI Xiangli and Mr. LIU Yi (劉翊) entered into an acting-in-concert deed on 31 January 2016. Pursuant to the deed, Ms. Zhang and Mr. LIU Yi (劉　翊) shall support Mr. LI Xiangli's decisions on material matters in relation to the operation and management of our Group by exercising their voting rights at the meetings of the shareholders and boards of the members of our Group in accordance with the decision of Mr. LI Xiangli.

誠如董事會報告「主要股東於股份中的權益」一節所披露，張女士為Swan Stone Investment Holding Limited(根據上市規則為本公司之主要股東)的唯一董事及唯一股東。此外，張女士、李向利先生及劉翊先生於2016年1月31日簽訂一致行動契約。根據契約，張女士與劉翊先生應依據李向利先生所作決策於本集團成員公司股東及董事會會議上行使其表決權支持李向利先生有關本集團經營與管理的重大事宜所作決策。

Mr. LIU Yi, aged 55, is a vice president of the Company and an executive Director. He is primarily responsible for overall management of sales, quality control and research. Mr. Liu joined our Group in February 2010 as deputy general manager of Beijing Huaxia Lihong, and was appointed as our executive Director on 13 January 2016. He is also a director of a subsidiary of the Company.

劉翊先生，55歲，為本公司副總裁兼執行董事，主要負責銷售、質量控制及研發的整體管理；2010年2月，劉先生加入本集團，擔任北京華夏力鴻的副總經理，並於2016年1月13日獲委任為執行董事。其亦擔任本公司附屬公司的董事。

Mr. Liu has approximately 31 years of experience in the coal testing and inspection industry. Prior to joining our Group, from September 1988 to January 2010, Mr. Liu worked with Qinhuangdao Entry-Exit Inspection and Quarantine Bureau (秦皇島出入境檢驗檢疫局) and was promoted to the director of the coal inspection technology center in September 2003, responsible for coal inspection. From July 1987 to September 1988, he was a teacher at Hebei Building Materials Vocational and Technical College (河北建材職業技術學院), and was responsible for teaching analytical chemistry.

劉先生於煤炭檢測及檢驗行業擁有約31年經驗。加入本集團之前，自1988年9月至2010年1月，劉先生任職於秦皇島出入境檢驗檢疫局，並於2003年9月晉升為煤炭檢測技術中心主任，負責煤炭檢驗業務；自1987年7月至1988年9月，任教於河北建材職業技術學院，負責教授解析化學。

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

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

Mr. Liu, Mr. LI Xiangli and Ms. ZHANG Aiying entered into an acting-in-concert deed on 31 January 2016. Pursuant to the deed, Mr. Liu and Ms. ZHANG Aiying shall support Mr. LI Xiangli's decisions on material matters in relation to the operation and management of our Group by exercising their voting rights at the meetings of the shareholders and boards of the members of our Group in accordance with the decision of Mr. LI Xiangli.

劉先生、李向利先生及張愛英女士於2016年1月31日簽訂一致行動契約。根據契約，劉先生與張愛英女士應依據李向利先生所作決策於本集團成員公司股東及董事會會議上行使其表決權支持李向利先生有關本集團經營與管理的重大事宜所作決策。

Mr. YANG Rongbing, aged 39, is an executive Director. Mr. Yang was appointed as our independent non-executive Director on 18 June 2016 and was mainly responsible for providing independent opinion to the Board. He was re-designated as executive Director on 23 July 2018 as well as appointed as the vice chairman and is mainly responsible for corporate strategies, capital planning, internal control and compliance of the Group. He is also a director of certain subsidiaries of the Company.

楊榮兵先生，39歲，執行董事。楊先生於2016年6月18日獲委任為獨立非執行董事，主要負責向董事會提供獨立意見，彼於2018年7月23日調任為執行董事及獲委任為副主席，主要負責本集團企業戰略、資本規劃、內控合規等方面的工作。其亦擔任本公司若干附屬公司的董事。

Mr. Yang, holder of a MBA from Central University of Finance and Economics, was a distinguished professor of Capital University of Economics and Business. He has served in the capital markets in both Mainland China and Hong Kong for a long period of time. He is an expert in adopting innovative financial tools to provide support to enterprises on sustainable development and continuously improving capital vehicles. Mr. Yang previously served as an executive director and the chief executive officer of SMI Holdings Group Limited (星美控股集團有限公司) ("SMI Holdings"), a company listed on the Main Board of the Stock Exchange (Stock code: 0198). Before joining SMI Holdings in 2010, Mr. Yang served in various financial and investment roles in State-owned enterprises and institutions such as Beijing Golden Tide Group Co., Ltd. (北京金泰集團有限公司), Foreign Economic Cooperation Office under Ministry of Environmental Protection (國家環境保護部對外合作中心) and Center for Development of Trade and Control of Investment in Europe (歐洲商業開發投資管理中心).

楊先生，獲得中央財經大學MBA學位，曾任首都經濟貿易大學特聘教授，長期服務於中國大陸與香港兩地資本市場，善於運用創新金融工具支持企業可持續發展及不斷完善資本結構方面的專家。楊先生曾擔任星美控股集團有限公司(「星美控股」，一家於聯交所主板上市的公司(股份代號：0198)之執行董事及行政總裁。於2010年加入星美控股前，楊先生分別在北京金泰集團有限公司、國家環境保護部對外合作中心及歐洲商業開發投資管理中心等國有企業及機構擔任財務和投資管理職務。

Non-executive Director

非執行董事

Mr. WANG Gang, aged 49, is the non-executive Director. He is primarily responsible for providing business guidance in relation to the industry to our Group. Mr. Wang was appointed as our non-executive Director on 13 January 2016.

王綱先生，49歲，非執行董事，主要負責向本集團提供行業相關的業務指導。王先生於2016年1月13日獲委任為非執行董事。

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

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

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

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

Independent non-executive Directors

獨立非執行董事

Mr. WANG Zichen, aged 53, is an independent non-executive Director. Mr. Wang is primarily responsible for providing independent advice and judgment to our Board. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Wang was appointed as an independent non-executive Director on 18 June 2016.

王梓臣先生，53歲，本公司獨立非執行董事。王先生主要負責向董事會提供獨立意見及判斷。其亦為審核委員會、薪酬委員會及提名委員會成員。王先生於2016年6月18日獲委任為獨立非執行董事。

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

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

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

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

Mr. ZHAO Hong, aged 59, is an independent non-executive Director. Mr. Zhao is primarily responsible for providing independent advice and judgment to the Board. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Zhao was appointed as an independent non-executive Director on 18 June 2016.

趙虹先生，58歲，獨立非執行董事。趙先生主要負責向董事會提供獨立意見及判斷。其亦為薪酬委員會主席及審核委員會與提名委員會成員。趙先生於2016年6月18日獲委任為獨立非執行董事。

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

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

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

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

Mr. LIU Hoi Keung, aged 55, is an independent non-executive Director. Mr. Liu is primarily responsible for providing independent opinion and judgement to the Board, He is also the chairman of the Audit Committee. He was appointed as an independent non-executive Director on 23 July 2018.

廖開強先生，55歲，獨立非執行董事。廖先生主要負責向董事會提供獨立意見及判斷。其亦為審核委員會主席。廖先生於2018年7月23日獲委任為獨立非執行董事。

Mr. Liu is a director of JWMG Professional Services Limited ("JWMG"), and often being nominated by JWMG to provide services to various listed client companies. He has over 30 years of experience in the field of auditing, accounting, finance, management and secretarial work and is now the company secretary of Tungtex (Holdings) Company Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 0518). He is also the executive director of Alco Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 0328). Mr. Liu received his Master of Science degree from the University of Hong Kong in 2002. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

廖先生現任金威萬國專業服務有限公司(「金威萬國」)之董事，及常被金威萬國任命為各上市公司客戶提供服務。彼於審計、會計、融資、管理及秘書工作方面擁有逾30年經驗及目前為聯交所主板上市公司同得仕(集團)有限公司(股份代號：0518)之公司秘書。廖先生亦為愛高集團有限公司(股份代號：0328)之執行董事。廖先生於2002年自香港大學取得理學碩士學位。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。

Mr. Liu served as director and senior management positions with a number of public companies listed on the Stock Exchange, including being a director and joint chief executive officer of PanAsialum Holdings Company Limited (Stock code: 2078); an executive director and the chief financial officer of Beijing Enterprises Medical and Health Industry Group Limited (formerly known as Genvon Group Limited, Stock code: 2389); and a director, the chief executive officer and the chief financial officer of China Merchants Land Limited (formerly known as Tonic Industries Holdings Limited, Stock code: 0978). Besides, Mr. Liu previously worked at international accounting firms for a total of nine years and gained extensive experience in accounting, auditing and taxation of listed companies.

過往廖先生曾擔任多家於聯交所上市的公司董事及高級管理職位，其中包括擔任榮陽實業集團有限公司(股份代號：2078)董事及聯合行政總裁；北控醫療健康產業集團有限公司(前稱正峰集團有限公司，股份代號：2389)執行董事及財務總監；以及招商局置地有限公司(前稱東力實業控股有限公司，股份代號：0978)董事、行政總裁及財務總監。此外，廖先生合共曾於國際會計師事務所工作九年，於上市公司會計、審計及稅務方面累積豐富經驗。

Senior Management

Mr. LIU Yi, aged 41, is the secretary to the Board and assistant to the chief executive officer of our Company. Mr. Liu is primarily responsible for managing daily work of the Board and assisting the CEO in managing the business operation of our Group. Mr. Liu joined our Group in July 2011 and was appointed current position on 16 January 2016. He is also the supervisor and director of a subsidiary of the Company.

Mr. Liu has over 13 years of experience in testing industry. Prior to joining our Group, from August 2009 to July 2011, Mr. Liu served as the project manager of China Certification & Inspection Group Beijing Co., Ltd. (中國檢驗認證集團北京有限公司), a company primarily engaged in import and export commodity inspection, and was responsible for inspection business. From August 2006 to July 2009, Mr. Liu served as the business line manager of Sinoswiss Inspection Co., Ltd. (中瑞檢驗有限公司), a company primarily engaged in import and export commodity inspection, and was responsible for inspection business management. From July 2004 to July 2006, Mr. Liu served as the inspection supervisor of China Certification & Inspection Group Co., Ltd. (中國檢驗認證(集團)有限公司), and was responsible for import and export commodity inspection management.

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

高級管理人員

劉藝先生，41歲，擔任本公司董事會秘書及行政總裁助理。劉先生主要負責管理董事會日常事務並協助行政總裁管理本集團業務運營。劉先生於2011年7月加入本集團，並於2016年1月16日獲委任擔任當前職務。其亦擔任本公司一間附屬公司的監事及董事。

劉先生於檢測行業擁有逾13年經驗。加入本集團之前，自2009年8月至2011年7月，劉先生擔任中國檢驗認證集團北京有限公司(一家主要從事進出口商品檢驗的公司)的項目經理，負責檢驗業務。自2006年8月至2009年7月，劉先生擔任中瑞檢驗有限公司(一家主要從事進出口商品檢驗的公司)的業務部門經理，負責檢驗業務管理。自2004年7月至2006年7月，劉先生擔任中國檢驗認證(集團)有限公司的檢驗主管，負責進出口商品檢驗管理。

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

I. Business and Market Review

According to IHS, the global TIC market size reached RMB1.601 trillion in 2018, while the overall industry growth was stable. In the past five years, the compound growth rate of the global TIC industry had been approximately 10%, and that of Chinese market for the same period was as high as 15%, indicating the continuing rapid growth of TIC industry in developing countries. The TIC industry in China mainly benefited from two aspects: firstly, the relaxation of government policies of third party inspection market; secondly, the increasing demand for internal quality control by companies from all types of industries. As a result, the industry has witnessed the rise of companies becoming leaders in their respective niche markets. With strong technology and abundant talent resources, they enjoy good market credibility and large economies of scale, therefore, ensuring a long-term and stable development of the industry. During the year, the Company has also expanded its service network in Asia-Pacific region where there are emerging markets with high growth potential.

The Company recorded a revenue of RMB396.5 million and a net profit of RMB28.8 million in 2019, representing an increase of 69.6% and 486.8%, respectively, as compared to 2018, which was mainly attributable to the Company's successful layout and stable development in the field of commodities and energy inspection.

(I) Further improvement of service network.

The energy inspection business is limited by service radius, thus the location of outlets is absolutely essential to business development. During the reporting period, the Company has 20 inspection agencies and laboratories within China, covering major domestic trading ports and cities, including Hong Kong, Qinhuangdao, Tangshan, Tianjin, Cangzhou, Nanjing, Jiangyin, Hunan, Hubei, Guangzhou, Zhuhai, Xinjiang, Shaanxi, Inner Mongolia, Dalian, Zhoushan, Xiamen, Nanjing and Dongguan. Overseas, the Company has 8 inspection agencies and laboratories, covering Singapore, India, Malaysia, Indonesia, Pakistan, Brunei and Australia. Singapore is our overseas command center which allows us to capitalise on its unique advantage in the oil and commodities trading markets in order to actively participate international markets.

一、業務和市場回顧

IHS數據顯示2018年全球TIC市場規模達到16,010億元人民幣，行業整體增長穩健。過去五年全球TIC行業的複合增長率約10%，中國市場同期數據高達15%，TIC行業在發展中國家繼續保持高速增長。中國TIC行業高速發展，主要受益於兩個方面：一是政府政策引導和監管機構大規模放開第三方檢測市場；二是企業發展質量控制及監督需求增加。TIC行業各細分領域頭部企業逐漸脫穎而出，技術及人才儲備充足，公信力獲得市場認可，規模經濟效應顯現，行業長期穩定發展有保障。本公司目前已初步完成亞太地區服務網絡佈局，其中多個新興市場發展潛力巨大，有利於擴大業務規模，提高市場份額。

本公司2019年錄得收入人民幣396.5百萬元，淨利潤人民幣28.8百萬元，分別較2018年增長69.6%及486.8%，主要的得益於公司在能源和大宗商品檢測領域的成功佈局和穩健發展。

（一） 服務網絡進一步完善。

能源檢測業務受服務半徑限制，網點密度對業務發展至關重要。報告期內，本公司在中國境內擁有20個檢驗機構和實驗室，覆蓋了國內主要的貿易港口和城市，包括香港、秦皇島、唐山、天津、滄州、南京、江陰、湖南、湖北、廣州、珠海、新疆、陝西、內蒙古、大連、舟山、廈門、南京及東莞。本公司在境外擁有8個檢驗機構和實驗室，覆蓋了新加坡、印度、馬來西亞、印尼、巴基斯坦、文萊及澳洲。海外業務以新加坡為管理中心，利用其在石油交易和大宗貿易市場的獨特優勢，積極佈局國際市場。

(II) Sustainable business structure and growing customer base.

While further strengthening the leading position in coal inspection industry within China, the Company has made great efforts in developing the petrochemical product inspection business and achieved remarkable results, thereby forming the two major pillars of inspection business of coal and petrochemical product and supplemented by other commodities inspection business including mineral products and agricultural products. During the reporting period, the energy inspection business continuously integrated both upstream and downstream in the supply chain. The key customers of the Group include CHN Energy, Shaanxi Coal Group, China Coal Group, Yitai Group, Datang Group, China Resources Group, CNPC, SINOPEC, CNOOC, ChemChina, SinoChem, Shell, BP, Exxon – Mobil, Chevron, Total, Saudi Aramco, ENOC and Rosneft, etc.

(III) Management capabilities and talent platform

The Company remains committed in enhancing operational efficiencies and internal controls by continuously embarking in three initiatives that involve (1) standardisation, (2) digitisation and (3) automation. In addition, the company strives to improve management control and enhance key management execution capabilities through better performance measurement systems and improving investment analysis. During the year, the Company (1) partnered with SAP in implementing ERP and HR information systems, (2) established a strategic 'Innovation' taskforce dedicated in exploring new service offerings in the inspection field and (3) continued to attract new talents through incubator framework and M&A.

（二） 業務結構更加健康，優質客戶持續擴充。

本公司在鞏固中國煤炭檢測行業龍頭地位的基礎上，全力發展石化產品檢測業務，成績傲人，進而形成了以煤炭與石化產品檢測兩大業務支柱。於此同時，礦產品、農產品為補充的大宗商品檢測業務體系已經形成。報告期內，能源檢測板塊業務持續發展，逐步滲透產業鏈上下游企業延伸的業務，集團戰略客戶包括國家能源集團、陝煤集團、中煤集團、伊泰集團、大唐集團、華潤集團、中石油、中石化、中海油、中化工、中化、殼牌(Shell)、BP、埃克森美孚(Exxon-Mobil)、雪佛龍(Chevron)、道達爾(Total)、沙特阿美(Saudi Aramco)、阿聯酋石油(ENOC)、俄石油(Rosneft)等等。

（三） 平台價值逐步顯現，集團管控能力持續優化。

公司持續堅定推行標準化、信息化、智能化的「三化」建設項目，繼續健全和優化企業流程和內控體系。公司通過優化績效機制，強化投資管理，引入管理工具等方式繼續加強集團管控能力建設和核心團隊執業能力建設。報告期內，公司與國際企業管理解決方案巨頭SAP啟動ERP&HR信息化管理項目，成立「創新事業部」探索和挖掘符合集團戰略發展方向檢測領域的新產品線，持續以「聯邦制」和「孵化制」的模式吸引人才團隊以推動創新業務落地。

(IV) Improving core competence through research and development

During the year, the Company successfully conducted 'China Leon Innovative Coal Quality Management Forum 2019' to showcase its 10-year scientific achievements, particularly its in-house 'LEON LIMS' laboratory system, which not only automates much of laboratory processes, but also feeds important data to the Company for better operational monitoring. In another feat, the Company developed China's first robotic coal sampling system, which became operational-ready. It not only leads to lower manpower costs and higher service efficiency, but also ensures the Company's sustainable growth.

(V) Becoming a global brand

In April 2019, the Company became the first member of TIC Council (a merger of IFIA and CEOC) from China, and was invited to attend the first TIC Council meeting to discuss industry development issues with 90 active member organisations from more than 160 countries. The conference laid foundation for inter-organisation cooperation and provided the Company an excellent platform in promoting its brand.

（四） 科技研發持續投入，成果轉化形成核心競爭力。

報告期內，公司成功舉辦「2019華夏力鴻煤質管理創新論壇」，展示集團成立十年來的科技研發成果。自主研發的Leon LIMS智能實驗室系統覆蓋檢測業務領域「全業務+全流程」，實驗室作業實現集團化業務管控。公司設計研發國內首套煤檢智能制樣機器人系統投入使用，大幅降低人工成本，提升服務效率為公司持續發展提供重要保障。

（五） 積極推進國際化品牌建設。

公司於2019年4月正式成為TIC理事會(TIC行業組織IFIA和CEOC合併而成)中國地區首家正式會員，受邀出席第一屆TIC Council理事會大會，與活躍於全球160多個國家的90名成員組織，共同探討行業發展議題。此次會議為機構間合作奠定基礎，亦成功推進公司國際化品牌建設。

II. Business Strategies and Future Outlook

In 2020, the Company will continue to focus on the performance targets set by the management in line with our strategic goals. Our growth strategy is based on further strengthening existing business as well as continuing to expand into new service offerings. We will increase our competitive advantage through better allocation of enterprise's resources on cost control and performance measurement as well as improve our enterprise-wide business platform. BP World Energy Outlook report indicates that most of the world energy consumption growth in Asia-Pacific region is driven by the total population and ever growing middle class group. The Company aims to maximise our local strength within the region by continuously improve our regional network. The Company will continue maintain its leading position and market share in its established markets while further promoting our "Leon" brand. In addition to maintaining our competitive advantage in the traditional operation settings, the Company will also actively develop new service offering in quality control solutions and related technical consulting areas in order to capitalise on our brand and service capabilities.

Impact of the pandemic of novel coronavirus on the Company's business

The pandemic of novel coronavirus in 2020 is a tremendous challenge for all companies. Even though it brings delayed operations to the TIC industry, the overall situation of energy demand which grows continuously has not changed. The demand for energy inspection will rebound when the pandemic is over.

Due to the inherent nature and unpredictability of future development, the actual financial effects could be different depending on the future development of the outbreak, government policies and measures in response to the outbreak. The management team will continuously monitor the development and further strengthen cost control and improve the quality of services and business.

二、業務策略及未來展望

2020年，我們最重要的任務是努力完成既定經營業績目標，緊密圍繞企業戰略發展方向，繼續夯實主業，勇於開拓衍生及創新業務，多維度持續推進企業平台化建設，集中資源，加強精細化管理，提高企業的綜合競爭力。據BP世界能源展望報告數據顯示，未來20年能源消費的大部分增長將來自於亞太地區，亞太地區超過全球半數的人口數量以及不斷擴大的亞洲中產階級群體，將在未來繼續釋放人口因素帶來的能源需求紅利。本公司在亞太地區不斷完善的能源檢測服務中心網絡將發揮巨大的本地服務優勢。公司將持續鞏固在傳統檢測領域「力鴻」品牌的認知度、市場佔有率和綜合實力方面的頭部效應。業務範圍除在港口和駐場等傳統作業場景下保持相對競爭優勢外，還將繼續積極開展質量管控配套服務、技術諮詢、品牌和能力輸出等方面的業務。

新冠疫情對公司業務的影響

2020年蔓延全球的新冠疫情，對於所有企業來說都是一個巨大挑戰。疫情對TIC行業造成的是時間上的損失，能源需求持續增長的總體情況沒有改變，部分被壓抑的能源檢測需求會在疫情結束後迎來反彈。

由於未來發展的固有性質且不可預測，實際財務影響可能視乎疫情的未來發展、政府應對疫情的政策及措施而有所不同。管理團隊會持續監察發展並進一步加強成本控制，提升服務質量和業務水平。

FINANCIAL REVIEW

財務回顧

Overview

概覽

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	Change 變動
Revenue	收入	**396,456**	233,750	69.6%
Gross Profit	毛利	**186,207**	122,908	51.5%
Profit before tax	税前利潤	**46,900**	14,212	230.0%
Profit for the year	年內利潤	**28,757**	4,901	486.8%

Revenue

The Group's revenue increased by 69.6% from approximately RMB233.8 million in 2018 to approximately RMB396.5 million in 2019. The increase was mainly due to a combination of steady growth in traditional coal inspection business and successful deployment of Group's strategy in developing new inspection business focused on petroleum and oil industry. The table below sets forth the revenue breakdown for each of our service offerings.

收入

本集團的收入從2018年約人民幣233.8百萬元增至2019年約人民幣396.5百萬元，增幅為69.6%。該增加乃主要由於傳統煤炭檢測業務的穩定增長，以及本集團成功部署針對石油及石化行業的新檢測業務發展戰略。下表載列我們各項服務的收入明細。

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Testing services	檢測服務	**254,282**	204,108
Surveying services	鑒定服務	**127,426**	21,619
Witnessing and ancillary services	見證及輔助服務	**14,748**	8,023
		396,456	233,750

Cost of Sales

The Group's cost of sales consists primarily of operational manpower-related costs, port charges and third-party subcontract inspection costs. The Group's cost of sales was approximately RMB210.2 million in 2019, compared to approximately RMB110.8 million in 2018, representing 53.0% and 47.4% of the Group's revenue for the same periods respectively. Such increase was in tandem with a rise in Group's revenue.

銷售成本

本集團的銷售成本主要包括與人力相關的運營成本、港口費用及第三方分包合同檢測成本。本集團於2019年的銷售成本約為人民幣210.2百萬元，而2018年約為人民幣110.8百萬元，分別佔本集團同期收入的53.0%及47.4%。該增長與本集團收入的增長同步。

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 51.5% from approximately RMB122.9 million in 2018 to approximately RMB186.2 million in 2019 mainly due to rise in revenue. The gross profit margin decreased from 52.6% in 2018 to 47.0% in 2019, which was primarily due to lower gross margin from business generated by the Group's overseas subsidiaries.

Selling, Distribution and Administrative Expenses

The Group's selling, distribution and administrative expenses increased by 34.3% from approximately RMB93.8 million in 2018 to approximately RMB126.0 million in 2019. Such increase was primarily attributable to (1) significant increase in scale of business; (2) rise in manpower-related costs and (3) higher depreciation of properties, plant and equipment.

Other Expenses

The Group recorded other expenses of RMB14.7 million and RMB11.8 million in 2018 and 2019 respectively, representing a decrease of 19.9%, mainly due to lower other impairment losses.

Finance Costs

The Group recorded finance costs of approximately RMB2.6 million and RMB6.9 million in 2018 and 2019, respectively, representing an increase of 160.8%, as a result of finance costs incurred by an interest-bearing Secured Guaranteed Note which was issued to CCB International (Holdings) Limited by the Group in September 2018.

Income Tax Expense

For the year ended 31 December 2019, income tax expense amounted to approximately RMB18.1 million, representing a 94.9% increase from approximately RMB9.3 million recorded last year, primarily due to higher current income and increase in deferred tax.

Profit for the Year

The Group's profit for the year increased by 486.8% from approximately RMB4.9 million in 2018 to approximately RMB28.8 million in 2019, Such increase was mainly attributable to a significant rise in overall business volume.

毛利及毛利率

本集團的毛利從2018年約人民幣122.9百萬元增至2019年約人民幣186.2百萬元，增幅為51.5%，主要歸因於收益增加。毛利率從2018年的52.6%減至2019年的47.0%，主要由於本集團海外附屬公司業務的毛利率較低。

銷售、分銷及行政開支

本集團的銷售、分銷及行政開支從2018年的約人民幣93.8百萬元增至2019年的約人民幣126.0百萬元，增幅為34.3%。有關增加乃主要由於(1)業務規模大幅增加；(2)人力相關成本上升及(3)物業、廠房及設備折舊增加所致。

其他開支

於2018年及2019年，本集團分別錄得其他開支人民幣14.7百萬元及人民幣11.8百萬元，減幅為19.9%，乃主要由於其他減值虧損減少所致。

財務成本

於2018年及2019年，本集團分別錄得融資成本約人民幣2.6百萬元及人民幣6.9百萬元，增幅為160.8%，乃由本集團於2018年9月向建銀國際(控股)有限公司發行的計息有抵押擔保票據產生財務成本所導致。

所得稅開支

截至2019年12月31日止年度，所得稅開支約為人民幣18.1百萬元，較去年同期約人民幣9.3百萬元增加94.9%，主要由於當期收入較高及遞延稅項的增長。

年內利潤

本集團年內利潤從2018年約人民幣4.9百萬元增至2019年約人民幣28.8百萬元，增幅為486.8%，該增加主要歸因於整體業務量大幅增加所致。

Property, Plant and Equipment

Property, plant and equipment consist primarily of buildings, vehicles, equipment and construction in progress. The Group had property, plant and equipment of RMB118.7 million and RMB140.4 million as at 31 December 2018 and 2019, respectively. The increase as at 31 December 2019 was primarily due to (1) inclusion of plant and equipment from overseas acquisitions of petroleum and oil inspection business and (2) completion of plant and equipment setup in various PRC provinces.

Investment Properties

Investment properties consist of a commercial property in Beijing, which was originally purchased at RMB25.5 million in April 2014, and Room 202 and 302 of Wanxingyuan Yingang in Cangzhou, which were originally purchased at RMB1.3 million in August 2011. The investment properties of the Group had a carrying amount of RMB20.7 million and RMB19.4 million as at 31 December 2018 and 2019, respectively.

Goodwill

The Group's goodwill represents the excess of fair value of consideration paid by the Group over the net fair value of acquisition target's identifiable assets and liabilities measured at acquisition date. As at 31 December 2018 and 2019, the Group had goodwill of approximately RMB3.1 million and RMB18.4 million, respectively. The increase arose mainly from a new overseas acquisition by the Group in May 2019 of an inspection business focused on petroleum and oil industry as part of the Group's effort to expand its service network.

Intangible Assets

The Group's intangible assets primarily consist of software, patents, customer relationship and inspection certificate. As at 31 December 2018 and 2019, the Group had intangible assets of approximately RMB4.4 million and RMB3.8 million, respectively. The decrease was mainly due to amortisation of these intangible assets.

物業、廠房及設備

物業、廠房及設備主要包括建築、車輛、設備及在建工程。於2018年及2019年12月31日，本集團的物業、廠房及設備分別為人民幣118.7百萬元及人民幣140.4百萬元。於2019年12月31日，該增加乃主要由於(1)計入來自收購海外石油及石化檢測業務的廠房及設備及(2)於中國多個省份完成建設廠房及設備所致。

投資物業

投資物業包括一項位於北京的商業物業，該物業最初於2014年4月以人民幣25.5百萬元購入，另一項位於滄州銀港小區萬興園202、302室最初於2011年8月以人民幣1.3百萬元購入。於2018年及2019年12月31日，本集團的投資物業賬面值分別為人民幣20.7百萬元及人民幣19.4百萬元。

商譽

本集團的商譽指本集團已付對價的公允價值超出收購目標於收購日期計量的可識別資產及負債的公允價值淨額的差額。於2018年及2019年12月31日，本集團的商譽分別約為人民幣3.1百萬元及人民幣18.4百萬元。該增加主要來自本集團於2019年5月新收購一項專注於石油及石化行業的海外檢驗業務，作為本集團努力拓展其服務網絡的一部分。

無形資產

本集團的無形資產主要包括軟件、專利、客戶關係及檢測證書。於2018年及2019年12月31日，本集團的無形資產分別約為人民幣4.4百萬元及人民幣3.8百萬元。該減少乃主要由於該等無形資產攤銷所致。

Trade Receivables

The Group's trade receivables primarily represented amounts due from its customers for its services provided in the ordinary course of business. As at 31 December 2018 and 2019, the Group had trade receivables of approximately RMB42.3 million and RMB94.7 million respectively. Such increase in receivables as at 31 December 2019 was primarily due to significant increase in scale of business compared to last year.

貿易應收款項

本集團的貿易應收款項主要指日常業務過程中本集團就提供服務應收客戶的款項。於2018年及2019年12月31日，本集團的貿易應收款項分別約為人民幣42.3百萬元及人民幣94.7百萬元。於2019年12月31日的應收款項增加乃主要由於業務規模較去年大幅增加所致。

Prepayments, Other Receivables and Other Assets

The Group's prepayments, other receivables and other assets primarily represent rental payments, value-added tax, prepayment for construction in process, and deposits paid to enter open tender process and land auction process. The current portion of the Group's prepayments, other receivables and other assets were approximately RMB15.5 million and RMB16.8 million as at 31 December 2018 and 31 December 2019 respectively, representing an increase of 8.0%, primarily due to higher other receivables. The non-current portion of the Group's prepayments, other receivables and other assets decreased from approximately RMB6.6 million as at 31 December 2018 to approximately RMB5.8 million as at 31 December 2019, primarily due to transfer of prepayment of setup costs to property, plant and equipment on completion.

預付款項、其他應收款項及其他資產

本集團的預付款項、其他應收款項及其他資產主要指租金付款、增值税、在建工程預付款項及為參與公開招標流程及土地拍賣流程而支付的按金。於2018年12月31日及2019年12月31日，本集團預付款項、其他應收款項及其他資產的流動部分分別約為人民幣15.5百萬元及人民幣16.8百萬元，增幅為8.0%，乃主要由於其他應收款項增加所致。本集團預付款項、其他應收款項及其他資產的非流動部分從2018年12月31日的約人民幣6.6百萬元減少至2019年12月31日的約人民幣5.8百萬元，乃主要由於建設成本的預付款項於完成時轉撥至物業、廠房及設備所致。

Financial Assets at Fair Value through Profit or Loss

The Group's financial assets at fair value through profit or loss primarily represent low-risk financial products purchased from commercial banks using its cash on hand. Such financial assets decreased from RMB27.0 million as at 31 December 2018 to zero value as at 31 December 2019 due to disposal of these financial products.

按公允價值計入損益的金融資產

本集團按公允價值計入損益的金融資產主要指使用手頭現金自商業銀行購買的低風險金融產品。由於出售該等金融產品，有關金融資產從2018年12月31日的人民幣27.0百萬元減少至2019年12月31日的零價值。

Cash and Cash Equivalents

The Group's cash and cash equivalents consist primarily of cash and bank balances denominated in RMB, United States dollar and Singapore dollar. As at 31 December 2018 and 2019, the Group's cash and cash equivalents remained steady at RMB76.9 million and RMB76.0 million respectively.

現金及現金等價物

本集團的現金及現金等價物主要包括以人民幣、美元及新加坡元計值的現金及銀行結餘。於2018年及2019年12月31日，本集團的現金及現金等價物維持穩定，分別為人民幣76.9百萬元及人民幣76.0百萬元。

Trade Payables

The Group's trade payables primarily represent amounts payable for port charges and third-party inspection work. As at 31 December 2018 and 2019, the Group had trade payables of RMB12.3 million and RMB45.5 million, respectively. The increase in the Group's trade payables as at 31 December 2019 was primarily attributable to significant increase in scale of business compared to last year.

Other Payables and Accruals

The Group's other payables and accruals primarily represent accrued salaries, wages and benefits, other taxes payable and other payables. As at 31 December 2018 and 2019, the Group had other payables and accruals of RMB35.4 million and RMB41.8 million, respectively. Such increase as at 31 December 2019 was mainly due to increase in accrued salaries, wages and benefits as the number of employees grew.

Borrowings

The Group had borrowings of RMB76.1 million and RMB63.3 million as at 31 December 2018 and 2019, respectively. The decrease in the Group's borrowings was due to partial repayment of principal during the year.

Cash Flows from Operating Activities

The Group had net cash inflows from operating activities of approximately RMB20.0 million and RMB70.6 million in 2018 and 2019 respectively. The increase in the Group's cash flows from operating activities was primarily due to higher revenue generation.

Cash Flows from Financing Activities

The Group had net cash inflows from financing activities of approximately RMB47.8 million in 2018 and net cash outflows of approximately RMB36.9 million in 2019. The cash flows from financing activities changed from net inflows to net outflows. This was primarily due to (1) repayment of borrowings, interest and lease liabilities of RMB66.9 million and (2) dividend payment of RMB3.0 million, partially offset by additional borrowing of RMB35.0 million.

貿易應付款項

本集團的貿易應付款項主要指港口費用及第三方檢查工程的應付款項。於2018年及2019年12月31日，本集團的貿易應付款項分別為人民幣12.3百萬元及人民幣45.5百萬元。於2019年12月31日，本集團的貿易應付款項增加乃主要由於業務規模較去年大幅增長。

其他應付款項及應計項目

本集團的其他應付款項及應計項目主要指應計薪金、工資及福利、其他應納稅款以及其他應付款項。於2018年及2019年12月31日，本集團的其他應付款項及應計項目分別為人民幣35.4百萬元及人民幣41.8百萬元。於2019年12月31日，該增加乃主要由於應計薪金、工資及福利因僱員人數增長而增加。

借款

於2018年及2019年12月31日，本集團分別有借款人民幣76.1百萬元及人民幣63.3百萬元。本集團的借款減少乃由於年內償還部分本金所致。

經營活動所得現金流量

於2018年及2019年，本集團經營活動所得現金流入淨額分別約為人民幣20.0百萬元及人民幣70.6百萬元。本集團經營活動所得現金流量增加主要歸因於所產生的收入增加。

融資活動所得現金流量

於2018年及2019年，本集團融資活動分別錄得現金流入淨額約人民幣47.8百萬元及現金流出淨額約人民幣36.9百萬元。融資活動所得現金流量由流入淨額變為流出淨額。此乃主要由於(1)償還借款、利息及租賃負債人民幣66.9百萬元及(2)派付股息人民幣3.0百萬元所致，且部分由額外借款人民幣35.0百萬元抵銷。

Commitments

As at 31 December 2019, the Group had a total capital commitment of approximately RMB1.7 million for contracted but not performed acquisition of property, plant and equipment.

承擔

於2019年12月31日，本集團就已訂約但尚未進行的物業、廠房及設備收購的資本承擔總額約為人民幣1.7百萬元。

Liquidity and Capital Resources

The Group had cash and cash equivalents of RMB76.0 million as at 31 December 2019. The Group is in a strong and healthy financial position and has enough resources to support its operations and meet its foreseeable capital expenditures.

流動資金及資本資源

於2019年12月31日，本集團的現金及現金等價物為人民幣76.0百萬元。本集團財務狀況穩健，且擁有充足資源以支持其運營及應付可預見的資本開支。

Treasury Management and Funding Policy

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

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

資金管理及融資策略

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

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

Contingent Liabilities

As at 31 December 2019, the Group did not have any significant contingent liabilities or guarantees to third parties.

或有負債

於2019年12月31日，本集團並無任何重大或有負債，亦未向第三方作出擔保。

Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. The calculation of gearing ratio is based on total debt divided by total equity and multiplied by 100.0%. Total debt is calculated as "borrowings" as shown in the consolidated statement of financial position. Total capital is calculated as "total equity" as shown in the consolidated statement of financial position.

資本負債比率

本集團基於資本負債比率監控資本。資本負債比率乃按債務總額除以權益總額並乘以100.0%計算。債務總額乃按綜合財務狀況表所示「借款」計算。資本總額乃按綜合財務狀況表所示「權益總額」計算。

		2019 **2019年** **RMB'000** **人民幣千元**	2018 2018年 RMB'000 人民幣千元
Total debt	債務總額	**63,273**	76,085
Total equity	權益總額	**221,270**	196,991
Gearing Ratio	資本負債比率	**28.6%**	38.6%

Credit Risk

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

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

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

信貸風險

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

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

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

Foreign Exchange Risk

The Group was exposed to foreign currency risk on cash and cash equivalents, receivables, payables and borrowings that were denominated in a currency other than respective functional currencies of the Group's entities. The currencies giving rise to this risk were primarily Hong Kong dollar and United States dollar.

外匯風險

本集團因現金及現金等價物、應收款項、應付款項及借款以本集團旗下實體各自功能貨幣以外的貨幣計值而面臨外幣風險。產生此風險的貨幣主要是港元及美元。

Significant Investments

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

重大投資

年內，本集團並無進行任何重大投資。

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

On 8 May 2019, Leon Overseas Pte. Ltd., a subsidiary of the Group, entered into a sales and purchase agreement with Saybolt Holding BV to purchase the entire share capital of Saybolt (Singapore) Pte. Ltd. at a consideration of US$3.75 million. The acquisition was completed on 15 May 2019 and with effective from this date, the financial results of Saybolt (Singapore) Pte. Ltd. were consolidated into the accounts of the Group.

附屬公司及聯營公司的重大收購及出售

於2019年5月8日，本集團附屬公司Leon Overseas Pte. Ltd.與Saybolt Holding BV簽訂買賣協議，以代價3.75百萬美元收購Saybolt(Singapore)Pte. Ltd.的全部股本。該收購已於2019年5月15日完成，自該日起，Saybolt(Singapore)Pte. Ltd.的財務業績於本集團賬目內綜合入賬。

Charges on Assets

During the year ended 31 December 2017, the Group purchased two buildings from an independent third party with a cash consideration of RMB37.7 million. One of the buildings was pledged by this third party for certain purpose before the purchase, and as of 31 December 2019, the pledge had not been released and property ownership certificates had not been obtained. The directors of the Company, after taking into account of legal opinion, were in the opinion that the ownership of these properties rest with the Company.

資產抵押

截至2017年12月31日止年度，本集團向一名獨立第三方購買兩幢樓宇，現金對價為人民幣37.7百萬元。於購買前，其中一幢樓宇曾由該第三方就若干目的質押，而截至2019年12月31日，有關質押尚未解除，且尚未取得物業產權證書。本公司董事經考慮法律意見後認為該等物業的所有權仍屬本公司。

In addition, certain investment properties of the Group with a total carrying value of RMB18.6 million as at 31 December 2019 (31 December 2018: RMB19.9 million) were pledged to obtain a banking facility from a bank amounting to RMB10.0 million (31 December 2018: RMB15.0 million).

此外，於2019年12月31日，賬面總值為人民幣18.6百萬元(2018年12月31日：人民幣19.9百萬元)的本集團若干投資物業曾質押，以自銀行取得為數人民幣10.0百萬元(2018年12月31日：人民幣15.0百萬元)的銀行融資。

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

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

In the opinion of the Directors, throughout the year ended 31 December 2019, the Company had complied with all code provisions as set out in the CG Code save for the deviation from code provision A.2.1 while such deviation is explained in the relevant paragraph below of this corporate governance report.

董事認為，於截至2019年12月31日止年度，本公司已遵守《企業管治守則》所載的全部守則條文，惟第A.2.1條守則條文的偏離除外，有關偏離原因會於本《企業管治報告》下文相關段落中作出解釋。

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

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

A. The Board

A1. Responsibilities and Delegation

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

A2. Board Composition

As at the date of this annual report, the Board comprises eight members, which consist of four executive Directors, one non-executive Director, and three independent non-executive Directors, as follows:

Executive Directors
Mr. LI Xiangli *(Chairman and Chief Executive Officer)*
Ms. ZHANG Aiying
Mr. LIU Yi
Mr. YANG Rongbing *(Vice Chairman)*

Non-executive Director
Mr. WANG Gang

A. 董事會

A1. 責任及授權

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

A2. 董事會的組成

於本年度報告日期，董事會由八名董事組成，包括四名執行董事、一名非執行董事及三名獨立非執行董事，詳情如下：

執行董事
李向利先生*(主席兼行政總裁)*
張愛英女士
劉翊先生
楊榮兵先生*(副主席)*

非執行董事
王綱先生

Independent Non-executive Directors
Mr. WANG Zichen
Mr. ZHAO Hong
Mr. LIU Hoi Keung

獨立非執行董事
王梓臣先生
趙虹先生
廖開強先生

A3. Chairman and Chief Executive

Currently, Mr. LI Xiangli takes up the roles of both chairman of the Board and CEO, which is deviated from code provision A.2.1 of the CG Code that the roles of chairman and chief executive officer of the Company are performed by the same individual. The Board considers that Mr. Li possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. In the opinion of the Directors, through supervision by the Board and the independent non-executive Directors, together with effective control of the Company's internal check and balance mechanism, the same individual performing the roles of chairman and CEO can achieve the goal of improving the Company's efficiency in decision-making, execution and effectively capturing business opportunities. The Board will review the effectiveness of this arrangement from time to time.

During the year, the chairman met once with independent non-executive Directors without the presence of other directors.

