

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 2016

年報

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Minsheng Education Group Company Limited (the “Company”), together with its subsidiaries (collectively refer to as the “Group” or “We”), is one of the largest private provider of higher education in China. As at 31 December 2016, the Group had enrollment of 32,635 students in aggregate and employed 1,160 teachers in aggregate.

As at 13 April 2017, being the latest practicable date for ascertaining certain information in this annual report (the “Latest Practicable Date”), the Group operated four schools in the People’s Republic of China (the “PRC”), namely Chongqing College of Humanities, Science and Technology, Pass College of Chongqing Technology and Business University, Chongqing Vocational College of Applied Technology and Inner Mongolia Fengzhou Vocational College (Qingcheng Branch), three of which are located in Chongqing and the other school is situated in Inner Mongolia. In addition, the fifth school of the Group, Laoling Minsheng Secondary Vocational School, was established on 20 September 2016 and is expected to enroll its first batch of students in September 2018. Through these schools, the Group primarily offer formal higher education, including formal undergraduate education and junior college education.

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

民生教育集团有限公司(「本公司」)，連同其附屬公司(統稱「本集團」或「我們」)為中國最大民辦高等教育供應商之一。於2016年12月31日，本集團的入學學生總人數為32,635名，並聘有合共1,160名教師。

截至2017年4月13日(為確定本年報若干資料之最後實際可行日期，「最後實際可行日期」)，本集團在中華人民共和國(「中國」)營辦四所學校，即重慶人文科技學院、重慶工商大學派斯學院、重慶應用技術職業學院及內蒙古豐州職業學院(青城分院)，其中三所位於重慶，其他位於內蒙古。另外，本集團第五所學校樂陵民生職業中等專業學校已於2016年9月20日成立，並預期於2018年9月錄取第一批學生。透過該等學校，本集團主要提供高等學歷教育，包括本科學歷教育及大專教育。

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

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. Lam Ngai Lung
Mr. Zuo Yichen

COMPANY SECRETARY

Ms. Ng Wing Shan, *FCIS, FCS*

董事會

執行董事

李學春先生(*董事會主席*)
張衛平女士
左熠晨先生
林毅龍先生

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
左熠晨先生

公司秘書

吳詠珊女士 · *FCIS, FCS*

LEGAL ADVISOR

As to Hong Kong law:

Luk & Partners

AUDITOR

Ernst & Young
Certified Public Accountants

COMPLIANCE ADVISER

TC Capital International Limited

REGISTERED OFFICE

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN PRC

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

法律顧問

有關香港法律：

陸繼鏘律師事務所

核數師

安永會計師事務所
執業會計師

合規顧問

天財資本國際有限公司

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
朝陽區
東三環中路9號
富爾大廈301室



PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1102, 11/F., The Lee Gardens One
33 Hysan Avenue
Causeway Bay
Hong Kong

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

香港主要營業地點

香港
銅鑼灣
希慎道33號
利園一期11樓1102室

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 four financial years is set out below:

本集團於過去四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			
		2013 RMB'000 人民幣千元	2014 RMB'000 人民幣千元	2015 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Revenue	收益	384,085	402,515	426,317	444,997
Cost of revenue	收益成本	(142,886)	(146,811)	(164,653)	(186,391)
Gross profit	毛利	241,199	255,704	261,664	258,606
Profit before tax	除稅前溢利	204,029	222,266	246,679	251,358
Profit for the year	年度溢利	185,947	196,327	213,457	249,749

		As at 31 December 於 12 月 31 日			
		2013 RMB'000 人民幣千元	2014 RMB'000 人民幣千元	2015 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Non-current assets	非流動資產	931,215	943,523	970,711	1,067,152
Current assets	流動資產	1,128,762	1,357,314	1,038,757	1,156,718
Current liabilities	流動負債	309,271	320,349	354,157	520,943
Net current assets	流動資產淨值	819,491	1,036,965	684,600	635,775
Total assets less current liabilities	總資產減流動負債	1,750,706	1,980,488	1,655,311	1,702,927
Non-current liabilities	非流動負債	31,723	62,775	236,370	132,015
Net assets	資產淨值	1,718,983	1,917,713	1,418,941	1,570,912
Total equity	總權益	1,718,983	1,917,713	1,418,941	1,570,912



Dear Shareholders,

On behalf of the board of Directors (the "Board") of Minsheng Education Group Company Limited (the "Company", together with its subsidiaries, collectively refer to as the "Group" or "We"), I am pleased to present the annual results of the Group for the year ended 31 December 2016.

