

民生教育集团有限公司

Minsheng Education Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1569

Annual Report

2020 年報

 民生在线大学
MINSHENG ONLINE UNIVERSITY



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COMPANY PROFILE

公司簡介

Minsheng Education Group Company Limited (the “**Company**”) together with its subsidiaries (collectively refer to as the “**Group**” or “**We**”) is a leading higher education and vocational education group in the People’s Republic of China (the “**PRC**”), which empowers education with technology and promotes parallel development of ordinary higher education and vocational education as well as coordinated development of on-campus education and online education.

In terms of the on-campus education, the Group’s on-campus network covers Chongqing, Shandong, Yunnan, Inner Mongolia, Hong Kong, Singapore and Australia. As of 31 December 2020, the Group operated and/or managed 10 schools in the PRC (including seven higher education schools, two secondary vocational schools and one high school) and the total number of students in the school is 92,772.

In terms of online education, the Group operated online education brands such as Open University Online Long Distance Learning Education Technology Company Limited* (電大在線遠程教育技術有限公司) (“**Open University Online**”)/Open Distance Education Centre Company Limited* (北京奧鵬遠程教育中心有限公司) (“**Open Distance Education**”), IMOOC (慕課網), Doxue Network Technology (Beijing) Company Limited* (都學網絡科技(北京)有限公司) (“**Doxue Network**”)/MBA China, Silk Road (Beijing) International Educational Technology Centre Company Limited* (絲綢之路(北京)國際教育科技中心有限公司) (“**Silk Road**”)/HSK Internet Examination and managed Guangdong Minsheng Online Education Technology Co., Ltd* (廣東民生在線教育科技有限公司) (“**Minsheng Online**”). Together, the Group established an online education service platform covering the fields of junior college, undergraduate and master degree education, vocational education and training, and others, including the nation’s largest and the only national public service platform for distance education in the PRC, and the leading management postgraduate joint exam training and admissions platform in the PRC. As of 31 December 2020, the abovementioned online education entities had a total of approximately 1.18 million online education undergraduate and junior college students, more than 20 million vocational education users, and annual training of approximately 2.9 million teachers; it provides more than 500 of online education undergraduate and junior college majors and more than 90 open education undergraduate and junior college majors, as well as more than 1,300 vocational training courses; and operated more than 1,800 offline learning centers in 31 provinces (autonomous regions and municipalities) across the nation, which established a learning platform that integrates online and offline.

* English names are translated for identification purpose only.

民生教育集團有限公司(「**本公司**」)，連同其附屬公司(統稱「**本集團**」或「**我們**」)乃中華人民共和國(「**中國**」)領先的高等教育及職業教育集團，以科技賦能教育，推進普通高等教育與職業教育雙輪驅動，校園教育與在線教育協同發展。

校園教育方面，本集團的學校網絡覆蓋重慶、山東、雲南、內蒙古、香港、新加坡、澳大利亞等地。截至2020年12月31日，本集團在中國內地舉辦及／或託管10所學校(包括7所高等學校、2所中職學校和1所高中)及有在校學生總人數92,772名。

在線教育方面，本集團營運電大在線遠程教育技術有限公司(「**電大在線**」)／北京奧鵬遠程教育中心有限公司(「**奧鵬教育**」)、慕課網、都學網絡科技(北京)有限公司(「**都學網絡**」)／MBA China、絲綢之路(北京)國際教育科技中心有限公司(「**絲綢之路**」)／HSK漢語水平考試網考平台及託管廣東民生在線教育科技有限公司(「**民生在線**」)等在線教育品牌，合併建立起覆蓋專、本、碩學歷教育、職業教育及培訓領域的在線教育服務平台，其中包括全國最大的、也是唯一一家全國性的遠程教育公共服務平台，以及全國領先的管理類研究生聯考培訓及招生平台。截至2020年12月31日，上述在線教育主體共有在線教育本專科在籍學生約118萬人，職業教育用戶2,000多萬人，年培訓教師約290萬人；提供500多種網絡教育本專科專業及90多種開放教育本專科專業，以及1,300多門職業培訓課程及營運遍佈全國31個省(自治區、直轄市)的1,800多家線下學習中心，構建起線上線下深度融合的學習場景。

* 英譯名僅供識別。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Lin Kaihua
Ms. Li Yanping

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. Lam Ngai Lung
Mr. Zuo Yichen

COMPANY SECRETARY

Ms. Ng Wing Shan, *FCG, FCS*

董事會

執行董事

李學春先生(*董事會主席*)
張衛平女士(*董事會副主席*)
左燿晨先生
林毅龍先生

非執行董事

林開樺先生
李雁平女士

獨立非執行董事

陳毅生先生
余黃成先生
王惟鴻先生

審核委員會

陳毅生先生(*主席*)
余黃成先生
王惟鴻先生

薪酬委員會

王惟鴻先生(*主席*)
李學春先生
余黃成先生

提名委員會

李學春先生(*主席*)
陳毅生先生
余黃成先生

授權代表

林毅龍先生
左燿晨先生

公司秘書

吳詠珊女士 · *FCG, FCS*

CORPORATE INFORMATION (Continued)

公司資料(續)

LEGAL ADVISOR

As to Hong Kong law:

Morgan, Lewis & Bockius

AUDITOR

Ernst & Young
*Certified Public Accountants and
Registered Public Interest Entity Auditor*

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

Floor 10-13, Building No. 2, Zhongguancun Science Park
Courtyard 2, 3rd West Ring Road North
Haidian District
Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

法律顧問

有關香港法律：

摩根路易斯律師事務所

核數師

安永會計師事務所
*執業會計師及
註冊公眾利益實體核數師*

註冊辦事處

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

總部及中國主要營業地點

中國北京市
海淀區
西三環北路甲2號院
中關村科技園2號樓10-13層

香港主要營業地點

香港
金鐘
金鐘道89號
力寶中心第一座32樓3202A室

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKER

Industrial and Commercial Bank of China
Chongqing Heyang Branch

STOCK CODE

1569

COMPANY WEBSITE

www.minshengedu.com

開曼群島股份登記及過戶處

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

香港證券登記處

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

主要往來銀行

中國工商銀行
重慶合陽支行

股份代號

1569

公司網頁

www.minshengedu.com

FINANCIAL HIGHLIGHTS

財務摘要

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

本集團於過去五個財政年度的經審核業績及資產及負債的概要載列如下：

		Year ended 31 December					
		截至12月31日止年度					
		2016	2017	2018	2019	2020	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Revenue	收益	444,997	477,780	623,143	1,005,436	1,107,206	
Cost of revenue	收益成本	(186,391)	(199,092)	(289,775)	(488,946)	(540,126)	
Gross profit	毛利	258,606	278,688	333,368	516,490	567,080	
Profit before tax	除稅前溢利	251,358	262,962	348,276	346,254	143,522	
Profit for the year	年度溢利	249,749	260,847	332,828	333,981	126,812	

		As at 31 December					
		於12月31日					
		2016	2017	2018	2019	2020	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Non-current assets	非流動資產	1,067,152	1,761,935	5,046,451	5,582,812	6,383,900	
Current assets	流動資產	1,156,718	2,459,910	1,578,021	1,494,790	2,726,446	
Current liabilities	流動負債	520,943	773,755	1,507,081	1,482,443	2,024,600	
Net current assets	流動資產淨值	635,775	1,686,155	70,940	12,347	701,846	
Total assets less current liabilities	總資產減流動負債	1,702,927	3,448,090	5,117,391	5,595,159	7,085,746	
Non-current liabilities	非流動負債	132,015	301,407	1,587,996	1,724,366	2,923,867	
Net assets	資產淨值	1,570,912	3,146,683	3,529,395	3,870,793	4,161,879	
Total equity	總權益	1,570,912	3,146,683	3,529,395	3,870,793	4,161,879	

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of the Company, I am pleased to present the annual results of the Group for the year ended 31 December 2020 (the “**Reporting Period**”).

OPERATING RESULTS DURING THE REPORTING PERIOD

The year of 2020 set another important milestone in the Group's more than 20 years of development. During the Reporting Period, the Group has achieved comprehensive deployment of online education and took the lead in entering the adult online education segment with broader prospects and higher marketisation. Since 2019, the Group was the first listed PRC higher education group to implement the strategy of “parallel development of ordinary higher education and vocational education as well as coordinated development of on-campus education and online education” and the first to develop online education on top of the fundamentals of the Group's on-campus education. During the Reporting Period, the Group (i) contracted to acquire 100% of the equity interest of Open University Online/Open Distance Education; and (ii) contracted to acquire 60% of the equity interest of Doxue Network, the relevant acquisitions enable the Group to achieve its online education strategic layout, after a series of capital operations, the Group has more than 1,800 online education centres in 31 provinces, municipalities and autonomous regions across the country, cooperate with hundreds of colleges and universities, and provide full academic products of academic education, as well as non-academic and professional abilities in terms of service improvement, the target customers have shifted from high school graduates and expanded to adults demand for academic qualifications and vocational skills demand, the operation scale has made the Group become one of the largest adult online education operators in the country.

There were material progress in the conversion of two independent colleges of the Group during the Reporting Period, the conversion of Dianchi College of Yunnan University and Pass College of Chongqing Technology and Business University, progressed actively during the Reporting Period. The Ministry of Education has announced the proposed approval of the conversion of Dianchi College of Yunnan University, and the conversion of Pass College of Chongqing Technology and Business University has been approved by the Chongqing Municipal People's Government and has been submitted to the Ministry of Education. In addition, the construction of the new campus under the Group has made important progress, with the completion of the new campus, it is expected to be able to accommodate approximately 26,000 new students in the future, which has laid foundation with its high growth.

各位尊敬的股東：

本人謹代表本公司董事(「**董事**」)會(「**董事會**」)，欣然呈報本集團截至2020年12月31日止年度(「**報告期間**」)的全年業績。

期內業務成果

2020年，本集團迎來在20多年發展歷程中的又一個重要里程碑。於報告期內，本集團全面佈局在線教育，率先打入發展前景更為廣闊、市場化程度更高的成人在線教育領域。早在2019年，本集團為國內首個提出「高等教育和職業教育雙輪驅動、校園教育和在線教育協同發展」的上市高等教育集團，率先在校園教育發展的基礎上積極、多維佈局在線教育。於報告期內，本集團(i)簽約收購電大在線／奧鵬教育100%的股權；及(ii)簽約收購都學網絡60%的股權，相關收購使本集團在線教育實現戰略性佈局，一系列資本運作後，本集團具有1800余個遍佈全國31省市自治區的在線教育網點，與數百家院校進行合作，提供包括高等學歷教育的全學歷產品以及非學歷、職業能力提升方面的服務，目標客戶已經從以往的高中畢業生拓展到有學歷及職業技能提升的成年人用戶，業務發展頗具規模，使得民生教育成功躋身於全國最大的成人在線教育運營商之一。

本集團的兩所獨立學院轉設工作於報告期內亦取得實質性進展，雲南大學滇池學院及重慶工商大學派斯學院的轉設工作於報告期間積極推進，國家教育部已就擬同意雲南大學滇池學院轉設進行公示；及重慶工商大學派斯學院轉設已獲得重慶市人民政府同意，上報國家教育部。另外，本集團旗下新校區建設取得重要進展，隨著新校區的建成，未來有望可新增容納約2.6萬名學生，即學生總容納人數在當前的基礎上擴大28%，為校園教育實現較高增長打下了基礎。

CHAIRMAN'S STATEMENT (Continued)

主席報告(續)

The Group's on-campus education has recorded stable growth during the Reporting Period. As of 31 December 2020, the Group's total number of students in the school is 92,772, increased by approximately 12.1% as compared to the corresponding period of 2019, which is mainly due to the number of newly enrolled students has increased for 2020-2021 academic year as compared to 2019-2020 academic year.

The Group operates and/or managed four online education brands. Firstly, is to provide continuing education services for academic qualifications, with operations of more than 1,800 offline learning centres in 31 provinces (autonomous regions and municipalities), providing more than 500 of online education and more than 90 open education undergraduate and junior college majors, with approximately 1.18 million undergraduate and junior college enrolled students, providing examination services to approximately 7 million person counts, and trained approximately 2.9 million teachers annually; Secondly, is to provide vocational skills training, IMOOC and other platforms has been selected as the "Internet + Career" by the Ministry of Human Resources and Social Security and the Ministry of Finance Skills Training Program" and was approved as a national high-quality online occupation skills training platform, with more than 20 million students accumulatively; Thirdly, is to provide professional degree graduate education, management related graduate examination, vocational training and enrollment services for nearly 300 domestic and overseas reputable business schools, and have more than 2 million of students accumulatively; Fourthly is to serve the International Chinese Education and Chinese Proficiency Test ("HSK"), set up more than 100 HSK internet test centers in 10 countries, providing services to more than 180,000 examinee.

本集團的校園教育在校生於期內獲得穩定增長，截至2020年12月31日，校園教育在校生總人數92,772名(其中本科生佔61.0%)，較2019年同期增加約12.1%，主要是由於2020-2021學年的新入學學生人數與2019-2020學年相比有所增加所致。

本集團營運及／或託管四個在線教育品牌。一是提供學歷繼續教育服務，營運遍佈全國31個省(自治區、直轄市)的1,800多家線下學習中心，提供500多種網絡教育本專科專業及90多種開放教育本專科專業，有學歷繼續教育本專科在籍學生約118萬，年考試服務約700萬人次，年培訓教師約290萬人次；二是提供職業技能培訓，「慕課網」等平台入選國家人社部、財政部「互聯網+職業技能培訓計劃」並獲批國家級優質線上職業技能培訓平台，累計學員2000多萬；三是服務專業學位研究生教育，管理類研究生聯考、培訓及招生平台服務境內外近300家知名商學院，累計學員200多萬；四是服務國際中文教育及漢語水平考試(「HSK」)，在近10個國家開設100多個HSK網考考點，服務考生約18萬人。

STABLE FINANCIAL PERFORMANCE

The Company continued to maintain stable financial performance, the Group recorded increase in revenue by approximately 10.1% from approximately RMB1,005.4 million for the year ended 31 December 2019 to approximately RMB1,107.2 million for the year ended 31 December 2020, and the adjusted net profit has increased by approximately 12.0% from RMB386.1 million for the year ended 31 December 2019 to approximately RMB432.4 million for the year ended 31 December 2020. At 31 December 2020, the Group has cash and cash equivalents of RMB2.6 billion and maintained a stable cash balance. In addition, the Company recommend the payment of 2020 final dividend of HK\$1.07 cents per ordinary share (equivalent to RMB0.90 cents), continue to focus on the return of the Company's shareholder.

ACTIVELY FULFILL SOCIAL RESPONSIBILITIES

In the face of Novel Coronavirus Disease (“**COVID-19**”) outbreak, the Group actively fulfills its social responsibilities, donates money and materials to prevent the pandemic and to implement “no suspension of classes”. During the pandemic, the Group immediately donated more than 180 Taihai Kangweishi infrared thermal imaging automatic thermometer and the other anti-epidemic supplies and equipments which amounted to approximately RMB4.0 million to the colleges and universities in Chongqing, to accommodate the urgent needs on the prevention measures of the colleges; initiated and coordinated other parties to donate medical supplies, facilities and equipments, open more than 200 various learning platforms with more than 1 million courses and served more than 10 million learners; responsible for UNESCO's international engineering science and technology knowledge online training of technological talents for “One-Belt-One-Road” national silk road engineering training programs, free of charge for more than thousands of students of universities in more than 30 ASEAN countries to provide them training courses; commissioned by the Ministry of Industry and Information Technology, to provide more than 30,000 students from more than 300 colleges and universities of the first batch of “1+X” certificate course resources.

穩健的財務表現

本公司繼續維持穩健的財務表現，本公司的收益截至2020年12月31日止年度的約人民幣1,005.4百萬元增加約10.1%至截至2020年12月31日止年度的約人民幣1,107.2百萬元，經調整淨溢利則由截至2019年12月31日止年度的約人民幣386.1百萬元增加約12.0%至截至2020年12月31日止年度約人民幣432.4百萬元。於2020年12月31日，本公司有現金及現金等價物約人民幣26.2億元，現金水平相對充裕。另外，本公司擬派發2020年末期股息每股普通股1.07港仙(相當於人民幣0.90分)，繼續注重本公司的股東回報。

積極履行社會責任

面對新型冠狀病毒肺炎(「**COVID-19**」)疫情，本集團積極履行社會責任，捐資捐物抗疫情，履行「停課不停學」。疫情期間，本集團第一時間向重慶全部高校共捐贈了180多台海康威視紅外熱成像自動測溫儀等防疫物資及設備約人民幣400萬元，解決學校防疫檢測的燃眉之急；發起並聯合相關單位捐贈醫療用品及設施設備，免費開放各類學習平台近200多個、資源100萬餘門，服務1000多萬學習者；承擔了聯合國教科文組織國際工程科技知識中心「一帶一路」國家絲路工程科技人才在線培訓項目，免費為東盟國家30余所高校數千名學員提供培訓課程；受國家工信部委託，為300多家院校的3萬多名學生免費提供首批「1+X」證書課程資源。

THE GROUP'S FUTURE VISIONS

Going forward, the Group will focus on the strategy of “parallel development of formal education and vocational education, coordinated development of on-campus education and online education”, to (i) develop a comprehensive academic education service platform, provide the Group's students and users with a full chain of academic services from secondary vocational, higher vocational, undergraduate to postgraduate degree, and provides vocational certificate training services through on-campus education and vocational education, establish a service platform from supplying academic products to fit the demand of students and users; (ii) establish an integrated cultivation mechanism of “enrollment, training, and employment”, to personalize needs of students and users in terms of enrollment, assessment, study, examination, training and practice, and employment; (iii) empowering education with technology, to achieve deep integration between online and offline; and (iv) internationalise the Group's education platform, consolidate its domestic foundation, facing the “One-Belt-One-Road” countries and regions, and develop internationally.

APPRECIATION

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

Li Xuechun

Chairman

Hong Kong, 23 March 2021

集團未來願景

展望未來，本集團將繼續以「高等教育和職業教育雙輪驅動，校園教育和在線教育協同發展」為戰略，建設高質量教育服務體系，實現(i)發展全學歷教育服務平台，透過校園教育和職業教育為本集團學生及用戶提供從中職、高職、本科到研究生的全鏈條學歷服務，並提供職業資格證書的培訓服務，建設從學歷產品供給側到學生用戶需求側的服務平台；(ii)構建「招、培、就」一體化培養機制，從招生、測評、學習、考試、實訓實踐、就業等方面滿足學生用戶的個性化需求；(iii)以科技賦能教育，實現在線線下的深度融合；及(iv)本集團教育平台國際化以國內為基礎，面向「一帶一路」國家和地區，向國際發展。

鳴謝

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

主席

李學春

香港，2021年3月23日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is a leading higher education and vocational education group in the PRC, which empowers education with technology and promotes parallel development of ordinary higher education and vocational education as well as coordinated development of on-campus education and online education and has achieved remarkable results.

In terms of on-campus education, as of 31 December 2020, the Group operated and/or managed 10 schools in the PRC (including seven higher education schools, two secondary vocational schools and one high school); the total number of students in the school is 92,772 (of which undergraduate student accounted for approximately 61%) and provides plentiful and high-quality teaching resources, the Group's 10 schools offer 114 undergraduate majors, 117 junior college majors and 4 postgraduate cultivation and construction majors.

In terms of online education, as of 31 December 2020, the Group's four online education brands had a total of approximately 1.18 million online education undergraduate and junior college students, more than 20 million vocational education users, and annual training of approximately 2.9 million teachers; it provides more than 500 of online education undergraduate and junior college majors and more than 90 open education undergraduate and junior college majors, as well as more than 1,300 vocational training courses and operated more than 1,800 offline learning centers in 31 provinces (autonomous regions and municipalities) across the nation, which established a learning platform that integrates online and offline.

業務回顧

本集團乃中國領先的高等教育及職業教育集團，以科技赋能教育，推進普通高等教育與職業教育雙輪驅動，校園教育與在線教育協同發展，取得顯著成效。

校園教育方面，截至2020年12月31日，本集團在中國內地舉辦及／或託管10所學校（包括7所高等學校、2所中職學校和1所高中）；在校學生總人數92,772名（其中本科生佔比約61%）；提供豐富而優質的教學資源，本集團旗下10所學校提供114個本科招生專業，117個專科招生專業及4個碩士研究生培育建設專業。

在線教育方面，截至2020年12月31日，本集團的四個在線教育品牌共有在線教育本專科在籍學生約118萬人，職業教育用戶2,000多萬人，年培訓教師約290萬人；提供500多種網絡教育本專科專業及90多種開放教育本專科專業，以及1,300多門職業培訓課程及營運遍佈全國31個省（自治區、直轄市）的1,800多家線下學習中心，構建起線上線下深度融合的學習場景。

* English names are translated for identification purpose only.

* 英譯名僅供識別。

DEVELOPMENT OF MAJOR BUSINESS DURING THE REPORTING PERIOD

1. **Comprehensive layout of online education.** The Group (i) contracted to acquire an aggregated of 100% of the equity interest of Open University Online/Open Distance Education in March 2020 and December 2020 respectively; and (ii) contracted to acquire 60% of the equity interest of Doxue Network in October 2020. The relevant acquisitions enabled the Group's online education to achieve a strategic layout and further improved the offerings of its education services.

Doxue Network and Open University Online/Open Distance Education have completed the consolidation in December 2020 and January 2021 respectively, thereby enhancing the future financial performance and profitability of the Group.

2. **Material progress has been made in the conversion of independent colleges.** The conversion of the two independent colleges of the Group, Dianchi College of Yunnan University and Pass College of Chongqing Technology and Business University, progressed actively during the year ended 31 December 2020 (the "Reporting Period"). The Ministry of Education has announced the proposed approval of the conversion of Dianchi College of Yunnan University, and the conversion of Pass College of Chongqing Technology and Business University has been approved by the Chongqing Municipal People's Government and has been submitted to the Ministry of Education.

Dianchi College will no longer pay any cooperative education fees to Yunnan University from 2021 academic year onwards, therefore reduce costs and expenses, and further enhance the profitability of the Group.

報告期間的主要業務進展

1. **全面佈局在線教育。**本集團(i)分別於2020年3月及2020年12月簽約共收購電大在線100%的股權；及(ii)於2020年10月簽約收購都學網絡60%的股權，相關收購使本集團在線教育實現戰略性佈局，進一步完善了學歷服務品類。

都學網絡及電大在線／奧鵬教育已分別於2020年12月及2021年1月完成併表，從而增厚本集團未來的財務業績及盈利水平。

2. **獨立學院轉設工作取得實質性進展。**本集團兩所獨立學院，雲南大學滇池學院及重慶工商大學派斯學院的轉設工作於截至2020年12月31日止年度(「報告期間」)積極推進。國家教育部已就擬同意雲南大學滇池學院轉設進行公示；及重慶工商大學派斯學院轉設已獲得重慶市人民政府同意，上報國家教育部。

自2021年新學年開始，雲南大學滇池學院將不再向雲南大學繳納任何合作辦學費用，因此減少成本開支並進一步增加本集團盈利水平。

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* 英譯名僅供識別

3. **The undergraduate teaching qualification assessment is progressing smoothly.** In 2020, Chongqing College of Humanities, Science and Technology (i) achieved a stable the number of students and enhanced the teaching quality; and (ii) continuously increased investment and further optimized conditions for the operation of the college, and strengthened the building of teaching team. The construction and development of the college has made significant progress. In 2020, the college has successfully completed the inspection work from the expert group of the Ministry of Education in relation to the undergraduate teaching qualification assessment.
3. 「本科教學工作合格評估」進展順利。於2020年，重慶人文科技學院(i)穩定學生規模，加強教學質量的建設；(ii)不斷增加辦學投入，進一步優化辦學條件，加強師資隊伍建設，學校建設和發展取得了明顯進步。2020年學院已順利完成教育部本科教學工作合格評估專家組進校考察工作。
4. **Student number has been growing steadily.** As of 31 December 2020, (i) the number of on-campus education students of the Group was 92,772 in aggregate, representing an increase of approximately 12.1% as compared to the corresponding period in 2019; (ii) the number of junior college or above enrolled students of Guangdong Online Education Entities under an entrusted management arrangement by the Group was approximately 133,000, representing an increase of approximately 35.6% as compared to the corresponding period in 2019; and (iii) the number of junior college or above enrolled students of Open Distance Education is approximately 1.04 million.
4. 學生人數穩步增長。截至2020年12月31日，(i)本集團的校園教育在校學生總人數為92,772人，較2019年同期增加約12.1%；(ii)本集團委託管理的廣東在線教育主體專科或以上學歷教育的在籍學生人數約為13.3萬人，較2019年同期增加約35.6%；及(iii)截至2020年12月31日，奧鵬教育專科或以上學歷教育在籍學生人數約為104萬人。

5. **The new campus construction projects are progressing smoothly.** The Group's colleges have further expanded the new campus construction projects to increase the overall capacity of the Group's colleges, including (i) the construction of the Yangzonghai campus of Dianchi College of Yunnan University has officially started in October 2019, which covers a planned area of approximately 860 mu.. The Phase I project has a gross floor area of approximately 200,000 sq.m., which can accommodate 12,500 students upon completion, and is expected to be put in use in September 2022; (ii) the new dormitory building of Pass College of Chongqing Technology and Business University has been put in use in September 2020, which can accommodate approximately 1,040 students. The Phase I project of the new campus has a gross floor area of approximately 63,000 sq.m., the main construction has been completed and is expected to be put in use in September 2021, which can accommodate approximately 5,300 students upon completion. The Phase II project of the new campus has a gross floor area of approximately 80,000 sq.m., the construction of which has commenced and it is expected to be put into use at the end of 2021 or early 2022. Upon completion, the new campus, can accommodate approximately 1,600 students upon completion; (iii) the three new academic buildings and two student dormitories of Chongqing College of Humanities, Science and Technology total which have a gross floor area of approximately 83,000 sq.m., it will be put into use in 2021 and 2022, respectively and can accommodate approximately 2,200 students upon completion; (iv) the newly built teaching building and library of Chongqing Vocational College of Applied Technology with a gross floor area of approximately 24,000 sq.m., which is expected to be put into use in September 2022 and can accommodate approximately 1,200 students upon completion, and; (v) Qufu Fareast Vocational and Technical College new Gaotie campus, the Phase I project of 60,000 sq.m., has started put in use since September 2020 and can accommodate approximately 2,000 students. Upon completion of the aforementioned construction projects, it is expected to have an extra capacity to accommodate approximately 25,800 students.
5. **新校區建設進展順利。**本集團學校進一步拓展新校區建設，以增加本集團整體的學校容量，其中包括(i)雲南大學滇池學院陽宗海校區已於2019年10月正式動工，新校區規劃和建設用地約860畝。一期建設約20萬平方米，建成後新增容量12,500名學生，預計在2022年9月正式投入使用；(ii)重慶工商大學派斯學院的新宿舍樓已於2020年9月正式投入使用，可容納約1,040名學生。新校區一期建築面積約6.3萬平方米已完成主體施工，預計2021年9月投入使用，建成後可容納約5,300名學生。新校區二期建築面積約8萬平方米已開始啟動建設，預計2021年底或2022年初投入使用。新校區建成後可容納約1,600名學生；(iii)重慶人文科技學院新建的3棟教學樓及2棟學生宿舍合計約8.3萬平方米，分別於2021及2022年投入使用，建成可容納約2,200名學生；(iv)重慶應用技術職業學院新建學校舍和圖書館合計約2.4萬平方米，預計2022年9月投入使用，建成後可容納約1,200名學生；及(v)曲阜遠東職業技術學院高鐵新校區第一期建設約6萬平方米，已於2020年9月新學年正式投入使用，可容納約2,000名學生。上述建設完成後，將總計可新增容納約25,800名學生。

6. **Excellent teaching achievements have been recognised by awards.** The Group's schools and Open Distance Education have achieved outstanding results in national competitions in 2020, in which (i) Dianchi College of Yunnan University won 6 second prizes and 1 third prize in the 8th National College Digital Art & Design Awards; (ii) Chongqing College of Humanities, Science and Technology won 1 first prize, 21 second prizes and 27 third prizes in the 6th National Applied Talents Integrated Skills Competition; (iii) Open Distance Education was awarded the outstanding teaching achievement prize of "personalized intelligent tutoring technology of knowledge forest and its important application (知識森林個性化智能導學技術及其重大應用)" by China Automation Association; and (iv) Open Distance Education was awarded the outstanding teaching achievement prize of "establishing three integrations, filling in three blanks and building "One Belt And One Road" New Training System for Engineering Science and Technology Talents (建立三個融合，填補三個空白，打造「一帶一路」工程科技人才培養新體系)" by Shaanxi Provincial People's Government.
6. 獎項印證優秀教學成果。本集團旗下學校及奧鵬教育於2020年均在全國比賽獲得優異成績，其中(i)雲南大學滇池學院於第八屆全國高校數字藝術設計大賽獲得全國二等獎6項、全國三等獎1項佳績；(ii)重慶人文科技學院於第六屆全國應用型人才綜合技能大賽獲得一等獎1個、二等獎21個、三等獎27個的佳績；(iii)奧鵬教育獲中國自動化學會頒發「知識森林個性化智能導學技術及其重大應用」教學成果特等獎；及(iv)奧鵬教育獲陝西省人民政府頒發「建立三個融合，填補三個空白，打造「一帶一路」工程科技人才培養新體系」教學成果特等獎。
7. **Patents for invention contribute to high-quality development.** In 2020, the Group obtained 8 patents for the teaching method and system of live broadcasting system, education cloud platform and technologies in relation to in-depth learning, and owned about 200 software copyrights, so as to maintain its leading position in the industry in terms of technology development.
7. 發明專利助力高質量發展。2020年本集團取得直播系統教學方法及系統、教育雲平台及深度學習相關的技術專利共8項，擁有約200項軟件著作權以保障其在科技領域的發展在行業內佔據領先位置。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

ON-CAMPUS EDUCATION OF THE GROUP

As at 31 December 2020, the Group operated and/or managed ten schools in the PRC which primarily offer higher education and vocational education. Set forth below are certain particulars of the ten schools of the Group:

本集團的校園教育

截至2020年12月31日，本集團在中國營辦及／或託管10所學校，主要提供高等教育及職業教育。下列刊載本集團旗下十所學校的若干詳細資料：

Name of School	Number of Major 招生專業數量	2020/2021 School Year 2020/2021學年		Boarding Fee Level ^(Note 1) 住宿費標準 ^(附註1) RMB 人民幣元
		Number of Student 學生人數	Tuition Fee Level ^(Note 1) 學費標準 ^(附註1) RMB 人民幣元	
Undergraduate Schools				
本科學校				
Chongqing College of Humanities, Science and Technology 重慶人文科技學院	42 undergraduate major 42個本科專業 1 junior college major 1個專科專業	22,310	12,000-18,000	1,300-1,600
Dianchi College of Yunnan University 雲南大學滇池學院	48 undergraduate major 48個本科專業	23,936	16,000-24,500	300-1,200
Pass College of Chongqing Technology and Business University 重慶工商大學派斯學院	24 undergraduate major 24個本科專業 3 junior college major 3個專科專業	12,027 6,004 ^{(Note 2)(附註2)}	12,000-16,000 2,600-2,800 ^{(Note 2)(附註2)}	1,200-1,500
Higher Vocational Schools				
高職學校				
Chongqing Vocational College of Applied Technology 重慶應用技術職業學院	25	4,792	4,800-9,800	1,200
Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) 內蒙古豐州職業學院(青城分院)	21	1,642	5,000-8,000	1,200
Chongqing Electronic Information College 重慶電信職業學院	32	6,570	5,000-12,000	1,200-1,400
Qufu Fareast Vocational and Technical College ^(Note 3) 曲阜遠東職業技術學院 ^(附註3)	35	11,600	5,800-9,980	800-1,500

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
管理層討論及分析(續)

Name of School	Number of Major 招生專業數量	2020/2021 School Year 2020/2021 學年		Tuition Fee Level ^(Note 1) 學費標準 ^(附註1) RMB 人民幣元	Boarding Fee Level ^(Note 1) 住宿費標準 ^(附註1) RMB 人民幣元
		Number of Student 學生人數			
Secondary Vocational Schools/High School 中職學校／高中學校					
Laoling Minsheng Secondary Vocational School 樂陵民生職業中等專業學校	13	1,027	5,600	1,200	
Laoling Secondary Vocational and Technical School ^(Note 4) 樂陵市專業中等專業學校 ^(附43)	5	539	N/A	1,200	
Laoling Minsheng Education High School 樂陵民生教育高級中學	N/A 不適用	2,325	15,000-17,000	1,200	
Total 總計	249	92,772			

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

Notes:

1. The tuition fees and boarding fees of the above-mentioned ten schools apply only to newly enrolled students for relevant school years.
2. As of 31 December 2020, the number of students of adult education in Pass College of Chongqing Technology and Business University reached 6,004, whose tuition fee is RMB2,600-2,800 per year.
3. Since February 2019, Qufu Fareast Vocational and Technical College has been entrusted to Chongqing Yuecheng Zhiyuan Education Technology Co., Ltd.* (重慶悅誠智遠教育科技有限公司) for management.
4. Since September 2016, Laoling Secondary Vocational and Technical School has been entrusted to Laoling Minsheng Secondary Vocational School for management.

附註：

- (1) 上述十所學校的學費及住宿費僅適用於相關學年新入學的學生。
- (2) 截至2020年12月31日，重慶工商大學派斯學院有成人教育學生6,004人，其學費為人民幣2,600-2,800元/年。
- (3) 自2019年2月起，曲阜遠東職業技術學院已委託予重慶悅誠智遠教育科技有限公司管理。
- (4) 自2016年9月起，樂陵市職業中等專業學校已委託予樂陵民生職業中等專業學校管理。

ONLINE EDUCATION OF THE GROUP

The Group currently operates/manages 4 online education entities and the courses they provide and the number of students/users are as follows:

(i) Guangdong Online Education Entities

Guangdong Mingshi Online Education Technology Co., Ltd* (廣東明世在線教育科技有限公司) and Minsheng Online (together referred to as the “**Guangdong Online Education Entities**”) which manage by the Group, are the leading online education platform in the Greater Bay area, which mainly provide academic education services and vocational education and training through online platform. As of 31 December 2020, Guangdong Online Education Entities provided (i) more than 170 undergraduate and junior college or above majors with a total of approximately 133,000 students; and (ii) 12 vocational training programmes with an approximately 24,000 student counts accumulated in 2020.

本集團的在線教育

本集團現時營辦／或託管4個在線教育主體及其提供的課程及學生／用戶人數如下：

(i) 廣東在線教育主體

本集團託管的廣東明世在線教育科技有限公司及民生在線(統稱為「**廣東在線教育主體**」)為大灣區領先的在線教育平台，主要通過在線平台提供學歷教育服務以及職業教育培訓。截至2020年12月31日，廣東在線教育主體提供(i)170多種本專科專業，專科或以上學歷教育在籍學生約13.3萬人；及(ii)12類職業培訓，2020年累積培訓約2.4萬人次。

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* 英譯名僅供識別。

(ii) Open Distance Education

Open Distance Education is the largest long distance education service operator in the PRC in terms of enrolled students and users. Open Education's main business has four major segments: academic education services, IT vocational education ("IMOOC"), teacher continuing education and examination services.

As of 31 December 2020, (i) Open Distance Education has carried out online education cooperation with more than 30 well-known domestic universities including Peking University (Medical Department), Nankai University, Tianjin University, Beijing Normal University, etc., providing a few hundred undergraduate and junior college majors, with approximately 1.04 million students enrolled, with more than 1,800 learning centers in 31 provinces, autonomous regions and municipalities across China; (ii) Open Distance Education has cooperated with 9 open universities; (iii) Open Distance Education has trained teachers throughout 2020 for approximately 2.9 million person counts cumulatively, (iv) IMOOC have over 20 million users provides more than 1,300 courses and; (v) the national unified examination for online education takes of approximately 7 million persons counts for course examinations and social examinations during the year.

(iii) Doxue Network

Doxue Network is a leading enterprise in the business administration related postgraduate education sector. As of 31 December 2020, the total number of business schools in cooperation with Doxue Network is more than 200, including Peking University HSBC Business School, PBC School of Finance, Tsinghua University; Cheung Kong Graduate School of Business, Fanhai International School of Finance, Fudan University; Antai College of Economics & Management, Shanghai Jiao Tong University; the Hong Kong University and the Hong Kong University of Science and Technology. MBA China is an active media platform in the postgraduate education sector related to business administration in China. As of 31 December 2020, there are approximately 428,000 newly added users and approximately 2.07 million of cumulative users on the platform. MBA China's ranking of business schools has been widely recognized by the sector, universities and learners, making it the most influential ranking in the industry.

(ii) 奧鵬教育

按服務學生及用戶人數計算，奧鵬教育是中國最大的遠程教育服務運營機構。奧鵬教育主要業務有四大板塊：學歷教育服務、IT職業教育(「慕課網」、教師繼續教育及考試服務。

截至2020年12月31日，奧鵬教育(i)與包括北京大學(醫學部)、南開大學、天津大學、北京師範大學等在內的30餘所國內知名大學開展網絡教育合作，提供數百種本專科專業，專科或以上學歷教育在籍學歷學生約104萬人，有遍佈全國31個省、自治區及直轄市的1,800多家學習中心；(ii)與9所開放大學開展合作辦學；(iii)於2020年全年累計培訓教師約290萬人次；(iv)旗下慕課網提供1,300多門課程，用戶逾2,000萬人；及(v)年內組織實施網絡教育全國統一考試和社會化考試約700萬人次。

(iii) 都學網絡

都學網絡是全國工商管理類研究生教育行業的領先企業，截至2020年12月31日，與都學網絡合作的商學院累計200多所，其中包括北京大學匯豐商學院、清華大學五道口金融學院、長江商學院、復旦大學泛海國際金融學院、上海交通大學安泰經濟與管理學院、香港大學及香港科技大學等知名商學院。都學網絡旗下的MBA CHINA是全國工商管理類研究生教育行業中活躍的在線平台，截至2020年12月31日，新增用戶約42.8萬人及累計用戶人數207.7萬人。MBA CHINA發佈的商學院排名已被行業、高校和學習者廣泛認可，成為業內具有廣泛影響力的排名。

(iv) Silk Road

Silk Road is a leading professional online examination service provider for Chinese Proficiency Test (“**HSK**”). It is the first online examination site for HSK in the world, and is also one of the three examination service providers around the world that are authorized to set up the HSK examination sites at their own discretion. Silk Road expanded its HSK test network around the world and undertook the construction of the online examination system. Silk Road set up over 100 examination sites and served over 180,000 students who took the online examination.

OUR INVESTMENTS IN OVERSEAS SCHOOLS

In addition to our schools in the PRC, we have invested in schools in Australia, Singapore and Hong Kong:

Top Education

We have invested in Top Education Group Ltd. (“**Top Education**”), a private higher education provider in Australia whose shares are listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock Code: 1752). As at 31 December 2020, the Company owned approximately 8.57% of equity interest in Top Education.

Beacon International College

The Group has invested in Beacon International College PTE. LTD. (“**Beacon International College**”) in Singapore. As at 31 December 2020, the Company owned 22.9% of equity interest in Beacon International College.

Hong Kong Nang Yan College

The Company has invested in Hong Kong Nang Yan College of Higher Education Limited (“**Hong Kong Nang Yan College**”), a company limited by guarantee established under the laws of Hong Kong, in Hong Kong. The Company was one of the two members of Hong Kong Nang Yan College.

(iv) 絲綢之路

絲綢之路是行業領先的漢語水平考試(「**HSK**」)專業網絡考試服務機構，為全球首個HSK網考考點，也是全球範圍內僅三家獲授權可自主發展分考點的考試服務機構之一。絲綢之路在全球範圍內開展HSK網考考點拓展及進行網考系統建設，已建設100多家分考點/考場，累計網考考生超過18萬人。

本集團於海外學校的投資

除本集團位於中國的學校外，本集團另外在澳大利亞、新加坡及香港投資辦學：

成峰高教

本集團已投資澳洲成峰高教集團有限公司(「**成峰高教**」)，該公司為一家位於澳洲的私立高等教育機構，其股份於香港聯合交易所有限公司(「**聯交所**」)上市(股份代號：1752)。於2020年12月31日，本公司擁有成峰高教約8.57%股權。

培根國際學院

本集團已投資位於新加坡的Beacon International College PTE. LTD. (「**培根國際學院**」)。於2020年12月31日，本公司擁有培根國際學院22.9%股權。

香港能仁學院

本公司已投資位於香港的香港能仁專上學院有限公司(「**香港能仁學院**」，根據香港法例設立的擔保有限公司)。本公司為香港能仁學院的兩名成員之一。

TOTAL NUMBER OF STUDENTS

在學生總人數

The following is a breakdown of the total number of enrolled students by different level of courses as at 31 December 2020:

以下為於2020年12月31日根據不同層次課程劃分的學生總人數明細：

		Number of student as at 31 December 學生人數於12月31日		
		2020 2020年	2019 2019年	Percentage Change 百分比變動 (%)
On-campus Education Students 校園教育在校學生				
Undergraduate program	本科課程	56,299	52,580	+7.1%
Junior college program	專科課程	25,939	23,972	+8.2%
Secondary vocational program/high school program	中專課程／高中課程	4,530	2,544 <i>(Note 1)</i>	+78.1%
Adult education program	成人教育課程	6,004	3,690	+62.7%
Total	總計	92,772	82,786	+12.1%
Online Education Enrolled Students 在線教育在籍學生				
Guangdong Online Education Entities <i>(Note 2)</i> 廣東在線教育主體 <i>(附註2)</i>				
Junior college or above program	專科或以上學歷	132,927	98,033	+35.6%
Open Distance Education <i>(Note 3)</i> 奧鵬教育 <i>(附註3)</i>				
Junior college or above program	專科或以上學歷	1,044,931	–	N/A
Total	總計	1,177,858	–	N/A

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

Notes:

1. Since 18 June 2020, Shouguang Bohai Experimental School ceased to be consolidated into the financial statements of the Group. For details, please refer to “Discontinued acquisition during the Reporting Period” below. The number of students of Shouguang Bohai Experimental School therefore was excluded from the number of students for the year ended 31 December 2019 for comparison purpose.
2. Since October 2019, the Guangdong Online Education Entities have been entrusted to Chongqing Mengzhuo Education Technology Company Limited* (重慶夢卓教育科技有限公司) for management. As at 31 December 2020, the Guangdong Online Education Entities were not consolidated subsidiaries of the Group.
3. Since March 2020, Open Distance Education has been a joint venture entity of the Group. Open Distance Education was not a joint venture entity as at 31 December 2019.

附註：

- (1) 自2020年6月18日起，壽光渤海實驗學校不再是本集團合併的學校。有關詳情，請參閱下文「於報告期間終止進行的收購」。出於比較目的，截至2019年12月31日的學生人數不包括壽光渤海實驗學校的學生人數。
- (2) 自2019年10月起，廣東在線教育主體已委託予重慶夢卓教育科技有限公司管理。於2020年12月31日，廣東在線教育主體並非本集團合併附屬公司。
- (3) 於2020年12月31日，奧鵬教育為本集團合營企業實體。於2019年12月31日，奧鵬教育尚未成為本集團的合營企業實體。

DISCONTINUED ACQUISITION DURING THE REPORTING PERIOD

After friendly and arms-length negotiations between all parties, during the Reporting Period, the Group discontinued the project regarding Hebei University of Technology City College and Shouguang Bohai Experimental School, the termination of the above-mentioned discontinued acquisitions did not cause any financial loss to the Company and is in the best interests of the Company and shareholders as a whole. For further details regarding the discontinued acquisition, please refer to the announcements of the Company dated 22 January 2020, 19 June 2020 and 15 July 2020.

於報告期間終止進行的收購

經各方友好、平等協商，本集團於報告期間終止了河北工業大學城市學院和壽光渤海實驗學校項目，相關終止進行收購的項目對本公司沒有造成任何資金損失及符合本公司及股東之整體最佳利益。有關終止進行的收購進一步詳情，請參閱本公司日期為2020年1月22日、2020年6月19日及2020年7月15日的公告。

IMPACT ON THE GROUP OF THE COVID-19 PANDEMIC

In the face of the Novel Coronavirus Disease 2019 (“COVID-19”) outbreak at the beginning of 2020, the Group’s schools have taken effective disease prevention and control measures and proactively organised online education activities, so as to achieve class suspension with continuing education and place emphasis both on disease containment and class resumption. The students gradually returned to school for class during May and June 2020.

COVID-19疫情對本集團的影響

面對2020年初的新型冠狀病毒肺炎(「COVID-19」)疫情，本集團學校採取有效防控措施，積極組織在線教學活動，實現停課不停學，「一手抓疫情防控，一手抓復學復課」。學生陸續於2020年5月至6月回校上課。

* English names are translated for identification purpose only.

* 英譯名僅供識別。

In order to fight against the COVID-19 pandemic, the Group donated anti-epidemic supplies and equipment with a total worth of approximately RMB4 million to all universities in Chongqing City, and organised teacher and student volunteers to participate in the fight against the pandemic in Hubei and other cities across the country. As a member of Wuhan bound medical team from Chongqing City, outstanding graduate representatives from universities operated by the Group arrived at the front line of Wuhan and devoted themselves into the prevention and control of the pandemic. Their stories have received widespread coverage by many mainstream media outlets such as People's Daily and xinhuanet.com.

As of 31 December 2020, (i) adjustments have been made according to the teaching plans of certain schools of the Group, therefore tuition fees income amounting to approximately RMB5.3 million has been deferred to be recognized in January 2021; and (ii) the Group's schools recorded refunded boarding fees of approximately RMB20.3 million in aggregate. Save as disclosed above, there was no significant impact on the financial position of the Group since the outbreak of the COVID-19 pandemic up to the date of this report.

為抗擊COVID-19疫情，本集團捐贈總價值約人民幣400萬元的防疫物資和設備，組織師生志願者參與湖北及各地抗疫工作，優秀畢業生代表作為重慶市援鄂醫療隊隊員赴武漢參與一線抗疫工作，本集團學校妥善組織復工復學，受到人民日報、中央電視台及新華網等多家主流媒體報道。

截至2020年12月31日，(i)根據本集團若干學校的教學計劃作了調整，故學費收入約人民幣5.3百萬元遞延至2021年1月確認；及(ii)本集團旗下學校合計退住宿費約人民幣20.3百萬元。除上述披露外，自COVID-19疫情爆發以來及截至本報告之日，本集團的財務狀況暫無受到重大影響。

OUTLOOK

According to the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives through the Year 2035 of the People's Republic of China (中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要), the gross enrollment ratio of higher education nationwide will be improved to 60%, which implies the PRC's higher education is about to enter the stage of universalization from popularization. Higher education and vocational education in PRC have huge potential for development. The Group will continue to adopt the strategy of "two-wheel drive of higher education and vocational education, coordinated development of campus education and online education" to achieve the following goals:

(i) Develop a comprehensive academic education service platform

The Group's core strategy is to meet the needs of users' academic qualification improvement, the Group provides its students and users with a full chain of academic services from secondary vocational, higher vocational, undergraduate to postgraduate degree, and provides vocational certificate training services through on-campus education and vocational education, establish a service platform from supplying academic products to fit the demand of students and users.

(ii) Establish an integrated cultivation mechanism of "enrollment, training, and employment"

The Group has established a nationwide enrollment channel through online platforms, offline campuses and learning centers in 31 provinces, autonomous regions and municipalities, has established a vocational education professional co-construction system with leading companies in the industry, and will establish human resources segment in order to accommodate the standardized and personalized needs of students and users in terms of enrollment, assessment, study, examination, training and practice, and employment.

未來展望

根據《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》，全國高等教育毛入學率提高到60%，代表中國高等教育即將從大眾化進入普及化階段。中國的高等教育及職業教育具備巨大的發展潛力，本集團將繼續以「高等教育和職業教育雙輪驅動，校園教育和在線教育協同發展」為戰略，實現以下目標：

(i) 發展全學歷教育服務平台

本集團以滿足用戶學歷提升需求為核心，通過校園教育和在線教育，為學生用戶提供從中職、高職、本科到研究生的全鏈條學歷服務，並提供職業資格證書的培訓服務，建設從學歷產品供給側到學生用戶需求側的服務平台。

(ii) 構建「招、培、就」一體化培養機制

本集團通過線上平台、線下校園和遍佈31個省、自治區及直轄市的學習中心建立了覆蓋全國的招生渠道，與行業的龍頭企業建立職業教育專業共建體系，並將建立人力資源板塊，從招生、測評、學習、考試、實訓實踐、就業等方面滿足學生用戶的標準化和個性化需求。

(iii) Technology empowering education

The Group obtained a total of 8 online education-related patents in 2020, and owns about 200 software copyrights. The Group will continue to use technological innovation to improve the digital teaching platform with technological content and support user direct transactions (BC). Supporting offline institutional cooperative transactions (BB) and partner (CC) transactions, and other transaction models, to achieve deep integration between online and offline through big data capabilities, digital navigation for learning ability and career development has been developed.

(iv) Internationalization of the Group's education platform

The Group will consolidate its core foundation, facing the "One-Belt-One-Road" countries and regions, and develop internationally. Based on the Silk Road and the "MOOC China Alliance", in-depth cooperation with Chinese and foreign language exchange and cooperation centers, relying on nearly 2,000 international Chinese language learning and testing centers in 149 countries and regions around the world, combining online and offline to empower high-quality curriculum resources to the academic education.

FINANCIAL REVIEW**Revenue**

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

Due to the outbreak of the COVID-19 pandemic, (i) the teaching plans of certain schools of the Group have been adjusted, therefore tuition fees income amounting to approximately RMB5.3 million have been deferred to be recognized in January 2021; and (ii) the Group's schools had to refund boarding fees amounting to approximately RMB20.3 million to the students in accordance with the boarding fees refund policy released by the relevant local educational authorities during the Reporting Period. Despite the above impacts, the Group continued to record increase in revenue by approximately 10.1% from approximately RMB1,005.4 million for the year ended 31 December 2019 to approximately RMB1,107.2 million for the year ended 31 December 2020.

(iii) 科技赋能教育

本集團2020年取得在線教育相關專利共8項，擁有約200項軟件著作權。本集團繼續通過科技創新，完善具有科技含量的數字化教學平台，支撐用戶直接交易(B-C)，支撐線下機構合作交易(B-B)，支撐合夥人(C-C)交易等多種交易模式，實現線上線下的深度融合。通過大數據能力，研發出學習能力與職業發展的數字導航。

(iv) 集團教育平台國際化

本集團將夯實國內基礎，面向「一帶一路」國家和地區，向國際發展。以絲綢之路、「MOOC中國聯盟」等為基礎，與中外語言交流合作中心深入合作，依託在全球149個國家地區近2,000個國際中文學習考試中心，線上線下相結合，赋能學歷教育等優質課程資源。

財務回顧**收益**

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

由於爆發COVID-19疫情，(i)本集團若干學校教學計劃作出調整，因此學費收入約人民幣5.3百萬元遞延至2021年1月確認；及(ii)於報告期間，本集團學校已根據相關當地教育機關頒佈的住宿費退回政策向學生退回住宿費約人民幣20.3百萬元。儘管存在上述影響，本集團的收益仍實現增長，由截至2019年12月31日止年度的約人民幣1,005.4百萬元增加約10.1%至截至2020年12月31日止年度的約人民幣1,107.2百萬元。

Cost of sales

Cost of sales consists primarily of teaching staff costs, depreciation and amortization, cost of cooperative education, utilities and other costs.