A3. 主席及最高行政人員

目前，李向利先生兼任主席及行政總裁，與《企業管治守則》第A.2.1條守則條文偏離，因為本公司主席與行政總裁的職務由同一人士擔任。董事會認為，李先生具備管理董事會所需之領導技巧，亦十分熟悉本集團之業務。董事認為，透過董事會及獨立非執行董事的監管，加上本公司內部制衡機制的有效制約，由同一人兼任主席及行政總裁的安排可以達到提高本公司決策及執行效率，有效抓住商機的目的。董事會將不時檢討該安排的成效。

年內，主席在沒有其他董事出席的情況下與獨立非執行董事舉行了一次會議。

A4. Appointment and Re-election of Directors

All Directors are appointed for a specific term, subject to renewal upon expiry of the existing term. Each of the Directors is appointed for a term of three years pursuant to their service contracts or letters of appointment.

Details of specific term of each of the Directors are set out in the paragraph headed "Directors' Service Contracts" of the Directors' Report.

A4. 董事的委任及重選連任

所有董事的委任均有指定任期，可於現有期限屆滿後予以續期。根據服務合同及委任書，各董事的任期為三年。

有關各董事具體任期的詳情，載於董事會報告「董事服務合同」一段。

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

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

A5. Training and Continuing Development for Directors

A5. 董事的培訓及持續發展

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

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

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

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

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

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

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

A6. Directors' Attendance Records at Meetings

The attendance records of each Director at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 December 2019 are set out below:

A6. 董事的會議出席記錄

各董事出席本公司截至2019年12月31日止年度期間舉行的董事會會議、董事委員會會議及股東大會的記錄載列如下：

Name of Director	董事姓名	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	General Meeting 股東大會
Executive Directors:	**執行董事：**					
Mr. LI Xiangli	李向利先生	6/6	N/A 不適用	N/A 不適用	1/1	1/2
Ms. ZHANG Aiying	張愛英女士	5/6	N/A 不適用	1/1	N/A 不適用	1/2
Mr. LIU Yi	劉翊先生	4/6	N/A 不適用	N/A 不適用	N/A 不適用	1/2
Mr. YANG Rongbing	楊榮兵先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	2/2
Non-executive Director:	**非執行董事：**					
Mr. WANG Gang	王綱先生	1/6	N/A 不適用	N/A 不適用	N/A 不適用	1/2
Independent non-executive Directors:	**獨立非執行董事：**					
Mr. WANG Zichen	王梓臣先生	2/6	2/2	1/1	1/1	1/2
Mr. ZHAO Hong	趙虹先生	2/6	2/2	1/1	1/1	1/2
Mr. LIU Hoi Keung	廖開強先生	2/6	2/2	N/A 不適用	N/A 不適用	0/2

N/A: not applicable

不適用：不適用

A7. Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's employees who, because of their offices or employments, are likely to possess inside information of the Company and/or securities.

A7. 進行證券交易的標準守則

本公司已採納上市規則附錄十所載的《標準守則》作為董事及本公司僱員（彼等因有關職位或受僱工作而可能擁有有關本公司及／或證券的內幕消息）買賣本公司證券的行為守則。

Having made specific enquiry by the Company with all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code regarding Directors' securities transactions throughout the year ended 31 December 2019.

經本公司向全體董事作出具體查詢後，全體董事已確認，彼等已於截至2019年12月31日止整個年度遵守《標準守則》所載有關董事進行證券交易的規定標準。

A8. Corporate Governance Functions

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

A8. 企業管治職能

審核委員會負責履行《企業管治守則》第D.3.1條守則條文所載的企業管治職能。

A9. Role and Function of the Board and the Management

The Company has set out the respective functions and responsibilities which are reserved to the Board and delegated to management or Board committees. The Board delegates day-to-day operations of the Group to management while reserving certain key matters, mainly relating to the approval and monitoring of the Group's overall strategies, policies and business plans, and overseeing and evaluating the performance of the Group. It is also responsible for promoting the success of the Group and its businesses by directing and supervising the Group's affairs. Board committees for specific functions are also set up to ensure efficient Board operations. The composition and functions of each Board committee and their major roles and functions are described below. The final decision still rests with the Board unless otherwise provided for in the terms of reference of the relevant Board committees.

A9. 董事會及管理層之角色及職能

本公司已訂明董事會本身及其授予管理層或董事委員會的職務及職責。董事會將本集團的日常運作交由管理層處理，但保留處理若干重大事宜(主要有關批准及監察本集團整體策略、政策及業務計劃；以及監管及評估本集團表現)的權利。董事會亦負責指導及監督本集團的事務，以推進本集團及其業務的成功運作。本公司亦制定董事委員會的具體職務，以確保董事會的高效運作。各董事委員會的組成及職能及其主要角色及職能詳述如下。除非有關董事會委員會之職權範圍另有旨明，否則董事會仍擁有最終決定權。

A10. Relationship between Directors

Set out below are the relationship between Directors as required to be disclosed under code provision I(h) of the CG Code:

1. Mr. LI Xiangli is the spouse of Ms. ZHANG Aiying.

2. Mr. LI Xiangli, Ms. ZHANG Aiying and Mr. LIU Yi entered into an acting-in-concert deed on 31 January 2016 whereby Ms. ZHANG Aiying and Mr. LIU Yi shall support Mr. LI Xiangli's decisions on material matters in relation to the operation and management of our Group by exercising their voting rights at the meetings of the shareholders and boards of the members of our Group in accordance with the decision of Mr. LI Xiangli.

A10. 董事之間的關係

下文所載為根據企業管治守則第I(h)條守則條文須予披露的董事之間的關係：

1. 李向利先生為張愛英女士的配偶。

2. 李向利先生、張愛英女士及劉翊先生於2016年1月31日簽訂一致行動契約，據此，張愛英女士與劉翊先生應依據李向利先生所作決策於本集團成員公司股東及董事會會議上行使其表決權支持李向利先生有關本集團經營與管理的重大事宜所作決策。

B. Board Committees

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

B1. Remuneration Committee

During the year ended 31 December 2019, the Remuneration Committee comprises a total of three members, being two independent non-executive Directors, namely Mr. ZHAO Hong (chairman of the committee) and Mr. WANG Zichen, and one executive Director, namely Ms. ZHANG Aiying. Throughout the year, the Company had met the Listing Rule requirements of having the majority of the Remuneration Committee members being independent non-executive Directors as well as having the committee chaired by an independent non-executive Director.

B. 董事委員會

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

B1. 薪酬委員會

截至2019年12月31日止年度，薪酬委員會合共包括三名成員，即兩名獨立非執行董事(趙虹先生(委員會主席)及王梓臣先生)及一名執行董事(張愛英女士)。本公司於本年度內符合《上市規則》要求，薪酬委員會大部分成員為獨立非執行董事，以及由獨立非執行董事擔任委員會的主席。

The primary function of the Remuneration Committee is to develop remuneration policies of our Directors, evaluate the performance, make recommendations on the remuneration packages of our Directors and senior management and evaluate and make recommendations on employee benefit arrangements. During the year, one meeting of the Remuneration Committee was held to review the remuneration of the Directors and senior management of the Company as well as the total amount of remuneration paid by the Company in year 2019.

薪酬委員會的主要職能為發展董事的薪酬政策、評估表現、就董事及高級管理人員的薪酬待遇提供建議，並就員工福利安排作出評估及提供建議。薪酬委員會於本年度內舉行了一次會議，以審閱本公司董事及高級管理人員的薪酬以及2019年本公司所派付的薪酬總額。

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

各委員會成員出席於本年度內舉行的薪酬委員會會議的記錄載列於上文A6一節。

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

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

Remuneration band (HK$)	**薪酬範圍（港元）**	**Number of individuals 人數**
Nil to 1,000,000	零至1,000,000	4
1,000,001 – 1,500,000	1,000,001至1,500,000	1
1,500,001 – 1,900,000	1,500,001至1,900,000	2

Details of the remuneration of each Director for the year are set out in Note 11 to the financial statements contained in this annual report.

各董事於本年度內的薪酬詳情載列於本年度報告所載財務報表附註11。

B2. Nomination Committee

B2. 提名委員會

During the year ended 31 December 2019, the Nomination Committee comprises a total of three members, being one executive Director, namely Mr. LI Xiangli (chairman of the committee), and two independent non-executive Directors, namely Mr. WANG Zichen and Mr. ZHAO Hong. Throughout the year, the Company had met the code provision A.5.1 of having a majority of the committee members being independent non-executive Directors and having the committee chaired by the chairman of the Board.

截至2019年12月31日止年度，提名委員會合共包括三名成員，即一名執行董事（李向利先生（委員會主席））及兩名獨立非執行董事（王梓臣先生及趙虹先生）。本公司於本年度內符合第A.5.1條守則條文，大部分委員會成員為獨立非執行董事，以及由董事會主席擔任委員會的主席。

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

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

Nomination Policy

提名政策

The Board has adopted a nomination policy which sets out the criteria for and process and procedures of nomination of Directors. In accordance with the nomination policy, in evaluation and selecting a candidate for acting as a Director, the criteria to be considered include:

董事會已採納提名政策，其為提名董事的流程及程序制定了標準。根據提名政策，於評估及遴選董事人選時，所考慮的標準包括：

- character and integrity of the individual;
- qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy (summarised below) of the Company that are relevant to the Company's business and corporate strategy;
- any measurable objectives adopted for achieving diversity on the Board;
- requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;

- 個人品格與誠實；
- 資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗，以及本公司董事會成員多元化政策（概要載於下文）所提述的多元化因素；
- 為達致董事會成員多元化而採納的任何可計量目標；
- 根據上市規則，董事會需包括獨立董事的規定，以及參考《上市規則》內列明候選人是否被視為獨立的指引；
- 候選人的專業資格、技巧、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻；

– willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and

– such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning.

The nomination policy also sets out the nomination process and procedures, including but not limited to:

1. evaluate the candidate based on the abovementioned criteria upon receipt of the proposal of appointment of new Director;

2. if there are more than one desirable candidate, rank the candidates with reference to the needs of the Company and the reference check of each candidate; and

3. recommend to the Board to appoint the appropriate candidate as the new Director.

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board and regards the increasing diversity at the Board as an essential element in maintaining the Company's competitive advantage. The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board.

– 是否願意及是否能夠投放足夠時間履行身為董事會成員及／或擔任董事會轄下委員會的委員的職責；及

– 其他適用於本公司業務及其繼任計劃的其他各項因素，董事會及／或提名委員會可在有需要時修訂有關因素。

提名政策亦載有提名流程及程序，包括但不限於：

1. 於接獲委任新董事的建議後根據上述標準對人選進行評估；

2. 倘存在一名以上的理想人選，則參考本公司需求及每位人選的證明審查排列他們的優先次序；及

3. 向董事會推薦以委任合適人選為新董事。

董事會成員多元化政策

本公司明白並深信董事會成員多元化裨益良多並將董事會成員日益多元化視為維持本公司競爭優勢的關鍵元素。董事會已採納董事會成員多元化政策，當中載列為求達致董事會成員多元化而作出的方針。

Summary of Policy

The Nomination Committee reviews annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy.

In reviewing and assessing the Board composition and the nomination of directors (as applicable), Board diversity has to be considered from a number of aspects, including gender, age, cultural and educational background, professional qualifications, skills, knowledge and experience.

Measurable Objectives and Progress

The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth. The Nomination Committee will discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and make recommendation to the Board. For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were fulfilled during the year:

1. at least one-third of the members of the Board shall be independent non-executive Directors;
2. at least one of the members of the Board shall have obtained accounting or other professional qualifications;
3. at least one of the members of the Board is female; and
4. at least half of the independent non-executive Directors shall have work experience in industries other than coal inspection.

政策概要

提名委員會每年檢討董事會的架構、人數及組成，並適時就為配合本公司的公司策略而對董事會作出的變動提出建議。

在檢討及評估董事會組成及提名董事(如適用)時，須就董事會成員多元化考慮多方面的因素，包括性別、年齡、文化及教育背景、專業資質、技能、知識及經驗。

可計量目標及過程

本公司旨在為本公司業務發展維持董事會多元化觀點的適當平衡。提名委員會將會討論及協定(如需要)為達致董事會成員多元化的可計量目標，並向董事會作出有關建議。為實施董事會成員多元化政策，年內已達成以下可計量目標：

1. 至少三分之一的董事會成員須為獨立非執行董事；
2. 至少一名董事會成員須取得會計或其他專業資質；
3. 至少一名董事會成員為女性；
4. 至少一半獨立非執行董事須擁有煤炭檢測以外行業的工作經驗。

Annual Review

During the year, one meeting of the Nomination Committee was held to review the structure, size and composition of the Board in consideration of the board diversity policy, and to review the nomination criteria and procedures, the performance of Directors and the independence of independent non-executive Directors.

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

The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained. The Nomination Committee also considered that the Directors are rich in knowledge, experience and background and their outstanding skills in their respective expertise can meet the development needs of the Company.

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

B3. Audit Committee

During the year ended 31 December 2019, the Audit Committee comprises a total of three members, all being independent non-executive Directors, namely Mr. LIU Hoi Keung (chairman of the committee), Mr. WANG Zichen and Mr. ZHAO Hong. The Company has met the Listing Rule requirements regarding the composition of the Audit Committee throughout the year.

年度審閱

於本年度內，提名委員會舉行了一次會議，以審閱董事會的架構、人數及組成（考慮到董事會成員多元化政策）、審閱提名資格及程序、董事表現及獨立非執行董事的獨立性。

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

提名委員會認為，董事會組成在多元化方面維持適當平衡。提名委員會亦認為，董事的知識、經驗及背景豐富，而其於各自專長的卓越技能可滿足本公司的發展需要。

各委員會成員出席提名委員會會議的記錄載列於上文A6一節。

B3. 審核委員會

截至2019年12月31日止年度，審核委員會合共包括三名成員，均為獨立非執行董事，即廖開強先生（委員會主席）、王梓臣先生及趙虹先生。於本年度內，本公司一直符合《上市規則》有關審核委員會組成的要求。

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

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

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

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

During the year, two meetings of the Audit Committee were held to review the annual and interim financial results and reports in respect of the year ended 31 December 2018 and in respect of the six months ended 30 June 2019, and to recommend the change of external auditor. The Audit Committee also reviewed financial reporting, internal control and risk management systems as well as the scope of work of external auditor. The Audit Committee also reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

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

於本年度內，審核委員會舉行了兩次會議，審閱截至2018年12月31日止年度及截至2019年6月30日止六個月的年度及中期財務業績及報告並建議更換外部核數師。審核委員會亦審閱了財務報告、內部控制及風險管理系統以及外部核數師的工作範疇。審核委員會亦審閱本公司企業管治政策及常規、董事及高級管理人員的培訓及持續專業發展、本公司遵守法律法規規定、遵守《標準守則》的政策及常規、本公司遵守《企業管治守則》的情況及在本《企業管治報告》中的披露。

各委員會成員出席審核委員會會議的記錄載列於上文A6一節。

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

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

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

C. 董事對有關財務報表的財務報告的責任

董事知悉其負責編製本集團於本年度的財務報表。

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

D. Risk Management and Internal Control

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

D. 風險管理及內部控制

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

D.1 Control Structure

The Company implemented various policies and procedures to ensure effective risk management at each aspect of its operation, including the provision of on-site inspection, surveying and sampling services, performance of analytical tests in our laboratories, administration of daily operation, financial reporting and recording, fund management, compliance with applicable laws and regulations on environmental protection and workplace safety. The policies and procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

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

D.2 Control Approach

The risk management process includes risk identification, risk evaluation, risk management measures, reviewing the effectiveness of the internal control and risk management systems and resolving material internal control defects. The management conducted interviews with relevant staff members, reviewing relevant documentation of the internal control system, identifying and evaluating findings of any deficiencies in the design of the Company's internal control system, providing recommendations for improvement and following up on the effectiveness of implementation of such recommendations, where appropriate. The scope and findings of review on the risk management and internal control are reported to and reviewed by the Audit Committee during the year.

D.1 控制架構

本公司已經實施多項政策及程序，以保證操作中各方面都得到有效的風險管理，包括提供現場檢查、測量及採樣服務、實驗室性能分析測試、日常操作管理、財務報告及記錄、基金管理、遵守環境保護及工作場所安全適用的法律法規。制定有關政策旨在管理而非消除未能達成業務目標之風險，並只合理而非絕對保證可防範重大失實陳述或損失。

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

D.2 控制方法

風險管理程序包括風險識別、風險評估、風險管理措施、檢討內部控制及風險管理系統的有效性及解決重大內部監控缺失。管理層與相關員工進行面談，並審閱內部監控系統相關文件，識別及評估本集團內部監控系統設計之所發現之不足，就改善措施提供推薦建議及跟進實施有關建議之有效性(倘適用)。對風險管理及內部監控審閱的範圍及結果已於年內呈報審核委員會並經其審核。

Procedure manuals and operational guidelines are in place to safeguard the assets against unauthorised use or disposition, ensuring maintenance of proper accounting records in compliance with the applicable laws, rules and regulations for the provision of reliable financial information for internal use and/or external publication.

制定程序手冊及運作指引以保障未經授權使用或處置資產，確保根據適用法律、規則及法規維持適當會計記錄，以提供可靠財務資料供內部使用及／對外刊發。

The Board, in conjunction with the Audit Committee, annually assessed and reviewed the effectiveness of the risk management and internal control systems and procedures and considered the adequacy of resources and financial reporting function.

董事會聯同審核委員會每年評估及檢討風險管理及內部監控系統及程序的有效性，並考慮財務報告職能方面的資源是否足夠。

D.3 Annual Review

D.3 年度審閱

For the year 2019, the Board through the Audit Committee had conducted an annual review on the systems of internal control and risk management of the Company. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. Areas of improvement have been identified and appropriate measures have been put in place to manage the risks. The improvement of the systems of risk management and internal control is an ongoing process and the Board maintains a continuing commitment to strengthen the Company's control environment and processes. The Board considers that the internal control and risk management systems are effective and adequate.

2019年，董事會通過審核委員會對本公司內部控制及風險管理系統進行年度審核。上述審核涵蓋主要控制範圍，包括本集團財務、營運、合規控制及風險管理功能。已發現需改善的方面，並已採取適當措施管理風險。改善風險管理及內部控制系統為一個持續的過程，董事會將持續致力於加強本公司環境及流程的控制。董事會認為，內部控制及風險管理系統屬有效及充分。

D.4 Inside Information

The Company formulated the inside information policy. The Company regularly reminds the Directors and employees of the Group about the due compliance with all policies regarding the inside information (as defined under the SFO). Also, the Company keeps Directors, senior management and employees appraised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements. Under the policy, heads of business units shall report to the Directors any potential inside information event as soon as practicable before or when it materialises for determining the nature of developments, and if required, making disclosure.

D.4 內幕消息

本公司制定了內幕消息政策。本公司定期提醒董事及本集團僱員妥善遵守相關內幕消息(定義見《證券及期貨條例》)的所有政策。此外，本公司讓董事、高級管理人員及僱員掌握最新的監管資料。本公司將編製或更新合適指引或政策以確保遵守監管規定。根據該政策，業務部門主管如發現任何潛在內幕消息事件，務須在切實可行的情況下於其落實進行之前或當時盡快向董事匯報，以釐定事態發展的性質，及按照規定作出披露。

E. Company Secretary

Mr. CHAN Oi Fat ("Mr. Chan") is the Company Secretary. The primary contact person at the Company with Mr. Chan is Mr. ZHANG Yu Kevin, the chief financial officer of the Group.

During the year, Mr. Chan was responsible for providing advice to the Board on corporate governance matters. Mr. Chan confirmed that he took no less than 15 hours of relevant professional training during the year.

E. 公司秘書

陳愛發先生(「陳先生」)為公司秘書。陳先生於本公司的主要聯絡人士為本集團首席財務官張昱先生。

於本年度，陳先生負責就公司治理事宜向董事會提供意見。陳先生已確認於本年度已接受不少於15小時的相關專業培訓。

F. External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company, Deloitte Touche Tohmatsu, about their reporting responsibilities on the Company's financial statements for the year is set out in the section headed "Independent Auditor's Report" in this annual report.

F. 外部核數師及核數師薪酬

本公司外部核數師德勤•關黃陳方會計師行有關本公司本年度財務報表的報告責任的聲明載於本年度報告「獨立核數師報告」一節。

The fees paid/payable to the external auditor in respect of audit services and non-audit services (if any) for the year are analyzed below:

於本年度就外部核數師所提供的審計服務及非審計服務(如有)已付／應付的費用分析如下：

Service Category	服務類別	Fees paid/payable 已付／應付的費用 RMB'000 人民幣千元
Audit	**審計**	
Annual audit service	年度審計服務	1,681

G. Communications with Shareholders and Investors

G. 與股東及投資者溝通

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

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

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

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

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

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

H. Shareholders' Rights

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

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

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

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

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

H. 股東權利

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

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

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

有關股東提名他人參選董事的權利的詳情，請參閱本公司網站所載程序。

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

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

In case of shareholding enquiries, Shareholders should direct their enquiries to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, via its online holding enquiry at www.computershare.com, dial its hotline at (852) 2862 8555 or go in person at its public counter at 17M Floor / 17 Floor, Shops 1712-16, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

I. Dividend Policy

The Board has adopted a dividend policy which sets out the principles of and guidelines on recommending or declaring dividend to the Shareholders. The Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Board has the discretion to declare and distribute dividends to the Shareholders subject to the Articles and relevant laws and regulations. The Board shall take into account the factors of the Group when considering the declaration and payment of dividends, including but not limited to, the Group's financial results, cash flow situation, business conditions and strategies, capital requirements and expenditure plans and interests of the Shareholders.

有關股東權利的詳情，股東可參閱章程細則。

如對持股事宜有任何查詢，股東應透過以下方式直接向本公司香港股份過戶登記分處香港中央證券登記有限公司查詢：使用其網站內的網上持股查詢服務(網址：www.computershare.com)，致電其熱線(852) 2862 8555，或親身前往其公眾櫃台(地址為香港灣仔皇后大道東183號合和中心17M樓／17樓1712-16號舖)。

I. 股息政策

董事會已採納一項股息政策，其載明向股東建議派發或宣派股息的原則及指南。本公司須維持足夠現金儲備，以應付其資金需求、未來增長以及其股權價值。董事會全權酌情向股東宣派及派發股息，惟須受章程細則及相關法律法規所規限。董事會在考慮宣派及派付股息時，應考慮有關本集團的因素，包括(但不限於)本集團的財務業績、現金流狀況、業務狀況及策略、資金需求及支出計畫以及股東利益等因素。

The Board is pleased to present the Directors' Report of the year 2019 together with the audited consolidated financial statements of the Group for the year.

董事會欣然呈列本集團2019年度的董事會報告，連同本年度經審核綜合財務報表。

Principal Business Activities

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

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

主要業務活動

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

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

Business Review

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

業務回顧

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

Financial Summary

A summary of the published results and assets, liabilities and non-controlling interests of the Group, for the last five financial years is set out on page 9 of this annual report.

財務概要

本集團最近五個財政年度的公開業績以及資產、負債及非控股權益的概要載於本年度報告第9頁。

Results and Dividends

The results of the Company for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 94 and 95 of this annual report.

業績及股息

本公司截至2019年12月31日止年度的業績載於本年度報告第94及95頁的綜合損益及其他全面收益表。

The Board recommends the payment of a final dividend of RMB0.0375 per share in respect of the year ended 31 December 2019 to Shareholders whose names appear on the register of members of the Company on Monday, 6 July 2020. The proposed final dividend will be paid on or about Friday, 24 July 2020 subject to approval at the AGM.

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China during the period from Tuesday, 9 June 2020 to Tuesday, 16 June 2020.

Closure of the Register of Members

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

(i) from Tuesday, 9 June 2020 to Tuesday, 16 June 2020, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 8 June 2020; and

(ii) from Thursday, 2 July 2020 to Monday, 6 July 2020, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 30 June 2020.

董事會建議向於2020年7月6日(星期一)名列本公司股東名冊的股東派發截至2019年12月31日止年度的末期股息每股人民幣0.0375元。經股東週年大會批准，擬派發的末期股息將於2020年7月24日(星期五)或前後派發。

擬派發的末期股息以人民幣宣派並以港元派付。以港元派付的末期股息將按中國人民銀行於自2020年6月9日(星期二)至2020年6月16日(星期二)期間公佈的人民幣兑港元平均中間匯率由人民幣換算。

暫停辦理股份過戶登記手續

本公司將於以下期間暫停辦理股份過戶登記手續：

(i) 為確保股東有權出席股東週年大會並於會上投票，自2020年6月9日(星期二)至2020年6月16日(星期二)(包含首尾兩日)將不會辦理股份過戶登記手續。為符合資格出席股東週年大會並於會上投票，所有轉讓文件連同有關股票均須於2020年6月8日(星期一)下午四時三十分前遞交至本公司證券登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)進行登記；及

(ii) 為確保股東有權獲得擬派發的末期股息，自2020年7月2日(星期四)至2020年7月6日(星期一)(包含首尾兩日)將不會辦理股份過戶登記手續。為獲得擬派發的末期股息，所有轉讓文件連同有關股票均須於2020年6月30日(星期二)下午四時三十分前遞交至本公司證券登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)進行登記。

Share Capital

Details of the movements in the share capital of the Company are set out in Note 33 to the financial statements.

股本

有關本公司股本變動的詳情，載於財務報表附註33。

Equity-linked Agreements

During the year, other than the Option Scheme as set out in the section headed "Option Scheme" and Note 34 to the financial statements, the Company did not enter into any equity-linked agreement.

股權掛鈎協議

於年內，除財務報表附註34「購股權計劃」一節所載的購股權計劃外，本公司並無訂立任何股權掛鈎協議。

Environmental Policies and Performance

The Group is highly aware of the importance of environmental protection and has not noted any material non-compliance with any relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. During the production process, the Group has implemented environmental protection measures, including procedures related to energy use control, waste water and waste air discharge management.

環境政策及表現

本集團深知環境保護的重要性，但並無發現其業務（包括健康與安全、工作場所條件、僱傭及環境）嚴重違反任何相關法律法規。於生產過程中，本集團已實施環保措施，包括有關能源使用控制、廢水及廢氣排放管理的措施。

Purchase, Sale or Redemption of Shares of the Company

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any Shares during the year 2019.

購買、出售或贖回本公司股份

於2019年，本公司及其任何附屬公司概無購買、贖回或出售本公司任何股份。

Reserves

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 98 and 99 of this annual report and Note 36 to the financial statements, respectively.

As at 31 December 2019, the Company's distributable reserves were RMB102.5 million.

儲備

有關本集團及本公司於年內的儲備變動詳情，分別載於本年度報告第98及99頁的綜合權益變動表及財務報表附註36。

於2019年12月31日，本公司可供分派的儲備為人民幣102.5百萬元。

Donations

The Group did not make any charitable donations during the year (2018: nil).

捐款

於年內，本集團並無作出任何慈善捐款(2018年：無)。

Borrowings

Details of the borrowings are set out in the section headed "Management Discussion and Analysis" in this annual report and Note 31 to the consolidated financial statements.

借款

有關借款詳情，載於本年度報告「管理層討論與分析」一節及綜合財務報表附註31。

Directors

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

Executive Directors

Mr. LI Xiangli
Ms. ZHANG Aiying
Mr. LIU Yi
Mr. YANG Rongbing

Non-Executive Director

Mr. WANG Gang

Independent Non-Executive Directors

Mr. WANG Zichen
Mr. ZHAO Hong
Mr. LIU Hoi Keung

董事

於本年度內及直至本年度報告日期，本公司董事如下：

執行董事

李向利先生
張愛英女士
劉翊先生
楊榮兵先生

非執行董事

王綱先生

獨立非執行董事

王梓臣先生
趙虹先生
廖開強先生

Biographical Details of the Directors and the Senior Management

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 13 to 20 in the section headed "Profile of Directors and Senior Management" in this annual report.

董事及高級管理人員的履歷詳情

於本年度報告日期，有關本集團董事及高級管理人員的履歷詳情，載於本年度報告第13至20頁的「董事及高級管理人員簡介」一節。

Directors' Service Contracts

None of the Directors proposed for re-election at the forthcoming AGM had proposed to have any service contract with our Company or any of our subsidiaries, other than contracts expiring or determinable by the employer, which is not determinable by the Group within one year without the payment of compensation (other than statutory compensation). The directors' remuneration is determined with references to directors' duties and responsibilities, individual performance and the results of the Group.

Executive Directors' service contracts

Three of our executive Directors, namely Mr. LI Xiangli, Ms. ZHANG Aiying and Mr. LIU Yi, have respectively entered into service contract with our Company pursuant to which each of them agreed to act as an executive Director for an initial term of three years commencing from 13 January 2016. Such terms were renewed for a further three years commencing from 13 January 2019 upon expiry.

Mr. YANG Rongbing, formerly an independent non-executive Director, has been re-designated as an executive Director and appointed as the vice chairman of the Company with effect from 23 July 2018. Mr. YANG has entered into a service contract with the Company pursuant to which he agreed to act as an executive Director for an initial term of three years commencing from 23 July 2018.

Non-executive Director's and Independent Non-executive Directors' letters of appointment

Our non-executive Director, Mr. WANG Gang, has entered into a letter of appointment with our Company pursuant to which he has been appointed for an initial term of three years commencing from 13 January 2016. Such term was renewed for a further three years commencing from 13 January 2019 upon expiry.

Two of our independent non-executive Directors, namely Mr. WANG Zichen and Mr. ZHAO Hong, have respectively entered into a letter of appointment with our Company pursuant to which each of them has been appointed for an initial term of three years commencing from 18 June 2016. Such term was renewed for a further three years commencing from 18 June 2019 upon expiry.

董事服務合同

擬於即將舉行之股東週年大會膺選連任之董事，概無與本公司或其任何附屬公司擬訂立於一年內終止而本集團須支付賠償(法定補償除外)的服務合同，除非有關合同屆滿或由僱主終止。董事薪酬經參考其在本集團職務及職責、個人表現及業績而釐定。

執行董事服務合同

三名執行董事，即李向利先生、張愛英女士及劉翊先生，已分別與本公司訂立服務合同，據此，彼等同意各自於2016年1月13日起擔任執行董事，初始期限為三年。有關期限已於屆滿後自2019年1月13日起重續三年。

前獨立非執行董事楊榮兵先生已調任為執行董事及獲委任為本公司副主席，自2018年7月23日起生效。楊先生已與本公司訂立服務合同，據此，彼同意於2018年7月23日起擔任執行董事，初始期限為三年。

非執行董事及獨立非執行董事委任書

非執行董事王綱先生已與本公司訂立委任書，據此，其自2016年1月13日獲委任，初始期限為三年。有關期限已於屆滿後自2019年1月13日起重續三年。

兩名獨立非執行董事(即王梓臣先生及趙虹先生)已分別與本公司訂立委任書，據此，彼等各自於2016年6月18日獲委任，初始期限為三年。有關期限已於屆滿後自2019年6月18日起再重續三年。

Mr. LIU Hoi Keung has been appointed as an independent non-executive Director with effect from 23 July 2018. Mr. LIU has entered into a letter of appointment with the Company pursuant to which he has been appointed for an initial term of three years commencing from 23 July 2018.

廖開強先生已獲委任為獨立非執行董事，自2018年7月23日起生效。廖先生已與本公司訂立委任書，據此，其自2018年7月23日獲委任，初始期限為三年。

Our non-executive Director received no director's fee. Each of our independent non-executive Directors received a director's fee of HK$100,000 per annum.

非執行董事不收取董事袍金。各獨立非執行董事每年收取董事袍金100,000港元。

Confirmation of Independence of Independent Non-executive Directors

獨立非執行董事的獨立性確認書

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors for the year 2019 and the Company considers that all the independent non-executive Directors are independent.

本公司已收到各獨立非執行董事根據《上市規則》第3.13條發出的2019年度獨立性確認書，且本公司認為，所有獨立非執行董事均為獨立人士。

Emolument of Directors and Senior Management

董事及高級管理人員薪酬

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

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

The remuneration (including fees, salaries and other benefits, performance-related bonuses and pension scheme contributions) paid to the Directors in aggregate for the year ended 31 December 2019 was approximately RMB5.8 million.

截至2019年12月31日止年度，向董事支付的酬金總額(包括袍金、薪金及其他福利、績效花紅及退休金計劃供款)約為人民幣5.8百萬元。

The remuneration (including salaries and other benefits, performance-related bonuses and pension scheme contributions) paid to our Group's five highest paid individuals in aggregate for the year ended 31 December 2019 was approximately RMB10.7 million.

截至2019年12月31日止年度，向本集團五名最高薪酬人士支付的酬金總額(包括薪金及其他福利、績效花紅及退休金計劃供款)約為人民幣10.7百萬元。

For the year ended 31 December 2019, no emoluments were paid by our Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining our Group or as compensation for loss of office. None of the Directors had waived any emoluments for the year ended 31 December 2019.

截至2019年12月31日止年度，本公司概無向任何董事或五名最高薪酬人士支付薪酬，作為吸引彼等加入或作為加入本集團後的獎勵，或作為離職賠償。截至2019年12月31日止年度，並無董事放棄任何酬金。

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in Notes 11 and 12 to the consolidated financial statements.

董事的薪酬及本集團五名最高薪酬人士的薪酬詳情載於綜合財務報表附註11及12。

The Company has also adopted the Option Scheme to motivate Directors and employees. Details of the Option Scheme are set out in the section headed "Option Scheme" of this directors' report and Note 34 to the financial statements.

本公司亦已採納購股權計劃以激勵董事及僱員。有關購股權計劃的詳情載於本董事會報告「購股權計劃」一節及財務報表附註34。

Except as disclosed above, no other payments had been made or were payable, for the year ended 31 December 2019, by our Group to or on behalf of any of the Directors.

除上文所披露者外，截至2019年12月31日止年度，概無由本集團或代表任何董事支付或應付任何其他款項。

Permitted Indemnity Provision

獲准許的彌償條文

Pursuant to article 191 of the Company's articles of association, every Director or officer of the Company shall be indemnified out of the assets of the Company from liabilities which they may incur by reason of execution of their duties.

根據本公司的組織章程細則第191條，本公司每名董事或高級職員將就彼等因執行公務而可能產生的負債從本公司資產中獲得彌償。

The Company has maintained appropriate directors' and officers' liability insurance for the Directors and officers of the Group.

本公司已為本集團董事及高級職員設有適當的董事及高級職員責任保險。

Directors' Interests in Transactions, Arrangements and Contracts

董事於交易、安排及合同的權益

Save as disclosed in the section headed "Connected Transactions", no transaction, arrangement or contract of significance in relation to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director was materially interested, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

除本報告「關連交易」一節所披露者外，於年末或本年度內任何時候，並無存有由本公司、其控股公司或其附屬公司或同系附屬公司訂立對本集團業務屬重要且董事或與董事有關連的實體於其中直接或間接擁有重大權益的交易、安排或合同。

Competing Business

競爭業務

Except otherwise disclosed in this annual report, during the year, none of the Directors were considered to be interested in businesses which competed or were likely to compete, either directly or indirectly, with our core businesses.

除本年度報告另有披露者外，於本年度內，概無董事被視為於與我們的核心業務直接或間接構成競爭或可能構成競爭的業務中擁有權益。

Deed of Non-competition

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

不競爭契據

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

Pension Scheme

Details of the pension scheme of the Company are set out in Note 35 to the financial statements.

退休金計劃

有關本公司退休金計劃的詳情載於財務報表附註35。

Option Scheme

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

(i) Purpose

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

(ii) Participants

The directors, officers and employees of any member of the Group as determined by the Board from time to time.

購股權計劃

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

(i) 目的

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

(ii) 參與者

由董事會不時釐定的本集團任何成員公司的董事、高級職員及僱員。

(iii) The total number of shares available for issue and the percentage of the issued share capital that it represents as at the date of this report

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

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

The total number of shares available for issue under the Option Scheme is 29,850,000 shares, representing approximately 7.46% of the issued share capital of the Company as at the date of this report.

(iv) Maximum entitlement of each participant

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

(iii) 可供發行的股份總數及其佔於本報告日期已發行股本的百分比

因根據本購股權計劃及本公司的其他購股權計劃(及《上市規則》第17章的條文適用者)已經及將予授出的全部購股權(「購股權」)獲行使而已經及將予發行的股份，不得超過40,000,000股股份(佔開始於聯交所買賣當日的已發行股份總數的10%)。

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

根據購股權計劃可供發行的股份總數為29,850,000股，佔本公司於本報告日期已發行股本的約7.46%。

(iv) 每名參與者可享有的最高股份數目

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

(v) Period within which the shares must be taken up under an option

The period within which the options must be exercised will be specified by the Board at the time of grant, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Option Scheme.

(v) 必須認購購股權項下股份的期限

購股權須予行使的期限將由董事會於授出時指定，有關期限自根據購股權計劃授出任何特定購股權日期起計不得超過10年。

(vi) Minimum period for which an option must be held before it can be exercised (i.e. vesting period)

Options may be vested over such period(s) as determined by the Board in its absolute discretion subject to compliance with the requirements under any applicable laws, regulations or rules to which the Option Scheme may be subject, including the Listing Rules or regulations of any stock exchange on which the Shares may be listed and quoted. Furthermore, the Shares to be issued and allotted to a Grantee pursuant to the exercise of any Option under the Option Scheme may or may not, at the discretion of the Board, be subject to any retention period.

(vi) 購股權可予行使前須持有的最短期限（即歸屬期）

購股權可於董事會全權酌情釐定的期間歸屬，惟必須遵守購股權計劃可能須遵守的任何適用法例、法規或規則的規定，包括上市規則或股份可能上市及報價的任何證券交易所的規例。此外，根據購股權計劃項下任何購股權獲行使而將予發行及配發予承授人的股份可能須或可能毋須受任何保留期的規限（由董事會酌情決定）。

(vii) Amount payable on acceptance of the option and period within which payments or calls must or may be made or loans for such purposes must be repaid

RMB1.00 within 15 days from the date of grant.

(vii) 於接納購股權時應付的款項及必須或可能付款或發出催繳通知的期限或必須就此償還的貸款

自授出日期起計15日內須支付人民幣1.00元。

(viii) Basis of determining the exercise price

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

(a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant of the relevant Share Option, which shall be a business day;

(viii) 釐定行使價的基準

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

(a) 股份在授出相關購股權日期（須為營業日）於聯交所發佈的每日報價表中所列的收市價；

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

(c) the nominal value of a Share on the date of grant of the relevant Share Option.

(ix) Remaining life of the Option Scheme

The Option Scheme will be valid and effective for a period of 10 years commencing on 5 May 2017, the date on which the Option Scheme is conditionally adopted by resolution of our Shareholders.

(b) 股份在緊接授出相關購股權日期前五個營業日於聯交所發佈的每日報價表中所列的平均收市價(惟倘任何購股權建議於股份首次於聯交所開始交易後的少於五個營業日期間內授出，就股份發售而言股份的新發行價用作為股份於聯交所上市前的期間內任何營業日的收市價)；及

(c) 股份於相關購股權授出日期的名義價值。

(ix) 購股權計劃的剩餘年期

購股權計劃將自2017年5月5日(購股權計劃獲股東決議案有條件採納的日期)起有效及生效，為期10年。

(ix) Present status of the Option Scheme

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

(ix) 購股權計劃現狀

本年度內購股權的變動如下：

Date of grant 授出日期	Participant 參與者	No. of Share Options 購股權數目 As at 1/1/2019 於2019年1月1日	Granted during the Year 年內已授出	Lapsed during the Year 年內已失效	As at 31/12/2019 於2019年12月31日	Exercise price per Share 每股行使價 (HK$) (港元)	Exercise period 可行使期限
4/7/2017	Employees (aggregate)	2,325,000	–	–	2,325,000	1.28	4/7/2018-3/7/2023
2017年7月4日	僱員(合計)	1,965,000	–	–	1,965,000	1.28	4/7/2019-3/7/2024
		2,860,000	–	–	2,860,000	1.28	4/7/2020-3/7/2025
23/7/2018	Mr. YANG Rongbing, executive Director	1,000,000	–	–	1,000,000	1.414	23/7/2018-22/7/2023
2018年7月23日	楊榮兵先生，執行董事	1,000,000	–	–	1,000,000	1.414	23/7/2019-22/7/2024
		1,000,000	–	–	1,000,000	1.414	23/7/2020-22/7/2025
		10,150,000	–	–	10,150,000		

Notes:

1. The above Share Options are either vested on date of grant to two years or vested in one to three years from the date of grant and are exercisable for a period of five years commencing from the relevant vesting date and expiring at the close of business on the last day of the five-year period.

2. No Share Options were granted, exercised, lapsed or cancelled during the year.

附註：

1. 上述購股權於授出日期至兩年內歸屬或自授出日期起計一至三年內歸屬，可於自有關歸屬日期起計五年期間行使，並於該五年期間最後一日營業時間結束時屆滿。

2. 本年度內並無購股權獲授出、行使、失效或註銷。

Management Contracts

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

管理合同

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

Arrangements for the Directors to Purchase Shares or Debentures

Save as disclosed in the "Option Scheme" section in this directors' report and in Note 34 to the consolidated financial statements, at no time during the financial year or at the end of the year was the Company or any of its subsidiaries, its holding company or the subsidiaries of its holding company a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

董事購買股份或債權證的安排

除本董事會報告「購股權計劃」一節及綜合財務報表附註34所披露外，本公司、其附屬公司、其控股公司或其控股公司之附屬公司於財政年度任何時間或於年終時概無參與訂立任何安排，致使董事藉此購入本公司或其任何其他機構之股份或債券而獲益。

Directors' and Chief Executive's Interests in Shares and Underlying Shares

To the knowledge of the Board, as at 31 December 2019, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (b) which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or (c) which were required under the Model Code to be notified to the Company and the Stock Exchange, were as follows:

董事及最高行政人員於股份及相關股份中擁有的權益

就董事會所知，於2019年12月31日，董事或本公司最高行政人員於本公司或任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份及債權證中擁有(a)根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據《證券及期貨條例》有關條文被當作或視為擁有的權益或淡倉）；或(b)根據《證券及期貨條例》第352條須登記於該條所指登記冊的權益或淡倉；或(c)根據《標準守則》須知會本公司及聯交所的權益或淡倉如下：

Name of Directors 董事姓名	Nature of Interests 權益性質	Number of Shares *(Note 1)* 股份數目 *(附註1)*	Number of Underlying Shares 相關股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本的概約百分比
Mr. LI Xiangli *(Notes 2, 3, 4 & 8)* 李向利先生*(附註2、3、4及8)*	Interests held jointly with another person Interests of a controlled corporation Interests of spouse 與另一人士共同持有的權益 受控法團權益 配偶權益	225,810,000 (L)	–	56.45%
Ms. ZHANG Aiying *(Notes 2, 4, 5 & 8)* 張愛英女士 *(附註2、4、5及8)*	Interests held jointly with another person Interests of a controlled corporation Interests of spouse 與另一人士共同持有的權益 受控法團權益 配偶權益	225,810,000 (L)	–	56.45%
Mr. LIU Yi *(Notes 2, 6 & 8)* 劉翊先生*(附註2、6及8)*	Interests held jointly with another person Interests of a controlled corporation 與另一人士共同持有的權益 受控法團權益	225,810,000 (L)	–	56.45%
Mr. YANG Rongbing *(Note 7)* 楊榮兵先生*(附註7)*	Beneficial owner 實益擁有人	–	3,000,000 (L)	0.75%

Notes:

(1) The letter "L" denotes the person's long position in the Shares and underlying Shares.

(2) There was a duplication of interests of 225,810,000 Shares among Mr. LI Xiangli, Ms. ZHANG Aiying and Mr. LIU Yi. On 31 January 2016, Mr. LI Xiangli, Ms. ZHANG Aiying and Mr. LIU Yi entered into an acting-in-concert deed to acknowledge and confirmed that they are parties acting in concert in respect of each of the members of our Group during and since the three years ended 31 December 2013, 2014 and 2015 and continue after the date of the deed. Pursuant to the deed, Ms. ZHANG Aiying and Mr. LIU Yi shall support Mr. LI Xiangli's decisions on material matters in relation to the operation and management of our Group by exercising their voting rights at the meetings of the shareholders and boards of the members of our Group in accordance with the decision of Mr. LI Xiangli. For details, see in the section headed "Relationship with Controlling Shareholders – Our Controlling Shareholders Acting in Concert" in the Prospectus. By virtue of the SFO, Mr. LI Xiangli, Ms. ZHANG Aiying and Mr. LIU Yi are deemed to be interested in the Shares which are interested by each other.

(3) Leon Cornerstone Investment Holding Limited ("Leon Investment") is beneficially and wholly-owned by Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli is deemed to be interested in the Shares held by Leon Investment.

(4) Ms. ZHANG Aiying is the spouse of Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli and Ms. ZHANG Aiying are deemed to be interested in the Shares which are interested by each other.

(5) Swan Stone Investment Holding Limited ("Swan Stone") is beneficially and wholly-owned by Ms. ZHANG Aiying. By virtue of the SFO, Ms. ZHANG Aiying is deemed to be interested in the Shares held by Swan Stone.

(6) Hawk Flying Investment Holding Limited ("Hawk Flying") is beneficially and wholly-owned by Mr. LIU Yi. By virtue of the SFO, Mr. LIU Yi is deemed to be interested in the Shares held by Hawk Flying.

(7) Such 3,000,000 Share Options, each entitles its holder to subscribe for one Share, were granted to Mr. YANG Rongbing (who was re-designated from an independent non-executive Director to an executive Director and appointed as the vice chairman of the Company on 23 July 2018) on 23 July 2018.

附註：

(1) 英文字母「L」指該人士於股份及相關股份中的好倉。

(2) 李向利先生、張愛英女士及劉翊先生重複擁有225,810,000股股份的權益。於2016年1月31日，李向利先生、張愛英女士及劉翊先生簽訂一致行動契約，認可並確認其於截至2013年、2014年及2015年12月31日止三個年度期間並於該等契約簽訂日期之後就本集團各成員公司事宜均為行動一致人士。根據契約，張愛英女士與劉翊先生應依據李向利先生所作決策於本集團成員公司股東及董事會會議上行使其表決權支持李向利先生有關本集團經營與管理的重大事宜所作決策。詳情請參閱招股章程「與控股股東的關係 — 一致行動的控股股東」一節。根據《證券及期貨條例》，李向利先生、張愛英女士及劉翊先生被視為於其各自擁有權益的股份中擁有權益。

(3) Leon Cornerstone Investment Holding Limited（「Leon Investment」）由李向利先生實益及全資持有。根據《證券及期貨條例》，李向利先生被視為於Leon Investment所持股份中擁有權益。

(4) 張愛英女士為李向利先生之配偶。根據《證券及期貨條例》，李向利先生與張愛英女士被視為於其各自擁有權益的股份中擁有權益。

(5) Swan Stone Investment Holding Limited（「Swan Stone」）由張愛英女士實益及全資持有。根據《證券及期貨條例》，張愛英女士被視為於Swan Stone所持股份中擁有權益。

(6) Hawk Flying Investment Holding Limited（「Hawk Flying」）由劉翊先生實益及全資持有。根據《證券及期貨條例》，劉翊先生被視為於Hawk Flying所持股份中擁有權益。

(7) 該等3,000,000份購股權（各自賦予其持有人認購一股股份之權利）乃於2018年7月23日授予楊榮兵先生（於2018年7月23日由獨立非執行董事調任為執行董事並獲委任為本公司副主席）。

(8) On 30 August 2018, the Company and Wan Tai Investments Limited (萬鈦投資有限公司) ("Wan Tai"), a wholly-owned subsidiary of China Construction Bank Corporation, entered into a subscription agreement, pursuant to which, the Company conditionally agreed to issue the secured guaranteed note (the "Note") with an aggregate principal amount of HK$68,000,000 with interest rate of 10% per annum. Leon Investment, Swan Stone and Hawk Flying, as chargors of the Note have pledged 26,090,000 Shares, 49,290,000 Shares and 35,550,000 Shares respectively, totalling 110,930,000 Shares to Wan Tai.

Details of the pledge of shares were disclosed in the section "Pledging of shares by the Controlling Shareholders and Loan Agreement with Covenant Relating to Specific Performance of the Controlling Shareholders" of this report.

(9) As at 31 December 2019, the issued share capital of the Company was 400,000,000 Shares.

Save as disclosed above and to the best knowledge of Directors, as at 31 December 2019, there were no interests and short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or were required under the Model Code to be notified to the Company and the Stock Exchange.

(8) 於2018年8月30日，本公司與由中國建設銀行股份有限公司的全資附屬公司萬鈦投資有限公司(「萬鈦」)訂立認購協議，據此本公司有條件同意發行本金總額為68,000,000港元按年利率10%計息的有抵押擔保票據(「票據」)。Leon Investment、Swan Stone及Hawk Flying作為票據押記人已分別抵押26,090,000股股份、49,290,000股股份及35,550,000股股份(合共110,930,000股股份)予萬鈦。

有關質押股份的詳情於本報告「控股股東質押股份及貸款協議連同與控股股東的特定履約責任有關的契諾」一節披露。

(9) 於2019年12月31日，本公司已發行股本為400,000,000股股份。

除上文所披露者外及就董事所深知，於2019年12月31日，概無董事或本公司最高行政人員於本公司或其相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括根據《證券及期貨條例》有關條文被當作或視為擁有的權益或淡倉)，或根據《證券及期貨條例》第352條須登記於該條所指登記冊的權益及淡倉，或根據《標準守則》須知會本公司及聯交所的權益及淡倉。

Substantial Shareholders' Interests in the Shares

So far as the Directors are aware, as of 31 December 2019, the following corporations/persons (other than Directors and chief executive of the Company) had interests of 5% or more in the issued Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於股份中的權益

就董事所知，截至2019年12月31日，下列公司／人士（董事及本公司最高行政人員除外）於已發行股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部的條文須向本公司及聯交所披露，或根據《證券及期貨條例》第336條須由本公司備存的登記冊所記錄的5%或以上權益：

Name of Shareholders 股東姓名／名稱	Nature of Interests 權益性質	Number of Shares 股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本的概約百分比
Ms. WEI Yajuan *(Notes 2 & 6)* 魏雅娟女士*（附註2及6）*	Interests of spouse 配偶權益	225,810,000 (L)	56.45%
Leon Investment *(Notes 3 & 6)* Leon Investment*（附註3及6）*	Beneficial owner 實益擁有人	140,970,000 (L)	35.24%
Swan Stone *(Notes 4 & 6)* Swan Stone*（附註4及6）*	Beneficial owner 實益擁有人	49,290,000 (L)	12.32%
Hawk Flying *(Notes 5 & 6)* Hawk Flying*（附註5及6）*	Beneficial owner 實益擁有人	35,550,000 (L)	8.89%
China Certification & Inspection Group Co., Ltd. (中國檢驗認證(集團)有限公司) ("CCIC") *(Notes 7 & 8)* 中國檢驗認證（集團）有限公司（「中國檢驗認證集團」）*（附註7及8）*	Interests of a controlled corporation 受控法團權益	46,500,000 (L)	11.63%
China Inspection Company Limited (中國檢驗有限公司) ("CIC") *(Notes 7 & 8)* 中國檢驗有限公司（「中檢公司」）*（附註7及8）*	Interests of a controlled corporation 受控法團權益	46,500,000 (L)	11.63%
China Dragon Inspection & Certification (H.K.) Limited ("China Dragon") *(Notes 7 & 8)* 中龍檢驗認證（香港）有限公司（「中龍」）*（附註7及8）*	Beneficial owner 實益擁有人	46,500,000 (L)	11.63%

Name of Shareholders 股東姓名／名稱	Nature of Interests 權益性質	Number of Shares 股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本的概約百分比
China Construction Bank Corporation *(Notes 9 & 10)* 中國建設銀行股份有限公司*(附註9及10)*	Person having a security interest in shares 擁有股份的保證權益的人	110,930,000(L)	27.73%
Central Huijin Investment Ltd. *(Notes 9 & 10)* 中央匯金投資有限責任公司*(附註9及10)*	Person having a security interest in shares 擁有股份的保證權益的人	110,930,000(L)	27.73%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Ms. WEI Yajuan is the spouse of Mr. LIU Yi. By virtue of the SFO, Ms. WEI Yajuan is deemed to be interested in the Shares which are interested by Mr. LIU Yi.

(3) Leon Investment is beneficially and wholly-owned by Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli is deemed to be interested in the Shares held by Leon Investment.

(4) Swan Stone is beneficially and wholly-owned by Ms. ZHANG Aiying. By virtue of the SFO, Ms. ZHANG Aiying is deemed to be interested in the Shares held by Swan Stone.

(5) Hawk Flying is beneficially and wholly-owned by Mr. LIU Yi. By virtue of the SFO, Mr. LIU Yi is deemed to be interested in the Shares held by Hawk Flying.

(6) There was a duplication of interests of 225,810,000 Shares among Mr. LI Xiangli, Ms. ZHANG Aiying, Mr. LIU YI, Ms. WEI Yajuan, Leon Investment, Swan Stone and Hawk Flying. Of these Shares, Mr. LI Xiangli, Ms. ZHANG Aiying, Mr. LIU Yi and Ms. WEI Yajuan were deemed interested in the 140,970,000 Shares, 49,290,000 Shares and 35,550,000 Shares held by Leon Investment, Swan Stone and Hawk Flying respectively.

(7) China Dragon is a 99.88% owned subsidiary of CIC, which is a 75% owned subsidiary of CCIC. By virtue of the SFO, CIC and CCIC are deemed to be interested in the Shares held by China Dragon.

附註：

(1) 英文字母「L」指該人士於股份中的好倉。

(2) 魏雅娟女士是劉翊先生的配偶。根據《證券及期貨條例》，魏雅娟女士被視為於劉翊先生擁有權益的股份中擁有權益。

(3) Leon Investment由李向利先生實益及全資持有。根據《證券及期貨條例》，李向利先生被視為於Leon Investment所持有的股份中擁有權益。

(4) Swan Stone由張愛英女士實益及全資持有。根據《證券及期貨條例》，張愛英女士被視為於Swan Stone所持有的股份中擁有權益。

(5) Hawk Flying由劉翊先生實益及全資持有。根據《證券及期貨條例》，劉翊先生被視為於Hawk Flying所持有的股份中擁有權益。

(6) 李向利先生、張愛英女士、劉翊先生、魏雅娟女士、Leon Investment、Swan Stone、Hawk Flying重複擁有225,810,000股股份的權益。於該等股份中，李向利先生、張愛英女士、劉翊先生及魏雅娟女士被視為於Leon Investment、Swan Stone及Hawk Flying分別所持有的140,970,000股股份、49,290,000股股份及35,550,000股股份中擁有權益。

(7) 中龍為中檢公司(為中國檢驗認證集團擁有75%權益的附屬公司)擁有99.88%權益的附屬公司。根據《證券及期貨條例》，中檢公司與中國檢驗認證集團被視為於中龍所持有的股份中擁有權益。

(8) There was a duplication of interests of 46,500,000 Shares among China Dragon, CIC and CCIC.

(9) Leon Investment, Swan Stone and Hawk Flying, each being the substantial shareholder of the Company, have pledged 26,090,000 Shares, 49,290,000 Shares and 35,550,000 Shares respectively, totalling 110,930,000 Shares to Wan Tai Investments Limited (萬鈦投資有限公司), a wholly-owned subsidiary of China Construction Bank Corporation. Central Huijin Investment Ltd.'s deemed interest was held by virtue of its 57.11% equity interests in China Construction Bank Corporation. Details of the pledge of shares were disclosed in the section "Pledging of shares by the Controlling Shareholders and Loan Agreement with Covenant Relating to Specific Performance of the Controlling Shareholders" of this report.

(10) There was a duplication of interest of 110,930,000 Shares among China Construction Bank Corporation and Central Huijin Investment Ltd. Of these Shares, China Construction Bank Corporation and Central Huijin Investment Ltd. were deemed to be interested in the 26,090,000 Shares, 49,290,000 Shares and 35,550,000 Shares held by Leon Investment, Swan Stone and Hawk Flying respectively.

(11) As at 31 December 2019, the issued share capital of the Company was 400,000,000 Shares

Save as disclosed above and to the best knowledge of Directors, as at 31 December 2019, no other persons (other than the Directors of the chief executive of the Company) owned interests or short positions in the Shares and underlying shares recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or interests or short positions required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

Public Float

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

(8) 中龍、中檢公司及中國檢驗認證集團重複擁有46,500,000股股份的權益。

(9) Leon Investment、Swan Stone及Hawk Flying(各自為本公司的主要股東)已分別抵押26,090,000股股份、49,290,000股股份及35,550,000股股份(合共110,930,000股股份)予萬鈦投資有限公司(中國建設銀行股份有限公司的全資附屬公司)。中央匯金投資有限責任公司持有中國建設銀行股份有限公司的57.11%股權而被視為擁有權益。有關質押股份的詳情於本報告「控股股東質押股份及貸款協議連同與控股股東的特定履約責任有關的契諾」一節披露。

(10) 中國建設銀行股份有限公司及中央匯金投資有限責任公司重複擁有110,930,000股股份的權益。於該等股份中，中國建設銀行股份有限公司及中央匯金投資有限責任公司被視為於Leon Investment、Swan Stone及Hawk Flying分別所持有的26,090,000股股份、49,290,000股股份及35,550,000股股份中擁有權益。

(11) 於2019年12月31日，本公司已發行股本為400,000,000股股份。

除上文所披露者外及就董事所深知，於2019年12月31日，概無其他人士(董事及本公司最高行政人員除外)於股份及相關股份中擁有記入本公司根據《證券及期貨條例》第336條須予存置登記冊的權益或淡倉或根據《證券及期貨條例》第XV部第2及3分部須向本公司及聯交所披露的權益或淡倉。

公眾持股量

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

Pre-Emptive Rights

There are no provisions of pre-emptive rights under the Articles, or the laws of the Cayman Islands (being the jurisdiction in which the Company was incorporated), which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

優先購股權

本公司章程細則或開曼群島(本公司註冊成立的司法管轄區)法律並無有關優先購股權的條文，規定本公司須按比例向現有股東發售新股份。

Tax Relief

The Directors are not aware of any tax relief available to the Shareholders by reason of their holding of the Shares.

税務減免

董事並不知悉股東因持有股份而有任何税務減免。

Major Customers and Suppliers

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

主要客戶及供應商

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

In the year under review, the Group's largest customer accounted for approximately 17.0% of the Group's total revenue. The Group's five largest customers accounted for approximately 33.7% of the Group's total revenue.

於回顧年內，本集團最大客戶佔本集團總收入的約17.0%。本集團五大客戶佔本集團總收入的約33.7%。

In the year under review, the Group's largest supplier accounted for approximately 6.9% of the Group's total cost of sales. The Group's five largest suppliers accounted for approximately 19.0% of the Group's total cost of sales.

於回顧年內，本集團最大供應商佔本集團銷售成本總額的約6.9%。本集團五大供應商佔本集團銷售成本總額的約19.0%。

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

據董事所知，於年內概無持有已發行股份總數超過5%的董事、彼等的緊密聯繫人或股東於本集團五大客戶或五大供應商中持有任何權益。

Principal Risks and Uncertainties

Other than the financial risk management objective and policies as disclosed in Note 42 to the financial statements, some significant risks and uncertainties affecting the Group are outlined below. They are not exhaustive and there may be other additional risks and uncertainties which are now unknown or immaterial to the Group but could become material in future.

主要風險及不確定性

除財務報表附註42所披露的財務風險管理目標及政策外，影響本集團的若干重大風險及不確定性概述如下。彼等並非鉅細無遺，且可能存在現在未知或對本集團不重大但於日後可變得重大的其他額外風險及不確定性。

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. Management oversees the risks and mitigate them by implementing robust business processes. These risks can be broadly categorized as (1) business and industry risk; (2) economic and political risk; (3) financial risk; (4) people risk; and (5) operational risk.

Business and Industry Risk

The Group depends on a limited number of customers for a substantial portion of our revenue and may not be able to successfully maintain our business relationship with these customers. Our expansion plans or future acquisitions may entail certain risks and challenges.

Economic and Political Risk

The economic, political and social conditions of regions we operate in could affect our business, financial condition and results of operations. Any slowdown in the global economy may affect the demand for energy and commodities and result in a material adverse effect on our business, results of operations and financial condition.

Financial Risk

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

Operational Risk

The Group's operations may be interrupted by the occurrence of unexpected events like natural disasters, strikes, epidemics and occupational hazards that may or may not be under the Group's control.

Furthermore, the widespread community transmission of COVID-19 may cause disruption in supply chain, and interruption of business operations.

我們的業務及經營涉及若干風險及不確定性，其中許多風險我們不能控制。管理層實施穩健的業務流程以監察及降低風險。該等風險可大體分類為：(1)業務及行業風險；(2)經濟及政治風險；(3)財務風險；(4)人員風險；及(5)營運風險。

業務及行業風險

本集團依賴佔我們絕大部分收入的客戶的數量有限，且不一定能與該等客戶維持良好關係。我們的擴張計劃或日後收購可能受到若干風險及挑戰。

經濟及政策風險

我們經營地區的經濟、政策及社會狀況可能影響我們的業務、財務狀況及經營業績。全球經濟的下行可能影響能源和大宗商品的需求，從而對我們的業務、經營業績及財務狀況產生重大不利影響。

財務風險

本集團於一般業務過程中面臨優惠稅項的終止或減少、利率及外幣風險。

營運風險

本集團的營運可能因出現自然災害、示威、流行病以及可能受或不受本集團控制的職業危險等的意外事件而受到干擾。

此外，新型冠狀病毒於社區廣泛傳播或會導致供應鏈中斷及業務營運受阻。

Relationship with Customers and Suppliers

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

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

Employees

As of 31 December 2019, the Group had 1,400 employees in total. The Group's employee compensation includes base salary, bonuses and cash subsidies. In general, the Group determines employee compensation based on each employee's performance, qualifications, position and seniority. Other agreed employee benefits includes pension scheme, medical insurance, on-job training, education subsidy and other social security and paid leaves stipulated under the relevant jurisdiction of places of operation.

During the year ended 31 December 2019, the Company did not experience any strikes or significant labor disputes which materially affected the operation of the Company. The Company maintained good relationship with its employees.

與客戶及供應商的關係

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

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

僱員

截至2019年12月31日，本集團共有1,400名僱員。本集團的僱員薪酬包括基本薪金、獎金及現金補貼。通常情況下，本集團根據每名僱員的績效、資格、職位和資歷決定僱員薪酬。其他按約定員工福利包括退休金計劃、醫療保險、在職培訓、教育資助以及營運所在地相關司法管轄區所規定的其他社保及有薪假。

截至2019年12月31日止年度，本公司並無發生任何對本公司經營產生重大影響的罷工或重大勞資糾紛。本公司與其僱員保持著良好的關係。

The emolument policy of the employees of the Group is based on their merit, qualifications and competence. The Company has adopted the Share Option Scheme as an incentive to Directors and eligible employees, details of the Option Scheme are set out in "Option Scheme" section of this directors' report and note 34 to the financial statements. The emoluments of the Directors are recommended and decided by the Remuneration Committee and the Board respectively, having regard to the Company's operating results, individual performance and comparable market statistics.

本集團僱員的薪酬政策乃根據其績效、資格及能力而釐定。本公司採納購股權計劃作為對董事及合資格僱員的獎勵，購股權計劃詳情載於本董事會報告「購股權計劃」一節及財務報表附註34。董事薪酬經考慮本公司經營業績、個別表現及可資比較之市場數據後，分別由薪酬委員會提供推薦意見並由董事會決定。

Connected Transactions

During the year, the Group entered into connected transaction or continuing connected transaction which were exempted from disclosure requirements under the Listing Rules. Details are disclosed in Note 45 to the consolidated financial statements.

No contract of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the year ended 31 December 2019.

關連交易

於本年度內，本集團訂立獲豁免根據《上市規則》的規定須予以披露的關連交易或持續關連交易。詳情披露於綜合財務報表附註45。

截至2019年12月31日止年度期間，本集團並無訂立任何與本集團業務有關且董事在其中直接或間接擁有重大權益的重要合約。

Related Party Transactions

During the year, certain related parties entered into transactions with us which are disclosed in Note 45 "Related Party Transactions" to the consolidated financial statements of the Group, of which certain of transactions also constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules but were exempted from disclosure requirements under the Listing Rules. Details are disclosed in Note 45 to the consolidated financial statements.

關聯方交易

於本年度內，若干關連方與本公司訂立交易，披露於本集團綜合財務報表附註45「關聯方交易」；其中，若干交易亦構成《上市規則》第14A章項下的但獲豁免根據《上市規則》的規定須予以披露的關連交易或持續關連交易。詳情披露於綜合財務報表附註45。

Change in Use of Proceeds from the Global Offering

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

- approximately 30.0% of the net proceeds would be used to construct new service facilities at Huanghua port;

更改全球發售所得款項用途

誠如本公司日期為2016年6月29日的招股章程(「招股章程」)「未來計劃及所得款項用途」一節所載以及本公司日期為2017年6月16日的公告的更新，本公司擬將全球發售所得款項淨額用作以下用途：

- 約30.0%的所得款項淨額將用於在黃驊港興建新的服務設施；

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

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

Changes in Use of Proceeds

The Board resolved on 23 March 2018 to change the proposed use of the net proceeds due to the reasons set out below. Set out below are details of the initial allocation of the net proceeds, the revised allocation of the net proceeds, the amount utilized and the remaining balance of the net proceeds:

更改所得款項用途

董事會於2018年3月23日決議更改所得款項金額的擬定用途，原因如下。初次分配所得款項淨額、更改分配所得款項淨額、已使用的金額及所得款項淨額的餘額詳情如下表所示：

		Initial allocation of net proceeds and its percentage to total proceeds 初次分配所得款項淨額及佔總所得款項比例		Revised allocation of net proceeds and its percentage to total proceeds 更改分配後所得款項淨額及佔總所得款項比例		Amount utilized as of 31 December 2019 截至2019年12月31日已使用的金額	The remaining balance of proceeds after the revised allocation and utilization 更改分配及使用後的所得款項餘額
		(Approximately RMB million) (約百萬元人民幣)		(Approximately RMB million) (約百萬元人民幣)		(Approximately RMB million) (約百萬元人民幣)	(Approximately RMB million) (約百萬元人民幣)
To construct new service facilities at Huanghua port	黃驊港興建新的服務設施	16.4	30.0%	16.4	30.0%	16.4	0.0
To construct new service facilities at Tangshan port	唐山港興建新的服務設施	13.7	25.0%	13.7	25.0%	13.7	0.0
To construct new service facilities at Tianjin port	天津港興建新的服務設施	10.9	20.0%	–	0.0%	–	–
Strategic acquisition or investment	戰略收購或投資	8.2	15.0%	19.1	35.0%	19.1	0.0
To fund general corporate purposes	一般公司用途提供資金	5.4	10.0%	5.4	10.0%	5.4	0.0
Total	合計	54.6	100.0%	54.6	100.0%	54.6	0.0

Reasons for the Changes in Use of Proceeds

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

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

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

更改所得款項用途的原因

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

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

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

According to our corporate strategy, we intend to enhance our service capabilities and expand our service coverage through investment in establishing subsidiaries, forming joint ventures with local business partners and/or acquiring existing service facilities. In 2018, we entered into an acquisition contract with Saybolt Holding BV ("Saybolt Holding BV"), an independent third party which is incorporated in the Netherlands, to acquire 100% interest in Saybolt (Tianjin) Metrology & Inspection Co., Ltd. and Leon Overseas (Hong Kong) Limited (formerly known as Core Laboratories (Hong Kong) Limited), bringing our business towards globalization and diversification. In May 2019, we entered into a sale and purchase agreement with Saybolt Holding BV to acquire 100% interest in Saybolt (Singapore) Pte Ltd., expanding our services to cover laboratory testing and inspection of bulk cargo of oil, gas, chemicals and bunkers in Singapore, Malaysia, Indonesia and the surrounding territory. In the future, we plan to increase our capital investment, continue to expand our overseas network, and develop inspection and testing business for other products.

根據公司戰略，我們打算通過投資設立附屬公司、與當地業務和合作夥伴成立合資企業及／或收購現有公司的方式以拓展公司的服務能力和範圍。2018年我們與獨立第三方Saybolt Holding BV（「Saybolt Holding BV」，於荷蘭註冊成立）訂立收購協議，以收購仕寶（天津）技術檢測有限公司及Leon Overseas (Hong Kong) Limited（前稱Core Laboratories (Hong Kong) Limited）的100%權益。集團業務開始進入國際化、多元化。於2019年5月，我們與Saybolt Holding BV訂立買賣協議，以收購Saybolt (Singapore) Pte Ltd.的100%權益，從而拓展我們的服務範圍至覆蓋新加坡、馬來西亞、印度尼西亞及周邊地區的石油、天然氣、化學品及燃料散裝貨物的實驗室檢測及檢驗。未來我們還將加大資本投入，繼續拓展海外網路並開拓其他商品的檢驗、檢測業務。

As disclosed in the interim report of the Company for the six months ended 30 June 2019, the Company had utilized as to approximately RMB14.2 million to construct new service facilities in Huanghua port, as to approximately RMB14.4 million towards strategic acquisition or investment. From 1 July 2019 to 31 December 2019, the Company had further utilized an additional of approximately RMB2.2 million of the net proceeds to construct new service facilities in Huanghua port and an additional of approximately RMB4.7 million of the net proceeds towards strategic acquisition or investment. As at the date of this report, the net proceeds have been fully utilized under the revised allocation.

誠如本公司截至2019年6月30日止六個月的中期報告所披露，本公司已使用約人民幣14.2百萬元以於黃驊港興建新的服務設施，而約人民幣14.4百萬元用作戰略收購或投資。自2019年7月1日至2019年12月31日，本公司已進一步使用額外所得款項淨額約人民幣2.2百萬元以於黃驊港興建新的服務設施，及額外使用所得款項淨額約人民幣4.7百萬元用作戰略收購或投資。於本報告日期，所得款項淨額已於更改分配後悉數使用。

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

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

Compliance with Laws and Regulations

遵守法律法規

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

我們於開展業務時堅持高標準，並符合適用法律或條例的相關規定。

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

於本年度內，本公司遵守在所有重大方面對本公司有重大影響的相關法律法規。

Significant Subsequent Events after the Year

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

The pandemic of novel coronavirus in 2020 is a tremendous challenge for all companies. Even though it brings delayed operations to the TIC industry, the overall situation of energy demand which grows continuously has not changed. The demand for energy inspection will rebound when the pandemic is over.

Due to the inherent nature and unpredictability of future development, the actual financial effects could be different depending on the future development of the outbreak, government policies and measures in response to the outbreak. The management team will continuously monitor the development and further strengthen cost control and improve the quality of services and business.

Pledging of shares by the Controlling Shareholders and Loan Agreement with Covenant Relating to Specific Performance of the Controlling Shareholders

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

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

年後重大其後事項

報告年度後直至本年度報告日期，本集團並無重大其後事項。

2020年蔓延全球的新冠疫情，對於所有企業來說都是一個巨大挑戰。疫情對TIC行業造成的是時間上的損失，能源需求持續增長的總體情況沒有改變，能源檢測需求會在疫情結束後迎來反彈。

由於未來發展的固有性質且不可預測，實際財務影響可能視乎疫情的未來發展、政府應對疫情的政策及措施而有所不同。管理團隊會持續監察發展並進一步加強成本控制，提升服務質量和業務水平。

控股股東質押股份及貸款協議連同與控股股東的特定履約責任有關的契諾

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

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

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

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

After arm's length negotiations, the Company and the holder of the Note have executed a supplemental deed, pursuant to which the maturity date of the Note shall be extended to 28 September 2020. As at 31 December 2019, the outstanding principal amount of the Note is HK$45,150,000 (equivalent to RMB40,134,000).

經公平磋商後，本公司已與票據持有人簽立補充契約，據此，票據的到期日將延長至2020年9月28日。於2019年12月31日，票據的未償還本金額為45,150,000港元(相當於人民幣40,134,000元)。

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

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

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

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

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

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

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

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

Pursuant to the Transaction Documents, each of the Controlling Shareholders undertakes to Wan Tai that, among others, (a) Mr. Li shall remains as a Director, an executive Director and the chairman of the Board; or (b) unless with the prior written consent of Wan Tai, the aggregate number of the charged Shares shall at all times be not less than 110,930,000. It will be an event of default if any of the above specific performance obligations is breached. Upon occurrence of an event of default, the Note shall become immediately due and repayable in accordance with the conditions of the Note, and Wan Tai is entitled to redeem all or a portion of the Note.

根據交易文件，各控股股東向萬鈦承諾(其中包括)(a)李先生將仍為董事、執行董事兼董事會主席；或(b)除非萬鈦事先書面同意，否則質押股份總數將始終不少於110,930,000股。倘上述任何特定履約責任遭違反，即構成違約事件。倘發生違約事件，票據根據票據的條件將即時到期並須予償還，而萬鈦有權贖回全部或部分票據。

Audit Committee

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises three members, namely Mr. LIU Hoi Keung (chairman), Mr. WANG Zichen and Mr. ZHAO Hong, all being independent non-executive Directors.

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

The consolidated financial statements of the Group which are prepared in accordance with International Financial Reporting Standards for the year have been audited by Deliotte Touche Tohmatsu ("Deliotte"), the auditor of the Company.

審核委員會

本公司已遵照《上市規則》第3.21條規定設立審核委員會。審核委員會由三名成員組成，即廖開強先生(主席)、王梓臣先生及趙虹先生，彼等均為獨立非執行董事。

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

本公司核數師德勤•關黃陳方會計師行(「德勤」)已審核根據《國際財務報告準則》編製的本集團年度綜合財務報表。

Auditor

On 27 September 2019, an extraordinary general meeting ("EGM") was held to consider the removal of Ernst and Young ("EY") and the appointment of Deloitte as auditor of the Company. At the EGM, a special resolution was passed to remove EY as auditor of the Company and an ordinary resolution was passed to appoint Deloitte as auditor of the Company.

The proposal of re-appointing Deloitte as the auditor of the Company will be put forward at the AGM for consideration and approval.

核數師

本公司於2019年9月27日舉行股東特別大會(「股東特別大會」)，以審議罷免安永會計師事務所(「安永」)及委聘德勤為本公司核數師。於股東特別大會上，已通過特別決議案以罷免安永為本公司核數師，並通過普通決議案以委聘德勤為本公司核數師。

本公司將在股東週年大會上作出重新委聘德勤擔任核數師的提案，以供審議通過。

The Publication of the Annual Report

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

On behalf of the Board

Mr. Yang Rongbing
Executive Director

PRC, 31 March 2020

刊發年報

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

代表董事會

執行董事
楊榮兵先生

中國，2020年3月31日

Deloitte.
德勤

To The Shareholders Of China Leon Inspection Holding Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of China Leon Inspection Holding Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 94 to 244, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致中國力鴻檢驗控股有限公司全體股東
(於開曼群島註冊成立的有限責任公司)

意見

我們已審計列載於第94至244頁的中國力鴻檢驗控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於2019年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括重大會計政策概要。

我們認為,該等綜合財務報表已根據《國際財務報告準則》(「國際財務報告準則」)真實而公允地反映了貴集團於2019年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基準

我們根據《國際審計準則》(「國際審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據國際會計師道德準則委員會的《專業會計師道德守則》(「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下進行處理的，我們不對這些事項提供單獨的意見。

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Impairment assessment of trade receivables
貿易應收款項的減值評估

We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period.
我們將貿易應收款項之減值評估視為關鍵審計事項，原因是貿易應收款項對貴集團之綜合財務狀況意義重大，且在評估貴集團於報告期末之貿易應收款項之預期信貸損失(「預期信貸損失」)時涉及主觀判斷及管理層估計。

As at 31 December 2019, the Group's net trade receivables amounting to approximately RMB94,703,000, which represented approximately 23% of total assets of the Group and out of these trade receivables of approximately RMB17,602,000 were past due as disclosed in note 24 to the consolidated financial statements. As disclosed in note 44 to the consolidated financial statements, the Group's lifetime ECL on trade receivables as at 31 December 2019 amounting to approximately RMB2,462,000.
如綜合財務報表附註24所披露，於2019年12月31日，貴集團之貿易應收款項淨額約為人民幣94,703,000元，佔貴集團資產總值約23%，在該等貿易應收款項當中，約人民幣17,602,000元已逾期。如綜合財務報表附註44所披露，於2019年12月31日，貴集團貿易應收款項之全期預期信貸損失約為人民幣2,462,000元。

Our procedures in relation to impairment assessment of trade receivables included:
我們對於貿易應收款項減值評估的程序包括：

- Understanding key controls on how the management estimates the allowance for credit losses of trade receivables;
  了解管理層估計貿易應收款項信貸損失撥備之關鍵監控措施；

- Testing the accuracy of the past due status of trade receivables as at 31 December 2019, on a sample basis, by comparing individual items in the analysis with the relevant invoices for service income; and
  抽樣檢測於2019年12月31日貿易應收款項的逾期情況的準確性，方法為將個別分析項目比對相關的服務收入發票；及

Key Audit Matters (continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
Impairment assessment of trade receivables *貿易應收款項的減值評估* As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of the trade receivables based on provision matrix by past due status for groupings of various customer segments that have similar loss patterns (i.e. by geographical region and internal credit rating). The provision matrix is initially based on the Group's historical observed default rates and calibrated to adjust the historical credit loss experience with forward-looking information. The amount of allowance for credit losses is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The impairment assessment of trade receivables involves high degree of estimation uncertainty. 如綜合財務報表附註4所披露，貴集團管理層根據撥備矩陣估計貿易應收款項之全期預期信貸損失金額，該撥備矩陣乃按逾期情況以按具有類似虧損模式之各客戶分部進行分類(即按地區及內部信用評級劃分)。撥備矩陣初步根據貴集團歷史觀察違約率計算，並過經過校正以調整歷史信貸損失經驗與前瞻性資料。信貸損失撥備金額按資產賬面值及估計未來現金流量現值之間的差額計量，並考慮預期未來信貸損失。貿易應收款項的減值評估涉及高度估計不確定性。 Net amount of allowance for credit losses of RMB1,106,000 was recognised during the year ended 31 December 2019. 截至2019年12月31日止年度，已確認之信貸損失撥備淨額為人民幣1,106,000元。	• Assessing the reasonableness of management's basis and judgement on groupings of customer segments that have similar loss patterns in the provision matrix according to geographical region and internal credit rating of respective customers based on our understanding of the Group's business; and 評估管理層有關撥備矩陣中按照地區劃分的具有類似損失模式的客戶分部組合及基於我們對貴集團業務的了解所釐定的有關客戶的內部信貸評級的基準及判斷的合理性；及 • Assessing the reasonableness of the estimation of expected loss rates applied in each category by reference to the Group's historical observed default rates on different past due status of trade receivables in the provision matrix. 透過參考貴集團有關撥備矩陣中貿易應收款項的不同逾期情況的歷史觀察違約率，以評估於各類別所應用的預期損失率的估計的合理性。

Key Audit Matters (continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
Impairment assessment of goodwill *商譽減值評估* We identified impairment assessment of goodwill arising from acquisition of businesses in current and prior years as a key audit matter due to the involvement of significant judgements and assumptions in determining the recoverable amounts of the three cash generating units ("CGUs") to which goodwill has been allocated, which was derived from value in use calculations using discounted cash flow models. 我們已識別當前及過往年度收購業務所產生的商譽減值評估為關鍵審計事項，此乃由於釐定已獲分配商譽的三個現金產生單位(「現金產生單位」)的可收回金額(由按貼現現金流量模式計算使用價值而產生)時涉及重大判斷及假設。 At 31 December 2019, the Group had goodwill of approximately RMB15,454,000 relating to CGU principally engaged in the regional petroleum inspection service-rendering business in Singapore, RMB2,419,000 relating to CGU principally engaged in the regional petroleum inspection service rendering business in the mainland of the People's Republic of China and Hong Kong Special Administrative Region and RMB572,000 relating to CGU principally engaged in the regional coal inspection service-rendering business respectively, which were subject to annual impairment assessment. Details were disclosed in notes 4 and 19 to the consolidated financial statements. 於2019年12月31日，貴集團商譽約人民幣15,454,000元與主要於新加坡從事地區性石油檢驗服務提供業務的現金產生單位有關、人民幣2,419,000元與主要於中華人民共和國內地及香港特別行政區從事地區性石油檢驗服務提供業務的現金產生單位有關以及人民幣572,000元與主要從事地區性煤炭檢驗服務提供業務的現金產生單位有關，該等商譽須進行年度減值評估。詳情披露於綜合財務報表附註4及19。	Our procedures in relation to impairment assessment of goodwill included: 我們與商譽減值評估有關的程序包括： • Understanding the Group's impairment assessment process, including the impairment model, and the preparation of the cash flow projections; 了解貴集團的減值評估過程(包括減值模型及現金流量預測的編製)； • Evaluating the appropriateness of the impairment model applied by the management with reference to relevant accounting standard; 參考相關會計準則評估管理層所應用減值模型的恰當性； • Testing the appropriateness of discount rates applied in the cash flow projections by benchmarking them against market data and comparable entities; and 透過將現金流量預測所應用的貼現率與市場數據及可資比較實體進行比較，以測試該等貼現率的恰當性；及 • Assessing the reasonableness of the management's cash flow projections and budgeted gross margin by comparing to the historical performance and the budgets in respect of each CGU which were approved by the management. 透過比較獲管理層批准的各現金產生單位的歷史表現及預算，以評估管理層的現金流量預測及預算毛利率的合理性。

Key Audit Matters (continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
Impairment assessment of goodwill *商譽減值評估* Management's assessment of goodwill impairment is highly judgmental and is dependent on certain significant inputs including the cash flow projections, the discount rates and budget gross margin of service provided, which are based on the average gross margins achieved during the year and the expectations of market development. No impairment of goodwill was recognised for year ended 31 December 2019. 管理層對商譽減值的評估過程涉及重大判斷，並依賴若干重大輸入數據(包括現金流量預測、貼現率及所提供服務的預算毛利率)，而有關輸入數據乃基於年內所達致的平均毛利率及對市場發展的預期釐定。截至2019年12月31日止年度，並無確認商譽減值。	

Key Audit Matters (continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
Acquisition of Saybolt (Singapore) Pte. Ltd. *收購Saybolt (Singapore) Pte. Ltd.*	
We identified the acquisition of Saybolt (Singapore) Pte. Ltd. ("Saybolt SG") on 15 May 2019 as a key audit matter due to it involved management's estimation and judgements in i) allocating of the purchase consideration of RMB28,218,000 to the identifiable assets and liabilities; and ii) determining the fair value of assets acquired and liabilities assumed. 我們將於2019年5月15日收購Saybolt (Singapore) Pte. Ltd.(「Saybolt SG」)的事項識別為關鍵審計事項，此乃由於有關事項涉及管理層對i)將購買代價人民幣28,218,000元分配至可識別資產及負債；及ii)釐定已收購資產及已承擔負債的公允價值的估計及判斷所致。	Our procedures in relation to acquisition of Saybolt SG included: 我們與收購Saybolt SG有關的程序包括： • Inspecting the underlying acquisition agreements and evaluating management's accounting treatment for the acquisition in terms of IFRS 3 and the Group's accounting policy; 檢查相關收購協議，並評估管理層根據《國際財務報告準則》第3號及貴集團的會計政策就該收購所進行的會計處理； • Obtaining and inspecting the valuation assessments prepared by the external valuer engaged by the Group and on which the management's assessment of the fair values of the assets acquired and liabilities assumed was based; 取得並檢查貴集團委聘的外部估值師所編製的估值評估及管理層基於有關評估對已收購資產及已承擔負債的公允價值所進行的評估； • Assessing the independence, professional competence, objectivity and capabilities of the external valuer; 評估外部估值師的獨立性、專業能力、客觀性及能力；
The fair value accounting for the acquisition was determined by management, with support from an external valuer, on a provisional basis in accordance with IFRS 3 "Business Combinations" by using discounted cash flow model. The inputs to this models are taken from observable market where possible, but where this is not feasible, a degree of judgement and estimation is required in establishing fair values. A goodwill of RMB15,454,000 was resulted from the acquisition. Details of the acquisition of Saybolt SG is disclosed in note 37A to the consolidated financial statements. 管理層釐定(獲外部估值師支持)收購事項的公允價值會根據《國際財務報告準則》第3號「業務合併」透過使用貼現現金流量模式以臨時基準入賬。該模式所用輸入數據在可能情況下從可觀察市場取得，惟在不可行情況下，則須作出一定程度的判斷及估計以釐定公允價值。有關收購導致出現商譽人民幣15,454,000元。有關收購Saybolt SG的詳情披露於綜合財務報表附註37A。	