The cost of sales increased by approximately 10.5% from approximately RMB488.9 million for the year ended 31 December 2019 to approximately RMB540.1 million for the year ended 31 December 2020. This increase was primarily due to (i) the increase in the number of teaching staff and their salaries and allowances; and (ii) the increase in the depreciation of the buildings, equipment and facilities due to the expansion of teaching facilities of the Group's colleges during the Reporting Period.

Gross profit

The gross profit increased by approximately 9.8% from approximately RMB516.5 million for the year ended 31 December 2019 to approximately RMB567.1 million for the year ended 31 December 2020, and gross profit margin slightly decreased from approximately 51.4% to approximately 51.2%, which was mainly because (i) the Group's schools had to refund boarding fees amounting to approximately RMB20.3 million to the students in accordance to the boarding fees refund policy released by the relevant local educational authorities during the Reporting Period; and (ii) the increase in the numbers of teaching staff and average salaries and allowances for teaching staff.

Other income and gains

Other income and gains consist primarily of government grants, interest income and rental income and etc.

Other income and gains increased by approximately 13.0% from approximately RMB139.0 million for the year ended 31 December 2019 to approximately RMB157.1 million for the year ended 31 December 2020. This increase was primarily due to the increase in the interest income from the bank deposits and etc. during the Reporting Period.

銷售成本

銷售成本主要包括教職員工成本、折舊及攤銷、合作教育成本、水電費及其他成本。

銷售成本由截至2019年12月31日止年度的約人民幣488.9百萬元增加約10.5%至截至2020年12月31日止年度的約人民幣540.1百萬元。有關增長主要由於報告期間(i)教職員工人數以及彼等薪金及津貼增加；及(ii)因本集團院校擴大教學設施，樓宇、設備及設施的折舊增加所致。

毛利

毛利由截至2019年12月31日止年度的約人民幣516.5百萬元增加約9.8%至截至2020年12月31日止年度的約人民幣567.1百萬元，而毛利率由約51.4%輕微下跌至約51.2%，乃主要由於(i)於報告期間，本集團學校根據相關當地教育機關頒佈的住宿費退回政策，需向學生退回住宿費約人民幣20.3百萬元；及(ii)教職員工人數及教職員工的平均薪金及津貼增加。

其他收入及收益

其他收入及收益主要包括政府補助、利息收入及租金收入等。

其他收入及收益由截至2019年12月31日止年度的約人民幣139.0百萬元增加約13.0%至截至2020年12月31日止年度的約人民幣157.1百萬元。有關增長主要由於報告期間銀行存款的利息收入增加等因素所致。

Selling and distribution expenses

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

Selling and distribution expenses increased by approximately 27.7% from approximately RMB16.0 million for the year ended 31 December 2019 to approximately RMB20.5 million for the year ended 31 December 2020, which was primarily due to the increase in advertising and marketing cost of the Group's schools in relation to student recruitment during the Reporting Period.

Administrative expenses

Administrative expenses primarily consist of the salaries and other benefits for general and administrative staff, office-related expenses, depreciation of office buildings and equipment, environment and health expenses and travel and transportation expenses.

Administrative expenses increased by approximately 14.5% from approximately RMB185.1 million for the year ended 31 December 2019 to approximately RMB212.0 million for the year ended 31 December 2020 due to the increase in salaries and allowances of the management staff and the increase in the anti-epidemic procurement expenses during the Reporting Period.

Other expenses

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

Other expenses substantially increased from approximately RMB28.3 million for the year ended 31 December 2019 to approximately RMB46.8 million for the year ended 31 December 2020. This increase was primarily due to the increase in the foreign exchange loss during the Reporting Period.

銷售及分銷開支

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

銷售及分銷開支由截至2019年12月31日止年度的約人民幣16.0百萬元增加約27.7%至截至2020年12月31日止年度的約人民幣20.5百萬元，主要由於報告期間本集團旗下學校與招生相關的廣告及營銷成本增加。

行政開支

行政開支主要包括一般及行政員工的薪金及其他福利、辦公相關的開支、辦公大樓及設備折舊、環境衛生開支及差旅開支。

行政開支由截至2019年12月31日止年度的約人民幣185.1百萬元增加約14.5%至截至2020年12月31日止年度的約人民幣212.0百萬元，此乃由於報告期間管理人員工資及津貼增加及防疫物資採購費用增加所致。

其他開支

其他開支主要包括有關外匯虧損、向第三方教育及其他機構捐款的開支以及出售物業、廠房及設備虧損。

其他開支由截至2019年12月31日止年度的約人民幣28.3百萬元大幅增加至截至2020年12月31日止年度的約人民幣46.8百萬元，主要由於報告期間外匯虧損增加所致。

Compensation fees in relation to the conversion of Dianchi College of Yunnan University

Compensation fees in relation to the conversion of Dianchi College of Yunnan University of approximately RMB232.4 million, which was attributable to the one-off compensation fees to be paid to Yunnan University in relation to the conversion of Dianchi College of Yunnan University.

Dianchi College of Yunnan University will no longer pay any cooperative education fees to Yunnan University from 2021 academic year, therefore reduce costs and expenses, and further enhance the profitability of the Group.

Finance costs

Finance costs mainly include (i) interests on bank loans and other borrowings; (ii) the interest on the put option liability in connection with the put option (the “**Put Option**”) granted by the vendors of Leed International; and (iii) interest on the sale and leaseback liabilities.

Finance costs has increased from approximately RMB79.6 million for the year ended 31 December 2019 to approximately RMB87.0 million for the year ended 31 December 2020, which was mainly due to (i) increase in bank loans and other borrowings of the Group; and (ii) increase in the loan from International Finance Corporation.

Share of profit of a joint venture

Share of profit of a joint venture of approximately RMB18.3 million has been recorded for the year ended 31 December 2020, which was attributable to the share of profit from holding 50% of shares in Open University Online by Minsheng Education Technology Company Limited.

Profit for the year

As a result of the above factors, profit for the year of the Group decreased from approximately RMB334.0 million for the year ended 31 December 2019 to approximately RMB126.8 million for the year ended 31 December 2020.

雲南大學滇池學院轉設的補償費用

雲南大學滇池學院轉設的補償費用約人民幣232.4百萬元，為雲南大學滇池學院就其轉設需要向雲南大學支付的一次性補償費用。

自2021年新學年開始，雲南大學滇池學院將不再向雲南大學繳納任何合作辦學費用，因此減少成本開支並進一步增加本集團盈利水平。

融資成本

融資成本主要包括(i)銀行貸款及其他借款利息；(ii)與勵德集團的賣方所授認沽期權(「**認沽期權**」)有關的認沽期權負債的利息；及(iii)售後回租負債利息。

融資成本由截至2019年12月31日止年度的約人民幣79.6百萬元增加至截至2020年12月31日止年度的約人民幣87.0百萬元，主要由於(i)本集團銀行貸款及其他借款增加；及(ii)來自國際金融公司的貸款增加所致。

分佔合營企業溢利

截至2020年12月31日止年度，錄得分佔合營企業溢利約人民幣18.3百萬元，主要由於分佔來自民生教育科技有限公司持有電大在線50%股份的溢利所致。

年度溢利

由於上述因素，本集團年度溢利由截至2019年12月31日止年度的約人民幣334.0百萬元減少至截至2020年12月31日止年度的約人民幣126.8百萬元。

Adjusted net profit

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

經調整淨溢利

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

		Year ended 31 December	
		截至12月31日止年度	
		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年度溢利	126,812	333,981
Add:	加：		
Unrealised exchange loss	未變現匯兌虧損	5,135	1,776
Share option expenses	購股權開支	9,380	12,447
Interest of the Put Option liability arose from the acquisition of Leed International	收購勵德集團產生的認沽期權負債的利息	39,774	37,932
One-off compensation fees in relation to the conversion of Dianchi College of Yunnan University	雲南大學滇池學院轉設一次性的補償費用	232,406	—
Deferred tuition income of Dianchi College of Yunnan University	雲南大學滇池學院的遞延學費收入	5,280	—
Amortization of intangible assets due to consolidation	因綜合入賬而攤銷無形資產	13,654	—
Adjusted net profit	經調整淨溢利	432,441	386,136

Adjusted net profit for the year ended 31 December 2020 increased by approximately RMB46.3 million or approximately 12.0% as compared with the corresponding period in 2019. Adjusted net profit margin increased from approximately 38.4% for the year ended 31 December 2019 to approximately 39.1% for the year ended 31 December 2020.

截至2020年12月31日止年度的經調整淨溢利較2019年同期增加約人民幣46.3百萬元或約12.0%。經調整淨利潤率由截至2019年12月31日止年度的約38.4%增加至截至2020年12月31日止年度的約39.1%。

FINANCIAL AND LIQUIDITY POSITION

Net current assets

As at 31 December 2020, the Group had net current assets of approximately RMB701.8 million, which primarily consisted of cash and bank balances. The current assets as at 31 December 2020 increase to approximately RMB2,726.4 million from approximately RMB1,494.8 million as at 31 December 2019. The increase in current assets was primarily attributable to the increase in cash and cash equivalents, which increased from approximately RMB1,405.4 million as at 31 December 2019 to approximately RMB2,624.7 million as at 31 December 2020, mainly due to (i) the net cash inflow from financing activities of RMB1,384.0 million due to the fund-raising activities in 2020 including bank loans and share placement; and (ii) the net operating cash inflow of RMB458.0 million due to the receipt of tuition fee for the 2020-2021 academic year.

The current liabilities increased from approximately RMB1,482.4 million as at 31 December 2019 to approximately RMB2,024.6 million as at 31 December 2020, mainly due to (i) the increase in other payables and accruals from approximately RMB536.0 million as at 31 December 2019 to approximately RMB694.7 million as at 31 December 2020; and (ii) the loans from the ultimate holding company of the Company of approximately RMB137.2 million. These loans are on normal commercial terms and not secured by the assets of the Group, and were exempt from shareholders' approval, annual review and all disclosure requirements.

財務及流動資金狀況

流動資產淨值

於2020年12月31日，本集團擁有流動資產淨值約人民幣701.8百萬元，主要包括現金及銀行結餘。於2020年12月31日的流動資產由2019年12月31日的約人民幣1,494.8百萬元增加至約人民幣2,726.4百萬元。流動資產增加主要歸因於現金及現金等價物由2019年12月31日的約人民幣1,405.4百萬元增加至2020年12月31日的約人民幣2,624.7百萬元，乃主要因(i) 2020年集資活動(包括銀行貸款及股份配售)產生的融資活動所得現金流入淨額人民幣1,384.0百萬元；及(ii) 收取2020至2021學年學費產生的經營現金流入淨額人民幣458.0百萬元。

流動負債由2019年12月31日的約人民幣1,482.4百萬元增加至2020年12月31日的約人民幣2,024.6百萬元，主要由於(i)其他應付款項及應計費用由2019年12月31日的約人民幣536.0百萬元增加至2020年12月31日的約人民幣694.7百萬元；及(ii)本公司最終控股公司提供的貸款約人民幣137.2百萬元。該等貸款乃按正常商業條款訂立及並非由本集團資產提供抵押，且獲豁免遵守股東批准、年度審閱及所有披露規定。

Capital commitments

The Group had the following capital commitments at the end of the Reporting Period:

資本承擔

本集團於報告期間末的資本承擔如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Equipment	設備	48,786	40,207
Buildings	樓宇	363,261	208,085
Loan commitment	貸款承諾	—	50,000
Acquisition of a private school and companies	收購民辦學校及公司	172,440	172,440
		584,487	470,732

At the end of the Reporting Period, the Group did not have significant capital commitments that are authorised but not contracted for (2019: Nil).

於報告期間末，本集團並無已授權但未訂約的重大資本承擔(2019年：無)。

Indebtedness

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

債務

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

The bank loans and other borrowings and loans from the ultimate holding company amounted to approximately RMB1,901.2 million as at 31 December 2020, dominated in Renminbi, USD and Hong Kong dollar ("HK\$"). As at 31 December 2020, our bank loans and other borrowings bore effective interest rates ranging from 2.5% to 7.7% per annum. The loan of Chongqing Zhenzhi Zhiye Co., Ltd.*(重慶臻智置業有限責任公司) (a wholly-owned subsidiary of Chongqing Electronic Information College) amounted to RMB6.1 million, the interest rates ranging from 15%-24%.

於2020年12月31日的銀行貸款及其他借款以及來自最終控股公司的貸款達約人民幣1,901.2百萬元，均以人民幣、美元及港元(「港元」)計值。於2020年12月31日，我們的銀行貸款及其他借款按2.5%至7.7%的實際年利率計息。另外，重慶臻智置業有限責任公司(為重慶電信職業學院的一家全資附屬公司)有金額人民幣610萬元的借款，借款利率為15%-24%。

* English names are translated for identification purpose only.

* 英譯名僅供識別。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

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

Contingent liabilities

As at 31 December 2020, the Group did not have material contingent liabilities, guarantees or litigations or claims of material importance, pending or threatened against any member of the Group (2019: nil).

Pledge of assets

As at 31 December 2020, certain of the Group's buildings and land with a net carrying amount of approximately RMB93.7 million (31 December 2019: RMB96.8 million) were pledged to secure bank loans and other borrowings.

Foreign exchange exposure

The majority of the Group's revenue and expenditures are denominated in RMB. As at 31 December 2020, certain bank balances were denominated in United States dollar and HK\$. The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Gearing ratio

The gearing ratio, which is calculated by dividing total bank and other borrowings with interest from the financial institutions by total equity, increased to approximately 42.3% as at 31 December 2020 from approximately 16.8% as at 31 December 2019, which was due to the increase in newly-borrowed bank loans during the Reporting Period.

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

或然負債

於2020年12月31日，本集團沒有重大或然負債、擔保或本集團任何成員公司並無未決或面臨重大訴訟或申索(2019年：無)。

資產質押

於2020年12月31日，本集團賬面淨值為約人民幣93.7百萬元(2019年12月31日：人民幣96.8百萬元)的若干樓宇及土地已予抵押以取得銀行貸款及其他借款。

外幣匯兌風險

本集團的大部份收益及開支以人民幣計值。於2020年12月31日，若干銀行結餘以美元及港元計值。本集團目前並無任何外匯對沖政策。管理層將持續監察本集團的外幣匯兌風險及考慮適時採取審慎措施。

資本負債率

於2020年12月31日，資本負債率，乃按總銀行及其他借款連同金融機構利息除以總權益計算，由2019年12月31日約16.8%上升至約42.3%，乃由於報告期間新借銀行貸款增加所致。

Salary increment for employees, training and development

As at 31 December 2020, the Group had 5,584 employees (2019: 5,445 employees). In 2020, in order to motivate our faculty staff for better work performance, the Group has reviewed and increased the salaries of employees. The increment in salaries is based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. As required by the PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including pension, medical, maternity, work-related injury, unemployment insurance and housing provident fund.

In addition, the Group provides comprehensive training programs to its existing and newly recruited employees and/or sponsors its employees to attend various job-related training courses.

僱員加薪、培訓及發展

於2020年12月31日，本集團聘用5,584名僱員（2019年：5,445名僱員）。2020年，本集團為激勵教職員工更加出色優異地工作，檢討及增加了僱員的薪酬。增加的薪酬乃基於彼等的表現、經驗及現行行業慣例而釐定，並會定期檢討所有薪酬政策及組合。我們根據中國法律及法規的規定為我們的僱員參與由當地政府管理的各項僱員社會保障計劃，其中包括養老、醫療、生育、工傷和失業保險及住房公積金。

此外，本集團為其現有及新聘用的僱員提供全面培訓及／或資助僱員參加各種與工作有關的培訓課程。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

BOARD OF DIRECTORS

Executive Directors

Mr. Li Xuechun, aged 67, is the founder of our Group. Since October 1998, Mr. Li has served as chairman of the board of directors of Chongqing Li'ang Industry Co., Ltd.. He was appointed as a Director of the Company on 13 December 2005 and has been the Chairman of the Board since 17 January 2006. Mr. Li has more than 10 years of experience in the education industry, having served as the Chairman of the Board since 2006. In addition, Mr. Li served as the vice-chairman of the Chinese Association for Non-Government Education* (中國民辦教育協會) from May 2008 to November 2016 and has served as the executive-chairman of Chongqing Association for Non-Government Education* (重慶民辦教育協會) since 2014. Mr. Li is responsible for the strategic development of our Group. Mr. Li graduated from the CPC Central Party School* (中共中央黨校) with a degree in Economic Management in June 1988 through long distance learning courses. Mr. Li was a member of the 11th and 12th National Committee of Chinese People's Political Consultative Conference* (中國人民政治協商會議全國委員會) and a representative of Science Education Culture Health and Sport Commission* (中國人民政治協商會議教科文衛體委員會) of the 12th National Committee of Chinese People's Political Consultative Conference. Mr. Li was awarded as a National Education Industry Model Worker* (全國優秀教育工作者) by the Ministry of Education of the PRC in September 2014. Mr. Li did not hold any directorship in other listed companies during the last three years.

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

董事會

執行董事

李學春先生，67歲，本集團的創辦人。自1998年10月起，李先生擔任重慶利昂實業有限公司董事長。彼於2005年12月13日獲委任為本公司的董事，並自2006年1月17日起出任董事會主席。李先生在教育界擁有逾10年經驗，自2006年起擔任董事會主席。此外，李先生自2008年5月至2016年11月擔任中國民辦教育協會副會長及自2014年起擔任重慶民辦教育協會執行會長。李先生負責本集團的策略發展。李先生於1988年6月畢業於中共中央黨校，透過函授課程取得經濟管理學位。李先生為第十一屆、第十二屆中國人民政治協商會議全國委員會委員，第十二屆中國人民政治協商會議教科文衛體委員會委員。於2014年9月，李先生獲中國教育部評為全國優秀教育工作者。李先生在過去三年並無於其他上市公司擔任任何董事職位。

李先生為本公司執行董事兼總裁左熠晨先生的岳父。

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* 英譯名僅供識別。

Ms. Zhang Weiping, aged 56, joined the Group in April 2007. Ms. Zhang was appointed as a Director of our Company on 27 July 2008, and served as the Chief Operational Officer of our Group from April 2007 to August 2016. Ms. Zhang was appointed as the Chief Executive Officer of the Company on 1 August 2016. Since September 2000, Ms. Zhang has held various positions with Chongqing College of Humanities, Science and Technology, including being appointed as professor by Southwestern Normal University Yucai College* (西南師範大學育才學院) (a predecessor of Chongqing College of Humanities, Science and Technology) in 2004. She currently serves as the executive principal and party secretary of the school. Ms. Zhang has more than 15 years of experience in the education industry and is responsible for the overall management and operation of our Group. Ms. Zhang graduated from Southwestern University* (西南大學) (formerly known as Southwestern Normal College* (西南師範學院)) with a bachelor's degree in law in 1988 and a master's degree in law in 1998. Ms. Zhang held various positions with Southwestern University during the period from 1988 to 2007, where she was appointed an associate professor in 2001 before receiving a further promotion to the position of researcher in 2007. Between December 2007 to December 2012, Ms. Zhang was a representative member of Chongqing Municipal People's Congress* (重慶市人民代表大會). She has served as a vice president of the Higher Education Commission of the China Non-Governmental Education Association* (中國民辦教育協會) since 2011. Ms. Zhang was awarded the "Advance Education Workers in Chongqing* (先進教育工作者)" award by Chongqing Municipal Education Commission in September 2007. She was also named as an "Outstanding Party Affairs Worker* (優秀黨務工作者)" by Southwestern University* (西南大學) in June 2006. Ms. Zhang did not hold any directorship in other listed companies during the last three years.

張衛平女士，56歲，於2007年4月加入本集團。於2008年7月27日，張女士獲委任為本公司董事，並自2007年4月至2016年8月擔任本集團首席運營官。張女士於2016年8月1日獲委任為本公司行政總裁。自2000年9月起，張女士於重慶人文科技學院擔任多個職務，包括於2004年獲西南師範大學育才學院(重慶人文科技學院的前身)委任為教授。彼現時擔任該校執行院長兼黨委書記。張女士於教育界擁有逾15年經驗，負責本集團的整體管理及營運。張女士於1988年畢業自西南大學(前稱西南師範學院)，獲法學學士學位，並於1998年取得法律碩士學位。自1988年至2007年期間，張女士於西南大學擔任多個職務，彼於2001年獲委任為副教授，其後，於2007年進一步晉升為研究員。於2007年12月至2012年12月，張女士擔任重慶市人民代表大會代表。彼自2011年起擔任中國民辦教育協會高等教育專業委員會副會長。張女士於2007年9月獲重慶市教育委員會評為重慶先進教育工作者。彼亦於2006年6月獲西南大學評為優秀黨務工作者。張女士在過去三年並無於其他上市公司擔任任何董事職位。

* English names are translated for identification purpose only.

* 英譯名僅供識別。

DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層(續)

Mr. Zuo Yichen, aged 40, joined the Group in August 2016 as Vice President. Mr. Zuo was appointed as a Director of our Company on 23 August 2016 and currently act as the President of our Company. Mr. Zuo has more than 14 years of experience in banking practice. Prior to joining our Group, Mr. Zuo was employed by the Bank of China from July 2002 to March 2016, and last occupied the position of head office senior manager. Mr. Zuo graduated from Beijing Foreign Studies University* (北京外國語大學) in 2002 with a bachelor of arts degree, majoring in French. Mr. Zuo did not hold any directorship in other listed companies during the last three years.

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

Mr. Lam Ngai Lung, aged 44, joined the Group in May 2012 as the general manager of our investment department and was subsequently appointed as a Director of our Company on 23 August 2016. Mr. Lam has served as the Chief Financial Officer of our Group since 22 May 2016. Mr. Lam has more than 15 years of experience in the field of accounting, and finance. Prior to joining our Group, He served as an audit assistant with Nexia Charles Mar Fan & Co., a firm of Certified Public Accounts, between September 2000 and November 2003. From November 2003 to October 2006, Mr. Lam was employed by PricewaterhouseCoopers and last occupied the position of senior associate. Between November 2006 and March 2007, Mr. Lam was employed as an assistant manager at TOM Group Limited, a company listed on the Stock Exchange (stock code: 2383) since August 2004 and was primarily responsible for internal operational reviews. From March 2007 to May 2012, Mr. Lam served as an advisory manager at KPMG. Mr. Lam graduated from the Hong Kong University of Science and Technology in November 1999 with a bachelor of science in mathematics degree. In October 2000, He obtained the Postgraduate Certificate in Professional Accounting from the City University of Hong Kong. Mr. Lam has been a member of the Hong Kong Institute of Certified Public Accountants since 2004 and a Chartered Financial Analyst (CFA) charterholder since 2005. Mr. Lam did not hold any directorship in other listed companies during the last three years.

左燿晨先生，40歲，於2016年8月加入本集團，擔任副總裁。左先生於2016年8月23日獲委任為本公司董事，現為本公司總裁。左先生於銀行實務方面擁有逾14年經驗。在加入本集團前，左先生於2002年7月至2016年3月任職於中國銀行，離職前擔任總行高級經理。左先生於2002年畢業於北京外國語大學，取得文學學士學位，主修法語。左先生在過去三年並無於其他上市公司擔任任何董事職位。

左先生為本公司執行董事兼董事會主席李學春先生的女婿。

林毅龍先生，44歲，於2012年5月加入本集團並擔任投資部總經理，隨後於2016年8月23日獲委任為本公司董事。林先生自2016年5月22日起出任本集團財務總監。林先生於會計及財務方面擁有逾15年經驗。在加入本集團前，彼於2000年9月至2003年11月於執業會計師事務所馬炎璋會計師行擔任審計助理。於2003年11月至2006年10月，林先生受聘於羅兵咸永道會計師事務所及離職前職位為高級審計員。於2006年11月至2007年3月，林先生獲委聘為自2004年8月於聯交所上市的TOM集團有限公司(股份代號：2383)的副經理，主要負責內部業務審查。於2007年3月至2012年5月，林先生擔任畢馬威會計師事務所諮詢經理。林先生於1999年11月畢業自香港科技大學，取得理學學士學位，主修數學。於2000年10月，彼獲得香港城市大學專業會計研究生證書。林先生自2004年起為香港會計師公會會員，並自2005年起為特許金融分析師持證人。林先生在過去三年並無於其他上市公司擔任任何董事職位。

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* 英譯名僅供識別。

Non-executive Directors

Mr. Lin Kaihua, aged 54, was appointed by the Board as a non-executive Director on 28 June 2017. Mr. Lin has extensive experience in business operation and financial management. He is an executive director and vice president of Overseas Chinese Town (Asia) Holdings Ltd.* (華僑城(亞洲)控股有限公司) (“**OCT (Asia)**”) (stock code: 3366), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited and which holds approximately 8.26% of the issued share capital of the Company. He also holds director positions in certain subsidiaries of OCT (Asia) and Beijing Guangying Real Estate Development Co., Ltd.* (北京廣盈房地產開發有限公司) (an associate of OCT (Asia)), and is also the deputy general manager of Overseas Chinese Town (HK) Company Limited (the controlling shareholder of OCT (Asia)). Since joining Overseas Chinese Town Enterprise Company in 1992, Mr. Lin has held a number of positions including but not limited to the deputy general manager and the chief financial officer of Overseas Chinese Town (Shanghai) Land Company* (華僑城(上海)置地有限公司) (an indirect non-wholly owned subsidiary of the OCT (Asia)), the deputy general manager of Shenzhen Overseas Chinese Town Entertainment Investment Company Limited* (深圳華僑城都市娛樂投資公司) (a wholly-owned subsidiary of OCT Ltd.), chief financial officer of Shenzhen Overseas Chinese Town Holding Company Limited* (深圳華僑城控股股份有限公司) (currently known as OCT Ltd.), and the chief financial officer of Shenzhen Bay Hotel* (深圳灣大酒店) (currently known as “**InterContinental Shenzhen* (華僑城大酒店)**”). Mr. Lin holds a bachelor’s degree and a master’s degree in accounting and has obtained Certified Public Accountant and Senior Accountant title.

非執行董事

林開樺先生，54歲，於2017年6月28日獲董事會委任為非執行董事。林先生具有相當豐富的企業營運及財務管理經驗。林先生現為華僑城(亞洲)控股有限公司(「**華僑城(亞洲)**」)(股份代號：3366)，其股份於香港聯合交易所有限公司主板上市及持有本公司已發行股本約8.26%權益的執行董事及副總裁。林先生同時兼任華僑城(亞洲)多個附屬公司的董事職位、北京廣盈房地產開發有限公司(華僑城(亞洲)的聯營公司)董事及香港華僑城有限公司(華僑城(亞洲)的控股股東)副總經理。林先生自1992年加入華僑城集團公司以來出任多個職位，包括但不限於華僑城(上海)置地有限公司(華僑城(亞洲)的間接非全資附屬公司)副總經理兼財務總監、深圳華僑城都市娛樂投資公司(華僑城股份的全資附屬公司)副總經理、深圳華僑城控股股份有限公司(現為華僑城股份)財務總監及深圳灣大酒店(現為「**華僑城大酒店**」)財務總監。林先生持有會計學學士及碩士學位，並已獲得註冊會計師及高級會計師資格。

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DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層(續)

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

Independent Non-executive Directors

Mr. Chan Ngai Sang, Kenny, aged 56, was appointed as an independent non-executive Director of our Company on 2 March 2017. Mr. Chan is a partner and founder of Kenny Chan & Co., a firm of Certified Public Accountants. Mr. Chan has over 30 years' experience in accounting, taxation, auditing and corporate finance and has been involved in several mergers, acquisitions and initial public offering projects. Mr. Chan holds a bachelor of commerce degree from the University of New South Wales and is a member of Chartered Accountants Australia and New Zealand, the Association of International Accountants, CPA Australia, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr. Chan is also a fellow member of the Hong Kong Institute of Directors. Mr. Chan served as president of the Hong Kong Branch of the Association of International Accountants in the years 2012-2015. Mr. Chan is an independent non-executive director of Zhongyuan Bank Co., Ltd., CMIC Ocean En-Tech Holding Co., Ltd., Hebei Construction Group Corporation Limited and Kingland Group Holdings Limited, all are listed on the Main Board of the Stock Exchange.

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

獨立非執行董事

陳毅生先生，56歲，於2017年3月2日獲委任為本公司獨立非執行董事。陳先生為執業會計師事務所陳毅生會計師事務所之合夥人兼創辦人。陳先生於會計、稅務、審計及企業融資方面擁有逾30年經驗，曾參與多項併購及首次公開發售項目。陳先生自新南威爾斯大學取得商學士學位，並為澳洲及新西蘭特許會計師公會、國際會計師公會、澳洲會計師公會、香港會計師公會及香港稅務學會會員。陳先生亦為香港董事學會資深會員。陳先生於2012年至2015年曾任國際會計師公會香港分會會長。陳先生現為中原銀行股份有限公司、華商國際海洋能源科技控股有限公司、河北建設集團股份有限公司及景聯集團控股有限公司的獨立非執行董事，該等公司均為於聯交所主板上市的公司。

Mr. Yu Huangcheng, aged 45, was appointed as an independent non-executive Director of our Company on 2 March 2017. From March 2009 to March 2010, Mr. Yu was employed by the Investment Promotion Bureau of Haidian District* (海澱區投資促進局) and last occupied the position of section chief (科長). Since March 2010, Mr. Yu has served as an investment director at Kunwu Jiuding Capital Holdings Co., Ltd. (昆吾九鼎投資控股股份有限公司), which is a company listed on the Shanghai Stock Exchange (stock code: 600053). Mr. Yu graduated from Macquarie University in Australia with a Master's degree in applied finance in November 2008. Mr. Yu did not hold any directorship in other listed companies during the last three years.

Mr. Wang Wei Hung, Andrew, aged 65, was appointed as an independent non-executive Director of our Company on 2 March 2017. He was admitted as Solicitor of the High Court in Hong Kong in January 1982 and has over 30 years of experience in the legal practice. Mr. Wang was the Head of Legal and Compliance Department of China Development Bank Corporation Hong Kong Branch between from August 2010 to September 2011. Before joining China Development Bank Corporation Hong Kong, he was a Partner of the Finance & Projects Group of DLA Piper Hong Kong from October 2006 to November 2009. Mr. Wang has also been a Notary Public since 1992. Actively involved in public sector advisory and statutory bodies, amongst the appointments he is the Chairman of Appeal Tribunal Panel (Building Ordinance), and former member of Notaries Public Disciplinary Tribunal Panel. In 2005, he was invited by former President of the United States Bill Clinton to participate in the Clinton Global Initiative Fund held in New York 2005. Mr. Wang has served as an independent non-executive director of Infinity Financial Group (Holdings) Limited (新融宇集團(控股)有限公司), a company listed on the Stock Exchange (stock code: 1152) from October 2011 to June 2017. Mr. Wang graduated from Concordia University, Canada with a bachelor of arts degree in Communications Arts.

余黃成先生，45歲，於2017年3月2日獲委任為本公司獨立非執行董事。於2009年3月至2010年3月，余先生受聘於海澱區投資促進局，離任前的職務為科長。自2010年3月起，余先生擔任昆吾九鼎投資控股股份有限公司的投資主管，其為一間於上海證券交易所上市的公司(股份代號：600053)。余先生畢業於澳洲的麥考瑞大學，並於2008年11月獲得應用金融碩士學位。余先生在過去三年並無於其他上市公司擔任任何董事職位。

王惟鴻先生，65歲，於2017年3月2日獲委任為本公司獨立非執行董事。彼於1982年1月獲認許為香港高等法院律師，擁有逾30年法律執業經驗。王先生於2010年8月至2011年9月期間為國家開發銀行香港分行法律及合規部主管。加入國家開發銀行香港前，彼於2006年10月至2009年11月擔任歐華律師事務所金融及項目部合夥人。王先生自1992年起亦為國際公證人。彼積極參與公共領域的顧問及法定組織，任命包括上訴審裁團(建築物條例)主席及公證人紀律審裁組前成員。於2005年，彼獲前美國總統克林頓邀請參與於2005年在紐約舉行的克林頓全球倡議基金(Clinton Global Initiative Fund)。王先生自2011年10月至2017年6月期間擔任新融宇集團(控股)有限公司(一間於聯交所上市的公司(股份代號：1152))的獨立非執行董事。王先生畢業於加拿大Concordia University並獲得傳媒藝術文學士學位。

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SENIOR MANAGEMENT

Mr. Wang Wei, aged 54, was appointed as the auditor director of our company on 27 July 2020. Mr. Wang joined the Group in October 2005. Mr. Wang has over 15 years of experience in finance and accounting and is primarily responsible for the finance and accounting of our Group's schools in Chongqing. Prior to joining our Group, Mr. Wang worked as accountant with Beijing Zhongruicheng Lianhe Accounting Firm Chongqing Branch* (北京中瑞誠聯合會計事務所重慶分所) and Chongqing Tongguan Accounting Firm Co., Ltd.* (重慶通冠會計師事務所有限責任公司). Mr. Wang graduated from Jiangxi Caijing College* (江西財經學院) with a bachelor degree in economics in July 1989.

Mr. Li Jiandong, aged 48, joined our Group in January 2016 and is currently the deputy officer of logistics of Chongqing College of Humanities, Science and Technology and has been primarily responsible for the logistical support of our schools in Chongqing. Prior to joining our Group, Mr. Li served as the general manager of Shandong Dongying Jinheng Furniture Co., Ltd.* (山東東營金恒家具有限公司), a company primarily engaged in export and trading of furniture, between June 2010 to December 2015. From March 1999 to March 2010, Mr. Li was employed by Shandong Shenghui Timber Co, Ltd.* (山東勝輝木業有限公司) and last occupied the position of deputy general manager.

COMPANY SECRETARY

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

高級管理層

王偉先生，54歲，於2020年7月27日獲委任為本公司審計總監。王先生於2005年10月加入本集團。王先生於財務及會計方面擁有逾15年經驗並主要負責本集團在重慶的學校之財務及會計。於加入本集團前，王先生於北京中瑞誠聯合會計師事務所重慶分所及重慶通冠會計師事務所有限責任公司擔任會計師。王先生於1989年7月畢業於江西財經學院，獲得經濟學學士學位。

李建東先生，48歲，於2016年1月加入本集團，目前擔任重慶人文科技學院後勤副主任，主要負責我們於重慶的學校的後勤支援。於加入本集團前，李先生於2010年6月至2015年12月期間擔任山東東營金恒家具有限公司(一間主要從事家具出口及貿易的公司)總經理。於1999年3月至2010年3月，李先生受聘於山東勝輝木業有限公司及離職前的職位為副總經理。

公司秘書

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

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REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present the reports and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2020.

GLOBAL OFFERING

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

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

A fair review of the business of the Group during the year ended 31 December 2020 as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the section headed "Chairman's Statement" on pages 7 to 10 and "Management Discussion and Analysis" on pages 11 to 33. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Events after the Reporting Period" on page 124 below in this report of the Directors.

SUFFICIENCY OF PUBLIC FLOAT

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

董事會欣然呈報本公司及本集團截至2020年12月31日止年度的報告及經審核綜合財務報表。

全球發售

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

主要業務

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

業務回顧

根據香港法例第622章公司條例附表5的規定對本集團截至2020年12月31日止年度業務的中肯審視，包括對本集團財務表現的分析、本集團業務未來可能發展的說明及本集團與其持份者(對本集團擁有重大影響並關乎本集團業務成功者)的主要關係，載於第7頁至第10頁的「主席報告」及第11頁至第33頁的「管理層討論及分析」章節。該等討論構成本年報的一部分。自財政年度結束後發生並影響本公司的事項載於本董事會報告下文第124頁的「報告期後之事項」一節。

足夠公眾持股量

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

RESULTS

The Group's results for the year ended 31 December 2020 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 158 to 167.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

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

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

Interest Rate Risk

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

Foreign Currency Risk

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

業績

本集團截至2020年12月31日止年度的業績及本集團於當日的財務狀況已載列於第158頁至第167頁的綜合財務報表。

主要風險及不確定因素及風險管理

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

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

利率風險

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

外幣風險

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

Liquidity Risk

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

To properly manage these risks, the Group has established risk management structures and measures. The details are set out on pages 140 to 141 "Risk Management and Internal Control" of corporate governance report.

SUMMARY OF FINANCIAL INFORMATION

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

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in Note 14 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS HELD

The Group held equity investment at fair value through profit or loss during the year ended 31 December 2020. Details are set out in Note 20 to the consolidated financial statements.

流動資金風險

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

為妥善管理此等風險，本集團已建立風險管理架構和措施。有關詳情載於企業管治報告內第140頁至第141頁之「風險管理及內部監控」。

財務資料概要

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

物業、廠房及設備

本集團的物業、廠房及設備的變動詳情已載列於綜合財務報表附註14。

持有的重大投資

本集團於截至2020年12月31日止年度持有按公平值計入損益的股權投資。有關詳情載於綜合財務報表附註20。

BANK LOANS AND OTHER LOANS

Particulars of bank and other borrowings as at 31 December 2020 are set out in Note 30 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 34 to the consolidated financial statements.

RESERVES AND DISTRIBUTION RESERVE

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 47 to the consolidated financial statements and in the consolidated statement of changes in equity on pages 161 to 162, respectively. As at 31 December 2020, the aggregate amount of reserve available for distribution to equity shareholders of the Company was approximately RMB1,108,037,000 (2019: RMB1,076,559,000).

DIVIDEND POLICY

1. Subject to the Cayman Islands Company Law and the Articles of Association, the Board of Directors has absolute discretion on whether to distribute dividends. In addition, the Shareholders may by ordinary resolution approve the declaration of dividends, but no dividend may be declared in excess of the amount recommended by the Board. In either case, a dividend may only be declared and paid out of the profits and reserves of the Company lawfully available for distribution (including share premium), and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend on the Company's future operations, cash flows, general financial condition, capital adequacy ratio, cash dividends received from the invested portfolio ecosystem partners, future business prospectus, statutory and regulatory restrictions on the payment of dividends and other factors that the Board considers relevant.

銀行貸款及其他貸款

於2020年12月31日的銀行及其他借款的詳情載於綜合財務報表附註30。

股本

本公司於年內的股本變動詳情已載列於綜合財務報表附註34。

儲備及可供派發儲備

本公司及本集團的年內儲備變動詳情已分別載列於綜合財務報表附註47及第161頁至第162頁的綜合權益變動表。於2020年12月31日，可向本公司權益股東派發的儲備總額為約人民幣1,108,037,000元(2019年：人民幣1,076,559,000元)。

股息政策

1. 根據開曼群島公司法及組織章程細則，董事會可全權酌情決定是否分派股息。此外，股東可通過普通決議案批准宣派股息，惟所宣派的股息不可超過董事會建議的金額。在任何情況下，本公司僅可自合法可供分派的溢利和儲備(包括股份溢價)宣派及派付股息，且無論如何不得因派付股息而導致本公司無力償還在日常業務中到期的債務。即使董事會決定派付股息，惟股息的形式、次數及數額仍須取決於本公司未來營運、現金流量、整體財務狀況、資本充足率、自所投資的組合型生態系統合作夥伴收取的現金股息、日後業務前景、股息派付的法律及監管限制及董事會視為相關的任何其他因素。

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|---|---|
| <p>2. Any future dividend payments to the Shareholders will also depend upon the availability of dividends received from our subsidiaries. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to the Company.</p> | <p>2. 任何未來向股東派付的股息亦將取決於能否自附屬公司收到股息。中國法規或會限制我們的中國附屬公司向本公司派付股息的能力。</p> |
| <p>3. The Company does not have a fixed dividend payout ratio. The Company currently intends to retain most, if not all, of the available funds and any future earnings to operate and expand the business.</p> | <p>3. 本公司並無固定派息率。本公司現時計劃保留大部分(如非全部)可動用資金及任何未來盈利，以用於經營及拓展業務。</p> |
| <p>4. The dividend policy reflects the Board's current views on the Company's financial and cash flow position. It will continue to be reviewed by the Board from time to time and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.</p> | <p>4. 股息政策反映董事會現時對本公司財務及現金流量狀況的看法。董事會將繼續不時檢討股息政策，惟不保證會派付任何指定期間任何特定金額的股息，甚至不會派付股息。</p> |

DIVIDEND

The Board recommends the payment of a final dividend of HK\$1.07 cents per ordinary share (equivalent to RMB0.90 cents, according to the central parity rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 23 March 2021, i.e. RMB0.8375 equivalent to HKD1.00) (2019: HK\$2.84 cents) by cash to shareholders of the Company (the "Shareholder(s)") whose names appear on the register of members of the Company on Thursday, 5 August 2021. Subject to the approval of the Shareholders at the forthcoming annual general meeting on Wednesday, 16 June 2021, the expected date of payment of final dividend will be on Friday, 27 August 2021.

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

PRE-EMPTIVE RIGHTS

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

股息

董事會建議向於2021年8月5日(星期四)名列本公司股東名冊的本公司股東(「股東」)，以現金派付末期股息每股普通股1.07港仙(相當於人民幣0.90分，按照2021年3月23日中國人民銀行公佈的人民幣兌港元的匯率中間價(即人民幣0.8375元等於1.00港元)計算)(2019年：2.84港仙)。待股東於2021年6月16日(星期三)舉行的應屆股東週年大會上批准後，預期將於2021年8月27日(星期五)派付末期股息。

概無股東放棄或同意放棄任何股息的安排。

優先購買權

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

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2020.

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases from the Group's five largest suppliers accounted for 25.0% of the total purchases for in 2020 and purchases from the largest supplier included therein amounted to 12.1% of the Group's total purchases for the year.

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

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

USE OF NET PROCEEDS FROM LISTING

Net proceeds from the Listing (including the over-allotment option and after deducting underwriting fee and relevant expenses) amounted to approximately HK\$1,374.7 million. As at 31 December 2020, all of the net proceeds had been fully utilized by the Group according to the allocation set out in the prospectus of the Company dated 10 March 2017 (the "Prospectus").

購買、出售或贖回本公司上市證券

於截至2020年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司已上市之證券。

主要客戶及供應商

於報告期間，並無向單一客戶提供的服務貢獻本集團總收益10%或以上。

自本集團五大供應商的採購佔2020年的總採購25.0%，而當中包括自最大供應商的採購佔本集團年度總採購的12.1%。

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

與僱員、客戶及供應商的關係

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

上市所得款項淨額用途

上市所得款項淨額(包括超額配股部份及經扣除包銷費用及相關開支後)為約1,374.7百萬港元。於2020年12月31日，全部所得款項淨額已由本集團根據本公司日期為2017年3月10日的招股章程(「招股章程」)所載分配悉數動用。

PLACING

On 4 June 2020, Minsheng Group Company Limited (“**Minsheng Group**”), the Company and Mr. Li Xuechun entered into a placing and subscription agreement (the “**Placing and Subscription Agreement**”) with China International Capital Corporation Hong Kong Securities Limited (the “**Placing Agent**”). Pursuant to the Placing and Subscription Agreement, the Placing Agent has agreed to place 200,000,000 shares (the “**Placing Shares**”) held by Minsheng Group to independent placees at the pricing price of HK\$1.22 per share (the “**Placing Price**”) (the “**Placing**”). The Placing Shares were issued to more than six independent placees and they are all independent investors.

On the same day, Minsheng Group conditionally agreed to subscribe, and the Company conditionally agreed to allot and issue up to 200,000,000 shares to Minsheng Group at the subscription price of HK\$1.22 per share, being the same as the Placing Price, on the terms and subject to the conditions set out in the Placing and Subscription Agreement (the “**Subscription**”). The Placing and the Subscription were completed on 4 June 2020 and 10 June 2020 respectively. The net proceeds to be received by the Company from the Subscription amounted to approximately HK\$239 million and intended to apply the net proceeds for the Group’s general daily working capital, general operating purpose and potential merger and acquisition purposes. As at 31 December 2020, all of the net proceeds have been fully utilised. Further details of the Placing and Subscription are set out in the Company’s announcement dated 4 June 2020 and in note 34 to the consolidated financial statements.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the section headed “Management Discussion and Analysis” above in this annual report the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 December 2020 amounted to approximately RM4,708,000 (2019: approximately RMB886,000).

配售事項

於2020年6月4日，民生集團有限公司(「**民生集團**」)、本公司及李學春先生與中國國際金融香港證券有限公司(「**配售代理**」)訂立配售及認購協議(「**配售及認購協議**」)。根據配售及認購協議，配售代理同意以每股1.22港元的配售價(「**配售價**」)向獨立承配人配售民生集團持有的200,000,000股股份(「**配售股份**」)(「**配售事項**」)。配售股份已向超過六名獨立承配人發行且彼等均為獨立投資人。

同日，民生集團有條件同意認購而本公司有條件同意以每股1.22港元的認購價(與配售價相同)向民生集團配發及發行最多200,000,000股股份，惟須依據配售及認購協議所載條款及受其中所載條件規限(「**認購事項**」)。配售事項及認購事項分別於2020年6月4日及2020年6月10日完成。本公司自認購事項收取的所得款項淨額將約為239百萬港元及擬將所得款項淨額用於本集團的一般日常營運資金、一般營運用途及潛在併購。於2020年12月31日，全部所得款項淨額已悉數動用。有關配售事項及認購事項的進一步詳情載於本公司日期為2020年6月4日的公告及綜合財務報表附註34。

重大收購及出售

除本年報內上文「管理層討論及分析」一節所披露者外，本集團於報告期間並無任何其他重大附屬公司、聯營公司及合營企業收購事項或出售事項。

慈善捐款

本集團於截至2020年12月31日止年度所作的慈善捐款約為人民幣4,708,000元(2019年：約人民幣886,000元)。

LOAN AGREEMENTS WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

Loan from International Finance Corporation

On 29 April 2020, Chongqing Minsheng Education Management Co., Ltd* (重慶民升教育管理有限公司) (“**Chongqing Minsheng**”), an indirect wholly-owned subsidiary of the Company, and International Finance Corporation, a member of World Bank Group entered into a loan agreement and the relevant loan documents (the “**Loan Agreement**”), pursuant to which International Finance Corporation agreed to lend, and Chongqing Minsheng agreed to borrow, a loan in an aggregate principal amount of up to RMB750 million (the “**Loan**”), the period of the Loan will be 8 years, the Loan shall be repayable in 11 semi-annual instalments commencing from 15 June 2023. The interest rate is 1.5% above the International Finance Corporation RMB Fixed Rate per annum. The first disbursement of the Loan of RMB400 million has been completely withdrawn in July 2020 (“**Completed Disbursement**”), the interest rate is approximately 3.83% per annum. Proceeds from the Loan will be used for, among others, business expansion and daily operation of the Group.

On 30 October 2020, Chongqing Minsheng and International Finance Corporation entered into the first amendment letter to the Loan Agreement, pursuant to which the Loan would be adjusted from RMB750,000,000 to RMB400,000,000. The full amount of RMB400,000,000 has been disbursed in July 2020. On the same date, Minsheng Education, a wholly-owned subsidiary of the Company and International Finance Corporation entered into an USD loan agreement (the “**USD Loan Agreement**”), pursuant to which International Finance Corporation agreed to lend, and Minsheng Education agreed to borrow, a loan in an aggregate amount of up to 51,000,000 USD (the “**USD Loan**”), the USD Loan being the Completed Disbursement subtracted from the Loan, which is amounted to USD equivalent of RMB350,000,000. The USD Loan shall be repaid in 11 semi-annual instalments commencing from 15 June 2023 until 15 June 2028. The interest rate of the USD

附有控股股東特定履約契諾的貸款協議

來自國際金融公司的貸款

於2020年4月29日，重慶民升教育管理有限公司(「**重慶民升**」，本公司一家間接全資附屬公司)與世界銀行集團成員公司國際金融公司訂立貸款協議及相關貸款文件(「**貸款協議**」)。根據貸款協議，國際金融公司同意貸款給重慶民升，而重慶民升同意向國際金融公司籌借本金總額最多為人民幣7.5億元的貸款(「**貸款**」)，貸款期限為8年，於2023年6月15日開始分11期等額償還，每半年一期。貸款利率每年為國際金融公司人民幣固定利率加1.5%息差。第一期貸款人民幣4億元已於2020年7月完成提款(「**已完成提款**」)，利率約為3.83% /年。貸款將用於(其中包括)本集團業務拓展和日常運營。

於2020年10月30日，重慶民升與國際金融公司簽署了貸款協議的第一份修訂函，據此，貸款將從人民幣750,000,000元調整至人民幣400,000,000元。總額人民幣400,000,000元的款項已於2020年7月完成提款。於同日，民生教育為一家本公司的全資附屬公司，與國際金融公司訂立了美元的貸款協議(「**美元貸款協議**」)，據此，國際金融公司同意貸款及民生教育同意籌借總額最多為51,000,000美元的貸款(「**美元貸款**」)，該美元貸款相等於貸款減去已完成提款，金額為人民幣350,000,000元等值的美元。美元貸款於2023年6月15日開始至2028年6月15日分十一期，每半年為一期等額償還。美元貸款利率是按(i)每年1.5%的息差和(ii)反映國際金融公司以固定利率提供美元資金的成本的利率之總和計算，該利

Loan is the sum of (i) interest rate spread of 1.5% per year and (ii) a rate reflecting the cost at which International Finance Corporation can provide USD funding at a fixed interest rate, which is determined by International Finance Corporation upon receipt of a request for disbursement from Minsheng Education. The USD Loan will be used for, among other things, the Group's business development and daily operations.

Pursuant to a share retention agreement ancillary to the Loan Agreement and the USD Loan Agreement, each of Mr. Li Xuechun, the chairman of the Board, an executive director and the ultimate controlling shareholder of the Company, and Minsheng Group, being controlling shareholders of the Company, is required to perform certain specific performance obligations. Specifically, Mr. Li Xuechun shall maintain directly not less than 51% of the legal and beneficial ownership of the shares of Minsheng Group, and Minsheng Group shall maintain directly not less than 51% of the legal and beneficial ownership of the shares of the Company, for so long as any indebtedness under the Loan or the USD Loan remains outstanding.

A breach of any of the said specific performance obligations will constitute an event of default under the Loan Agreement and the USD Loan Agreement whereupon, International Finance Corporation will have the power to require the Borrower to repay all or part of the Loan or USD Loan (as applicable).

For details of the above, please refer to the announcements of the Company dated 3 May 2020 and 30 October 2020.