Key Audit Matters (continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
Acquisition of Saybolt (Singapore) Pte. Ltd. *收購Saybolt (Singapore) Pte. Ltd.*	• With the assistance of our internal valuation specialists, discussing with the external valuer and challenging the completeness and appropriateness of the identification of assets acquired and liabilities assumed and the valuation methodologies adopted in assessing the fair values of the recognised assets and liabilities; and 在我們內部估值專家的協助下，與外部估值師進行討論，並質疑已收購資產及已承擔負債的識別及就評估已確認資產及負債的公允價值所採用的估值方法的完整性及恰當性；及 • Assessing the reasonableness of the valuation methodologies and key assumptions and critical judgements in the valuation adopted by the external valuer by corroborating with our understanding of the business of Saybolt SG and inspecting the underlying acquisition agreements and other supporting documents. 透過以我們對Saybolt SG業務的理解佐證及檢查相關收購協議及其他支持文件，以評估外部估值師在估值時所採取的估值方法、主要假設及重大判斷的合理性。

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年度報告內的信息，但不包括綜合財務報表及就此作出的核數師報告。

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

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

董事及管治層就綜合財務報表須承擔的責任

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

在擬備綜合財務報表時，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，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

管治層負責監督貴集團的財務報告過程。

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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並僅對全體股東根據我們協定的委聘條款出具包括我們意見的核數師報告，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯報存在時總能發現。錯報可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關錯報可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯報的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯報的風險高於未能發現因錯誤而導致的重大錯報的風險。

- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

- 評價貴公司董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否公允反映交易和事項。

- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

我們與管治層溝通了(其中包括)計劃的審計範圍、時間安排及重大審計發現(包括我們在審計中識別出內部控制的任何重大缺陷)。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide those charged with governance 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 those charged with governance, 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 the independent auditor's report is Ms. Lau Pui Chun.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 March 2020

核數師就審計綜合財務報表承擔的責任(續)

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

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

出具獨立核數師報告的審計項目合夥人是劉佩珍女士。

德勤 • 關黃陳方會計師行
執業會計師
香港
2020年3月31日

Consolidated Statement of Profit or Loss and Other Comprehensive Income
綜合損益及其他全面收益表

For the year ended 31 December 2019
截至2019年12月31日止年度

		Notes 附註	**2019 2019年 RMB'000 人民幣千元**	2018 2018年 RMB'000 人民幣千元
Revenue	**收入**	5	**396,456**	233,750
Cost of sales	銷售成本		**(210,249)**	(110,842)
Gross profit	毛利		**186,207**	122,908
Other income and other gains and losses	其他收入以及其他收益及虧損	7	**7,230**	3,162
Selling and distribution expenses	銷售及分銷開支		**(15,131)**	(4,169)
Administrative expenses	行政開支		**(110,916)**	(89,658)
Impairment losses under expected credit loss model, net	預期信貸損失模型下的減值虧損，淨額		**(786)**	(1,072)
Other expenses	其他開支		**(11,779)**	(14,708)
Finance costs	融資成本	8	**(6,864)**	(2,632)
Share of (loss) profit of an associate	聯營企業應佔(虧損)利潤	21	**(1,061)**	381
Profit before tax	**稅前利潤**		**46,900**	14,212
Income tax expense	所得稅開支	9	**(18,143)**	(9,311)
Profit for the year	**年內利潤**	10	**28,757**	4,901
Attributable to:	以下各項應佔：			
Owners of the Company	本公司擁有人		**24,171**	14,021
Non-controlling interests	非控股權益		**4,586**	(9,120)
			28,757	4,901

For the year ended 31 December 2019
截至2019年12月31日止年度

		Notes 附註	**2019** **2019年** **RMB'000** **人民幣千元**	2018 2018年 RMB'000 人民幣千元
Other comprehensive (expense) income:	**其他全面(開支)收益：**			
Item that will not be reclassified to profit or loss:	*將不會重新分類至損益的項目：*			
Fair value loss on investment in equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的股本工具投資的公允價值虧損		**(2,188)**	–
Item that may be reclassified to profit or loss in subsequent periods:	*於隨後期間可能重新分類至損益的項目：*			
Exchange differences on translation of foreign operations	換算海外業務的匯兑差額		**401**	527
Other comprehensive (expense) income for the year, net of income tax	**年內其他全面(開支)收益，扣除所得稅**		**(1,787)**	527
Total comprehensive income for the year	**年內全面收益總額**		**26,970**	5,428
Attributable to:	以下各項應佔：			
Owners of the Company	本公司擁有人		**22,187**	14,548
Non-controlling interests	非控股權益		**4,783**	(9,120)
			26,970	5,428
Earnings per share attributable to ordinary equity holders of the Company	**本公司普通權益持有人應佔每股盈利**			
Basic	基本	14	**RMB6.04 cents** **人民幣6.04分**	RMB3.50 cents 人民幣3.50分
Diluted	攤薄	14	**RMB6.04 cents** **人民幣6.04分**	RMB3.50 cents 人民幣3.50分

Consolidated Statement of Financial Position
綜合財務狀況表

At 31 December 2019
於2019年12月31日

		Notes 附註	**2019** **2019年** **RMB'000** **人民幣千元**	2018 2018年 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	15	**140,444**	118,676
Right-of-use assets	使用權資產	16	**37,140**	–
Investment properties	投資物業	17	**19,443**	20,717
Prepaid land lease payments	預付土地租賃款項	18	**–**	5,954
Goodwill	商譽	19	**18,445**	3,129
Intangible assets	無形資產	20	**3,807**	4,425
Investment in an associate	於聯營企業的投資	21	**–**	3,489
Equity investment at fair value through other comprehensive income	按公允價值計入其他全面收益的股權投資	23	**812**	3,000
Deferred tax assets	遞延稅項資產	30	**296**	815
Prepayments and other receivables	預付款項及其他應收款項	25	**5,803**	6,614
			226,190	166,819
Current assets	**流動資產**			
Trade receivables	貿易應收款項	24	**94,703**	42,263
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	25	**16,761**	15,524
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	22	**–**	27,000
Pledged deposits	已抵押存款	26	**823**	400
Cash and cash equivalents	現金及現金等價物	26	**76,008**	76,848
			188,295	162,035
Current liabilities	**流動負債**			
Trade payables	貿易應付款項	27	**45,456**	12,293
Contract liabilities	合約負債	28	**3,384**	2,379
Other payables and accruals	其他應付款項及應計項目	29	**41,814**	35,383
Borrowings	借款	31	**55,134**	62,881
Tax payable	應納稅款		**1,492**	3,253
Lease liabilities	租賃負債	32	**13,682**	–
Interest payables	應付利息		**1,006**	1,472
Total current liabilities	流動負債總額		**161,968**	117,661
Net current assets	**流動資產淨值**		**26,327**	44,374
Total assets less current liabilities	**資產總值減流動負債**		**252,517**	211,193

At 31 December 2019
於2019年12月31日

		Notes 附註	**2019 2019年 RMB'000 人民幣千元**	2018 2018年 RMB'000 人民幣千元
Non-current liabilities	**非流動負債**			
Borrowings	借款	31	**8,139**	13,204
Deferred tax liabilities	遞延税項負債	30	**5,160**	741
Lease liabilities	租賃負債	32	**17,948**	–
Interest payables	應付利息		**–**	257
			31,247	14,202
Net assets	資產淨值		**221,270**	196,991
Capital and reserves	**資本及儲備**			
Share capital	股本	33	**131**	131
Reserves	儲備	36	**222,822**	201,753
Equity attributable to owners of the Company	本公司擁有人應佔權益		**222,953**	201,884
Non-controlling interests	非控股權益		**(1,683)**	(4,893)
Total equity	權益總額		**221,270**	196,991

The consolidated financial statements on pages 94 to 244 were approved and authorised for issue by the Board of Directors on 31 March 2020 and are signed on its behalf by:

第94至244頁的綜合財務報表已於2020年3月31日經董事會批准並授權刊發，並由以下人士代表簽署：

LI Xiangli
李向利
DIRECTOR
董事

YANG Rongbing
楊榮兵
DIRECTOR
董事

Consolidated Statement of Changes in Equity
綜合權益變動表

For the year ended 31 December 2019
截至2019年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital 股本 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元 (Note a) (附註a)	Statutory reserves 法定儲備金 RMB'000 人民幣千元 (Note b) (附註b)	Share option reserve 購股權儲備 RMB'000 人民幣千元	FVTOCI reserve 按公允價值計入其他全面收益的儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兑波動儲備 RMB'000 人民幣千元	Retained profits 保留利潤 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	131	92,268	15,755	627	–	1,311	85,114	195,206	3,092	198,298
Profit (loss) for the year	年內利潤(虧損)	–	–	–	–	–	–	14,021	14,021	(9,120)	4,901
Other comprehensive income for the year	年內其他全面收益	–	–	–	–	–	527	–	527	–	527
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	–	–	–	–	–	527	14,021	14,548	(9,120)	5,428
Final 2017 dividend declared (note 13)	已宣派的2017年末期股息(附註13)	–	–	–	–	–	–	(10,000)	(10,000)	–	(10,000)
Equity-settled share option arrangements (note 34)	以權益結算的購股權安排(附註34)	–	–	–	1,553	–	–	–	1,553	–	1,553
Acquisition of a subsidiary (note 37)	收購附屬公司(附註37)	–	–	–	–	–	–	–	–	1,712	1,712
Equity transactions with non-controlling shareholders	與非控股股東的權益交易	–	577	–	–	–	–	–	577	(577)	–
Transfer from retained profits	保留利潤轉撥	–	–	3,574	–	–	–	(3,574)	–	–	–
At 31 December 2018	於2018年12月31日	131	92,845	19,329	2,180	–	1,838	85,561	201,884	(4,893)	196,991
Profit for the year	年內利潤	–	–	–	–	–	–	24,171	24,171	4,586	28,757
Other comprehensive (expense) income for the year	年內其他全面(開支)收益	–	–	–	–	(2,188)	204	–	(1,984)	197	(1,787)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	–	–	–	–	(2,188)	204	24,171	22,187	4,783	26,970
Final 2018 dividend declared (note 13)	已宣派的2018年末期股息(附註13)	–	–	–	–	–	–	(3,000)	(3,000)	–	(3,000)
Equity-settled share option arrangements (note 34)	以權益結算的購股權安排(附註34)	–	–	–	844	–	–	–	844	–	844
Acquisition of additional interest in a subsidiary (note 38)	收購附屬公司之額外權益(附註38)	–	39	–	–	–	–	–	39	(3,356)	(3,317)
Partial disposal of a subsidiary (note 38)	部分出售附屬公司(附註38)	–	210	–	–	–	–	–	210	1,137	1,347
Transfer from retained profits	保留利潤轉撥	–	–	4,262	–	–	–	(4,262)	–	–	–
Deemed contribution from non-controlling interest arising from loan from a non-controlling interest of a subsidiary (note 31)	視作從附屬公司的非控股權益貸款產生的非控股權益注資(附註31)	–	789	–	–	–	–	–	789	646	1,435
At 31 December 2019	於2019年12月31日	**131**	**93,883**	**23,591**	**3,024**	**(2,188)**	**2,042**	**102,470**	**222,953**	**(1,683)**	**221,270**

Notes:

(a) The amounts represent for i) the share premium of the issued share capital of the Company; ii) the difference between the nominal values of the ordinary shares issued by the Company and the share capital of subsidiaries acquired through an exchange of shares pursuant to the reorganisation of the Company in prior years; iii) the difference between the fair value of the capital injections from non-controlling shareholders and the carrying amount of the subsidiary attributable to the non-controlling interests and (iv) the difference between the consideration paid to non-controlling shareholders and the carrying amount of the subsidiary attributable to the non-controlling interests.

(b) As stipulated by the relevant laws and regulations of the People's Republic of China ("PRC"), before distribution of the net profit each year, each of the Group's subsidiaries established in the PRC shall set aside 10% of its net profit after taxation to the statutory surplus reserve. The reserve fund can only be used, upon approval by the board of directors of these PRC established subsidiaries and by the relevant authority, to offset accumulated losses or increase capital. During the years ended 31 December 2019 and 2018, RMB4,262,000 and RMB3,574,000 were transferred from retained profits to the statutory reserves respectively.

附註：

(a) 該等金額為i)本公司已發行股本之股份溢價；ii)本公司已發行普通股面值與透過根據本公司過往年度重組進行股份交換所收購附屬公司之股本之間的差額；iii)來自非控股股東注資之公允價值與非控股權益應佔附屬公司賬面值之間的差額；及(iv)已付非控股股東代價與非控股權益應佔附屬公司賬面值之間的差額。

(b) 根據中華人民共和國(「中國」)相關法律及法規規定，本集團在中國成立的各附屬公司每年均須撥出除税後淨利潤的10%作法定盈餘儲備，然後方可分派淨利潤。儲備金僅可用於抵銷累計虧損或增加資本，惟須經該等於中國成立的附屬公司的董事會及相關機關批准。截至2019年及2018年12月31日止年度，自保留利潤轉撥至法定儲備的金額分別為人民幣4,262,000元及人民幣3,574,000元。

Consolidated Statement of Cash Flows
綜合現金流量表

For the year ended 31 December 2019
截至2019年12月31日止年度

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
OPERATING ACTIVITIES	**經營活動**		
Profit before tax	稅前利潤	**46,900**	14,212
Adjustments for:	已就下列各項作出調整：		
Share of loss (profit) of an associate	應佔聯營企業虧損(利潤)	**1,061**	(381)
Gain on disposal of an associate	出售聯營企業的收益	**(3,772)**	–
Finance costs	融資成本	**6,864**	2,632
Waive of interest payable due to a non-controlling interests	豁免應付非控股權益的應付利息	**(257)**	–
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	**17,295**	11,855
Depreciation of investment properties	投資物業的折舊	**1,274**	1,275
Depreciation of right-of-use assets	使用權資產的折舊	**13,057**	–
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	**–**	244
Amortisation of intangible assets	無形資產攤銷	**683**	296
Loss (gain) on disposals of items of property, plant and equipment, net	出售物業、廠房及設備項目的虧損(收益)，淨額	**90**	(44)
Change in fair value of financial assets at fair value through profit or loss	按公允價值計入損益的金融資產的公允價值變動	**(656)**	(761)
Impairment of trade receivables, net	貿易應收款項的減值，淨額	**1,106**	529
(Reversal of impairment) impairment of financial assets included in prepayments, other receivables and other assets, net	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)減值，淨額	**(320)**	543
Equity-settled share option expense	以權益結算的購股權開支	**844**	1,553
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	**84,169**	31,953
Increase in trade receivables	貿易應收款項增加	**(36,839)**	(20,725)
Decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少	**6,181**	4,098
Increase in trade payables	貿易應付款項增加	**24,783**	8,575
Increase in contract liabilities	合約負債增加	**1,005**	2,379
Increase in other payables and accruals	其他應付款項及應計項目增加	**5,818**	2,163
Cash generated from operations	經營產生的現金	**85,117**	28,443
Income tax paid	已付所得稅	**(14,549)**	(8,462)
Net cash from operating activities	經營活動所得現金淨額	**70,568**	19,981

For the year ended 31 December 2019
截至2019年12月31日止年度

		Notes 附註	**2019 2019年 RMB'000 人民幣千元**	2018 2018年 RMB'000 人民幣千元
INVESTING ACTIVITIES	**投資活動**			
Purchases of property, plant and equipment and deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備及就購買物業、廠房及設備支付的按金		**(43,411)**	(28,236)
Payment for intangible assets	無形資產付款		**(89)**	(1,604)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項		**1,386**	340
Purchase of financial asset at fair value through profit or loss	購買按公允價值計入損益的金融資產		**–**	(115,500)
Disposals of financial asset at fair value through profit or loss	出售按公允價值計入損益的金融資產		**27,656**	110,561
Purchases of equity investment designated at fair value through other comprehensive income	購買指定按公允價值計入其他全面收益的股權投資		**–**	(3,000)
Acquisition of subsidiaries, net of cash acquired	收購附屬公司，扣除獲取的現金	37	**(19,585)**	(3,156)
Withdrawal of pledged deposits	提取已抵押存款		**400**	–
Placement of pledged deposits	存入已抵押存款		**(823)**	(3)
Payment for rental deposits	支付租賃按金		**(250)**	–
Net cash used in investing activities	投資活動所用現金淨額		**(34,716)**	(40,598)
FINANCING ACTIVITIES	**融資活動**			
Acquisition of additional interest in a subsidiary	收購附屬公司的額外權益	38	**(3,317)**	–
Proceeds from partial disposal of subsidiaries	部分出售附屬公司所得款項	38	**1,347**	–
New bank loans and other borrowings	新增銀行貸款及其他借款	43	**35,000**	90,600
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款	43	**(47,307)**	(31,888)
Repayment of lease liabilities	償還租賃負債	43	**(12,282)**	–
Interest paid	已付利息	43	**(7,330)**	(903)
Dividend paid	已付股息		**(3,000)**	(10,000)
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額		**(36,889)**	47,809
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**現金及現金等價物(減少)增加淨額**		**(1,037)**	27,192
Effect of foreign exchange rate changes, net	外匯匯率變動的影響，淨額		**197**	865
Cash and cash equivalents at beginning of year	年初的現金及現金等價物		**76,848**	48,791
CASH AND CASH EQUIVALENTS AT END OF YEAR	**年終的現金及現金等價物**		**76,008**	76,848

Notes to the Consolidated Financial Statements
綜合財務報表附註

For the year ended 31 December 2019
截至2019年12月31日止年度

1. General

China Leon Inspection Holding Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands on 29 July 2015. The registered office address of the Company is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited from 12 July 2016. In the opinion of the directors of the Company, the Company was under the control of LI Xiangli (李向利) and ZHANG Aiying (張愛英). LI Xiangli and ZHANG Aiying are spouses.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the testing and inspection services of energy and commodities in the People's Republic of China (the "PRC") and multiple Asia-Pacific countries.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

1. 一般資料

中國力鴻檢驗控股有限公司(「本公司」)為一家於2015年7月29日於開曼群島註冊成立的獲豁免有限責任公司。本公司註冊辦事處地址為PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108,Cayman Islands。本公司股份自2016年7月12日已於香港聯合交易所有限公司上市。本公司董事認為，本公司由李向利及張愛英控制。李向利及張愛英為夫妻。

本公司為一家投資控股公司。本年度，本公司及其附屬公司(統稱為「本集團」)主要在中華人民共和國(「中國」)及多個亞太國家從事能源和大宗商品檢驗和檢測業務。

綜合財務報表乃以人民幣(「人民幣」)列示，人民幣亦為本公司的功能貨幣。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs")

New and Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015 – 2017 Cycle

Except as described below, the application of the amendments to IFRSs and an interpretation in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded IAS 17 *Leases* ("IAS 17"), and the related interpretations.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)

本年度強制生效的新訂及經修訂《國際財務報告準則》

本集團於本年度首次應用下列由國際會計準則委員會(「國際會計準則委員會」)所頒佈的新訂及經修訂《國際財務報告準則》:

《國際財務報告準則》第16號	租賃
國際財務報告詮釋委員會第23號	所得稅處理的不確定性
《國際財務報告準則》第9號之修訂	具負補償的預付款項特性
《國際會計準則》第19號之修訂	計劃修訂、縮減或結算
《國際會計準則》第28號之修訂	於聯營企業及合營企業的長期權益
《國際財務報告準則》之修訂	《國際財務報告準則》2015 – 2017年週期之年度改進

除下文所述者外,本年度應用經修訂的《國際財務報告準則》及詮釋對本集團於本年度及過往年度的財務狀況及表現及/或該等綜合財務報表所載的披露並無重大影響。

2.1 《國際財務報告準則》第16號租賃

本集團於本年度首次應用《國際財務報告準則》第16號。《國際財務報告準則》第16號取代《國際會計準則》第17號租賃(「《國際會計準則》第17號」)及相關詮釋。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 16 Leases (continued)

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid lease payments by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

2.1 《國際財務報告準則》第16號租賃(續)

租賃的定義

本集團已選擇可行權宜方法，對先前應用《國際會計準則》第17號及國際財務報告詮釋委員會第4號*釐定安排是否包含租賃*識別為租賃的合約應用《國際財務報告準則》第16號，而並無對先前並未識別為包含租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。

就於2019年1月1日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據《國際財務報告準則》第16號所載的規定應用租賃的定義。

作為承租人

本集團已追溯應用《國際財務報告準則》第16號，並將累計影響於初始應用日期(即2019年1月1日)確認。

於2019年1月1日，本集團應用《國際財務報告準則》第16.C8(b)(ii)條過渡條文，按相等於有關租賃負債的金額確認額外租賃負債及使用權資產，並根據任何預付租賃付款作出調整。於首次應用日期的任何差額已於年初保留利潤確認，且並無重列比較資料。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs")(continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 16 Leases (continued)

As a lessee (continued)

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

(i) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

(ii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment; and

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

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied by the relevant group entities is 5.25%.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

2.1 《國際財務報告準則》第16號租賃(續)

作為承租人(續)

於過渡時應用《國際財務報告準則》第16號項下的經修訂追溯方法時，本集團就先前根據《國際會計準則》第17號分類為經營租賃的租賃於與各租賃合約相關的範圍內按逐項租賃基準應用以下可行權宜方法：

(i) 於首次應用日期計量使用權資產時撇除初始直接成本；

(ii) 就於相似經濟環境內相關資產類別相似且剩餘租期相似的租賃組合應用單一貼現率；及

(iii) 根據於首次應用日期的事實及情況使用事後方式為本集團具有延長選擇權的租賃釐定租期。

就確認先前分類為經營租賃的租賃負債而言，本集團已應用於初始應用日期相關集團實體的增量借款利率。相關集團實體所應用的加權平均增量借款利率為5.25%。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 16 Leases (continued)

As a lessee (continued)

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

2.1 《國際財務報告準則》第16號租賃(續)

作為承租人(續)

		At 1 January 2019 於2019年1月1日 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露的經營租賃承擔	**21,167**
Adjustments	調整	**(1,032)**
		20,135
Lease liabilities discounted at relevant incremental borrowing rates and relating to operating leases recognised upon application of IFRS 16 as at 1 January 2019	按相關增量借款利率進行貼現及於2019年1月1日應用《國際財務報告準則》第16號後確認與經營租賃有關的租賃負債	**17,388**
Add: Extension options reasonably certain to be exercised	加：合理確定將行使的延期選擇權	**1,286**
		18,674
Analysed as:	按以下類別進行分析：	
Current	流動	**6,345**
Non-current	非流動	**12,329**
		18,674

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 16 Leases (continued)

As a lessee (continued)

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

2.1 《國際財務報告準則》第16號租賃(續)

作為承租人(續)

自用使用權資產於2019年1月1日的賬面值乃由以下組成：

		Note 附註	**Right-of-use assets 使用權資產** RMB'000 人民幣千元
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	於應用《國際財務報告準則》第16號後確認與經營租賃有關的使用權資產		18,674
Reclassified from prepaid lease payments	自預付租賃款項重新分類	(a)	6,192
			24,866

(a) Upfront payments for leasehold lands in the PRC for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of IFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB238,000 and RMB5,954,000 respectively were reclassified to right-of-use assets.

(a) 於2018年12月31日，自用物業的中國租賃土地的前期付款已分類為預付租賃款項。應用《國際財務報告準則》第16號後，預付租賃款項的流動及非流動部分分別為人民幣238,000元及人民幣5,954,000元，均已重新分類為使用權資產。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 16 Leases (continued)

As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

(a) Upon application of IFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

2.1 《國際財務報告準則》第16號租賃(續)

作為出租人

根據《國際財務報告準則》第16號的過渡條文，本集團毋須就本集團為出租人的租賃作出任何過渡調整，但自首次應用日期起，根據《國際財務報告準則》第16號就該等租賃入賬，且比較資料沒有重述。

(a) 於應用《國際財務報告準則》第16號時，就與現有租賃合約項下的相同基礎資產相關的已訂立但在初始應用日期後開始的新租賃合約進行會計處理，就如同於2019年1月1日對現有租賃進行了修改一樣。此應用對本集團於2019年1月1日的綜合財務狀況表概無影響。然而，自2019年1月1日起，與修改後的經修訂租賃期有關的租賃付款在經延長租賃期內按直線法確認為收入。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 16 Leases (continued)

As a lessor (continued)

(b) Before application of IFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which IAS 17 applied under trade and other payables. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right-of-use assets and should be adjusted to reflect the discounting effect at transition. The change has had no material impact on the consolidated financial statements of the Group for the current year.

(c) Effective on 1 January 2019, the Group has applied IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the consolidated financial statements of the Group for the current year.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

2.1 《國際財務報告準則》第16號租賃(續)

作為出租人(續)

(b) 於應用《國際財務報告準則》第16號前，已收可退回租賃按金被視為於貿易及其他應付款項項下《國際會計準則》第17號適用的租賃權利及責任。根據《國際財務報告準則》第16號租賃付款的定義，該等按金並非與使用權資產相關的付款，並應予調整以反映過渡時的貼現影響。該改變對本集團本年度的綜合財務報表並不構成重大影響。

(c) 自2019年1月1日起，本集團應用《國際財務報告準則》第15號*客戶合約收入*(「《國際財務報告準則》第15號」)以分配合約的代價至各租賃及非租賃組成部分。該分配基準的改變對本集團本年度的綜合財務報表並不構成重大影響。

於2019年1月1日綜合財務狀況表中確認的金額已作出以下調整。不受有關更改影響的項目並無包括在內。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 16 Leases (continued)

As a lessor (continued)

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

2.1 《國際財務報告準則》第16號租賃(續)

作為出租人(續)

		Carrying amounts previously reported at 31 December 2018 先前於2018年12月31日呈報的賬面值 RMB'000 人民幣千元	Adjustments 調整 RMB'000 人民幣千元	**Carrying amounts under IFRS 16 at 1 January 2019 於2019年1月1日根據《國際財務報告準則》第16號計算的賬面值 RMB'000 人民幣千元**
Non-current Assets	**非流動資產**			
Prepaid lease payments	預付租賃款項	5,954	(5,954)	**–**
Right-of-use assets	使用權資產	–	24,866	**24,866**
Current Assets	**流動資產**			
Prepayments, deposits and other receivables – Prepaid lease payments	預付款項、按金及其他應收款項 – 預付租賃款項	238	(238)	**–**
Current Liabilities	**流動負債**			
Lease liabilities	租賃負債	–	6,345	**6,345**
Non-current liabilities	**非流動負債**			
Lease liabilities	租賃負債	–	12,329	**12,329**

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

附註: 就呈報截至2019年12月31日止年度按間接法計量的經營活動現金流量而言，營運資金的變動乃根據上文所披露於2019年1月1日的年初綜合財務狀況表計算。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts[1]
Amendments to IFRS 3	Definition of a Business[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current[5]
Amendments to IAS 1 and IAS 8	Definition of Material[4]
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform[4]

1 Effective for annual periods beginning on or after 1 January 2021.
2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2020.
5 Effective for annual periods beginning on or after 1 January 2022.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

已頒佈但尚未生效的新訂及經修訂《國際財務報告準則》

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂的《國際財務報告準則》:

《國際財務報告準則》第17號	保險合約[1]
《國際財務報告準則》第3號之修訂	業務的定義[2]
《國際財務報告準則》第10號及《國際會計準則》第28號之修訂	投資者與其聯營企業或合營企業之間的資產出售或投入[3]
《國際會計準則》第1號之修訂	將負債分類為流動或非流動[5]
《國際會計準則》第1號及《國際會計準則》第8號之修訂	重大的定義[4]
《國際財務報告準則》第9號、《國際會計準則》第39號及《國際財務報告準則》第7號之修訂	利率基準改革[4]

1 於2021年1月1日或之後開始的年度期間生效。
2 適用於收購日期為2020年1月1日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購。
3 於待定的日期或之後開始的年度期間生效。
4 於2020年1月1日或之後開始的年度期間生效。
5 於2022年1月1日或之後開始的年度期間生效。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and amendments to IFRSs in issue but not yet effective (continued)

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in IFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

Except for the amendments to IFRSs and the revised Conceptual Framework mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 1 and IAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of "obscuring" material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from "could influence" to "could reasonably be expected to influence"; and
- include the use of the phrase "primary users" rather than simply referring to "users" which was considered too broad when deciding what information to disclose in the consolidated financial statements.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

已頒佈但尚未生效的新訂及經修訂《國際財務報告準則》(續)

除上述新訂及經修訂《國際財務報告準則》外，於2018年頒佈經修訂財務報告概念框架。其相應修訂(即*對於《國際財務報告準則》內提述概念框架的修訂*)於2020年1月1日或之後開始的年度期間生效。

除下文所述的經修訂《國際財務報告準則》及經修訂概念框架外，本公司董事預期應用所有其他新訂及經修訂《國際財務報告準則》將不會於可預見未來對綜合財務報表構成重大影響。

《國際財務報告準則》第1號及《國際會計準則》第8號重大的定義之修訂

該等修訂透過載入作出重大判斷時的額外指引及解釋，對重大的定義進行修訂。尤其是以下修訂：

- 包含「掩蓋」重要資料的概念，其與遺漏或誤報資料有類似效果；
- 就影響使用者的重要性範圍以「可合理預期影響」取代「可影響」；及
- 包含使用「主要使用者」一詞，而非僅指「使用者」，於決定在綜合財務報表內披露何等資料時，該用語被視為過於廣義。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and amendments to IFRSs in issue but not yet effective (continued)

Amendments to IFRS 1 and IAS 8 Definition of Material (continued)

The amendments also align the definition across all IFRSs and will be mandatorily effective for the Group's annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

Conceptual Framework for Financial Reporting 2018 (the "New Framework") and the Amendments to References to the Conceptual Framework in IFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

已頒佈但尚未生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第1號及《國際會計準則》第8號重大的定義之修訂(續)

該等修訂亦與所有《國際財務報告準則》內的定義一致，並將在本集團於2020年1月1日開始的年度期間強制生效。預期應用該等修訂不會對本集團的財務狀況及表現構成重大影響，惟可能影響於綜合財務報表內的呈列及披露。

2018年財務報告概念框架(「新框架」)及對於《國際財務報告準則》內提述概念框架的修訂

新框架：

- 重新引入「管理工作」及「謹慎」兩個詞彙；
- 引入著重權利的新資產定義，以及較其所取代的定義範圍更廣的新負債定義，惟並無改變負債與股本工具之間的區分；
- 討論歷史成本及當前價值計量方法，並就如何選擇某一資產或負債的計量基準提供額外指引；
- 指出以損益初步計量財務表現，並僅在例外情況下對資產或負債現值變動所產生的收入或開支使用其他全面收益；及
- 討論有關不確定性、終止確認、賬目單位、呈報實體及合併財務報表的事項。

2. Application of New and Amendments to International Financial Reporting Standards ("IFRSs") (continued)

New and amendments to IFRSs in issue but not yet effective (continued)

Conceptual Framework for Financial Reporting 2018 (the "New Framework") and the Amendments to References to the Conceptual Framework in IFRS Standards (continued)

Consequential amendments have been made so that references in certain IFRSs have been updated to the New Framework, whilst some IFRSs are still referred to the previous versions of the framework. These amendments are effective for the Group's annual period beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. 應用新訂及經修訂的《國際財務報告準則》(「《國際財務報告準則》」)(續)

已頒佈但尚未生效的新訂及經修訂《國際財務報告準則》(續)

2018年財務報告概念框架(「新框架」)及對於《國際財務報告準則》內提述概念框架的修訂(續)

本集團已作出相應修訂，致使若干《國際財務報告準則》中的提述已更新至新框架之規定，惟部分《國際財務報告準則》仍提述有關框架的先前版本。有關修訂將於本集團在2020年1月1日或之後開始的年度期間生效，並獲准提早應用。除仍提述有關框架的先前版本的特定準則外，本集團將於新框架生效日期起在釐定會計政策(尤其是就並無於會計準則下以其他方式處理的交易、事件或狀況而言)時依賴新框架。

3. 重大會計政策

綜合財務報表按照國際會計準則理事會頒佈的國際財務報告準則擬備。此外，綜合財務報表包括《香港聯合交易所有限公司證券上市規則》(「《上市規則》」)及《香港公司條例》規定的適用披露。

綜合財務報表乃按歷史成本基準擬備，惟若干金融工具於各報告期末按公允價值計量，如下文列示的會計政策所闡釋。

歷史成本一般按交換貨品及服務的代價的公允價值計算。

3. Significant Accounting Policies (continued)

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 (since 1 January 2019) or IAS 17 (before application of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. 重大會計政策(續)

公允價值指於計量日市場參與者之間於有序交易中出售資產可收取或轉讓負債應支付的價格(不論該價格是否可直接觀察或使用其他估值方法估計得出)。於估計資產或負債的公允價值時,本集團會考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債特點。該等綜合財務報表中作計量及/或披露用途的公允價值乃按此基準釐定,惟《國際財務報告準則》第2號*以股份為基礎的付款*範圍內的以股份為基礎的付款交易、根據《國際財務報告準則》第16號(自2019年1月1日起)或《國際會計準則》第17號(應用《國際財務報告準則》第16號之前)列賬的租賃交易,以及與公允價值計量相似但並非公允價值的計量(例如《國際會計準則》第2號*存貨*的可變現淨值或《國際會計準則》第36號*資產減值*的使用價值)除外。

按公允價值交易的金融工具,凡於其後期間應用以不可觀察數據計量公允價值的估值方法,估值方法應予校正,以致初步確認時,估值方法的結果相等於交易價格。

此外,為進行財務申報,公允價值計量乃根據公允價值計量輸入值的可觀察程度及輸入值對公允價值計量整體的重要性分類為第一層、第二層或第三層,詳情載列如下:

- 第一層輸入值為相同資產或負債於實體可進入的活躍市場在計量日期的報價(未經調整);
- 第二層輸入值為資產或負債可直接或間接觀察的輸入值(不包括計入第一層的報價);及
- 第三層輸入值為資產或負債不可觀察的輸入值。

主要會計政策於下文列示。

3. Significant Accounting Policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. 重大會計政策(續)

綜合基準

綜合財務報表包括本公司以及本公司及其附屬公司所控制實體的財務報表。當本公司符合以下要素時，則取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象業務而承擔浮動回報的風險或享有權利；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

倘本集團於投資對象的投票權未能佔大多數，則當投票權足以賦予本集團實際能力以單方面指揮投資對象的相關活動時即對投資對象擁有權力。本集團於評估本集團於投資對象的投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 相較其他投票權持有人所持投票權的數量及分散情況，本集團持有投票權的數量；
- 本集團、其他投票權持有人或其他人士持有的潛在投票權；
- 其他合約安排產生的權利；及
- 需要作出決定時，顯示出本集團目前能夠或不能指揮相關活動的任何額外事實及情況(包括於過往股東會議上的投票模式)。

3. Significant Accounting Policies (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. 重大會計政策(續)

綜合基準(續)

附屬公司的綜合入賬於本集團取得有關附屬公司的控制權起開始，並於本集團失去有關附屬公司的控制權時終止。具體而言，年內所收購或出售附屬公司的收益及開支乃自本集團取得控制權日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司的日期為止。

損益及其他全面收益的每個項目乃歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

於必要時，將對附屬公司的財務報表作出調整，以令彼等的會計政策與本集團的會計政策一致。

有關本集團成員之間交易的所有集團內公司間的資產及負債、權益、收入、開支及現金流量於綜合時悉數對銷。

於附屬公司的非控股權益與本集團於當中的權益分開呈列，指現時賦予其持有人權利於清盤時按比例分佔相關附屬公司淨資產之所有權權益。

3. Significant Accounting Policies (continued)

Basis of consolidation (continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

3. 重大會計政策(續)

綜合基準(續)

本集團於現有附屬公司權益的變動

本集團於現有附屬公司權益出現變動，但並無導致本集團失去該等附屬公司的控制權，均以權益交易入賬。本集團非控股權益的賬面值均予以調整，以反映彼等於附屬公司的相關權益的變動。非控股權益的調整金額與已付或已收代價公允價值間的任何差額直接於權益確認，並歸屬於本公司擁有人。

業務合併

收購業務採用收購法入賬。業務合併中所轉讓代價按公允價值計量，而有關金額乃按本集團所轉讓資產、本集團向被收購方前擁有人所產生負債及本集團於交換被收購方控制權時所發行股本權益的收購日期公允價值之總額計量。收購相關成本一般於產生時在損益確認。

於收購日，所收購的可識別資產及所承擔的負債按公允價值確認，惟下文所述者除外：

- 遞延税項資產或負債及與僱員福利安排有關的資產或負債，分別根據《國際會計準則》第12號*所得税*及《國際會計準則》第19號*僱員福利*確認及計量；

3. Significant Accounting Policies (continued)

Business combinations (continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

3. 重大會計政策(續)

業務合併(續)

- 與被收購方以股份為基礎的付款安排或以本集團訂立以股份為基礎的付款安排取代被收購方以股份為基礎的付款安排相關的負債或股本工具乃於收購日期根據《國際財務報告準則》第2號*以股份為基礎的付款*計量(見下文會計政策);

- 根據《國際財務報告準則》第5號*持作出售的非流動資產及已終止經營業務*分類為持作出售的資產(或出售組別)則根據該準則計量;及

- 租賃負債按剩餘租賃付款(定義見《國際財務報告準則》第16號)的現值確認及計量,猶如收購的租賃於收購日期為新租賃。使用權資產按與相關租賃負債相同的金額確認及計量,並進行調整以反映與市場條款相比租賃的有利或不利條款。

商譽應按所轉讓的對價、在被收購方的任何非控股權益金額以及收購方先前在被收購方持有的權益(如有)的公允價值的總額超過收購日期所取得的可辨認資產和所承擔的負債相抵後的淨額的差額進行計量。如果在重新評估後,收購日期所取得的可辨認資產和所承擔的負債相抵後的淨額超過所轉讓的對價、在被收購方的任何非控股權益金額以及收購方先前在被收購方持有的權益(如有)的公允價值的總額,超出的差額立即作為收購利得計入損益。

代表當前所有者權益並使其持有者有權在清算時享有相關附屬公司資產淨值的比例份額的非控股權益,可按非控股權益享有被收購方可辨認資產淨值已確認金額的份額或按公允價值進行初始計量。

3. Significant Accounting Policies (continued)

Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

The Group's policy for goodwill arising on acquisition of an associate is described below.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

3. 重大會計政策(續)

業務合併(續)

倘業務合併的初步會計處理於合併發生的報告期末仍未完成，則本集團會就仍未完成會計處理的項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出調整，並確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況的新資料，而倘知悉該等資料，將會影響於當日確認的金額。

本集團對於收購聯營企業所產生的商譽的政策於下文說明。

商譽

收購業務而產生的商譽乃按成本(於收購業務當日確定)(參閱上文會計政策)減任何累計減值虧損(如有)入賬。

就減值測試而言，商譽會被分配至預期因合併的協同效應而獲益的本集團各現金產生單位(或現金產生單位組別)，即指就內部管理而言監控商譽的最低層級且不大於經營分部的單位。

獲分配商譽的現金產生單位(或現金產生單位組別)會每年進行減值測試，或於有跡象顯示有關單位可能出現減值時更頻密地進行減值測試。就於報告期內因收購而產生的商譽而言，獲分配商譽的現金產生單位(或現金產生單位組別)於該報告期末前進行減值測試。若可收回金額少於其賬面值，則減值虧損會先分配以扣減任何商譽的賬面值，其後按該單位內各項資產賬面值的比例分配至該單位(或現金產生單位組別)的其他資產。

3. Significant Accounting Policies (continued)

Goodwill (continued)

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Investment in an associate

An associate is an entity over which the Group has 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 results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. 重大會計政策(續)

商譽(續)

當出售相關現金產生單位或現金產生單位組別內任何現金產生單位時，商譽的應佔金額將於釐定出售損益金額時計算在內。本集團出售現金產生單位(或現金產生單位組別內的現金產生單位)內的業務時，出售的商譽金額基於所出售業務(或現金產生單位)的相關價值及保留的現金產生單位部分(或現金產生單位組別)計量。

於聯營企業的投資

聯營企業指本集團對其有重大影響力的實體。重大影響力指參與被投資方財務和經營決策的權力，但並非對這些政策有控制權或共同控制權。

聯營企業的業績與資產及負債按權益會計法納入該等綜合財務報表。按權益會計法核算的聯營企業的財務報表是用在相似情況下與本集團類似交易或事項統一的會計政策來擬備。為使聯營企業的會計政策與本集團的一致，已作出恰當調整。根據權益法，於聯營企業的投資在綜合財務狀況表中按成本進行初始確認，並在其後進行調整，以確認本集團應佔該聯營企業的損益及其他全面收益。除損益或其他全面收益外，該聯營企業的資產淨值變動不予記賬，除非該等變動導致本集團所持的所有權權益發生變動。倘本集團應佔聯營企業的損失超過本集團在該聯營企業中的權益(包括任何實質上構成本集團對該聯營企業的淨投資的長期權益)，本集團應終止確認其應佔的其他損失。額外損失僅在本集團發生的法定或推定義務或代表聯營企業進行的支付範圍內進行確認。

3. Significant Accounting Policies (continued)

Investment in an associate (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 重大會計政策(續)

於聯營企業的投資(續)

於聯營企業的投資應自被投資者成為聯營企業之日起採用權益法進行核算。取得於聯營企業的投資時，投資成本超過本集團應佔被投資者的可辨認資產及負債的公允價值淨額的部分確認為商譽(商譽會納入投資的賬面值內)。若本集團應佔該等可辨認資產及負債的公允價值淨額超過投資成本，則超出的金額在經重新估算後，在取得該項投資的當期立即於損益內確認。

本集團會評估是否有客觀證據表明於聯營企業的權益存在減值。當存在任何客觀證據時，投資(包括商譽)的全部賬面值應按照《國際會計準則》第36號，作為一項單項資產通過將其可收回金額(使用價值和公允價值減去出售成本後的餘額兩者中的較高者)與其賬面值進行比較進行減值測試。已確認的任何減值虧損不會分配至任何資產(包括商譽)，構成投資賬面值的一部分。該項減值虧損的任何撥回金額應按照《國際會計準則》第36號的規定，以投資的可收回金額其後增加為限進行確認。

3. Significant Accounting Policies (continued)

Investment in an associate (continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

3. 重大會計政策(續)

於聯營企業的投資(續)

當本集團對一間聯營企業不再有重大影響力時，其入賬列作出售於該投資對象的全部權益，由此產生的收益或虧損於損益內確認。當本集團保留於前聯營企業的權益，而該保留權益屬於《國際財務報告準則》第9號範圍內的金融資產時，則本集團按該日的公允價值計量保留權益，而該公允價值被視為其於初步確認時的公允價值。聯營企業的賬面值與任何保留權益及任何出售聯營企業相關權益的任何所得款項公允價值之間的差額，在釐定出售聯營企業的收益或虧損時入賬。此外，本集團按照如同聯營企業已直接出售相關資產或負債所適用的基準核算此前計入其他全面收益的與該聯營企業相關的全部金額。因此，如果此前被該聯營企業計入其他全面收益的利得或損失應在處置相關資產或負債時被重新分類至損益，則本集團在出售相關聯營企業後將利得或損失從權益重新分類至損益(作為重新分類調整)。

當某集團主體與本集團的聯營企業進行交易時，此類與聯營企業進行的交易所產生的損益將僅按聯營企業中的權益與本集團無關的份額，在本集團的綜合財務報表中予以確認。

客戶合約收入

當(或於)完成履約責任時，本集團確認收入，即於特定履約責任的相關服務的「控制權」轉讓予客戶時確認。

履約責任指一項明確服務(或一批服務)或一系列大致相同的明確服務。

3. Significant Accounting Policies (continued)

Revenue from contracts with customers (continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. 重大會計政策(續)

客戶合約收入(續)

控制權隨時間轉移，而倘滿足以下其中一項標準，則收入乃參照完全滿足相關履約責任的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約創建或強化一項資產，該資產於本集團履約之時即由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的款項具有可執行權利。

否則，收入於客戶獲得明確服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的服務收取代價的權利(尚未成為無條件)。其根據《國際財務報告準則》第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

合約負債指本集團因已自客戶收取代價(或已可自客戶收取代價)，而須轉讓服務予客戶的責任。

與相同合約有關的合約資產及合約負債均按淨額基準入賬及呈列。

3. Significant Accounting Policies (continued)

Revenue from contracts with customers (continued)

Principal versus agent

When another party is involved in providing services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the Group is a principal) or to arrange for those services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified service before that service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified service by another party. In this case, the Group does not control the specified service provided by another party before that service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified services to be provided by the other party.