率是由國際金融公司收到民生教育的付款申請後釐定。美元貸款將用於(其中包括)本集團業務拓展和日常運營。

根據貸款協議及美元貸款協議所附的股份保留協議，本公司董事會主席、執行董事及最終控股股東李學春先生及民生集團均為本公司的控股股東，須承擔特定履約責任，於貸款或美元貸款的任何債務未清償期間，李學春先生須直接維持持有民生集團不少於51%的合法及實際擁有權益；及民生集團須直接維持持有本公司不少於51%的合法及實際擁有權益。

違反上述任何特定履約義務將構成貸款協議和美元貸款協議下的違約事件，國際金融公司屆時有權要求借款人償還全部或部分貸款或美元貸款(如適用)。

上文有關詳情，請參閱本公司日期為2020年5月3日及2020年10月30日的公告。

Loan from Bank of China Limited Macau Branch

On 4 December 2020, the Company (as borrower) and BOC Macau (as lender and as agent) entered into the Facility Agreement and the relevant loan documents, pursuant to which Bank of China Limited Macau Branch agreed to provide the Company a term loan facility up to US\$44,800,000, the period of the Loan will be 5 years from the date of the Facility Agreement. Proceeds from the Loan will be used for, among others, acquisition and general working capital of the Group.

Pursuant to the Facility Agreement, Mr. Li Xuechun, the chairman of the Board, an executive director, being the ultimate controlling shareholder of the Company, is required to maintain directly or indirectly not less than 51% of the issued share capital of the Company.

If Mr. Li Xuechun no longer owns directly or indirectly no less than 51% of the issued share capital of the Company, the Company shall promptly notify BOC Macau, BOC Macau shall not be obliged to fund the utilization of the Loan, and BOC Macau may, by not less than 10 business days' notice to the Company, cancel its commitment whereupon the outstanding Loan, together with accrued interest, and all other amounts accrued will become immediately due and payable.

For details of the above, please refer to the announcement of the Company dated 4 December 2020.

As at the date of this report, Minsheng Group owns approximately 71.59% of the issued shares of the Company.

來自中國銀行股份有限公司澳門分行的貸款

於2020年12月4日，本公司(為借款方)與中銀澳門(為貸款方及代理人)訂立授信協議及相關貸款文件，據此，中國銀行股份有限公司澳門分行同意向本公司提供最多為44,800,000美元的定期貸款融資授信，貸款期限為自授信協議簽署日起5年。貸款將用於(其中包括)本集團併購及一般營運資金用途。

根據授信協議，本公司董事會主席、執行董事李學春先生為本公司的最終控股股東，須直接或間接維持持有本公司不少於51%的已發行股本。

如果李學春先生不再直接或間接持有本公司不少於51%的已發行股本，本公司應立即通知中銀澳門，中銀澳門無義務為貸款的使用提供資金，中銀澳門可以在最少10個工作日內通知本公司，取消其承諾，此時未償還的貸款以及應計利息以及所有其他應計金額應當立即到期應付。

上文有關詳情，請參閱本公司日期為2020年12月4日的公告。

於本報告日期，民生集團持有本公司約71.59%的已發行股份。

RECTIFICATION MEASURES

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

整改措施

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

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

DIRECTORS

The Directors during the year of 2020 and up to the date of this annual report were as follows:

Executive Directors

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

Non-executive Directors

Mr. Lin Kaihua
Ms. Li Yanping

Independent Non-executive Directors

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 34 to 40 of this annual report.

董事

於2020年內及直至本年報日期的董事如下：

執行董事

李學春先生(董事會主席)
張衛平女士(董事會副主席兼
行政總裁)
左熠晨先生(總裁)
林毅龍先生(財務總監)

非執行董事

林開樺先生
李雁平女士

獨立非執行董事

陳毅生先生
余黃成先生
王惟鴻先生

獨立非執行董事的獨立性確認

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

董事履歷

董事的個人履歷已載列於本年報第34頁至第40頁。

DIRECTORS INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 9 to the consolidated financial statements, no Director had a material beneficial interest in, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year 2020 and up to the date of this annual report.

COMPETITION AND CONFLICT OF INTERESTS

During the year of 2020, none of the Directors or substantial Shareholders or their respective associates had engaged in any business which competes or may compete, either directly or indirectly, with the businesses of the Group or has any conflict of interests with the Group.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

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

董事於重大交易、安排或合約中的權益

除綜合財務報表附註9所披露者外，於2020年及直至本年報日期，董事概無於本公司或其附屬公司簽訂的對本集團業務屬重大的任何交易、安排或合約中，直接或間接擁有重大實益權益。

競爭及利益衝突

董事或主要股東或彼等各自之聯繫人概無於2020年內從事任何與本集團業務直接或間接構成或可能構成競爭的業務或與本集團有任何利益衝突。

控股股東的不競爭承諾

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

CONTRACTUAL ARRANGEMENTS IN RELATION TO THE YUECHENG OPERATING ENTITIES

A. Background and overview

Chongqing Yuecheng Zhiyuan Education Technology Co., Ltd. (“**Chongqing Yuecheng**”) currently holds 51% of school sponsor’s interest of Chongqing Electronic Information College, 100% equity interest of Chongqing Yiersheng Education Technology Company Limited (“**Chongqing Yiersheng**”) and 100% equity interest in Chongqing Yujingao Education Technology Co. Ltd. (“**Chongqing Yujingao**”).

Pending completion of the relevant agreements:

- (1) Chongqing Yuecheng will hold:
 - (a) 51% equity interest in Anhui Wenda Electronics Co., Ltd (“**Wenda Electronics**”), which in turn will hold 100% school sponsor’s interest in Anhui Wonder University of Information Engineering (“**Wonder University**”) and Anhui Hefei Information Technology School; and
 - (b) 51% equity interest of Qufu Changyong Corporate Management Consulting Company Limited (“**Qufu Changyong**”), which in turn will hold 100% school sponsor’s interest in Qufu Fareast Vocational and Technical College;
- (2) Chongqing Yujingao will hold 51% equity interest of Anhui Sky-Aviation International Flight Academy Co., Ltd. (“**Sky-Aviation Academy**”); and
- (3) Chongqing Yiersheng will hold 51% equity interest of Nanchang Hezhitong Education Consulting Company Limited (“**Nanchang Hezhitong**”), which in turn will hold 100% of school sponsor’s interest in Nanchang Vocational University.

有關悅誠營運實體的合約安排

A. 背景及概覽

重慶悅誠智遠教育科技有限公司(「**重慶悅誠**」)目前持有重慶電信職業學院51%學校舉辦者權益、重慶易而升教育科技有限公司(「**重慶易而升**」)100%股權及重慶渝京澳教育科技有限公司(「**重慶渝京澳**」)100%股權。

待有關協議完成後：

- (1) 重慶悅誠將持有：
 - (a) 安徽文達電子有限公司(「**文達電子**」)51%股權，從而將持有安徽文達信息工程學院(「**文達學院**」)及安徽合肥信息工程學校100%學校舉辦者權益；及
 - (b) 曲阜昌永企業管理諮詢有限責任公司(「**曲阜昌永**」)51%股權，從而將持有曲阜遠東職業技術學院100%學校舉辦者權益；
- (2) 重慶渝京澳將持有安徽藍天國際飛行學院有限責任公司(「**藍天飛院**」)51%股權；及
- (3) 重慶易而升將持有南昌合至同教育諮詢有限公司(「**南昌合至同**」)51%股權，從而將持有南昌職業大學100%學校舉辦者權益。

Qufu Fareast Vocational and Technical College is currently managed by the Group pursuant to its entrustment arrangement.

Chongqing Electronic Information College, Chongqing Yiersheng, Chongqing Yujingao and Qufu Fareast Vocational and Technical College are collectively referred to as the “Yuecheng Operating Entities” in this section. Wenda Electronics, Wonder University and Anhui Hefei Information Technology School, Qufu Changyong, Sky-Aviation Academy, Nanchang Hezhitong and Nanchang Vocational University will become part of the Yuecheng Operating Entities upon completion of the relevant agreements.

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

曲阜遠東職業技術學院目前由本集團根據委託管理安排進行管理。

重慶電信職業學院、重慶易而升、重慶渝京澳及曲阜遠東職業技術學院於本節內統稱為「悅誠營運實體」。文達電子、文達學院及安徽合肥信息工程學校、曲阜昌永、藍天飛院、南昌合至同及南昌職業大學將於完成有關協議後成為悅誠營運實體的一部分。

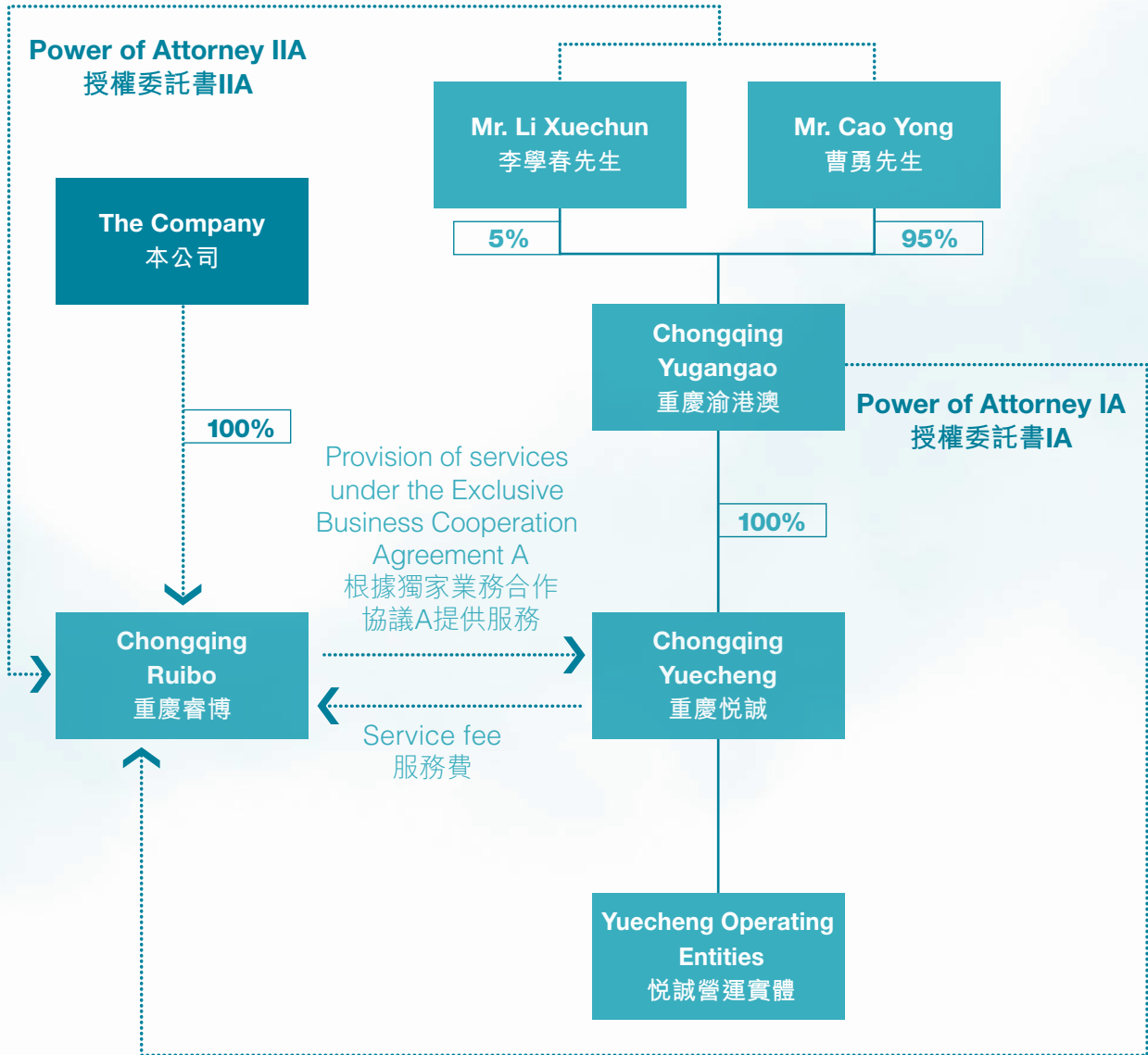
由於中國法律法規一般限制外資擁有權參與中國民辦教育行業，故我們目前透過一系列合約(「悅誠合約安排」)於中國持有悅誠營運實體權益。目前，根據中國法律法規，除對外國所有者規定資歷要求外，中外合作擁有權下經營的高等教育機構亦受限制。我們並無持有悅誠營運實體的任何股權。我們透過悅誠合約安排控制悅誠營運實體，從中獲得經濟利益，而我們亦為達成業務目標及降低與相關中國法律法規的潛在衝突而嚴謹制定該等安排。

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

為遵守上述中國法律法規，同時推進我們進入國際資本市場及有效控制所有營運，我們的全資附屬公司重慶睿博民晟教育科技有限公司(「**重慶睿博**」)於2017年9月27日與(其中包括)重慶悅誠簽訂多項構成悅誠合約安排的協議，據此，悅誠營運實體及重慶悅誠的業務產生的所有經濟利益以重慶悅誠向重慶睿博支付服務費的形式轉至重慶睿博，惟須獲得中國法律法規的許可。儘管已註冊股東並無合併為本集團一部分，彼等仍為構成悅誠合約安排的若干協議的訂約方，以確保重慶悅誠的股東權利實際上由重慶睿博控制。

The following simplified diagram illustrates the flow of economic benefits from the Yuecheng Operating Entities to the Group stipulated under the Yuecheng Contractual Arrangements:

以下簡圖說明按悅誠合約安排規定從悅誠營運實體至本集團的經濟利益流動：



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

B. Summary of the Material Terms of the Yuecheng Contractual Arrangements

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

(1) Exclusive Business Cooperation Agreement A

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

截至本年報日期，並無任何監管機關干預或阻礙我們按計劃採納悅誠合約安排，而從事高等教育服務的悅誠營運實體的綜合財務業績已併入本集團業績。

B. 悅誠合約安排重要條款概要

悅誠合約安排的主要條款概述如下：

(1) 獨家業務合作協議A

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

(2) Equity Pledge Agreements A

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

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

(2) 股權質押協議A

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

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

(3) Exclusive Call Option Agreements A

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

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

(3) 獨家購買權協議A

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

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

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

Shareholders' Rights Entrustment Agreement IA and Power of Attorney IA

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

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

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

(4) 股東表決權委託協議A及授權委託書A

股東表決權委託協議IA及授權委託書IA

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

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

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

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

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

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

另外，根據股東表決權委託協議 IA，重慶渝港澳保證及承諾如下：

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

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

Shareholders' Rights Entrustment Agreement IIA and Power of Attorney IIA

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

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

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

股東表決權委託協議IIA及授權委託書IIA

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

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

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

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

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

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

另外，根據股東表決權委託協議 IIA，李先生及曹先生保證及承諾如下：

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

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

(5) Spouse Undertakings A

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

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

(5) 配偶承諾函A

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

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

Authorization to obtain assets of Chongqing Yuecheng

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

Dispute resolution

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

授權以獲得重慶悅誠的資產

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

爭議解決

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

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

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

C. Business Activities of the Yuecheng Operating Entities

Chongqing Yuecheng is a company established under the laws of the PRC with limited liability and is principally engaged in higher education management consulting service. Chongqing Electronic Information College is a full-time ordinary higher education institution located in Chongqing city, the PRC, providing junior college education. Qufu Fareast Vocational and Technical College is a full-time ordinary higher education institution located in Qufu city, Shandong Province, the PRC.

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

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

C. 悦誠營運實體的業務活動

重慶悦誠為根據中國法律成立的有限責任公司，主要從事高等教育管理諮詢服務。重慶電信職業學院為一所位於中國重慶市的全日制普通高等院校，提供大專學歷教育。曲阜遠東職業技術學院為一所位於中國山東省曲阜市的全日制普通高等院校。

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

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

D. 悅誠營運實體對本集團的重要性及財務貢獻

根據悅誠合約安排，本集團取得悅誠營運實體的控制權，並從中獲得經濟利益。下表載列悅誠營運實體對本集團的財務貢獻：

	Significances and financial contribution to the Group		
	對本集團的重要性及財務貢獻		
	Revenue	Net Profit	Total Assets
	收益	純利	總資產
For the year ended	For the year ended	As of	
31 December 2020	31 December 2020	31 December 2020	
截至2020年12月31日	截至2020年12月31日	截至2020年12月31日	
止年度	止年度	止年度	
Significances and financial contribution to the Group 對本集團的重要性及財務貢獻	4.9%	11.6%	13.8%

E. Revenue and assets involved in Yuecheng Contractual Arrangements

E. 悅誠合約安排所涉收益及資產

	Revenue	Assets
	收益	資產
	RMB'000	RMB'000
	人民幣千元	人民幣千元
For the year ended	As at	
31 December 2020	31 December 2020	
截至2020年12月31日	於2020年12月31日	
止年度	止年度	
Yuecheng Operating Entities 悅誠營運實體	54,006	1,255,720

F. Regulatory Framework

Higher Education

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

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

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

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

* English names are translated for identification purpose only.

F. 監管框架

高等教育

根據中國法律法規，目前悅誠營運實體的業務是對外國投資者限制的業務。

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

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

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

* 英譯名僅供識別。

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

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

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

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

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

Risks

As the primary beneficiary of Chongqing Yuecheng, the Group is exposed to the business risks and financial risks faced by Chongqing Yuecheng.

There is no assurance that Chongqing Yuecheng will generate any profit which can be paid to the Group through the Yuecheng Contractual Arrangements

There is no assurance that Chongqing Yuecheng will generate any profit which can be paid to the Group through the Exclusive Business Cooperation Agreement A and the Shareholders' Rights Entrustment Agreement IA. Any profit or loss of Chongqing Yuecheng (net of intra-group transactions) will be reflected in the consolidated financial statement of the Group.

A substantial amount of costs and time may be involved in transferring the ownership of Chongqing Yuecheng to the Group under the Exclusive Call Option Agreements A

The exercise of the Exclusive Call Option Agreement IA is subject to applicable laws and regulations of the PRC. There is no assurance that the acquisition of the equity interest in Chongqing Yuecheng held by Chongqing Yugangao under the Exclusive Call Option Agreement IA will be permitted in the future, or whether such acquisition will incur any costs and expenses to the Group in addition to the consideration stipulated under the Exclusive Call Option Agreement IA. Due to these limitations, the transfer of equity interest in Chongqing Yuecheng pursuant to the exercise of the call option under the Exclusive Call Option Agreement IA may still be subject to substantial costs.

There is no assurance that the Yuecheng Contractual Arrangements could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the Yuecheng Contractual Arrangements do not comply with applicable regulations

G. 與安排有關的風險及為降低風險而採取的行動

風險

作為重慶悅誠的首要受益人，本集團面臨重慶悅誠所面臨的業務風險和財務風險。

不能保證重慶悅誠將會產生任何利潤，並通過悅誠合約安排支付予本集團

不能保證重慶悅誠將會產生任何利潤，並通過獨家業務合作協議A和股東表決權委託協議IA支付予本集團。任何重慶悅誠的利潤或損失(除去公司內部的交易)將會反映在本集團的綜合財務報表中。

根據獨家購買權協議A向本集團轉讓重慶悅誠所有權可能會涉及大量的成本及時間

獨家購買權協議IA的執行受限於適用的中國法律法規。不能保證根據獨家購買權協議IA收購重慶渝港澳持有的重慶悅誠的股權在未來是被允許的，或該等收購是否會對本集團產生除獨家購買權協議IA中規定的代價外的任何成本和費用。因該等限制，根據執行獨家購買權協議IA的購買權轉讓重慶悅誠的股權可能仍會涉及大量的成本。

不能保證悅誠合約安排能符合中國監管規定的未來變化，且中國政府可能裁定悅誠合約安排不符合適用法規

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

The Yuecheng Contractual Arrangements may not be as effective as direct ownership in providing control over Chongqing Yuecheng

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

Insurance

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

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

於提供對重慶悅誠的控制時悅誠合約安排可能不會如直接持股一樣有效

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

保險

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

Internal control

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

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

H. Material changes

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

內部控制

為降低悅誠合約安排的相關風險，本公司對重慶睿博、重慶渝港澳、重慶悅誠及悅誠營運實體實行有效的內部控制，以保障其通過悅誠合約安排所持有的資產。作為本公司之全資附屬公司，重慶睿博受制於所有適用於本集團的內部控制流程及程序。

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

H. 重大變動

截至本年報日期，悅誠合約安排及／或採納悅誠合約安排所基於的情況並未發生重大變動。

I. Unwinding of the Yuecheng Contractual Arrangements

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

For details of the above Yuecheng Contractual Arrangements, please refer to the announcement of the Company dated 27 September 2017.

I. 悅誠合約安排的解除

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

有關上述悅誠合約安排的詳情，請參閱本公司日期為2017年9月27日之公告。

CONTRACTUAL ARRANGEMENTS IN RELATION TO LAOLING MINSHENG EDUCATION HIGH SCHOOL

The Jierui Contractual Arrangements

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

Shiji Kuangao and Laoling Minsheng Education High School Company Limited* (樂陵民生教育高級中學有限公司), also known as Laoling Minsheng Education High School* (樂陵民生教育高級中學) are referred to as “**Jierui Operating Entities**” in this section.

有關樂陵民生教育高級中學的合約安排

傑睿合約安排

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

於本節內，世紀寬高及樂陵民生教育高級中學有限公司(亦稱樂陵民生教育高級中學)稱為(「傑睿營運實體」)。

* English names are translated for identification purpose only.

* 英譯名僅供識別。

REPORT OF THE DIRECTORS (Continued)

董事會報告(續)

Pursuant to the Jierui Contractual Arrangements:

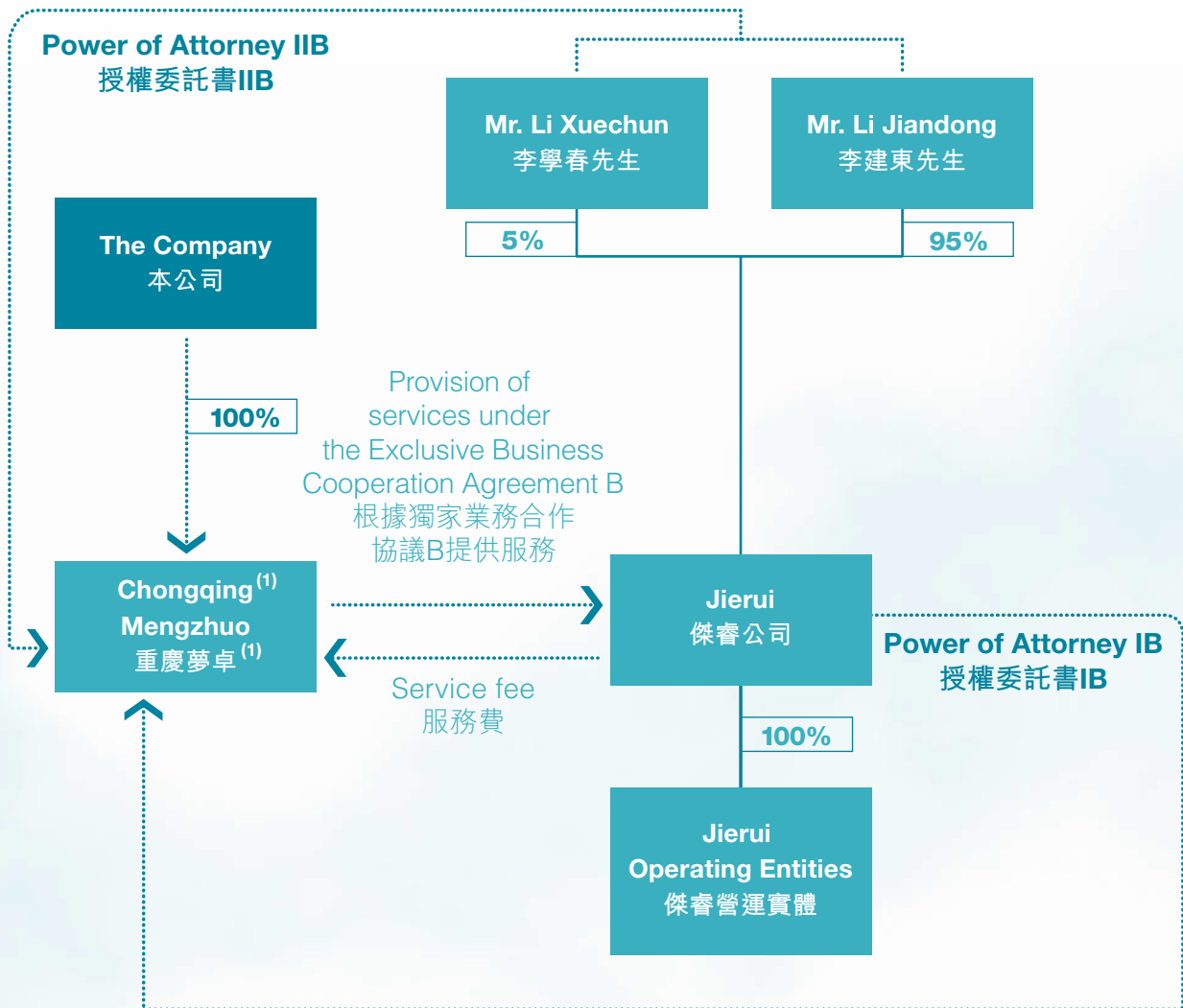
- (i) the Group is able to exercise control over Laoling Minsheng Education High School;
- (ii) the Group has the right to govern the management of Jierui and Shiji Kuangao;
- (iii) the Group has the right to deal with the assets of Jierui and Shiji Kuangao;
- (iv) the Group has the right to acquire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

The following diagram illustrates the relationship among the Company, Chongqing Mengzhuo, the Jierui Operating Entities, Jierui and its shareholders:

根據傑睿合約安排：

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

下圖顯示了本公司與重慶夢卓、傑睿營運實體、傑睿公司及其股東之間的關係：



Note:

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

Reasons for use of the Jierui Contractual Arrangements

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

附註：

(1) 重慶夢卓由本公司間接全資擁有。

使用傑睿合約安排的原因

根據中國法律法規，目前壽光渤海實驗學校及樂陵民生教育高級中學的業務是對外國投資者限制的業務。

Laoling Minsheng Education High School is a full-time high school located in Laoling, Shandong Province, the PRC.

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

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

樂陵民生教育高級中學為一所位於中國山東省樂陵的全日制高中學校。

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

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

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

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

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

經中國法律顧問確認，為實現本公司的商業目的，採用了傑睿合約安排(通過該合約安排本集團將可實現對傑睿公司的完全控制並且將傑睿公司的財務業績合併到本集團的賬目中)以最大限度地減少與相關中國法律法規的潛在衝突。

Termination of the Jierui Contractual Arrangements

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

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

傑睿合約安排的終止

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

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

Details of the Jierui Contractual Arrangements

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

(1) Exclusive Business Cooperation Agreement B

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

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

傑睿合約安排的詳情

傑睿合約安排的合約的主要條文概述如下：

(1) 獨家業務合作協議B

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

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

(2) Equity Pledge Agreements B

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

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

(2) 股權質押協議B

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

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

(3) Exclusive Call Option Agreements B

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

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

(3) 獨家購買權協議B

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

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

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

Shareholders' Rights Entrustment Agreement IB and Power of Attorney IB

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

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

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

(4) 股東表決權委託協議B和授權委託書B

股東表決權委託協議IB和授權委託書IB

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

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

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

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

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

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

Shareholders' Rights Entrustment Agreement IIB and Power of Attorney IIB

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

此外，根據股東表決權委託協議IB，傑睿公司保證並承諾：

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

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

股東表決權委託協議IIB及授權委託書IIB

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

REPORT OF THE DIRECTORS (Continued)

董事會報告(續)

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

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

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

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

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

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

另外，根據股東表決權委託協議IIB，李先生及李建東先生保證及承諾如下：

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

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

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

(5) Spouse Undertakings B

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

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

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

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

(5) 配偶承諾函B

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

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

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

Further information about the Jierui Contractual Arrangements

Authorization to obtain assets of Jierui

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

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

有關傑睿合約安排的進一步資料

授權以獲得傑睿公司的資產

根據股東表決權委託協議IIB及授權委託書IIB，重慶夢卓已被授權行使在適用法律及傑睿公司公司章程下李先生及李建東先生作為傑睿公司唯一股東的所有權利，包括但不限於分紅權和處置傑睿公司資產的權利。這也是在股東表決權委託協議IIB中傑睿公司對其收到的因傑睿公司的清算、清盤、解散或終止的任何資產(包括傑睿公司的股權)時同意以零代價或當時適用法律法規允許的最低價格向重慶夢卓轉讓該等資產的保證和承諾。

Dispute resolution

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

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

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

爭議解決

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

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

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

Conflict of interests

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

Legality and enforceability of the Jierui Contractual Arrangements

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

In addition, appropriate arrangements have been made to protect the Company's interests in the event of winding up or liquidation of Jierui to avoid any practical difficulties in enforcing the Jierui Contractual Arrangements.

利益衝突

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

傑睿合約安排的合法性和可執行性

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

此外，為避免任何在執行傑睿合約安排中的實際困難，已做適當的安排以在傑睿公司清算或清盤時保護本公司的利益。

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

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

Significance and financial contributions of the Jierui Operating Entities to the Group

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

傑睿營運實體對本集團的重要性及財務貢獻

根據傑睿合約安排，本集團取得傑睿營運實體的控制權，並從中獲得經濟利益。下表載列傑睿營運實體對本集團的財務貢獻：

	Significances and financial contribution to the Group		
	對本集團的重要性及財務貢獻		
	Revenue	Net Profit	Total Assets
	收益	純利	總資產
	For the year ended	For the year ended	As of
	31 December 2020	31 December 2020	31 December 2020
	截至2020年12月31日	截至2020年12月31日	截至2020年12月31日
	止年度	止年度	止年度
Significances and financial contribution to the Group	4.6%	8.8%	1.7%
對本集團的重要性及財務貢獻			

Revenue and assets involved in Jierui Contractual Arrangements

傑睿合約安排所涉收益及資產

	Revenue	Assets
	收益	資產
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	For the year ended	As at
	31 December 2020	31 December 2020
	截至2020年12月31日	於2020年12月31日
	止年度	止年度
Jierui Operating Entities	51,103	152,353
傑睿營運實體		

Consolidation of financial results

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

Risks involved in the Jierui Contractual Arrangements

As the primary beneficiary of Jierui, the Group is exposed to the business risks and financial risks faced by Jierui.

There is no assurance that Jierui will generate any profit which can be paid to the Group through the Jierui Contractual Arrangements

There is no assurance that Jierui will generate any profit which can be paid to the Group through the Exclusive Business Cooperation Agreement B and the Shareholders' Rights Entrustment Agreement IIB. Any profit or loss of Jierui (net of intra-group transactions) will be reflected in the consolidated financial results of the Group.

A substantial amount of costs and time may be involved in transferring the ownership of Jierui to the Group under the Exclusive Call Option Agreements B

The exercise of the Exclusive Call Option Agreement B is subject to applicable laws and regulations of the PRC. There is no assurance that the acquisition of the equity interest in Jierui held by Mr. Li and Mr. Li JD under the Exclusive Call Option Agreement B will be permitted in the future, or whether such acquisition will incur any costs and expenses to the Group in addition to the consideration stipulated under the Exclusive Call Option Agreement IIB. Due to these limitations, the transfer of equity interest in Shiji Kuangao pursuant to the exercise of the call option under the Exclusive Call Option Agreement IIB may still be subject to substantial costs.

There is no assurance that the Jierui Contractual Arrangements could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the Jierui Contractual Arrangements do not comply with applicable regulations

合併財務業績

基於傑睿合約安排以及中國法律顧問提供的法律意見，董事認為傑睿合約安排允許本公司在現行的會計準則下合併傑睿營運實體的財務業績。

傑睿合約安排的風險

作為傑睿公司的首要受益人，本集團面臨傑睿公司所面臨的業務風險和財務風險。

不能保證傑睿公司將會產生任何利潤，並通過傑睿合約安排支付予本集團

不能保證傑睿公司將會產生任何利潤，並通過獨家業務合作協議B和股東表決權委託協議IIB支付予本集團。任何傑睿公司的利潤或損失(除去集團內部的交易)將會反映在本集團的綜合財務業績中。

根據獨家購買權協議B向本集團轉讓傑睿公司所有權可能會涉及大量的成本及時間

獨家購買權協議B的執行受限於適用的中國法律法規。不能保證根據獨家購買權協議B收購李先生及李建東先生持有的傑睿公司的股權在未來是被允許的，或是否該等收購將會對本集團產生除獨家購買權協議IIB中規定的代價外的任何成本和費用。因該等限制，根據執行獨家購買權協議IIB的購買權轉讓世紀寬高的股權可能仍會涉及大量的成本。

不能保證傑睿合約安排能符合中國監管規定的未來變化，且中國政府可能裁定傑睿合約安排不符合適用法規

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

The Jierui Contractual Arrangements may not be as effective as direct ownership in providing control over Jierui

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

Insurance

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

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

於提供對傑睿公司的控制時傑睿合約安排可能不會如直接持股一樣有效

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

保險

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

Internal control

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

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

內部控制

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

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

Other information

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

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

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

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

其他資料

除世紀寬高外，傑睿公司不從本公司任何其他附屬公司獲得收入。

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

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

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

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

As at 31 December 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), Chapter 571 of the Laws of Hong Kong), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Issuers (the “Model Code”), were as follows:

董事及主要行政人員於股份、相關股份及債權證中擁有的權益或淡倉

於2020年12月31日，本公司董事及主要行政人員於本公司或其相關法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有根據證券及期貨條例第352條須記錄於由本公司存置的登記冊，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉如下：

Long Position in the Shares

股份中的好倉

Name of Director 董事姓名	Nature of interest 權益性質	Number of shares held 持有股份數目	Position 好倉／淡倉	Approximate percentage of shareholding in the Company as at 31 December 2020 ^(Note 2)
				於2020年12月31日於本公司的股權概約百分比 ^(附註2)
Mr. Li Xuechun ^(Note 1) 李學春先生 ^(附註1)	Beneficial owner 實益擁有人	3,000,000,000	Long 好倉	71.13%
Ms. Zhang Weiping 張衛平女士	Beneficial owner 實益擁有人	30,000,000	Long 好倉	0.71%
Mr. Zuo Yichen 左燭晨先生	Beneficial owner 實益擁有人	8,000,000	Long 好倉	0.19%
Mr. Lam Ngai Lung 林毅龍先生	Beneficial owner 實益擁有人	8,000,000	Long 好倉	0.19%
Ms. Li Yanping 李雁平女士	Beneficial Owner 實益擁有人	1,000,000	Long 好倉	0.02%

Notes: (1) Mr. Li holds 90% of the issued share capital of Minsheng Group Company Limited (formerly known as Honest Cheer Investments Limited) (“Minsheng Group”) and is its sole director and he is therefore deemed to be interested in the shares held by Minsheng Group. Ms. Li Ning, daughter of Mr. Li, holds the remaining 10% of the issued share capital of Minsheng Group.

附註：(1) 李先生持有民生集團有限公司(前稱誠悅投資有限公司)(「民生集團」)90%已發行股本，並為民生集團的唯一董事，故被視為持有民生集團的股份的權益。李寧女士為李先生的女兒，彼持有民生集團餘下的10%已發行股本。

(2) Based on the number of issued shares of the Company of 4,217,720,000 as at 31 December 2020.

(2) 根據本公司於2020年12月31日的已發行股份數目4,217,720,000股計算。

Save as disclosed above, as at 31 December 2020, neither the chief executive nor any of the Directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2020, so far as is known to any Directors or chief executive of the Company, the following persons (other than Director or chief executive of the Company) or corporations who had interest or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

除上述披露者外，於2020年12月31日，本公司的主要行政人員或董事概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有或被視為擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所(包括根據證券及期貨條例的有關條文彼等被當作或視為擁有的權益或淡倉)；或(ii)根據證券及期貨條例第352條須記錄於該條所述登記冊內；或(iii)根據標準守則須知會本公司及聯交所的權益或淡倉。

主要股東於股份及相關股份中擁有的權益或淡倉

就本公司董事及主要行政人員所知，於2020年12月31日，於本公司股份及相關股份擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或須記錄於根據證券及期貨條例第336條須存置的登記冊內的權益或淡倉的人士(本公司董事及主要行政人員除外)或公司如下：

Name of Shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 持有股份數目	Position 好倉／淡倉	Approximate percentage of shareholding in the Company as at 31 December 2020 (note 2) 於2020年12月31日於本公司的股權概約百分比(附註2)
Minsheng Group (formerly known as Honest Cheer Investments Limited) 民生集團(前稱誠悅投資有限公司)	Beneficial owner 實益擁有人	3,000,000,000	Long 好倉	71.13%
City Legend International Limited (附註1) 華昌國際有限公司(附註1)	Beneficial owner 實益擁有人	332,000,000	Long 好倉	7.87%

REPORT OF THE DIRECTORS (Continued)
董事會報告(續)

Name of Shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 持有股份數目	Position 好倉/淡倉	Approximate percentage of shareholding in the Company as at 31 December 2020 ^(note 2) 於2020年12月31日 於本公司的股權 概約百分比 ^(附註2)
Phoenix Ocean Developments Limited ^(Note 1) 華秦發展有限公司 ^(附註1)	Interest of corporation controlled 所控制的法團權益	332,000,000	Long 好倉	7.87%
Overseas Chinese Town (Asia) Holdings Limited ^(Note 1) 華僑城(亞洲)控股有限公司 ^(附註1)	Interest of corporation controlled 所控制的法團權益	332,000,000	Long 好倉	7.87%
Pacific Climax Limited ^(Note 1) Pacific Climax Limited ^(附註1)	Interest of corporation controlled 所控制的法團權益	332,000,000	Long 好倉	7.87%
Overseas Chinese Town (HK) Company Limited ^(Note 1) 香港華僑城有限公司 ^(附註1)	Interest of corporation controlled 所控制的法團權益	332,000,000	Long 好倉	7.87%
深圳華僑城股份有限公司 ^(Note 1) 深圳華僑城股份有限公司 ^(附註1)	Interest of corporation controlled 所控制的法團權益	332,000,000	Long 好倉	7.87%
華僑城集團有限公司 ^(Note 1) 華僑城集團有限公司 ^(附註1)	Interest of corporation controlled 所控制的法團權益	332,000,000	Long 好倉	7.87%

Notes: (1) City Legend International Limited is 100% owned by Phoenix Ocean Developments Limited, which is 100% owned by Overseas Chinese Town (Asia) Holdings Limited. Pacific Climax Limited holds 70.94% of Overseas Chinese Town (Asia) Holdings Limited. Pacific Climax Limited is 100% owned by Overseas Chinese Town (HK) Company Limited, which is 100% owned by 深圳華僑城股份有限公司. 華僑城集團有限公司 holds 46.99% of 深圳華僑城股份有限公司.

附註：(1) 華昌國際有限公司由華秦發展有限公司全資擁有，而華秦發展有限公司由華僑城(亞洲)控股有限公司全資擁有。Pacific Climax Limited持有華僑城(亞洲)控股有限公司70.94%權益。Pacific Climax Limited由香港華僑城有限公司全資擁有，而香港華僑城有限公司由深圳華僑城股份有限公司全資擁有。華僑城集團有限公司持有深圳華僑城股份有限公司46.99%權益。

(2) Based on the number of issued shares of the Company of 4,217,720,000 as at 31 December 2020.

(2) 根據本公司於2020年12月31日的已發行股份數目4,217,720,000股計算。

Save as disclosed above, as at 31 December 2020, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme", at no time during the year 2020 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any of the Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by any of them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' SERVICE CONTRACTS AND OTHER INFORMATION

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

除上述披露者外，於2020年12月31日，本公司董事及主要行政人員概不知悉任何其他人士或公司於本公司之股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露，或記錄於本公司須根據證券及期貨條例第336條存置的登記冊內的權益或淡倉。

董事收購股份及債權證的權利

除「購股權計劃」一節所披露者外，任何董事或彼等各自的配偶或18歲以下子女概無於2020年年內任何時間獲授任何權利，藉收購本公司股份獲取利益，而彼等亦無於期內行使任何該等權利。本公司或其任何附屬公司於年內概無訂立任何安排，致使董事可於任何其他團體收購該等權利。

董事服務合約及其他資料

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

REPORT OF THE DIRECTORS (Continued)

董事會報告(續)

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

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

In accordance with article 84 (1) of the Company's articles of association, Mr. Zuo Yichen, Mr. Chan Ngai Sang, Kenny and Ms. Li Yanping will retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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

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

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

根據本公司組織章程細則第84(1)條，左耀晨先生、陳毅生先生及李雁平女士將於應屆股東週年大會輪值退任董事會及膺選連任。

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

DEED OF NON-COMPETITION

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

The Company confirms that there were no conflicts of interests between the controlling Shareholders and the Group arising from any competing business during the period from 1 January 2020 to 31 December 2020 (both dates inclusive) (the “**Relevant Period**”).

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

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

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2020 and up to the date of this annual report.

不競爭契據

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

本公司確認自2020年1月1日起至2020年12月31日(包括首尾兩日)期間(「**相關期間**」)控股股東與本集團並無由任何競爭業務引起之利益衝突。

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

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

管理合約

於截至2020年12月31日止年度及直至本年報日期概無訂立或存續有關管理及執行本公司全部或任何重要部份業務的合約。

SHARE OPTION SCHEME

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

1. Purpose

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

2. Who may join

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

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

購股權計劃

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

1. 目的

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

2. 可參與人士

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

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

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

3. Maximum number of shares

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

3. 最高股份數目

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

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

4. Maximum entitlement of each participant

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

5. Offer and grant of Options

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

4. 各參與者享有購股權數目上限

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

5. 提呈及授出購股權

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

6. Granting Options to connected persons

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

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

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

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

6. 向關連人士授出購股權

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

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

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

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

7. Restriction on the time of grant of Options

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

8. Minimum holding period, vesting and performance target

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

7. 授出購股權的時間限制

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

8. 最短持有期限、歸屬及績效目標

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

9. Amount payable for Options and offer period

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

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

10. Subscription price

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

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

9. 購股權的應付金額及要約期限

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

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

10. 認購價

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

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

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

11. Exercise of Option

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

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

11. 行使購股權

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

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

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

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

12. Life of Share Option Scheme

Subject to the terms of this Share Option Scheme, the Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme. As at 31 December 2020, the remaining life of the Share Option Scheme was approximately 6 years and 3 months.

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

12. 購股權計劃的期限

在本購股權計劃條款的規限下，計劃將自其成為無條件之日起計10年之期間內有效，其後不再授出或提呈購股權，但購股權計劃的條文將在所有其他方面繼續具有效力。在到期前授出而當時尚未行使的全部購股權均將仍然有效，並可在購股權計劃規限下按照該計劃行使。於2020年12月31日，購股權計劃的剩餘年期約為6年零3個月。

13. Lapse of Share Option

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

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

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

13. 購股權失效

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

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

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

14. Adjustment

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

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

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

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

14. 調整

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

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

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

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

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

15. Cancellation of Options not exercised

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

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

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

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

15. 註銷未行使的購股權

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

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

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

16. Ranking of Shares

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

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

17. Termination

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

16. 股份地位

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

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

17. 終止

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

18. Transferability

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

19. Alteration of Share Option Scheme

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

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

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

18. 可轉讓性

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

19. 修訂購股權計劃

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

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

惟購股權計劃的經修訂條款須符合上市規則的適用規定。

20. Conditions of the Share Option Scheme

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

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

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

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

20. 購股權計劃的條件

購股權計劃須待以下條件達成當日方始生效：

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

倘上文(b)段所述批准未能於採納日期後兩個曆月授出，則：

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

OPTIONS GRANTED UNDER THE SCHEME

根據計劃授出的購股權

Details of the Options granted and outstanding for the year ended 31 December 2020, are as follows:

截至2020年12月31日止年度已授出及尚未行使購股權詳情如下：

Number of Options granted:

已授出購股權數目：

Category and name of participant	參與者類別及名稱	Date of grant of share options (Note) 授出購股權日期(附註)	Exercise price (HKD) 行使價(港元)	Outstanding as at 1 January 2020 於2020年1月1日尚未行使	Number of ordinary shares subject to share options granted under the Post-IPO Share Option Scheme 根據首次公開發售後購股權計劃授出的購股權涉及的普通股數目			
					Granted during the year ended 31 December 2020 於截至2020年12月31日止年度授出	Exercised during the year ended 31 December 2020 於截至2020年12月31日止年度行使	Lapsed during the year ended 31 December 2020 於截至2020年12月31日止年度失效	Outstanding as at 31 December 2020 於2020年12月31日尚未行使
Zhang Weiping	張衛平	31/8/2017	1.39	20,000,000	-	-	-	20,000,000
		27/8/2018	1.66	10,000,000	-	-	-	10,000,000
Zuo Yichen	左燿晨	31/8/2017	1.39	5,000,000	-	-	-	5,000,000
		27/8/2018	1.66	3,000,000	-	-	-	3,000,000
Lam Ngai Lung	林毅龍	31/8/2017	1.39	5,000,000	-	-	-	5,000,000
		27/8/2018	1.66	3,000,000	-	-	-	3,000,000
Li Yanping	李雁平	27/8/2018	1.66	1,000,000	-	-	-	1,000,000
Other employees	其他員工	31/8/2017	1.39	5,000,000	-	-	-	5,000,000
		27/8/2018	1.66	10,750,000	-	-	-	10,750,000
		19/8/2019	1.42	2,000,000	-	-	-	2,000,000
		21/8/2020	1.22	-	6,500,000	-	-	6,500,000
Total	總計			64,750,000	6,500,000	-	-	71,250,000

REPORT OF THE DIRECTORS (Continued)

董事會報告(續)

Notes:

- (1) The closing prices of the shares of the Company on 31 August 2017, 27 August 2018, 19 August 2019 and 21 August 2020, being the dates on which the Share Options were granted, were HK\$1.39, HK\$1.66, HK\$1.42 and HK\$1.22 per share respectively.

The closing price of the shares of the Company on 30 August 2017, 24 August 2018, 16 August 2019 and 20 August 2020, being the date before the date on which the options were granted were HK\$1.38, HK\$1.55, HK\$1.42 and HK\$1.25 per share respectively.

- (2) Save for 5,000,000 Share Options granted on 21 August 2020, the Share Options with respect to a grantee will be exercisable in the following manner:

- (i) 20% of the share options will be vested on the first anniversary of the date of grant and will be exercisable within five years from the first anniversary of the date of grant.
- (ii) 20% of the share options will be vested on the second anniversary of the date of grant and will be exercisable within five years from the second anniversary of the date of grant.
- (iii) 20% of the share options will be vested on the third anniversary of the date of grant and will be exercisable within five years from the third anniversary of the date of grant.
- (iv) 20% of the share options will be vested on the fourth anniversary of the date of grant and will be exercisable within five years from the fourth anniversary of the date of grant.
- (v) 20% of the share options will be vested on the fifth anniversary of the date of grant and will be exercisable within five years from the fifth anniversary of the date of grant.

- (3) 5,000,000 Share Options granted on 21 August 2020 with respect to a grantee will be exercisable in the following manner:

- (i) 50% of the share options will be vested on the first anniversary of the date of grant and will be exercisable within five years from the first anniversary of the date of grant.
- (ii) 50% of the share options will be vested on the second anniversary of the date of grant and will be exercisable within five years from the second anniversary of the date of grant.

附註：

- (1) 本公司股份於2017年8月31日、2018年8月27日、2019年8月19日及2020年8月21日(均為購股權授出之日期)之收市價分別為每股1.39港元、1.66港元、1.42港元及1.22港元。

本公司股份於2017年8月30日、2018年8月24日、2019年8月16日及2020年8月20日(均為購股權授出日期前之日期)之收市價分別為每股1.38港元、1.55港元、1.42港元及1.25港元。

- (2) 除於2020年8月21日授出的5,000,000份購股權外，承授人名下之購股權將可按以下方式行使：

- (i) 20%的購股權將於授出日期起計滿一週年之日歸屬，並於授出日期滿一週年之日起計五年內將可予行使。
- (ii) 20%的購股權將於授出日期起計滿兩週年之日歸屬，並於授出日期滿兩週年之日起計五年內將可予行使。
- (iii) 20%的購股權將於授出日期起計滿三週年之日歸屬，並於授出日期滿三週年之日起計五年內將可予行使。
- (iv) 20%的購股權將於授出日期起計滿四週年之日歸屬，並於授出日期滿四週年之日起計五年內將可予行使。
- (v) 20%的購股權將於授出日期起計滿五週年之日歸屬，並於授出日期滿五週年之日起計五年內將可予行使。

- (3) 於2020年8月21日向一名承授人授出的5,000,000份購股權將可按以下方式行使：

- (i) 50%的購股權將於授出日期起計滿一週年之日歸屬，並於授出日期滿一週年之日起計五年內將可予行使。
- (ii) 50%的購股權將於授出日期起計滿兩週年之日歸屬，並於授出日期滿兩週年之日起計五年內將可予行使。

As at the date of this annual report, the remaining number of shares available for issue under the Share Option Scheme is 400,000,000 shares, representing approximately 9.5% of the total issued shares of the Company.

於本年報日期，購股權計劃項下可供發行的餘下股份數目為400,000,000股，佔本公司已發行股份總數約9.5%。

During the year ended 31 December 2020, no Options were exercised, cancelled or lapsed under the Share Option Scheme.

於截至2020年12月31日止年度，概無購股權計劃項下購股權獲行使、註銷或失效。

Share Options were granted to the Group's employees (who are not Directors) during the year ended 31 December 2020. The total fair value and the weighted average fair values of these Share Options are as follows:

於截至2020年12月31日止年度已向本集團僱員(並非董事)授出購股權。該等購股權的總公平值及加權平均公平值載列如下：

Class of grantees	承受人類別	Total Fair Value 總公平值	Weighted Average Fair Value 加權平均公平值
Employees	僱員	HK\$3,458,000 3,458,000港元	HK\$0.58 0.58港元

The values of Share Options granted under the Share Option Scheme during the year ended 31 December 2020 were estimated as at the date of grant using the popular binomial tree model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

截至2020年12月31日止年度根據購股權計劃授出的購股權價值乃於授出日期使用流行的二項式模型估計，慮及購股權授出所依據的條款及條件。下表列出模型使用的輸入數據：

		Options granted to employees 授予僱員的購股權
Dividend yield (%)	股息率(%)	-
Volatility (%)	波幅(%)	47-51
Risk-free interest rate (%)	無風險利率(%)	0.29-0.47
Exit rate (%)	退出率(%)	-
Exercise multiple	行使倍數	2.2

The subjectivity and uncertainty of the values of Options are set out in Note 35 to the consolidated financial statements.

購股權價值的主觀性及不確定性載於綜合財務報表附註35。

EQUITY-LINKED AGREEMENTS

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

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year 2020. The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors of the Company and its subsidiaries.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2020, the Group employed 5,584 (2019: 5,445) staff in the PRC and Hong Kong. Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. The management of the Group regularly reviews the Group's remuneration policy and appraises the work performance of its staff. Employee remuneration includes salaries, allowances, bonuses, social insurance and mandatory pension fund contribution. As required by the relevant regulations in the PRC, the Group participates in the social insurance schemes operated by the relevant local government authorities. The Group also participates in the mandatory provident fund schemes for our employee in Hong Kong.

股票掛鈎協議

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

獲許可彌償保證條文

惠及董事的獲許可彌償保證條文於現時有效及於整個2020年度內一直有效。於整個年度內本公司已購買及持有董事責任保險，為本公司及其附屬公司董事提供適當的保險保障。

僱員及薪酬政策

於2020年12月31日，本集團於中國及香港聘用的員工為5,584名(2019年：5,445名)。本集團僱員之薪酬按其個人表現、專業資格、行業經驗及相關市場趨勢釐定。本集團管理層定期檢討本集團的薪酬政策，並評估員工之工作表現。僱員薪酬包括薪金、津貼、花紅、社會保險及強制性退休基金供款。根據中國相關法規規定，本集團參與由相關當地政府機關運作的社會保險計劃。本集團亦為位於香港之僱員參與強制性公積金計劃。

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

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

Details of the remuneration of the Directors, and five highest paid individuals during the year ended 31 December 2020 are set out in Notes 9 and 10 to the consolidated financial statements.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

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

CONNECTED TRANSACTIONS

The Company has not entered into any connected transaction (as defined in the Listing Rules) for the year ended 31 December 2020.

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

董事及高級管理層亦可根據購股權計劃獲得購股權。有關購股權計劃的進一步詳情，請參閱本報告的「購股權計劃」一節。

董事及五名最高薪酬人士於截至2020年12月31日止年度的薪酬詳情載列於綜合財務報表附註9及10。

退休及僱員福利計劃

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

關連交易

於截至2020年12月31日止年度，本公司並無訂立任何關連交易(定義見上市規則)。

REPORT OF THE DIRECTORS (Continued)

董事會報告(續)

Save as disclosed above, details of the related party transactions entered into by the Group during the year ended 31 December 2020 are set out in Note 42 to the consolidated financial statements. The transactions as set out therein do not fall under “Connected Transactions” or “Continuing Connected Transactions” in accordance with Chapter 14A of the Listing Rules.

The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. During the Reporting Period, as far as the Directors are aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

ENVIRONMENTAL PROTECTION POLICIES

The Group is principally engaged in providing educational services, a line of business that generally does not have material impact on the environment. During the year ended 31 December 2020, the Group did not incur any material cost of compliance with applicable environmental laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2020 and up to the date of this annual report, the Group has complied with the relevant laws and regulations that have a significant impact on the Company.

EVENTS AFTER THE REPORTING PERIOD

On 13 January 2021, the industrial and commerce registration filings of Open University Online and Open Distance Education have been completed, and the completion of the Acquisition has completely taken place. The Company has indirectly held 100% of the equity interests of Open University Online and Open Distance Education, Open University Online and Open Distance Education have become indirect wholly-owned subsidiaries of the Company, and their financial results are consolidated into the Company from 13 January 2021. For details, please refer to the Company's announcement dated 13 January 2021.

除上文所披露者外，本集團於截至2020年12月31日止年度所訂立的關連方交易詳情已載列於綜合財務報表附註42。當中所載交易概無構成上市規則第14A章項下之「關連交易」或「持續關連交易」。

本公司確認其已遵守上市規則第14A章項下的披露規定。於報告期間，就董事所知，本集團並無重大違反適用法律及法規，而對本集團業務及營運造成重大影響。

環境保護政策

本集團主要從事提供教育服務，而此類業務一般不會對環境造成重大影響。截至2020年12月31日止年度，本集團並未在遵守適用環境法律及法規方面產生任何重大成本。

遵守法律及法規

截至2020年12月31日止年度及直至本年報日期，本集團已遵守對本公司產生重大影響的相關法律及法規。

報告期後之事項

於2021年1月13日，電大在線及奧鵬教育的工商管理註冊備案手續經已完成，且收購事項已全面完成。本公司間接持有電大在線及奧鵬教育的100%股權，電大在線及奧鵬教育已成為本公司間接全資附屬公司，其財務業績已自2021年1月13日起綜合納入本公司。有關詳情，請參閱本公司日期為2021年1月13日的公告。

LITIGATION

During the year ended 31 December 2020 and up to the date of this annual report, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board has committed to achieving high corporate governance standards in order to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has complied with all the code provisions set forth in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “**Corporate Governance Code**”) during the year ended 31 December 2020. The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of maintaining high corporate governance standards.

For details, please see the Corporate Governance Report in this annual report on pages 127 to 145.

訴訟

於截至2020年12月31日止年度及直至本年報日期，本公司概無牽涉任何重大訴訟或仲裁，且就董事所知，本公司並無尚未了結或面臨威脅的重大訴訟或申索。

企業管治常規守則

董事會致力於達致高標準的企業管治，務求保障股東權益及提升本公司企業價值及問責性。本公司於截至2020年12月31日止年度一直遵守上市規則附錄十四所載的企業管治守則(「**企業管治守則**」)中載列的所有守則條文。董事會將繼續審閱及監督本公司的企業管治常規，以維持高標準的企業管治。

詳情請參見本年報第127頁至第145頁的企業管治報告。

AUDIT COMMITTEE

The Company established an audit committee (“**Audit Committee**”) in compliance with the Corporate Governance Code. The members of the audit committee have discussed with the management, and reviewed, the 2020 consolidated financial statements as set out in this annual report.

AUDITOR

The financial statements of the Group for the year ended 31 December 2020 had been audited by Ernst & Young, who will retire and being eligible, offer themselves for reappointment as auditor at the forthcoming annual general meeting of the Company. The Company has not changed its external auditor since its Listing and up to the date of this annual report.

RECOMMENDATION TO CONSULT PROFESSIONAL TAX ADVICE

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

On behalf of the Board

Li Xuechun

Chairman

Hong Kong, 23 March 2021

審核委員會

本公司已按企業管治守則成立審核委員會(「**審核委員會**」)。審核委員會的成員已與管理層討論並審視載列於本年報的2020年綜合財務報表。

核數師

本集團於截至2020年12月31日止年度的財務報表已由安永會計師事務所審核。彼等將任滿告退，但表示願意於應屆週年股東大會應聘連任為核數師。自本公司上市起直至本年報日期，本公司並無更換其外聘核數師。

諮詢專業稅務意見的推薦建議

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

承董事會命

主席

李學春

香港，2021年3月23日

CORPORATE GOVERNANCE REPORT

企業管治報告

INTRODUCTION

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

During the period from 1 January 2020 up to 31 December 2020 (both dates inclusive), the Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

THE BOARD

General

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

緒言

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

由2020年1月1日起至2020年12月31日止期間(首尾兩日包括在內)，本公司已遵守上市規則附錄十四所載的企業管治守則的所有守則條文。

董事會

一般事項

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance Function

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

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

During the year ended 31 December 2020, the Board has reviewed the Company's corporate governance practices and the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report.

企業管治職能

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

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

於截至2020年12月31日止年度，董事會已檢討本公司的企業管治常規及本公司遵守企業管治守則的情況以及企業管治報告的披露事項。

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

BOARD COMMITTEES

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

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

Audit Committee

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

獨立非執行董事的獨立身份

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

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

董事委員會

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

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

審核委員會

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

During the year ended 31 December 2020, the Audit Committee mainly performed following duties:

- reviewed the Group's audited annual results for the year ended 31 December 2019 and the unaudited interim results for the six months ended 30 June 2020, met with the external auditors to discuss such annual results and interim results, and was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure had been made;
- reviewed the accounting principles and practices adopted by the Group, and recommended the appointment of external auditors; and
- assisted the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management, including meeting with the management of the Company and internal control review department regarding the internal control of the Group and review the capabilities and scope of review of the internal control assessment team of the Group.

The principal responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems, and relationship with external auditors of the Group, overseeing the audit process and performing other duties, reviewing the interim and annual results, and such responsibilities as assigned by the Board. The Audit Committee had also reviewed the audited annual consolidated financial statements for the year ended 31 December 2020.

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

截至2020年12月31日止年度，審核委員會主要履行下列職責：

- 審閱本集團截至2019年12月31日止年度的經審核年度業績及截至2020年6月30日止六個月的未經審核中期業績，與外聘核數師會面以討論有關年度業績及中期業績，並認為相關財務報表乃根據適當的會計準則及規定編製，並已作出足夠披露；
- 審閱本集團採納的會計原則及慣例及就外聘核數師的委任提出推薦建議；及
- 協助董事會履行其維持有效內部監控及風險管理系統的職責，包括與本公司管理層及負責內部監控的審計部門就本集團的內部監控開會及審閱本集團的內部監控評核團隊的能力及審閱範圍。

審核委員會的主要職責乃就財務申報過程、內部監控及風險管理系統是否有效及維持與本集團外聘核數師關係提供獨立意見藉以協助董事會、監督審核過程及履行其他職責、審核中期及年度業績以及董事會委派的有關責任。審核委員會亦已審閱截至2020年12月31日止年度的經審核年度綜合財務報表。

有關內部監控及風險管理系統的詳情，請參閱下文「風險管理及內部監控」。

Remuneration Committee

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

During the year ended 31 December 2020, the Remuneration Committee mainly performed the following duty:

- reviewed the Group's remuneration policy and reviewed and approved the remuneration package of the executive Directors and senior management for the year of 2020.
- assessing performance of the executive Directors.

The remuneration of the members of the senior management (including all executive Directors) of the Group by band for the year ended 31 December 2020 is set out below:

Remuneration bands	薪酬範圍	Number of persons 人數
Nil to HK\$1,000,000	零至1,000,000港元	2
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	–
HK\$2,000,001 to HK\$3,000,000	2,000,001港元至3,000,000港元	–
over HK\$3,000,000	3,000,000港元以上	4

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in Notes 9 and 10 to the consolidated financial statements, respectively.

薪酬委員會

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

截至2020年12月31日止年度，薪酬委員會主要履行下列職責：

- 檢討本集團2020年的薪酬政策及檢討以及批准執行董事及高級管理層的薪酬待遇。
- 評估執行董事的表現。

截至2020年12月31日止年度按範圍劃分本集團高級管理層（包括全體執行董事）成員的薪酬載列如下：

根據上市規則附錄十六須予披露的有關董事酬金及五名最高薪酬僱員的進一步詳情分別載於綜合財務報表附註9及10。

Nomination Committee

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

During the year ended 31 December 2020, the Nomination Committee has reviewed the structure, size and composition of the Board, and whether the composition of the Board complied with the requirements of the board diversity policy during the year of 2020.

提名委員會

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

於截至2020年12月31日止年度，提名委員會已審閱2020年董事會的架構、人數及組成，以及董事會成員的組成是否符合董事會多元化政策的要求。

BOARD DIVERSITY POLICY

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

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

During the year ended 31 December 2020, the Nomination Committee has reviewed the diversity of the Board and considered that the Group has achieved the measurable objectives of the Board Diversity Policy in terms of age, educational background, professional experience, skills, knowledge and length of services.

DIVIDEND POLICY

For the dividend policy adopted by the Company, please refer to “Dividend Policy” in the Report of the Directors on page 44 to 45 in this annual report.

董事會多元化政策

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

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

截至2020年12月31日止年度，提名委員會已檢討董事會多元化，並認為就年齡、教育背景、專業經驗、技能、知識及服務年期而言，本集團已達致董事會多元化政策之可計量目標。

股息政策

有關本公司採納的股息政策，請參閱本年報第44至45頁董事會報告的「股息政策」。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

主席及行政總裁

主席與行政總裁之角色應有所區分，且不應由同一人兼任，以確保作出更有效的制衡，繼而建立更高效的企業管治。李學春先生擔任主席一職，主要負責本集團的策略發展。張衛平女士擔任行政總裁，主要負責本集團整體管理及營運。

委任及重選董事

本公司各執行董事及獨立非執行董事須根據本公司組織章程細則於股東週年大會上退任及膺選連任。根據本公司的組織章程細則，任何人士均可由股東於股東大會上或由董事會委任為董事。各非執行董事與本公司訂立委聘函件，初步為期一年，並須根據本公司組織章程細則的規定輪席退任及重選連任，並各委聘任期可在初始任期及每個任期屆滿前由非執行董事與本公司協商後續任一年。任何獲董事會委任為新增董事的董事任期僅至下屆股東週年大會為止或任何獲董事會委任以填補臨時空缺的董事的任期僅直至下屆股東大會為止，惟彼等符合資格由股東重選。此外，於每屆股東週年大會當時為數三分之一的董事(如董事人數並非三(3)的倍數，則須為最接近但不少於三分之一的董事人數)須輪流退任，惟各董事須最少每隔三年於股東週年大會上輪流退任一次，並符合資格由股東重選。

BOARD MEETINGS

In compliance with the Corporate Governance Code, Board meetings will be held regularly and at least four times a year at approximately quarterly intervals. For regular Board meetings, notices of at least 14 days are given to facilitate maximum attendance of the Directors. Directors may propose to the Chairman or the Company Secretary to include matters in the agenda for regular board meetings.

At board meetings, the Directors will be provided with the relevant documents to be considered and approved. Draft and final versions of minutes are sent to all Directors for their comments and records respectively within a reasonable time after the board meeting is held. Minutes of Board meetings are kept by the Company Secretary or a duly appointed secretary of the Board meeting and are open for inspection by any Director.

During the year ended 31 December 2020, the Board held 24 meetings. During the meetings of the Board held in 2020 the Board reviewed the operation and financial performance and reviewed and approved the annual results for the year ended 31 December 2019 and the interim results for the six months ended 30 June 2020, etc..

董事會會議

根據企業管治守則，董事會將定期及大致按季度每年至少舉行四次會議。就例行董事會會議而言，會議通知最少14天前發出以達致最高董事出席率。董事可向主席或本公司秘書提議，以將事宜列入例行董事會會議議程。

於董事會會議上，相關文件將提供予董事以便其考慮及批准。於董事會會議召開後合理時間內，記錄的草擬稿及最終稿將分別發放予全體董事，以供其評論及記錄。董事會會議記錄由公司秘書或正式任命的董事會會議秘書保存並由任何董事隨時查閱。

截至2020年12月31日止年度，董事會舉行24次會議。於2020年舉行的董事會會議上，董事會檢討經營及財務表現以及審閱及批准截至2019年12月31日止年度的年度業績及截至2020年6月30日止六個月的中期業績等。

The individual attendance record of each Director for the meetings of the Board, Board committees and the general meeting of the Company held during the year ended 31 December 2020 is set out below:

各董事於截至2020年12月31日止年度舉行的本公司董事會、董事委員會及股東大會會議的個別出席記錄載列如下：

		2020 Meetings Attended/Held 2020年出席／舉行的會議				Annual General Meeting
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	股東週年大會
Executive Directors	執行董事					
Mr. Li Xuechun (Chairman)	李學春先生(主席)	24/24	N/A 不適用	3/3	2/2	1/1
Ms. Zhang Weiping	張衛平女士	24/24	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Zuo Yichen	左熠晨先生	24/24	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Lam Ngai Lung	林毅龍先生	24/24	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Non-executive Directors	非執行董事					
Mr. Lin Kaihua	林開樺先生	14/24	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Ms. Li Yanping	李雁平女士	24/24	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Independent Non-executive Directors	獨立非執行董事					
Mr. Chan Ngai Sang, Kenny	陳毅生先生	23/24	2/2	N/A 不適用	2/2	1/1
Mr. Yu Huangcheng	余黃成先生	24/24	2/2	3/3	2/2	1/1
Mr. Wang Wei Hung, Andrew	王惟鴻先生	20/24	2/2	3/3	N/A 不適用	1/1
Total Number of Meeting	會議次數總計	24	2	3	2	1

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

董事及行政人員的保險

本公司已就其董事及行政人員可能會面對的法律訴訟作出適當的投保安排。

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT**董事持續培訓及專業發展**

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. Briefings and updates on the latest development regarding the Listing Rules and other applicable regulatory requirements are provided to the Board during Board meetings to ensure compliance and enhance their awareness of good corporate governance practices. The Company will also arrange regular seminars to provide Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time.

所有新委任的董事均獲提供必要的入職培訓及資料，確保其對本公司的營運及業務以及其於相關法規、法例、規則及條例下對彼等的責任有適當程度的了解。本公司於董事會會議上向董事會提供有關上市規則及其他適用監管規定最新發展的簡介及最新資料，以確保董事遵守有關法規，以及加深彼等對良好企業管治常規的認識。本公司亦會定期舉辦研討會不時為董事提供上市規則及其他相關法律及監管規定的最新發展及變動的資料。

During the year ended 31 December 2020, the Directors participated in the following trainings:

截至2020年12月31日止年度，董事參與培訓如下：

Name of Director 董事姓名		Type of Training ¹ 培訓類別 ¹
<i>Executive Directors</i>		
Mr. Li Xuechun (Chairman of the Board)	執行董事 李學春先生(董事會主席)	B
Ms. Zhang Weiping	張衛平女士	B
Mr. Zuo Yichen	左燿晨先生	B
Mr. Lam Ngai Lung	林毅龍先生	B
<i>Non-executive Directors</i>		
Mr. Lin Kaihua	非執行董事 林開樺先生	A, B
Ms. Li Yanping	李雁平女士	B
<i>Independent Non-executive Directors</i>		
Mr. Chan Ngai Sang, Kenny	獨立非執行董事 陳毅生先生	A, B
Mr. Yu Huangcheng	余黃成先生	B
Mr. Wang Wei Hung, Andrew	王惟鴻先生	B

Note:

1. Type A training includes: attending training sessions, including but not limited to, briefings, seminars, conferences and workshops relating to directors' duties and responsibilities/corporate governance/updates on Listing Rules amendments and similar activities.

Type B training includes: reading relevant news alerts, newspapers, journals, magazines, updates and relevant publications relating to the economy/general business/directors' duties and responsibilities and similar activities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the period from the 1 January 2020 up to 31 December 2020 (both dates inclusive).

The Company has also established a code no less exacting than the Model Code for securities transactions by senior management who are likely to be in possession of unpublished price-sensitive or inside information of the Company.

COMPANY SECRETARY

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

Ms. Ng's primary contact person at the Company is Mr. Lam Ngai Lung, an executive Director and the chief financial officer of the Company.

附註：

1. A類培訓包括：參加培訓課程，包括但不限於簡報、座談會、會議及有關董事職責及責任／企業管治／上市規則修訂本更新及類似活動的講座。

B類培訓包括：閱讀相關新聞快報、報章、刊物、雜誌、更新及與經濟／一般業務／董事職責及責任以及類似活動相關之有關刊物。

董事進行證券交易的標準守則

本公司已採用上市規則附錄十所列的標準守則。

已經向全體董事作出具體查詢，董事已確認彼等由2020年1月1日起至2020年12月31日止期間內(首尾兩日包括在內)一直遵守標準守則。

本公司亦制訂有不遜於標準守則的守則作為可能擁有本公司未公開的股價敏感資料或內幕消息的高級管理層進行證券交易的守則。

公司秘書

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

吳女士於本公司之主要聯絡人為本公司執行董事兼財務總監林毅龍先生。

For the year ended 31 December 2020, Ms. Ng has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognizes its responsibility to ensure the Company maintains a sound and effective risk management and internal control system.

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. Review of the Group's internal controls covering major financial, operational and compliance controls, as well as risk management functions. The controls built into the risk management system are intended to manage significant risks in the Group's business.

The Board is in charge of managing the overall risks of our Group. It is responsible for considering, reviewing and approving any significant business decision involving material risk exposures, such as our decision to expand our school network into new geographic areas, and to enter into cooperative business relationships with third parties to establish new schools. The Group also maintains insurance coverage which is in line with customary practice in the PRC education industry, including school liability insurance. The Group also has arrangements with certain banks in place to ensure that it will be able to obtain credit to support its business operation and expansion.

As disclosed in the Prospectus, taking into account the internal control measures implemented by the Group in connection with the non-compliance incidents disclosed under the section headed "Business — Legal Proceedings and Compliance" in the Prospectus, the on-going monitoring and supervision by the Board and the principals of the Group's schools with the assistance from professional external advisers where required, and the fact that, as confirmed by the Directors, the non-compliance incidents did not involve fraud or dishonesty, the Directors are of the view that our enhanced internal control measures are adequate and effective.

截至2020年12月31日止年度，吳女士已根據上市規則第3.29條，參加不少於15小時的相關專業培訓。

風險管理及內部監控

董事會確認其確保本公司維持健全有效風險管理及內部監控系統的責任。

本集團的內部監控系統乃為確保資產不會被不當挪用及未經授權處理以及管理經營風險而設計。本集團的內部監控檢討涵蓋主要財務、營運及合規監控以及風險管理職能。風險管理系統中設立的監控乃為管理本集團業務的重大風險。

董事會負責管理本集團的整體風險，亦負責考慮、審查及批准涉及重大風險敞口的任何重要業務決策，如決定擴大學校網絡至新地區以及與第三方訂立合作業務關係以興建新學校。本集團亦投購符合中國教育行業慣例的保險，包括學校責任保險。本集團還與若干銀行訂立安排，確保我們能獲得信貸以支持我們的業務營運及擴展。

如招股章程所披露，考慮到本集團就招股章程「業務—法律程序及合規情況」一節所披露的違規事件所採取的內部控制措施、董事會及本集團學校的校長於需要時在外部專業顧問協助下持續監控及監管，以及經董事確認違規事件不涉及欺詐或不誠實，故董事認為，我們經加強的內部控制措施足夠有效。

The Company has established an internal audit department to carry out its internal audit functions by assisting the Board to implement the Group's risk management framework. The work of the internal audit department will be reviewed by the Audit Committee and the Board annually. During the year ended 31 December 2020, the Audit Committee, with reference to and based on the internal audit report issued by the independent audit firm, conducted a review on the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls and risk management functions, adequacy of resources, qualifications and experience of staff of the Company's accounting, internal control and financial reporting functions, and training programmes and budget. The Board has considered and discussed the internal audit report issued by the independent audit firm, the work conducted by the independent audit firm, the Audit Committee's view on the Group's risk management and internal control systems and their effectiveness. The Board and the Audit Committee are satisfied with the effectiveness and adequacy of the risk management and internal control of the Group.

Based on the review carried out by the independent audit firm, the Audit Committee and the Board, the Board concluded that there are no material irregularities nor areas of concern that would have significant adverse impact on the Company's financial position or results of operations, and that the risk management and internal control systems are adequate and effective and the Company's resources, staff qualifications and experience, training programs and budget for accounting, internal audit, financial reporting function and Listing Rules compliance are adequate.

The Group regulates the handling and dissemination of inside information according to the "Guidelines on Disclosure of Inside Information" published by the Securities and Future Commission in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

本公司已成立內部審核部門，以協助董事會履行其內部審核職能，從而實施本集團的風險管理框架。內部審核部門的工作將由審核委員會及董事會每年進行審閱。截至2020年12月31日止年度，經參考且根據獨立審計事務所發佈的內部審計報告，審核委員會對本集團風險管理及內部控制系統的成效進行審閱，審閱內容包括財務、營運及合規控制及風險管理活動、資源的充足性、本公司會計、內部監督及財務申報方面的員工資格及經驗以及培訓課程及預算。董事會已審議及討論獨立審計事務所發佈的內部審計報告、獨立審計事務所開展的工作、審核委員會就本集團的風險管理及內部控制系統以及其有效性發佈的觀點。董事會及審核委員會信納本集團風險管理及內部控制的有效性及其充足性。

根據獨立審計事務所、審核委員會及董事會進行的檢討，董事會並不知悉任何嚴重違規或任何範疇將對本公司的財務狀況或經營業績構成重大不利影響，並認為風險管理及內部控制系統已經足夠及有效，且本公司的資源、員工資歷及經驗、培訓計劃以及會計、內部審計、財務匯報職能及遵守上市規則之預算已經足夠。

本集團按證券及期貨事務監察委員會於2012年6月頒佈的《內幕消息披露指引》監管內幕消息的處理及發佈，以確保適當批准披露該等消息前維持保密，並以有效率及一致的方式發佈該等消息。本公司定期提醒董事及僱員妥善遵守所有有關內幕消息的政策。此外，本公司讓董事、高級管理人員及僱員掌握最新之監管最新資料。本公司將編製或更新合適指引或政策以確保遵守監管規定。

DIRECTORS' RESPONSIBILITY IN PREPARING FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements which give a true and fair view of the Group's state of affairs, results and cash flows for the year and in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as going concern.

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditor of the Company, Ernst & Young, during the year ended 31 December 2020 was approximately as follows:

Type of Services	服務類型	Amount 金額 RMB'000 人民幣千元
Audit services	審核服務	3,600
– Annual audit service	– 年度審核服務	3,600
– Non-audit services	– 非審核服務	–
Total	總計	3,600

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

董事負責編製財務報表

董事會明白本身有責任根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例之披露要求編製本公司綜合財務報表，真實公平反映本集團於本年度的事務情況、業績及現金流量。本公司已根據審慎及合理的判斷及估計選擇合適的會計政策並貫徹採用。董事會認為本集團備有充足資源於可見未來繼續經營業務，且並不知悉任何可能影響本公司業務或致令本公司持續經營能力成疑的事件或狀況的重大不確定因素。

核數師酬金

本公司核數師安永會計師事務所截至2020年12月31日止年度為本集團提供有關審核及非審核服務的概約酬金如下：

與股東及投資者溝通

本公司認為，與股東有效溝通是加強投資者關係及讓投資者了解本集團業務、業績及策略的重要因素。本公司亦了解，及時全面披露資訊以便股東及投資者作出知情投資決定的重要性。

At general meetings of the Company, the Shareholders will have the opportunity to communicate directly with the Directors. The chairman of the Board and the chairman of each of the Board Committees will attend the annual general meetings to answer Shareholders' questions. The auditor of the Company will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website of the Company at (www.minshengedu.com), where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

SHAREHOLDERS' RIGHTS

General

To safeguard our Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

於本公司股東大會上，股東有機會可以與董事直接對話。董事會主席及各董事委員會主席須出席股東週年大會回應股東的問題。本公司核數師亦會出席股東週年大會解答有關審核工作、核數師報告編製過程與內容、會計政策及核數師獨立性等問題。

為促進有效溝通，本公司採取股東溝通政策，旨在建立本公司與其股東之間的雙向關係與交流，並且在(www.minshengedu.com)設立本公司網站，刊載本公司業務與發展、財務資料、企業管治常規及其他方面的最新資料供公眾查閱。

股東權利

一般資料

為保障本公司股東的權益與權利，在股東大會商討的各項事宜(包括選舉個別董事)須以獨立的決議案提出。

在股東大會提出的所有決議案須根據上市規則以投票方式表決，而投票結果須在各股東大會結束後適時在本公司及聯交所網站公佈。

Convening of Extraordinary General Meeting and Putting Forward Proposals

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

Procedures for Proposing a Person for Election as a Director

Pursuant to the Article 85 of the articles of associations of the Company, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice (as defined therein) signed by a Member (as defined therein) (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

召開股東特別大會及提呈議案

股東可以根據組織章程細則提呈議案在本公司股東大會討論。在提出要求當日持有不少於本公司附有權利可在本公司股東大會投票的繳足股本十分之一的一名或多名股東，有權隨時向董事會或本公司公司秘書提出書面要求，由董事會召開本公司股東特別大會，以處理該項要求指明的事宜，而該會議須在提出要求後兩個月內召開。倘若在提出要求後21天內，董事會未有按要求召開會議，則提出要求者可以相同的方式召開會議，由於董事會未有召開會議而導致提議人所承擔的一切合理開支，須由本公司向提議人補償。

提名人士參選董事的程序

根據本公司的組織章程細則第85條，除非獲董事推薦參選，或由正式合資格出席大會並可於會上投票的股東(定義見組織章程細則)(並非擬參選人)簽署通知(定義見組織章程細則)，表明擬提名相關人士參選，且獲提名人士簽署該通知表明願意參選，否則除會上退任董事外，概無任何人士有資格於任何股東大會上參選董事。上述通知須呈交總辦事處或過戶登記處，通知期不得少於七(7)日，如該等通知是於就選舉董事而召開股東大會的通告寄發後始呈交，則呈交該(等)通知的期間為就選舉董事而召開股東大會的通告寄發後翌日起計至不遲於該股東大會舉行日期前七(7)日。

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Mr. Lam Ngai Lung of Room 3202A, 32/F., Tower 1, Lippo Centre, 89 Queensway Road, Admiralty, Hong Kong (email address: msedu@minshengedu.com).

CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no change in the memorandum and articles of association of the Company during the Reporting Period and up to the date of this annual report.

向董事會查詢

股東如須向董事會查詢有關本公司的事宜，可提交查詢至林毅龍先生(地址為香港金鐘道89號力寶中心第一座32樓3202A室)(電郵地址：msedu@minshengedu.com)。

更改組織章程文件

於報告期間及截至本年報之日期，本公司的組織章程大綱及細則概無變動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the shareholders of
Minsheng Education Group Company Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Minsheng Education Group Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 158 to 312, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致：民生教育集團有限公司全體股東
(於開曼群島註冊成立之有限公司)

意見

我們已審核載於第158頁至第312頁民生教育集團有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)之綜合財務報表。該等綜合財務報表包括於2020年12月31日之綜合財務狀況表及截至該日期止年度的綜合損益及其他全面收益表、綜合權益變動表、綜合現金流量表以及包括主要會計政策概要的綜合財務報表附註。

我們認為該等綜合財務報表已經根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈之國際財務報告準則(「**國際財務報告準則**」)真實而中肯地反映貴集團於2020年12月31日之綜合財務狀況及其截至該日期止年度的綜合財務表現及其綜合現金流量，並已根據香港公司條例之披露規定妥善編製。

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

意見基準

我們根據香港會計師公會(「香港會計師公會」)頒佈之香港審計準則(「香港審計準則」)進行審核。我們於該等準則下的責任，會於我們的報告中核數師就審核綜合財務報表承擔的責任一節作進一步描述。根據香港會計師公會的專業會計師職業道德守則(「該守則」)，我們獨立於貴集團，並已根據該守則履行我們其他道德責任。我們相信，我們所獲得的審核憑證充分且恰當地為我們的審核意見提供基準。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項乃本期間我們的綜合財務報表審核中最為重大的事項。該等事項於我們對綜合財務報表進行整體審核及提出意見時處理，我們不會對該等事項提供單獨意見。吾等審核下列各項事項時如何應對的描述也以此為依據。

我們已履行於我們的報告中核數師就審核綜合財務報表承擔的責任一節中描述(包括有關該等事項)的責任。因此，我們的審計工作包括履行應對綜合財務報表重大錯誤陳述風險評估而設計的審計程序。我們的審核程序結果，包括處理以下事項而執行的程序，為綜合財務報表隨附的審核意見提供基準。

KEY AUDIT MATTERS (continued)

Key audit matter

關鍵審核事項

Income tax

所得稅

As disclosed in note 11 to the financial statements, according to the Implementation Rules for the Law for Promoting Private Education (the “**Implementation Rules**”), private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatments as public schools. The preferential tax treatment policies applicable to private schools requiring reasonable returns are to be separately formulated by the relevant authorities under the State Council.

Except for Laoling Minsheng Education High School Company Limited which was incorporated as a limited company, the Group's schools in the People's Republic of China (the “**PRC Schools**”) did not pay corporate income tax for the provision of formal educational services and enjoyed the preferential tax treatments in 2020. Significant judgement is required in determining the provision for income taxes as there are uncertainties in interpreting the relevant tax laws and regulations with respect to the preferential tax treatments enjoyed by the PRC Schools. The Group engaged an external legal advisor for the assessment of income tax obligations, and there were significant judgements involved in management's analysis and assessment, such as an assessment on possible outcome of the tax provision based on historical experiences, and estimations about future events after 31 December 2020 that may cause the Group to change its judgements regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact the tax expense in the period in which such determination is made.

Relevant disclosures are included in notes 3 and 11 to the financial statements.

關鍵審核事項(續)

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

We performed the following procedures:

- discussed with management to evaluate their interpretation of the tax laws and their assessment of the tax obligations of the schools operated by the Group for the current year;
- evaluated management's assessment on the application of preferential tax or applicable tax rate to the respective schools;
- discussed with the Group's external PRC legal advisors to understand their view with respect to the interpretation of the existing applicable laws which would have an impact on the applicable tax rate on the respective schools;
- obtained the Group's external legal advisor's comments on the tax obligations applied onto the Group's schools, in particular, whether or not the PRC Schools had to pay income tax as required by their respective tax authorities by the end of year 2020 and whether the PRC Schools which enjoyed such preferential tax treatments were in compliance with the applicable laws and regulations in China;
- assessed any new policies, regulations or rules that have been introduced by the authorities up to the date of this report, which might have an impact on the tax position of the PRC Schools;
- examined the historical tax filing returns filed to the relevant tax authorities and the tax compliance confirmations obtained, where appropriate; and
- involved our internal tax experts to assist us in analysing the preferential tax treatments enjoyed by the PRC Schools and assessing the adequacy of tax provisions.

KEY AUDIT MATTERS (continued)**Key audit matter****關鍵審核事項**

Income tax
所得稅

誠如財務報表附註11所披露，根據民辦教育促進法實施條例(「**實施條例**」)，學校舉辦者不要求取得合理回報的民辦學校，依法享受與公辦學校同等的稅收優惠政策。要求取得合理回報的民辦學校適用的稅收優惠政策將由國務院相關部門單獨制定。

於2020年，除以有限公司註冊成立的樂陵民生教育高級中學有限公司外，貴集團位於中華人民共和國的學校(「**中國學校**」)並無就提供正規教育服務繳納企業所得稅及享有優惠稅收待遇。確認所得稅撥備需要作出重大判斷，因就中國學校可否採納該稅務優惠適用相關法律及法規之詮釋存在不確定性。貴集團聘請外部法律顧問評估所得稅稅負，管理層的分析及評估涉及重大判斷，例如對根據歷史經驗作出稅項撥備可能產生後果的評估以及就2020年12月31日之後發生可能導致貴集團改變對稅項負債充足度判斷事項的估計。該等稅項負債的變動將會影響作出決定期間的稅項開支。

相關披露載於財務報表附註3及11。

關鍵審核事項(續)**How our audit addressed the key audit matter****我們的審核如何處理關鍵審核事項**

我們執行以下程序：

- 與管理層討論以評估彼等對稅法的詮釋以及彼等對本年度貴集團營辦學校的納稅責任的評估；
- 評價管理層對各學校應用稅收優惠或適用稅率的評估；
- 與貴集團中國外部法律顧問討論，以了解彼等對可能影響各學校適用稅率的現行適用法律詮釋的意見；
- 獲得貴集團外部法律顧問對應用於貴集團學校納稅義務的意見，尤其在其相關稅務機關有否要求中國學校須於2020年年底前支付所得稅及中國學校享有之該等稅務優惠待遇是否符合中國之適用法律及法規；
- 評估機關直至本報告日期已推出而可能影響中國學校稅務狀況的任何新政策、法規或規則；
- 適當審閱過往向有關稅務機關遞交的納稅申報單及所取得的稅務合規確認；及
- 邀請我們的內部稅務專家協助我們分析中國學校所享受的稅務優惠，並評估稅項撥備是否恰當。

KEY AUDIT MATTERS (continued)

Key audit matter

關鍵審核事項

Goodwill impairment

商譽減值

As at 31 December 2020, the Group had significant amounts of goodwill arising from acquisitions of Chongqing College of Humanities, Science and Technology and Leed International Education Group Inc. in the prior year, and Doxue Network Technology (Beijing) Co., Ltd. in the current year of RMB304 million, RMB1,381 million and RMB98 million, respectively, which were supported by an annual impairment review. No impairment charge were recorded against goodwill in the current year. Certain assumptions used in the impairment review were subjective and involved significant judgements and estimates, and they included:

- the future cash flow growth assumptions used in the Group's most recent budgets for the next five years approved by management, including future industry development, pricing strategies, market supply and demand, and gross margins;
- the growth rate used beyond the period covered by the budgets; and
- the discount rate applied to future cash flows.

The accounting judgements and estimates and disclosures related to the impairment assessment are included in notes 3 and 16 to the financial statements.

關鍵審核事項(續)

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

In order to evaluate the impairment test carried out by management and assess the value-in-use of the cash-generating units, we performed the following procedures:

- evaluated management's future cash flow forecasts and the process by which they were drawn up;
- assessed the actual performance in the year against the prior year budgets to evaluate historical forecasting accuracy;
- assessed the key assumptions by checking against the historical trend and industry index;
- performed sensitivity analyses on the forecasts;
- analysed the discount rate and long term growth rate used by comparing to the industry index with the assistance of our internal valuation experts; and
- evaluated the adequacy of the Group's disclosures regarding the goodwill impairment testing.

KEY AUDIT MATTERS (continued)**Key audit matter****關鍵審核事項***Goodwill impairment**商譽減值*

於2020年12月31日，貴集團因以前年度收購重慶人文科技學院、勵德國際教育集團有限公司以及本年度收購都學網絡科技(北京)有限公司而分別產生重大金額的商譽人民幣304百萬元、人民幣1,381百萬元及人民幣98百萬元，並由年度減值審查支持。本年度並無錄得商譽的減值開支。減值審查採用之若干假設乃主觀且涉及重大判斷及估計，而當中包括：

- 於貴集團最近期已獲管理層批准的未來五年預算中採用的未來現金流量增長假設，包括未來行業發展、定價政策、市場供求及毛利率；
- 預算涵蓋期間後所使用的增長率；及
- 應用至未來現金流量的貼現率。

有關減值評估的會計判斷、估計及披露載於財務報表附註3及16內。

關鍵審核事項(續)**How our audit addressed the key audit matter****我們的審核如何處理關鍵審核事項**

為評價管理層所作的減值測試及評估現金產生單位的在用價值，我們已執行以下程序：

- 評價管理層的未來現金流量預測及該等預測的制訂過程；
- 對比以往的年度預算，評估年內的實際表現及評價過往預測的準確性；
- 檢查過往趨勢及行業指數，以評估關鍵假設；
- 對預測執行敏感度分析；
- 與行業指數比較，在我們的內部估值專家協助下分析經採用的貼現率及長期增長率；及
- 評價貴集團對於商譽減值測試的披露是否恰當。

KEY AUDIT MATTERS (continued)

Key audit matter

關鍵審核事項

Revenue recognition

確認收益

The occurrence and completeness of the Group's revenue are of high inherent risk because of the large volume of tuition and boarding fees processed. In addition, tuition and boarding fees paid in advance at or prior to the beginning of each academic year are recognised as revenue proportionately over the fiscal years covering that academic year. Therefore, revenue may be recorded in the incorrect period of the fiscal year.

The accounting policy for revenue recognition and disclosures of the amount of revenue are included in notes 2.4 and 5 to the financial statements.

關鍵審核事項(續)

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

As to our audit procedures, we performed the following procedures:

- tested the controls on the collection of tuition and boarding fees and the controls designed and applied by the Group to calculate the deferred revenue and the corresponding amount of revenue;
- on a sample basis, reviewed and checked the relevant supporting documentation including the student payment records, official student records registered with the relevant PRC education authorities, and the payment remittance receipts of tuition and boarding fees;
- recalculated the amounts of contract liabilities and revenue recognised during the year; and
- checked the number of newly enrolled students during the year to the enrolment approval by the relevant PRC education authorities, and the total number of students at the fiscal year end to the records on the China Credentials Verification website.

KEY AUDIT MATTERS (continued)**Key audit matter****關鍵審核事項***Revenue recognition*

確認收益

由於要進行大量的學費及住宿費交易，貴集團收益的發生及完整性有很高的固有風險。此外，預先或於各學年開始前繳付的學費及住宿費乃按比例確認為涵蓋該學年的財政年度之收益。因此，收益可能錄入錯誤的財政年度期間。

有關收益確認的會計政策及收益金額披露載於財務報表附註2.4及5。

關鍵審核事項(續)**How our audit addressed the key audit matter**

我們的審核如何處理關鍵審核事項

就我們的審核程序而言，我們已實施下列程序：

- 測試收取學費及住宿費的監控及貴集團就計算遞延收益及相關收益金額而設計及應用之監控；
- 以抽樣方式，審核及檢查相關證明文件，包括學生付款記錄、相關中國教育機關登記的官方學籍記錄以及學費及住宿費匯款收據；
- 重新計算年內確認的合約負債及收益金額；及
- 與相關中國教育機關的入學批准作對照，核對年內新入學學生數目，並與中國高等教育學生信息網的記錄作對照，核對財政年度完結時的學生總人數。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

載入年報的其他資料

貴公司董事須對其他資料負責。其他資料包括載於年報內的資料，惟不包括綜合財務報表及我們的核數師報告。

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

就我們對綜合財務報表的審核，我們的責任是閱讀其他資料，於過程中考慮其他資料是否與綜合財務報表或我們於審核過程中所了解的情況存在重大不符之處或似乎存在重大錯誤陳述。倘我們根據已履行的工作認為其他資料存在重大錯誤陳述，我們需要就此如實報告。於本方面，我們沒有任何事項需要報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈之國際財務報告準則及香港公司條例的披露規定編製真實且公平的綜合財務報表，並就董事釐定為對編製綜合財務報表不存在由於欺詐或錯誤而導致重大錯誤陳述所必需的內部監控系統負責。

於編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及採用持續經營基準供為會計之用，除非貴公司董事有意將貴集團清盤或停止經營或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團的財務報告程序的責任。

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們的意見的核數師報告。我們僅向閣下(作為整體)提呈報告，且概無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證乃高水平的保證，惟不能保證按照香港審計準則進行審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期它們單獨或滙總起來可能影響此等綜合財務報表使用者依賴此等報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，我們運用了專業判斷，並在整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足及適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控系統之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控系統，以設計適當的審核程序，但目的並非對貴集團內部監控系統的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。

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

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

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

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

核數師就審核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。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師於報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不再持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責集團審核的方向、監督及執行。我們為審核意見承擔全部責任。

我們與審核委員會溝通(其中包括)計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部監控系統的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地認為會影響我們獨立性的所有關係及其他事項以及(如適用)為消除威脅採取的行動或所採用的防範措施。

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Mee Kwan, Helena.

核數師就審核綜合財務報表承擔的責任(續)

與審核委員會溝通的事項中，我們釐定對本期綜合財務報表的審核最為重要的事項，從而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期我們報告中溝通的事項而造成的負面後果超過其所產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人為李美群。

Ernst & Young

Certified Public Accountants

22/F, CITIC Tower

1 Tim Mei Avenue

Central, Hong Kong

23 March 2021

安永會計師事務所

執業會計師

香港中環

添美道1號

中信大廈22樓

2021年3月23日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2020 截至2020年12月31日止年度

		Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
REVENUE	收益	5	1,107,206	1,005,436
Cost of sales	銷售成本		(540,126)	(488,946)
Gross profit	毛利		567,080	516,490
Other income and gains	其他收入及收益	5	157,092	139,018
Selling and distribution expenses	銷售及分銷開支		(20,484)	(16,043)
Administrative expenses	行政開支		(212,021)	(185,118)
Other expenses, net	其他開支淨額		(46,825)	(28,327)
Compensation fees in relation to the conversion of Dianchi College of Yunnan University	雲南大學滇池學院轉設的補償費用	7	(232,406)	–
Finance costs	融資成本	8	(87,002)	(79,613)
Share of profit and loss of:	分佔以下溢利及虧損：			
A joint venture	合營企業		18,283	–
An associate	聯營公司		(195)	(153)
PROFIT BEFORE TAX	除稅前溢利	6	143,522	346,254
Income tax expense	所得稅開支	11	(16,710)	(12,273)
PROFIT FOR THE YEAR	年度溢利		126,812	333,981

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

綜合損益及其他全面收益表(續)

Year ended 31 December 2020 截至2020年12月31日止年度

	Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
OTHER COMPREHENSIVE INCOME	其他全面收益		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	可能於期後期間重新分類至損益之其他全面收益/(虧損):		
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	105,365	(20,834)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	可能於期後期間重新分類至損益的其他全面收益/(虧損)淨額	105,365	(20,834)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:	不會於期後期間重新分類至損益的其他全面(虧損)/收益:		
Equity investment designated at fair value through other comprehensive income: Changes in fair value	指定為按公平值計入其他全面收益的股權投資: 公平值變動	-	(2,396)
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	(78,065)	18,200
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	不會於期後期間重新分類至損益的其他全面(虧損)/收益淨額	(78,065)	15,804
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	年度其他全面收益/(虧損)	27,300	(5,030)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收益總額	154,112	328,951
Profit attributable to:	以下應佔溢利:		
Owners of the parent	母公司擁有人	131,467	341,607
Non-controlling interests	非控股權益	(4,655)	(7,626)
Total comprehensive income attributable to:	以下應佔全面收益總額:		
Owners of the parent	母公司擁有人	158,767	336,577
Non-controlling interests	非控股權益	(4,655)	(7,626)
		154,112	328,951
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:	母公司普通股權持有人應佔每股盈利:		
Basic and diluted	基本及攤薄	13	RMB人民幣0.0318元 RMB人民幣0.0850元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2020 2020年12月31日

		Notes 附註	2020 RMB'000 人民幣千元	2019 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	14	2,471,014	2,316,856
Right-of-use assets	使用權資產	15	840,434	745,916
Goodwill	商譽	16	1,782,894	1,685,099
Other intangible assets	其他無形資產	17	33,006	6,027
Investment in a joint venture	合營企業投資	18	412,224	–
Investment in an associate	聯營公司投資	19	1,603	1,908
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	20	110,818	56,165
Other non-current assets	其他非流動資產	21	731,907	770,841
Total non-current assets	非流動資產總值		6,383,900	5,582,812
CURRENT ASSETS	流動資產			
Inventories	存貨	22	2,694	1,408
Trade receivables	貿易應收款項	23	20,004	9,801
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	24	79,078	74,236
Short-term investments measured at amortised cost	按攤銷成本計量的短期投資	20	–	97,000
Cash and cash equivalents	現金及現金等價物	25	2,624,670	1,308,361
Asset classified as held for sale	分類為持作出售的資產	20	–	3,984
Total current assets	流動資產總值		2,726,446	1,494,790
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	26	2,552	–
Contract liabilities	合約負債	27	637,730	586,851
Other payables and accruals	其他應付款項及應計費用	28	694,734	535,970
Dividend payable	應付股息		62,179	–
Deferred income	遞延收入	29	21,698	22,894
Interest-bearing bank and other borrowings	計息銀行及其他借款	30	446,324	321,080
Loans from the ultimate holding company	來自最終控股公司的貸款	42(c)	137,236	–
Tax payable	應付稅項		22,147	15,648
Total current liabilities	流動負債總額		2,024,600	1,482,443
NET CURRENT ASSETS	流動資產淨值		701,846	12,347
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		7,085,746	5,595,159

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

綜合財務狀況表(續)

31 December 2020 2020年12月31日

		Notes 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Financial liability at fair value through profit or loss	按公平值計入損益的金融負債	37	74,652	–
Deferred income	遞延收入	29	262,484	273,389
Interest-bearing bank and other borrowings	計息銀行及其他借款	30	1,317,689	330,132
Other long term liability	其他長期負債	31	285,324	296,581
Payables for compensation fees	應付補償費用	28	107,732	–
Deferred tax liabilities	遞延稅項負債	32	16,948	5,000
Put option liability	認沽期權負債	33	859,038	819,264
Total non-current liabilities	非流動負債總額		2,923,867	1,724,366
Net assets	資產淨值		4,161,879	3,870,793
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	34	322	307
Reserves	儲備	36	4,035,320	3,757,125
			4,035,642	3,757,432
Non-controlling interests	非控股權益		126,237	113,361
Total equity	總權益		4,161,879	3,870,793

LI XUECHUN

李學春

Director

董事

LAM NGAI LUNG

林毅龍

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2020 截至2020年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Share capital	Contributed surplus	Capital reserve	Statutory reserve	Share option reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Exchange fluctuation reserve	Total	Non-controlling interests	Total equity
Notes		資本	實繳盈餘	資本儲備	法定儲備	購股權儲備	按公平值計入其他全面收益的金融資產之公平值儲備	留存溢利	外匯波動儲備	合計	非控股權益	總權益
附註		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 34)		Note 36 (b)	Note 36 (c)	Note 35 (iii)						
		(附註34)		附註36(b)	附註36(c)	附註35(iii)						
At 1 January 2019	於2019年1月1日	307	160,308	1,220,650	626,472	16,408	380	1,401,208	(17,325)	3,408,408	120,987	3,529,395
Profit for the year	年度溢利	-	-	-	-	-	-	341,607	-	341,607	(7,626)	333,981
Other comprehensive income for the year:	年度其他全面收益：											
Change in fair value of an equity investment at fair value through other comprehensive income	按公平值計入其他全面收益的股權投資之公平值變動	-	-	-	-	-	(2,396)	-	-	(2,396)	-	(2,396)
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	-	-	-	-	-	-	-	(2,634)	(2,634)	-	(2,634)
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	-	(2,396)	341,607	(2,634)	336,577	(7,626)	328,951
Recognition of share-based payment expenses	確認以股份為基礎的付款的費用	33	-	-	-	12,447	-	-	-	12,447	-	12,447
Transfer from retained profits	轉撥自留存溢利	-	-	-	113,063	-	-	(113,063)	-	-	-	-
At 31 December 2019	於2019年12月31日	307	160,308*	1,220,650*	739,535*	28,855*	(2,016)*	1,629,752*	(19,959)*	3,757,432	113,361	3,870,793

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

綜合權益變動表(續)

Year ended 31 December 2020 截至2020年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔										
		Share capital	Contributed surplus	Capital reserve	Statutory reserve	Share option reserve	Fair value reserve of financial assets at fair value	Retained profits	Exchange fluctuation reserve	Non-controlling interests	Total equity	
Notes	comprehensive income											
							按公平值計入其他全面收益的金融資產之		外匯波動			
附註		股本	實繳盈餘	資本儲備	法定儲備	購股權儲備	公平值儲備	留存溢利	儲備	合計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 34)		Note 36 (b)	Note 36 (c)	Note 35 (iii)						
		(附註34)		附註36(b)	附註36(c)	附註35(iii)						
At 1 January 2020	於2020年1月1日	307	160,308	1,220,650	739,535	28,855	(2,016)	1,629,752	(19,959)	3,757,432	113,361	3,870,793
Profit for the year	年度溢利	-	-	-	-	-	-	131,467	-	131,467	(4,655)	126,812
Other comprehensive income for the year:	年度其他全面收益：											
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	-	-	-	-	-	-	-	27,300	27,300	-	27,300
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	-	-	131,467	27,300	158,767	(4,655)	154,112
Acquisition of subsidiaries	收購附屬公司	37	-	-	-	-	-	-	-	-	17,531	17,531
Transfer of fair value reserve upon the disposal of an equity investment at fair value through other comprehensive income	於出售按公平值計入其他全面收益的股權投資時轉撥公平值儲備	-	-	-	-	-	2,016	(2,016)	-	-	-	-
Final 2019 dividend declared	已宣派2019年末期股息	-	-	(109,239)	-	-	-	-	-	(109,239)	-	(109,239)
Issue of shares	發行股份	34	15	223,553	-	-	-	-	-	223,568	-	223,568
Share issue expenses	股份發行開支	-	-	(4,266)	-	-	-	-	-	(4,266)	-	(4,266)
Recognition of share-based payment expenses	確認以股份為基礎的付款的費用	35	-	-	-	9,380	-	-	-	9,380	-	9,380
Transfer from retained profits	轉撥自留存溢利	-	-	-	60,876	-	-	(60,876)	-	-	-	-
At 31 December 2020	於2020年12月31日	322	160,308*	1,330,698*	800,411*	38,235*	-*	1,698,327*	7,341*	4,035,642	126,237	4,161,879

* These reserve accounts comprise the consolidated reserves of RMB4,035,320,000 in the consolidated statement of financial position as at 31 December 2020 (2019: RMB3,757,125,000).