Leases

Definition of a lease (upon application of IFRS 16 in accordance with transitions in note 2)

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

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

3. 重大會計政策(續)

客戶合約收入(續)

委託人與代理

當有另一方涉及向客戶提供服務時，本集團會釐定其承諾性質屬由其自身提供指定服務(即本集團為委託人)或安排將由其他方提供該等服務(即本集團為代理)的履約責任。

倘本集團於指定服務轉交客戶前控制該服務，則本集團為委託人。

倘本集團的履約責任為安排另一方提供指定服務，則本集團為代理。在此情況下，本集團於另一方所提供指定服務轉交客戶前並無控制該服務。倘本集團以代理身份行事，將就其預期於安排其他方提供指定服務時有權收取的任何費用或佣金金額確認收入。

租賃

租賃的定義(根據附註2內的過渡條文應用《國際財務報告準則》第16號後)

倘合約獲給予權利在一段時間內使用已識別資產以換取對價，則該合約為租賃或包含租賃。

對於初始應用日期或之後訂立或修訂或業務合併產生的合約，本集團根據《國際財務報告準則》第16號項下的定義，於開始、修訂或收購日期(如適用)評估合約是否是一項租賃或包含一項租賃。除非合約條款及條件在後續發生變更，否則不會對此類合約進行重新評估。

3. Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

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

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

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2內的過渡條文應用《國際財務報告準則》第16號後)

將對價分配至合約成分

倘合約包含一個租賃組成部分以及一個或多個額外的租賃或非租賃組成部分，則本集團應基於租賃組成部分的相關單獨價格及非租賃組成部分的單獨價格總和，將合約中的對價在各租賃組成部分之間進行分攤。

作為可行權宜方法，倘本集團合理預期對財務報表造成的影響與組合中的個別租賃並無重大差異時，則具類似特徵的租賃按租賃組合基準入賬。

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及

3. Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2) (continued)

Right-of-use assets (continued)

- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position.

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

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments ("IFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2內的過渡條文應用《國際財務報告準則》第16號後)(續)

使用權資產(續)

- 本集團於拆除及拆遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況而產生的成本估計。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

本集團於綜合財務狀況表內將並不符合投資物業定義的使用權資產呈列為單獨項目。

對於本集團可合理確定在租賃期結束時取得相關租賃資產所有權的使用權資產，自開始日期至使用壽命結束計提折舊。否則，使用權資產應按估計使用壽命及租賃期兩者中的較短者以直線法計提折舊。

可退回租賃按金

已付可退回租賃按金乃根據《國際財務報告準則》第9號金融工具(「《國際財務報告準則》第9號」)入賬，初步按公允價值計量。初始確認時對公允價值作出的調整被視為額外租賃付款且計入使用權資產成本。

3. Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2) (continued)

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2內的過渡條文應用《國際財務報告準則》第16號後)(續)

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。

租賃付款包括：

- 固定付款(包括實質性的固定付款)減任何已收租賃優惠；
- 根據剩餘價值擔保預期應支付的金額；
- 本集團合理確定將予行使購買選擇權的行使價；及
- 倘租期反映本集團會行使選擇權終止租賃，則計入終止租賃的罰款。

於開始日期後，租賃負債根據利息增長及租賃付款作出調整。

3. Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2) (continued)

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(根據附註2內的過渡條文應用《國際財務報告準則》第16號後)(續)

租賃修訂

倘出現以下情況，本集團會將租賃修訂作為一項單獨的租賃入賬：

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

就未作為一項單獨租賃入賬的租賃修訂而言，本集團基於透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃付款的經修訂租賃的租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，對租賃負債的重新計量進行會計處理。當修訂後的合約包含租賃成分和一個或多個其他租賃或非租賃成分時，本集團會根據租賃成分的相對獨立價格及非租賃成分的總獨立價格將修訂後的合約中的對價分配至各租賃成分。

3. Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessee (prior to 1 January 2019)

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

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

3. 重大會計政策(續)

租賃(續)

本集團作為承租人(於2019年1月1日之前)

凡租賃條款將擁有權的絕大部分風險及回報轉移至承租人的租賃乃分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃付款(包括取得經營租賃項下所持土地的成本)在租賃期內採用直線法確認為開支。

本集團作為出租人

租賃的分類及計量

本集團作為出租人的租賃分類為融資租賃或經營租賃。當租賃的條款實質上將與相關資產所有權相關的所有風險及報酬轉讓給承租人時，該項合約被歸類為融資租賃。所有其他租賃應歸類為經營租賃。

經營租賃的租金收入在相關租賃期限內按照直線法於損益內確認。磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，有關成本於租賃期內按直線法確認為開支。

3. Significant Accounting Policies (continued)

Leases (continued)

The Group as a lessor (upon application of IFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 重大會計政策(續)

租賃(續)

本集團作為出租人(根據附註2內的過渡條文應用《國際財務報告準則》第16號後)

將對價分配至合約成分

倘合約包括租賃及非租賃成分，本集團應用《國際財務報告準則》第15號，將合約對價分配至租賃及非租賃成分。非租賃成分與租賃成分基於相關的單獨銷售價格進行分拆。

可退回租賃按金

已收到的可退回租賃按金根據《國際財務報告準則》第9號進行入賬，並初始按公允價值計量。初始確認時的公允價值調整確認為承租人的額外租賃付款。

租賃修訂

本集團應當自修訂生效日起，將經營租賃的修訂作為一項新租賃進行會計處理，並將任何與原租賃相關的預付或應計租賃付款視為新租賃的租賃付款的一部分。

外幣

在編製各集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)進行的交易按交易日期的即期匯率確認。在報告期末，以外幣計價的貨幣性項目應按當日的即期匯率重新換算。按外幣歷史成本計量的非貨幣項目不予重新換算。

3. Significant Accounting Policies (continued)

Foreign currencies (continued)

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. 重大會計政策(續)

外幣(續)

結算貨幣項目及重新換算貨幣項目所產生的匯兑差額，在其產生期間於損益中確認。

就呈列綜合財務報表而言，本集團業務的資產及負債均按各報告期末的即期匯率換算為本集團的呈列貨幣(即人民幣)。收入及開支項目乃按期內平均匯率換算，除非匯率於該期間內大幅波動，該情況下則採用交易日期的匯率換算。所產生的匯兑差額(如有)均於其他全面收益內確認，並於匯兑波動儲備項下的權益中累計(於適當時撥作非控股權益)。

出售境外業務時(即出售本集團於境外業務的全部權益、或出售涉及失去包括境外業務的附屬公司的控制權、或出售包括境外業務的聯營公司的部分權益(其保留權益成為一項財務資產))，本公司擁有人就該業務應佔的所有於股權累計的匯兑差額乃重新分類至損益。

此外，就並未導致本集團失去對該附屬公司控制權的部分出售附屬公司而言，按比例分佔的累計匯兑差額乃重新計入非控股權益，而並不於損益內確認。就所有其他部分出售(即並未導致本集團失去重大影響力的部分出售聯營企業)，按比列分佔的累計匯兑差額乃重新分類至損益。

3. Significant Accounting Policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Effective 1 January 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 重大會計政策(續)

借款成本

收購、建造或生產合資格資產(為需要長時間方能達致擬定用途或銷售的資產)直接應佔的借款成本，均加入該等資產的成本，直至該等資產大致可用作擬定用途或銷售為止。

自2019年1月1日起，在相關資產可用作擬定用途或銷售之後仍未償還的任何特定借款乃於計算一般借款資本化率的一般借款組合內入賬。運用特定借款作短期投資以待撥入合資格資產的開支所賺取的投資收益，會從可供資本化的借款成本中扣減。

所有其他借款成本於產生期間於損益內確認。

政府補助

除非合理保證本集團將滿足接受政府補助的條件且會收到該補助，否則不應確認該政府補助。

政府補助是作為開支或已發生的損失補償或以給予本集團即時財務支援為目的而應收，且並無未來相關成本，並在其成為應收的期間內於損益確認。

退休福利成本及離職福利

當僱員已提供服務並享有退休供款時，界定供款退休計劃的供款乃確認為開支。

3. Significant Accounting Policies (continued)

Short-term and other employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

3. 重大會計政策(續)

短期及其他僱員福利

短期僱員福利按僱員提供服務時預期應支付福利的未貼現金額確認。所有短期僱員福利均確認為開支，除非另有《國際財務報告準則》規定或允許將該福利納入資產成本。

在扣除已支付的金額後，僱員應計福利(如工資及薪金、年假及病假)確認為負債。

以股份為基礎的付款

股權結算以股份為基礎的付款交易

授予僱員的購股權

向僱員及提供類似服務的其他人士作出的股權結算以股份為基礎的付款按授予日期的股本工具的公允價值計量。

於授予日期釐定股權結算以股份為基礎的付款的公允價值(不計及所有非市場歸屬條件)會於歸屬期內根據本集團對將會最終歸屬的股本工具的估計，按直線法支銷，並於權益(購股權儲備)中作出相應增加。於各報告期末，本集團修訂其基於對所有相關非市場歸屬條件的評估對預期歸屬的股本工具數目的估計。修訂原定估計的影響(如有)於損益確認，以使累計開支反映經修訂估計，並對以股份為基礎的付款儲備作出相應調整。就於授予日期即時歸屬的股份而言，所授出股份的公允價值乃即時於損益支銷。

3. Significant Accounting Policies (continued)

Share-based payments (continued)

Equity-settled share-based payment transactions (continued)

Share options granted to employees (continued)

When share options are exercised, the amount previously recognised in share option reserve will be transferred to capital reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will continue to be held in share option reserve.

When shares granted are vested, the amount previously recognised in share option reserve will be transferred to capital reserve.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 重大會計政策(續)

以股份為基礎的付款(續)

股權結算以股份為基礎的付款交易(續)

授予僱員的購股權(續)

當行使購股權時，先前於購股權儲備確認的數額將轉撥至股本儲備。倘購股權在歸屬日期後被沒收或於屆滿日期仍未行使，先前於購股權儲備確認的數額將繼續於購股權儲備內入賬。

當授予的股份被歸屬時，先前於購股權儲備確認的數額將轉撥至股本儲備。

税項

所得税開支指即期應付的税項與遞延税項的總和。

即期應付的税項以年度應課税利潤計算。應課税利潤與税前利潤不同，乃由於應課税利潤不包括於其他年度的應課税或可予扣減的收益或開支，同時亦不包括永不須課税或不可扣減的項目。本集團即期的税項負債按照報告期末已執行或實質上已執行的税率計算。

3. Significant Accounting Policies (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. 重大會計政策(續)

稅項(續)

遞延稅項按照綜合財務報表中資產及負債的賬面值與計算應課稅利潤時採用的相應稅基之間的暫時性差異確認。遞延稅項負債通常按全部應課稅暫時性差異確認。遞延稅項資產通常在很可能取得能利用可抵免暫時性差異來抵扣應課稅利潤的範圍內確認。如果暫時性差異來自一項交易中資產及負債的初始確認(除業務合併外),且該交易既不影響應課稅利潤,也不影響會計利潤,則該等遞延稅項資產及負債不予以確認。此外,若暫時性差異來自商譽的初始確認,遞延稅項負債不予確認。

遞延稅項負債按附屬公司及聯營企業投資相關的應課稅暫時性差異確認,除非本集團能夠控制該暫時性差異的撥回及該暫時性差異在可預見的未來很可能不會撥回。與該等投資相關的可抵扣暫時性差異產生的遞延稅項資產只在能夠取得充足的應課稅利潤以抵扣暫時性差異且該暫時性差異預計在可預見的未來將撥回的情況下才予以確認。

遞延稅項資產的賬面值在各報告期末進行審查,在不再可能有充足應課稅利潤來收回全部或部分資產的情況下扣減。

遞延稅項資產及負債按照預計適用於清償負債或變現資產期間的稅率,根據於報告期末已執行或實質上已執行的稅率(及稅法)為基礎計量。

3. Significant Accounting Policies (continued)

Taxation (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities. For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition due to application of the initial recognition exemption. Temporary difference arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modification that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 重大會計政策(續)

稅項(續)

遞延稅項負債及資產的計量，應反映本集團在報告期末預期收回或清償其資產及負債賬面值的方式所導致的稅項後果。

為就本集團確認使用權資產及相關租賃負債的租賃交易而計量遞延稅項，本集團首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。就稅項扣減歸屬於租賃負債的租賃交易而言，本集團將《國際會計準則》第12號「所得稅」的規定分別應用於使用權資產及租賃負債。由於應用初始確認豁免，故與使用權資產及租賃負債相關的暫時性差異於初始確認時不予確認。因重新計量並無應用初始確認豁免的租賃負債及租賃修訂而導致隨後對使用權資產及租賃負債的賬面值作出修訂所產生的暫時性差異於重新計量或修改日期確認。

倘有可依法強制執行權利將即期稅項資產與即期稅項負債相互抵銷，而與由同一稅務機構向同一課稅實體徵收的所得稅相關，則遞延稅項資產及負債可相互抵銷。

即期及遞延稅項確認為損益，但當其與在其他全面收益或直接在權益中確認的項目相關則除外，在這種情況下，即期及遞延稅項亦分別在其他全面收益或直接在權益中確認。倘即期稅項或遞延稅項因業務合併的初次會計處理而產生，稅項影響則納入業務合併的會計處理中。

3. Significant Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the provision of services, or for administrative purposes. Property, plant and equipment (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings and leasehold improvements in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" (upon application of IFRS 16) or "prepaid lease payments" (before application of IFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

3. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備為用於提供服務或作行政用途而持有的有形資產。物業、廠房及設備(在建工程除外)按照成本減去後續累積折舊及後續累積減值虧損(如有)列示於綜合財務狀況表。

正在建設以供生產、供應或作行政用途的樓宇及租賃物業裝修按成本減任何已確認減值虧損列賬。成本包括任何因令資產達致其能夠按管理層根據本集團會計政策擬定的方式營運所需的位置及狀態而直接導致的任何成本。當該等資產可供用作其擬定用途時，該等資產按與其他物業資產相同的基準開始折舊。

於租賃土地及樓宇的所有權

當本集團就於物業的擁有權權益(包括租賃土地及樓宇成分)付款時，全部代價於租賃土地及樓宇成分之間按初始確認時的相對公允價值的比例分配。

倘能可靠分配相關付款，於租賃土地的權益於綜合財務狀況表內呈列為「使用權資產」(應用《國際財務報告準則》第16號之後)或「預付租賃款項」(應用《國際財務報告準則》第16號之前)。倘對價無法在相關租賃土地的非租賃樓宇成分及未分割利益之間可靠分配，則整項物業歸類為「物業、廠房及設備」。

3. Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Ownership interests in leasehold land and building (continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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

3. 重大會計政策(續)

物業、廠房及設備(續)

於租賃土地及樓宇的所有權(續)

折舊是以直線法在估計可使用年期內，按足以撇銷資產成本再減去其剩餘價值確認。估計可使用年期、剩餘價值及折舊方法會在各報告期末審查，而任何估計變更的影響乃按前瞻基準入賬。

物業、廠房及設備項目於出售時或於預期不會從持續使用該資產中獲得未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目而引致的任何收益或虧損，乃按有關資產的出售所得款項與賬面值的差額釐定，並於損益中確認。

投資物業

投資物業指持有以賺取租金及／或持作資本升值之用的物業。

投資物業初始按成本(包括任何直接應佔費用)計算。於初次確認後，投資物業乃按成本減後續累計折舊及任何累計減值虧損列賬。折舊是以直線法在估計可使用年期內，按足以撇銷投資物業的成本並計及其估計剩餘價值後確認。

投資物業於出售時或於投資物業永久不可使用及預期其出售不會產生未來經濟利益時終止確認。終止確認物業產生的任何收益或虧損(按有關資產的出售所得款項淨值與賬面值的差額計算)於終止確認該物業的期間內計入損益。

3. Significant Accounting Policies (continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

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

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. 重大會計政策(續)

無形資產

單獨獲得的無形資產

單獨獲得的有限可使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損入賬。有限可使用年期的無形資產攤銷乃按直線基準於其估計可使用年期確認。估計可使用年限及攤銷方法於各匯報期末進行審閱，而任何估計變動的影響則按前瞻基準入賬。

內部形成無形資產 – 研發支出

研究活動支出於產生期間確認為開支。

開發活動(或是內部工程開發階段)所產生的內部形成無形資產，在及僅在呈現出以下所有條件時方予確認：

- 完成無形資產的技術可行性，從而可以使用或銷售；
- 有意去完成該無形資產從而使之可以使用或銷售；
- 使用或銷售無形資產的能力；
- 將來無形資產如何產生經濟效益；
- 可使用適當技術、財務及其他資源來完成其開發，並使用或銷售無形資產；及
- 於開發無形資產時能夠可靠計量其支出。

3. Significant Accounting Policies (continued)

Intangible assets (continued)

Internally-generated intangible assets – research and development expenditure (continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 重大會計政策(續)

無形資產(續)

內部形成無形資產 – 研發支出(續)

就內部形成無形資產初步確認的金額為無形資產首次符合上文所列的確認條件之日起所招致的支出總和。倘並無內部形成無形資產可予確認，則開發支出會於產生期間於損益中確認。

初步確認後，內部形成無形資產以與單獨獲得的無形資產相同的基準，按成本減累計攤銷及累計減值虧損(如有)列賬。

業務合併獲得的無形資產

業務合併獲得的無形資產與商譽分開確認，於獲得日期按其公允價值(視作其成本)初步確認。

初步確認後，可使用年期有限的業務合併獲得的無形資產以與單獨獲得的無形資產相同的基準，按成本減累計攤銷及任何累計減值虧損列賬。

無形資產於出售時或預期其使用或出售不會產生未來經濟利益時終止確認。終止確認無形資產產生的收益及虧損(按有關資產的出售所得款項淨值與賬面值的差額計算)於終止確認該資產時於損益內確認。

3. Significant Accounting Policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, corporates assets are allocated to individual cash generating units when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, the recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 重大會計政策(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)的減值

本集團於報告期末審閱其物業、廠房及設備、使用權資產及使用年期有限的無形資產的賬面值，以釐定有否任何跡象顯示此等資產蒙受減值虧損。倘任何該等跡象存在，則會估計相關資產的可收回金額，以釐定減值虧損的程度(如有)。

物業、廠房及設備、使用權資產及無形資產的可收回金額乃分開估計。倘無法分開估計可收回金額，則本集團估計資產所屬現金產生單位的可收回金額。

此外，倘可設立合理一致的分配基準，則公司資產會分配至獨立現金產生單位，否則有關資產會分配至可設立合理一致分配基準的最小組別的現金產生單位。本集團會評估該等公司資產是否存在減值跡象。倘存在有關跡象，則釐定該公司資產所屬現金產生單位或現金產生單位組別的可收回金額，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

可收回金額為公允價值減出售成本與使用價值兩者中較高者。在評估使用價值時，估計未來現金流量採用稅前貼現率貼現至其現值，該稅前貼現率反映當前市場對貨幣時間價值及資產(或現金產生單位)特定風險的評估，就此而言未來現金流量的估計未經調整。

3. Significant Accounting Policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 重大會計政策(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)的減值(續)

倘估計資產(或現金產生單位)的可收回金額將少於其賬面值，則資產(或現金產生單位)的賬面值將調減至其可收回金額。對於不能按合理一致的基準分配至現金產生單位的公司資產或部分公司資產，本集團將現金產生單位組別的賬面值(包括分配至該現金產生單位組別的公司資產或部分公司資產的賬面值)與現金產生單位組別的可收回金額進行比較。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位或現金產生單位組別內各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公允價值減出售成本(如可計量)、其使用價值(如可釐定)及零中的最高值。已另行分配至資產的減值虧損金額按比例分配至該單位或現金產生單位組別的其他資產。減值虧損會即時於損益內確認。

倘減值虧損其後撥回，則資產(或現金產生單位或現金產生單位組別)的賬面值調升至其可收回金額的經修訂估計值，惟該增加的賬面值不可超過倘該資產(或現金產生單位或現金產生單位組別)於過往年度並無減值虧損時釐定的賬面值。減值虧損的撥回即時於損益內確認。

3. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 重大會計政策(續)

金融工具

金融資產及金融負債乃於集團實體成為工具合約條文訂約方時進行確認。所有常規買賣的金融資產，按交易日基準確認及終止確認。常規買賣乃指按照市場規則或慣例在一定期間內交付資產的金融資產買賣。

除客戶合約產生的貿易應收款項根據《國際財務報告準則》第15號初步計量外，金融資產及金融負債初步按公允價值計量。收購或發行金融資產及金融負債直接應佔的交易成本(按公允價值計入損益(「按公允價值計入損益」)的金融資產或金融負債除外)乃於初步確認時自金融資產或金融負債的公允價值加入或扣除(如適用)。收購按公允價值計入損益的金融資產或金融負債直接應佔的交易成本，即時於損益內確認。

實際利率法指一種在有關期間內用於計算金融資產或金融負債的攤銷成本及分配利息收入及利息開支的方法。實際利率指在金融資產或金融負債的預期期限或(如適用)更短期間內能夠精確折現估計未來現金收款及付款(包括構成實際利率部分的一切已付或已收費用及基點、交易成本及其他溢價或折扣)至初步確認時賬面淨值的利率。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of IFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

3. 重大會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

符合以下條件的金融資產其後按攤銷成本計量：

- 於旨在收取合約現金流量的業務模式中持有的金融資產；及
- 合約條款規定於特定日期產生的現金流量純粹為未償還本金支付本金及利息。

符合以下條件的金融資產其後按公允價值計入其他全面收益(「按公允價值計入損益」)：

- 於旨在出售及收取合約現金流量的業務模式中持有的金融資產；及
- 合約條款規定於特定日期產生的現金流量純粹為未償還本金支付本金及利息。

所有其他金融資產其後按公允價值計入損益計量，惟倘股本投資並非持作買賣亦並非《國際財務報告準則》第3號*業務合併*適用的業務合併中收購方所確認的或然代價，於金融資產首次應用《國際財務報告準則》第9號／初步確認日期，本集團可不可撤銷地選擇在其他全面收益中呈列該股本投資公允價值的其後變動。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

金融資產於下列情況下為持作買賣：

- 其主要就短期內出售的目的而收購；或
- 初步確認時，其為本集團共同管理的已識別金融工具投資組合的一部分，並且近期具有短期獲利的實際模式；或
- 其為並非指定為有效對沖工具的衍生工具。

此外，倘不可撤銷地指定須按攤銷成本或按公允價值計入其他全面收益計量的金融資產為按公允價值計入損益計量可消除或大幅減少會計錯配，則本集團可如此行事。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(i) 攤銷成本及利息收入

利息收入乃使用金融資產的實際利息法其後按攤銷成本確認。利息收入乃透過向金融資產(其後出現信貸減值的金融資產除外)賬面值總額應用實際利率法計算得出(見下文)。就其後出現信貸減值的金融資產而言，利息收入乃透過向來自下一個報告期的金融資產攤銷成本應用實際利率法的確認。倘信貸減值金融工具的信貸風險有所改善，使致金融資產不再信貸減值，利息收入則透過向來自確定資產不再信貸減值後的報告期初的金融資產賬面值總額應用實際利率法確認。

(ii) 指定按公允價值計入其他全面收益的股本工具

按公允價值計入其他全面收益的股本工具投資其後連同來自於其他全面收益確認並於按公允價值計入其他全面收益儲備累積的公允價值變動產生的收益及虧損按公允價值計量；並且毋須接受減值評估。出售股本投資時，累積收益或虧損將不會重新分類至損益，而將轉撥至保留利潤。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) (continued)

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income and gains and losses" line item in profit or loss, if any.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income and gains and losses" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, deposits and other receivables, pledged deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(ii) (續)

除非來自股本工具投資的股息明確代表投資成本的收回部分，否則該等股息會於本集團收取股息的權利確立時於損益中確認。股息在損益中包含在「其他收入以及其他收益及虧損」項目中(如有)。

(iii) 按公允價值計入損益的金融資產

不符合按攤銷成本或按公允價值計入其他全面收益或指定為按公允價值計入其他全面收益計量的標準的金融資產乃按公允價值計入損益計量。

於各報告期末按公允價值計入損益的金融資產按公允價值計量，而倘有任何公允價值收益或虧損則於損益確認。於損益確認的收益或虧損淨額不包括就金融資產賺取的任何股息或利息，並計入「其他收入以及其他收益及虧損」項目。

金融資產減值

本集團根據預期信貸損失(「預期信貸損失」)模式對金融資產(包括貿易應收款項、按金及其他應收款項、已抵押存款及銀行結餘)進行減值評估。預期信貸損失金額於各報告日期作出更新，以反映自初步確認以來的信貸風險變動。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed collectively using a provision matrix that is based on days past due for trade receivables with similar loss patterns.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

全期預期信貸損失指相關工具預計使用年期內所有潛在違約事件將會引起的預期信貸損失。相反，12個月預期信貸損失(「12個月預期信貸損失」)指報告日期起計12個月內可能出現的違約事件預期將會引起的部分全期預期信貸損失。評估根據本集團過往信貸虧損經驗進行，並就債務人特有的因素、整體經濟狀況以及對於報告日期的當前狀況及未來狀況預測的評估作出調整。

本集團一直就貿易應收款項確認全期預期信貸損失。該等資產的預期信貸損失會根據具有類似虧損模式的貿易應收款項的逾期天數採用撥備矩陣進行整體評估。

對於所有其他工具，本集團計量的損失撥備等於12個月預期信貸損失，除非自初始確認後信貸風險顯著增加，在此情況下，本集團確認全期預期信貸損失。評估是否應確認全期預期信貸損失乃基於自初始確認以來發生違約的可能性或風險有否顯著增加。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, and the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期的金融工具發生違約的風險與於初步確認日期的金融工具發生違約的風險進行比較。在進行該評估時，本集團會考慮合理且有理據的定量和定性資料，包括無需付出不必要的成本或努力而可得到的歷史經驗及前瞻性資料。

在評估信貸風險是否顯著增加時，會特別考慮以下資料：

- 金融工具的外部(如有)或內部信用評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化(如信貸利差大幅增加)及債務人的信用違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；及

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) (continued)

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) (續)

- 債務人監管、經濟或技術環境出現會導致債務人履行其債務責任能力大幅下降的實際或預期重大不利變動。

不論上述評估結果如何，本集團認為，當合約付款逾期超過30天，則自初步確認起信貸風險已顯著增加，除非本集團有合理且有理據的資料證明並非如此。

本集團定期監控用以識別信貸風險有否顯著增加的標準的有效性，並適時修訂標準以確保標準能在款項逾期前識別信貸風險顯著增加。

(ii) 違約的定義

就內部信貸風險管理而言，當內部或外來資料表明債務人不大可能悉數(不計及本集團持有的任何抵押品)向其債權人(包括本集團)還款時，本集團認為已出現違約。

不管上述情況如何，當金融資產已逾期90日時，本集團會視作已出現違約，除非本集團有合理及有理據的資料說明較為寬鬆的違約準則更為合適。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iii) 金融資產信貸減值

當發生對金融資產的估計未來現金流量產生不利影響的一宗或多宗事件時，該金融資產即進行信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

(a) 發行人或借款人出現重大財務困難；

(b) 違反合約，例如違約或逾期事件；

(c) 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因，而向借款人授予貸款人原本不會考慮的優惠；或

(d) 借款人有可能面臨破產或其他財務重組。

(iv) 撇銷政策

在有資料顯示對手方陷入嚴重財務困難，且無實際收回金融資產的可能時，例如對手方被清盤或已進入破產程序，本集團會撇銷金融資產。在考慮適用法律意見後，已撇銷金融資產仍可根據本集團的收回程序進行強制性活動。撇銷構成終止確認事件。任何其後收回的金額會在損益確認。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables is assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸損失的計量及確認

預期信貸損失的計量為違約概率、違約虧損(即違約所造成的虧損程度)及違約風險的函數。違約概率及違約虧損乃根據經前瞻性資料調整的過往數據評估。預期信貸損失的估計反映無偏頗及概率加權的數額，其乃根據加權值的相應違約風險而確定。

一般而言，預期信貸損失為根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量(按初步確認時釐定的實際利率貼現)之間的差額。

倘預期信貸損失按整體基準計量或切合尚未能取得個別工具層面證據的情況，則金融工具按以下基準分組：

- 金融工具的性質(即本集團的貿易應收款項評估為獨立組別)；
- 逾期狀態；
- 債務人的性質、規模及行業；及
- 外部信用評級(倘可得)。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of ECL (continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸損失的計量及確認(續)

管理層定期檢討有關分組，以確保各組別的組成部分繼續具有類近的信貸風險特徵。

利息收入乃根據金融資產的賬面值總額計算，除非金融資產發生信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團透過調整所有金融工具的賬面值於損益確認其減值收益或虧損，惟貿易應收款項透過虧損撥備賬確認相應調整。

終止確認金融資產

僅在資產現金流量的合約權利到期，或在將金融資產以及資產所有權的絕大部分風險及回報轉移至其他實體時，本集團方會終止確認金融資產。

終止確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收對價總和之間的差額於損益中確認。

於終止確認本集團於初步確認時已選擇按公允價值計入其他全面收益計量的債務工具投資時，先前於按公允價值計入其他全面收益儲備中累計的收益或虧損並不會重新分類至損益，而是轉撥至保留利潤。

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including bank loans and other borrowings, trade payables and other payables and accruals are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融負債及股本

分類為債務或股本

債務及股本工具乃根據合約安排的實際內容及金融負債與股本工具的釋義分類為金融負債或股本。

股本工具

股本工具指能證明擁有實體資產在減除其所有負債後的剩餘權益的任何合約。本公司發行的股本工具按已收取的所得款項(扣除直接發行成本)確認。

按攤銷成本計量的金融負債

金融負債包括銀行貸款及其他借款、貿易應付款項以及其他應付款項及應計項目，其後採用實際利率法按攤銷成本計量。

終止確認金融負債

本集團會在及僅會在其責任獲解除、取消或屆滿時，方會終止確認金融負債。終止確認的金融負債的賬面值與已付及應付對價之間的差額於損益內確認。

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis or when there is impairment indicator. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Where the actual future cash flows are less than expected, or a change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. Details of the recoverable amount calculation for cash-generating units are set out in note 19.

4. 估計不確定性的主要來源

應用附註3所述本集團的會計政策時，本公司董事須就不能輕易從其他來源得知的資產及負債的賬面值作出判斷、估計及假設。有關估計及相關假設根據以往經驗及視為有關的其他因素作出。實際結果可能有別於該等估計。

有關估計及相關假設將持續審閱。倘會計估計的修訂僅影響修訂估計的期間，修訂將僅於該期間確認，倘修訂同時影響現時及未來期間，則於修訂期間及未來期間確認。

除涉及估計(見下文)者外，以下關鍵判斷為本公司董事在應用本集團會計政策過程中所作出並且對綜合財務報表內確認的金額構成最重大的影響。

有關未來的主要假設及於報告期末的估計不確定因素的其他主要來源(指存在重大風險，導致須對下個財政年度的資產及負債的賬面值進行重大調整者)載述如下：

商譽減值

本集團至少每年或於出現減值跡象時確定商譽是否減值。這需要估計獲分配商譽的現金產生單位的使用價值。本集團估計使用價值時，須估計現金產生單位的預計未來現金流量，並選用適合的貼現率計算該等現金流量的現值。倘實際未來現金流量少於預期，或事實及情況有所變化致使未來現金流量下調，則可能產生重大減值虧損。有關現金產生單位的可收回金額計算方法的詳情載於附註19。

4. Key Sources of Estimation Uncertainty (continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate lifetime ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geographical region and internal credit rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of lifetime ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables are disclosed in note 44 to the consolidated financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 December 2019 was RMB43,458,000 (2018: RMB29,150,000). Further details are set out in note 30 to the consolidated financial statements.

4. 估計不確定性的主要來源(續)

貿易應收款項的預期信貸損失撥備

本集團使用撥備矩陣計算貿易應收款項的全期預期信貸損失。撥備率乃根據具有類似虧損模式的多個客戶分部組別(即按地區及內部信用評級劃分)的逾期天數釐定。

撥備矩陣最初基於本集團的歷史觀察違約率。本集團將通過調整矩陣，以前瞻性資料調整歷史信貸損失經驗。例如，如果預測經濟狀況將在未來一年內惡化並導致製造業違約數量增加，歷史違約率將予調整。在各報告日期，歷史觀察違約率會被更新，並分析前瞻性估計的變化。

對歷史觀察違約率、預測經濟狀況及預期信貸損失之間的相關性的評估乃重大估計。全期預期信貸損失的金額對環境變化及預測的經濟狀況敏感。本集團的歷史信貸損失經驗及對經濟狀況的預測也可能無法作為客戶未來實際違約的指標。有關本集團貿易應收款項預期信貸損失的資料於綜合財務報表附註44披露。

遞延稅項資產

倘日後可能有應課稅利潤抵銷可動用稅務虧損，則就未使用的稅務虧損確認遞延稅項資產。根據日後應課稅利潤的可能產生時間及水平以及日後稅務規劃策略以釐定可確認的遞延稅項資產金額時，須作出重大管理層判斷。於2019年12月31日的未確認稅項虧損金額為人民幣43,458,000元(2018年：人民幣29,150,000元)。進一步詳情載於綜合財務報表附註30。

4. Key Sources of Estimation Uncertainty (continued)

Business combinations and goodwill

When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed are recognised at their fair value. Management estimation is required to determine the fair values of the assets acquired, the liabilities assumed, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. The fair values of the identifiable assets acquired and the liabilities assumed are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement and estimation is required in establishing fair values. Management must estimate the expected future cash flows and discount rate in order to calculate the fair values.

4. 估計不確定性的主要來源(續)

業務合併及商譽

倘本集團完成業務合併，則所收購的可識別資產及所承擔的負債按其公允價值確認。於釐定所收購資產及所承擔負債的公允價值、購買對價以及分配購買對價至可識別資產及負債時，須運用管理層估計。所收購的可識別資產及所承擔的負債的公允價值運用估值技術(包括貼現現金流模式)釐定。此等模式所用數據在可能情況下從可觀察市場取得，惟在不可行情況下，則須作出一定程度的判斷及估計以釐定公允價值。管理層須估計未來現金流量及折現率以計算公允價值。

5. Revenue

(i) Disaggregation of revenue from contracts with customers

5. 收入

(i) 客戶合約收入明細

Segments 分部		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Type of services	**服務類型**		
Testing services	檢測服務	**254,282**	204,108
Surveying services	鑒定服務	**127,426**	21,619
Witnessing and ancillary services	見證及輔助服務	**14,748**	8,023
Total	合計	**396,456**	233,750
Geographical markets	**地區市場**		
Greater China (Note)	大中華區(附註)	**287,500**	205,535
Singapore	新加坡	**79,162**	9,782
Other countries/regions	其他國家／地區	**29,794**	18,433
Total	合計	**396,456**	233,750
Timing of revenue recognition	**收入確認時間**		
A point in time	某一時間點	**396,456**	233,750
Total	合計	**396,456**	233,750
Revenue from contracts with customers	**客戶合約收入**		
External customers	外部客戶	**396,456**	233,750
Intersegment sales	分部間銷售	**8,646**	14,599
		405,102	248,349
Intersegment adjustments and eliminations	分部間調整及抵銷	**(8,646)**	(14,599)
Total	合計	**396,456**	233,750

Note: Greater China comprises the mainland of PRC, Hong Kong Special Administrative Region and Macau Special Administrative Region.

附註： 大中華區包括中國內地、香港特別行政區及澳門特別行政區。

5. Revenue (continued)

(ii) Performance obligations for contracts with customers

Rendering of services

The Group performs analytical tests for the quality of energy and commodities and issues testing certificates or reports within 24 to 48 hours after completion of the on-site preparation. The performance obligation is satisfied upon i) completion of testing services and ii) issuance of testing certificate.

The Group provides surveying services and witnessing and ancillary services on-site. Service reports are issued within 24 to 48 hours after services rendered. The performance obligation is satisfied upon completion of i) provision of services; and ii) issuance of service reports, if any.

All services provided by the Group are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. Operating Segment

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment focuses on revenue analysis by geographic location of customers. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographical information are presented.

5. 收入(續)

(ii) 客戶合約的履約責任

提供服務

本集團就能源及大宗商品品質進行分析測試，並於完成採樣後24至48小時內出具檢驗證書或報告。履約責任於i)檢測服務完成及ii)出具檢驗證書或報告後達成。

本集團提供鑒定服務及現場見證及輔助服務。於提供服務後24至48小時內出具相關報告。履約責任於i)提供服務；及ii)出具服務報告(如有)後達成。

本集團提供的所有服務均為期一年或以下。如《國際財務報告準則》第15號所允許，分配至該等未履行合約的交易價格不予披露。

6. 經營分部

向本公司執行董事(即主要營運決策者(「主要營運決策者」))呈報以便進行資源分配及評估的資料側重於按客戶的地域位置作出的收入分析。除本集團的整體業績及財務狀況外，概無提供其他獨立財務資料。因此，僅呈報實體披露事項、主要客戶及地域資料。

6. Operating Segment (continued)

Geographical information

The Group's operations are located in the Greater China and overseas.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the service provided. Information about the Group's non-current assets is presented based on the geographical location of the assets.

6. 經營分部(續)

地域資料

本集團的業務位於大中華區及海外。

有關外部客戶持續經營所得收入的資料乃按所提供服務的所在地呈報。關於本集團非流動資產的資料乃按資產的地域位置呈報。

		Revenue from external customers 外部客戶收入		Non-current assets 非流動資產	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	**2019 2019年 RMB'000 人民幣千元**	2018 2018年 RMB'000 人民幣千元
Greater China	大中華區	**287,500**	205,535	**159,452**	137,328
Singapore	新加坡	**79,162**	9,782	**41,330**	8,243
Others	其他	**29,794**	18,433	**18,497**	10,819
		396,456	233,750	**219,279**	156,390

Note: Non-current assets excluded financial instruments and deferred tax assets.

附註： 非流動資產不包括金融工具及遞延税項資產。

Information about a major customer

During the year ended 31 December 2019, revenue generated from one of the Group's customers accounting for 10% or more of the Group's total revenue was RMB67,498,000 (2018: RMB38,915,000).

一名主要客戶的資料

截至2019年12月31日止年度，自本集團其中一名客戶所得收入佔本集團總收入的10%或以上，為人民幣67,498,000元(2018年：人民幣38,915,000元)。

7. Other Income and Other Gains and Losses

An analysis of other income and other gains and losses is as follows:

7. 其他收入以及其他收益及虧損

其他收入以及其他收益及虧損的分析如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Other income	**其他收入**		
Bank interest income	銀行利息收入	**297**	87
Tax refund	已退回稅項	**–**	400
Government subsidies (Note)	政府補助(附註)	**1,114**	–
Rental income	租金收入	**1,438**	832
Others	其他	**482**	–
		3,331	1,319
Other gains and losses	**其他收益及虧損**		
Change in fair value of financial assets at fair value through profit or loss	於損益內按公允價值計量的金融資產公允價值變動	**656**	761
Gain on disposal of an associate	出售聯營企業所得收益	**3,772**	–
(Loss) gain on foreign exchange difference	外匯匯兑差額(虧損)收益	**(512)**	744
(Loss) gain on disposals of items of property, plant and equipment	出售物業、廠房及設備項目的(虧損)收益	**(90)**	44
Others	其他	**73**	294
		3,899	1,843
		7,230	3,162

Note: Amount represents the Group's entitlement of government subsidies such as refund of value-added tax paid pursuant to the relevant PRC regulation and subsidy for high technology companies.