* 該等儲備賬包括於2020年12月31日的綜合財務狀況表內金額為人民幣4,035,320,000元(2019年：人民幣3,757,125,000元)的綜合儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020 截至2020年12月31日止年度

	Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before tax	除稅前溢利	143,522	346,254
Adjustments for:	就以下各項調整：		
Finance costs	融資成本	8 87,002	79,613
Share of loss of an associate	分佔聯營公司虧損	195	153
Share of profit of a joint venture	分佔合營企業溢利	(18,283)	–
Investment income from short-term investments measured at amortised cost and short-term investments measured at fair value through profit or loss	按攤銷成本計量的短期 投資及按公平值計入 損益計量的短期投資 的投資收入	5 (767)	(5,048)
Bank interest income	銀行利息收入	5 (18,141)	(12,646)
Interest income from a company controlled by the former shareholders of a subsidiary	來自附屬公司原股東所 控制公司的利息收入	5 (20,712)	(14,573)
Fair value loss on an equity investment at fair value through profit or loss	按公平值計入損益的股 權投資公平值虧損	6 –	6,470
Fair value loss from a loan to an associate included in other non- current assets measured at fair value	計入其他非流動資產且 按公平值計量的給予 聯營公司的貸款的公 平值虧損	6 10,505	5,130
Loss on disposal of items of property, plant and equipment, net	處置物業、廠房及設備 項目虧損淨額	6 1,398	388
Gain on disposal of a subsidiary	出售一間附屬公司的收 益	5 (7,093)	–
Government grants released	已發放的政府補助	29 (91,393)	(85,775)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6 127,600	117,246
Depreciation of right-of-use assets	使用權資產折舊	6 18,557	19,050
Amortisation of other intangible assets	其他無形資產攤銷	6 2,652	1,716
Provision for expected credit losses on trade receivables	貿易應收款項之預期信 貸虧損撥備	6 917	558
Provision for expected credit losses on other receivables	其他應收款項之預期信 貸虧損撥備	6 4,307	12,901
Equity-settled share option expense	以股權結算的購股權費 用	35 9,380	12,447
		249,646	483,884

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

Year ended 31 December 2020 截至2020年12月31日止年度

		Note	2020	2019
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Increase in inventories	存貨增加		(1,028)	(27)
Increase in trade receivables	貿易應收款項增加		(10,417)	(4,849)
Increase in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產增加		(1,638)	(17,602)
(Increase)/decrease in long-term prepayments, other receivables and other assets	長期預付款項、其他應收款項及其他資產(增加)/減少		(98,572)	361
Increase in trade payables	貿易應付款項增加		881	–
Increase/(decrease) in other payables and accruals	其他應付款項及應計費用增加/(減少)		76,925	(203,332)
Increase in contract liabilities	合約負債增加		51,985	52,754
Decrease in other long term liability	其他長期負債減少		(11,257)	(13,957)
Increase in payables for compensation fees – non-current	應付補償費用增加 – 非即期		107,732	–
Government grants received	已收政府補助	29	79,292	80,094
Decrease in restricted bank deposits	受限制銀行存款減少		–	2,324
Cash generated from operations	經營所得現金		443,549	379,650
Interest received	已收利息		18,141	12,646
Income tax paid	已付所得稅		(4,428)	(2,688)
Net cash flows from operating activities	經營活動所得現金流量淨額		457,262	389,608

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

Year ended 31 December 2020 截至2020年12月31日止年度

		Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量			
Interest received	已收利息		19,736	9,090
Increase in a prepayment for acquisition of a school	就收購一所學校的預付款 項增加		—	(18,360)
Increase in prepayments for purchase of items of property, plant and equipment	就購置物業、廠房及設備 項目的預付款項增加		5,324	—
Purchase of items of property, plant and equipment	購置物業、廠房及設備項 目		(209,890)	(227,614)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項 目所得款項		865	7
Additions to other intangible assets	添置其他無形資產	17	(2,020)	(1,486)
Additions to leasehold land included in right-of-use assets	添置租賃土地(計入使用 權資產)	15(a)	(95,036)	—
Acquisition of subsidiaries	收購附屬公司	37	(377,879)	—
Disposal of a subsidiary	出售一間附屬公司	38	54,019	—
Purchase of short-term investments measured at fair value through profit or loss	購買按公平值計入損益計 量的短期投資		—	(867,000)
Receipt from maturity of short-term investments measured at fair value through profit or loss	按公平值計入損益計量的 短期投資到期的收款		—	867,000
Proceeds from disposal of an equity investment at fair value through other comprehensive income	出售按公平值計入其他全 面收益的股權投資的所 得款項		3,984	—
Investment income from short-term investments measured at amortised cost and short-term investments measured at fair value through profit or loss	按攤銷成本計量的短期投 資及按公平值計入損益 計量的短期投資的投資 收入		1,517	4,298
Advance of a loan to a third party	向一名第三方墊付貸款		(32,000)	—
Advance of a loan to a company controlled by the former shareholders of a subsidiary	向附屬公司原股東所控制 公司墊付貸款		—	(400,000)
Net cash flows used in investing activities	投資活動所用現金流量淨 額		(631,380)	(634,065)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

Year ended 31 December 2020 截至2020年12月31日止年度

		Note 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量			
Proceeds from issues of shares	發行股份的所得款項	34	223,568	–
Share issue expenses	股份發行開支	34	(4,266)	–
New bank loans	新借銀行貸款		1,516,114	449,658
New loans from the ultimate holding company	新增來自最終控股公司的 貸款	42	146,182	–
Prepayment for other non-current assets	其他非流動資產的預付款 項		–	(5,232)
Repayment of bank and other borrowings	償還銀行及其他借款		(335,280)	(165,998)
Interest paid	已付利息		(31,093)	(20,517)
Interest element of sale and leaseback liabilities	售後回租負債的利息部分		(8,060)	(14,892)
Principal portion of lease payments	租賃付款的本金部分		(1,708)	(662)
Principal portion of sale and leaseback liabilities	售後回租負債的本金部分		(74,410)	(103,451)
Dividends paid	已付股息		(47,060)	–
Net cash flows from financing activities	融資活動所得現金流量淨 額		1,383,987	138,906
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/ (減少)淨額		1,209,869	(105,551)
Cash and cash equivalents at beginning of year	年初現金及現金等價物		1,405,361	1,505,820
Effect of foreign exchange rate changes, net	匯率變動影響，淨額		9,440	5,092
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		2,624,670	1,405,361
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分 析			
Cash and bank balances	現金及銀行結餘	25	2,624,670	1,308,361
Short-term investments measured at amortised cost with original maturity of less than three months when acquired	獲得時原始到期日為三個 月以下的按攤銷成本計 量的短期投資	25	–	97,000
Cash and cash equivalents as stated in the statement of cash flows	於現金流量表列賬的現金 及現金等價物		2,624,670	1,405,361

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP INFORMATION

Minsheng Education Group Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 December 2005 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in providing educational services in the People’s Republic of China (the “**PRC**”).

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Minsheng Group Company Limited (formerly known as Honest Cheer Investments Limited), which was incorporated in the British Virgin Islands.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Minsheng Education Company Limited 民生教育有限公司	Cayman Islands 開曼群島	US\$50,000 50,000美元	100%	-	Investment holding 投資控股
Minsheng Vocational Education Company Limited (“ Minsheng Vocational ”) 民生職業教育有限公司(「民生職業教育」)	Cayman Islands 開曼群島	US\$10 10美元	100%	-	Investment holding 投資控股
Minsheng Education Development Company Limited 民生教育發展有限公司	Cayman Islands 開曼群島	US\$50,000 50,000美元	100%	-	Investment holding 投資控股

1. 公司及集團資料

民生教育集團有限公司(「**本公司**」)於2005年12月13日在開曼群島根據開曼群島法例註冊成立為獲豁免有限公司。本公司註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司為投資控股公司。今年內，本公司及其附屬公司(統稱「**本集團**」)主要於中華人民共和國(「**中國**」)提供教育服務。

董事認為本公司之控股公司及最終控股公司為民生集團有限公司(前稱誠悅投資有限公司)(於英屬處女群島註冊成立的有限公司)。

有關附屬公司之資料

本公司主要附屬公司的詳情如下所示：

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Leed International Education Group Inc. ("Leed International") [^] 勵德國際教育集團有限公司(「勵德集團」) [^]	Cayman Islands 開曼群島	US\$44,875 44,875美元	-	100%	Investment holding 投資控股
Leed International Education Group (China) Limited [^] 勵德國際教育集團(中國)有限公司 [^]	Hong Kong 香港	US\$1,282 1,282美元	-	100%	Investment holding 投資控股
Chongqing Li'ang Industry Company Limited* 重慶利昂實業有限公司	The PRC/Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing College of Humanities, Science and Technology* 重慶人文科技學院	The PRC/Mainland China 中國/中國大陸	RMB55,000,000 人民幣55,000,000元	-	100%	Provision of formal undergraduate and junior college education services 提供正規大學學歷及大專教育 服務
Pass College of Chongqing Technology and Business University* 重慶工商大學派斯學院	The PRC/Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	-	100%	Provision of formal undergraduate and junior college education services 提供正規大學學歷及大專教育 服務
Chongqing Vocational College of Applied Technology* 重慶應用技術職業學院	The PRC/Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	-	100%	Provision of junior college education services 提供大專教育服務
Chongqing Yujinggang Education Investment Company Limited* 重慶渝京港教育投資有限公司	The PRC/Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	-	100%	Investment in education projects 投資教育項目
Chongqing Hechuan Renwen Hospital Company Limited* 重慶合川人文醫院有限公司	The PRC/Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	-	100%	Provision of disease diagnosis and treatment services 提供疾病診斷和治療服務

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Chongqing Bozhi Education Services Company Limited ("Bozhi Education")* 重慶博智教育服務有限公司(「博智教育」)	The PRC/Mainland China 中國/中國大陸	US\$9,000,000 9,000,000美元	–	100%	Provision of education management and services 提供教育管理及服務
Chongqing Li'ang Education Services Company Limited* 重慶利昂教育服務有限公司	The PRC/Mainland China 中國/中國大陸	RMB30,000,000 人民幣30,000,000元	–	100%	Provision of education management and services 提供教育管理及服務
Chongqing Pass Education Services Company Limited* 重慶派斯教育服務有限公司	The PRC/Mainland China 中國/中國大陸	RMB300,000 人民幣300,000元	–	100%	Provision of university and college logistics services 提供大學及高等院校後勤服務
Inner Mongolia Fengzhou Vocational College (Qingcheng Branch)* 內蒙古豐州職業學院(青城分院)	The PRC/Mainland China 中國/中國大陸	RMB4,000,000 人民幣4,000,000元	–	100%	Provision of junior college education services 提供大專教育服務
Chongqing Huizhi Education Services Company Limited ("Chongqing Huizhi")* 重慶匯智教育服務有限公司(「重慶匯智」)	The PRC/Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	–	100%	Provision of university logistics services 提供大學後勤服務
Laoling Minsheng Secondary Vocational School* 樂陵民生職業中等專業學校	The PRC/Mainland China 中國/中國大陸	RMB30,000,000 人民幣30,000,000元	–	100%	Provision of secondary vocational education and technical training 提供中等職業教育及技術培訓
Chongqing Yugangao Enterprise Management Consultant Company Limited ("Chongqing Yugangao")** 重慶渝港澳企業管理諮詢有限公司 (「重慶渝港澳」)*	The PRC/Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	–	100%	Provision of rental and business management services 提供租賃及業務管理服務
Chongqing Yuecheng Zhiyuan Education Technology Company Limited ("Chongqing Yuecheng")** 重慶悅誠智遠教育科技有限公司(「重慶悅誠」)*	The PRC/Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	–	100%	Provision of education management and services 提供教育管理及服務

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Chongqing Electronic Information College** 重慶電信職業學院*	The PRC/Mainland China 中國/中國大陸	RMB183,680,000 人民幣183,680,000元	-	51%	Provision of junior college education services 提供大專教育服務
Chongqing Zhenzhi Real Estate Company Limited** 重慶臻智置業有限責任公司*	The PRC/Mainland China 中國/中國大陸	RMB8,000,000 人民幣8,000,000元	-	51%	Real estate development 房地產開發
Chongqing Jierui Minsheng Education Technology Company Limited** 重慶傑睿教育科技有限公司*	The PRC/Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing Fanyun Minsheng Education Technology Company Limited** 重慶凡韻教育科技有限公司*	The PRC/Mainland China 中國/中國大陸	RMB20,000,000 人民幣20,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Chongqing Jiehan Education Technology Company Limited** 重慶傑翰教育科技有限公司*	The PRC/Mainland China 中國/中國大陸	RMB20,000,000 人民幣20,000,000元	-	100%	Provision of education management and services 提供教育管理及服務
Shiji Kuangao (Beijing) Investment Management Co., Ltd** 世紀寬高(北京)投資管理有限公司*	The PRC/Mainland China 中國/中國大陸	RMB2,000,000 人民幣2,000,000元	-	100%	Provision of investment management and services 提供投資管理及服務
Laoling Minsheng Education High School Company Limited** 樂陵民生教育高級中學有限公司*	The PRC/Mainland China 中國/中國大陸	RMB30,000,000 人民幣30,000,000元	-	100%	Provision of high school education 提供高中學校教育
Leed (China) Education Technology Co., Limited ("Leed (China)")** ^a 勵德(中國)教育科技有限公司(「勵德中國」) ^a	The PRC/Mainland China 中國/中國大陸	US\$29,000,000 29,000,000美元	-	100%	Provision of education consulting and management services 提供教育諮詢及管理服務

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1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Yunnan Dianchi Education and Training Co., Limited ("Dianchi Co.")** 雲南滇池教育培訓有限公司(「滇池公司」)^	The PRC/Mainland China 中國/中國大陸	RMB120,000,000 人民幣120,000,000元	–	100%	Provision of education consulting and management services 提供教育諮詢及管理服務
Dianchi College of Yunnan University** 雲南大學滇池學院^	The PRC/Mainland China 中國/中國大陸	RMB290,183,700 人民幣290,183,700元	–	100%	Provision of formal undergraduate college education services 提供正規本科高校教育服務
Yunnan Dianchi Education Management Co., Limited** 雲南滇池教育管理有限公司^	The PRC/Mainland China 中國/中國大陸	RMB100,000,000 人民幣100,000,000元	–	100%	Provision of education consulting and management services 提供教育諮詢及管理服務
Yunnan Dianchi Vocational College Co., Limited** 雲南滇池職業學院有限公司^	The PRC/Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	–	100%	Provision of education consulting and management services 提供教育諮詢及管理服務
Yunnan Dianjiao Asset Management Co., Limited** 雲南滇教資產管理有限公司^	The PRC/Mainland China 中國/中國大陸	RMB1,000,000 人民幣1,000,000元	–	100%	Provision of asset management and project investment and management services 提供資產管理及項目投資及管理服務
TCL Educational Web Limited ("TCL Educational Web") TCL教育網有限公司(「TCL教育網」)	The British Virgin Islands 英屬處女群島	US\$5,521,977 5,521,977美元	–	100%	Investment holding 投資控股

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Shenzhen TCL Education Technology Co., Ltd.* ("Shenzhen TCL") 深圳TCL教育科技有限責任公司(「深圳TCL」)	The PRC/Mainland China 中國/中國大陸	HK\$31,000,000 31,000,000港幣	–	100%	Provision of educational software development and other related services 提供教育軟件開發及其他相關服務
Silk Road (Beijing) International Educational Technology Centre Co., Ltd 絲綢之路(北京)國際教育科技中心有限公司	The PRC/Mainland China 中國/中國大陸	RMB39,000,000 人民幣39,000,000元	–	80%	Provision of technology development services, educational consultation services, intermediary services for overseas studies 提供技術開發服務、教育諮詢服務、留學中介服務
Doxue Network Technology (Beijing) Co., Ltd** ("Doxue Network") 都學網絡科技(北京)有限公司*(「都學網絡」)	The PRC/Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	–	60%	Provision of technology development and education consultation services 提供技術開發及教育諮詢服務
Huixue Education Technology (Beijing) Co., Ltd** 慧學教育科技(北京)有限公司*	The PRC/Mainland China 中國/中國大陸	RMB5,000,000 人民幣5,000,000元	–	60%	Provision of organising cultural and artistic exchange activities and advertising services 提供組織文化及藝術交流活動以及廣告服務
Huixue International Cultural Exchange (Beijing) Co., Ltd.* 慧學國際文化交流(北京)有限公司*	The PRC/Mainland China 中國/中國大陸	RMB3,000,000 人民幣3,000,000元	–	60%	Provision of organising cultural and artistic exchange activities and advertising services 提供組織文化及藝術交流活動以及廣告服務

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司的詳情如下所示：
(續)

31 December 2020 2020年12月31日

1. CORPORATE AND GROUP INFORMATION (continued)**Information about subsidiaries (continued)**

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Douxue Huixing Education Technology (Beijing) Co., Ltd* 都學慧行教育科技(北京)有限公司#	The PRC/Mainland China 中國/中國大陸	RMB1,000,000 人民幣1,000,000元	-	60%	Provision of technology development and computer animation design services 提供技術開發及電腦動畫設計服務
Beijing Mingyuan International Culture Co., Ltd* 北京茗遠國際文化有限公司#	The PRC/Mainland China 中國/中國大陸	RMB6,000,000 人民幣6,000,000元	-	60%	Provision of services of organising cultural and artistic exchange activities 提供組織文化及藝術交流活動服務

* The English names of these companies represent the best effort made by the management of the Company to directly translate the Chinese names as they do not register any official English names.

These entities are owned through contractual arrangements.

^ The Group has accounted for the acquisition of 100% of the shares of these entities as if the remaining 49% of equity interests were acquired on the date of acquisition. Further details are set out in note 3 to the financial statements.

Except for Bozhi Education, Leed (China) and Shenzhen TCL, which were established as wholly-foreign-invested enterprises, all the above PRC companies were established as domestic-invested enterprises. Further details of the background are set out in significant accounting judgements and estimates.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. 公司及集團資料(續)**有關附屬公司之資料(續)**

本公司主要附屬公司的詳情如下所示：
(續)

* 該等公司的英文名稱為本公司管理層按竭力基準對其中文名稱的直譯，蓋因該等公司並無註冊任何正式英文名稱。

該等實體乃透過合約安排而持有。

^ 本集團將收購該等實體的100%股權入賬處理，猶如餘下49%股權於收購日期已予收購。進一步詳情載於財務報表附註3。

除了成立為外商獨資企業之博智教育、勵德中國及深圳TCL外，上述所有的中國公司均成立為境內投資企業。有關背景的進一步詳情載於重大會計判斷及估計。

上表所列乃董事認為主要影響本集團年度業績或構成資產淨值絕大部分的本公司附屬公司。董事認為詳列其他附屬公司的資料將會令篇幅過於冗長。

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an equity investment at fair value through other comprehensive income included in asset classified as held for sale, an equity investment at fair value through profit or loss, a loan to an associate included in other non-current assets and contingent consideration for business combination, which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”), and all values are rounded to the nearest thousand except otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

2.1 編製基準

該等財務報表乃根據國際會計準則理事會(「國際會計準則理事會」)頒佈之國際財務報告準則(「國際財務報告準則」)(包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)及香港公司條例之披露規定而編製。除計入分類為持作出售資產的按公平值計入其他全面收益的股權投資、按公平值計入損益的股權投資、計入其他非流動資產的給予聯營公司的貸款及業務合併的或然代價乃按公平值計量外,該等財務報表乃按歷史成本慣例法編製。該等財務報表均以人民幣(「人民幣」)呈列,除非另有說明,否則所有金額均四捨五入至最接近的千位整數。

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)於截至2020年12月31日止年度的財務報表。附屬公司即由本公司直接或間接控制的實體,包括結構性實體。若本集團可藉對被投資者的參與而獲得或有權獲得浮動回報,則說明本集團對該被投資方具有控制權,且有能力通過其對被投資方的權力(如向本集團給予當前能力指示被投資方有關活動的現有權利)而影響有關回報。

若本公司擁有被投資方一半以下投票權或類似權利(直接或間接地),則本集團在評估其是否對被投資方擁有權力時將考慮所有相關事實及情況,包括:

- (a) 與被投資方其他投票持有人的合約性安排;
- (b) 因其他合約安排而產生的權利;及
- (c) 本集團的投票權及潛在投票權。

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

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

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

2.1 編製基準(續)

綜合基準(續)

附屬公司的財務報表乃按照與本公司相同的報告期間，採用一致的會計政策予以編製。附屬公司的業績在本集團取得控制之日起綜合入賬，並將繼續綜合入賬，直至該控制不再存在之日為止。

即使導致非控股權益出現赤字結餘，損益及其他全面收益各組成部分歸屬於本集團母公司擁有人及非控股股東。所有集團內公司間的資產及負債、權益、收入、開支及集團內成員公司間交易產生的現金流量於綜合入賬時全面對銷。

倘事實及情況顯示上文所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資方。附屬公司的所有權權益變動(並無失去控制權)，按權益交易入賬。

倘本集團失去一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計換算差額；及確認(i)所收代價的公平值、(ii)所保留任何投資的公平值及(iii)損益賬中任何因此產生的盈餘或虧損。先前於其他全面收益內確認的本集團應佔部分重新分類至損益或留存溢利(如適用)，按照倘若本集團已直接出售相關資產或負債所須採用的相同基準分類。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised IFRSs for the first time for the current year's consolidated financial statements.

Amendments to IFRS 3 *Definition of a Business*

Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform*

Amendment to IFRS 16 *Covid-19-Related Rent Concessions* (early adopted)

Amendments to IAS 1 and IAS 8 *Definition of Material*

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the “**Conceptual Framework**”) sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The *Conceptual Framework* includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The *Conceptual Framework* is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The *Conceptual Framework* did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策變動及披露變動

本集團已就本年度的綜合財務報表首次採納2018年財務報告概念框架及下列經修訂國際財務報告準則。

國際財務報告準則 業務的定義
第3號(修訂本)

國際財務報告準則 利率基準改革
第9號、國際會計
準則第39號及國
際財務報告準則
第7號(修訂本)

國際財務報告準則 *Covid-19*相關租金
第16號(修訂本) 優惠(提前採納)

國際會計準則第1 重大的定義
號及國際會計準
則第8號(修訂本)

2018年財務報告概念框架及經修訂國際財務報告準則的性質及影響闡述如下：

- (a) 2018年財務報告概念框架(「**概念框架**」)載有用於財務報告及標準制定的一整套概念，並為財務報表編製者制定一致的會計政策提供指引，以及為所有人士理解及詮釋準則提供協助。概念框架包括有關計量及報告財務表現的新章節、終止確認資產及負債的新指引以及資產及負債的更新定義及確認標準。其亦闡述財務報告中監管、審慎及計量不確定性的作用。概念框架並非一項準則，且其中所載概念概無凌駕於任何準則中的概念或規定。概念框架並無對本集團的財務狀況及表現造成任何重大影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

2.2 會計政策變動及披露變動(續)

(b) 國際財務報告準則第3號修訂本澄清及提供有關業務定義的額外指引。該等修訂闡明，一組綜合活動及資產須至少包括一項輸入參數與一個重要過程共同對創造收益的能力作出重大貢獻，方能被視為一項業務。在並未包含所有創造收益的輸入參數及過程的情況下，業務亦可存在。該等修訂取消對市場參與者是否具備能力收購業務並持續產生收益進行的評估，相反，重點放在已取得輸入參數及已取得重要過程能否共同對創造收益的能力作出重大貢獻。該等修訂亦縮窄收益的定義，以聚焦於向客戶提供的貨品或服務、投資收入或來自日常活動的其他收入。此外，該等修訂提供有關評估已取得過程是否屬重大的指引，並引入選擇性公平值集中度測試，允許對一組已收購活動及資產是否屬一項業務進行簡單評估。本集團已按前瞻基準將該等修訂應用於2020年1月1日或之後發生的交易或其他事件。該等修訂並無對本集團的財務狀況及表現造成任何影響。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
- (d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendment did not have any significant impact on the financial position and performance of the Group.
- (e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

2.2 會計政策變動及披露變動(續)

- (c) 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號的修訂本旨在解決在以替代無風險利率(「無風險利率」)替換現有利率基準前影響期間財務申報的事項。該等修訂提供可在引入替代無風險利率前的不確定期限內繼續進行對沖會計處理的暫時性補救措施。此外，該等修訂規定公司須向投資者提供有關直接受該等不確定因素影響之對沖關係的額外資料。由於本集團並無任何利率對沖關係，故該等修訂並無對本集團的財務狀況及表現造成任何影響。
- (d) 國際財務報告準則第16號修訂本為承租人提供可行權宜方法，以選擇不就covid-19疫情直接引致的租金優惠應用租賃修訂會計處理。可行權宜方法僅適用於疫情直接引致的租金優惠，並且必須滿足以下所有條件：(i)租賃付款的變更導致租賃的修訂代價與緊接變更前的租賃代價實質上相同或小於該代價；(ii)租賃付款的任何減少僅影響原定於2021年6月30日或之前到期的付款及(iii)租賃的其他條款及條件並無實質性變化。該修訂於2020年6月1日或之後開始的年度期間有效，可提前應用並將追溯應用。該修訂並無對本集團的財務狀況及表現造成任何重大影響。
- (e) 國際會計準則第1號及國際會計準則第8號修訂本對重大提供新定義。新定義指出，倘遺漏、錯誤陳述或掩蓋資料可合理地預期會對一般用途財務報表的主要使用者根據該等財務報表作出的決策造成影響，則有關資料屬重大。該等修訂闡明，重大與否將取決於資料性質或程度或兩者皆有。該等修訂並無對本集團財務狀況及表現造成任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

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

Amendments to IFRS 3	<i>Reference to the Conceptual Framework²</i>
Amendments to IFRS 9, IAS 39, IFRS 7, <i>Interest Rate Benchmark Reform – Phase 2¹</i> IFRS 4 and IFRS 16	
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
IFRS 17	<i>Insurance Contracts³</i>
Amendments to IFRS 17	<i>Insurance Contracts^{3, 5}</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current⁶</i>
Amendments to IAS 1	<i>Disclosure of Accounting Policies³</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates³</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use²</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract²</i>
<i>Annual Improvements to IFRS Standards 2018-2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 ²

2.3 已頒佈惟未有生效之國際財務報告準則

本集團於該等財務報表中並未採用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號 (修訂本)	對概念框架的提述 ²
國際財務報告準則第9號、 國際會計準則第39號、 國際財務報告準則第7號、 國際財務報告準則第4號及 國際財務報告準則第16號 (修訂本)	利率基準改革—第2階段 ¹
國際財務報告準則第10號及 國際會計準則第28號 (修訂本)	投資者與其聯營公司或 合營企業之間的資產 出售或出資 ⁴
國際財務報告準則第17號	保險合約 ³
國際財務報告準則第17號 (修訂本)	保險合約 ^{3, 5}
國際會計準則第1號(修訂本)	分類為流動或非流動 負債 ⁶
國際會計準則第1號(修訂本)	會計政策披露 ³
國際會計準則第8號(修訂本)	會計估計的定義 ³
國際會計準則第16號(修訂本)	物業、廠房及設備： 作擬定用途前的 所得款項 ²
國際會計準則第37號(修訂本)	虧損性合約—履行合約 成本 ²
國際財務報告準則2018年至 2020年年度改進	國際財務報告準則第1 號、國際財務報告準 則第9號、國際財務報 告準則第16號相應闡 釋範例及國際會計準 則第41號(修訂本) ²

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

- 1 Effective for annual periods beginning on or after 1 January 2021
- 2 Effective for annual periods beginning on or after 1 January 2022
- 3 Effective for annual periods beginning on or after 1 January 2023
- 4 No mandatory effective date yet determined but available for adoption
- 5 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

- 1 於2021年1月1日或之後開始的年度期間生效
- 2 於2022年1月1日或之後開始的年度期間生效
- 3 於2023年1月1日或之後開始的年度期間生效
- 4 尚未確定強制生效日期但可供採納
- 5 由於國際財務報告準則第17號(修訂本)於2020年6月頒佈，國際財務報告準則第4號作出修訂以擴大暫時豁免，允許保險公司於2023年1月1日之前開始的年度期間應用國際會計準則第39號而非國際財務報告準則第9號

預期本集團適用的該等國際財務報告準則的進一步資料如下：

國際財務報告準則第3號(修訂本)旨在以2018年3月發佈的財務報告概念框架的提述取代先前編製及呈列財務報表的框架提述，而無需重大改變其要求。該等修訂本亦為國際財務報告準則第3號增加確認原則的例外，實體可參考概念框架釐定資產或負債的構成要素。該例外情況規定，對於單獨產生而非於業務合併中承擔且屬於國際會計準則第37號或國際財務報告詮釋委員會第21號詮釋的負債及或然負債，採用國際財務報告準則第3號的實體應分別提述國際會計準則第37號或國際財務報告詮釋委員會第21號詮釋，而非概念框架。此外，該等修訂本澄清或然資產於收購日期不符合確認資格。本集團預期自2022年1月1日起前瞻採用有關修訂。由於該等修訂本前瞻性地適用於收購日期為首次採納日期或之後的業務合併，本集團於過渡日期將不會受到該等修訂本的影響。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

當現有利率基準以其他無風險利率替代時，國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)解決先前影響財務呈報的修訂中未涉及的問題。第2階段修訂本提供實際權宜方法，於入賬釐定金融資產及負債合約現金流的基準變動時，倘變動因利率基準改革直接引致，且釐定合約現金流的新基準在經濟上相當於緊接變動前的先前基準，允許在不調整賬面值的情況下更新實際利率。此外，該等修訂本允許利率基準改革要求就指定對沖項目及對沖文件作出的變動，而不中斷對沖關係。過渡期間可能產生的任何損益均透過國際財務報告準則第9號的正常要求進行處理，以衡量及確認對沖無效性。當無風險利率被指定為風險組成部分時，該等修訂本亦暫時寬免實體須符合可單獨識別的規定。寬免允許實體於指定對沖時假設符合可單獨識別的規定，前提是實體合理預期無風險利率風險成分於未來24個月內將可單獨識別。此外，該等修訂本亦要求實體披露其他資料，以使財務報表的使用者能夠了解利率基準改革對實體金融工具及風險管理策略的影響。該等修訂本自2021年1月1日或之後開始的年度期間生效，並應追溯應用，惟實體毋須重列比較資料。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate (“LIBOR”) as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the “economically equivalent” criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

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

2.3 已頒佈惟未有生效之國際財務報告準則(續)

本集團於2020年12月31日持有根據香港銀行同業拆息及倫敦銀行同業拆息(「倫敦銀行同業拆息」)以港元及外幣計值的若干計息銀行借貸。倘該等借貸的利率於未來期間由無風險利率代替，本集團將於滿足「經濟上相當」標準修改有關借貸時採用此實際權宜方法，並預計不會因採用該等變動修訂而產生重大修改損益。

國際財務報告準則第10號及國際會計準則第28號的修訂本涉及國際財務報告準則第10號與國際會計準則第28號之間對於處理投資者與其聯營公司或合營企業間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。倘交易涉及不構成一項業務的資產，則由該交易產生的收益或虧損於投資者的損益中確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂將按前瞻基準應用。國際財務報告準則第10號及國際會計準則第28號修訂本的原強制生效日期於2015年12月已由國際會計準則理事會剔除，而新的強制生效日期將於完成對聯營公司及合營企業的更廣泛會計審閱後釐定。然而，該等修訂現時可供採納。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

國際會計準則第1號(修訂本)澄清劃分負債為流動或非流動的規定。該等修訂本載明，倘實體推遲清償負債的權利受限於該實體須符合特定條件，則倘該實體於當日符合有關條件，其有權於報告期末推遲清償負債。負債的分類不受實體行使其權利延遲清償負債的可能性的影響。該等修訂本亦澄清被認為清償負債的情況。該等修訂本自2023年1月1日或之後開始的年度期間生效，並將追溯應用。允許提早採納。預期該等修訂本不會對本集團的財務報表產生任何重大影響。

國際會計準則第16號(修訂本)禁止實體從物業、廠房及設備項目成本中扣除資產達到管理層預定的可使用狀態(包括位置與條件)過程中產生的任何出售所得。相反，實體須將出售任何有關項目的所得款項及成本計入損益。該等修訂本自2022年1月1日或之後開始的年度期間生效，並僅對實體首次應用有關修訂本的財務報表呈列的最早期間開始時或之後可供使用的物業、廠房及設備項目追溯應用。允許提早採納。預期該等修訂本不會對本集團的財務報表產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

國際會計準則第37號(修訂本)澄清，就根據國際會計準則第37號評估合約是否屬虧損性而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本(例如直接勞工及材料)及與履行合約直接相關的其他成本分配(例如分配履行合約所用物業、廠房及設備項目的折舊開支以及合約管理與監督成本)。一般及行政費用與合約並無直接關係，除非合約明確向對手方收費，否則將其排除在外。該等修訂本自2022年1月1日或之後開始的年度期間生效，並適用於實體首次應用有關修訂本的年度報告期間開始時實體尚未履行其全部責任的合約。允許提早採納。初步應用修訂的任何累積影響應於初始應用日期確認為期初權益的調整，且毋須重列比較資料。預期該等修訂本不會對本集團的財務報表產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

Annual Improvements to IFRS Standards 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

*國際財務報告準則2018年至2020年年度改進*載列國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號相應闡釋範例及國際會計準則第41號(修訂本)。預計適用於本集團的該等修訂本詳情如下：

- 國際財務報告準則第9號*金融工具*：澄清於實體評估是否新訂或經修改金融負債的條款與原金融負債的條款存在實質差異時所包含的費用。該等費用僅包括借款人與貸款人之間已支付或收取的費用，包括借款人或貸款人代表其他方支付或收取的費用。實體將有關修訂本應用於實體首次應用有關修訂本的年度報告期開始或之後修改或交換的金融負債。該修訂本自2022年1月1日或之後開始的年度期間生效。允許提早採納。預期該修訂本不會對本集團的財務報表產生任何重大影響。
- 國際財務報告準則第16號*租賃*：刪除國際財務報告準則第16號相應闡釋範例13中有關租賃物業裝修的出租人付款說明。此舉消除於採用國際財務報告準則第16號有關租賃激勵措施處理方面的潛在困惑。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

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

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

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

2.4 主要會計政策概要

於聯營公司及合營企業的投資

聯營公司指本集團一般持有不少於20%投票權的長期權益而對其有重大影響力的實體。重大影響力為可參與被投資方的財政及營運政策決定，但不可控制或共同控制該等政策。

合營企業指共同控制安排的各方對合營企業的資產淨值擁有權利的一種合營安排。共同控制權指合約協定共享的安排控制權，僅在相關活動決策須經共享控制權的各方一致同意的情况下存在。

本集團於聯營公司及合營企業的投資，是採用權益會計法按本集團所佔資產淨值減任何減值損失於綜合財務狀況表列賬。

本集團所佔聯營公司及合營企業的收購後業績及其他全面收益分別計入綜合損益及其他全面收益。此外，若於聯營公司或合營企業的權益有任何直接確認的變動，本集團會於綜合權益變動表內確認任何應佔變動(如適用)。本集團與聯營公司或合營企業之間交易所產生的未變現收益及虧損，均以本集團於聯營公司或合營企業的投資為限予以抵銷，除非未變現虧損是基於所轉讓資產的減值。因收購聯營公司或合營企業而產生的商譽作為本集團於聯營公司或合營企業投資的一部分入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

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

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

2.4 主要會計政策概要(續)

於聯營公司及合營企業的投資(續)

倘於聯營公司的投資成為於合營企業的投資(反之亦然)，則保留權益不會重新計量，而該投資會繼續以權益法入賬。在所有其他情況下，失去聯營公司的重大影響或對合營企業的共同控制後，本集團會按其公平值計量及確認任何保留投資。失去重大影響或共同控制後，聯營公司或合營企業賬面值與保留投資公平值及出售所得款項之間的差異於損益確認。

業務合併及商譽

業務合併以購買法入賬。轉讓的代價乃以收購日期的公平值計量，該公平值為本集團所轉讓資產、本集團自被收購方的前擁有人承擔的負債及本集團發行以換取被收購方控制權的股權於收購日期的公平值的總和。於各項業務合併中，本集團選擇按公平值或分佔被收購方可識別淨資產的比例計量非控股權益中屬於現有所有權權益並賦予其持有人權利在清盤時按比例分佔淨資產的被收購方的部分。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時支銷。

本集團於所收購一系列活動及資產包括共同對創造產出的能力有重大貢獻的一項投入及一個實質過程時確定其已收購一項業務。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟狀況及相關條件，評估所承擔的金融資產及負債，以作出適當分類及標示，包括區分被收購方所訂立的主合約中的嵌入式衍生工具。

倘業務合併分階段進行，先前持有的股權按其於收購日期的公平值重新計量，而任何因此產生的盈虧於損益確認。

由收購方將予轉讓的任何或然代價按於收購日期的公平值確認。分類為資產或負債的或然代價按公平值計量，而公平值變動乃於損益確認。分類為權益的或然代價將不會重新計量，而其後結算會於權益入賬。

商譽首先按成本計量，即已轉讓代價、已確認的非控股權益金額及本集團先前所持有被收購方股權的任何公平值的總和，超逾所收購可識別淨資產及所承擔負債的差額。倘此代價及其他項目的總和低於所收購淨資產的公平值，則其差額將於重新評估後於損益內確認為議價收購收益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

首次確認後，商譽按成本減任何累計減值虧損計量。商譽每年會作減值測試，倘有事件或情況變化顯示賬面值可能減值，則會更頻密地進行測試。本集團於12月31日對商譽進行年度減值測試。為進行減值測試，本集團將於業務合併中收購的商譽由收購日期起分配至預期可從合併產生的協同效益中獲益的各現金產生單位或現金產生單位組別，而不論本集團其他資產或負債有否分配至該等單位或單位組別。

減值乃通過評估商譽所屬的現金產生單位(現金產生單位組別)的可收回金額而釐定。倘現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。就商譽所確認的減值虧損不會於其後期間撥回。

倘商譽分配至現金產生單位(或現金產生單位組別)，而該單位當中部分業務被出售，則於釐定出售損益時，與所出售業務有關的商譽會計入該業務的賬面值。於該等情況售出的商譽乃按售出業務的相對價值及現金產生單位的保留部分計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

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

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

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

2.4 主要會計政策概要(續)

公平值計量

本集團於各報告期末以公平值計量其股權投資、計入其他非流動資產的給予聯營公司的貸款及業務合併的或然代價。公平值乃市場參與者於計量日期進行的有序交易中出售資產所收取或轉讓負債所支付的價格。公平值乃假設出售資產或轉讓負債的交易於該資產或負債的主要市場(或倘無主要市場,則為對該資產或負債最有利的市場)進行而計量。本集團必須可於該主要市場或最有利市場進行交易。資產或負債的公平值乃採用市場參與者為資產或負債定價時所用的假設計量,並假設市場參與者按本身最佳經濟利益行事。

非金融資產的公平值計量,會衡量市場參與者最大程度及最佳使用該資產得到經濟利益的能力,或將該資產售予另一可最大程度及最佳使用該資產的市場參與者而獲得經濟利益的能力。

本集團採用在有關情況下屬適當的估值技術,且有充足數據可計量公平值、盡量使用相關可觀察資料同時盡量避免使用不可觀察資料。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

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

2.4 主要會計政策概要(續)

公平值計量(續)

所有於財務報表中計量或披露公平值的資產及負債，按對公平值計量整體重要的最低水平參數分類為下述的公平值層級：

- 第一級 – 按相同資產或負債於活躍市場的報價（未經調整）
- 第二級 – 基於一種估值方法而其最低水平參數對公平值計量有重要性且可以直接或間接觀察者
- 第三級 – 基於一種估值方法而其最低水平參數對公平值計量有重要性且不可以觀察者

在財務報表重複確認的資產及負債，本集團於各報告期末重新衡量分類，以釐定公平值等級(以對公平值計量整體重要的最低水平參數作準)有否轉變。

非金融資產減值

當資產(存貨、金融資產及分類為持作出售的非流動資產除外)存在減值跡象或須對資產進行年度減值測試時，會估計資產的可收回金額。資產的可收回金額是指資產或現金產生單位的使用價值與其公平值減出售成本兩者之中的較高者，並會就個別資產釐定，除非該資產並非很大程度上獨立於其他資產或資產組別而產生現金流入，則可收回金額按資產所屬現金產生單位釐定。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

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

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

2.4 主要會計政策概要(續)

非金融資產減值(續)

僅當資產的賬面值超過其可收回金額時方會確認減值虧損。評估使用價值時，以反映當前市場評定的貨幣時間價值與資產特有風險的稅前貼現率將估計未來現金流量貼現為現值。減值虧損於產生期間自損益中扣除，列入與該已減值資產的功能一致的同類開支。

在各報告期間結束時均會評估是否有跡象顯示之前確認的減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就該資產確認的減值虧損(商譽除外)方可撥回，但撥回後的數額不得高於假設以往年度並無就資產確認減值虧損而原應釐定的賬面值(已扣除任何折舊／攤銷)。該減值虧損的撥回於產生期間計入損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);

2.4 主要會計政策概要(續)

關連方

倘任何一方符合以下條件，則被視為與本集團有關連：

- (a) 倘該方屬以下一方或以下一方的家庭近親成員，且
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 倘該方為符合下列任何條件的實體：
 - (i) 該實體與本集團為同一集團的成員；
 - (ii) 一個實體為另一個實體（或為另一個實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體與本集團均為同一第三方的合營企業；
 - (iv) 一個實體為第三方實體的合營企業，而另一個實體為該第三方實體的聯營公司；
 - (v) 該實體是以本集團或本集團關聯實體的僱員為受益人的離職後福利計劃；
 - (vi) 該實體受(a)項所指人士控制或共同控制；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

2.4 主要會計政策概要(續)

關連方(續)

(b) (續)

(vii) (a)(i)項所指人士對該實體有重大影響力或為該實體(或該實體母公司)的主要管理層成員;及

(viii) 該實體或該實體所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

物業、廠房及設備與折舊

物業、廠房及設備(在建項目除外)按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及使該資產達致其擬定用途的運作狀況及地點而所佔的任何直接成本。

物業、廠房及設備項目投產後產生的維修及保養等開支,一般於產生期間於損益中扣除。於符合確認準則的情況下,大型檢測開支乃資本化作為替代資產的賬面值。倘物業、廠房及設備之重要部分須定期更換,則本集團確認該等部分為具特定使用年期之個別資產並相應計提折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

Buildings	1.9% to 10%
Motor vehicles	9.5% to 23.8%
Furniture and equipment	9.5% to 31.7%
Computer equipment	11.9% to 31.7%

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

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

Construction in progress mainly represents buildings under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

折舊以直線法計算，按每項物業、廠房及設備項目之估計使用年期撇銷其成本至其剩餘價值。就此採用的主要年率如下：

樓宇	1.9%至10%
汽車	9.5%至23.8%
傢私及設備	9.5%至31.7%
電腦設備	11.9%至31.7%

倘其中一項物業、廠房及設備項目的不同部分的使用年期不同，則該項目的成本按合理基準分配至各部分，而各部分會單獨計提折舊。剩餘價值、使用年期及折舊方法至少於各財政年度結算日進行檢討，如認為適當即調整。

初步確認的物業、廠房及設備項目(包括任何重要部分)於出售或預期使用或出售不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益確認的任何出售或報廢盈虧，乃有關資產出售所得款項淨額與賬面值的差額。

在建工程主要包括在動工的樓宇，按成本值減任何減值虧損列賬且不予折舊。成本值包括建築的直接成本。在建工程在完成及可使用時重新歸類至適當類別的物業、廠房及設備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell.

Intangible assets (other than goodwill)

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

2.4 主要會計政策概要(續)

持作出售的非流動資產

倘非流動資產的賬面值主要通過銷售交易而非通過持續使用收回，則該項非流動資產分類為持作出售，惟該資產必須可於現況下即時出售，而有關條款僅為出售該等資產的一般及慣常條款，且售出機會相當高。

分類為持作出售的非流動資產(投資物業及金融資產除外)，按資產賬面值及公平值減銷售成本兩者的較低者計量。

無形資產(商譽除外)

個別收購的無形資產於初步確認時按成本計量。業務合併之中收購無形資產的成本乃該資產於收購日期的公平值。無形資產的可使用年期評估為有限或無限。可使用年期有限的無形資產隨後於可使用經濟年限內攤銷，並在有跡象顯示無形資產可能出現減值時評估減值。可使用年期有限的無形資產的攤銷期及攤銷方法至少於各財政年度結算日進行檢討。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 to 10 years.

Brand name

Brand name is depreciated over the estimated useful life of 10 years based on the directors' best estimation.

Customer relationship

Customer relationship is depreciated over the estimated useful life of 3 years based on the directors' best estimation.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases for low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

電腦軟件

已購買的電腦軟件按成本減任何減值虧損列賬，並以直線法在5至10年的估計可使用年期內攤銷。

品牌名稱

品牌名稱根據董事的最佳估計於10年的估計使用年期內折舊。

客戶關係

客戶關係根據董事的最佳估計於3年的估計使用年期內折舊。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃(短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 to 70 years
Buildings	2 to 6 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the assets.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(a) 使用權資產

使用權資產乃於租賃開始日期(即相關資產可供使用當日)予以確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債的任何重新計量作出調整。使用權資產成本包括已確認租賃負債金額、已產生的初始直接成本，及於開始日期或之前所作出租賃付款減已收取的任何租賃優惠。使用權資產按資產的租期及估計可使用年期(以較短者為準)以直線基準折舊如下：

租賃土地	50至70年
樓宇	2至6年

倘租賃資產的擁有權於租期屆滿前轉讓予本集團或有關成本反映購買選擇權獲行使，則以資產的估計可使用年期計算折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in measurement of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按租期內將予支付租賃付款的現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於指數或利率的可變租賃付款,以及剩餘價值擔保項下預期支付款項。租賃付款亦包括合理確定本集團將予行使的購買選擇權的行使價及終止租賃的罰款付款(倘租賃條款反映本集團行使該項選擇權終止租約)。並非取決於指數或利率的可變租賃付款,於發生引致有關付款的事件或情況的期間確認為開支。

於計算租賃付款現值時,由於租賃中的內含利率不易確定,本集團採用其於租賃開始日期的增量借款利率。於開始日期後,租賃負債金額將予調增以反映利息累積並就已付租賃付款作出調減。此外,如有修改、租賃年期變動、租賃付款變動(例如日後租賃付款因指數或利率變動而出現變動)或購買相關資產的選擇權計量有所變動,則會重新計量租賃負債的賬面值。

本集團的租賃負債計入計息銀行及其他借款。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Sale and leaseback transaction – the Group as seller-lessee

The Group applies the requirements in IFRS 15 to determine whether the transfer of an asset under a sale and leaseback arrangement is accounted for as a sale of that asset. If the transfer of an asset by the Group under a sale and leaseback arrangement does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds which is presented as interest-bearing bank and other borrowings and interest accruals in the consolidated statement of financial position.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於機器及設備的短期租賃(即租期自租賃開始日期起計為12個月或以下,並且不包含購買選擇權的租賃),亦將低價值資產租賃的確認豁免應用於被認為低價值的辦公室設備及手提電腦租賃。短期租賃及低價值資產租賃的租賃付款在租期內按直線法確認為開支。

售後回租交易 – 本集團作為賣方承租人

本集團採用國際財務報告準則第15號的規定確定售後回租安排項下的資產轉讓是否入賬列為出售該資產。倘本集團根據售後回租安排轉讓資產並不符合國際財務報告準則第15號的入賬列為資產出售的規定,本集團將繼續確認轉讓資產及確認金額等於轉讓所得款項的金融負債,其將於綜合財務狀況表中呈列為計息銀行及其他借款以及應計利息。

本集團作為出租人

若本集團為出租人,則於租賃開始時(或租賃有修改時)將其各項租賃分類為經營租賃或融資租賃。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessor (continued)

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.4 主要會計政策概要(續)

租賃(續)

本集團作為出租人(續)

本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃均歸類為經營租賃。倘合約包含租賃及非租賃部分，本集團根據相對單獨售價將合約代價分配至各部分。租金收入因其經營性質而於租期內以直線法列賬並計入損益表之收益中。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值，並於租期內按相同基準確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時歸類為其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特性及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用不調整重大融資成分影響的可行權宜方法的貿易應收款項外，本集團初步按公平值加上(倘金融資產並非按公平值計入損益處理)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項按下文所載有關「收益確認」的政策根據國際財務報告準則第15號釐定的交易價格計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初始確認及計量(續)

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息（「純粹為支付本金及利息」）的現金流量。現金流量並非純粹為支付本金及利息的金融資產，不論其業務模式如何，均以按公平值計入損益分類及計量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量的金融資產乃於旨在持有金融資產以收取合約現金流量的業務模式中持有，而按公平值計入其他全面收益分類及計量的金融資產乃於旨在持有金融資產以收取合約現金流量及出售金融資產的業務模式中持有。並非於上述業務模式中持有的金融資產按公平值計入損益分類及計量。

金融資產的所有常規買賣於交易日（即本集團承諾購買或出售該資產之日）確認。常規買賣指需要在一般由法規或市場慣例確定的期間交付資產的金融資產買賣。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

後續計量

金融資產的後續計量視乎其分類而定，載列如下：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益中確認。

指定按公平值計入其他全面收益的金融資產(股權投資)

於初始確認時，本集團可選擇於股權投資符合國際會計準則第32號金融工具：呈報項下的股本定義且並非持作買賣時，將其股權投資不可撤回地分類為指定按公平值計入其他全面收益的股權投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會重新計入損益。當支付權已確立、與股息有關的經濟利益可能流入本集團及能可靠計量股息金額時，股息於損益確認為其他收入，惟當本集團於作為收回金融資產部分成本的所得款項中獲益時則除外，在此情況下，該等收益於其他全面收益入賬。指定按公平值計入其他全面收益的股權投資無需進行減值評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss and other comprehensive income.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

按公平值計入損益的金融資產

按公平值計入損益的金融資產於財務狀況表中按公平值列賬，而公平值變動淨額則於損益及其他全面收益表中確認。

此類別包括本集團未有不可撤回地選擇按公平值計入其他全面收益進行分類的衍生工具及股權投資。當支付權已確立、與股息有關的經濟利益可能流入本集團及能可靠計量股息金額時，作為按公平值計入損益的金融資產分類的股權投資的股息亦於損益確認為其他收入。

當嵌入混合合約(包含金融負債或非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險；具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義；且混合合約並非按公平值計入損益計量，則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量，且公平值變動於損益確認。僅當合約條款出現變更致使必須大幅修改現金流量，或重新分類金融資產而使其不再是按公平值計入損益處理的金融資產時，方會進行重新評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

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

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

按公平值計入損益的金融資產(續)

嵌入混合合約(包含金融資產主體)的衍生工具不予單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公平值計入損益的金融資產。

終止確認金融資產

金融資產(或(如適用)一項金融資產或一組同類金融資產的一部分)主要在出現下列情形時終止確認(即自本集團綜合財務狀況表移除):

- 從資產收取現金流量的權利已屆滿;或
- 本集團已根據「轉手」安排出讓從資產收取現金流量的權利,或已承擔向第三方無重大拖延全額支付所收現金流量的責任;且(a)本集團已出讓資產的絕大部分風險及回報,或(b)本集團雖未出讓或保留資產的絕大部分風險及回報但已出讓資產的控制權。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

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

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要(續)

終止確認金融資產(續)

當本集團已出讓從資產收取現金流量的權利或訂立轉手安排，會評估有否保留資產所有權的風險及回報以及相關保留程度。倘本集團並無出讓或保留資產的絕大部分風險及回報，亦無出讓資產控制權，本集團將以本集團持續參與程度為限繼續確認已出讓資產。在該情況下，本集團亦確認相關負債。已出讓資產及相關負債根據反映本集團所保留權利及責任的基準計量。

通過對已轉讓資產作出擔保的形式持續參與，按該項資產的原賬面值與本集團或須償還的最高代價金額的較低者計量。

金融資產減值

本集團就並非以公平值計入損益持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原實際利率的近似值貼現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset to be in default (other than trade receivables) when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

2.4 主要會計政策概要(續)

金融資產減值(續)

一般法

預期信貸虧損分兩個階段確認。就首次確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月可能發生的違約事件所產生的信貸虧損計提預期信貸虧損撥備(12個月預期信貸虧損)。就首次確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提虧損撥備，而不論違約的時間(全期預期信貸虧損)。

本集團於各報告日期評估金融工具的信貸風險自初始確認後是否已大幅增加。在進行有關評估時，本集團會將金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險進行比較，並會考慮毋須過度耗費成本或努力而取得的合理及具支持性的資料，包括過往及前瞻性資料。

倘內部或外部資料顯示，本集團可能無法悉數收取未償還合約款項(不考慮本集團持有的任何信貸提升措施)，則本集團認為金融資產出現違約(貿易應收款項除外)。倘無法合理預期會收回合約現金流量，金融資產將被撇銷。

按攤銷成本計量的金融資產須根據一般法作出減值，其按以下階段分類以計量預期信貸虧損，惟應用簡化方法的貿易應收款項則除外，詳情如下。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 主要會計政策概要(續)

金融資產減值(續)

一般法(續)

- 階段1 – 自初始確認起信貸風險未有大幅增加的金融工具，且其虧損撥備按等於12個月預期信貸虧損的金額計量
- 階段2 – 自初始確認起信貸風險大幅增加的金融工具，但並非信貸減值金融資產，且其虧損撥備按等於全期預期信貸虧損的金額計量
- 階段3 – 於報告日期已信貸減值的金融資產（但並非購入或源生的信貸減值金融資產），且其虧損撥備按等於全期預期信貸虧損的金額計量

簡化法

對於並無重大融資成分或本集團應用可行權宜方法不調整重大融資成分影響的貿易應收款項，本集團於計算預期信貸虧損時採用簡化法。根據簡化法，本集團並無追蹤信貸風險的變動，而是於各報告日期按全期預期信貸虧損確認虧損撥備。本集團已根據其以往信貸虧損經驗建立撥備矩陣，並就債務人特定的前瞻性因素及經濟環境作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach (continued)

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liability at fair value through profit or loss, loans and borrowings and payables.

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

The Group's financial liabilities include financial liability at fair value through profit or loss, other payables and accruals, interest-bearing bank and other borrowings, loans from the ultimate holding company, payables for compensation fees and put option liability.

Subsequent measurement

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

2.4 主要會計政策概要(續)

金融資產減值(續)

簡化法(續)

對於包含重大融資成分的貿易應收款項及租賃應收款項，本集團選擇上文所述政策作為其會計政策，於計算預期信貸虧損時採納簡化方法。

金融負債

初始確認及計量

金融負債於初始確認時歸類為按公平值計入損益的金融負債、貸款及借款以及應付款項。

所有金融負債初始按公平值確認，而貸款及借款以及應付款項則須扣除直接應佔交易成本。

本集團的金融負債包括按公平值計入損益的金融負債、其他應付款項、應計費用、計息銀行及其他借款、來自最終控股公司的貸款、應付補償費用以及認沽期權負債。

後續計量

不同類別的金融負債後續計量如下：

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised costs (loans and borrowings)

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

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

2.4 主要會計政策概要(續)

金融負債(續)

按公平值計入損益的金融負債

按公平值計入損益的金融負債包括持作交易的金融負債以及於初始確認時指定為按公平值計入損益的金融負債。

於初始確認時指定為按公平值計入損益之金融負債於初始確認日期指定，且僅在符合國際財務報告準則第9號標準的情況下指定。指定按公平值計入損益的負債收益或虧損於損益內確認，除本集團自身信貸風險所產生的收益或虧損在其他全面收益中呈列外，該等收益或虧損將不會其後重新分類至損益。於損益表確認的公平值收益或虧損淨額並不包括就該等金融負債收取的任何利息。

按攤銷成本計量的金融負債(貸款及借款)

初始確認後，貸款及借款其後以實際利率法按攤銷成本計量，如貼現影響並不重大，則按成本列賬。收益及虧損於終止確認負債時於損益確認，亦採用實際利率通過攤銷確認。

計算攤銷成本時已計及任何收購折讓或溢價，和實際利率所包含的費用或成本。實際利率攤銷則計入損益的融資成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Put option liability

After initial recognition, put option liability is subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

2.4 主要會計政策概要(續)

金融負債(續)

認沽期權負債

於初始確認後，認沽期權負債隨後使用實際利率法按攤銷成本計量。攤銷成本經計及收購時的任何折讓或溢價以及屬實際利率組成部份的費用或成本後計算。實際利率攤銷已包含於損益中的融資成本內。

終止確認金融負債

金融負債於負債的責任解除、取消或屆滿時終止確認。

倘現有金融負債被另一項由同一放貸人提供而絕大部分條款不同的負債所取代，或現有負債的條款經大幅修改，則有關取代或修改視為終止確認原有負債及確認新負債，而相關賬面值的差額會於損益確認。

存貨

存貨按成本及可變現淨值中的較低者入賬。成本按先入先出基準釐定。可變現淨值根據估計售價減直至出售時產生的任何估計成本計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

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

Income tax

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

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the year, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，及可隨時轉換成已知金額現金、價值變動風險不大且獲得時一般具有不超過三個月短暫到期日的短期高流通投資，再扣除須於要求時償還且屬於本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行現金(包括定期存款)。

所得稅

所得稅包括即期及遞延稅項。與損益以外確認項目有關的所得稅於損益以外確認，即於其他全面收益或直接於權益確認。

即期稅項資產和負債以預期從稅務機關收回或向其支付的金額計量，採用的稅率(及稅法)為年末前已頒佈或實際頒佈者，並已計及本集團經營所在國家現行的詮釋及慣例。

遞延稅項採用負債法，就各報告期間結束時資產及負債的計稅基準與其財務報告的賬面值之間的所有暫時性差異計提撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

所有應課稅暫時性差異均確認遞延稅項負債，惟以下情況除外：

- 倘遞延稅項負債產生自交易中對某一資產或負債的初次確認，且此交易並非業務合併，而交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對於投資附屬公司及聯營公司及合營企業相關的應課稅暫時性差異，倘暫時性差異的逆轉時間能控制且可能不會在可見將來逆轉。

所有可扣減暫時性差異、結轉的未動用稅項抵免及任何未動用稅項虧損均確認為遞延稅項資產。若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差異、結轉的未動用稅項抵免及未動用稅項虧損，則會確認遞延稅項資產，惟以下情況除外：

- 倘有關可扣減暫時性差異的遞延稅項資產來自交易中對某一資產或負債的初步確認，且此交易並非業務合併，而交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司及聯營公司及合營企業的投資的相關可扣減暫時性差異而言，僅在暫時性差異有可能在可見將來撥回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要(續)

所得稅(續)

於各報告期結束時審閱遞延稅項資產的賬面值，如不再可能有足夠的應課稅溢利以運用全部或部分遞延稅項資產，則扣除相應的數額。於各報告期結束時重新評估未確認的遞延稅項資產，倘可能有足夠的應課稅溢利以收回全部或部分遞延稅項資產，則確認相應的數額。

遞延稅項資產及負債以預期將資產變現或償還負債期間適用的稅率計量，並以於各報告期結束前已頒佈或實際頒佈的稅率(及稅法)為基準。

若現有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項與同一應課稅實體及同一稅務機關相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補貼

倘可合理保證將獲得補貼及將符合所有附帶條件，則按公平值確認政府補貼。倘該補貼與一項開支項目有關，則於擬用作補償之成本支銷期間有系統地確認為收入。

若補貼與資產有關，其公平值計入遞延收入賬，並於有關資產的預計可使用年期內，每年等額撥往損益或透過減少折舊費用從資產賬面值扣減，並撥往損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 主要會計政策概要(續)

收益確認

客戶合約收益

客戶合約收益於貨品或服務的控制權轉移至客戶時確認，其金額反映本集團預期就交換該等貨品或服務有權獲得的代價。

當合約的代價包含可變金額，代價金額估算為本集團向客戶轉移貨品或服務而有權換取的代價。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素其後消除，使已確認累計收益金額極不可能發生重大收益撥回為止。

當合約包含融資成分並向客戶提供超過一年為轉移貨品或服務予客戶進行融資的重大利益時，收益按應收金額的現值計量，並使用貼現率貼現，有關貼現率將於本集團與客戶在合約開始時的獨立融資交易中反映。當合約包含融資成分並向本集團提供超過一年的重大財務利益時，合約項下確認的收益包括按實際利率法就合約負債累計的利息開支。就客戶付款至轉移所承諾貨品或服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號可行權宜方法，不會對重大融資成分的影響作出調整。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

Tuition and boarding fees are generally received by colleges and high schools in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The portion of tuition and boarding payments received from students but not earned is recorded as contract liabilities and is reflected as a current liability as such amounts represent revenue that the Group expects to earn within one year. The academic year of the Group's schools is generally from September to June of the following year.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue from other education business provided by the Group is recognised when the relevant service is provided or when goods are delivered.

Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 主要會計政策概要(續)

收益確認(續)

客戶合約收益(續)

一般情況下，大學及高中於每學年開始前預先收取學費及住宿費，初始記錄為合約負債。學費及住宿費於有關課程的相關期內按比例確認。已收學生的學費及住宿費但未賺取的部分入賬列作合約負債，並以流動負債表示，蓋因有關數額為本集團預計於一年內賺取的收益。本集團學校的學年一般由9月開始至下一年6月止。

本集團預期不會有任何向客戶轉移所承諾服務至客戶付款的期限超過一年的合約。因此，本集團未就貨幣時間價值對任何交易價格作出調整。

來自本集團提供其他教育業務的收益於提供相關服務或交付貨物時確認。

其他收入

租金收入於租賃年期內按時間比例確認。並非取決於指數或利率的可變租賃付款於其產生的會計期間確認為收入。

利息收入按應計基準及以實際利率法，透過採用將金融工具在預期年限或較短期間(倘適用)之估計未來現金收入準確貼現至金融資產賬面淨值的利率予以確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Other income (continued)

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Management service income is recognised when services are provided.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.4 主要會計政策概要(續)

收益確認(續)

其他收入(續)

股息收入於股東收取付款的權利確立、與股息相關的經濟利益很可能流入本集團且股息金額能可靠地計量時確認。

管理服務收入於提供服務時確認。

合約負債

倘於本集團轉移相關貨品或服務前自客戶收取付款或應收客戶款項到期(以較早者為準),則會確認合約負債。合約負債於本集團履行合約(即相關貨品或服務的控制權轉移至客戶)時確認為收益。

退款負債

退款負債乃就退還自客戶收取(或應收)之部分或全部代價的義務而確認,並按本集團最終預期其須退回予客戶的金額計量。本集團於各報告期末更新其對退款負債(及交易價格的相應變動)的估計。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details of which are given in note 35 to these financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要(續)

以股份為基礎的付款

本公司運營購股權計劃，其目的為向對本集團成功運營作出貢獻的合資格參與者提供激勵及獎勵。本集團僱員(包括董事)接受以股份為基礎付款形式的薪酬，據此僱員提供服務作為股權工具的代價(「股權結算交易」)。

僱員股權結算交易的成本參照其於授予日期的公平值計量。進一步詳情載於該等財務報表附註35。

股權結算交易的成本於業績及／或服務條件得到滿足期間於僱員福利開支內確認，同時相應增加權益。歸屬日前各個報告期末於權益結算交易確認之累計費用乃反映歸屬期屆滿之程度及本集團認為當日對最終歸屬之權益工具數量之最佳估計。一段時期內損益的支出或計入乃反映期初及期末確認之累計費用的變動。

釐定授出日期報酬公平值時未慮及服務及非市場業績條件，但達致本集團對最終歸屬之權益工具數量之最佳估計時已對該等條件得到滿足的可能性作出評估。市場業績條件於授出日期公平值反映。報酬附帶的無相關服務要求的任何其他條件視為非歸屬條件。非歸屬條件反映於報酬的公平值並導致就報酬即時確認開支，除非還有服務及／或業績條件。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要(續)

以股份為基礎的付款(續)

就因非市場業績及／或服務條件未得到滿足而未歸屬的報酬，無需確認開支。當報酬包括市場或非歸屬條件，則無論市場或非歸屬條件是否得到滿足，交易均視作歸屬，前提是所有其他業績及／或服務條件得到滿足。

當權益結算報酬條款被修訂時，倘若報酬原來的條款已得到滿足，則至少要按猶如條款未被修訂確認一項開支。此外，還需就任何增加以股份為基礎付款總公平值或以其他方式於修訂日期計量時使僱員獲益的修訂確認開支。

如權益結算報酬被註銷，則被視為猶如於註銷當日已歸屬，而尚未就該報酬確認之任何費用須即時予以確認，包括本集團或僱員控制範圍內的非歸屬條件未能滿足的任何報酬。然而，倘有一項新報酬取代已經註銷報酬，及於授出當日被指定為該報酬的替代品，則該已註銷報酬及新報酬均被視為猶如原有報酬之改動(如上一段所述)。

未行使購股權攤薄影響反映為計算每股盈利時攤薄股份的增加。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 主要會計政策概要(續)

其他僱員福利

退休金計劃

本集團於中國大陸經營的附屬公司的僱員須參與由地方市政府營運的中央退休金計劃。於中國大陸經營的附屬公司須按其工資成本之某一百分比向中央退休金計劃供款。供款於根據中央退休金計劃規則應付時自損益扣除。

本集團亦根據強制性公積金計劃條例，為本集團於香港的全體僱員設立定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款按僱員基本薪金百分比作出，並於根據強積金計劃條款須支付時自損益扣除。強積金計劃的資產由獨立管理基金保管，與本集團資產分開持有。本集團的僱主供款於注入強積金計劃時悉數歸屬僱員。

借貸成本

收購、建設或生產合資格資產(即需要一段長時間方能達致其擬定用途或出售的資產)直接應佔的借貸成本資本化為該等資產之部分成本。當資產大致上可作其擬定用途或出售，則該等借貸成本將會停止資本化。於有待用於合資格資產的特定借貸作短期投資所賺取的投資收入乃從資本化的借貸成本中扣除。所有其他借貸成本於其產生期間支銷。借貸成本包括實體因借入資金而產生的利息及其他成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

股息

末期股息在於股東大會上獲股東批准時確認為負債。擬派末期股息於財務報表附註披露。

外幣

該等財務報表以人民幣呈報。本集團旗下各實體決定自身的功能貨幣，而計入各實體財務報表的項目均採用功能貨幣計量。本集團旗下實體入賬的外幣交易初步按其各自於交易日當時的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債，按於報告期末的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於損益確認。

以外幣按過往成本計量的非貨幣項目，採用初始交易日期的匯率換算。以外幣按公平值計量的非貨幣項目，採用釐定公平值當日的匯率換算。換算以公平值計量的非貨幣項目所產生的收益或虧損視為等同於確認該項目公平值變動的收益或虧損(即於其他全面收益或損益確認公平值收益或虧損的項目的換算差額，亦分別於其他全面收益或損益確認)。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The Company incorporated in the Cayman Islands uses the United States dollar as its functional currency. As the Group mainly operates in Mainland China, RMB is used as the presentation currency of the Company. As at the end of the reporting period, the assets and liabilities of the Company and certain overseas subsidiaries, which use currencies other than RMB as their functional currencies, are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 主要會計政策概要(續)

外幣(續)

就釐定終止確認與預付代價有關的非貨幣資產或非貨幣負債產生的相關資產、開支或收入之初始確認匯率，初步交易日期為本集團初始確認有關預付代價產生的非貨幣資產或非貨幣負債之日。倘存在多筆預付或預收款項，本集團釐定每筆預付或預收代價款項的交易日期。

本公司於開曼群島註冊成立，使用美元作為功能貨幣。由於本集團主要於中國大陸經營業務，故人民幣用作為本公司之呈列貨幣。於報告期末，本公司及使用人民幣以外的貨幣作為功能貨幣的若干海外附屬公司的資產及負債按報告期末當時的匯率換算為本公司的呈報貨幣，其損益及其他全面收益表按年內加權平均匯率換算為人民幣。

所產生的匯兌差額於其他全面收益確認並於匯兌波動儲備累計。出售海外業務時，其他全面收益中與該特定海外業務有關的組成部分於損益確認。

收購海外業務產生的任何商譽及收購所產生資產及負債賬面值的任何公平值調整視為海外業務的資產及負債，按收盤匯率換算。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Contractual arrangements

The Group exercises control over Chongqing Yugangao, Chongqing Yuecheng, Chongqing Electronic Information College, Chongqing Zhenzhi Real Estate Company Ltd., Chongqing Jierui Minsheng Education Technology Company Limited, Chongqing Fanyun Minsheng Education Technology Company Limited, Chongqing Jiehan Minsheng Education Technology Company Limited, Shiji Kuangao (Beijing) Investment Management Co., Ltd., Laoling Minsheng Education High School Company Limited, Doxue Network Technology (Beijing) Co., Ltd, Huixue Education Technology (Beijing) Co., Ltd, Huixue International Cultural Exchange (Beijing) Co., Ltd., Doxue Huixing Education Technology (Beijing) Co., Ltd. and Beijing Mingyuan International Culture Co., Ltd (the "**Structured Entities**") and enjoys economic benefits of the Structured Entities through a series of contractual arrangements.

The Group considers that it controls the Structured Entities notwithstanding the fact that it does not hold direct equity interests in the Structured Entities, as it has power over the financial and operating policies of the Structured Entities and receives substantially all of the economic benefits from the business activities of the Structured Entities through the contractual arrangements. Accordingly, the Structured Entities have been accounted for as subsidiaries during the year.

3. 重大會計判斷及估計

編製本集團財務報表需要管理層作出影響所呈報收益、開支、資產與負債金額以及其附隨披露及或然負債披露的判斷、估計及假設。此等假設及估計的不確定因素可能導致日後須對受影響的資產或負債的賬面值作出重大調整。

判斷

於應用本集團會計政策過程中，管理層除作出涉及估計的判斷外，還作出以下對財務報表所確認數額影響重大的判斷。

合約安排

本集團對重慶渝港澳、重慶悅誠、重慶電信職業學院、重慶臻智置業有限責任公司、重慶傑睿教育科技有限公司、重慶凡韻教育科技有限公司、重慶傑翰教育科技有限公司、世紀寬高(北京)投資管理有限公司、樂陵民生教育高級中學有限公司、都學網絡科技(北京)有限公司、慧學教育科技(北京)有限公司、慧學國際文化交流(北京)有限公司、都學慧行教育科技(北京)有限公司及北京茗遠國際文化有限公司(「**結構性實體**」)行使控制權，並透過一系列合約安排享有結構性實體的經濟利益。

本集團認為儘管其並未直接持有結構性實體的股權，但仍控制結構性實體，因本集團對結構性實體財務及營運政策擁有權力並透過合約安排收取結構性實體業務活動產生幾乎所有的經濟利益。據此，年內結構性實體按附屬公司入賬。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Current and deferred taxes

Significant judgement is required in interpreting the relevant tax rules and regulations so as to determine whether the Group is subject to corporate income tax. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made. Further details of the current and deferred taxes are set out in note 11 and note 32 to the financial statements.

Put option liability

Pursuant to a share purchase agreement in relation to the acquisition of Leed International, the Group is committed to grant an option to the sellers to sell the remaining 49% of the issued share capital of Leed International at the exercise price based on a predetermined formula (the “Put Option”). Significant judgement is required in determining whether a present ownership interest exists in the shares that are subject to the Put Option, so as to determine the accounting treatment of the non-controlling interest and the Put Option liability. Management considers that the Group has a present ownership interest over the remaining 49% interests in Leed International since the exercise price of the Put Option is determinable and the Group can exercise right over these interests and enjoy the related return. This assessment relies on estimates and assumptions and may involve a series of judgements. Further details of the Put Option liability are set out in note 33 to the financial statements.

3. 重大會計判斷及估計(續)

判斷(續)

即期及遞延稅項

詮釋相關稅務條例及法規時需作出重大判斷，以確定本集團是否須繳納企業所得稅。有關評估利用估計及假設，並可能需對未來事項作出一系列判斷。本集團可能獲悉新資料以致變更對稅項負債是否充足的判斷。該等稅項負債變動會影響決定變更期間的稅項開支。有關即期及遞延稅項的進一步詳情載於財務報表附註11和附註32。

認沽期權負債

根據收購勵德集團的股份購買協議，本集團承諾向賣方授出期權，以按依據預定公式計算的行使價出售餘下49%的勵德集團已發行股本(「認沽期權」)。釐定認沽期權所涉及股份是否存在現有所有權權益須作出重大判斷，以便確定非控股權益及認沽期權負債的會計處理方式。由於認沽期權的行使價可予釐定，且本集團能夠對勵德集團的餘下49%權益行使權利及享有相關回報，管理層認為本集團擁有該等權益的現有所有權權益。此評估依靠估計及假設，並可能涉及一系列判斷。認沽期權負債的進一步詳情載於財務報表附註33。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2020, the carrying amount of goodwill was RMB1,782,894,000 (2019: RMB1,685,099,000). Further details are given in note 16 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素

於年末時關於未來的主要假設及估計不確定因素的其他主要來源(具有導致須於下一個財政年度對資產及負債賬面值作出重大調整的重大風險)論述如下。

商譽減值

本集團至少每年釐定商譽有否減值一次，過程中需要對獲分配商譽的現金產生單位的使用價值作出估計，而估計使用價值時既需要本集團對現金產生單位的預期未來現金流量作出估計，亦需要選擇合適的折現率以便計算現金流量現值。於2020年12月31日，商譽的賬面值為人民幣1,782,894,000元(2019年：人民幣1,685,099,000元)。進一步詳情載於財務報表附註16。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the year. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit using key assumptions such as budgeted sales amounts and choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2020, the total carrying amount of property, plant and equipment and right-of-use assets that were subject to impairment tests was RMB621,286,000 (2019: RMB823,260,000).

Fair value of contingent consideration

The contingent consideration arising from business combination was estimated using the discounted cash flow model and Monte Carlo simulation model. These models require the Group to make estimations about the expected future profits, discount rate and volatility, and hence, they are subject to uncertainty. Further details are included in note 44 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

非金融資產(商譽除外)減值

本集團於年末時評估全部非金融資產是否存在任何減值跡象。當有跡象顯示非金融資產賬面值可能不可收回時進行減值測試。當一項資產或現金產生單位的賬面值超過其可收回金額(即公平值減出售成本與其使用價值兩者中的較高者)時即存在減值。公平值減出售成本乃根據來自同類資產公平交易的受約束銷售交易的可用數據或可觀察市價減出售資產的增量成本計算。計算使用價值時，管理層必須採用主要假設(如預算銷售額)估計來自資產或現金產生單位的預期未來現金流量，並選取合適的貼現率，以計算該等現金流量的現值。於2020年12月31日，須進行減值測試的物業、廠房及設備以及使用權資產的總賬面值為人民幣621,286,000元(2019年：人民幣823,260,000元)。

或然代價的公平值

業務合併產生的或然代價，乃採用貼現現金流模型及蒙特卡羅模擬模型估計。該等模型要求本集團對預期未來溢利、貼現率及波幅作出估計，因此存在不確定性。進一步詳情載於財務報表附註44。

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of education services in the PRC.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about operating segments is presented.

Geographical information

During the year, the Group operated within one geographical segment because all of its revenue was generated in the PRC and over 90% of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no geographical segment information is presented.

Information about major customers

No revenue derived from services provided to a single customer accounted for 10% or more of the total revenue of the Group during the year.

4. 經營分部資料

本集團主要於中國提供教育服務。

國際財務報告準則第8號經營分部規定，經營分部按主要經營決策者為分配資源予各分部及評估其表現而定期審閱的有關本集團組成部分的內部報告為基礎而區分。向董事(為主要經營決策者)報告的資料在資源分配及表現評估方面並不包含不連續的經營分部的財務資料，且董事已整體審閱本集團的財務業績。因此，並無呈報有關經營分部的進一步資料。

地區資料

年內，本集團於一個地域分部內經營業務，是由於全部收益均於中國產生，而超過90%的長期資產／資本開支均位於／源自中國。因此，概無呈列任何地域分部資料。

有關主要客戶的資料

年內，並無來自向單一客戶提供服務的收入佔本集團總收益10%或以上。

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

5. 收益、其他收入及收益

有關收益的分析如下：

	Notes 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Revenue from contracts with customers	客戶合約收益		
Tuition fees	學費	1,032,417	927,489
Boarding fees	住宿費	64,713	77,947
Other education business	其他教育業務	10,076	–
		1,107,206	1,005,436
Other income and gains	其他收入及收益		
Investment income from short-term investments measured at amortised cost and short-term investments measured at fair value through profit or loss	按攤銷成本計量的短期投資及按公平值計入損益計量的短期投資之投資收入	767	5,048
Rental income:	租金收入：		
Fixed lease payments	固定租賃付款	8,723	12,864
Variable lease payments	可變租賃付款	1,344	1,609
		10,067	14,473
Bank interest income	銀行利息收入	18,141	12,646
Interest income from a company controlled by the former shareholders of a subsidiary	來自附屬公司原股東所控制公司的利息收入	20,712	14,573
Government grants	政府補貼	29	
– Related to assets	– 資產相關	21,062	20,449
– Related to income	– 收入相關	70,331	65,326
Gain on disposal of a subsidiary	出售附屬公司收益	38	–
Others	其他	8,919	6,503
		157,092	139,018

The government grants are related to the subsidies received from the local government for the purpose of compensating the operating expenses arising from the schools' teaching activities and expenditures on teaching facilities. There are no unfulfilled conditions or contingencies relating to such recognised government grants.

政府補貼與就學校教學活動產生的經營費用及教學設施開支所作補償向當地政府收取的補助有關。有關已確認的政府補貼並無任何相關的未達成條件或或然事項。

5. REVENUE, OTHER INCOME AND GAINS (continued)**Revenue from contracts with customers**

(i) Disaggregated revenue information

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Timing of revenue recognition	收益確認時間		
Tuition fees recognised over time	隨時間推移確認的學費	1,032,417	927,489
Boarding fees recognised over time	隨時間推移確認的住宿費	64,713	77,947
Other education fees recognised at a point in time	於某一時間點確認的其他教育費用	2,068	-
Other education fees recognised over time	隨時間推移確認的其他教育費用	8,008	-
		1,107,206	1,005,436

The Group's contracts with students for college and high school education programmes and boarding services can be terminated anytime without compensation. Tuition and boarding fees are determined and paid by the students before the start of each school year.

5. 收益、其他收入及收益(續)**客戶合約收益**

(i) 分類收益資料

本集團與學生就大學及高中教育課程及住宿服務訂立的合約，可隨時予以終止而無需支付任何賠償。學費及住宿費乃於各學年開始前釐定及由學生支付。

5. REVENUE, OTHER INCOME AND GAINS (continued)**Revenue from contracts with customers (continued)**

(ii) The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting year:

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	計入報告期初合約負債的已確認收益：		
Tuition fees	學費	535,025	486,752
Boarding fees	住宿費	31,576	47,345
Transfer to refund liabilities	轉撥至退款負債	20,250	-
		586,851	534,097

No revenue recognised during the year related to performance obligations that were satisfied in prior years.

(iii) Transaction price allocated to the remaining performance obligations for contracts with customers

The contracts for education and boarding services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收益、其他收入及收益(續)**客戶合約收益(續)**

(ii) 下表列載於本報告期間確認並計入報告年度期初合約負債的收益金額：

年內概無確認於過往年度完成履約責任的收益。

(iii) 分配至客戶合約餘下履約責任的交易價格

教育及住宿服務合約為期一年或以下。在國際財務報告準則第15號准許下，並無就分配至該等尚未履行合約的交易價格作出披露。

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6. PROFIT BEFORE TAX

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

6. 除稅前溢利

本集團除稅前溢利乃扣除/(計入)以下
各項後達致：

		Notes 附註	2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	127,600	117,246
Amortisation of other intangible assets	其他無形資產攤銷	17	2,652	1,716
Lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的租金付款		7,740	7,842
Depreciation of right-of-use assets	使用權資產折舊	15	18,557	19,050
Auditor's remuneration	核數師酬金		3,600	3,000
Employee benefit expense (including directors' remuneration (note 9)):	僱員福利開支(包括董事酬金(附註9)):			
Wages and salaries	工資及薪金		309,882	282,140
Equity-settled share option expense	以權益結算的購股權開支		9,380	12,447
Pension scheme contributions (defined contribution schemes)	退休金計劃供款(界定供款計劃)		58,738	59,405
			378,000	353,992
Foreign exchange differences, net*	淨匯兌差額*		24,374	1,776
Impairment of financial assets:	金融資產減值：			
Impairment of trade receivables*	貿易應收款項減值*	23	917	558
Impairment of financial assets included in prepayments, other receivables and other assets*	計入預付款項、其他應收款項及其他資產的金融資產減值*	24	4,307	12,901
			5,224	13,459
Investment income from short-term investments measured at amortised cost and short-term investments measured at fair value through profit or loss	按攤銷成本計量的短期投資及按公平值計入損益計量的短期投資之投資收入		(767)	(5,048)
Bank interest income	銀行利息收入		(18,141)	(12,646)
Interest income from a company controlled by the former shareholders of a subsidiary	來自附屬公司原股東所控制公司的利息收入		(20,712)	(14,573)
Fair value loss from an equity investment at fair value through profit or loss*	按公平值計入損益的股權投資公平值虧損*		-	6,470
Fair value loss from a loan to an associate included in other non-current assets measured at fair value*	計入其他非流動資產且按公平值計量的給予聯營公司的貸款的公平值虧損*		10,505	5,130
Loss on disposal of items of property, plant and equipment, net	處置物業、廠房及設備項目虧損淨額		1,398	388
Donation expenses	捐贈開支		4,708	886
Compensation fees in relation to the conversion of Dianchi College of Yunnan University	雲南大學滇池學院轉設的補償費用		232,406	-

6. PROFIT BEFORE TAX (continued)

* The exchange loss, net, fair value loss from an equity investment at fair value through profit or loss, fair value loss from a loan to an associate included in other non-current asset measured at fair value through profit or loss and impairment of financial assets are included in "Other expenses, net" in the consolidated statement of profit or loss and other comprehensive income.

7. COMPENSATION FEES

Compensation fees represented compensation amounted to RMB232,406,000 paid or payable to Yunnan University in relation to the agreement on the conversion of Dianchi College of Yunnan University entered into between the Group and Yunnan University during the year ended 31 December 2020.

8. FINANCE COSTS**6. 除稅前溢利(續)**

* 匯兌虧損淨額、按公平值計入損益的股權投資公平值虧損、計入其他非流動資產且按公平值計入損益計量的給予聯營公司的貸款的公平值虧損及金融資產減值計入綜合損益及其他全面收益表的「其他開支淨額」中。

7. 補償費用

補償費用指就本集團與雲南大學於截至2020年12月31日止年度所訂立有關雲南大學滇池學院轉設的協議已付或應付雲南大學的補償人民幣232,406,000元。

8. 融資成本

		2020 RMB'000 人民幣千元	2019 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	32,888	22,893
Interest on sale and leaseback liabilities	售後回租負債利息	11,592	18,750
Interest on loans from the ultimate holding company	來自最終控股公司的貸款利息	2,645	-
Interest on lease liabilities	租賃負債利息	103	38
Interest on put option liability	認沽期權負債利息	39,774	37,932
		87,002	79,613

9. DIRECTORS' REMUNERATION

Details of directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a),(b),(c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fees	袍金	960	825
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	14,170	13,816
Equity-settled share option expense	以股權結算的購股權費用	5,974	8,674
Pension scheme contributions	退休金計劃供款	16	16
		20,160	22,506
		21,120	23,331

During the year, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 35 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

9. 董事酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(有關董事福利之資料披露)規例第2部披露之本年度董事酬金詳情如下：

年內若干董事根據本公司購股權計劃就其對本集團提供服務獲授購股權，相關進一步詳情載於財務報表附註35。該等購股權歸屬期內於損益所確認的公平值乃於授出日期釐定，本年度財務報表所列數額載於前文董事薪酬披露內。

9. DIRECTORS' REMUNERATION (continued)**(a) Independent non-executive directors**

The fees paid to independent non-executive directors during the year were as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Mr. Chan Ngai Sang	陳毅生先生	320	275
Mr. Yu Huangcheng	余黃成先生	320	275
Mr. Wang Wei Hung	王惟鴻先生	320	275
		960	825

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

(b) Executive directors

Year ended 31 December 2020	截至2020年12月31日止年度	Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Equity-settled share option expense 以股權結算的 購股權費用 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
Mr. Li Xuechun	李學春先生	3,456	-	-	3,456
Ms. Zhang Weiping	張衛平女士	6,220	-	3,748	9,968
Mr. Zuo Yichen	左燿晨先生	2,419	-	1,025	3,444
Mr. Lam Ngai Lung	林毅龍先生	1,730	16	1,025	2,771
		13,825	16	5,798	19,639
Year ended 31 December 2019	截至2019年12月31日止年度	Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Equity-settled share option expense 以股權結算的 購股權費用 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
Mr. Li Xuechun	李學春先生	3,271	-	-	3,271
Ms. Zhang Weiping	張衛平女士	6,222	-	5,394	11,616
Mr. Zuo Yichen	左燿晨先生	2,411	-	1,494	3,905
Mr. Lam Ngai Lung	林毅龍先生	1,712	16	1,494	3,222
		13,616	16	8,382	22,014

9. 董事酬金(續)**(a) 獨立非執行董事**

於年內向獨立非執行董事支付的袍金如下：

於年內，概無其他獨立非執行董事應付酬金(2019年：無)。

(b) 執行董事

9. DIRECTORS' REMUNERATION (continued)

(c) Non-executive directors

Year ended 31 December 2020	截至2020年12月31日止年度	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Equity-settled share option expense 以股權結算的購股權費用 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
Ms. Li Yanping	李雁平女士	345	-	176	521
Mr. Lin Kaihua	林開樺先生	-	-	-	-
		345	-	176	521

9. 董事酬金(續)

(c) 非執行董事

Year ended 31 December 2019	截至2019年12月31日止年度	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 RMB'000 人民幣千元	Pension scheme contributions 退休金計劃供款 RMB'000 人民幣千元	Equity-settled share option expense 以股權結算的購股權費用 RMB'000 人民幣千元	Total remuneration 酬金總額 RMB'000 人民幣千元
Ms. Li Yanping	李雁平女士	200	-	292	492
Mr. Lin Kaihua	林開樺先生	-	-	-	-
		200	-	292	492

There was no arrangement under which a director waived or agreed to waive any remuneration during the year and no remuneration was paid to any of the directors by the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

於年內，概無董事放棄或同意放棄任何薪酬的安排，及本集團概無向任何董事支付薪酬作為加入或於加入本集團後的獎勵或離職補償。

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year ended 31 December 2020 include four (2019: four) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining one (2019: one) highest paid employee who is neither a director nor chief executive of the Group, are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,010	1,011
Pension scheme contributions	退休金計劃供款	-	-
		1,010	1,011

The remuneration of the non-director and non-chief executive highest paid employee fell within the following band:

		2020	2019
Nil to HK\$1,000,000	零至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	1	1
		1	1

During the year, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 五名最高薪酬僱員

截至2020年12月31日止年度，本集團五名最高薪酬僱員包括四名(2019年：四名)董事，相關董事薪酬詳情載於上文附註9。年內其餘一名(2019年：一名)既非本集團董事亦非主要行政人員的最高薪酬僱員的薪酬詳情如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,010	1,011
Pension scheme contributions	退休金計劃供款	-	-
		1,010	1,011

非董事及非主要行政人員的最高薪酬僱員薪酬介乎下列範圍：

		2020	2019
Nil to HK\$1,000,000	零至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	1	1
		1	1

於年內，概無最高薪酬僱員放棄或同意放棄任何薪酬，而本集團亦無向該五名最高薪酬僱員中的任何人支付酬金作為加入本集團或於加入本集團後的獎勵或離職補償。

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company, Minsheng Education Company Limited, Minsheng Education Services Company Limited, Minsheng Education Development Company Limited, Minsheng Vocational, Minsheng Secondary Education Company Limited, Minsheng Education Technology Company Limited, Minsheng Education Information Company Limited, and Leed International Education Group Inc. which were incorporated in the Cayman Islands, are not subject to income tax.

Minsheng Education Development (Hong Kong) Company Limited, Hong Kong College of Technology and Business Limited and Leed International Education Group (China) Limited, which were incorporated in Hong Kong, were subject to profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

Pursuant to the PRC Corporate Income Tax Law and the respective regulations, except for the preferential tax rate of 15% under the Western Development Tax Incentive Scheme available to Chongqing Li'ang Education Services Company Limited and Chongqing Pass Education Services Company Limited, and the preferential rate of 20% under the Notice Regarding the Implementation on Tax Reduction/Exemption Policies for Small and Micro-sized Enterprises(SEMs) available to Chongqing Huizhi Education Services Company Limited, the companies of the Group which operate in Mainland China are subject to Corporate Income Tax ("CIT") at a rate of 25% on their respective taxable income.

11. 所得稅

本集團須根據本集團成員公司所在及經營之司法權區產生之溢利按實體基準繳付所得稅。

本公司、民生教育有限公司、民生教育服務有限公司、民生教育發展有限公司、民生職業教育、民生中學教育有限公司、民生教育科技有限公司、民生教育信息有限公司及勵德國際教育集團有限公司均於開曼群島註冊成立，毋須繳付所得稅。

民生教育發展(香港)有限公司、香港工商學院有限公司及勵德國際教育集團(中國)有限公司於香港註冊成立，其於香港產生之估計應課稅溢利年內須按16.5%的稅率繳納利得稅。

由於本集團並無在香港產生或賺取任何應課稅溢利，故此年內並無作出香港利得稅撥備。

根據中國企業所得稅法及有關法規，除重慶利昂教育服務有限公司及重慶派斯教育服務有限公司可享有的西部開發稅項獎勵計劃下的15%優惠稅率及重慶匯智教育服務有限公司可享有的關於實施小微企業普惠性稅收減免政策的通知下的20%優惠稅率外，本集團旗下於中國內地營運的公司須就各自的應課稅收入按25%稅率繳付企業所得稅(「企業所得稅」)。

11. INCOME TAX (continued)

According to the Implementation Rules for the Law for Promoting Private Education (the "Implementation Rules"), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatments. Private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. It is stated in the Implementation Rules that the relevant authorities under the State Council may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. During the year, no separate policies, regulations or rules were introduced by the authorities in this regard. In accordance with the historical tax returns filed to the relevant tax authorities, and the compliance confirmation obtained therefrom, except for Laoling Minsheng Education High School Company Limited which was incorporated as a limited company, the Group's schools did not pay corporate income tax for the provision of formal educational services and enjoyed the preferential tax treatments in 2020.

The major components of the income tax expense for the Group are as follows:

11. 所得稅(續)

根據《民辦教育促進法實施條例》(「實施條例」)，民辦學校不論要求取得合理回報與否，均可享受稅收優惠政策。學校舉辦者不要求取得合理回報的民辦學校，依法享受與公辦學校同等的稅收優惠政策。實施條例規定，國務院相關部門可制定要求取得合理回報的民辦學校適用的稅收優惠政策及相關政策。年內，並無機關就此制定單獨的政策、法規或規則。根據向相關稅務機構遞交的過往納稅申報單及獲取無欠稅證明，除以有限公司註冊成立的樂陵民生教育高級中學有限公司外，本集團的學校於2020年並未就提供學歷教育服務繳納企業所得稅並享受優惠稅務待遇。

本集團所得稅開支的主要組成部分如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Current – Mainland China	即期－中國大陸		
Charge for the year	年內徵繳	8,662	7,273
Deferred (note 32)	遞延(附註32)	8,048	5,000
		16,710	12,273

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11. INCOME TAX (continued)

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

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Profit before tax	除稅前溢利	143,522	346,254
Tax at the statutory tax rates	按法定稅率計算之稅項	39,863	109,245
Lower tax rate enacted by local authority	當地機構頒佈之較低稅率	(3,950)	(2,393)
Effect of withholding tax on earnings remitted or anticipated to be remitted by subsidiaries	附屬公司已匯出或預期將匯出盈利之預扣稅之影響	8,092	5,000
Adjustments in respect of current tax of previous years	就過往年度即期稅項作出之調整	988	820
Profits attributable to a joint venture	應佔一間合營企業之溢利	(4,571)	-
Income not subject to tax	毋須課稅收入	(67,034)	(105,729)
Income tax arising from deemed interest income	視作利息收入產生之所得稅	1,729	1,593
Expenses not deductible for tax	不可扣稅開支	7,180	2,933
Tax losses utilised from previous years	已動用之過往年度稅項虧損	(394)	(1,600)
Tax losses not recognised	未確認之稅項虧損	34,807	2,404
		16,710	12,273

12. DIVIDENDS**12. 股息**

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Proposed final – RMB0.90 cents (2019: RMB2.59 cents) per ordinary share	擬派末期股息每股普通股 人民幣0.90分(2019年： 人民幣2.59分)	38,044	109,239

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度的擬派末期股息須待本公司股東於應屆股東週年大會上批准後方可作實。

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

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 4,132,474,098 (2019: 4,017,720,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

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

13. 母公司普通股權益持有人應佔每股盈利

每股基本盈利乃根據母公司擁有人應佔年度溢利及年內已發行普通股加權平均數4,132,474,098股(2019年: 4,017,720,000股)計算。

截至2020年及2019年12月31日止年度，本集團概無已發行的潛在攤薄普通股。

每股基本及攤薄盈利之計算乃根據：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Earnings	盈利		
Profit attributable to owners of the parent, used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利之 母公司擁有人應佔溢利	131,467	341,607
		Number of shares 股份數目	
		2020	2019
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利之年內已 發行普通股加權平均數	4,132,474,098	4,017,720,000

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Furniture and equipment 傢私及裝置 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2020	2020年12月31日						
At 1 January 2020:	於2020年1月1日:						
Cost	成本	2,464,196	32,419	505,107	90,863	63,792	3,156,377
Accumulated depreciation	累計折舊	(432,878)	(21,476)	(324,256)	(60,911)	-	(839,521)
Net carrying amount	賬面淨值	2,031,318	10,943	180,851	29,952	63,792	2,316,856
At 1 January 2020, net of accumulated depreciation	於2020年1月1日，扣除累計折舊	2,031,318	10,943	180,851	29,952	63,792	2,316,856
Additions	添置	9,210	887	101,117	9,359	172,762	293,335
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	-	244	36	209	-	489
Disposal of a subsidiary (note 38)	出售一家附屬公司(附註38)	(9,011)	(32)	(567)	(193)	-	(9,803)
Disposals	出售	(1,172)	(5)	(270)	(816)	-	(2,263)
Depreciation provided during the year (note 6)	年內折舊撥備(附註6)	(76,065)	(1,934)	(40,283)	(9,318)	-	(127,600)
Transfers	轉撥	57,493	-	3,531	-	(61,024)	-
At 31 December 2020, net of accumulated depreciation	於2020年12月31日，扣除累計折舊	2,011,773	10,103	244,415	29,193	175,530	2,471,014
At 31 December 2020:	於2020年12月31日:						
Cost	成本	2,520,003	33,480	605,594	97,360	175,530	3,431,967
Accumulated depreciation	累計折舊	(508,230)	(23,377)	(361,179)	(68,167)	-	(960,953)
Net carrying amount	賬面淨值	2,011,773	10,103	244,415	29,193	175,530	2,471,014

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

14. 物業、廠房及設備(續)

		Buildings 樓宇	Motor vehicles 汽車	Furniture and equipment 傢私及裝置	Computer equipment 電腦設備	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
31 December 2019	2019年12月31日						
At 1 January 2019:	於2019年1月1日:						
Cost	成本	2,257,287	30,510	457,872	83,936	57,504	2,887,109
Accumulated depreciation	累計折舊	(362,819)	(19,542)	(290,411)	(56,343)	-	(729,115)
Net carrying amount	賬面淨值	1,894,468	10,968	167,461	27,593	57,504	2,157,994
At 1 January 2019 net of accumulated depreciation	於2019年1月1日，扣除累計折舊	1,894,468	10,968	167,461	27,593	57,504	2,157,994
Additions	添置	38,616	1,909	50,116	10,009	175,853	276,503
Disposals	出售	-	-	(231)	(164)	-	(395)
Depreciation provided during the year (note 6)	年內折舊撥備(附註6)	(70,059)	(1,934)	(37,767)	(7,486)	-	(117,246)
Transfers	轉撥	168,293	-	1,272	-	(169,565)	-
At 31 December 2019, net of accumulated depreciation	於2019年12月31日，扣除累計折舊	2,031,318	10,943	180,851	29,952	63,792	2,316,856
At 31 December 2019:	於2019年12月31日:						
Cost	成本	2,464,196	32,419	505,107	90,863	63,792	3,156,377
Accumulated depreciation	累計折舊	(432,878)	(21,476)	(324,256)	(60,911)	-	(839,521)
Net carrying amount	賬面淨值	2,031,318	10,943	180,851	29,952	63,792	2,316,856

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings are situated in Mainland China.

Certificates of ownership in respect of certain buildings of the Group located in Chongqing, Yunnan and Shandong, the PRC with a total net carrying amount of approximately RMB362,699,000 at 31 December 2020 (2019: RMB573,314,000) have not yet been issued by the relevant PRC authorities. As at the end of the year, the directors were still in the process of obtaining these certificates.

At 31 December 2020, certain of the Group's buildings with a net carrying amount of approximately RMB93,700,000 (2019: RMB96,820,000) were pledged to secure bank loans and other borrowings (note 30).

Sale and leaseback liabilities

The carrying value of the Group's buildings and equipment held under sale and leaseback liabilities as at 31 December 2020 was RMB208,472,000 (2019: RMB232,563,000). Leased assets were pledged as security for the related sale and leaseback liabilities.

15. LEASES

The Group as a lessee

The Group has lease contracts for items of property and plant used in its operation. Lump sum payments were made upfront to acquire the leased land from the government with lease periods of 50 to 70 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 2 and 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

14. 物業、廠房及設備(續)

本集團之樓宇位於中國大陸。

相關中國機關尚未發出本集團位於中國重慶、雲南及山東之若干樓宇之所有權證，該等樓宇於2020年12月31日之賬面淨值總額約為人民幣362,699,000元(2019年：人民幣573,314,000元)。於年末，董事仍在辦理取得該等所有權證的事宜。

於2020年12月31日，本集團賬面淨值為約人民幣93,700,000元(2019年：人民幣96,820,000元)的若干樓宇已予抵押以取得銀行貸款及其他借款(附註30)。

售後回租負債

於2020年12月31日，本集團按售後回租負債持有的樓宇及設備的賬面值為人民幣208,472,000元(2019年：人民幣232,563,000元)。租賃資產已予質押作為相關售後回租負債的抵押。

15. 租賃

本集團作為承租人

本集團有用於其業務營運的物業及廠房項目的租賃合約。已提前作出一次性付款以向政府收購租賃土地，租期為50至70年，而根據該等土地租賃的條款，將不會繼續支付任何款項。樓宇的租期通常介乎2至6年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

15. LEASES (continued)**The Group as a lessee (continued)****(a) Right-of-use assets**

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold land 租賃土地 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2019	於2019年1月1日	2,175	760,654	762,829
Additions	添置	2,137	-	2,137
Depreciation charge	折舊費用	(2,512)	(16,538)	(19,050)
As at 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	1,800	744,116	745,916
Additions	添置	15,895	95,036	110,931
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	2,144	-	2,144
Depreciation charge	折舊費用	(1,678)	(16,879)	(18,557)
As at 31 December 2020	於2020年12月31日	18,161	822,273	840,434

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	1,513	-
New leases	新租賃	15,895	2,137
Additions as a result of acquisition of a subsidiary	因收購一家附屬公司產生的添置	1,923	-
Accretion of interest recognised during the year	年內確認的利息累積	103	38
Payments	付款	(1,708)	(662)
Carrying amount at 31 December	於12月31日的賬面值	17,726	1,513
Analysed into:	分析如下:		
Current portion	流動部分	4,040	1,072
Non-current portion	非流動部分	13,686	441

The maturity analysis of lease liabilities is disclosed in note 45 to the financial statements.