附註： 該金額指本集團根據相關中國法規有權獲得的政府補助(例如已付增值稅退款)及高科技公司補助。

8. Finance Costs

An analysis of finance costs is as follows:

8. 融資成本

融資成本的分析如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Interest on bank loans and other borrowings	銀行貸款及其他借款利息	**5,427**	2,632
Interest on lease liabilities	租賃負債利息	**1,437**	–
		6,864	2,632

9. Income Tax Expense

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

The Company's subsidiaries incorporated in Hong Kong is subject to income tax at the rate of 16.5% on the estimated assessable profits. The tax on the dividend distributed by a subsidiary of RMB20,000,000 in the PRC has been provided at the rate of 10% during the year.

The Company's subsidiaries in the PRC are subject to income tax at a statutory rate of 25% on their respective taxable income, except for certain subsidiaries, which have been identified as "high and new technology enterprises" and were entitled to a preferential income tax rate of 15% for the years ended 31 December 2019 and 2018.

The Company's subsidiaries incorporated in Singapore is subject to income tax at the rate of 17.0% on the estimated assessable profits.

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

9. 所得稅開支

根據開曼群島及英屬維爾京群島的當地規則及法規，本集團毋須繳納任何開曼群島及英屬維爾京群島所得稅。

本公司於香港註冊成立的附屬公司須就預估應課稅利潤按16.5%的稅率繳納所得稅。年內，一間中國附屬公司分派股息人民幣20,000,000元的稅項已按10%的稅率計提撥備。

本公司的中國附屬公司須就其各自應課稅收入按25%的法定稅率繳納所得稅，若干附屬公司除外，其被認定為「高新技術企業」，於截至2019年及2018年12月31日止年度有權按15%的所得稅優惠稅率繳納所得稅。

本公司於新加坡註冊成立的附屬公司須就預估應課稅利潤按17.0%的稅率繳納所得稅。

其他地區應課稅利潤的稅項已根據現行法例、其有關詮譯及慣例，按本集團營運所在的司法管轄區的現行稅率計算。

9. Income Tax Expense (continued) 9. 所得稅開支(續)

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– The PRC	– 中國	**8,415**	9,863
– Other jurisdictions	– 其他司法管轄區	**1,067**	–
Withholding tax of dividends distributed by a PRC subsidiary	間中國附屬公司所分派股息的預扣稅	**2,000**	–
Underprovision in prior years	過往年度撥備不足	**1,844**	–
		13,326	9,863
Deferred tax (note 30)	遞延稅項(附註30)	**4,817**	(552)
Tax charge for the year	年內稅項支出	**18,143**	9,311

Income tax expense for the year can be reconciled to the profit before tax in the consolidated statement of profit or loss and other comprehensive income as follows:

年內所得稅開支可與綜合損益及其他全面收益表內的稅前利潤對賬如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit before tax	稅前利潤	**46,900**	14,212
Income tax charge at the statutory income tax rate of 25%	按25%的法定所得稅稅率計算的所得稅支出	**11,725**	3,553
Effect of the preferential income tax rate	所得稅優惠稅率的影響	**(8,484)**	(4,539)
Tax losses not recognised	未確認的稅項虧損	**5,060**	9,320
Utilisation of tax loss previously not recognised	動用之前未確認的稅項虧損	**(1,483)**	–
Expenses not deductible for tax	不可扣稅開支	**3,924**	896
Additional tax deduction for research and development expenditure	研發開支補交稅扣減項	**(1,120)**	(1,535)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	本集團中國附屬公司可分派利潤的預扣稅影響	**6,339**	333
Tax effect of share of result of an associate	應佔聯營企業業績的稅項影響	**(265)**	95
Underprovision in prior years	過往年度撥備不足	**1,844**	–
Others	其他	**603**	1,188
Income tax expense for the year	年內所得稅開支	**18,143**	9,311

10. Profit for the Year

10. 年內利潤

The Group's profit for the year has been arrived at after charging (crediting):

本集團的年內利潤經扣除(計入)以下各項後得出：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Auditor's remuneration	核數師薪酬	**1,681**	1,350
Cost of services provided	所提供服務的成本	**210,249**	110,842
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	**17,295**	11,855
Depreciation of investment properties	投資物業的折舊	**1,274**	1,275
Depreciation of right-of-use assets	使用權資產的折舊	**13,057**	–
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	**–**	244
Amortisation of intangible assets	無形資產攤銷	**683**	296
Research and development costs (included in other expenses):	研發成本(計入其他開支)：		
– Current year expenditure	– 本年度開支	**9,957**	11,618
Minimum lease payments under operating leases:	經營租賃項下最低租金：		
– Land and buildings	– 土地及樓宇	**–**	7,876
Employee benefit expenses (including directors' and the chief executive's remuneration):	僱員福利開支(包括董事及最高行政人員薪酬)：		
– Wages and salaries	– 工資及薪金	**131,657**	93,907
– Pension scheme contributions	– 退休金計劃供款	**14,347**	9,510
– Welfare and other expenses	– 福利及其他開支	**30,080**	14,970
– Equity-settled share option expense	– 以權益結算的購股權開支	**844**	1,553
		176,928	119,940
Impairment (reversal of impairment) of financial assets, net:	金融資產減值(減值撥回)，淨額：		
– Impairment of trade receivables, net	– 貿易應收款項減值，淨額	**1,106**	529
– (Reversal of impairment) impairment of financial assets included in prepayments, other receivables and other assets, net	– 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)減值，淨額	**(320)**	543
		786	1,072

11. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, and the Hong Kong Companies Ordinance is as follows:

11. 董事及最高行政人員薪酬

根據《上市規則》及《香港公司條例》披露的年內董事及最高行政人員薪酬如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Fees	袍金	**261**	255
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及非現金利益	**4,016**	3,258
Performance related bonuses	績效相關花紅	**820**	1,497
Equity-settled share option expense	以權益結算的購股權開支	**390**	657
Pension scheme contributions	退休金計劃供款	**289**	190
		5,515	5,602
		5,776	5,857

During the year ended 31 December 2018, YANG Rongbing ("Mr. Yang") was granted share options, in respect of his services to the Group, under the share option scheme of the Company, further details of which are set out in note 34 to the consolidated 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 consolidated financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

截至2018年12月31日止年度，根據本公司購股權計劃，就楊榮兵(「楊先生」)為本集團提供的服務而向其授出購股權，進一步詳情載於綜合財務報表附註34。已於授出日期釐定該等購股權的公允價值並於歸屬期於損益確認，而本年度綜合財務報表內所載金額已計入上述董事及最高行政人員的薪酬披露中。

11. Directors' and Chief Executive's Remuneration (continued)

11. 董事及最高行政人員薪酬(續)

(a) Independent non-executive directors

(a) 獨立非執行董事

Mr. Yang ceased to be the chairman of the Audit Committee with effect from 23 July 2018 while Mr. LIU Hoi Keung has been appointed as the chairman of the Audit Committee in replacement of Mr. Yang with effect from the same date.

楊先生自2018年7月23日起不再擔任審核委員會主席，而廖開強先生已於同一日期起替代楊先生獲委任為審核委員會主席。

The fees paid to independent non-executive directors during the year were as follows:

年內向獨立非執行董事支付的袍金載列如下：

		2019 **2019年** **RMB'000** **人民幣千元**	2018 2018年 RMB'000 人民幣千元
YANG Rongbing	楊榮兵	**–**	48
ZHAO Hong	趙虹	**87**	85
WANG Zichen	王梓臣	**87**	85
LIU Hoi Keung	廖開強	**87**	37
		261	255

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

年內並無應向獨立非執行董事支付的其他酬金(2018年：無)。

11. Directors' and Chief Executive's Remuneration (continued)

11. 董事及最高行政人員薪酬(續)

(b) Executive directors, a non-executive director and the chief executive

(b) 執行董事、非執行董事及最高行政人員

2019

Mr. Yang has been re-designated from an independent non-executive director to an executive director and was appointed as the vice chairman of the Company with effect from 23 July 2018.

2019年

楊先生已自2018年7月23日起由獨立非執行董事調任為執行董事並獲委任為本公司的副主席。

		Salaries, allowances and benefits in kind 薪金、津貼及非現金利益 RMB'000 人民幣千元	Performance related bonuses 績效相關花紅 RMB'000 人民幣千元	Equity-settled share option expense 以權益結算的購股權開支 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Total remuneration 薪酬總額 RMB'000 人民幣千元
Executive directors	**執行董事**					
LI Xiangli (Chief executive)	李向利(最高行政人員)	**1,194**	**411**	**–**	**88**	**1,693**
LIU Yi	劉翊	**1,199**	**176**	**–**	**88**	**1,463**
YANG Rongbing	楊榮兵	**1,122**	**87**	**390**	**75**	**1,674**
ZHANG Aiying	張愛英	**501**	**146**	**–**	**38**	**685**
		4,016	**820**	**390**	**289**	**5,515**

11. Directors' and Chief Executive's Remuneration (continued)

11. 董事及最高行政人員薪酬(續)

(b) Executive directors, a non-executive director and the chief executive (continued)

(b) 執行董事、非執行董事及最高行政人員(續)

2018

2018年

		Salaries, allowances and benefits in kind 薪金、津貼及非現金利益 RMB'000 人民幣千元	Performance related bonuses 績效相關花紅 RMB'000 人民幣千元	Equity-settled share option expense 以權益結算的購股權開支 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Total remuneration 薪酬總額 RMB'000 人民幣千元
Executive directors	**執行董事**					
LI Xiangli (Chief executive)	李向利(最高行政人員)	1,122	811	–	55	1,988
LIU Yi	劉翊	943	351	–	55	1,349
YANG Rongbing	楊榮兵	592	43	657	29	1,321
ZHANG Aiying	張愛英	601	292	–	51	944
		3,258	1,497	657	190	5,602

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內,並無任何董事或最高行政人員放棄或同意放棄任何薪酬的安排。

The performance related incentive payments are determined having regard to the performance of individuals and market trends.

績效相關獎金付款乃參照個別人員的表現及市場趨勢而釐定。

12. Five Highest Paid Employees

The five highest paid employees during the year included two (2018: three) directors of the Company, details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining three (2018: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

12. 五名最高薪酬僱員

年內五名最高薪酬僱員包括本公司兩名(2018年：三名)董事，有關彼等薪酬的詳情載列於上文附註11。非本公司董事亦非最高行政人員的餘下三名(2018年：兩名)最高薪酬僱員的年內薪酬詳情載列如下：

		2019 **2019年** **RMB'000** **人民幣千元**	2018 2018年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及非現金利益	**6,149**	3,274
Performance related bonuses	績效相關花紅	**832**	530
Pension scheme contributions	退休金計劃供款	**341**	120
		7,322	3,924

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

薪酬在以下範疇的非董事亦非最高行政人員的最高薪酬僱員的人數如下：

		2019 **2019年** **Number of employees** **僱員人數**	2018 2018年 Number of employees 僱員人數
HK$2,000,001 to HK$2,500,000	2,000,001港元至2,500,000港元	**–**	2
HK$2,500,001 to HK$3,000,000	2,500,001港元至3,000,000港元	**3**	–
		3	2

During the year, no non-director and non-chief executive highest paid employees were granted share options.

年內，概無向非董事亦非最高行政人員的最高薪酬僱員授出購股權。

13. Dividends

Dividends for ordinary shareholders of the Company recognised as distribution during the year.

13. 股息

派發予本公司普通股股東的股息於年內確認為分派。

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
2018 Final – RMB0.0075 (2018: 2017 final dividend – RMB0.025) per ordinary share	2018年末期股息 –每股普通股人民幣0.0075元(2018年：2017年末期股息 –人民幣0.025元)	**3,000**	10,000

Subsequent to the end of the reporting period, a final dividend of RMB0.0375 (2018: RMB0.0075) per share in an aggregate amount of RMB15,000,000 (2018: RMB3,000,000) for the year ended 31 December 2019 has been proposed by the directors of the Company and is subject to the approval of the shareholders at the forthcoming annual general meeting.

於報告期末後，本公司董事已建議派發截至2019年12月31日止年度的末期股息每股人民幣0.0375元(2018年：人民幣0.0075元)，總金額為人民幣15,000,000元(2018年：人民幣3,000,000元)，並須待股東於應屆股東週年大會上批准後方可作實。

14. Earnings Per Share

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 400,000,000 (2018: 400,000,000) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company. 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.

14. 每股盈利

每股基本盈利金額乃按本公司普通權益持有人應佔年內利潤及年內已發行普通股加權平均數400,000,000股(2018年：400,000,000股)計算。

每股攤薄盈利乃按本公司普通權益持有人應佔年內利潤計算得出。計算年內已發行普通股時用到的普通股加權平均數，即用於計算每股基本盈利及將所有具攤薄潛力的普通股視為行使或轉換為普通股時假定已無償發行的普通股加權平均數。

14. Earnings Per Share (continued)

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

14. 每股盈利(續)

根據以下各項計算每股基本及攤薄盈利：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Earnings	**盈利**		
Profit for the year attributable to owners of the Company, used in the basic and diluted earnings per share calculations	計算每股基本及攤薄盈利時用到的本公司擁有人應佔年內利潤	**24,171**	14,021

		Number of shares 股份數目	
		2019 **2019年**	2018 2018年
Shares	**股份**		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculations	計算每股基本盈利時用到的年內已發行普通股加權平均數	**400,000,000**	400,000,000
Effect of dilution – weighted average number of ordinary shares:	普通股攤薄加權平均數的影響：		
– Share options	– 購股權	**162,301**	610,759
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculations	計算每股攤薄盈利時用到的年內已發行普通股加權平均數	**400,162,301**	400,610,759

The computation of diluted earnings per share does not assume the exercise of certain of the Company's share options because the exercise price of those options were higher than the average market price for shares for both 2019 and 2018.

計算每股攤薄盈利時並無假設本公司若干購股權獲行使，此乃由於該等購股權的行使價於2019年及2018年均高於股份的平均市價。

15. Property, Plant and Equipment

15. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Vehicles 車輛 RMB'000 人民幣千元	Electronic equipment and others 電子設備及其他 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2019	**2019年12月31日**						
At 31 December 2018 and 1 January 2019:	於2018年12月31日及2019年1月1日：						
Cost	成本	80,746	23,630	44,110	6,940	13,095	168,521
Accumulated depreciation	累計折舊	(5,763)	(15,739)	(24,781)	–	(3,562)	(49,845)
Net carrying amount	賬面淨值	74,983	7,891	19,329	6,940	9,533	118,676
At 1 January 2019, net of accumulated depreciation	於2019年1月1日，扣除累計折舊	74,983	7,891	19,329	6,940	9,533	118,676
Additions	添置	–	2,254	24,170	4,743	3,775	34,942
Disposals	出售	–	(495)	(981)	–	–	(1,476)
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	–	–	2,732	–	2,379	5,111
Depreciation provided during the year (note 10)	年內折舊撥備(附註10)	(4,702)	(808)	(7,153)	–	(4,632)	(17,295)
Transfers	轉撥	5,392	–	–	(10,834)	5,442	–
Exchange realignment	匯兌調整	–	2	368	–	116	486
At 31 December 2019, net of accumulated depreciation	於2019年12月31日，扣除累計折舊	75,673	8,844	38,465	849	16,613	140,444
At 31 December 2019:	於2019年12月31日：						
Cost	成本	86,138	25,385	70,528	849	24,940	207,840
Accumulated depreciation	累計折舊	(10,465)	(16,541)	(32,063)	–	(8,327)	(67,396)
Net carrying amount	賬面淨值	75,673	8,844	38,465	849	16,613	140,444

15. Property, Plant and Equipment (continued)

15. 物業、廠房及設備(續)

		Buildings 樓宇 RMB'000 人民幣千元	Vehicles 車輛 RMB'000 人民幣千元	Electronic equipment and others 電子設備及其他 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2018	2018年12月31日						
At 31 December 2017 and 1 January 2018:	於2017年12月31日及2018年1月1日：						
Cost	成本	69,780	22,162	29,246	18,906	3,505	143,599
Accumulated depreciation	累計折舊	(2,435)	(16,639)	(16,481)	–	(1,556)	(37,111)
Net carrying amount	賬面淨值	67,345	5,523	12,765	18,906	1,949	106,488
At 1 January 2018, net of accumulated depreciation	於2018年1月1日，扣除累計折舊	67,345	5,523	12,765	18,906	1,949	106,488
Additions	添置	1,076	4,869	7,535	7,776	1,180	22,436
Disposals	出售	–	(56)	(238)	–	–	(294)
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	–	4	1,753	–	599	2,356
Depreciation provided during the year (note 10)	年內折舊撥備(附註10)	(3,328)	(2,393)	(4,870)	–	(1,264)	(11,855)
Transfers	轉撥	9,890	–	2,756	(19,742)	7,096	–
Exchange realignment	匯兑調整	–	(56)	(372)	–	(27)	(455)
At 31 December 2018, net of accumulated depreciation	於2018年12月31日，扣除累計折舊	74,983	7,891	19,329	6,940	9,533	118,676
At 31 December 2018:	於2018年12月31日：						
Cost	成本	80,746	23,630	44,110	6,940	13,095	168,521
Accumulated depreciation	累計折舊	(5,763)	(15,739)	(24,781)	–	(3,562)	(49,845)
Net carrying amount	賬面淨值	74,983	7,891	19,329	6,940	9,533	118,676

15. Property, Plant and Equipment (continued)

Buildings with net carrying amounts of RMB32,893,000 (2018: RMB34,650,000) were pledged by the seller for certain purposes before the transaction of purchase. The pledge has not been released and the buildings' property ownership certificates have not been obtained as of the date of these consolidated financial statements. The directors of the Company, after taking into account of legal opinion, are of the opinion that the Company has ownership of these properties.

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Buildings	4.75%
Vehicles	9.50% to 23.75%
Electronic equipment and others	9% to 31.67%
Leasehold improvements	Shorter of lease term or 10% to 33.33%

15. 物業、廠房及設備(續)

於購買交易前，賬面淨值為人民幣32,893,000元(2018年：人民幣34,650,000元)的樓宇由賣方用作若干目的之抵押。截至該等綜合財務報表日期，有關抵押尚未獲解除，且樓宇的物業所有權證書亦未獲得。經考慮法律意見，本公司董事認為本公司對該等物業擁有所有權。

除在建工程外，以上物業、廠房及設備項目(經計及剩餘價值)按直線法以下列年率折舊：

樓宇	4.75%
車輛	9.50%至23.75%
電子設備及其他	9%至31.67%
租賃物業裝修	租期或10%至33.33%(以較短者為準)

16. Right-of-Use Assets

16. 使用權資產

		Leased properties 租賃物業 RMB'000 人民幣千元	Leasehold land payment 租賃土地款項 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2019	**於2019年1月1日**			
Carrying amount	賬面值	18,674	6,192	24,866
As at 31 December 2019	**於2019年12月31日**			
Carrying amount	賬面值	31,356	5,784	37,140
For the year ended 31 December 2019	**截至2019年12月31日止年度**			
Depreciation charge	折舊費用	12,813	244	13,057
Total cash outflow for leases	租賃現金流出總額			13,719
Additions to right-of-use assets	使用權資產增加			18,036

For both years, the Group leases various office premises and apartment units for its operations and staff quarters. Lease contracts are entered into for fixed term of 1 year to 10 years.

該兩年內，本集團租賃若干辦公場所及公寓單位，用作營運及員工宿舍之用。租賃合約的固定期限為1年至10年。

The Group has extension option for a lease of office premise. This is used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension option held is exercisable only by the Group and not by the lessor. The lease liabilities arising from the extension option has been accounted for following an initial adoption of IFRS 16.

本集團就辦公場所租賃有延長選擇權。此乃用於在管理本集團營運過程中所使用資產方面盡可能提高營運靈活性。本集團持有的延長選擇權僅可由本集團(而非出租人)行使。延長選擇權產生的租賃負債已於首次採納《國際財務報告準則》第16號後入賬。

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 December 2019, there is no such triggering event.

此外，於發生重大事件或出現在承租人控制範圍內的重大情況改變時，本集團重新評估其是否合理確定行使延長選擇權。於截至2019年12月31日止年度，概無發生觸發有關情況的事件。

17. Investment Properties

17. 投資物業

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2018, 31 December 2018 and 2019	於2018年1月1日、2018年及2019年12月31日	26,833
Accumulated depreciation:	累計折舊：	
At 1 January 2018	於2018年1月1日	4,841
Provided for the year	年內撥備	1,275
At 31 December 2018	於2018年12月31日	6,116
Provided for the year	年內撥備	1,274
At 31 December 2019	於2019年12月31日	7,390
Net carrying amount:	賬面淨值：	
At 31 December 2019	於2019年12月31日	19,443
At 31 December 2018	於2018年12月31日	20,717

The above investment properties are depreciated on a straight-line basis over 20 years with 5% residual value.

The Group's investment properties consist of two commercial properties in Beijing and Cangzhou, PRC. The directors of the Company have determined that the class of the investment properties is commercial based on the nature, characteristics and risks of each property. The Group's investment properties were valued on 31 December 2019 based on valuations performed by Jiangsu Sanshi Assets Appraisal Co., Ltd., an independent professionally qualified valuer, at RMB27,179,000 (2018: RMB27,410,000) based on direct comparison approach. There is no change from valuation technique used in the prior year. In estimating the fair value of the properties the highest and best use of the properties is their current use.

上述投資物業按直線法於20年內折舊，剩餘價值為5%。

本集團的投資物業包括中國北京及滄州的兩處商用物業。本公司董事根據投資物業的性質、特性及各物業的風險將其釐定為商用類別。本集團的投資物業於2019年12月31日根據獨立專業合資格估值師江蘇三師土地房地產資產評估測繪咨詢有限公司以直接比較法所作估值，估值為人民幣27,179,000元(2018年：人民幣27,410,000元)。所用的估值技術於過往年度並無變動。於估計物業公允價值時，有關物業最高程度及最佳用途為其目前用途。

17. Investment Properties (Continued)

As at 31 December 2019, certain of the Group's investment properties with a total carrying value of RMB18,645,000 (2018: RMB19,858,000) were pledged to obtain a banking facility from a bank amounting to RMB10,000,000 (31 December 2018: RMB15,000,000).

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 40(a) to the consolidated financial statements.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

17. 投資物業(續)

於2019年12月31日，本集團若干投資物業(賬面總值為人民幣18,645,000元(2018年：人民幣19,858,000元))已被抵押，以自銀行獲得合計人民幣10,000,000元(2018年12月31日：人民幣15,000,000元)的銀行融資。

投資物業按經營租賃租予第三方，有關進一步概述詳情載於綜合財務報表附註40(a)。

公允價值層級

下表說明本集團投資物業的公允價值計量層級：

		Fair value measurement using 公允價值計量採用			
		Quoted prices in active market 活躍市場報價 (Level 1) (第一層級) RMB'000 人民幣千元	Significant observable inputs 重要可觀察輸入數據 (Level 2) (第二層級) RMB'000 人民幣千元	Significant unobservable inputs 重要不可觀察輸入數據 (Level 3) (第三層級) RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
31 December 2019	**2019年12月31日**				
Investment properties	投資物業	**–**	**–**	**27,179**	**27,179**
31 December 2018	2018年12月31日				
Investment properties	投資物業	–	–	27,410	27,410

There were no transfers into or out of level 3 during both years.

該兩個年度內無轉入或轉出第三層級。

18. Prepaid Land Lease Payments

18. 預付土地租賃款項

		2018 2018年 RMB'000 人民幣千元
Carrying amount at 1 January 2018	於2018年1月1日的賬面值	6,436
Amortisation for the year (note 10)	年內攤銷(附註10)	(244)
Carrying amount at 31 December 2018	於2018年12月31日的賬面值	6,192
Current portion included in prepayments, other receivables and other assets (note 25)	計入預付款項、其他應收款項及其他資產的即期部分(附註25)	(238)

The prepaid land lease payments have been reclassified to right-of-use assets upon the adoption of IFRS 16.

採納《國際財務報告準則》第16號後，預付土地租賃款項重新分類至使用權資產。

19. Goodwill

19. 商譽

		RMB'000 人民幣千元
Cost at 1 January 2018	於2018年1月1日的成本	572
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	2,350
Exchange realignment	匯兑調整	207
Cost and net carrying amount at 31 December 2018	於2018年12月31日的成本及賬面淨值	3,129
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	15,454
Exchange realignment	匯兑調整	(138)
Cost and net carrying amount at 31 December 2019	於2019年12月31日的成本及賬面淨值	18,445

19. Goodwill (Continued)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGU") for impairment testing:

- Regional coal inspection service-rendering CGU;
- Regional petroleum inspection service-rendering CGU in Greater China; and
- Regional petroleum inspection service-rendering CGU in Singapore.

The recoverable amount of the regional coal inspection service-rendering CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 15% (2018: 15%). The growth rate used to extrapolate the cash flows of the regional coal inspection service-rendering unit beyond the five-year period is 2% (2018: 2%). In the opinion of the directors of the Company, there is no impairment required as at the end of the reporting period.

The recoverable amount of the regional petroleum inspection service-rendering CGU in Greater China has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 15% (2018: 18%). The growth rate used to extrapolate the cash flows of the regional petroleum inspection service-rendering unit beyond the five-year period is 2% (2018: 2%). In the opinion of the directors of the Company, there is no impairment required as at the end of the reporting period.

19. 商譽(續)

商譽減值測試

通過業務合併所取得的商譽已分配至以下現金產生單位(「現金產生單位」)作減值測試:

- 地區性煤炭檢驗服務提供現金產生單位;
- 於大中華區的地區性石油檢驗服務提供現金產生單位;及
- 於新加坡的地區性石油檢驗服務提供現金產生單位。

地區性煤炭檢驗服務提供現金產生單位的可收回金額乃基於使用價值,採用高級管理人員所批准五年期財務預算的現金流量預測釐定。現金流量預測使用的貼現率為15%(2018年:15%)。用於預計五年期後地區性煤炭檢驗服務提供單位的現金流量的增長率為2%(2018年:2%)。本公司董事認為於報告期末一概毋須減值。

於大中華區的地區性石油檢驗服務提供現金產生單位的可收回金額乃基於使用價值,採用高級管理人員所批准五年期財務預算的現金流量預測釐定。現金流量預測使用的貼現率為15%(2018年:18%)。用於預計五年期後地區性石油檢驗服務提供單位的現金流量的增長率為2%(2018年:2%)。本公司董事認為於報告期末一概毋須減值。

19. Goodwill (Continued)

Impairment testing of goodwill (Continued)

The recoverable amount of the regional petroleum inspection service-rendering CGU in Singapore which was acquired in Year 2019 has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 15%. The growth rate used to extrapolate the cash flows of the regional petroleum inspection service-rendering unit beyond the five-year period is 2%. In the opinion of the directors of the Company, there is no impairment required as at the end of the reporting period.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

19. 商譽(續)

商譽減值測試(續)

於新加坡的地區性石油檢驗服務提供現金產生單位(於2019年收購)的可收回金額乃基於使用價值，採用高級管理人員所批准五年期財務預算的現金流量預測釐定。現金流量預測使用的貼現率為15%。用於預計五年期後地區性石油檢驗服務提供單位的現金流量的增長率為2%。本公司董事認為於報告期末一概毋須減值。

分配至各現金產生單位的商譽賬面值如下：

		2019 **2019年** **RMB'000** **人民幣千元**	2018 2018年 RMB'000 人民幣千元
Carrying amount of goodwill	商譽賬面值		
Regional coal inspection service-rendering	地區性煤炭檢驗服務提供	**572**	572
Regional petroleum inspection service-rendering in Greater China	於大中華區的地區性石油檢驗服務提供	**2,419**	2,557
Regional petroleum inspection service-rendering in Singapore	於新加坡的地區性石油檢驗服務提供	**15,454**	–
		18,445	3,129

19. Goodwill (Continued)

Impairment testing of goodwill (Continued)

Assumptions were used in the value in use calculation of the CGUs as at 31 December 2019 and 31 December 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margin – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved during the year, increased for expected efficiency improvements and expected market development.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Management believes that any reasonably possible change in any of these assumptions would not cause both the aggregate carrying amount of the regional coal inspection service-rendering cash-generating unit and regional petroleum inspection service-rendering cash-generating unit in Greater China and Singapore to exceed their respective aggregate recoverable amount.

19. 商譽(續)

商譽減值測試(續)

計算於2019年12月31日及2018年12月31日的現金產生單位使用價值時採用若干假設。以下為管理層根據其現金流量預測對商譽進行減值測試的各項主要假設：

預算毛利率 –用於釐定預算毛利率價值的基準為於年內所達致的平均毛利率，因預計效率提升及預計市場開發而提升。

貼現率 –所採用的貼現率為税前貼現率，反映了有關單位的特定風險。

管理層相信，任何該等假設的任何合理潛在變動均不會導致地區性煤炭檢驗服務提供現金產生單位及於大中華區及新加坡的地區性石油檢驗服務提供現金產生單位的總賬面值超出其各自的可收回總金額。

20. Intangible Assets

20. 無形資產

		Patents	Software	Customer relationships and inspection certifications	Total
		專利	軟件	客戶關係及及檢測證書	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2019	**2019年12月31日**				
Cost at 1 January 2019, net of accumulated amortisation	2019年1月1日的成本，扣除累計攤銷	**5**	**2,209**	**2,211**	**4,425**
Additions	添置	**–**	**89**	**–**	**89**
Amortisation provided during the year (note 10)	年內攤銷撥備(附註10)	**(2)**	**(247)**	**(434)**	**(683)**
Exchange realignment	匯兌調整	**–**	**–**	**(24)**	**(24)**
At 31 December 2019, net of accumulated amortisation	於2019年12月31日，扣除累計攤銷	**3**	**2,051**	**1,753**	**3,807**
At 31 December 2019:	於2019年12月31日：				
Cost	成本	**13**	**2,552**	**2,361**	**4,926**
Accumulated amortisation	累計攤銷	**(10)**	**(501)**	**(608)**	**(1,119)**
Net carrying amount	賬面淨值	**3**	**2,051**	**1,753**	**3,807**
31 December 2018	**2018年12月31日**				
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	7	725	–	732
Additions	添置	–	1,604	–	1,604
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	–	–	2,400	2,400
Amortisation provided during the year (note 10)	年內攤銷撥備(附註10)	(2)	(120)	(174)	(296)
Exchange realignment	匯兌調整	–	–	(15)	(15)
At 31 December 2018, net of accumulated amortisation	於2018年12月31日，扣除累計攤銷	5	2,209	2,211	4,425
At 31 December 2018:	於2018年12月31日：				
Cost	成本	13	2,463	2,385	4,861
Accumulated amortisation	累計攤銷	(8)	(254)	(174)	(436)
Net carrying amount	賬面淨值	5	2,209	2,211	4,425

20. Intangible Assets (Continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Patents	10 years
Software	10 years
Customer relationships and inspection certifications	6 years

20. 無形資產(續)

上述無形資產的可使用年期有限。該等無形資產於下列期間按直線法攤銷：

專利	10年
軟件	10年
客戶關係及檢測證書	6年

21. Investment in an Associate

21. 於聯營企業的投資

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Share of net assets	應佔資產淨值	–	3,489

During the year ended 31 December 2019, the Group disposed of its entire 31% interest in Leon Intelligence & Information (Beijing) Technology Co., Ltd. ("Leon Intelligence") to the other shareholders of Leon Intelligence for a total cash consideration of RMB6,200,000, which was included in other receivable as at 31 December 2019. A gain on disposal of RMB3,772,000 was credited to profit or loss for the year.

截至2019年12月31日止年度，本集團向力鴻智信(北京)科技有限公司(「力鴻智信」)的其他股東出售其於力鴻智信的全部31%權益，總現金對價為人民幣6,200,000元，於2019年12月31日在其他應收款項內入賬。出售收益人民幣3,772,000元列入年內損益。

The Group's other payables and accruals due to the associate are disclosed in note 29 to the consolidated financial statements.

本集團應付聯營企業的其他應付款項及應計項目於綜合財務報表附註29中披露。

Particulars of the Group's associate as at 31 December 2018 were as follows:

本集團於2018年12月31日的聯營企業詳情如下：

Name 名稱	Issued share capital 發行股本	Place of registration and business 註冊及營業地	Ownership interest 所有權 %	Voting power 投票權 %	Profit sharing 利潤分成 %	Principal activities 主要活動
Leon Intelligence 力鴻智信	RMB10,000,000 人民幣10,000,000元	The PRC 中國	31	31	31	Technology, intelligent management and system development 技術、智能管理及系統開發

21. Investment in an Associate (Continued)

The following table illustrates the financial information of the Group's associate that was not individually material:

21. 於聯營企業的投資(續)

下表說明本集團聯營企業(個別非重大)的財務資料:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Share of the associate's (loss) profit for the year	應佔聯營企業年內(虧損)利潤	**(1,061)**	381
Share of the associate's total comprehensive (expense) income	應佔聯營企業全面(開支)收入總額	**(1,061)**	381

22. Financial Assets at Fair Value Through Profit or Loss

22. 按公允價值計入損益的金融資產

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current assets	流動資產		
Bank financial products	銀行理財產品	**–**	27,000

During the year ended 31 December 2019, the Group disposed of all of its financial assets at fair value through profit or loss. A change in fair value of RMB656,000 was credited to profit or loss during the year ended 31 December 2019.

截至2019年12月31日止年度,本集團出售其所有按公允價值計入損益的金融資產。截至2019年12月31日止年度,人民幣656,000元的公允價值變動計入損益。

23. Equity Investment at Fair Value Through other Comprehensive Income

23. 按公允價值計入其他全面收益的股權投資

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Unlisted equity investment, at fair value 非上市股權投資，按公允價值	**812**	3,000

On 19 December 2018, the Group acquired a 12.5% interest in UnionTest Technology (Guangzhou) Co., Ltd. ("UnionTest") with a total cash consideration of RMB3,000,000. The Group has no significant influence over UnionTest's financial and operating policy.

於2018年12月19日，本集團收購聯測科技(廣州)有限公司(「聯測」)的12.5%權益，總現金對價為人民幣3,000,000元。本集團對聯測的財務及營運政策並無重大影響。

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment is not for held for trading.

上述股權投資不可撤回地指定為按公允價值計入其他全面收益，原因是本集團認為該投資並非持作買賣。

During the year ended 31 December 2019, two of the shareholders of UnionTest withdraw their investments in UnionTest. The Company's interests in UnionTest have increased to 14.29% afterwards.

截至2019年12月31日止年度，聯測的兩名股東撤回其於聯測的投資。本公司於聯測的權益隨後增至14.29%。

24. Trade Receivables

24. 貿易應收款項

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	**97,165**	43,619
Allowance for credit losses	信貸損失撥備	**(2,462)**	(1,356)
		94,703	42,263

24. Trade Receivables (Continued)

As at 1 January 2018, trade receivables from contracts with customers amounted to RMB22,563,000.

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

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice dates:

24. 貿易應收款項(續)

於2018年1月1日，來自客戶合約的貿易應收款項為人民幣22,563,000元。

本集團與其客戶的交易條款主要基於信貸，惟新客戶通常要求預付款除外。信貸期通常為三個月。本集團尋求嚴格控制未償還應收款項。高級管理人員定期審核逾期結餘。本集團並未就貿易應收款項結餘持有任何抵押品或其他信用增級。貿易應收款項不計息。

根據發票日期呈列的貿易應收款項(扣除信貸損失撥備)的賬齡分析如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within 3 months	3個月以內	**77,024**	34,312
Over 3 to 6 months	3個月以上至6個月	**10,026**	4,953
Over 6 months to 1 year	6個月以上至1年	**4,336**	2,374
Over 1 to 2 years	1年以上至2年	**3,317**	613
Over 2 years	2年以上	**–**	11
		94,703	42,263

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB17,602,000 (2018: RMB7,951,000) which are past due as at the reporting date. Out of the past due balances, RMB7,653,000 (2018: RMB1,417,000) has been past due 90 days or more and is not considered as in default due to the management's historical experience on the settlement pattern or record from these debtors and the good business relationship with these debtors. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables are set out in note 44.

於2019年12月31日，本集團的貿易應收款項結餘中，總賬面值為人民幣17,602,000元(2018年：人民幣7,951,000元)的應收賬款於報告日期已逾期。於已逾期結餘中，人民幣7,653,000元(2018年：人民幣1,417,000元)已逾期90天或以上，管理層因該等債務人結算模式的歷史經驗及過往紀錄以及與該等債務人的友好商業關係，並無將有關逾期視作違約。本集團並未就該等結餘持有任何抵押品。

有關貿易應收款項減值評估的詳情載於附註44。

25. Prepayments, Other Receivables and Other Assets

25. 預付款項、其他應收款項及其他資產

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Prepaid land lease payments (note 18)	預付土地租賃款項(附註18)	**–**	238
Prepayments	預付款項	**5,376**	7,262
Deposits and other receivables	按金及其他應收款項	**11,050**	15,020
Consideration receivable (note 21)	應收對價(附註21)	**6,200**	–
		22,626	22,520
Allowance for credit losses	信貸損失撥備	**(62)**	(382)
		22,564	22,138
Portion classified as non-current assets	分類為非流動資產的部分	**(5,803)**	(6,614)
		16,761	15,524

Prepaid land lease payments were reclassified to right-of-use assets upon the initial application of IFRS 16. Details of the adjustments are set out in note 2.

於首次應用《國際財務報告準則》第16號後，預付土地租賃款項獲重新分類至使用權資產。有關調整的詳情載於附註2。

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings.

按金及其他應收款項主要指租金按金及供應商按金。倘適用，經考慮有公開信用評級的可資比較公司的違約概率後，於每個報告日期進行減值分析。

Details of impairment assessment is set out in note 44.

減值評估詳情載於附註44。

26. Cash and Cash Equivalents and Pledged Deposits

26. 現金及現金等價物以及已抵押存款

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	**76,008**	76,848
Time deposits	定期存款	**823**	400
		76,831	77,248
Less: Time deposits pledged for port access right (2018: construction in progress)	減：作為港口使用權的抵押的定期存款（2018年：在建工程）	**(823)**	(400)
Cash and cash equivalents	現金及現金等價物	**76,008**	76,848

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

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

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB56,147,000 (2018: RMB12,511,000). The RMB is not freely convertible into other currencies. However, under the PRC'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.

於報告期末，本集團以人民幣計值的現金及銀行結餘為人民幣56,147,000元(2018年：人民幣12,511,000元)。人民幣不能自由兑換為其他貨幣。然而，根據中國《外匯管理條例》及《結匯、售匯以及付匯管理規定》，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兑換作其他貨幣。

27. Trade Payables

The following is an ageing analysis of the trade payables presented based on the invoice dates.

27. 貿易應付款項

根據發票日期呈列的貿易應付款項的賬齡分析如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within 3 months	3個月以內	**38,310**	11,620
Over 3 to 6 months	3個月以上至6個月	**5,770**	438
Over 6 months to 1 year	6個月以上至1年	**1,154**	51
Over 1 to 2 years	1年以上至2年	**222**	125
Over 3 years	3年以上	**–**	59
		45,456	12,293

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

貿易應付款項不計息，且在正常情況下將於90日內結算。

28. Contract Liabilities

28. 合約負債

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Short-term advances received from customers	**已收客戶短期墊款**		
Rendering of services	提供服務	**3,384**	2,379

As at 1 January 2018, contract liabilities amounted to RMB1,569,000.

於2018年1月1日，合約負債為人民幣1,569,000元。

28. Contract Liabilities (Continued)

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities.

28. 合約負債(續)

下表顯示已確認收入之中與結轉合約負債有關的金額。

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
For the year ended 31 December 2019	**截至2019年12月31日止年度**		
Revenue recognised that was included in the contract liability balance at the beginning of the year	年初計入合約負債結餘內的已確認收入	**2,379**	1,569

Contract liabilities include short-term advances received to render services.

合約負債包括就提供服務而收取的短期墊款。

29. Other Payables and Accruals

29. 其他應付款項及應計項目

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Accrued salaries, wages and benefits	應計薪金、工資及福利	**20,032**	14,932
Other taxes payable	其他應納税款	**850**	707
Payable to vendors of property, plant and equipment	應付物業、廠房及設備業主款項	**4,511**	14,815
Consideration payable (note 37)	應付對價(附註37)	**7,592**	–
Others	其他	**8,829**	4,929
		41,814	35,383

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

其他應付款項不計息及並無固定結算期。

29. Other Payables and Accruals (Continued)

29. 其他應付款項及應計項目(續)

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

計入其他應付款項的應付本集團聯營企業款項如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Leon Intelligence	力鴻智信	–	1,850

The above amount was unsecured, non-interesting-bearing and had no fixed terms of settlement. During the year ended 31 December 2019, the amount was fully settled.

上述款項為無抵押、不計息及並無固定還款期。有關金額於截至2019年12月31日止年度已悉數結付。

30. Deferred Tax

30. 遞延稅項

Deferred tax assets

遞延稅項資產

		Provision for impairment of trade receivables and other receivables 貿易應收款項及其他應收款項減值撥備 RMB'000 人民幣千元	Accrued employee benefits 應計僱員福利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	50	991	1,041
Deferred tax credited (charged) to profit or loss (note 9)	計入損益(於損益扣除)的遞延稅項(附註9)	121	(347)	(226)
At 31 December 2018	於2018年12月31日	171	644	815
Deferred tax credited (charged) to profit or loss (note 9)	計入損益(於損益扣除)的遞延稅項(附註9)	125	(644)	(519)
At 31 December 2019	於2019年12月31日	296	–	296

30. Deferred Tax (Continued)

The Group has accumulated tax losses arising in the PRC of RMB19,234,000 (2018: RMB9,366,000) that will expire in one to five years for offsetting against future taxable profits.

The Group also has accumulated tax losses arising in Hong Kong and other countries/regions of RMB24,224,000 (2018: RMB19,784,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax liabilities

30. 遞延稅項(續)

本集團於中國產生的累計稅項虧損為人民幣19,234,000元(2018年:人民幣9,366,000元),將於一至五年內到期以抵銷未來應課稅利潤。

本集團亦於香港及其他國家/地區產生累計稅項虧損人民幣24,224,000元(2018年:人民幣19,784,000元),此款項可無限期用於抵銷產生虧損的公司的未來應課稅利潤。

由於該等虧損源於已出現虧損一段時間的附屬公司,且本集團認為不大可能會有應課稅利潤可抵銷可動用稅項虧損,因此並未就該等虧損確認遞延稅項資產。

遞延稅項負債

		Withholding tax 預扣稅 RMB'000 人民幣千元	Fair value adjustment on intangible on assets acquisition of subsidiaries 就收購附屬公司的無形資產的公允價值調整 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	1,111	–	–	1,111
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	–	408	–	408
Credited to profit or loss (note 9)	計入損益(附註9)	(778)	–	–	(778)
At 31 December 2018	於2018年12月31日	333	408	–	741
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	–	–	121	121
Charged (credited) to profit or loss (note 9)	於損益扣除(計入損益)(附註9)	4,339	(41)	–	4,298
At 31 December 2019	於2019年12月31日	4,672	367	121	5,160

30. Deferred Tax (Continued)

Deferred tax liabilities (Continued)

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 the PRC. 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 The PRC 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 The PRC.