15. 租賃(續)**本集團作為承租人(續)****(a) 使用權資產**

本集團年內使用權資產的賬面值及變動如下:

(b) 租賃負債

年內租賃負債的賬面值(計入計息銀行及其他借款項下)及變動如下:

租賃負債的到期情況分析於財務報表附註45披露。

15. LEASES (continued)**The Group as a lessee (continued)****(b) Lease liabilities (continued)**

As disclosed in note 2.2. to the financial statements, the Group has early adopted the amendment to IFRS 16 and applied the practical expedient to all eligible rent concessions granted by the lessors for leases of certain plant and equipment during the year.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	103	38
Depreciation charge of right-of-use assets	使用權資產折舊費用	18,557	19,050
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in cost of sales)	短期租賃及剩餘租期於2019年12月31日或之前屆滿的其他租賃的相關開支(計入銷售成本)	3,941	4,690
Expense relating to leases of low-value assets (included in administrative expenses)	低價值資產租賃的相關開支(計入行政開支)	3,799	3,152
Total amount recognised in profit or loss	於損益確認的總額	26,400	26,930

(d) The total cash outflow for leases is disclosed in note 39(b) to the financial statements.

15. 租賃(續)**本集團作為承租人(續)****(b) 租賃負債(續)**

如財務報表附註2.2所披露，本集團已於年內提前採納國際財務報告準則第16號(修訂本)並將可行權宜方法應用於由出租人就若干廠房及設備的租賃給予的所有合資格租金優惠。

(c) 就租賃於損益確認的金額如下：

(d) 租賃的現金流出總額披露於財務報表附註39(b)。

15. LEASES (continued)***The Group as a lessor***

The Group leases certain of its buildings under operating lease arrangements. Leases for buildings were negotiated for initial terms ranging from one to six years. Rental income recognised by the Group during the year was RMB10,067,000 (2019: RMB14,473,000), details of which are included in note 5 to the financial statements.

At 31 December 2020, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Within one year	一年內	2,614	8,448
After one year but within two years	一年後但於兩年內	1,403	1,215
After two years but within three years	兩年後但於三年內	764	558
After three years but within four years	三年後但於四年內	633	–
After four years but within five years	四年後但於五年內	619	–
After five years	五年後	413	–
		6,446	10,221

15. 租賃(續)***本集團作為出租人***

本集團根據經營租賃安排出租若干樓宇，樓宇的初始租期協定介乎一至六年。年內本集團確認的租金收入為人民幣10,067,000元(2019年：人民幣14,473,000元)，有關詳情載於財務報表附註5。

於2020年12月31日，本集團根據與其租戶訂立的不可撤銷經營租賃而於未來期間應收的未貼現租賃付款如下：

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16. GOODWILL

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於1月1日	1,685,099	1,685,099
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	97,795	-
At 31 December	於12月31日	1,782,894	1,685,099
Accumulated impairment:	累計減值：		
At beginning and end of year	於年初及年末	-	-
Net carrying amount:	賬面淨值：		
At 1 January	於1月1日	1,685,099	1,685,099
At 31 December	於12月31日	1,782,894	1,685,099

16. 商譽

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the following cash-generating units for impairment testing:

商譽減值測試

透過業務合併收購的商譽分配至以下現金產生單位以進行減值測試：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Chongqing College of Humanities, Science and Technology	重慶人文科技學院	303,937	303,937
Leed International	勵德集團	1,381,162	1,381,162
Doxue Network	都學網絡	97,795	-
		1,782,894	1,685,099

16. GOODWILL (continued)***Impairment testing of goodwill (continued)*****Cash-generating unit of Chongqing College of Humanities, Science and Technology**

The recoverable amount of the Chongqing College of Humanities, Science and Technology cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Sales amount (annual growth rate)	銷售金額(年度增長率)	6%	6%
Gross margins (% of revenue)	毛利率(佔收益之百分比)	56%	59%
Long term growth rate	長期增長率	3%	3%
Pre-tax discount rate	稅前折現率	16%	17%

Cash-generating unit of Leed International

The recoverable amount of the Leed International cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

		2020	2019
Sales amount (annual growth rate)	銷售金額(年度增長率)	7%	15%
Gross margins (% of revenue)	毛利率(佔收益之百分比)	56%	56%
Long term growth rate	長期增長率	3%	3%
Pre-tax discount rate	稅前折現率	16%	16%

16. 商譽(續)***商譽減值測試(續)*****重慶人文科技學院現金產生單位**

重慶人文科技學院之現金產生單位之可收回金額乃根據使用價值計算方法釐定。該計算方法採用由高級管理層批准且涵蓋五年期間之財務預算所制定之現金流量預測。以下為管理層據以作出現金流量預測以對商譽進行減值測試的各項主要假設：

勵德集團現金產生單位

勵德集團之現金產生單位之可收回金額乃根據使用價值計算方法釐定。該計算方法採用由高級管理層批准且涵蓋五年期間之財務預算所制定之現金流量預測。以下為管理層據以作出現金流量預測以對商譽進行減值測試的各項主要假設：

16. GOODWILL (continued)**Impairment testing of goodwill (continued)****Cash-generating unit of Doxue Network**

The recoverable amount of the Doxue Network cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

		2020
Sales amount (annual growth rate)	銷售金額(年度增長率)	9%
Gross margins (% of revenue)	毛利率(佔收益之百分比)	80%
Long term growth rate	長期增長率	3%
Pre-tax discount rate	稅前貼現率	20%

Budgeted sales amounts – The budgeted sales amounts are based on the historical data and management's expectation on the future market.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Long term growth rate – The long term growth rate is based on the historical data and management's expectation on the future market.

Pre-tax discount rate – The pre-tax discount rate reflects specific risks relating to the relevant unit, which is determined using the capital asset pricing model with reference to the beta coefficient and debt ratio of certain publicly listed companies conducting business in the PRC education industry.

The values assigned to the key assumptions on market development of the cash-generating unit and discount rate are consistent with external information sources.

16. 商譽(續)**商譽減值測試(續)****都學網絡現金產生單位**

都學網絡的現金產生單位可收回金額乃根據使用價值計算方法釐定。該計算方法採用由高級管理層批准且涵蓋五年期間的財務預算所制定的現金流預測。以下為管理層據以作出現金流預測以對商譽進行減值測試的各項主要假設：

預算銷售金額 – 預算銷售額乃基於歷史數據及管理層對未來市場的預期而釐定。

預算毛利率 – 釐定賦予預算毛利率的價值所用的基準為緊接預算年度前所取得的平均毛利率，並就預期效率改善及預期市場發展作出上調。

長期增長率 – 長期增長率乃基於歷史數據及管理層對未來市場的預期而釐定。

稅前貼現率 – 稅前貼現率反映與有關單位相關的特定風險，乃使用資本資產定價模型並參考貝塔係數及若干在中國教育行業開展業務的公開上市公司的負債率釐定。

就有關現金產生單位的市場發展及貼現率的各項主要假設所賦予的價值與外部資料來源相一致。

17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元	Brand name 品牌名稱 RMB'000 人民幣千元	Customer relationship 客戶關係 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2020	2020年12月31日				
Cost at 1 January 2020, net of accumulated amortisation	於2020年1月1日的成本，扣除累計攤銷	6,027	-	-	6,027
Additions	添置	2,020	-	-	2,020
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	1,611	22,000	4,000	27,611
Amortisation provided during the year (note 6)	年內攤銷撥備(附註6)	(2,358)	(183)	(111)	(2,652)
At 31 December 2020	於2020年12月31日	7,300	21,817	3,889	33,006
At 31 December 2020:	於2020年12月31日：				
Cost	成本	17,654	22,000	4,000	43,654
Accumulated amortisation	累計攤銷	(10,354)	(183)	(111)	(10,648)
Net carrying amount	賬面淨值	7,300	21,817	3,889	33,006
				Computer software 電腦軟件 RMB'000 人民幣千元	
31 December 2019	2019年12月31日				
Cost at 1 January 2019, net of accumulated amortisation	於2019年1月1日的成本，扣除累計攤銷				6,257
Additions	添置				1,486
Amortisation provided during the year (note 6)	年內攤銷撥備(附註6)				(1,716)
At 31 December 2019	於2019年12月31日				6,027
At 31 December 2019 and at 1 January 2020:	於2019年12月31日及 2020年1月1日：				14,023
Cost	成本				
Accumulated amortisation	累計攤銷				(7,996)
Net carrying amount	賬面淨值				6,027

18. INVESTMENT IN A JOINT VENTURE

18. 合營企業投資

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Share of net assets	分佔資產淨值	219,947	-
Goodwill on acquisition	收購帶來的商譽	196,095	-
Exchange realignment	匯兌調整	(3,818)	-
		412,224	-

Particulars of the Group's joint venture are as follows:

本集團合營企業的詳情如下：

Name 名稱	Particulars of issued shares held 所持已發行股份詳情	Place of registration and business 註冊及營業地點	Percentage of 以下各項的百分比			Principal activities 主要業務
			Ownership interest 所有權	Voting power 表決權	Profit sharing 分佔溢利	
Open University Online Long Distance Learning Education Technology Company Limited ("Open University Online") 電大在線遠程教育技術有限公司(「電大在線」)	Registered capital of RMB62.5 million 註冊資本人民幣62.5百萬元	PRC/Mainland China 中國/中國內地	50	50	50	National operator of the public service system for distance education 全國性遠程教育公共服務體 系的運營商

The above investment in a joint venture is indirectly held by the Company.

上述於合營企業的投資由本公司直接持有。

Open University Online, which is considered a material joint venture of the Group, acts as the Group's distributor of online long distance education in Mainland China and is accounted for using the equity method.

電大在線被視為本集團的重要合營企業，將作為本集團在中國內地在线遠程教育的分銷商並使用權益法入賬。

18. INVESTMENT IN A JOINT VENTURE (continued)

The following table illustrates the summarised financial information of Open University Online adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

18. 合營企業投資(續)

下表說明電大在線的財務資料概要(已就會計政策差異作出調整,並與財務報表中賬面值對賬):

		2020 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	1,033,591
Other current assets	其他流動資產	373,201
Current assets	流動資產	1,406,792
Non-current assets, excluding goodwill	非流動資產, 不包括商譽	459,902
Goodwill on acquisition of the joint venture	收購合營企業所產生的商譽	196,095
Financial liabilities, excluding trade and other payables	金融負債, 不包括貿易及其他應付款項	19,686
Other current liabilities	其他流動負債	1,354,009
Current liabilities	流動負債	1,373,695
Non-current liabilities	非流動負債	53,106
Net assets	資產淨值	635,988
Net assets, excluding goodwill	資產淨值, 不包括商譽	439,893
Reconciliation to the Group's interest in the joint venture:	與本集團於合營企業的權益對賬:	
Proportion of the Group's ownership	本集團擁有權比例	50%
Group's share of net assets of the joint venture, excluding goodwill	本集團分佔合營企業資產淨值, 不包括商譽	219,947
Goodwill on acquisition	收購帶來的商譽	196,095
Exchange realignment	匯兌調整	(3,818)
Carrying amount of the investment	投資賬面值	412,224

18. INVESTMENT IN A JOINT VENTURE (continued)

The following table illustrates the summarised financial information of Open University Online adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements: (continued)

18. 合營企業投資(續)

下表說明電大在線的財務資料概要(已就會計政策差異作出調整,並與財務報表中賬面值對賬):(續)

		2020 RMB'000 人民幣千元
REVENUE	收益	706,439
Cost of sales	銷售成本	(295,434)
Gross profit	毛利	411,005
Other income and gains	其他收入及收益	19,238
Selling and distribution expenses	銷售及分銷開支	(177,374)
Administrative expenses	行政開支	(209,254)
Finance costs	融資成本	(1,158)
Other expenses	其他開支	(3,139)
Profit before tax	除稅前溢利	39,318
Income tax expense	所得稅開支	(945)
Profit and total comprehensive income for the period	期間溢利及全面收益總額	38,373
Attributable to:	以下應佔:	
Owners of the parent	母公司擁有人	36,566
Non-controlling interests	非控股權益	1,807
		38,373
Share of the joint venture's profit for the period	分佔合營企業期間溢利	18,283

19. INVESTMENT IN AN ASSOCIATE

19. 於聯營公司的投資

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Share of net assets	分佔資產淨值	1,603	1,908

Particulars of the associate are as follows:

聯營公司的詳情如下：

Name	Particulars of equity/interest held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
名稱	所持有股本／權益之詳情	註冊成立／註冊及業務地點	本集團應佔所有權權益之百分比	主要業務
Beacon International College PTE. LTD.*	Ordinary shares 普通股	Republic of Singapore 新加坡共和國	25.6%	Commercial schools offering higher education programmes 提供高等教育項目之商業學校

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

* 未經香港安永或安永全球網絡之另一成員公司審核

The above investment is indirectly held by the Company.

以上投資由本公司間接持有。

The following table illustrates the aggregate financial information of the Group's associate that is not individually material:

下表闡述本集團之單獨而言並非重要的聯營公司之匯總財務資料：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Share of the associate's loss for the year	分佔聯營公司年內虧損	(195)	(153)
Share of the associate's total comprehensive income	分佔聯營公司之全面收益總額	(195)	(153)
Aggregate carrying amount of the Group's investment in an associate	本集團於聯營公司的投資之賬面總值	1,603	1,908

20. OTHER INVESTMENTS/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/ASSET CLASSIFIED AS HELD FOR SALE

20. 其他投資／按公平值計入損益的金融資產／分類為持作出售資產

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Current assets	流動資產		
Short-term investments measured at amortised cost (i)	按攤銷成本計量的短期投資(i)	-	97,000
Non-current assets	非流動資產		
An equity investment measured at fair value through profit or loss (ii)	按以下方式計量的股權投資 －按公平值計入損益(ii)	52,258	56,165
Contingent consideration (note 37)	或然代價(附註37)	58,560	-
		110,818	56,165
Non-current asset classified as held for sale	分類為持作出售的非流動資產		
An equity investment at fair value through other comprehensive income (iii)	按公平值計入其他全面收益的股權投資(iii)	-	3,984

(i) Short-term investments measured at amortised cost

Short-term investments measured at amortised cost are wealth management products with guaranteed returns. They were denominated in RMB. The investments were held for collection of contractual cash flows and the contractual cash flows of these investments qualify for solely payments of principal and interest, and hence they were measured at amortised cost.

(ii) An equity investment at fair value through profit or loss

An equity investment at fair value through profit or loss represents a listed security. The fair value of the listed security is determined based on the closing price quoted in an active market. It is categorised within Level 1 of the fair value hierarchy.

(i) 按攤銷成本計量的短期投資

按攤銷成本計量的短期投資為具保證回報的理財產品。該等產品以人民幣計值。有關投資乃持有以賺取合約現金流量，而該等投資的合約現金流量合資格為純粹本息付款，因而按攤銷成本計量。

(ii) 按公平值計入損益的股權投資

按公平值計入損益的股權投資指上市證券。上市證券的公平值乃基於活躍市場所報收市價釐定，其歸入公平值層級的第一級。

20. OTHER INVESTMENTS/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/ASSET CLASSIFIED AS HELD FOR SALE (continued)

(iii) An equity investment at fair value through other comprehensive income

An equity investment at fair value through other comprehensive income represents an unlisted security. As at 31 December 2019, the equity investment at fair value through other comprehensive income is reclassified to asset held for sale according to the security transfer agreement entered into with an independent third party in December 2019. It was categorised within Level 1 of the fair value hierarchy at 31 December 2019.

20. 其他投資／按公平值計入損益的金融資產／分類為持作出售資產(續)

(iii) 按公平值計入其他全面收益的股權投資

按公平值計入其他全面收益的股權投資指非上市證券。於2019年12月31日，根據於2019年12月與一名獨立第三方訂立的證券轉讓協議，按公平值計入其他全面收益的股權投資重新分類為持作出售資產，其於2019年12月31日歸入公平值層級的第一級。

21. OTHER NON-CURRENT ASSETS

21. 其他非流動資產

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Prepayments for acquisition of land use rights	收購土地使用權的預付款項	163,730	199,972
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	-	121,058
Prepayments for acquisition of a private school and companies	收購民辦學校及公司的預付款項	100,360	-
Long-term prepayments, other receivables and other assets	長期預付款項、其他應收款項及其他資產	7,875	9,480
Loan to an associate – Hong Kong Nang Yan College of Higher Education Limited	給予聯營公司(香港能仁專上學院有限公司)的貸款	27,942	40,331
Loan to a company controlled by the former shareholder of a subsidiary	給予附屬公司原股東所控制公司的貸款	400,000	400,000
Loan to a third party	給予一名第三方的貸款	32,000	-
		731,907	770,841

The loan to an associate (Hong Kong Nang Yan College of Higher Education Limited) is unsecured, interest-free and repayable on demand.

給予聯營公司(香港能仁專上學院有限公司)的貸款為無抵押、免息，並按要求償還。

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21. OTHER NON-CURRENT ASSETS (continued)

Particulars of the associate are as follows:

Name	Particulars of equity/interest held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
名稱	所持有股本/權益之詳情	註冊成立/註冊及業務地點	本集團應佔所有權權益之百分比	主要業務
Hong Kong Nang Yan College of Higher Education Limited*	Membership 成員公司	Hong Kong 香港	0%**	Education institution providing higher education 提供高等教育之教育機構

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

** The Group's subsidiary, Hong Kong College of Technology and Business Limited ("Hong Kong Technology and Business"), is one of the two members of Hong Kong Nang Yan College of Higher Education Limited ("Hong Kong Nang Yan"). Pursuant to the Articles of Association of Hong Kong Nang Yan, no portion of the income and property of Hong Kong Nang Yan shall be transferred directly or indirectly, by way of dividend, bonus, or otherwise, to any member of it. Hong Kong Technology and Business is entitled to appoint four members to the school management committee of Hong Kong Nang Yan which represent 29% of the voting rights.

21. 其他非流動資產(續)

聯營公司的詳情如下：

Name	Particulars of equity/interest held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
名稱	所持有股本/權益之詳情	註冊成立/註冊及業務地點	本集團應佔所有權權益之百分比	主要業務
Hong Kong Nang Yan College of Higher Education Limited*	Membership 成員公司	Hong Kong 香港	0%**	Education institution providing higher education 提供高等教育之教育機構

* 未經香港安永或安永全球網絡之另一成員公司審核

** 本集團之附屬公司香港工商學院有限公司(「香港工商學院」)乃香港能仁專上學院有限公司(「香港能仁」)兩間成員公司之一。根據香港能仁之組織章程細則，香港能仁之收入及物業概無以股息、花紅或其他形式直接或間接轉讓予其任何成員公司。香港工商學院有權就香港能仁的學校管理委員會委任四名成員，相當於投票權的29%。

22. INVENTORIES**22. 存貨**

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Consumables	消耗品	2,694	1,408

23. TRADE RECEIVABLES

23. 貿易應收款項

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Trade receivables	貿易應收款項	20,493	9,897
Impairment	減值	(489)	(96)
		20,004	9,801

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming school year, which normally commences in September. The outstanding receivables mainly represent amounts related to students who have applied for the delayed payment of tuition fees and boarding fees. There is no fixed term for delayed payments. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified students, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting year, based on the transaction date and net of loss allowance, is as follows:

本集團的學生需預付下個學年的學費及住宿費，學年一般於九月開始。尚未支付應收款項主要指與已申請延遲繳交學費及住宿費的學生相關的金額。延遲付款並無固定期限。本集團致力嚴格控制未支付應收款項，以減低信貸風險。高級管理層定期審查逾期結餘。基於上文所述及本集團的貿易應收款項涉及人數龐大而分散的學生，故並無重大信貸風險集中。本集團並無為其貿易應收款項結餘安排任何抵押品或其他信用增級。貿易應收款項為免息。

截至報告年度末，按交易日期及扣除虧損撥備計算，貿易應收款項的賬齡分析如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Within 1 year	一年內	16,249	9,428
1 to 2 years	一至兩年	3,553	370
2 to 3 years	兩至三年	202	3
		20,004	9,801

23. TRADE RECEIVABLES (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
At beginning of year	年初	96	–
Impairment losses (note 6)	減值虧損(附註6)	917	558
Amount written off as uncollectible	已撇銷為無法收回款項	(524)	(462)
At end of year	年末	489	96

The Group applies the simplified approach to provide for the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Trade receivables from students are considered to be credit-impaired when the students drop out from the tuition programmes and are assessed individually for lifetime ECL provision.

The Group assessed the expected losses on trade receivables from students grouped based on the ageing of the trade receivables, considering the historical default experience and forward-looking information, as appropriate. The Group uses debtors' ageing to assess the impairment for students in relation to its college and high school education because these customers consist of a large number of students with common risk characteristics that are representative of the students' abilities to pay all amounts due in accordance with the contractual terms. The loss rate applied is minimal. Generally, trade receivables are written off when the student drops out from the tuition programmes and are not subject to enforcement activity.

23. 貿易應收款項(續)

貿易應收款項減值虧損撥備的變動如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
At beginning of year	年初	96	–
Impairment losses (note 6)	減值虧損(附註6)	917	558
Amount written off as uncollectible	已撇銷為無法收回款項	(524)	(462)
At end of year	年末	489	96

本集團應用簡化方法就國際財務報告準則第9號訂明之預期信貸虧損計提撥備，該準則允許就所有貿易應收款項採用全期預期虧損撥備。倘學生退學，則來自學生的貿易應收款項被視為已信貸減值，及按個別基準評估全期預期信貸虧損撥備。

本集團評估來自學生的貿易應收款項的預期虧損時，乃根據貿易應收款項的賬齡進行分組，並考慮過往違約記錄及前瞻性資料(如相關)。本集團用債務人賬齡來就專科及高中教育教生評估減值，因根據合約條款，該等客戶涵括眾多具普遍風險特性的學生，代表着學生支付所有應付款項的能力。所應用虧損率甚微。一般情況下，當學生退學時，貿易應收款項予以撇銷及毋須進行強制執行活動。

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS**24. 預付款項、其他應收款項及其他資產**

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Prepaid expenses	預付開支	2,460	3,313
Advance to staff	墊付員工款項	3,404	3,959
Advance to third parties	墊付第三方款項	25,600	11,569
Interest receivables	應收利息	7,209	6,233
Deposits	按金	6,429	7,679
Other receivables	其他應收款項	51,184	54,620
		96,286	87,373
Impairment allowance	減值撥備	(17,208)	(13,137)
		79,078	74,236

Except for certain receivables for which the counterparty failed to make the demanded repayment and the Group has made a 100% provision (“**default receivables**”), the balances will be settled within 12 months and has no historical default. The financial assets included in the above balance were categorised in stage 1 for measurement of ECLs at the end of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the current year, except for the default receivables, the Group estimated the expected loss rate for the other receivables is minimal (2019: minimal).

除對手方未按要求還款且本集團已全數計提撥備的若干應收款項(「**拖欠應收款項**」)外，結餘將於12個月內結清，且過往並無拖欠記錄。上述結餘所包含的金融資產歸類為報告期末計量預期信貸虧損的第1階段。於計算預期信貸虧損率時，本集團考慮過往虧損率，並就前瞻性宏觀經濟數據作出調整。於本年度，除拖欠應收款項外，本集團估計其他應收款項的預期虧損率不大(2019年：不大)。

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances. Other receivables are non-interest-bearing. The movements in the provision for impairment of deposits and other receivables are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
At beginning of year	年初	13,137	236
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	4,307	12,901
Amount written off as uncollectible	已撇銷為無法收回款項	(236)	-
		17,208	13,137

The individually impaired other receivables relate to counterparties that were in financial difficulties or were in default in payments and no receivable is expected to be recovered.

24. 預付款項、其他應收款項及其他資產 (續)

本集團將致力維持對其未支付應收款項的嚴格控制，以減輕信貸風險。賬齡較長的結欠由高級管理層定期審閱。鑒於本集團的按金及其他應收款項涉及人數龐大而分散的對手方，故並無重大信貸風險集中。本集團並無就其按金及其他應收款項結餘持有任何抵押品或其他信用增級。其他應收款項不計息。按金及其他應收款項減值的撥備變動如下：

個別減值的其他應收款項乃就有財務困難或未能付款的對手方而作出且預期應收款項將不可收回。

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25. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS MEASURED AT AMORTISED COST**25. 現金及現金等價物及按攤銷成本計量的短期投資**

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	2,624,670	1,308,361
Short-term investments measured at amortised cost with licensed banks in Mainland China, at amortised cost (Note 20)	於中國大陸持牌銀行的按攤銷成本計量的短期投資，按攤銷成本(附註20)	-	97,000
Cash and cash equivalents	現金及現金等價物	2,624,670	1,405,361
Cash and cash equivalents denominated in:	以下列貨幣計價的現金及現金等價物：		
– RMB	– 人民幣	2,121,365	1,218,173
– Hong Kong dollars (HK\$)	– 港元	75,994	96,765
– United States dollars (US\$)	– 美元	427,311	90,423

Short-term investments measured at amortised cost as at 31 December 2019 represented investments in wealth management products purchased from licensed banks in Mainland China, with an aggregate amount of RMB97,000,000.

於2019年12月31日的按攤銷成本計量的短期投資指向中國大陸持牌銀行購買的理財產品，總金額為人民幣97,000,000元。

As at 31 December 2020, the Group's cash and cash equivalents denominated in RMB amounted to RMB2,121,365,000 (2019: RMB1,218,173,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於2020年12月31日，本集團的現金及現金等價物以人民幣計價，為人民幣2,121,365,000元(2019年：人民幣1,218,173,000元)。人民幣不可自由兌換為其他貨幣，然而，根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲允許通過獲授權銀行將人民幣兌換為其他貨幣以進行外匯業務。

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

存放於銀行的現金按每日銀行存款利率的浮息率賺取利息。銀行結餘乃存於並無近期違約記錄且具信譽的銀行。

In accordance with the relevant laws and regulations imposed by the relevant PRC government authorities or the terms and conditions set out in the relevant government grant agreements, proceeds from government grants are required to be deposited into designated bank accounts and restricted to be used in the relevant projects. As at 31 December 2020, such balances were RMB47,935,000 (2019: RMB38,018,000).

根據相關中國政府當局實施的有關法律法規或有關政府補助金協議所載條款條件，政府補助金所得款項須存放於指定銀行賬戶並限定在有關項目使用。於2020年12月31日，有關結餘為人民幣47,935,000元(2019年：人民幣38,018,000元)。

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26. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Within 1 year	一年內	2,552	–

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

27. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

		31 December 2020 2020年 12月31日 RMB'000 人民幣千元	31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Short-term advances received from customers	向客戶收取的短期預付款		
Tuition fees	學費	580,303	535,025
Boarding fees	住宿費	53,717	51,826
Other education business	其他教育業務	3,710	–
		637,730	586,851

Contract liabilities mainly include short-term advances received from students in relation to the proportionate service not yet provided. The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The students are entitled to the refund of the payment in relation to the proportionate service not yet provided.

26. 貿易應付款項

截至報告期間末，貿易應付款項按發票日期的賬齡分析如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Within 1 year	一年內	2,552	–

貿易應付款項為免息且一般於30日期限內結算。

27. 合約負債

合約負債詳情如下：

		31 December 2020 2020年 12月31日 RMB'000 人民幣千元	31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Short-term advances received from customers	向客戶收取的短期預付款		
Tuition fees	學費	580,303	535,025
Boarding fees	住宿費	53,717	51,826
Other education business	其他教育業務	3,710	–
		637,730	586,851

合約負債主要包括就尚未提供服務按比例向學生收取的短期預付款。本集團於每學年開始前預先向學生收取學費及住宿費。學費及住宿費於有關課程的相關期內按比例確認。學生有權按比例收回仍未提供服務的相關款項。

28. OTHER PAYABLES AND ACCRUALS

28. 其他應付款項及應計費用

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Current portion:	即期部分：		
Accrued bonuses and other employee benefits	應計花紅及其他僱員福利	53,594	59,444
Payables for catering services	應付餐飲服務款項	8,661	29,007
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付款項	282,537	199,092
Payables for management fees	管理費應付款項	33,171	24,313
Payables for compensation fees	應付補償費用	60,000	-
Miscellaneous expenses received from students (note (i))	收取學生的雜項開支 (附註(i))	42,871	40,300
Other tax payable	其他應付稅項	2,918	2,110
Payables for audit fee	審計費用應付款項	2,345	1,820
Payables for interest	應付利息	9,370	7,577
Refund liabilities	退款負債	1,267	-
Consideration payable for business combination	業務合併應付代價	100,800	91,730
Other payables*	其他應付款項*	97,200	80,577
		694,734	535,970
Non-current portion:	非即期部分：		
Payables for compensation fees	應付補償費用	107,732	-

* Payable of RMB20,000,000 (2019: RMB20,000,000) to the non-controlling shareholder of Chongqing Electronic Information College is included within other payables.

Other payables are non-interest-bearing and repayable on demand.

Note:

(i) The amounts represent the miscellaneous expenses received from students which will be paid out on behalf of students.

* 向重慶電信職業學院非控股股東支付的應付款項人民幣20百萬元(2019年：人民幣20百萬元)已計入其他應付款項。

其他應付款項為免息，並按要求償還。

附註：

(i) 金額為收取學生的雜項開支，將代學生支付。

29. DEFERRED INCOME

29. 遞延收入

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Government grants	政府補助		
At beginning of year	年初	296,283	301,964
Grants received	已收補助	79,292	80,094
Charged to profit or loss (note 5)	計入損益(附註5)	(91,393)	(85,775)
At end of year	年末	284,182	296,283
Current	即期	21,698	22,894
Non-current	非即期	262,484	273,389
		284,182	296,283

These government grants are related to the subsidies received from the local government for the purpose of compensating the operating expenses arising from the teaching activities and expenditures on teaching facilities of the Group. Upon completion of the operating activities and the related projects, the grants related to the expense items will be recognised as other income directly in profit or loss and the grants related to an asset will be released to profit or loss over the expected useful life of the relevant asset.

該等政府補助與就本集團教學活動產生的經營費用及教學設施開支所作補償向當地政府收取的補助有關。當經營活動及相關項目完成後，與開支項目相關的補助金應直接於損益確認為其他收入，而與資產有關的補助金應在有關資產的預計可使用年期內撥入損益。

30. INTEREST-BEARING BANK AND OTHER BORROWINGS 30. 計息銀行及其他借款

		2020			2019		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
		實際利率(%)	到期	人民幣千元	實際利率(%)	到期	人民幣千元
Current	即期						
Bank loans – secured	銀行貸款 – 有抵押	4.4-7.1	2021	317,471	5.3-6.5	2020	111,000
Current portion of long-term bank loans – secured	長期銀行貸款的即期部分 – 有抵押	3.8-5.5	2021	16,366	6.5-7.1	2020	23,400
Current portion of long-term bank loans – unsecured	長期銀行貸款的即期部分 – 無抵押	2.5-4.0	2021	65,648	2.5-4.0	2020	69,873
Other loans – unsecured	其他貸款 – 無抵押		on demand			on demand	
		15-24	按要求	6,144	15-24	按要求	6,144
Current portion of long-term government loans – secured	長期政府貸款的即期部分 – 有抵押	3.5	2021	2,000	3.5	2020	2,000
Current portion of lease liabilities (note 15(b))	租賃負債的即期部分 (附註15(b))	3.6-4.9	2021	4,040	3.6	2020	1,072
Current portion of sale and leaseback liabilities	售後回租負債的即期部分	7.3-7.7	2021	34,655	6.5-7.7	2020	107,591
				446,324			321,080
Non-current	非即期						
Bank loans – secured	銀行貸款 – 有抵押	3.8-5.5	2022-2028	1,059,893	6.5-7.1	2021	4,000
Bank loans – unsecured	銀行貸款 – 無抵押	2.5-4.0	2022-2024	196,944	2.5-4.0	2021-2024	278,583
Government loan – secured	政府貸款 – 有抵押	3.5	2032	26,000	3.5	2032	28,000
Lease liabilities (note 15(b))	租賃負債(附註15(b))	4.8-4.9	2022-2026	13,686	3.6	2021	441
Sale and leaseback liabilities	售後回租負債	7.3	2022	21,166	6.5-7.7	2021	19,108
				1,317,689			330,132
				1,764,013			651,212

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30. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued) 30. 計息銀行及其他借款(續)

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Analysed into:	分析如下：		
Bank loans repayable:	應償還銀行貸款：		
Within one year or on demand	一年之內或按要求	399,485	204,273
In the second year	第二年	66,589	73,871
In the third to fifth years, inclusive	第三至第五年，首尾兩年包 括在內	1,190,248	208,712
		1,656,322	486,856
Other borrowings repayable:	其他應償還借款：		
Within one year or on demand	一年之內或按要求	6,144	6,144
Government loan repayable:	應償還政府貸款：		
Within one year or on demand	一年之內或按要求	2,000	2,000
In the second year	第二年	2,000	2,000
In the third to fifth years, inclusive	第三至第五年，首尾兩年包 括在內	4,000	6,000
Beyond five years	超過五年	20,000	20,000
		28,000	30,000
Lease liabilities:	租賃負債：		
Within one year or on demand	一年之內或按要求	4,040	1,072
In the second year	第二年	2,784	441
In the third to fifth years, inclusive	第三至第五年，首尾兩年包 括在內	8,496	-
Beyond five years	超過五年	2,406	-
		17,726	1,513
Sale and leaseback liabilities:	售後回租負債：		
Within one year or on demand	一年之內或按要求	34,655	107,591
In the second year	第二年	21,166	19,108
		55,821	126,699
		1,764,013	651,212

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) The Group's loan facilities amounted to US\$94,800,000 (2019: US\$50,000,000), all of which has been utilised as at the end of the reporting period.
- (b) Certain of the Group's bank loans and government loans are secured by: (i) mortgages over the Group's certain property, plant and equipment and certain leasehold lands, which had an aggregate carrying value at the end of the reporting period of approximately RMB93,700,000 (2019: RMB96,820,000); and (ii) pledge of a 51% equity interest of Chongqing Li'ang Industry Company Limited and pledge of a 60% equity interest of Chongqing Minsheng Education Management Co., Ltd..
- (c) The carrying value of the Group's buildings and equipment held under sale and leaseback liabilities as at 31 December 2020 was RMB208,472,000 (2019: RMB232,563,000). Leased assets were pledged as security for the related sale and leaseback liabilities.
- (d) The Group's other loans are unsecured, bear interest at rates ranging from 15% to 24% (2019: 15%-24%) and are repayable on demand.
- (e) Except for the bank loans of RMB262,592,000 and RMB620,055,000 (2019: RMB348,456,000 and nil) as at 31 December 2020, which are denominated in Hong Kong dollars and United States dollars, respectively, all borrowings are in RMB.
- (f) Pursuant to the share retention agreement ancillary to the loan agreement with International Finance Corporation, Mr. Li Xuechun and Minsheng Group Company Limited, being the controlling shareholders of the Company, are required to perform certain specific performance obligations.

31. OTHER LONG TERM LIABILITY

According to the share purchase agreement, the school campus of Dianchi College of Yunnan University, which is owned by Dianchi Co., shall not form part of the acquisition (the "Non-acquired Assets"). After the completion of the acquisition, the Group has the right to continually use the Non-acquired Assets for free until a new campus of the same size is established by Dianchi College of Yunnan University, and meanwhile the Company has the obligation to transfer the Non-acquired Assets to Leed Education Holding Limited, National Education Holding Limited and Hyde Education Holding Limited (the "Vendors") with all taxes and charges arising to be borne by the Vendors. As such, the Group considered that the fair value of the Non-acquired Assets should be recorded as payable to the Vendors.

30. 計息銀行及其他借款(續)

附註：

- (a) 本集團的貸款額度為94,800,000美元(2019年：50,000,000美元)，全部貸款額度已於報告期末動用。
- (b) 本集團的若干銀行貸款及政府貸款由(i)本集團若干物業、廠房及設備以及若干租賃土地抵押擔保，其於報告期末總賬面值約為人民幣93,700,000元(2019年：人民幣96,820,000元)；及(ii)重慶利昂實業有限公司的51%股權質押及重慶民升教育管理有限公司的60%股權質押擔保。
- (c) 於2020年12月31日，本集團按售後回租負債持有的樓宇及設備的賬面值為人民幣208,472,000元(2019年：人民幣232,563,000元)。租賃資產已予質押作為相關售後回租負債的抵押。
- (d) 本集團其他貸款為無抵押，利率為15%至24%(2019年：15%至24%)之間，須按要求償還。
- (e) 除於2020年12月31日人民幣262,592,000元及人民幣620,055,000元(2019年：人民幣348,456,000元及零)的銀行貸款分別以港元及美元計值外，所有借款均以人民幣計值。
- (f) 根據與國際金融公司所訂立貸款協議所附的股份保留協議，李學春先生及民生集團有限公司均為本公司的控股股東，須承擔若干特定履約責任。

31. 其他長期負債

根據股份購買協議，由滇池公司擁有的雲南大學滇池學院校園不構成收購事項的一部分(「非收購資產」)。於收購事項完成後，本集團有權繼續免費使用非收購資產，直至雲南大學滇池學院建成同等規模的新校區為止，同時本公司有責任將非收購資產轉讓予Leed Education Holding Limited、National Education Holding Limited及Hyde Education Holding Limited(「賣方」)，由此產生的所有稅項及費用均由賣方承擔。因此，本集團認為非收購資產的公平值應入賬列作應付賣方款項。

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32. DEFERRED TAX**Deferred tax liabilities**

The movements in deferred tax liabilities during the year are as follows:

2020

		Withholding taxes	Fair value adjustments arising from acquisition of subsidiaries	Total
		預扣稅 RMB'000 人民幣千元	因收購附屬 公司而產生的 公平值調整 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	5,000	-	5,000
Acquisition of subsidiaries	收購附屬公司	-	3,900	3,900
Deferred tax charged to profit or loss during the year (note 11)	年內計入損益的遞延稅項(附註11)	8,092	(44)	8,048
Gross deferred tax liabilities at 31 December 2020	於2020年12月31日的遞延稅項負債總額	13,092	3,856	16,948

2019

			Withholding taxes 預扣稅 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日		-
Deferred tax charged to profit or loss during the year (note 11)	年內計入損益的遞延稅項(附註11)		5,000
Gross deferred tax liabilities at 31 December 2019	於2019年12月31日的遞延稅項負債總額		5,000

32. 遞延稅項**遞延稅項負債**

年內遞延稅項負債變動如下：

2020年

		Withholding taxes	Fair value adjustments arising from acquisition of subsidiaries	Total
		預扣稅 RMB'000 人民幣千元	因收購附屬 公司而產生的 公平值調整 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2020	於2020年1月1日	5,000	-	5,000
Acquisition of subsidiaries	收購附屬公司	-	3,900	3,900
Deferred tax charged to profit or loss during the year (note 11)	年內計入損益的遞延稅項(附註11)	8,092	(44)	8,048
Gross deferred tax liabilities at 31 December 2020	於2020年12月31日的遞延稅項負債總額	13,092	3,856	16,948

2019年

			Withholding taxes 預扣稅 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日		-
Deferred tax charged to profit or loss during the year (note 11)	年內計入損益的遞延稅項(附註11)		5,000
Gross deferred tax liabilities at 31 December 2019	於2019年12月31日的遞延稅項負債總額		5,000

32. 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 Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2020, the Group recognised relevant deferred income tax liabilities of RMB13,092,000 (2019: RMB5,000,000) on earnings anticipated to be remitted by certain subsidiaries in the foreseeable future. Other than the amount recognised in the consolidated financial statements, deferred tax has not been recognised for withholding taxes for the earnings of approximately RMB1,726,040,000 at 31 December 2020 (2019: RMB1,544,620,000) expected to be retained by the PRC subsidiaries and not to be remitted to a foreign investor in the foreseeable future. In the opinion of the directors, such remaining earnings will be retained in Mainland China for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such remaining earnings in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

32. 遞延稅項(續)***遞延稅項負債(續)***

根據中國企業所得稅法，在中國大陸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。倘中國大陸與外國投資者所在司法權區之間訂有稅務條約，或可採用較低的預扣稅稅率。就本集團而言，適用稅率為10%。因此，本集團須負責為於中國大陸成立的附屬公司就2008年1月1日起產生的盈利所分派的股息繳納預扣稅。

於2020年12月31日，本集團就若干附屬公司預期將於可見將來匯出的盈利確認相關遞延所得稅負債人民幣13,092,000元（2019年：人民幣5,000,000元）。除於綜合財務報表確認的款項外，於2020年12月31日，並無就中國附屬公司預期保留及不會於可見將來匯予外國投資者的盈利的預扣稅約人民幣1,726,040,000元（2019年：人民幣1,544,620,000元）確認遞延稅項。董事認為，有關餘下盈利將留在中國大陸用於擴充本集團營運，因此該等附屬公司於可見將來可能不會分派該等餘下盈利。

本公司向其股東派付股息概不涉及所得稅影響。

32. DEFERRED TAX (continued)***Deferred tax liabilities (continued)***

As at 31 December 2020, the Group had tax losses arising in Hong Kong of RMB4,361,000 (2019: RMB1,406,000), which are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also had tax losses arising in Mainland China of RMB173,039,000 (2019: RMB17,267,000), that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

33. PUT OPTION LIABILITY

The financial liability for the Put Option is recognised at the present value of the expected amount payable of RMB981.5 million upon exercise of the Put Option assuming that the purchase will take place in the fifth year after the effective date of the share purchase agreement in relation to the acquisition of Leed International. Such present value is calculated as RMB859.0 million (2019: RMB819.3 million) with a discount rate of 4.75% (the published People's Bank of China benchmark rate). Further details are set out in note 3 to the financial statements.

32. 遞延稅項(續)***遞延稅項負債(續)***

於2020年12月31日，本集團在香港產生的稅項虧損為人民幣4,361,000元(2019年：人民幣1,406,000元)，可無限期用以抵銷出現虧損的公司的日後應課稅溢利。本集團於中國大陸亦產生稅項虧損人民幣173,039,000元(2019年：人民幣17,267,000元)，有關稅項虧損將於一至五年內屆滿，可用於抵銷日後應課稅溢利。由於該等附屬公司已產生虧損一段時間，且認為並無可能有可用作扣減稅項虧損的應課稅溢利，故並無就該等虧損確認遞延稅項資產。

33. 認沽期權負債

認沽期權的金融負債乃於認沽期權獲行使後按預期應付款項人民幣981,500,000元的現值確認，當中假設購買將於有關收購勵德集團的股份購買協議生效日期起計第五年發生。有關現值按貼現率4.75%（中國人民銀行公佈的基準利率）計算為人民幣859,000,000元(2019年：人民幣819,300,000元)。進一步詳情載於財務報表附註3。

34. SHARE CAPITAL

Shares

34. 股本

股份

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Authorised:	法定：		
10,000,000,000 ordinary shares of US\$0.00001 each as at 31 December 2020 (2019: 10,000,000,000 ordinary shares)	於2020年12月31日的 10,000,000,000股每 股面值0.00001美元 的普通股(2019年： 10,000,000,000股普通 股)	747	747
Issued and fully paid:	已發行及繳足股款：		
4,217,720,000 ordinary shares as at 31 December 2020 (2019: 4,017,720,000 ordinary shares)	於2020年12月31日的 4,217,720,000股普通股 (2019年：4,017,720,000 股普通股)	322	307

A summary of movements in the Company's share capital is as follows:

本公司股本變動概要如下：

		Number of shares in issue 已發行股份數目	Share capital 股本 RMB'000 人民幣千元
At 1 January 2019, 31 December 2019 and 1 January 2020	於2019年1月1日、2019年 12月31日及2020年1月1日	4,017,720,000	307
Share issue (note)	股份發行(附註)	200,000,000	15
At 31 December 2020	於2020年12月31日	4,217,720,000	322

Note: On 4 June 2020 and 10 June 2020, a total of 200,000,000 shares were placed and subscribed respectively by the Company at the price of HK\$1.22 per placing share, resulting in the issue of 200,000,000 shares for a total consideration, before expenses, of RMB223,568,000 (HK\$244,000,000). The share issue expenses were RMB4,266,000 (HK\$4,655,000).

附註：於2020年6月4日及2020年6月10日，合共200,000,000股股份由本公司按每股配售股份1.22港元的價格分別配售及認購，導致就人民幣223,568,000元(244,000,000港元)的總代價(扣除開支前)發行200,000,000股股份。股份發行開支為人民幣4,266,000元(4,655,000港元)。

34. SHARE CAPITAL (continued)**Share options**

Details of the Company's share option scheme and the share options issued under the scheme are included in note 35 to the financial statements.

35. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme became effective on 2 March 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The exercise price of share options is determinable by the board, but may not be less than the highest of (i) the nominal value of a share; (ii) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (iii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

(i) Movements in share options

The following share options were outstanding under the Scheme during the year:

		2020		2019	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均行使價	購股權數量	加權平均行使價	購股權數量
		HK\$	'000	HK\$	'000
		每股港元	千份	每股港元	千份
At 1 January	於1月1日	1.51	64,750	1.51	62,750
Granted during the year	年內授出	1.22	6,500	1.42	2,000
Exercised during the year	年內行使		-		-
At 31 December	於12月31日	1.48	71,250	1.51	64,750

34. 股本(續)**購股權**

本公司購股權計劃及根據計劃發行購股權的詳情載列於財務報表附註35內。

35. 購股權計劃

本公司運營購股權計劃(「計劃」)，其目的為向對本集團成功運營作出貢獻的合資格參與者提供激勵及獎勵。計劃於2017年3月2日生效，除非另行取消或修訂，將由該日期開始持續生效十年。

購股權的行使價由董事會釐定，但不得低於以下最高者(i)股份面值；(ii)本公司股份於購股權授出日期在聯交所的收市價；及(iii)本公司股份於緊接授出日期前五個交易日在聯交所的平均收市價。

(i) 購股權變動

年內計劃項下以下購股權尚未行使：

35. SHARE OPTION SCHEME (continued)**(ii) Outstanding share options**

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

31 December 2020

Number of options 購股權數量 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period	行使期
7,000	1.39	31 August 2018 to 30 August 2023	2018年8月31日至2023年8月30日
7,000	1.39	31 August 2019 to 30 August 2024	2019年8月31日至2024年8月30日
7,000	1.39	31 August 2020 to 30 August 2025	2020年8月31日至2025年8月30日
7,000	1.39	31 August 2021 to 30 August 2026	2021年8月31日至2026年8月30日
7,000	1.39	31 August 2022 to 30 August 2027	2022年8月31日至2027年8月30日
5,550	1.66	27 August 2019 to 26 August 2024	2019年8月27日至2024年8月26日
5,550	1.66	27 August 2020 to 26 August 2025	2020年8月27日至2025年8月26日
5,550	1.66	27 August 2021 to 26 August 2026	2021年8月27日至2026年8月26日
5,550	1.66	27 August 2022 to 26 August 2027	2022年8月27日至2027年8月26日
5,550	1.66	27 August 2023 to 26 August 2028	2023年8月27日至2028年8月26日
400	1.42	19 August 2020 to 18 August 2025	2020年8月19日至2025年8月18日
400	1.42	19 August 2021 to 18 August 2026	2021年8月19日至2026年8月18日
400	1.42	19 August 2022 to 18 August 2027	2022年8月19日至2027年8月18日
400	1.42	19 August 2023 to 18 August 2028	2023年8月19日至2028年8月18日
400	1.42	19 August 2024 to 18 August 2029	2024年8月19日至2029年8月18日
2,800	1.22	21 August 2020 to 20 August 2026	2020年8月21日至2026年8月20日
2,800	1.22	21 August 2021 to 20 August 2027	2021年8月21日至2027年8月20日
300	1.22	21 August 2022 to 20 August 2028	2022年8月21日至2028年8月20日
300	1.22	21 August 2023 to 20 August 2029	2023年8月21日至2029年8月20日
300	1.22	21 August 2024 to 20 August 2030	2024年8月21日至2030年8月20日
71,250			

35. 購股權計劃(續)**(ii) 未行使購股權**

於報告期末尚未行使購股權的行使價及行使期如下：

2020年12月31日

31 December 2020 2020年12月31日

35. SHARE OPTION SCHEME (continued)**(ii) Outstanding share options (continued)**

31 December 2019

Number of options 購股權數量 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period	行使期
7,000	1.39	31 August 2018 to 30 August 2023	2018年8月31日至2023年8月30日
7,000	1.39	31 August 2019 to 30 August 2024	2019年8月31日至2024年8月30日
7,000	1.39	31 August 2020 to 30 August 2025	2020年8月31日至2025年8月30日
7,000	1.39	31 August 2021 to 30 August 2026	2021年8月31日至2026年8月30日
7,000	1.39	31 August 2022 to 30 August 2027	2022年8月31日至2027年8月30日
5,550	1.66	27 August 2019 to 26 August 2024	2019年8月27日至2024年8月26日
5,550	1.66	27 August 2020 to 26 August 2025	2020年8月27日至2025年8月26日
5,550	1.66	27 August 2021 to 26 August 2026	2021年8月27日至2026年8月26日
5,550	1.66	27 August 2022 to 26 August 2027	2022年8月27日至2027年8月26日
5,550	1.66	27 August 2023 to 26 August 2028	2023年8月27日至2028年8月26日
400	1.42	19 August 2020 to 18 August 2025	2020年8月19日至2025年8月18日
400	1.42	19 August 2021 to 18 August 2026	2021年8月19日至2026年8月18日
400	1.42	19 August 2022 to 18 August 2027	2022年8月19日至2027年8月18日
400	1.42	19 August 2023 to 18 August 2028	2023年8月19日至2028年8月18日
400	1.42	19 August 2024 to 18 August 2029	2024年8月19日至2029年8月18日
64,750			

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

35. 購股權計劃(續)**(ii) 未行使購股權(續)**

2019年12月31日

* 購股權的行使價可於供股或紅股發行，或本公司股本的其他類似變動時作出調整。

35. SHARE OPTION SCHEME (continued)**(ii) Outstanding share options (continued)**

At 31 December 2020, the share options outstanding under the Scheme were divided into five tranches at their respective grant dates. Generally, the first tranche vests in one year after the grant date while the remaining tranches vest in the subsequent four years each. There is a five-year exercise period for each share option granted under the Scheme.

At 31 December 2020, the Company had 71,250,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 71,250,000 additional ordinary shares of the Company and additional share capital of HK\$6,000 (equivalent to approximately RMB5,000) and share premium of HK\$105,479,000 (equivalent to approximately RMB88,775,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 71,250,000 share options outstanding under the Scheme, which represented approximately 1.7% of the Company's shares in issue as at that date.

(iii) Fair value of the share options

The fair value of the share options granted during the year was HK\$3,458,000 (HK\$0.58 weighted average each) (2019: HK\$1,380,000), and the Group recognised a share option expense of HK\$10,798,000 (equivalent to approximately RMB9,380,000) (2019: RMB12,447,000) during the year ended 31 December 2020.