On 11 December 2019, the Company obtained a certificate of Resident Status issued by Inland Revenue Department of Hong Kong Special Administrative Region. Subsequently, a 5% withholding tax is levied on dividends to be distributed by those subsidiaries established in PRC.

At 31 December 2019, deferred tax liabilities of RMB4,672,000 (2018: RMB333,000) have been recognised for withholding taxes that would be payable on the unremitted earnings of RMB93,440,000 (2018: RMB3,333,000) that are subject to withholding taxes of the Group's subsidiaries. The aggregate amount of temporary differences associated with investments in subsidiaries in the PRC for which deferred tax liabilities have not been recognised totalled approximately RMB25,042,000 at 31 December 2019 (2018: RMB108,379,000). In the opinion of the directors of the Company, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

30. 遞延稅項(續)

遞延稅項負債(續)

根據中國《企業所得稅法》，在中國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。倘中國與外國投資者所在司法管轄區之間訂有稅務協定，可採用較低的預扣稅稅率。就本集團而言，適用稅率為10%。因此，本集團須為於中國成立的該等附屬公司所分派的股息繳納預扣稅。

於2019年12月11日，本公司獲得香港特別行政區稅務局簽發的居民身份證明書。此後，該等在中國成立的附屬公司分派的股息按5%的稅率繳納預扣稅。

於2019年12月31日，本集團已對應就本集團附屬公司未匯回盈利人民幣93,440,000元(2018年：人民幣3,333,000元)(須繳納預扣稅)支付的預扣稅確認遞延稅項負債人民幣4,672,000元(2018年：人民幣333,000元)。於2019年12月31日，與未確認遞延稅項負債的中國附屬公司投資相關的暫時性差異總額約為人民幣25,042,000元(2018年：人民幣108,379,000元)。本公司董事認為，該等附屬公司不大可能於可見未來分派有關盈利。

本公司向其股東支付的股息並無附帶所得稅後果。

For the year ended 31 December 2019
截至2019年12月31日止年度

31. Borrowings 31. 借款

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Bank loans	銀行貸款	**15,000**	10,112
Other loans	其他貸款	**48,273**	65,973
		63,273	76,085
Secured	有抵押	**55,134**	66,535
Unsecured and unguaranteed	無抵押及無擔保	**8,139**	9,550
		63,273	76,085
The carrying amounts of the above borrowings without repayable on demand clause are repayable:	應償還的以上借款(無按要求償還條款)的賬面值：		
Within one year	一年內	**55,134**	62,881
Within a period of more than one year but not exceeding two years	一年以上但不超過兩年期間內	**–**	3,654
Within a period of more than two years but not exceeding five years	兩年以上但不超過五年期間內	**8,139**	9,550
		63,273	76,085
Less: Amounts shown under current liabilities	減：於流動負債項下列示的金額	**(55,134)**	(62,881)
Amounts shown under non-current liabilities	於非流動負債項下列示的金額	**8,139**	13,204

31. Borrowings (Continued)

Notes:

(a) During the year ended 31 December 2018, the Company issued secured guaranteed note ("Note") to an independent third party ("Purchaser") by way of private placement in the amount of HK$64,500,000 (equivalent to RMB56,404,000), which was matured on 28 September 2019. Subsequent to the reporting period, the maturity date of the Note has been extended to 28 September 2020. The Note bears interest on its outstanding principal amount at the rate of 10% per annum, due and payable in arrear every six months by the Company from the issue date.

As at 31 December 2019, the outstanding principal amount of the Note is HK$45,150,000 (equivalent to RMB40,134,000).

To secure the liabilities of the Company to the Purchaser under the Note, the Company's shareholders, Leon Cornerstone Investment Holding Limited owned by LI Xiangli, Hawk Flying Investment Holding Limited owned by Liu Yi and Swan Stone Investment Holding Limited owned by ZHANG Aiying, charged 26,090,000 shares, 35,550,000 shares and 49,290,000 shares, respectively, on an aggregate basis being 110,930,000 shares representing approximately 27.73% of the total issued share capital of the Company in favor of the Purchaser.

In addition to the share charges, LI Xiangli and ZHANG Aiying provided personal guarantee in favor of the Purchaser.

(b) As at 31 December 2019, the Group's other borrowings with principal amounts of RMB9,550,000 (2018: RMB9,550,000) were loans from LEI Xihu ("Mr. Lei"), the non-controlling shareholder of a subsidiary which are repayable in year 2023 and 2024.

During the year ended 31 December 2019, the subsidiary and Mr. Lei entered into a supplementary agreement, pursuant to which, the interest accrued from the loans of RMB257,000 were waived and the loans have become non-interest bearing thereafter. The difference between the principal amount and the present value of the other borrowings of RMB1,435,000 was credited to equity as deemed contribution from non-controlling interest of subsidiary.

31. 借款(續)

附註:

(a) 截至2018年12月31日止年度,本公司以私募方式向獨立第三方(「買方」)發行有抵押擔保票據(「票據」),金額為64,500,000港元(相當於人民幣56,404,000元),已於2019年9月28日到期。於報告期後,票據到期日已延長至2020年9月28日。票據按年利率10%對其未償還本金額計息,自發行日起每六個月到期及須由本公司支付。

於2019年12月31日,票據的未償還本金額為45,150,000港元(相當於人民幣40,134,000元)。

為確保本公司對票據買方的責任,本公司股東Leon Cornerstone Investment Holding Limited(由李向利擁有)、Hawk Flying Investment Holding Limited(由劉翊擁有)及Swan Stone Investment Holding Limited(由張愛英擁有)以買方為受益人分別質押26,090,000股股份、35,550,000股股份及49,290,000股股份,總計為110,930,000股股份,佔本公司已發行股本總額約27.73%。

除股份質押外,李向利及張愛英以買方為受益人提供個人擔保。

(b) 於2019年12月31日,本集團其他借款本金額為人民幣9,550,000元(2018年:人民幣9,550,000元),乃來自附屬公司非控股股東雷西虎(「雷先生」)的貸款,有關款項須於2023年及2024年償還。

截至2019年12月31日止年度,該附屬公司與雷先生簽訂一項補充協議,據此貸款應計利息人民幣257,000元獲豁免,且有關貸款以後均不計息。其他借款人民幣1,435,000元之本金與現值之間的差額因被視為來自附屬公司非控股權益之注資而入賬至權益。

31. Borrowings (Continued)

Notes: (Continued)

(c) As at 31 December 2019, the Group's bank loans amounting to RMB10,000,000 (2018: RMB10,112,000) were guaranteed by LI Xiangli (2018: LI Xiangli and ZHANG Aiying) and were secured by certain of the Group's investment properties.

The loans carry floating rates determined by reference to the Loan Prime Rate of National Interbank Funding Centre i.e. effective interest rate of 4.69% to 5.66% (2018: 6.65%) per annum.

31. 借款(續)

附註:(續)

(c) 於2019年12月31日,本集團金額為人民幣10,000,000元(2018年:人民幣10,112,000元)的銀行貸款由李向利(2018年:李向利及張愛英)作出擔保,並以本集團若干投資物業作抵押。

有關貸款按經參考全國銀行間同業拆借中心的貸款市場報價利率而得出的浮動利率計息,即實際年利率為4.69%至5.66%(2018年:6.65%)。

32. Lease Liabilities

32. 租賃負債

		2019 2019年 RMB'000 人民幣千元
Lease liabilities payable:	**應付租賃負債:**	
Within one year	一年內	**13,682**
Within a period of more than one year but not more than two years	一年以上但不超過兩年期間內	**7,895**
Within a period of more than two years but not more than five years	兩年以上但不超過五年期間內	**7,051**
Within a period of more than five years	超過五年期間內	**3,002**
		31,630
Less: Amount due for settlement with 12 months shown under current liabilities	減:於流動負債項下列示於12個月內到期結算的金額	**(13,682)**
Amount due for settlement after 12 months shown under non-current liabilities	於非流動負債項下列示於12個月後到期結算的金額	**17,948**

As at 31 December 2019, the Group has no lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities.

於2019年12月31日,本集團概無以有關集團實體功能貨幣以外的貨幣計值的租賃負債。

33. Share Capital

33. 股本

		Number of shares 股份數目 '000 千股	RMB'000 人民幣千元
Ordinary shares of US$0.00005 each	每股面值0.00005美元的普通股		
Authorised as at 1 January 2018, 31 December 2018 and 2019	於2018年1月1日、2018年及2019年12月31日的法定股本	1,000,000	328
Issued and fully paid ordinary shares as at 1 January 2018, 31 December 2018 and 2019	於2018年1月1日、2018年及2019年12月31日的已發行及悉數繳付普通股	400,000	131

34. Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Group's employees, directors and other participants in order to retain and provide incentive to the employees of the Group to achieve its business objectives. The Scheme became effective on 5 May 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes shall not in aggregate exceed 10% of the shares in issue as at the date of approval by the shareholders of the Company and as such limit is refreshed by the Shareholders from time to time. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes shall not exceed 30% of the shares in issue from time to time.

34. 購股權計劃

本公司經營一項購股權計劃(「購股權計劃」),旨在為促成本集團業務成功的合資格參與者提供獎勵及回報。購股權計劃的合資格參與者包括本集團僱員、董事及其他參與者,旨在挽留及提供獎勵予本集團僱員,以達成其業務目標。購股權計劃於2017年5月5日生效,除非另行取消或修訂,否則自該日期起10年保持有效。

因根據購股權計劃及任何其他購股權計劃將予授出的所有購股權獲行使而可能發行的股份的最高數目合共不得超過於本公司股東批准日期已發行股份及股東不時更新有關上限的10%。因根據購股權計劃及任何其他購股權計劃已授出而未行使的所有未行使購股權獲行使而可予發行的股份的最高數目不得超過不時已發行股份的30%。

34. Share Option Scheme (Continued)

The total number of shares issued and to be issued upon exercise of the options granted to each participant that is eligible under the Scheme and any other option schemes (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of shares in issue. Where any further grant of options to an eligible participant would result in the shares issued and to be issued upon exercise of the options granted to such eligible participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of shares in issue, such further grant must be separately approved by the shareholders at the general meeting.

The exercise period of the share options granted is determinable by the directors of the Company. For the share options granted up to 31 December 2019, the exercising periods commences either on the grant date to two years or after a vesting period of one to three years and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

34. 購股權計劃(續)

於任何12個月期間內因根據購股權計劃及任何其他購股權計劃已向每名合資格參與者授出的購股權(包括已行使及尚未行使的購股權)獲行使而已發行及將予發行的股份總數，不得超過已發行股份總數的1%。倘向合資格參與者進一步授出任何購股權，將導致截至該進一步授出之日(包括該日)止任何12個月期間內行使向有關合資格參與者授出的購股權(包括已行使、註銷及尚未行使的購股權)時，已發行及將予發行的股份總數超過已發行股份總數的1%，則進一步授出購股權須經由股東於股東大會上個別批准。

所授出購股權的行使期可由本公司董事釐定。就截至2019年12月31日止授出的購股權而言，行使期於授出日期至兩年，或於一至三年歸屬期後開始，並於不遲於購股權要約日期起計五年或購股權計劃屆滿日期(以較早者為準)終止。

購股權不賦予持有人分紅或在股東大會上投票的權利。

34. Share Option Scheme (Continued)

Particulars and movements of the target shares under the Scheme:

34. 購股權計劃(續)

購股權計劃項下標的股票的詳情及變動：

Grantee 獲授人士	Date of grant 授出日期	Notes 附註	Outstanding at 1 January 2018 於2018年1月1日未行使 '000 千股	Granted during year 年內授出 '000 千股	Lapsed during year 年內失效 '000 千股	Outstanding at 31 December 2018 於2018年12月31日未行使 '000 千股	Granted during year 年內授出 '000 千股	Lapsed during year 年內失效 '000 千股	Outstanding at 31 December 2019 於2019年12月31日未行使 '000 千股	Exercise price* 行使價* HKD per share 每股港元	Exercise period 行使期
Director **董事**											
Mr. Yang 楊先生	23 July 2018 2018年7月23日	(b)	–	1,000	–	1,000	–	–	1,000	1.414	23 July 2018 to 22 July 2023 2018年7月23日至2023年7月22日
Mr. Yang 楊先生	23 July 2018 2018年7月23日	(b)	–	1,000	–	1,000	–	–	1,000	1.414	23 July 2019 to 22 July 2024 2019年7月23日至2024年7月22日
Mr. Yang 楊先生	23 July 2018 2018年7月23日	(b)	–	1,000	–	1,000	–	–	1,000	1.414	23 July 2020 to 22 July 2025 2020年7月23日至2025年7月22日
Others **其他**											
Other employee 其他僱員	4 July 2017 2017年7月4日	(a)	2,925	–	(600)	2,325	–	–	2,325	1.28	4 July 2018 to 3 July 2023 2018年7月4日至2023年7月3日
Other employee 其他僱員	4 July 2017 2017年7月4日	(a)	1,965	–	–	1,965	–	–	1,965	1.28	4 July 2019 to 3 July 2024 2019年7月4日至2024年7月3日
Other employee 其他僱員	4 July 2017 2017年7月4日	(a)	2,860	–	–	2,860	–	–	2,860	1.28	4 July 2020 to 3 July 2025 2020年7月4日至2025年7月3日
			7,750	3,000	(600)	10,150	–	–	10,150		
Exercisable – the end of the year	可予行使 – 年末					3,325			6,290		
Weighted average exercise price	加權平均行使價		1.28	1.414	1.28	1.32	–	–	1.32		

* 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.

* 購股權的行使價可於供股或紅股發行或本公司股本有其他類似變動時作出調整。

No share options were exercised during the year (2018: Nil).

年內概無購股權獲行使(2018年：無)。

(a) On 4 July 2017, the board of directors of the Company approved the initial grant only to the Group's employees. The total number of the target shares under the initial grant was 8,000,000, representing 2% of the issued share capital of the Company.

There are three unlocking dates: being the expiry dates of the first anniversary, second anniversary and third anniversary of the grant date, subject to the vesting conditions and upon expiry of which, 30%, 30% and 40% of the trust benefit units granted to each Scheme participant shall be unlocked. The lock-up period is from the grant date to each of the aforesaid unlocking dates, during which the disposal of the trust benefit units is prohibited.

(a) 於2017年7月4日，本公司董事會批准僅向本集團僱員首次授出。首次授出項下標的股份總數為8,000,000股，佔本公司已發行股本2%。

設有三個解禁日，即授出日期後的第一個、第二個和第三個週年屆滿之日。視乎歸屬條件而定及於前述解禁日屆滿時，授予各購股權計劃參與者30%、30%和40%的信託受益單位須予以解禁。禁售期限為授出日期至上述各解禁日，期間禁止出售信託受益單位。

34. Share Option Scheme (Continued)

(b) On 23 July 2018, the board of directors of the Company approved the grant to a director, Mr. Yang. The total number of the target shares under this grant was 3,000,000, representing 0.75% of the issued share capital of the Company.

There are three unlocking dates: being the date of grant, the expiry dates of first anniversary and second anniversary of grant date, subject to the vesting conditions and upon expiry of which one third of the trust benefit units granted to participant shall be unlocked. The lock-up period is from the grant date to each of the aforesaid unlocking dates, during which the disposal of the trust benefit units is prohibited.

The fair value of the share options granted during the year ended 31 December 2018 was HK$1,320,000. During the year ended 31 December 2019, the Group recognised a share option expense of HK$943,000 (equivalent to RMB844,000) (2018: HK$1,829,000 (equivalent to RMB1,553,000)).

The fair value of equity-settled share options granted was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

34. 購股權計劃(續)

(b) 於2018年7月23日，本公司董事會批准對董事楊先生的授予。該項授出項下標的股份總數為3,000,000股，佔本公司已發行股本0.75%。

設有三個解禁日：即授出日期、授出日期後的第一個和第二個週年屆滿之日。視乎歸屬條件而定及於前述解禁日屆滿時，授予參與者三分之一的信託受益單位須予以解禁。禁售期限為授出日期至上述各解禁日，期間禁止出售信託受益單位。

截至2018年12月31日止年度所授出購股權的公允價值為1,320,000港元。截至2019年12月31日止年度，本集團確認購股權開支943,000港元(相當於人民幣844,000元)(2018年：1,829,000港元(相當於人民幣1,553,000元))。

授出的以權益結算的購股權的公允價值乃於授出日期使用二項式模型估計，並考慮授出購股權的條款及條件。下表列出了所用模型的輸入數據：

		2018 2018年
Dividend yield (%)	股息收益率(%)	1.77
Expected volatility (%)	預期波幅(%)	37.39
Historical volatility (%)	歷史波幅(%)	37.39
Risk-free interest rate (%)	無風險利率(%)	2.11
Expected life of options (year)	購股權的預期年限(年)	5.00
Weighted average share price (HK$ per share)	加權平均股價(每股港元)	0.44

The expected life of the options is based on the historical data over the past five years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

購股權的預期年限是基於過去五年的歷史數據得出，並不代表可能發生模式的指示。預期波幅反映了歷史波幅指示未來趨勢的假設，但也可能與實際結果不一致。

34. Share Option Scheme (Continued)

No other feature of the options granted was incorporated into the measurement of fair value.

At the date of approval of these consolidated financial statements, the Company had 10,150,000 share options outstanding under the Scheme, which represented approximately 2.5% of the Company's shares in issue as at that date.

34. 購股權計劃(續)

公允價值計量並沒有包含所授予的購股權的其他特徵。

於該等綜合財務報表獲批之日，本公司根據購股權計劃擁有10,150,000份未行使購股權，佔本公司於該日期已發行股份的約2.5%。

35. Retirement Benefits Plans

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for all qualifying employees of its Hong Kong incorporated subsidiaries. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The Group contributed 5% of the relevant payroll costs to the MPF Scheme but limited to the cap of HK$1,500.

The Group also participates in defined contribution retirement schemes organised by the relevant local government authorities in the PRC and other jurisdictions where the Group operates. Certain employees of the Group eligible for participating in the retirement schemes are entitled to retirement benefits from the schemes. The Group is required to make contributions to the retirement schemes up to the time of retirement of the eligible employees, excluding those employees who resign before their retirement, at a percentage that is specified by the local government authorities.

The total expense recognised in profit or loss of RMB14,347,000 (2018: RMB9,510,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

35. 退休福利計劃

本集團根據香港《強制性公積金計劃條例》，為其香港註冊成立附屬公司的全體合資格僱員設有一項強制性公積金計劃(「強積金計劃」)。該計劃的資產與本集團資產分開持有，由受託人以基金形式控制。本集團按相關薪金成本的5%向強積金計劃供款(但不超過上限1,500港元)。

本集團亦參與中國及本集團營運所在其他司法管轄區的有關當地政府機關管理的界定供款退休計劃。若干合資格參與退休計劃的本集團僱員有權享有該等計劃內的退休福利。本集團須按當地政府機關指定的百分比，向退休計劃作出供款，直至合資格僱員退休(退休前辭職的僱員除外)。

於損益內確認的總開支為人民幣14,347,000元(2018年：人民幣9,510,000元)，指本集團應按計劃規則內指定的比率向該等計劃作出的供款。

36. Reserves

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity for the current and prior years on page 10 of these consolidated financial statements.

36. 儲備

本集團於本年度及過往年度的儲備及其變動數額於該等綜合財務報表第10頁的綜合權益變動表中呈列。

37. Business Combinations

A. Acquisition of Saybolt (Singapore) Pte. Ltd. ("Saybolt SG")

On 8 May 2019, Leon Overseas Pte. Ltd. ("Leon Overseas"), an indirect non-wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with Saybolt Holding BV, an independent third party, pursuant to which Leon Overseas agreed to acquire 100% interest in Saybolt SG at a cash consideration of US$3,750,000 (equivalent to RMB25,782,000) (the "Acquisition") plus the agreed adjustment on the excess amount of working capital of Saybolt SG as at 15 May 2019. The excess of SGD471,000 (equivalent to RMB2,436,000) and the unpaid cash consideration of RMB5,156,000 were included in other payables of the Group as at 31 December 2019. Saybolt SG is principally engaged in technical testing and analysis services (including certification of products and services) for laboratory testing and inspection of bulk cargo of oil, gas, chemicals and bunkers. The directors of the Company consider that the Acquisition provided an opportunity to expand the Group's services to cover laboratory testing and inspection of bulk cargo of oil, gas, chemicals and bunkers in Singapore and other Southeast Asia territory.

This transaction was completed on 15 May 2019. More details of the Acquisition, are set out in the announcements of the Company dated 8 May 2019 and 16 May 2019 respectively.

37. 業務合併

A. 收購Saybolt (Singapore) Pte. Ltd.(「Saybolt SG」)

於2019年5月8日，Leon Overseas Pte. Ltd.(「Leon Overseas」)(本公司的間接非全資附屬公司)與Saybolt Holding BV(一名獨立第三方)訂立買賣協議，據此，Leon Overseas同意於2019年5月15日收購Saybolt SG的100%權益，現金對價為3,750,000美元(相等於人民幣25,782,000元)(「收購事項」)另加對Saybolt SG營運資金所超出金額的經協定調整。所超出金額471,000新加坡元(相等於人民幣2,436,000元)及未支付現金對價人民幣5,156,000已計入本集團於2019年12月31日的其他應付款項。Saybolt SG主要從事技術檢測及分析服務(包括產品及服務認證)，以進行石油、天然氣、化學品及燃料散裝貨物的實驗室檢測及檢驗。本公司董事認為，收購事項提供機遇讓本集團拓展其服務以將石油、天然氣、化學品及燃料散裝貨物的實驗室檢測及檢驗覆蓋至新加坡及其他東南亞地區。

該交易於2019年5月15日完成。有關收購事項的更多詳情分別載於本公司日期為2019年5月8日及2019年5月16日的公告。

37. Business Combinations (Continued)

A. Acquisition of Saybolt (Singapore) Pte. Ltd. ("Saybolt SG") (Continued)

Consideration transferred

37. 業務合併(續)

A. 收購Saybolt (Singapore) Pte. Ltd.(「Saybolt SG」)(續)

轉讓對價

		15 May 2019 2019年5月15日 RMB'000 人民幣千元
Cash consideration	現金對價	28,218
Less: cash and cash equivalents acquired	減:所獲取現金及現金等價物	(1,041)
Less: unpaid amount as at 31 December 2019 (note 29)	減:於2019年12月31日的未支付金額(附註29)	(7,592)
Net cash used in acquisition	收購所用現金淨額	19,585

Assets acquired and liabilities recognised at the date of acquisition (on provisional basis) based on purchase price allocation prepared by Savills Real Estate Valuation (Guangzhou) Ltd. ("Savills"), an independent valuer

基於獨立估值師廣州第一太平戴維斯房地產與土地評估有限公司(「第一太平戴維斯」)所編製之購買價分配於收購日期所收購的資產及所確認的負債(按臨時基準)

		Notes 附註	15 May 2019 2019年5月15日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	15	5,111
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		1,518
Right-of-use assets	使用權資產		6,847
Tax recoverable	可收回稅項		550
Cash and cash equivalents	現金及現金等價物		1,041
Trade receivables	貿易應收款項		16,275
Deferred tax liabilities	遞延稅項負債	30	(121)
Trade payables	貿易應付款項		(8,286)
Other payables and accruals	其他應付款項及應計項目		(3,324)
Lease liabilities	租賃負債	43	(6,847)
			12,764

The fair value as well as the gross contractual amount of the trade and other receivables acquired amounted to RMB17,709,000 at the date of acquisition.

於收購日期,所收購貿易及其他應收款項的公允價值及合約總金額為人民幣17,709,000元。

37. Business Combinations (Continued)

A. Acquisition of Saybolt (Singapore) Pte. Ltd. ("Saybolt SG") (Continued)

Goodwill arising on acquisition

37. 業務合併(續)

A. 收購Saybolt (Singapore) Pte. Ltd.(「Saybolt SG」)(續)

收購產生的商譽

		15 May 2019 2019年5月15日 RMB'000 人民幣千元
Consideration transferred	轉讓對價	28,218
Less: net assets acquired	減：所收購資產淨值	(12,764)
		15,454

Goodwill arose in the Acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Saybolt SG. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

收購事項產生商譽乃由於合併成本包括控制權溢價。此外，就合併已支付的對價實際上包括有關預期協同效應收益、收入增長、未來市場發展及Saybolt SG的整體勞動力的金額。該等收益不與商譽分開確認，此乃由於該等收益並不符合可識別無形資產的確認準則。

37. Business Combinations (Continued)

A. Acquisition of Saybolt (Singapore) Pte. Ltd. ("Saybolt SG") (Continued)

Goodwill arising on acquisition – continued

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Included in the profit for the year is RMB5,354,000 attributable to the additional business generated by Saybolt SG. Revenue for the year includes RMB68,013,000 generated from Saybolt SG.

Had the acquisition been completed on 1 January 2019, revenue for the year of the Group would have been RMB437,263,000, and profit for the year of the Group would have been RMB31,969,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Saybolt SG been acquired at the beginning of the current year, the directors of the Company have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

37. 業務合併(續)

A. 收購Saybolt (Singapore) Pte. Ltd.(「Saybolt SG」)(續)

收購產生的商譽 — 續

概不預期因該等收購事項產生的商譽可扣減稅項。

Saybolt SG所產生額外業務應佔的人民幣5,354,000元計入年內利潤。年內收入包含Saybolt SG所產生的人民幣68,013,000元。

倘收購事項於2019年1月1日已完成，本集團年內收入應為人民幣437,263,000元，而本集團年內利潤應為人民幣31,969,000元。備考資料僅供說明，並不一定表示收購事項如於2019年1月1日已完成而本集團將會達成的實際收入及經營業績，亦無意作為未來業績的預測。

於釐定本集團倘於本年年初收購Saybolt SG而得出的「備考」收入及利潤時，本公司董事已：

- 根據就業務合併初始入賬時產生的公允價值(而非於收購前財務報表確認的賬面值)計算所收購廠房及設備的折舊；及
- 根據本集團於業務合併後的資金水平、信用評級及債務／股權狀況釐定借款成本。

37. Business Combinations (Continued)

B. Acquisition of Guangzhou Lihong Energy Testing Technology Co., Ltd. ("Guangzhou Lihong Energy ")

Beijing Huaxia Lihong Commodity Inspection Co., Ltd. ("Beijing Huaxia Lihong") directly owns half of the equity interests in Guangzhou Lihong Energy, which had been accounted for a joint venture of the Group, and the voting power attached to the equity interests does not allow Beijing Huaxia Lihong to have the power to govern the financial and operating activities of Guangzhou Lihong Energy according to the articles of association of it. On 9 January 2018, Beijing Huaxia Lihong signed a shareholders' voting agreement with the other equity owner of Guangzhou Lihong Energy, pursuant to which it is agreed that Beijing Huaxia Lihong has the right to make the final decision when the two parties have different opinions. The PRC lawyer of Beijing Huaxia Lihong confirmed that the shareholders' voting agreement is valid under the relevant PRC law. On top of the shareholders' voting agreement, the directors of the Company are of the opinion that the Group has the right to variable returns from its involvement with Guangzhou Lihong Energy and that it has the ability to direct the relevant activities of Guangzhou Lihong Energy since 9 January 2018. Therefore, the financial statements of Guangzhou Lihong Energy have been consolidated by the Company since 9 January 2018.

37. 業務合併(續)

B. 收購廣州力鴻能源檢測技術有限公司(「廣州力鴻能源」)

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

37. Business Combinations (Continued)

B. Acquisition of Guangzhou Lihong Energy Testing Technology Co., Ltd. ("Guangzhou Lihong Energy ") (Continued)

The fair values of the identifiable assets and liabilities of Guangzhou Lihong Energy as at the date of acquisition were as follows:

37. 業務合併(續)

B. 收購廣州力鴻能源檢測技術有限公司(「廣州力鴻能源」)(續)

廣州力鴻能源於收購日期的可識別資產及負債的公允價值如下：

		Notes 附註	9 January 2018 2018年1月9日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	15	959
Trade receivables	貿易應收款項		994
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		301
Cash and cash equivalents	現金及現金等價物		2,369
Trade payables	貿易應付款項		(503)
Contract liabilities	合約負債		(2)
Other payables and accruals	其他應付款項及應計項目		(513)
Tax payable	應納稅款		(181)
Total identifiable net assets at fair value	按公允價值計量可識別資產淨值總額		3,424
Non-controlling interests	非控股權益		(1,712)
			1,712
Interest in a joint venture previously held	於先前所持有合營企業的權益		(1,678)
Gain on acquisition of a subsidiary	收購附屬公司的收益	7	34

37. Business Combinations (Continued)

B. Acquisition of Guangzhou Lihong Energy Testing Technology Co., Ltd. ("Guangzhou Lihong Energy ") (Continued)

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

		2018 2018年 RMB'000 人民幣千元
Cash and cash equivalents acquired	所獲得現金及現金等價物	2,369
Cash consideration	現金對價	–
Net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購附屬公司的現金及現金等價物流入淨額	2,369

Since the acquisition, Guangzhou Lihong Energy contributed approximately RMB9,311,000 to the Group's revenue and approximately RMB2,147,000 to the Group's profit for the year ended 31 December 2018.

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 RMB233,750,000 and RMB4,901,000, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is it intended to be a projection of future results.

37. 業務合併(續)

B. 收購廣州力鴻能源檢測技術有限公司(「廣州力鴻能源」)(續)

有關收購附屬公司的現金流量分析如下:

自收購完成後,截至2018年12月31日止年度,廣州力鴻能源為本集團收入及利潤分別貢獻約人民幣9,311,000元及約人民幣2,147,000元。

倘合併於年初已進行,本集團的年內收入及利潤分別應為人民幣233,750,000元及人民幣4,901,000元。備考資料僅作說明用途,並不必然表示本集團倘於2018年1月1日完成收購則實際將達致有關收入及營運業績,亦不擬作為未來業績的預測。

37. Business Combinations (Continued)

C. Acquisition of Saybolt (Tianjin) Metrology & Inspection Co., Ltd. and Core Laboratories (Hong Kong) Limited

On 22 June 2018, Leon Overseas, an indirect non-wholly-owned subsidiary of the Company, entered into an acquisition contract with Saybolt Holding BV, an independent third party, which is incorporated in the Netherlands to acquire 100% interest in Saybolt (Tianjin) Metrology & Inspection Co., Ltd. ("Saybolt Tianjin") and Core Laboratories (Hong Kong) Limited at an aggregate consideration of US$1,000,000 (equivalent to RMB6,831,000). Core Laboratories (Hong Kong) Limited changed its name to Leon Overseas (Hong Kong) Ltd. ("Leon HK") on 17 July 2018. This transaction was completed on 8 August 2018.

The fair values of the identifiable assets and liabilities of Saybolt Tianjin and Leon HK as at the date of acquisition were as follows:

37. 業務合併(續)

C. 收購仕寶(天津)技術檢測有限公司及Core Laboratories (Hong Kong) Limited

於2018年6月22日，本公司間接非全資附屬公司Leon Overseas與獨立第三方Saybolt Holding BV(於荷蘭註冊成立)訂立收購合約，以收購仕寶(天津)技術檢測有限公司(「天津仕寶」)及Core Laboratories (HongKong) Limited的100%權益，總對價為1,000,000美元(相等於人民幣6,831,000元)。Core Laboratories (HongKong) Limited於2018年7月17日更名為Leon Overseas (Hong Kong) Ltd.(「Leon HK」)。該交易於2018年8月8日完成。

天津仕寶及Leon HK於收購日期的可識別資產及負債的公允價值如下：

		Notes 附註	8 August 2018 2018年8月8日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	15	1,397
Intangible assets	無形資產	20	2,400
Trade receivables	貿易應收款項		1,010
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		432
Cash and cash equivalents	現金及現金等價物		623
Trade payables	貿易應付款項		(614)
Other payables and accruals	其他應付款項及應計項目		(359)
Deferred tax liabilities	遞延稅項負債	30	(408)
Total identifiable net assets at fair value	按公允價值計量的可識別資產淨值總額		4,481
Goodwill on acquisition	收購時商譽	19	2,350
Satisfied by cash	以現金支付		6,831

37. Business Combinations (Continued)

C. Acquisition of Saybolt (Tianjin) Metrology & Inspection Co., Ltd. and Core Laboratories (Hong Kong) Limited (Continued)

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

37. 業務合併(續)

C. 收購仕寶(天津)技術檢測有限公司及Core Laboratories (Hong Kong) Limited(續)

有關收購附屬公司的現金流量分析如下：

		2018 2018年 RMB'000 人民幣千元
Cash consideration	現金對價	(6,831)
Unpaid amount as at 31 December 2018	於2018年12月31日的未付款項	683
		(6,148)
Cash and cash equivalents acquired	所獲得現金及現金等價物	623
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	收購附屬公司的現金及現金等價物流出淨額	(5,525)

Since the acquisition, Saybolt Tianjin and Leon HK contributed approximately RMB14,132,000 to the Group's revenue and approximately RMB4,688,000 to the Group's profit for the year ended 31 December 2018.

自收購完成後，截至2018年12月31日止年度，天津仕寶及Leon HK為本集團收入及利潤分別貢獻約人民幣14,132,000元及約人民幣4,688,000元。

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 ended 31 December 2018 would have been RMB240,901,000 and RMB4,337,000, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is it intended to be a projection of future results.

倘合併於年初已進行，本集團截止2018年12月31日止年度的收入及利潤分別應為人民幣240,901,000元及人民幣4,337,000元。備考資料僅作説明用途，並不必然表示本集團倘於2018年1月1日完成收購則實際將達致有關收入及營運業績，亦不擬作為未來業績的預測。

38. Changes In Interest In Subsidiaries

A. During the year ended 31 December 2019, the Group disposed of 20% of its interest in Leon HK and Saybolt Tianjin to Leon-Saybolt Pte. Ltd., a company owned by a director of Leon Overseas for a total cash consideration of US$200,000. The difference of RMB210,000 between the increase in the non-controlling interests of RMB1,137,000 and the consideration received of RMB1,347,000 has been credited to capital reserve.

B. During the year ended 31 December 2019, the Company acquired the remaining 50% equity interest in Guangzhou Lihong Energy from non-controlling interest for a total cash consideration of RMB3,317,000. The difference of RMB39,000 between the decrease in non-controlling interests of RMB3,356,000 and the consideration paid of RMB3,317,000 has been credited to capital reserve.

39. Pledge of Assets

Details the Group's pledged assets are included in notes 15 and 17 to the consolidated financial statements.

38. 於附屬公司權益變動

A. 截至2019年12月31日止年度內，本集團向Leon Overseas的一名董事擁有的公司Leon-Saybolt Pte. Ltd.出售其於Leon HK及天津仕寶的20%權益，總現金對價為200,000美元。非控股權益增加人民幣1,137,000元與所收取對價人民幣1,347,000元之間的差額人民幣210,000元計入資本儲備內。

B. 截至2019年12月31日止年度，本公司向非控股權益收購廣州力鴻能源的其餘50%股本權益，總現金對價為人民幣3,317,000元。非控股權益減少人民幣3,356,000元與已付對價人民幣3,317,000元之間的差額人民幣39,000元計入資本儲備內。

39. 資產抵押

有關本集團已抵押資產的詳情載於綜合財務報表附註15及17。

40. Operating Leases Arrangements

(a) As lessor

The Group leases its investment properties (note 17) under operating lease arrangements, with leases negotiated for a terms of one to three years.

Minimum lease payments receivable on leases are as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within one year	一年以內	**1,299**	413
In the second year	第二年	**1,382**	326
		2,681	739

(b) As lessee

As at 31 December 2018, the Group leases certain of its office premises and apartment units under operating lease arrangements. Leases of the properties are negotiated for terms ranging from one to ten years.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 2018年 RMB'000 人民幣千元
Within one year	一年以內	7,940
In the second to fifth year, inclusive	第二至第五年(含首尾兩年)	10,782
After five years	五年以後	2,445
		21,167

40. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業(附註17),經協商後的租賃期限為一年至三年。

就租賃應收的最低租金如下:

(b) 作為承租人

於2018年12月31日,本集團根據經營租賃安排租賃其部分辦公場所及公寓單位。經協商後的物業租賃期限為一年至十年。

本集團根據不可撤銷經營租約須於下列日期支付的未來最低租金總額如下:

41. Capital Commitments

In addition to the operating lease commitments detailed in note 40(b) above, the Group had the following capital commitments as at 31 December 2019 and 2018:

41. 資本承擔

除上文附註40(b)中所詳載經營租賃承擔外，本集團於2019年及2018年12月31日擁有以下資本承擔：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	**1,714**	3,704

At the end of the reporting period, the Group did not have any other significant commitment.

於報告期末，本集團並無任何其他重大承擔。

42. Capital Risk Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

42. 資本風險管理

本集團資本管理的首要目的是保障本集團持續經營及維持穩健資本比率的能力，從而支持其業務及實現股東價值最大化。

本集團因應經濟情況變動及相關資產的風險特徵管理並調整資本結構。為維持或調整資本結構，本集團可調整派付予股東的股息、向股東退還資本或發行新股。截至2019年及2018年12月31日止年度，本集團並無改變管理資本的目的、政策或程序。

42. Capital Risk Management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. The Group's policy is to maintain the gearing ratio below 70%. Net debt includes trade payables, other payables and accruals, interest-bearing bank loans and other borrowings and interest payables, less cash and cash equivalents. Capital represents equity attributable to owners of the Company. The gearing ratios at the end of reporting periods are as follows:

42. 資本風險管理(續)

本集團用資本負債比率監控資本,資本負債比率等於負債淨額除以資本加上負債淨額的總和。本集團的政策為維持資本負債比率低於70%。負債淨額包括貿易應付款項、其他應付款項及應計項目、計息銀行貸款及其他借款以及應付利息減現金及現金等價物。資本指本公司擁有人應佔權益。於報告期末資本負債比率如下:

		2019 **2019年** **RMB'000** **人民幣千元**	2018 2018年 RMB'000 人民幣千元
Trade payables	貿易應付款項	**45,456**	12,293
Other payables and accruals (note 29)	其他應付款項及應計項目(附註29)	**41,814**	35,383
Bank loans and other borrowings	銀行貸款及其他借款	**63,273**	76,085
Interest payables	應付利息	**1,006**	1,729
Less: Cash and cash equivalents	減:現金及現金等價物	**(76,008)**	(76,848)
Net debt	負債淨額	**75,541**	48,642
Equity attributable to owners of the Company	本公司擁有人應佔權益	**222,953**	201,884
Capital and net debt	資本及負債淨額	**298,494**	250,526
Gearing ratio (Note)	資本負債比率(附註)	**25.31%**	19.42%

Note: The gearing ratio of the Group is 32.46% if the debt includes the lease liabilities of RMB31,630,000 as at 31 December 2019.

附註: 倘債務包括於2019年12月31日的租賃負債人民幣31,630,000元,則本集團的資本負債比率為32.46%。

43. Reconciliation of Liabilities Arising from Financing Activities

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

43. 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債變動，現金及非現金變動均包括在內。融資活動產生的負債乃現金流量已(或未來現金流量將)於本集團的綜合現金流量表內獲分類為融資活動所得現金流量的負債。

		Dividend payable 應付股息 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Bank loans and other borrowings 銀行貸款及其他借款 RMB'000 人民幣千元	Interest payables 應付利息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	–	–	17,742	–	17,742
Financing cash flows	融資現金流量	(10,000)	–	58,712	(903)	47,809
Dividend declared	已宣派股息	10,000	–	–	–	10,000
Interest expense (note 8)	利息開支(附註8)	–	–	–	2,632	2,632
Exchange realignment	匯兑調整	–	–	(369)	–	(369)
At 31 December 2018	於2018年12月31日	–	–	76,085	1,729	77,814
Adjustment upon initial application of IFRS 16 (note 2)	於首次應用《國際財務報告準則》第16號後的調整(附註2)	–	18,674	–	–	18,674
At 1 January 2019 (restated)	於2019年1月1日(經重列)	–	18,674	76,085	1,729	96,488
Financing cash flows	融資現金流量	(3,000)	(13,719)	(12,307)	(5,893)	(34,919)
Dividend declared	已宣派股息	3,000	–	–	–	3,000
Interest expense (note 8)	利息開支(附註8)	–	1,437	–	5,427	6,864
Waiver of interest expense (note 31)	豁免利息開支(附註31)	–	–	–	(257)	(257)
Fair value adjustment (note 31)	公允價值調整(附註31)	–	–	(1,435)	–	(1,435)
Inception of new leases	開始新租賃	–	18,036	–	–	18,036
Acquisition of a subsidiary (note 37)	收購一間附屬公司(附註37)	–	6,847	–	–	6,847
Exchange realignment	匯兑調整	–	355	930	–	1,285
At 31 December 2019	於2019年12月31日	–	31,630	63,273	1,006	95,909

44. Financial Instruments 44. 金融工具

(a) Categories of Financial Instruments (a) 金融工具分類

Financial assets ***金融資產***

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Financial assets at amortised cost:	按攤銷成本計量的金融資產：		
Trade receivables	貿易應收款項	**94,703**	42,263
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	**13,536**	9,383
Pledged deposits	已抵押存款	**823**	400
Cash and cash equivalents	現金及現金等價物	**76,008**	76,848
Financial assets at fair value through other comprehensive income:	按公允價值計入其他全面收益的金融資產：		
Equity investment at fair value through other comprehensive income	按公允價值計入其他全面收益的股權投資	**812**	3,000
Financial assets at fair value through profit or loss:	按公允價值計入損益的金融資產：		
Bank financial products	銀行理財產品	**–**	27,000
		185,882	158,894

44. Financial Instruments (Continued)

(a) Categories of Financial Instruments (Continued)

Financial liabilities

44. 金融工具(續)

(a) 金融工具分類(續)

金融負債

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Financial liabilities at amortised cost:	按攤銷成本計量的金融負債：		
Trade payables	貿易應付款項	**45,456**	12,293
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	**20,932**	19,744
Borrowings	借款	**63,273**	76,085
Interest payables	應付利息	**1,006**	1,729
		130,667	109,851

(b) Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing bank loans and other borrowings, pledged deposits, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(b) 財務風險管理目標及政策

本集團的主要金融工具包括計息銀行貸款及其他借款、已抵押存款以及現金及現金等價物。該等金融工具主要用於為本集團的經營籌集資金。本集團擁有各類其他金融資產及負債，比如貿易應收款項以及貿易及其他應付款項，其直接來自於本集團之經營。

來自本集團金融工具的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會審核並同意管理各項風險的政策，該等政策概述如下。

44. Financial Instruments (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

The Group mitigates the risk by monitoring closely the movements in interest rates and reviewing its banking facilities regularly. The Group has not used any interest rate swap to hedge its exposure to interest rate risk.