35. 購股權計劃(續)**(ii) 未行使購股權(續)**

於2020年12月31日，計劃項下未行使購股權按其各自的授出日期分為五個批次。整體而言，第一批次於授出日期後一年內歸屬，其他批次分別在其後四年各年歸屬。計劃項下授出各購股權均有五年的行使期。

於2020年12月31日，本公司計劃項下未行使購股權為71,250,000份。根據本公司現時的股本結構，悉數行使未行使購股權將導致增發71,250,000股本公司普通股，增加股本6,000港元(相當於約人民幣5,000元)以及股份溢價105,479,000港元(相當於約人民幣88,775,000元)(未扣除發行開支)。

於該等財務報表獲批准之日，本公司計劃項下有未行使購股權71,250,000份，佔本公司於該日已發行股份約1.7%。

(iii) 購股權公平值

年內授出購股權的公平值為3,458,000港元(每份加權平均公平值為0.58港元)(2019年：1,380,000港元)，本集團於截至2020年12月31日止年度確認購股權開支10,798,000港元(相當於約人民幣9,380,000元)(2019年：人民幣12,447,000元)。

35. SHARE OPTION SCHEME (continued)**(iii) Fair value of the share options (continued)**

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using the popular binomial tree model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

		2020
Dividend yield (%)	股息率(%)	–
Volatility (%)	波幅(%)	47-51
Risk-free interest rate (%)	無風險利率(%)	0.29-0.47
Exit rate (%)	退出率(%)	–
Exercise multiple	行使倍數	2.2
		2019
Dividend yield (%)	股息率(%)	–
Volatility (%)	波幅(%)	48-51
Risk-free interest rate (%)	無風險利率(%)	1.05-1.09
Exit rate (%)	退出率(%)	–
Exercise multiple	行使倍數	2.2

The volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

35. 購股權計劃(續)**(iii) 購股權公平值(續)**

年內授出以股權結算購股權的公平值於授出日期使用流行的二項式模型估計，慮及購股權授出所依據的條款及條件。下表列出模型使用的輸入數據：

波幅反映歷史波幅指示未來走勢的假設，有關假設可能與實際結果不盡相同。

計量公平值時並未包括授出購股權的其他特性。

36. RESERVES**(a) Group**

The amounts of the Group's reserves and the movements therein for each of the years are presented in the consolidated statement of changes in equity on pages 162 to 163 of the financial statements.

(b) Capital reserve

The capital reserve of the Group represents the capital contribution premium from its then shareholders.

(c) Statutory reserve

Pursuant to the relevant laws in the PRC, the Company's subsidiaries in Mainland China shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the boards of directors of the relevant PRC subsidiaries. These reserves include (i) the general reserve of the limited liability companies and (ii) the development fund of schools.

- (i) In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

36. 儲備**(a) 本集團**

本集團於各年的儲備金額及其變動於本財務報表第162頁至第163頁的綜合權益變動表呈列。

(b) 資本儲備

本集團的資本儲備為其當時的股東的注資溢價。

(c) 法定儲備

根據中國相關法律，本公司中國大陸的附屬公司須按各自董事會釐定的金額自除稅後溢利撥款至不可分派儲備基金。該等儲備包括(i)有限責任公司一般儲備及(ii)學校發展基金。

- (i) 根據《中華人民共和國公司法》，本集團若干附屬公司為內資企業，須將根據有關中國會計準則所釐定除稅後溢利的10%轉撥至各自的法定盈餘儲備，直至儲備達到各自註冊資本的50%。在符合《中華人民共和國公司法》所載若干限制的情況下，部分法定盈餘儲備可轉換為註冊股本，前提是撥充資本後餘下結餘須不低於註冊資本的25%。

36. RESERVES (continued)

(c) Statutory reserve (continued)

- (ii) According to the relevant PRC laws and regulations, private schools that require reasonable returns are required to make appropriation to the development fund of not less than 25% of the net income of the relevant schools as determined in accordance with generally accepted accounting principles in the PRC. The development fund is for the construction or maintenance of the school facilities or procurement or upgrade of educational equipment.

37. BUSINESS COMBINATIONS

Acquisition of TCL Educational Web

On 25 March 2020, Minsheng Education Technology, a wholly-owned subsidiary of the Company, entered into share purchase agreement with TCL Technology Investments Limited, pursuant to which Minsheng Education Technology agreed to acquire 100% of the issued share capital of TCL Educational Web from TCL Technology Investments Limited at a cash consideration of RMB420.0 million. TCL Educational Web is an investment holding company and its subsidiaries and joint venture are principally engaged in providing online education services. The acquisition was made as part of the Group's strategy to expand its network of online education. The acquisition has been accounted for using the acquisition method. The handover was completed on 30 March 2020. Since then, TCL Educational Web has become a subsidiary of the Company.

36. 儲備(續)

(c) 法定儲備(續)

- (ii) 根據相關中國法律法規，需要合理回報的民辦學校須將按中國公認會計原則計算的相關學校淨收入不少於25%撥至發展基金。發展基金乃用作興建或維修學校設施，或教育設備的採購或升級。

37. 業務合併

TCL教育網收購事項

於2020年3月25日，本公司的全資附屬公司民生教育科技與TCL Technology Investments Limited訂立股份購買協議，據此，民生教育科技同意向TCL Technology Investments Limited收購TCL教育網100%的已發行股本，現金代價為人民幣420,000,000元。TCL教育網為一家投資控股公司，其附屬公司及合營企業主要從事提供在線教育服務。收購事項為本集團拓展在線教育網絡策略的一部分。收購事項已採用收購法入賬。移交已於2020年3月30日完成。從此TCL教育網成為本公司附屬公司。

37. BUSINESS COMBINATIONS (continued)**Acquisition of TCL Educational Web (continued)**

The fair values of the identifiable assets and liabilities of TCL Educational Web as at the date of acquisition were as follows:

		Notes	Fair value recognised on acquisition 收購時確認公平值 RMB'000 人民幣千元
		附註	
Property, plant and equipment	物業、廠房及設備	14	343
Investment in a joint venture	合營企業投資	18	397,116
Other intangible assets	其他無形資產	17	1,611
Cash and bank balances	現金及銀行結餘		20,287
Prepayments, other receivables and other assets	預付款項、其他應收款項 及其他資產		2,709
Other payables and accruals	其他應付款項及應計費用		(2,066)
Total identifiable net assets at fair value	可識別淨資產總額，按公 平值		420,000
Goodwill on acquisition	收購帶來的商譽		-
Satisfied by:	支付：		
Cash consideration	現金代價		319,200
Consideration payable	應付代價		100,800
			420,000

The Group incurred transaction costs of RMB5,416,000 for this acquisition. The transaction costs have been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

37. 業務合併(續)**TCL教育網收購事項(續)**

TCL教育網於收購日期可識別資產及負債的公平值如下：

		Notes	Fair value recognised on acquisition 收購時確認公平值 RMB'000 人民幣千元
		附註	
Property, plant and equipment	物業、廠房及設備	14	343
Investment in a joint venture	合營企業投資	18	397,116
Other intangible assets	其他無形資產	17	1,611
Cash and bank balances	現金及銀行結餘		20,287
Prepayments, other receivables and other assets	預付款項、其他應收款項 及其他資產		2,709
Other payables and accruals	其他應付款項及應計費用		(2,066)
Total identifiable net assets at fair value	可識別淨資產總額，按公 平值		420,000
Goodwill on acquisition	收購帶來的商譽		-
Satisfied by:	支付：		
Cash consideration	現金代價		319,200
Consideration payable	應付代價		100,800
			420,000

本集團就是次收購事項產生交易成本人民幣5,416,000元。該等交易成本已於綜合損益及其他全面收益表計入行政開支。

37. BUSINESS COMBINATIONS (continued)**Acquisition of TCL Educational Web (continued)**

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

		RMB'000 人民幣千元
Cash consideration	現金代價	(319,200)
Cash and bank balances acquired	所收購現金及銀行結餘	20,287
Net outflow on acquisition included in cash flows from investing activities	計入投資活動所得現金流量的收購 流出淨額	(298,913)

Since the acquisition, TCL Educational Web contributed RMB1,914,000 to the Group's revenue and RMB755,000 to the consolidated profit for the year ended 31 December 2020.

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 RMB1,109,319,000 and RMB131,681,000, respectively.

Acquisition of Doxue Network

On 14 October 2020, Beijing Minsheng Zhicai Education Technology Company Limited ("Minsheng Zhicai"), a consolidated affiliated entity of the Company, entered into the share purchase agreement with Ruichang Anrui Enterprise Management Center (Limited Partnership) ("Ruichang Anrui"), Shouguang Ganghua Information Consulting Service Center (Limited Partnership), Mr. Zhang Shihua, Mr. Zhang Pusheng and Doxue Network, pursuant to which Minsheng Zhicai agreed to acquire 60% of the issued share capital of Doxue Network from Ruichang Anrui.

37. 業務合併(續)**TCL教育網收購事項(續)**

就收購附屬公司的現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	(319,200)
Cash and bank balances acquired	所收購現金及銀行結餘	20,287
Net outflow on acquisition included in cash flows from investing activities	計入投資活動所得現金流量的收購 流出淨額	(298,913)

自收購事項以來，TCL教育網為本集團截至2020年12月31日止年度貢獻收益人民幣1,914,000元及綜合利潤人民幣755,000元。

倘合併於年初進行，則年內本集團收益及利潤將分別為人民幣1,109,319,000元及人民幣131,681,000元。

都學網絡收購事項

於2020年10月14日，本公司合併附屬實體北京民晟智才教育科技有限公司（「民晟智才」）與瑞昌安瑞企業管理中心（有限合夥）（「瑞昌安瑞」）、壽光港華信息諮詢服務中心（有限合夥）、張詩華先生、張普勝先生及都學網絡訂立股份購買協議，據此，民晟智才同意向瑞昌安瑞收購都學網絡60%的已發行股本。

37. BUSINESS COMBINATIONS (continued)**Acquisition of Doxue Network (continued)**

The consideration of the acquisition represents 60% of 12 times of the average of the total net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses in the audited consolidated financial statements of Doxue Network for the two years ending 31 December 2020 and 2021 (the “**Average Net Profit**”). The estimated Average Net Profit of RMB34,500,000 shall be the standard for adjusting and confirming the total consideration. The consideration for the acquisition may be adjusted in accordance with the following mechanism and the maximum consideration shall not be more than RMB288,000,000:

		Consideration 代價
Actual Average Net Profit is 90% or more than estimate	實際淨利潤平均值為估計的90%或以上	60% of 12 times of the actual Average Net Profit 實際淨利潤平均值12倍的60%
Actual Average Net Profit is 70% or more but less than 90% estimate	實際淨利潤平均值為估計的70%或以上但不足90%	60% of 11.5 times of the actual Average Net Profit 實際淨利潤平均值11.5倍的60%
Actual Average Net Profit is less than 70% estimate	實際淨利潤平均值不足估計的70%	60% of 10 times of the actual Average Net Profit 實際淨利潤平均值10倍的60%

37. 業務合併(續)**都學網絡收購事項(續)**

收購事項的代價為都學網絡截至2020年及2021年12月31日止兩個年度的經審核綜合財務報表歸屬於母公司股東扣除非經常性損益後合計淨利潤平均值(「**淨利潤平均值**」)12倍的60%。估計的淨利潤平均值人民幣34,500,000元為調整及確認總代價的標準。收購事項的代價可根據以下機制調整且代價最高不得超過人民幣288,000,000元：

37. BUSINESS COMBINATIONS (continued)**Acquisition of Doxue Network (continued)**

Doxue Network is principally engaged in providing online education services and education information service business for the MBA category. The acquisition was made as part of the Group's strategy to build a new ecosystem of higher education by empowering education through technology and realise integration and collaborative development of on-campus education and online education. The acquisition has been accounted for using the acquisition method. The handover was completed on 13 December 2020. Since then, Doxue Network has become a subsidiary of the Company.

The fair value of the identifiable assets and liabilities of Doxue Network as at the date of acquisition were as follows:

37. 業務合併(續)**都學網絡收購事項(續)**

都學網絡主要從事提供工商管理碩士類在線教育服務及教育信息化服務業務。收購事項為本集團「以科技賦能教育，構建高等教育新生態；校園教育、在線教育雙輪驅動、相互融通、協同發展」策略的一部分。收購事項已採用收購法入賬。移交已於2020年12月13日完成。從此都學網絡成為本公司附屬公司。

都學網絡於收購日期可識別資產及負債的公平值如下：

		Notes 附註	Fair value recognised on acquisition 收購時確認公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	14	146
Right-of-use assets	使用權資產	15	2,144
Other intangible assets	其他無形資產	17	26,000
Inventories	存貨		405
Trade receivables	貿易應收款項		1,702
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		6,454
Cash and cash equivalents	現金及現金等價物		29,034
Trade payables	貿易應付款項		(1,671)
Other payables and accruals	其他應付款項及應計費用		(7,933)
Contract liabilities	合約負債		(4,365)
Lease liabilities included in interest-bearing bank and other borrowings – current	計入計息銀行及其他借款的租賃負債－即期		(1,511)
Tax payable	應付稅項		(2,265)
Lease liabilities included in interest-bearing bank and other borrowings – non-current	計入計息銀行及其他借款的租賃負債－非即期		(412)
Deferred tax liabilities	遞延稅項負債		(3,900)
Total identifiable net assets at fair value	可識別淨資產總額，按公平值		43,828
Non-controlling interests	非控股權益		(17,531)
Goodwill on acquisition	收購帶來的商譽	16	97,795
Satisfied by:	支付：		
Cash consideration	現金代價		108,000
Contingent consideration	或然代價		16,092
			124,092

37. BUSINESS COMBINATIONS (continued)***Acquisition of Doxue Network (continued)***

The Group incurred transaction costs of RMB100,000 for this acquisition. The transaction costs have been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

As part of the purchase agreement, contingent consideration is payable, which is dependent on the amount of net profit of Doxue Network during the 3-year period subsequent to the acquisition. The initial amount recognised was RMB74,652,000 as a financial liability at fair value through profit or loss and RMB58,560,000 as a financial asset at fair value through profit or loss, respectively, which were determined using the discounted cash flow model and is within Level 3 fair value measurement.

Significant unobservable valuation inputs for the fair value measurement of contingent consideration are as follows:

Projected 2021 net profit of Doxue Network	RMB25,188,000
Projected 2022 net profit of Doxue Network	RMB29,065,000
Projected 2023 net profit of Doxue Network	RMB33,714,000
Post-tax discount rate	17%

A significant increase (decrease) in the net profit of Doxue Network would result in a significant increase (decrease) in the fair value of the contingent consideration liability. A significant increase (decrease) in the discount rate would result in a significant decrease (increase) in the fair value of the contingent consideration liability.

37. 業務合併(續)***都學網絡收購事項(續)***

本集團就是次收購產生交易成本人民幣100,000元。交易成本已計入綜合損益及其他全面收益表內的行政開支。

作為購買協議的組成部分，應付或然代價取決於都學網絡於收購事項後三年期間的淨利潤。初始金額分別確認為按公平值計入損益的金融負債人民幣74,652,000元及按公平值計入損益的金融資產人民幣58,560,000元，乃使用貼現現金流模型釐定並計入第三級公平值計量。

或然代價公平值計量的重大不可觀察估值輸入數據如下：

都學網絡2021年 預計淨利潤	人民幣25,188,000元
都學網絡2022年 預計淨利潤	人民幣29,065,000元
都學網絡2023年 預計淨利潤	人民幣33,714,000元
稅後貼現率	17%

都學網絡淨利潤大幅增加(減少)將導致或然代價負債的公平值大幅增加(減少)。貼現率大幅增加(減少)將導致或然代價負債的公平值大幅減少(增加)。

37. BUSINESS COMBINATIONS (continued)**Acquisition of Doxue Network (continued)**

A significant increase (decrease) in the net profit of Doxue Network would result in a significant decrease (increase) in the fair value of the contingent consideration asset. A significant increase (decrease) in the discount rate would result in a significant increase (decrease) in the fair value of the contingent consideration asset.

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

		RMB'000 人民幣千元
Cash and bank balances acquired	所收購現金及銀行結餘	29,034
Cash paid	已付現金	(108,000)
Net cash outflow on acquisition included in cash flows from investing activities	計入投資活動所得現金流的收購現金流出淨額	(78,966)

Since the acquisition, Doxue Network contributed RMB8,162,000 to the Group's revenue and RMB3,889,000 to the consolidated profit for the year ended 31 December 2020.

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 RMB1,174,496,000 and RMB150,630,000, respectively.

37. 業務合併(續)**都學網絡收購事項(續)**

都學網絡淨利潤大幅增加(減少)將導致或然代價資產的公平值大幅減少(增加)。貼現率大幅增加(減少)將導致或然代價資產的公平值大幅增加(減少)。

就收購附屬公司的現金流分析如下：

自收購事項以來，都學網絡為本集團截至2020年12月31日止年度貢獻收益人民幣8,162,000元及綜合利潤人民幣3,889,000元。

倘合併於年初進行，則年內本集團收益及利潤將分別為人民幣1,174,496,000元及人民幣150,630,000元。

38. DISPOSAL OF A SUBSIDIARY

38. 出售一間附屬公司

		Notes 附註	2020 RMB'000 人民幣千元
Net assets disposal of:	出售的資產淨值：		
Property, plant and equipment	物業、廠房及設備	14	9,803
Cash and bank balances	現金及銀行結餘		9,169
Trade receivables	貿易應收款項		999
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		1,878
Inventories	存貨		147
Other non-current assets	其他非流動資產		151,977
Contract liabilities	合約負債		(5,471)
Other payables and accruals	其他應付款項及應計費用		(112,407)
			56,095
Gain on disposal of a subsidiary	出售一間附屬公司的收益	5	7,093
			63,188
Satisfied by:	支付：		
Cash consideration	現金代價		63,188

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

就出售一間附屬公司的現金及現金等價物的淨流入分析如下：

		2020 RMB'000 人民幣千元
Cash consideration	現金代價	63,188
Cash and bank balances disposed of	所出售現金及銀行結餘	(9,169)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	就出售一間附屬公司的現金及現金等價物的淨流入	54,019

31 December 2020 2020年12月31日

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**(a) Changes in assets and liabilities arising from financing activities****2020**

		Other non-current assets	Bank and other borrowings	Lease liabilities	Sale and leaseback liabilities	Loans from the ultimate holding company
		其他非流動資產	銀行及其他借款	租賃負債	售後回租負債	來自最終控股公司的貸款
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020	於2020年1月1日	4,015	523,000	1,513	126,699	-
Changes from financing cash flows	融資現金流變動	-	1,149,741	(1,708)	(82,470)	146,182
New leases	新租賃	-	-	15,895	-	-
Acquisition of subsidiaries	附屬公司收購事項	-	-	1,923	-	-
Interest expense	利息開支	(1,793)	-	103	11,592	2,645
Effect of foreign exchange rate changes	匯率變動影響	-	17,725	-	-	(11,591)
At 31 December 2020	於2020年12月31日	2,222	1,690,466	17,726	55,821	137,236

2019

2019年

		Other non-current assets	Bank and other borrowings	Lease liabilities	Sale and leaseback liabilities
		其他非流動資產	銀行及其他借款	租賃負債	售後回租負債
		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
At 1 January 2019	於2019年1月1日		3,806	228,644	-
Changes from financing cash flows	融資現金流變動		5,232	283,660	(662)
New leases	新租賃		-	-	2,137
Interest expense	利息開支		(5,023)	-	38
Effect of foreign exchange rate changes	匯率變動影響		-	10,696	-
At 31 December 2019	於2019年12月31日		4,015	523,000	1,513

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Within operating activities	經營活動內	–	–
Within investing activities	投資活動內	–	–
Within financing activities	融資活動內	1,708	662
		1,708	662

40. CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any significant contingent liabilities (2019: Nil).

41. COMMITMENTS

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

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Equipment	設備	48,786	40,207
Buildings	樓宇	363,261	208,085
Loans committed	承諾貸款	–	50,000
Acquisition of a private school and companies	收購民辦學校及公司	172,440	172,440
		584,487	470,732

At the end of the reporting period, the Group did not have significant capital commitments that are authorised but not contracted for (2019: Nil).

39. 綜合現金流量表附註(續)

(b) 租賃之現金流出總額

計入現金流量表的租賃之現金流出總額如下：

40. 或然負債

於2020年12月31日，本集團概無任何重大或然負債(2019年：無)。

41. 承擔

本集團於報告期末的資本承擔如下：

於報告期末，本集團並無已授權但未訂約的重大資本承擔(2019年：無)。

42. RELATED PARTY TRANSACTIONS**(a) Name and relationship of a related party**

Name 名稱	Relationship 關係
Minsheng Group Company Limited 民生集團有限公司	The ultimate holding company 最終控股公司

(b) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with a related party during the year:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Loans from: Minsheng Group Company Limited	貸款來自： 民生集團有限公司	146,182	–
Interest expense to: Minsheng Group Company Limited	應付利息開支： 民生集團有限公司	2,645	–

(c) Outstanding balances with a related party

Loans from the ultimate holding company:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Loans from: Minsheng Group Company Limited	貸款來自： 民生集團有限公司	137,236	–

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

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	16,039	15,174
Equity-settled share option expense	以股權結算的購股權費用	7,181	9,556
Pension scheme contributions	退休金計劃供款	63	60
		23,283	24,790

Further details of directors' emoluments are included in note 9 to the financial statements.

董事酬金的進一步詳情載於財務報表附註9。

42. 關連方交易**(a) 關連方名稱及與關連方的關係**

Name 名稱	Relationship 關係
Minsheng Group Company Limited 民生集團有限公司	The ultimate holding company 最終控股公司

(b) 於年內，除本財務資料其他地方所詳述的交易外，本集團與關連方有以下交易：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Loans from: Minsheng Group Company Limited	貸款來自： 民生集團有限公司	146,182	–
Interest expense to: Minsheng Group Company Limited	應付利息開支： 民生集團有限公司	2,645	–

(c) 與關連方相關的未償還結餘

來自最終控股公司的貸款：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Loans from: Minsheng Group Company Limited	貸款來自： 民生集團有限公司	137,236	–

(d) 本集團主要管理人員的薪酬：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	16,039	15,174
Equity-settled share option expense	以股權結算的購股權費用	7,181	9,556
Pension scheme contributions	退休金計劃供款	63	60
		23,283	24,790

43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2020**Financial assets**

		Financial assets at fair value through profit or loss 按公平值計入損益的金融資產			
		Designated as such upon initial recognition	Mandatorily designated as such	Financial assets at amortised cost	Total
		於初步 確認時指定	強制指定	按攤銷成本 計量的 金融資產	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables	貿易應收款項	-	-	20,004	20,004
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	-	-	51,921	51,921
Financial assets included in other non-current assets	計入其他非流動資產的金融資產	27,942	-	434,370	462,312
Financial asset at fair value through profit or loss	按公平值計入損益的金融資產				
- Equity investment	- 股權投資	-	52,258	-	52,258
- Contingent consideration	- 或然代價	58,560	-	-	58,560
Cash and bank balances	現金及銀行結餘	-	-	2,624,670	2,624,670
		86,502	52,258	3,130,965	3,269,725

43. 金融工具分類

於報告期末，各類金融工具的賬面值如下：

2020年**金融資產**

43. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

43. 金融工具分類(續)

Financial liabilities

金融負債

		Financial liability at fair value through profit or loss 按公平值計入 損益的金融負債	Designated as such upon initial recognition 於初步 確認時指定	Financial liabilities at amortised cost 按攤銷成本計量 的金融負債	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Financial liability at fair value through profit or loss- contingent consideration	按公平值計入損益的金融負債-或然代價	74,652	-	-	74,652
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	-	595,351	595,351	595,351
Trade payables	貿易應付款項	-	2,552	2,552	2,552
Dividend payable	應付股息	-	62,179	62,179	62,179
Interest-bearing bank and other borrowings	計息銀行及其他借款	-	1,764,013	1,764,013	1,764,013
Loans from the ultimate holding company	來自最終控股公司的貸款	-	137,236	137,236	137,236
Payables for compensation fees - non-current	應付補償費用-非即期	-	107,732	107,732	107,732
Put option liability	認沽期權負債	-	859,038	859,038	859,038
		74,652	3,528,101	3,602,753	3,602,753

43. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2019

Financial assets

43. 金融工具分類(續)

於報告期末，各類金融工具的賬面值如下：(續)

2019年

金融資產

		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Equity investment	Financial assets at amortised cost	Total
		按公平值計入損益的金融資產	按公平值計入其他全面收益的金融資產	股權投資	按攤銷成本計量的金融資產	總計
		Designated as such upon initial recognition	Mandatorily designated as such			
		於初步確認時指定	強制指定			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Equity investment designated at fair value through other comprehensive income included in asset classified as held for sale	計入分類為持作出售的資產的指定按公平值計入其他全面收益的股權投資	-	-	3,984	-	3,984
Trade receivables	貿易應收款項	-	-	-	9,801	9,801
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	-	-	-	37,035	37,035
Financial assets included in other non-current assets	計入其他非流動資產的金融資產	40,331	-	-	402,370	442,701
Financial asset at fair value through profit or loss	按公平值計入損益的金融資產	-	56,165	-	-	56,165
Short-term investments measured at amortised cost	按攤銷成本計量的短期投資	-	-	-	97,000	97,000
Cash and bank balances	現金及銀行結餘	-	-	-	1,308,361	1,308,361
		40,331	56,165	3,984	1,854,567	1,955,047

43. FINANCIAL INSTRUMENTS BY CATEGORY (continued)***Financial liabilities*****43. 金融工具分類(續)****金融負債**

Financial liabilities
at amortised cost
按攤銷成本
計量的金融負債
RMB'000
人民幣千元

Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的 金融負債	434,116
Interest-bearing bank and other borrowings	計息銀行及其他借款	651,212
Put option liability	認沽期權負債	819,264
		1,904,592

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

44. 金融工具的公平值及公平值層級

本集團金融工具(賬面值與公平值合理相若者除外)的賬面值及公平值如下：

		2020 Carrying amounts 賬面值 RMB'000 人民幣千元	2020 Fair values 公平值 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產		
– Equity investment	– 股權投資	52,258	52,258
– Contingent consideration	– 或然代價	58,560	58,560
Loan to an associate included in other non-current assets	計入其他非流動資產的給予聯營公司的貸款	27,942	27,942
Financial assets included in other non-current assets (other than a loan to an associate)	計入其他非流動資產的金融資產(給予聯營公司的貸款除外)	434,370	434,370
		573,130	573,130
Financial liabilities	金融負債		
Financial liability at fair value through profit or loss	按公平值計入損益的金融負債		
– contingent consideration	– 或然代價	74,652	74,652
Interest-bearing bank and other loans	計息銀行及其他貸款		
– (other than lease liabilities)	– (租賃負債除外)	1,746,287	1,718,300
Loans from the ultimate holding company	來自最終控股公司的貸款	137,236	137,236
Payables for compensation fees – non-current	應付補償費用 – 非即期	107,732	107,732
Put option liability	認沽期權負債	859,038	859,038
		2,924,945	2,896,958

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

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

44. 金融工具的公平值及公平值層級(續)

本集團金融工具(賬面值與公平值合理相若者除外)的賬面值及公平值如下:
(續)

		2019 Carrying amounts 賬面值 RMB'000 人民幣千元	2019 Fair values 公平值 RMB'000 人民幣千元
Financial assets	金融資產		
Equity investment designated at fair value through other comprehensive income included in asset classified as held for sale	計入分類為持作出售的資產的指定按公平值計入其他全面收益的股權投資	3,984	3,984
Equity investment at fair value through profit or loss	按公平值計入損益的股權投資	56,165	56,165
Loan to an associate included in other non-current assets	計入其他非流動資產的給予聯營公司的貸款	40,331	40,331
Financial assets included in other non-current assets (other than a loan to an associate)	計入其他非流動資產的金融資產(給予聯營公司的貸款除外)	402,370	402,370
		502,850	502,850
Financial liabilities	金融負債		
Interest-bearing bank and other loans (other than lease liabilities)	計息銀行及其他貸款(租賃負債除外)	649,699	644,493
Put option liability	認沽期權負債	819,264	819,264
		1,468,963	1,463,757

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

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

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

The fair value of financial assets included other non-current assets except for a loan to an associate, which have been measured at fair value, financial liabilities included in interest-bearing bank and other borrowings and loans from the ultimate holding company 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 changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2019 and 2020 were assessed to be insignificant.

The fair value of the put option liability has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of listed equity investments are based on quoted market prices.

44. 金融工具的公平值及公平值層級(續)

管理層已評估現金及銀行結餘、計入預付款、其他應收款項及其他資產的金融資產、貿易應收款項以及計入其他應付款項及應計費用的金融負債的公平值，與其賬面值相若，主要是由於該等工具短期內到期。

金融資產及負債的公平值以自願交易方(非強迫或清盤出售)當前交易中該工具的可交易金額入賬。以下方法及假設用作估計彼等的公平值：

計入其他非流動資產且按公平值計量的金融資產(給予聯營公司的貸款除外)、計入計息銀行及其他借款的金融負債及來自最終控股公司的貸款的公平值乃透過採用具類似條款、信貸風險及餘下到期日的工具現時可用利率貼現預期未來現金流量計算。因本集團於2019年及2020年12月31日就計息銀行及其他借款的本身不履約風險而導致的公平值變動乃評估為並不重大。

認沽期權負債的公平值透過採用具類似條款、信貸風險及餘下到期日的工具現時可用利率貼現預期未來現金流量計算。

上市股權投資的公平值按市場報價計算。

31 December 2020 2020年12月31日

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair value of the loan to an associate included in other non-current assets has been estimated using the discounted cash flow valuation model based on assumptions that were not supported by observable market prices or rates. The valuation required the directors to make estimates about the expected future cash flows including expected future interest return on maturity of the loan to an associate. The directors believe that the estimated fair value resulting from the valuation technique, which is recorded in the consolidated statement of financial position, is reasonable, and that it is the most appropriate value at the end of the reporting period.

The fair value of the contingent consideration has been estimated using the discounted cash flow method.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis at the end of the reporting period:

31 December 2020

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察參數	Range 幅度	Sensitivity of fair value to the input 公平值對參數的敏感度
Loan to an associate included in other non-current assets	Discounted cash flow method	Discount rate	2.86%	0.5% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by RMB1,680,000/RMB1,680,000
計入其他非流動資產的給予聯營公司的貸款	貼現現金流方法	貼現率	2.86%	貼現率上升/(下跌)0.5%將導致公平值(減少)/增加人民幣1,680,000元/人民幣1,680,000元
Contingent consideration	Discounted cash flow Model	Discount rate	17.00%	0.5% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by RMB800,000/RMB800,000
或然代價	貼現現金流方法	貼現率	17.00%	貼現率上升/(下跌)0.5%將導致公平值(減少)/增加人民幣800,000元/人民幣800,000元

44. 金融工具的公平值及公平值層級(續)

計入其他非流動資產的給予聯營公司的貸款的公平值，乃採用貼現現金流估值模式估計，當中的假設並無取得可觀察市價或比率支持。有關估值須董事就預期未來現金流(包括給予聯營公司的貸款到期時的預期未來利息回報)作出估計。董事相信，按此估值方法得出的估計公平值(於綜合財務狀況表入賬)乃屬合理，並為報告期末最恰當的估值。

或然代價的公平值乃採用貼現現金流方法估計。

金融工具估值於報告期末的重大不可觀察參數及量化敏感度分析的概要載列如下：

2020年12月31日

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

31 December 2019

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察參數	Range 幅度	Sensitivity of fair value to the input 公平值對參數的敏感度
Loan to an associate included in other non-current assets	Discounted cash flow method	Discount rate	3.27%	0.5% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by RMB894,600/RMB894,600
計入其他非流動資產的給予聯營公司的貸款	貼現現金流方法	貼現率	3.27%	貼現率上升/(下跌)0.5%將導致公平值(減少)/增加人民幣894,600元/人民幣894,600元

Fair value hierarchy

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

Assets measured at fair value**As at 31 December 2020**

		Fair value measurement using 公平值計量使用			Total 總計
		Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產				
- Equity investment	- 股權投資	52,258	-	-	52,258
- Contingent consideration	- 或然代價	-	-	58,560	58,560
Loan to an associate included in other non-current assets	計入其他非流動資產的給予聯營公司的貸款	-	-	27,942	27,942
		52,258	-	86,502	138,760

44. 金融工具的公平值及公平值層級(續)

2019年12月31日

公平值層級

下表闡明本集團金融工具的公平值計量層級：

按公平值計量的資產**於2020年12月31日**

31 December 2020 2020年12月31日

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy (continued)****Assets measured at fair value (continued)**

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

As at 31 December 2019

		Fair value measurement using 公平值計量使用			Total 總計
		Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	RMB'000 人民幣千元
Equity investment designated at fair value through other comprehensive income included in asset classified as held for sale	計入分類為持作出售的資產的指定按公平值計入其他全面收益的股權投資	3,984	-	-	3,984
Financial asset at fair value through profit or loss	按公平值計入損益的金融資產	56,165	-	-	56,165
Loan to an associate included in other non-current assets	計入其他非流動資產的給予聯營公司的貸款	-	-	40,331	40,331
		60,149	-	40,331	100,480

Liability measured at fair value**按公平值計量的負債**

		Fair value measurement using 公平值計量使用			Total 總計
		Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	RMB'000 人民幣千元
Financial liability at fair value through profit or loss – Contingent consideration	按公平值計入損益的金融負債 – 或然代價	-	-	74,652	74,652

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy (continued)****Liability measured at fair value (continued)**

The movements in fair value measurements within Level 3 during the year are as follows:

44. 金融工具的公平值及公平值層級(續)**公平值層級(續)****按公平值計量的負債(續)**

年內第三級內公平值計量的變動如下：

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Equity investment designated at fair value through other comprehensive income	指定按公平值計入其他全面收益的股權投資	-	
At 1 January	於1月1日	-	6,380
Total losses recognised in other comprehensive income	於其他全面收益確認的虧損總額	-	(2,396)
Reclassified to asset held for sale	重新分類至持作出售的資產	-	(3,984)
At 31 December	於12月31日	-	-
Loan to an associate included in other non-current assets	計入其他非流動資產的給予聯營公司的貸款		
At 1 January	於1月1日	40,331	43,810
Total losses recognised in profit or loss included in other expenses	計入其他開支於損益確認的虧損總額	(10,505)	(5,130)
Effect of foreign exchange rate changes	匯率變動影響	(1,884)	1,651
At 31 December	於12月31日	27,942	40,331
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產		
- Contingent consideration	- 或然代價		
At 1 January	於1月1日	-	-
Acquisition of subsidiaries	收購附屬公司	58,560	-
At 31 December	於12月31日	58,560	-
Financial liability at fair value through profit or loss	按公平值計入損益的金融負債		
- Contingent consideration	- 或然代價		
At 1 January	於1月1日	-	-
Acquisition of subsidiaries	收購附屬公司	74,652	-
At 31 December	於12月31日	74,652	-

During the year ended 31 December 2020, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

於截至2020年12月31日止年度，就金融資產及金融負債而言，第一級及第二級之間概無公平值計量轉撥，而第三級亦無轉入或轉出。

31 December 2020 2020年12月31日

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy (continued)**

During the year ended 31 December 2019, the unlisted equity investment at fair value through other comprehensive income was transferred out of Level 3 of the fair value hierarchy due to the conversion to asset held for sale as a result of the intentional disposal plan. It was categorised within Level 1 of the fair value hierarchy at 31 December 2019. There were no other transfers of fair value measurements between Level 1 and Level 2 and no other transfers into or out of Level 3 for both financial assets and financial liabilities.

Liabilities for which fair values are disclosed

As at 31 December 2020

44. 金融工具的公平值及公平值層級(續)**公平值層級(續)**

截至2019年12月31日止年度，按公平值計入其他全面收益的非上市股權投資轉出公平值層級第三級，乃由於潛在出售計劃而轉至持作出售的資產所致，並於2019年12月31日分類於公平值層級第一級內。就金融資產及金融負債而言，第一級及第二級之間概無其他公平值計量轉撥，而第三級亦無其他轉入或轉出。

披露公平值的負債

於2020年12月31日

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Interest-bearing bank and other loans (other than lease liabilities)	計息銀行及其他貸款 (租賃負債除外)	-	1,718,300	-	1,718,300
Loans from the ultimate holding company	來自最終控股公司的貸款	-	137,236	-	137,236
Payables for compensation fees - non-current	應付補償費用 - 非即期	-	107,732	-	107,732
Put option liability	認沽期權負債	-	859,038	-	859,038
		-	2,822,306	-	2,822,306

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed (continued)

As at 31 December 2019

44. 金融工具的公平值及公平值層級(續)

公平值層級(續)

披露公平值的負債(續)

於2019年12月31日

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	於活躍市場的報價 (第一級)	重大可觀察參數 (第二級)	重大不可觀察參數 (第三級)	總計
	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
Interest-bearing bank and other loans (other than lease liabilities)		計息銀行及其他貸款 (租賃負債除外)		
	-	644,493	-	644,493
Put option liability		認沽期權負債		
	-	819,264	-	819,264
	-	1,463,757	-	1,463,757

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans, other interest-bearing loans and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, other receivables and other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

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

The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings at the end of years 2019 and 2020 and assumed that the amounts of liabilities outstanding at the end of years 2019 and 2020 were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

45. 金融風險管理目標及政策

本集團的主要金融工具包括銀行貸款、其他計息貸款以及現金及銀行結餘。該等金融工具的主要目的乃為本集團的業務經營籌集資金。本集團有多種直接因營運產生的其他金融資產及負債，如貿易應收款項、其他應收款項以及其他應付款項及應計費用。

本集團金融工具所產生的主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會審閱並協定管理各有關風險的政策，有關政策的概要如下。

利率風險

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

以下敏感度分析乃根據於2019年及2020年年末浮息銀行借貸的利率風險釐定，並假設於2019年及2020年年末的尚未償還負債金額於整個年度仍未償還。向主要管理人員內部匯報利率風險時，均以50個基點增減為準，此乃管理層對利率合理可能變動的評估。

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Interest rate risk (continued)**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profits for the years ended 31 December 2019 and 2020 would decrease/increase by RMB2,003,000 and RMB7,624,000, respectively. This is mainly attributable to the Group's exposure to variable interest rates on its bank loans.

Foreign currency risk

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

The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in the US\$ exchange rate, with all other variables held constant, of the Group's profit before tax and equity.

Effect on profit before tax and equity

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Increase in the US\$ rate by 3%	美元匯率增加3%	(4,962)	(6,946)
Decrease in the US\$ rate by 3%	美元匯率下跌3%	4,962	6,946

45. 金融風險管理目標及政策(續)**利率風險(續)**

倘利率上升／下跌50個基點及所有其他可變因素維持不變，本集團截至2019年及2020年12月31日止年度的稅後溢利將分別減少／增加人民幣2,003,000元及人民幣7,624,000元。這主要由於本集團銀行貸款的浮動利率風險所致。

外幣風險

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

下表載列於報告期間末，在所有其他可變因素維持不變的情況下，本集團的稅前溢利及股本對美元匯率合理可能變動的敏感度。

對除稅前溢利及股本的影響

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The credit risk of the Group's financial assets, which comprise bank balances, trade receivables and deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Cash and cash equivalents

Most of the bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The expected credit loss is approximately zero.

Trade receivables

The Group's trade receivables are due from a number of individual students. The credit quality of each student is assessed and outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on financial situation and historical payment records for groupings of various student segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off after one year of the graduation of the specific students and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 23 to the financial statements. The Group does not hold collateral as security.

45. 金融風險管理目標及政策(續)

信貸風險

本集團金融資產(包括銀行結餘、貿易應收款項以及按金及其他應收款項)的信貸風險來自對手方違約，最高風險相當於該等工具的賬面值。

現金及現金等價物

大部分銀行結餘及已抵押存款乃存於近期並無違約記錄且具信譽的銀行。預期信貸虧損約為零。

貿易應收款項

本集團的貿易應收款項為應收若干個別學生的款項。本集團評估每名學生的信貸質素，並定期監控尚未償還應收款項。

於各報告日期採用撥備矩陣進行減值分析以計量預期信貸虧損。撥備率乃根據具有類似虧損模式的各學生分部組別的財務狀況及過往支付記錄釐定。有關計算反映概率加權結果、貨幣時間價值及於報告日期可取得有關過往事件、現狀及未來經濟狀況預測的合理可靠資料。一般而言，貿易應收款項於相關學生畢業一年後予以撇銷，並無強制執行付款。於報告日期的最高信貸風險為財務報表附註23所披露各類金融資產的賬面值。本集團並無持有抵押品作為抵押。

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Other receivables

As disclosed in note 24 to the financial statements, except for default receivables, other receivables were categorised in stage 1 for measurement of expected credit losses at the end of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the current year, except for the default receivables, the Group estimated the expected loss rate for the other receivables is minimal.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances. Deposits and other receivables were mainly loans to employees, loans to third parties and other receivables.

Liquidity risk

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

45. 金融風險管理目標及政策(續)

信貸風險(續)

其他應收款項

誠如財務報表附註24所披露，除拖欠應收款項外，其他應收款項歸類為報告期末計量預期信貸虧損的第1階段。於計算預期信貸虧損率時，本集團考慮過往虧損率，並就前瞻性宏觀經濟數據作出調整。於本年度，除拖欠應收款項外，本集團估計其他應收款項的預期虧損率不大。

本集團致力維持對其未支付應收款項的嚴格控制，以減輕信貸風險。賬齡較長的結欠由高級管理層定期審閱。鑒於本集團的按金及其他應收款項涉及人數龐大而分散的對手方，故並無重大信貸風險集中。本集團並無就其按金及其他應收款項結餘持有任何抵押品或其他信用增級。按金及其他應收款項主要為給予僱員的貸款、給予第三方的貸款及其他應收款項。

流動資金風險

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

31 December 2020 2020年12月31日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Liquidity risk (continued)**

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

45. 金融風險管理目標及政策(續)**流動資金風險(續)**

本集團金融負債於報告期末基於合約未貼現付款的到期情況如下：

		As at 31 December 2020 於2020年12月31日					
		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按要求 時償還	不超過 三個月	三至不超過 十二個月	一至五年	超過五年	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial liability at fair value through profit or loss	按公平值計入損益的 金融負債	-	-	-	74,652	-	74,652
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用的金融負債	535,351	-	60,000	-	-	595,351
Lease liabilities	租賃負債	-	1,250	3,484	12,916	2,464	20,114
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借款 (不包括租賃負債)	6,144	84,383	415,148	1,087,427	377,010	1,970,112
Loans from the ultimate holding company	來自最終控股公司的貸款	137,236	-	-	-	-	137,236
Trade payables	貿易應付款項	-	-	2,552	-	-	2,552
Payables for compensation fees - non-current	應付補償費用—非即期	-	-	-	120,000	-	120,000
Put option liability	認沽期權負債	-	-	-	981,500	-	981,500
		678,731	85,633	481,184	2,276,495	379,474	3,901,517

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Liquidity risk (continued)**

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		按 要求 時 償 還	不 超 過 三 個 月	三 至 不 超 過 十 二 個 月	一 至 五 年	超 過 五 年	總 計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人 民 幣 千 元	人 民 幣 千 元	人 民 幣 千 元	人 民 幣 千 元	人 民 幣 千 元	人 民 幣 千 元
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	434,116	-	-	-	-	434,116
Lease liabilities	租賃負債	-	276	829	461	-	1,566
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借款(不包括租賃負債)	13,722	95,513	246,008	369,110	4,830	729,183
Put option liability	認沽期權負債	-	-	-	981,500	-	981,500
		447,838	95,789	246,837	1,351,071	4,830	2,146,365

Capital management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of business.

The directors review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through raising new debts as well as redemption of existing debts. The Group's overall strategy remained unchanged during the reporting period.

45. 金融風險管理目標及政策(續)**流動資金風險(續)**

As at 31 December 2019

於2019年12月31日

資本管理

本集團的政策為維持穩健資本基礎，以保持債權人與市場的信心，同時維持未來業務發展。

董事不斷檢討資本架構，考慮資本成本及與各類資本相關的風險。根據董事的推薦建議，本集團會透過籌集新債及贖回現有債務平衡整體資本架構。本集團的整體策略於報告期間維持不變。

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Capital management (continued)**

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. Capital represents equity attributable to owners of the parent. The debt-to-asset ratios as at the end of the reporting periods are as follows:

		2020 RMB'000 人民幣千元	2019 RMB'000 人民幣千元
Total liabilities	負債總額	4,948,467	3,206,809
Total assets	資產總額	9,110,346	7,077,602
Debt-to-asset ratios	資產負債率	54%	45%

46. EVENTS AFTER THE REPORTING PERIOD**Business combination**

On 13 January 2021, the Group acquired the other 50% equity interests in Open University Online from Guokai Xiangyun (Beijing) Asset Management Company Limited at a cash consideration of RMB410.0 million. Upon the completion of the acquisition, the Group held 100% of equity interest in Open University Online and Open University Online became an indirect wholly-owned subsidiary of the Group.

The Group is in the process of assessing the initial accounting for the acquisition and will incorporate the relevant financial information in 2021 interim and annual financial statements.

Dividend

Subsequent to the end of the reporting period, the board of directors recommended the payment of a final dividend of RMB0.90 cents per share totalling RMB38.0 million for the year ended 31 December 2020. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

45. 金融風險管理目標及政策(續)**資本管理(續)**

本集團採用資產負債率監測資金，資產負債率指負債總額除以資產總值。資本指母公司擁有人應佔股權。於報告期末的資產負債比率如下：

46. 報告期後之事項**業務合併**

於2021年1月13日，本集團以現金代價人民幣410.0百萬元向國開祥雲(北京)資產管理有限責任公司收購電大在線另外50%股權。於收購完成後，本集團持有電大在線100%股權及電大在線成為本集團間接全資附屬公司。

本集團現正對收購的初步會計進行評估並將於2021年中期及年度財務報表中納入有關財務資料。

股息

報告期間結束後，董事會建議就截至2020年12月31日止年度派發末期股息每股人民幣0.90分，合共人民幣38.0百萬元。本年度的擬派末期股息須待本公司股東於應屆股東週年大會上批准後方可作實。

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

47. 本公司之財務狀況表

於報告期末，本公司財務狀況表之資料如下所示：

		2020	2019
		RMB'000	RMB'000
		人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	附屬公司投資	789	789
Right-of-use assets	使用權資產	464	1,425
Other non-current assets	其他非流動資產	4,868	6,664
Total non-current assets	非流動資產總值	6,121	8,878
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	1,560,618	1,413,846
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產	2,958	3,037
Cash and bank balances	現金及銀行結餘	151,483	164,876
Total current assets	流動資產總值	1,715,059	1,581,759
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	3,143	3,344
Dividend payables	應付股息	62,179	-
Interest-bearing bank and other borrowings	計息銀行及其他借款	72,476	70,945
Due to subsidiaries	應付附屬公司款項	24,071	15,400
Total current liabilities	流動負債總額	161,869	89,689
NET CURRENT ASSETS	流動資產淨值	1,553,190	1,492,070
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	1,559,311	1,500,948
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank and other borrowings	計息銀行及其他借款	480,067	279,024
Due to a subsidiary	應付附屬公司款項	-	105,488
Total non-current liabilities	非流動負債總額	480,067	384,512
Net assets	淨資產	1,079,244	1,116,436
EQUITY	權益		
Share capital	股本	322	307
Reserves (note)	儲備(附註)	1,078,922	1,116,129
Total equity	總權益	1,079,244	1,116,436

31 December 2020 2020年12月31日

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Capital reserve	Share option reserve	Accumulated losses	Exchange fluctuation reserve	Total reserves
		股本儲備	購股權儲備	累計虧損	匯兌波動儲備	儲備總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	1,217,125	16,408	(93,432)	(7,485)	1,132,616
Loss for the year	年度虧損	-	-	(47,134)	-	(47,134)
Other comprehensive income for the year:	年內其他全面收益:					
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	-	-	-	18,200	18,200
Total comprehensive income for the year	年度全面收益總額	-	-	(47,134)	18,200	(28,934)
Recognition of share-based payment expenses	確認以股份為基礎之付款的費用	-	12,447	-	-	12,447
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	1,217,125	28,855	(140,566)	10,715	1,116,129
Loss for the year	年度虧損	-	-	(78,570)	-	(78,570)
Other comprehensive loss for the year:	年內其他全面虧損:					
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	-	-	-	(78,065)	(78,065)
Total comprehensive loss for the year	年度全面虧損總額	-	-	(78,570)	(78,065)	(156,635)
Final 2019 dividend declared	已宣派2019年末期股息	(109,239)	-	-	-	(109,239)
Issue of shares	發行股份	223,553	-	-	-	223,553
Share issue expenses	股份發行開支	(4,266)	-	-	-	(4,266)
Recognition of share-based payment expenses	確認以股份為基礎之付款的費用	-	9,380	-	-	9,380
At 31 December 2020	於2020年12月31日	1,327,173	38,235	(219,136)	(67,350)	1,078,922

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the capital reserve account when the related options are exercised, or be transferred to retained profits should the related options expire.

附註:

本公司儲備之概要如下所示:

		Capital reserve	Share option reserve	Accumulated losses	Exchange fluctuation reserve	Total reserves
		股本儲備	購股權儲備	累計虧損	匯兌波動儲備	儲備總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	1,217,125	16,408	(93,432)	(7,485)	1,132,616
Loss for the year	年度虧損	-	-	(47,134)	-	(47,134)
Other comprehensive income for the year:	年內其他全面收益:					
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	-	-	-	18,200	18,200
Total comprehensive income for the year	年度全面收益總額	-	-	(47,134)	18,200	(28,934)
Recognition of share-based payment expenses	確認以股份為基礎之付款的費用	-	12,447	-	-	12,447
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	1,217,125	28,855	(140,566)	10,715	1,116,129
Loss for the year	年度虧損	-	-	(78,570)	-	(78,570)
Other comprehensive loss for the year:	年內其他全面虧損:					
Exchange differences on translation of financial statements	換算財務報表之匯兌差額	-	-	-	(78,065)	(78,065)
Total comprehensive loss for the year	年度全面虧損總額	-	-	(78,570)	(78,065)	(156,635)
Final 2019 dividend declared	已宣派2019年末期股息	(109,239)	-	-	-	(109,239)
Issue of shares	發行股份	223,553	-	-	-	223,553
Share issue expenses	股份發行開支	(4,266)	-	-	-	(4,266)
Recognition of share-based payment expenses	確認以股份為基礎之付款的費用	-	9,380	-	-	9,380
At 31 December 2020	於2020年12月31日	1,327,173	38,235	(219,136)	(67,350)	1,078,922

購股權儲備包括已授出尚未行使購股權的公平值，於財務報表附註2.4以股份為基礎的付款會計政策內詳述。該數額於相關購股權獲行使時轉入資本儲備賬或當相關購股權過期時轉入留存溢利。

48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 23 March 2021.

48. 批准財務報表

該等財務報表已於2021年3月23日由董事會批准並授權發佈。



民生教育集团有限公司
Minsheng Education Group Company Limited