As at 31 December 2019, approximately 24% (2018: 13%) of the Group's bank loans and interest-bearing borrowings bore interest at floating rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

2019

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

利率風險

本集團面臨的市場利率變動風險主要與本集團按浮動利率計息的債項承擔有關。

本集團透過定期密切關注利率的變動及審閱其銀行融資降低風險。本集團並無使用任何利率掉期以對沖利率風險。

於2019年12月31日，本集團約24%(2018年：13%)的銀行貸款及計息借款以浮動利率計息。

下表列示了在所有其他變量保持不變的情況下，對本集團的税前利潤(通過對浮動利率借款的影響)及本集團權益對利率可能出現的合理變動的敏感性分析。

2019年

		Increase (decrease) in basis points 基點增加(減少)	(Decrease) increase in profit after tax 税後利潤(減少)增加 RMB'000 人民幣千元
RMB	人民幣	1%	(128)
RMB	人民幣	(1%)	128

44. Financial Instruments (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

Interest rate risk (Continued)

2018

		Increase (decrease) in basis points	(Decrease) increase in profit after tax
			RMB'000
RMB	人民幣	1%	(86)
RMB	人民幣	(1%)	86

Foreign currency risk

The Group has currency exposures from its cash and cash equivalents, interest payable and interest-bearing bank borrowings denominated in Hong Kong dollars. As at 31 December 2019, the Group's cash and cash equivalents, interest payable and interest-bearing bank borrowings denominated in currencies other than functional currency of the relevant group entities were equivalent to RMB12,793,000 (2018: RMB49,214,000), RMB1,006,000 (2018: RMB1,472,000) and RMB40,134,000 (2018: RMB56,404,000), respectively.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

利率風險(續)

2018年

		基點增加(減少)	税後利潤(減少)增加
			人民幣千元
RMB	人民幣	1%	(86)
RMB	人民幣	(1%)	86

外幣風險

本集團因現金及現金等價物、應付利息及計息銀行借款以港元計值而面臨外幣風險。於2019年12月31日，本集團以相關集團實體功能貨幣以外的貨幣計值的現金及現金等價物、應付利息及計息銀行借款分別為人民幣12,793,000元(2018年：人民幣49,214,000元)、人民幣1,006,000元(2018年：人民幣1,472,000元)及人民幣40,134,000元(2018年：人民幣56,404,000元)。

44. Financial Instruments (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

Foreign currency risk (Continued)

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate by 5%, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities):

2019

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

外幣風險(續)

本集團目前並無外匯對沖政策。然而，本集團管理層會監察外匯風險，並將於有需要時考慮對沖重大外匯風險。

下表列示了在所有其他變量保持不變的情況下，本集團税前利潤(由於貨幣資產及負債的公允價值變動)對匯率5%的合理可能變動的敏感性分析：

2019年

		Increase (decrease) in foreign exchange rate 外匯匯率增加(減少)	(Decrease) increase in profit after tax 税後利潤(減少)增加 RMB'000 人民幣千元
If RMB weakens against the Hong Kong dollar	倘人民幣兑港元貶值	**5%**	**(1,417)**
If RMB strengthens against the Hong Kong dollar	倘人民幣兑港元升值	**(5%)**	**1,417**

44. Financial Instruments (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

Foreign currency risk (Continued)

2018

		Increase (decrease) in foreign exchange rate	(Decrease) increase in profit after tax
			RMB'000
If RMB weakens against the Hong Kong dollar	倘人民幣兑港元貶值	5%	(433)
If RMB strengthens against the Hong Kong dollar	倘人民幣兑港元升值	(5%)	433

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, pledged deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables arising from contracts with customers

The Group trades only with recognised and creditworthy parties. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit quality of customers is assessed after taking into account the customers' financial position and past experience with the customers.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

外幣風險(續)

2018年

		外匯匯率增加(減少)	税後利潤(減少)增加
			人民幣千元
If RMB weakens against the Hong Kong dollar	倘人民幣兑港元貶值	5%	(433)
If RMB strengthens against the Hong Kong dollar	倘人民幣兑港元升值	(5%)	433

信貸風險及減值評估

信貸風險指因本集團的對手方未能履行其合約責任而使本集團蒙受財務損失的風險。本集團面臨的信貸風險主要來自貿易及其他應收款項、已抵押存款及銀行結餘。本集團並無持有任何抵押品或其他信用增級措施以保障與其金融資產有關的信貸風險。

客戶合約產生的貿易應收款項

本集團僅與獲認可及信譽良好的合作方進行交易。應收款項餘額持續被監控，本集團面臨的壞賬風險並不大。在考慮客戶的財務狀況及與客戶的過往經驗後，方對客戶的信貸質素作出評估。

44. Financial Instruments (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

The Group's concentration of credit risk by geographical locations is mainly in PRC and Singapore, which accounted for 33% and 43% (2018: 70% and 18%) of the total trade receivables as at 31 December 2019. As at 31 December 2019, the Group had concentration of credit risk, 18% (2018: 8%) of its total trade receivables were due from its largest customer and 33% (2018: 31%) of its total trade receivables were due from its top five customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on trade balances based on provision matrix.

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographic region and internal credit rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of reporting period about past events, current conditions and forecasts of future economic conditions.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

客戶合約產生的貿易應收款項(續)

本集團按地理位置劃分的信貸風險主要集中於中國及新加坡，於2019年12月31日分別佔貿易應收款項總額的33%及43%(2018年：70%及18%)。於2019年12月31日，本集團之信貸風險集中，在貿易應收款項總額中，18%(2018年：8%)來自其最大客戶，而33%(2018年：31%)則來自其五大客戶。為將信貸風險減至最低，本集團管理層已委任一個團隊負責釐定信貸限額及信貸批核。

此外，本集團根據撥備矩陣就貿易結餘於預期信貸損失模型下進行減值評估。

撥備率乃基於具有類似虧損模式(即按地理位置及內部信貸評級劃分)的多個客戶分部組別的逾期日數釐定。該計算反映或然率加權結果、貨幣時值及於報告期末可得的有關過往事件、當前狀況及未來經濟狀況預測的合理及可靠資料。

44. Financial Instruments (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

Set out below is the information about the credit risk exposure on the Group's normal-risk trade receivables using a provision matrix:

As at 31 December 2019

		Current 即期 RMB'000 人民幣千元	Past due 逾期 Less than 9 months 少於9個月 RMB'000 人民幣千元	Past due 逾期 Over 9 months 超過9個月 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Gross carrying amount	總賬面值	**77,781**	**14,548**	**4,836**	**97,165**
Expected credit losses	預期信貸損失	**757**	**186**	**1,519**	**2,462**
Average loss rate	平均虧損率	**0.05%-1.74%**	**0.46%-3.84%**	**15.77%-47.33%**	

As at 31 December 2018

		Current 即期 RMB'000 人民幣千元	Past due 逾期 Less than 9 months 少於9個月 RMB'000 人民幣千元	Past due 逾期 Over 9 months 超過9個月 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Gross carrying amount	總賬面值	34,961	7,487	1,171	43,619
Expected credit losses	預期信貸損失	649	160	547	1,356
Average loss rate	平均虧損率	1.86%	2.14%	46.71%	

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

客戶合約產生的貿易應收款項(續)

下表載列本集團使用撥備矩陣計算的正常風險類別貿易應收款項的信貸風險資料：

於2019年12月31日

		Current 即期 RMB'000 人民幣千元	Past due 逾期 Less than 9 months 少於9個月 RMB'000 人民幣千元	Past due 逾期 Over 9 months 超過9個月 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Gross carrying amount	總賬面值	**77,781**	**14,548**	**4,836**	**97,165**
Expected credit losses	預期信貸損失	**757**	**186**	**1,519**	**2,462**
Average loss rate	平均虧損率	**0.05%-1.74%**	**0.46%-3.84%**	**15.77%-47.33%**	

於2018年12月31日

		Current 即期 RMB'000 人民幣千元	Past due 逾期 Less than 9 months 少於9個月 RMB'000 人民幣千元	Past due 逾期 Over 9 months 超過9個月 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Gross carrying amount	總賬面值	34,961	7,487	1,171	43,619
Expected credit losses	預期信貸損失	649	160	547	1,356
Average loss rate	平均虧損率	1.86%	2.14%	46.71%	

44. Financial Instruments (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

The following table shows the movement in ECL that has been recognised for trade receivables under the simplified approach.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

客戶合約產生的貿易應收款項(續)

下表載列已就貿易應收款項根據簡化法確認的預期信貸損失變動。

		Lifetime ECL (not credit-impaired) 全期預期信貸損失(並無信貸減值) RMB'000 人民幣千元
As at 1 January 2019	於2019年1月1日	1,356
Changes due to financial instrument, recognised as at 1 January 2019:	於2019年1月1日確認金融工具所導致之變動：	
— Reversal of impairment losses recognised in prior year	— 於過往年度確認之減值虧損撥回	(1,334)
New or originated financial assets during the current year:	於本年度新增或產生之金融資產：	
— Impairment losses recognised	— 已確認減值虧損	2,440
		2,462

Other receivables

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2019, a reversal of allowance for credit losses of RMB320,000 (2018: allowance for credit losses of RMB543,000) was recognised.

As at 31 December 2019, the probability of default applied ranged from 0.01% to 31.4% (2018: 0.17% to 100%) and the loss given default was estimated to be 100%.

其他應收款項

就其他應收款項及按金而言，本公司董事根據過往償付記錄、過往經驗以及合理且具理據支持的前瞻性定量及定性資料，對其他應收款項及按金的可收回性進行定期個別評估。本公司董事認為自初始確認以來該等款項的信貸風險並無顯著增加，本集團基於12個月預期信貸損失撥備減值。截至2019年12月31日止年度，已確認信貸損失撥備撥回人民幣320,000元(2018年：信貸損失撥備人民幣543,000元)。

於2019年12月31日，所應用的違約概率介乎0.01%至31.4%(2018年：0.17%至100%)，而違約損失率則估計為100%。

44. Financial Instruments (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

Credit risk and impairment assessment (Continued)

Pledged bank deposits and bank balances

As at 31 December 2019, 47.7% and 20.3% of pledged bank deposits and bank balances of the Group are deposited in a bank in PRC and a bank in Singapore respectively. Credit risk on pledged bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for pledged bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades, ranged from B3 to Aa1 published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant.

The Group's internal credit risk grading assessment comprises the following categories.

44. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

已抵押銀行存款及銀行結餘

於2019年12月31日，本集團47.7%及20.3%已抵押銀行存款及銀行結餘已分別存放於中國銀行及新加坡銀行。已抵押銀行存款及銀行結餘的信貸風險有限，因為交易方為聲譽良好且獲國際信貸評級機構評為高信貸評級的銀行。本集團透過參考由外部信貸評級機構所公佈有關各信貸評級級別的違約概率及違約損失率的資料(介乎B3至Aa1之間)，評估已抵押銀行存款及銀行結餘的12個月預期信貸損失。根據平均損失率，已抵押銀行存款及銀行結餘的12個月預期信貸損失被視作並不重大。

本集團之內部信貸風險評級評估由以下類別組成。

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 貿易應收款項	Other financial assets 其他金融資產
Normal 正常	The counterparty has a low risk of default and does not have any past-due amounts 對手方違約風險低及並無任何逾期款項	Lifetime ECL – not credit-impaired 全期預期信貸損失 – 非信貸減值	12-month ECL 12個月預期信貸損失
Watch list 監察名單	Debtor frequently repays after due dates but usually settle in full 債務人經常於到期日後還款，但通常全數還款	Lifetime ECL – not credit-impaired 全期預期信貸損失 – 非信貸減值	12-month ECL 12個月預期信貸損失
Doubtful 可疑	There have been significant increase in credit risk since initial recognition through information developed internally or external resources 從內部或外部所得資料顯示，信貸風險自初始確認後顯著增加	Lifetime ECL – not credit-impaired 全期預期信貸損失 – 非信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸損失 – 非信貸減值
Credit impaired 信貸減值	There is evidence indicating the asset is credit-impaired 有證據顯示資產已信貸減值	Lifetime ECL – credit-impaired 全期預期信貸損失 – 信貸減值	Lifetime ECL – credit-impaired 全期預期信貸損失 – 信貸減值

44. Financial Instruments (Continued)

44. 金融工具(續)

(b) Financial Risk Management Objectives and Policies (Continued)

(b) 財務風險管理目標及政策(續)

Credit risk and impairment assessment (Continued)

信貸風險及減值評估(續)

Maximum exposure and year-end staging

最高風險及年終階段

The table below shows the credit quality by reference to internal credit rating and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2019 and 2018. The amounts presented are gross carrying amounts for financial assets.

下表顯示於2019年及2018年12月31日的根據本集團信貸政策(主要基於過往到期資料,除非其他信息在無需付出過多成本或努力下即可獲得)的信貸質素(經參考內部信貸評級)及最高信貸風險以及年終階段分類。所呈列金額為金融資產的賬面總值。

		12-month ECLs 12個月預期信貸損失	Lifetime ECLs 全期預期信貸損失			
		Stage 1 第1階段	Stage 2 第2階段	Stage 3 第3階段	Simplified approach 簡化方法	
		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
2019	**2019年**					
Trade receivables	貿易應收款項	–	–	–	97,165	97,165
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					
– Normal*	– 正常*	13,536	–	–	–	13,536
Pledged deposits	已抵押存款					
– Normal*	– 正常*	823	–	–	–	823
Cash and cash equivalents	現金及現金等價物	76,008	–	–	–	76,008
		90,367	–	–	97,165	187,532

44. Financial Instruments (Continued)

44. 金融工具(續)

(b) Financial Risk Management Objectives and Policies (Continued)

(b) 財務風險管理目標及政策(續)

Credit risk and impairment assessment (Continued)

信貸風險及減值評估(續)

Maximum exposure and year-end staging (Continued)

最高風險及年終階段(續)

		12-month ECLs 12個月預期信貸損失	Lifetime ECLs 全期預期信貸損失			
		Stage 1 第1階段	Stage 2 第2階段	Stage 3 第3階段	Simplified approach 簡化方法	
		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
2018	2018年					
Trade receivables	貿易應收款項	–	–	–	42,263	42,263
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					
– Normal*	– 正常*	4,090	–	–	–	4,090
Pledged deposits	已抵押存款					
– Normal*	– 正常*	400	–	–	–	400
Cash and cash equivalents	現金及現金等價物	76,848	–	–	–	76,848
		81,338	–	–	42,263	123,601

* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

* 當計入預付款項、其他應收款項及其他資產的金融資產並無逾期，且概無資料表明金融資產自初次確認起信貸風險明顯增加，其信貸質素被視為「正常」。否則，金融資產的信貸質素被視為「可疑」。

44. Financial Instruments (Continued)

44. 金融工具(續)

(b) Financial Risk Management Objectives and Policies (Continued)

(b) 財務風險管理目標及政策(續)

Liquidity risk

流動資金風險

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

就流動資金風險管理而言，本集團監察及維持現金及現金等價物處於管理層視為合適之水平，以撥資本集團作營運用途，並降低現金流量波動所造成之影響。管理層監察銀行借款之動用情況，並確保已遵守貸款契諾。

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating-rate, the undiscounted amount is derived from existing interest rate at the end of the reporting period.

下表詳列本集團有關非衍生金融負債之餘下合約到期日詳情(按協定還款期劃分)。此表乃根據於本集團可能被要求付款之最早日期之金融負債之未貼現現金流量編製，當中亦載有利息及本金現金流量。就浮息利息流量而言，未貼現金額乃按於報告期末之現行利率計。

31 December 2019

2019年12月31日

		Weighted average interest rate 加權平均利率 %	Repayable on demand or within one year 按要求償還或一年內 RMB'000 人民幣千元	In the second year 第二年(包括首尾兩年) RMB'000 人民幣千元	In the third to fifth years, inclusive 第三至第五年 RMB'000 人民幣千元	Total undiscounted cash flow 未貼現現金流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	45,456	–	–	45,456	45,456
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	–	20,932	–	–	20,932	20,932
Borrowings	借款	8.13	55,134	–	9,550	64,684	63,273
Interest payables on borrowings	借款的應付利息	–	1,006	–	–	1,006	1,006
Lease liabilities	租賃負債	5.25	14,609	8,607	11,278	34,494	31,630
			137,137	8,607	20,828	166,572	162,297

44. Financial Instruments (Continued)

44. 金融工具(續)

(b) Financial Risk Management Objectives and Policies (Continued)

(b) 財務風險管理目標及政策(續)

Liquidity risk (Continued)

流動資金風險(續)

31 December 2018

2018年12月31日

		Weighted average interest rate 加權平均利率 %	Repayable on demand or within one year 按要求償還或一年內 RMB'000 人民幣千元	In the second year 第二年(包括首尾兩年) RMB'000 人民幣千元	In the third to fifth years, inclusive 第三至第五年 RMB'000 人民幣千元	Total undiscounted cash flow 未貼現現金流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	12,293	–	–	12,293	12,293
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	–	19,744	–	–	19,744	19,744
Borrowings	借款	8.7	62,881	3,654	9,550	76,085	76,085
Interest payables on borrowings	借款的應付利息	–	6,129	79	2,016	8,224	1,729
			101,047	3,733	11,566	116,346	109,851

(c) Fair Value Measurements of Financial Instruments

(c) 金融工具的公允價值計量

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

本集團金融工具的公允價值(該等賬面值與公允價值合理相若者除外)載列如下:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Financial assets	**金融資產**		
Equity investment at fair value through other comprehensive income	按公允價值計入其他全面收益的股權投資	**812**	3,000
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	**–**	27,000
		812	30,000

44. Financial Instruments (Continued)

(c) Fair Value Measurements of Financial Instruments (Continued)

Management has assessed that the fair values of financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short term maturities of these instruments.

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

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

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

As at 31 December 2019, the fair value of the Group's equity investment at fair value through other comprehensive income, representing 14.29% interest in UnionTest, is determined by Savills, an independent valuer, by reference to the Group's share of adjusted net assets of UnionTest, which is the significant unobservable impact of the valuation of this investment.

The carrying amount of this unlisted equity investment would be decreased by RMB81,000 if there is a 10% decrease in the adjusted net assets of UnionTest and vice versa, by holding other variables constant.

44. 金融工具(續)

(c) 金融工具的公允價值計量(續)

管理層經評估後認為，按攤銷成本列賬的金融資產及負債的公允價值與其賬面值相若，此乃主要由於該等工具的到期期限較短。

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

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

估計公允價值時使用以下方法及假設：

於2019年12月31日，本集團按公允價值計入其他全面收益的股權投資(佔於聯測的14.29%權益)的公允價值乃由獨立估值師Savills經參考本集團應佔聯測的經調整資產淨值而釐定，其為該項投資估值的重大不可觀察數據。

倘聯測的經調整資產淨值減少10%，而其他變數維持不變，則該項非上市股權投資的賬面值將減少人民幣81,000元，反之亦然。

44. Financial Instruments (Continued)

(c) Fair Value Measurements of Financial Instruments (Continued)

Financial assets at fair value through profit or loss at 31 December 2018 represented financial products issued by banks. The fair values of the financial assets at fair value through profit or loss have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

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

44. 金融工具(續)

(c) 金融工具的公允價值計量(續)

於2018年12月31日的按公允價值計入損益的金融資產指由銀行發行的理財產品。按公允價值計入損益的金融資產的公允價值按條款、信貸風險及餘下年期相若的工具目前可用的利率貼現預計未來現金流量計算。

下表說明本集團金融工具的公允價值計量層級：

Assets measured at fair value

31 December 2019

按公允價值計量的資產

2019年12月31日

		Fair value measurement using 公允價值計量採用			
		Quoted prices in active markets (Level 1) 活躍市場報價(第一層級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重要可觀察輸入數據(第二層級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重要不可觀察輸入數據(第三層級) RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Equity investment at fair value through other comprehensive income	按公允價值計入其他全面收益的股權投資	–	–	812	812
		–	–	812	812

44. Financial Instruments (Continued)

44. 金融工具(續)

(c) Fair Value Measurements of Financial Instruments (Continued)

(c) 金融工具的公允價值計量(續)

Assets measured at fair value (Continued)

按公允價值計量的資產(續)

31 December 2018

2018年12月31日

		Fair value measurement using 公允價值計量採用			
		Quoted prices in active markets (Level 1) 活躍市場報價(第一層級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重要可觀察輸入數據(第二層級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重要不可觀察輸入數據(第三層級) RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Equity investment at fair value through other comprehensive income	按公允價值計入其他全面收益的股權投資	–	–	3,000	3,000
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	–	27,000	–	27,000
		–	27,000	3,000	30,000

45. Related Party Transactions

45. 關聯方交易

(a) Transactions with related parties during the year:

(a) 年內關聯方交易：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Rental income from a former associate/an associate	來自前聯營企業／聯營企業的租金收入	**226**	229
Provision of technical services by a former associate/an associate	前聯營企業／聯營企業提供技術服務	**1,550**	3,743
Purchase of property, plant and equipment and intangible assets from a former associate/an associate	向前聯營企業／聯營企業購買物業、廠房及設備以及無形資產	**2,590**	5,347

45. Related Party Transactions (Continued)

(b) Outstanding balances with related parties:

Details of the outstanding balances with related parties are set out in note 29 to these consolidated financial statements.

(c) Guarantees provided by related parties:

The Group's bank loans amounting to RMB15,000,000 (2018: RMB10,112,000) as at 31 December 2019 were guaranteed by LI Xiangli (2018: LI Xiangli and ZHANG Aiying).

The Group's other borrowing amounting to RMB40,134,000 (2018: RMB56,404,000) as at 31 December 2019 was guaranteed by Leon Cornerstone Investment Holding Limited owned by LI Xiangli, Hawk Flying Investment Holding Limited owned by Liu Yi and Swan Stone Investment Holding Limited owned by ZHANG Aiying with pledged shares which representing approximately 27.73% of the total issued share capital of the Company. This borrowing was also guaranteed by LI Xiangli and ZHANG Aiying.

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

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	**6,327**	6,785
Pension scheme contributions	退休金計劃供款	**388**	302
Equity-settled share option expense	以權益結算的購股權開支	**414**	707
		7,129	7,794

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

45. 關聯方交易(續)

(b) 關聯方未償還結餘：

與關連方的未償還結餘詳情載於該等綜合財務報表附註29。

(c) 關聯方提供的擔保：

於2019年12月31日，本集團的銀行貸款為人民幣15,000,000元(2018年：人民幣10,112,000元)，由李向利(2018年：李向利及張愛英)作出擔保。

於2019年12月31日，本集團的其他借款為人民幣40,134,000元(2018年：人民幣56,404,000元)，由Leon Cornerstone Investment Holding Limited(由李向利擁有)、Hawk Flying Investment Holding Limited(由劉翊擁有)及Swan Stone Investment Holding Limited(由張愛英擁有)作出擔保，質押股份佔本公司已發行股本總額約27.73%。此借款亦由李向利及張愛英作出擔保。

(d) 本集團主要管理人員的酬金：

本公司董事認為，本集團與關聯方之間的交易按訂約方之間共同協定的價格進行，並於日常業務過程中進行。

46. Particulars of Principal Subsidiaries of the Company

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

46. 本公司主要附屬公司詳情

於報告期末，本公司直接及間接持有的附屬公司詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立／登記及營業地點	Issued ordinary/ registered share capital 已發行普通／註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比				Principal activities 主營業務
			2019 2019年		2018 2018年		
			Direct 直接	Indirect 間接	Direct 直接	Indirect 間接	
China Leon Inspection Holding (BVI) Limited	British Virgin Islands 英屬維爾京群島	US$1.00 1.00美元	**100**	**-**	100	-	Investment holding 投資控股
Huaxia Leon Inspection Limited 華夏力鴻檢驗有限公司	Hong Kong 香港	HK$100 100港元	**-**	**100**	-	100	Investment holding 投資控股
Beijing Huaxia Lihong Commodity Inspection Co., Ltd. 北京華夏力鴻商品檢驗有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	**-**	**100**	-	100	Coal inspection 煤炭檢驗
Top One Quality Management Consultant Limited	British Virgin Islands 英屬維爾京群島	US$50,000 50,000美元	**100**	**-**	100	-	Investment holding 投資控股
HongKong Top One Global Limited 香港第一環球有限公司	Hong Kong 香港	HK$1.00 1.00港元	**-**	**100**	-	100	Investment holding 投資控股
Inner Mongolia Lihong Supply Chain Quality Technology Co., Ltd. 內蒙古力鴻供應鏈質量技術有限公司	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	**-**	**100**	-	100	Standard technical and quality control technical services 標準技術及質量控制技術服務
Asia Leon Inspection Holding Limited	British Virgin Islands 英屬維爾京群島	US$50,000 50,000美元	**100**	**-**	100	-	Investment holding 投資控股
Leon Overseas Pte. Ltd.	Singapore 新加坡	SGD1,000,000 1,000,000新加坡元	**-**	**51**	-	51	Inspection and testing of commodities 商品檢驗及檢測
Saybolt (Singapore) Pte. Ltd.	Singapore 新加坡	SGD341,714 341,714新加坡元	**-**	**51 (note 37)** **(附註37)**	-	-	Inspection and testing of commodities 商品檢驗及檢測

46. Particulars of Principal Subsidiaries of the Company (Continued)

46. 本公司主要附屬公司詳情(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記及營業地點	Issued ordinary/ registered share capital 已發行普通/註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比				Principal activities 主營業務
			2019 2019年		2018 2018年		
			Direct 直接	Indirect 間接	Direct 直接	Indirect 間接	
Leon Inspection & Testing India Private Limited	India 印度	INR500,000 500,000盧比	–	**41 (note iii) (附註iii)**	–	41 (note iii) (附註iii)	Inspection and testing of commodities 商品檢驗及檢測
Pt. Leon Testing and Consultancy	Indonesia 印尼	IDR10,005,000,000 10,005,000,000印尼盾	–	**51**	–	51	Inspection and testing of commodities 商品檢驗及檢測
Leon Inspection and Testing Australia Pty Ltd.	Australia 澳洲	AUD1.00 1.00澳元	–	**51**	–	51	Inspection and testing of commodities 商品檢驗及檢測
Leon Inspection Testing Services Sdn. Bhd	Malaysia 馬來西亞	MYR1,000,000 1,000,000馬幣	–	**51**	–	51	Inspection and testing of commodities 商品檢驗及檢測
Leon Inspection & Testing Private Limited	Pakistan 巴基斯坦	PRK40,000,000 40,000,000巴基斯坦盧比	–	**41 (note iii) (附註iii)**	–	41 (note iii) (附註iii)	Inspection and testing of commodities 商品檢驗及檢測
Saybolt (Tianjin) Metrology & Inspection Co. Ltd. 仕寶(天津)技術檢測有限公司	The PRC 中國	US$1,150,000 1,150,000美元	–	**41 (note i and iii) (附註i及iii)**	–	51	Inspection and testing of commodities 商品檢驗及檢測
Leon Overseas (Hong Kong) Limited	Hong Kong 香港	HK$1.00 1.00港元	–	**41 (note i and iii) (附註i及iii)**	–	51	Inspection and testing of commodities 商品檢驗及檢測
Leon-Saybolt Inspection & Testing Sdn Bhd.	Brunei 汶萊	B$1,000 1,000汶萊元	–	**51 (note iii) (附註iii)**	–	–	Standard technical and quality control technical services 標準技術及質量控制技術服務
Qinhuangdao Lihong Coal Testing Co., Ltd. 秦皇島力鴻煤炭檢測有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	–	**100**	–	100	Coal and coke testing, inspection and relevant service 煤炭及焦炭檢測、檢驗及相關服務
Tangshan Huaxia Lihong Commodity Inspection Co., Ltd. 唐山華夏力鴻商品檢驗有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	–	**100**	–	100	Inspection, testing, appraisal and inspection technology development 檢驗、檢測、評估及檢驗技術開發

For the year ended 31 December 2019
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46. Particulars of Principal Subsidiaries of the Company (Continued)

46. 本公司主要附屬公司詳情(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記及營業地點	Issued ordinary/ registered share capital 已發行普通/註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比				Principal activities 主營業務
			2019 2019年		2018 2018年		
			Direct 直接	Indirect 間接	Direct 直接	Indirect 間接	
Tianjin Huaxia Lihong Coal Testing Co., Ltd. 天津華夏力鴻煤炭檢測有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	-	100	-	100	Coal and coke inspection 煤炭及焦炭檢驗
Nanjing Lihong Coal Testing Co., Ltd. 南京力鴻煤炭檢測有限公司	The PRC 中國	RMB3,000,000 人民幣3,000,000元	-	100	-	100	Coal, coke and minerals inspection 煤炭、焦炭及礦物檢驗
Guangzhou Lihong Coal Testing Co., Ltd. 廣州力鴻煤炭檢測有限公司	The PRC 中國	RMB1,440,000 人民幣1,440,000元	-	100	-	100	Professional technique service 專業技術服務
Hebei Lihong Minerals Inspection Co., Ltd. 河北力鴻礦產品檢驗有限公司	The PRC 中國	RMB3,000,000 人民幣3,000,000元	-	100	-	100	Coal inspection technique advisory service 煤炭檢驗技術諮詢服務
Hunan Lihong Coal Testing Co., Ltd. 湖南力鴻煤炭檢測有限公司	The PRC 中國	RMB3,000,000 人民幣3,000,000元	-	100	-	100	Coal, coke and minerals testing and inspection 煤炭、焦炭及礦物檢測及檢驗
Zhuhai Lidaohongtu Coal Testing Technology Services Co., Ltd. 珠海力道鴻圖煤炭檢測技術服務有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	-	100	-	100	Coal and minerals testing, inspection and advisory services 煤炭及礦物檢測、檢驗及諮詢服務
Beijing Huaxia Lihong Software Development Co., Ltd. 北京華夏力鴻軟件開發有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	-	100	-	100	Software development, technique service and sale of computers and equipment 軟件開發、技術服務以及電腦及設備銷售

46. Particulars of Principal Subsidiaries of the Company (Continued)

46. 本公司主要附屬公司詳情(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記及營業地點	Issued ordinary/ registered share capital 已發行普通/註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比				Principal activities 主營業務
			2019 2019年		2018 2018年		
			Direct 直接	Indirect 間接	Direct 直接	Indirect 間接	
Tianjin Shengde Tiangong Sampling Technology Co., Ltd. 天津聖德天工採樣技術有限公司	The PRC 中國	RMB10,000,000 人民幣10,000,000元	-	**100**	-	100	Scientific research, technique service and business service 科研、技術服務及商業服務
Shaanxi Huaxia Lihong Commodity Inspection Co., Ltd. 陝西華夏力鴻商品檢驗有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	-	**55**	-	55	Quality Inspection Service 質量檢驗服務
Huoerguosi Huaxialihong Quality Technical Service Co., Ltd. 霍爾果斯華夏力鴻質量技術服務有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	-	**100**	-	100	Product quality control, inspection, evaluation supervision, testing and relevant technique service 產品質量控制、檢驗、評估監督、檢測和相關技術服務
Leon Sanitary Inspection Technical Service (Tianjin) Co., Ltd. 力鴻衛檢科技服務(天津)有限公司	The PRC 中國	RMB1,000,000 人民幣1,000,000元	-	**100**	-	100	Vector biological control technology, technological development and consulting and chemical products wholesale and retail 媒介生物控制技術、技術開發及諮詢、化學產品批發及零售
Xinjiang Huaxia Lihong Commodity Inspection Co., Ltd. 新疆華夏力鴻商品檢驗有限公司	The PRC 中國	RMB5,000,000 人民幣5,000,000元	-	**100**	-	100	Quality inspection service 質量檢驗服務
Guangzhou Lihong Energy Testing Technology Co., Ltd. 廣州力鴻能源檢測技術有限公司	The PRC 中國	RMB5,000,000 人民幣5,000,000元	-	**100 (note ii)** **(附註ii)**	-	50 (note 37B) (附註37B)	Coal, coke and minerals inspection 煤炭、焦炭及礦物檢驗

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

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

46. Particulars of Principal Subsidiaries of the Company (Continued)

(i) During the year ended 31 December 2019, the Group disposed of 20% equity interests in Saybolt Tianjin and Leon HK. Further details are included in note 38 to the consolidated financial statements.

(ii) During the year, the Group acquired 50% of issued equity interest of Guangzhou Lihong Energy from non-controlling interest. Further details are included in note 38B to the consolidated financial statements.

(iii) These companies are subsidiaries of Leon Overseas. The interests disclosed here represented the Group's effective equity interests in these subsidiaries. The directors of the Company are in the opinion that the Group has control over these subsidiaries through its control over Leon Overseas, a non-wholly owned subsidiary of the Company.

All these companies were incorporated with limited liability.

The table below shows details of non-wholly subsidiaries of the Group that have material non-controlling interests:

46. 本公司主要附屬公司詳情(續)

(i) 截至2019年12月31日止年度，本集團出售其於天津仕寶及Leon HK的20%權益。進一步詳情載於綜合財務報表附註38。

(ii) 年內，本集團從非控股權益收購廣州力鴻能源50%已發行股本權益。進一步詳情載於綜合財務報表附註38B。

(iii) 該等公司為Leon Overseas的附屬公司。此處披露的權益為本集團於該等附屬公司的實際權益。本公司董事認為本集團透過其對Leon Overseas(本公司的非全資附屬公司)的控制對該等公司擁有控制權。

所有該等公司均註冊成立為有限公司。

下表載列本集團擁有重大非控股權益的非全資附屬公司的詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation and place of business 註冊成立地點及營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有的所有權及投票權的百分比		Profit (loss) allocated to non-controlling interests 分配至非控股權益的利潤(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2019 2019年	2018 2018年	**2019 2019年 RMB'000 人民幣千元**	2018 2018年 RMB'000 人民幣千元	**2019 2019年 RMB'000 人民幣千元**	2018 2018年 RMB'000 人民幣千元
Leon Overseas (i)	Singapore 新加坡	**49%**	49%	**1,352**	(9,254)	**(4,495)**	(7,181)
Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益的個別非重大附屬公司						**2,812**	2,288
						(1,683)	(4,893)

(i) During the year ended 31 December 2019, the non-controlling interests pledged their equity interest to the Group for the shareholder's loans provided by the Company to Leon Overseas.

(i) 截至2019年12月31日止年度，非控股權益向本集團抵押了其股本權益，以獲取本公司向Leon Overseas提供的股東貸款。

46. Particulars of Principal Subsidiaries of the Company (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Leon Overseas

46. 本公司主要附屬公司詳情(續)

擁有重大非控股權益的本集團各附屬公司的財務資料摘要載列如下。下文的財務資料摘要乃呈列的集團內對銷之前的金額。

Leon Overseas

		2019 **2019年** **RMB'000** **人民幣千元**	2018 2018年 RMB'000 人民幣千元
Current assets	流動資產	**94,593**	38,088
Non-current assets	非流動資產	**45,575**	13,476
Current liabilities	流動負債	**(60,654)**	(15,182)
Non-current liabilities	非流動負債	**(90,503)**	(50,924)
Equity attributable to owners of the Company	本公司擁有人應佔權益	**6,494**	7,361
Non-controlling interests of Leon Overseas	Leon Overseas的非控股權益	**6,239**	7,072
Non-controlling interests of Leon Overseas subsidiaries	Leon Overseas附屬公司的非控股權益	**(1,744)**	109

46. Particulars of Principal Subsidiaries of the Company (Continued)

46. 本公司主要附屬公司詳情(續)

Leon Overseas (Continued)

Leon Overseas(續)

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue	收入	**155,415**	43,116
Expenses	開支	**(153,401)**	(61,541)
Profit (loss) for the year	年內利潤(虧損)	**2,014**	(18,425)
Profit (loss) attributable to owners of the Company	本公司擁有人應佔利潤(虧損)	**662**	(9,171)
Profit (loss) attributable to the non-controlling interests of Leon Overseas	Leon Overseas的非控股權益應佔利潤(虧損)	**636**	(8,811)
Profit (loss) attributable to the non-controlling interests of Leon Overseas subsidiary	Leon Overseas附屬公司的非控股權益應佔利潤(虧損)	**716**	(443)
Profit (loss) for the year	年內利潤(虧損)	**2,014**	(18,425)
Other comprehensive income attributable to owners of the Company	本公司擁有人應佔其他全面收益	**204**	–
Other comprehensive income attributable to the non-controlling interests of Leon Overseas	Leon Overseas的非控股權益應佔其他全面收益	**197**	–
Other comprehensive income for the year	年內其他全面收益	**401**	–
Total comprehensive income (expense) attributable to owners of the Company	本公司擁有人應佔全面收益(開支)總額	**866**	(9,171)
Total comprehensive income (expense) attributable to the non-controlling interests of Leon Overseas	Leon Overseas的非控股權益應佔全面收益總額	**833**	(8,811)
Total comprehensive income (expense) attributable to the non-controlling interests of Leon Overseas subsidiaries	Leon Overseas附屬公司的非控股權益應佔全面收益(開支)總額	**716**	(443)
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	**2,415**	(18,425)

47. Comparative Figures

The comparative figures of certain items stated in the consolidated statement of profit or loss and other comprehensive income have been represented to conform to the current year's presentation.

47. 比較數字

綜合損益及其他全面收益表所述若干項目的比較數字已予以重列，以符合本年度的呈列。

48. Event After the Reporting Period

The outbreak of the novel coronavirus and the subsequent quarantine measures as well as the travel restrictions imposed by many countries have had a negative impact on the operations of Group, as most of the Group's operations are located in various provinces in Mainland China and Singapore.

Due to the inherent nature and unpredictability of future development, the actual financial effects could be different depending on the future development of the outbreak, government policies and measures in response to the outbreak. The management team will continuously monitor the development and further strengthen cost control and improve the quality of services and business.

The actual financial effects, if any, will be reflected in the Group's future consolidated financial statements.

48. 報告期後事項

新型冠狀病毒疫情爆發之後，許多國家採取隔離措施及施加旅行限制，由於本集團的大部分業務位於中國內地多個省份及新加坡，本集團的營運受到負面影響。

鑒於其固有性質及未來發展的不可預測性，實際財務影響可能因疫情的未來發展、政府應對疫情採取的政策及措施而有所不同。管理團隊將持續監督發展態勢，並進一步加強成本控制並提升服務及業務質量。

實際財務影響(如有)將反映於本集團未來的綜合財務報表中。

49. Statement of Financial Position of the Company

49. 本公司財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

於報告期末有關本公司財務狀況表的資料如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 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	**1**	5
Investment in a subsidiary	投資附屬公司	**58,044**	54,978
Amounts due from subsidiaries	應收附屬公司款項	**67,093**	–
Right-of-use assets	使用權資產	**457**	–
Total non-current assets	非流動資產總值	**125,595**	54,983
CURRENT ASSETS	**流動資產**		
Other receivables	其他應收款項	**312**	474
Amounts due from subsidiaries	應收附屬公司款項	**73,274**	88,256
Cash and cash equivalents	現金及現金等價物	**2,115**	49,301
Total current assets	流動資產總值	**75,701**	138,031
CURRENT LIABILITIES	**流動負債**		
Other payables	其他應付款項	**16,569**	11,262
Other borrowings	其他借款	**40,134**	56,404
Interest payables	應付利息	**1,006**	1,472
Lease liabilities	租賃負債	**301**	–
Total current liabilities	流動負債總額	**58,010**	69,138
NET CURRENT ASSETS	**流動資產淨值**	**17,691**	68,893
TOTAL ASSETS LESS CURRENT LIABILITIES	**資產總值減流動負債**	**143,286**	123,876
NON-CURRENT LIABILITIES	**非流動負債**		
Lease liabilities	租賃負債	**143**	–
Net assets	資產淨值	**143,143**	123,876
EQUITY	**權益**		
Share capital	股本	**131**	131
Reserves	儲備	**143,012**	123,745
Total equity	權益總額	**143,143**	123,876

49. Statement of Financial Position of the Company (Continued)

49. 本公司財務狀況表(續)

Note: A summary of the Company's reserve is as follows:

附註： 本公司儲備概要如下：

		Capital reserve (Note) 資本儲備 (附註) RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Retained profits (accumulated losses) 保留利潤 (累計虧損) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	125,869	627	(3,367)	123,129
Profit and total comprehensive income for the year	年內利潤及全面收益總額	–	–	9,063	9,063
Final 2017 dividend declared	已宣派2017年末期股息	–	–	(10,000)	(10,000)
Equity-settled shares option arrangements	以權益結算的購股權安排	–	1,553	–	1,553
At 31 December 2018	於2018年12月31日	**125,869**	**2,180**	**(4,304)**	**123,745**
Profit and total comprehensive income for the year	年內利潤及全面收益總額	**–**	**–**	**21,423**	**21,423**
Final 2018 dividend declared	已宣派2018年末期股息	**–**	**–**	**(3,000)**	**(3,000)**
Equity-settled shares option arrangements	以權益結算的購股權安排	**–**	**844**	**–**	**844**
At 31 December 2019	於2019年12月31日	**125,869**	**3,024**	**14,119**	**143,012**

Note: The amounts represent for i) the share premium of the issued share capital of the Company; and ii) the difference between the nominal values of the ordinary shares issued by the Company and the share capital of subsidiaries acquired through an exchange of shares pursuant to the reorganisation of the Company in prior years.

附註： 該等金額為i)本公司已發行股本之股份溢價；及ii)本公司已發行普通股面值與透過根據本公司過往年度重組進行股份交換所收購附屬公司之股本之間的差額。

CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司