各位尊敬的股東：

本人謹代表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」)董事會(「董事會」)，欣然呈報本集團截至2016年12月31日止年度的全年業績。

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Minsheng Education Group Company Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group" or "We"), I am pleased to present the annual results of the Group for the year ended 31 December 2016.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 22 March 2017 (the "Listing"). On behalf of the Board, I would like to thank the professional parties involved and our staffs for the successful Listing. The Listing has strengthened our financial position and also raised

各位尊敬的股東：

本人謹代表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」)董事會(「董事會」)，欣然呈報本集團截至2016年12月31日止年度的全年業績。

本公司的股份已於2017年3月22日在香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。本人謹代表董事會，為成功上市感謝參與的專業人士及我們的員工。上市增強了我們的財務狀況，亦為我們未來的發展籌得額外資金。此外，上市亦為我

additional capital for our future development. Besides, it provided a good opportunity to strengthen our internal control function and further promote our Group as a trustworthy and well-organised establishment to the general public.

BUSINESS REVIEW

The year 2016 was a challenging year for the Group and the management team who are dedicated to creating value for the Shareholders of the Company. The private higher education industry in China has experienced rapid growth and challenges have originated from the increase in competition in the domestic market. However, the management team are committed to cope with such challenges in which our efforts were well rewarded. Our total student enrollment increased from 30,616 as at 31 December 2015 to 32,635 as at 31 December 2016. Our revenue has increased from approximately RMB426.3 million for the year ended 31 December 2015 to approximately RMB445.0 million for the year and profit for the year increased from approximately RMB213.5 million for year ended 31 December 2015 to approximately RMB249.7 million for the year ended 31 December 2016.

PROSPECTS

Going forward, we intend to further expand our school network coverage. We aim to achieve such goal by carefully selecting suitable acquisition targets and/or establishing new schools, including by cooperation with other school sponsors to establish new schools. Meanwhile, we intend to expand the scale of our business operations in the existing schools and diversify our revenue primarily through optimizing major offerings, offering undergraduate studies to graduates of junior college programs and offering postgraduate programs, including master's degrees, upon the approvals from the relevant government authorities. We aim to continue to improve our school-enterprise collaboration business model. As we believe we have established a strong reputation for providing quality education to our students, we believe we are in a position to optimize our pricing without compromising our reputation and our ability to attract and retain talented students. Furthermore, to improve our competitiveness, we intend to further advance our brand, reputation and school network internationally and continue to improve the overall quality of our teaching staff as a means to improve the quality of our education services.

們帶來良機，以加強我們的內部監控職能及進一步向公眾宣揚本集團為誠實可靠、組織完善的企業。

業務回顧

2016年是充滿挑戰的一年，但本集團及管理團隊一如既往致力為本公司的股東創造價值。中國的民辦高等教育行業經歷高速增長，而本地市場的競爭加劇帶來挑戰。然而，管理團隊堅定不移、迎難而上，而我們的努力亦獲得不俗的回報。我們的入學學生總人數由2015年12月31日的30,616名上升至2016年12月31日的32,635名。我們的收益由截至2015年12月31日止年度約人民幣426.3百萬元增至本年度約人民幣445.0百萬元，而年內溢利則由截至2015年12月31日止年度約人民幣213.5百萬元上升至截至2016年12月31日止年度約人民幣249.7百萬元。

前景

展望未來，我們有意進一步拓寬我們的學校網絡覆蓋。為達成目標，我們會審慎甄選合適的收購目標及／或成立新學校，包括與其他學校出資人合作成立新學校。與此同時，我們亦有意擴張現有學校的業務營運規模，並主要透過在相關政府部門批准的情況下優化專業設置、向大專課程畢業生提供本科課程及提供包括碩士課程在內的研究生課程，以增加收益來源。我們會繼續改善我們的校企合作業務模式。我們相信我們在向學生提供優質教育方面已建立了良好的聲譽，因此我們相信，即使調整價格亦不會有損我們的聲譽或削弱我們吸引及挽留優秀學生的能力。此外，為增強我們的競爭力，我們有意將我們的品牌、聲譽及學校網絡擴展至國際市場，並繼續提升我們教員的整體質素，以改善我們的教育服務質量。



APPRECIATION

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

Li Xuechun
Chairman

Hong Kong, 14 April 2017

鳴謝

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

主席
李學春

香港，2017年4月14日



BUSINESS REVIEW

Overview

The Group is one of the largest private provider of higher education in China, as measured by total number of student enrollment. As at 31 December 2016, the Group had an aggregate of 32,635 students enrolled at the schools we owned and operated, namely, Chongqing College of Humanities, Science and Technology, Pass College of Chongqing Technology and Business University, Chongqing Vocational College of Applied Technology and Inner Mongolia Fengzhou Vocational College (Qingcheng Branch).

Our primary focus is to provide high-quality private formal higher education in China dedicated to nurturing professional talent. We offer a comprehensive range of diverse majors and courses, including through our collaborative relationships and cooperative education programs with local businesses and government agencies, through which we strive to improve our students' practical training and career prospects. As a result, we have achieved high initial graduate employment rates for the schools we owned and operated. We attribute the relatively high initial graduate employment rates we have achieved to the effectiveness of our education, which we believe will continue to elevate our brand recognition and help us attract talented students.

業務回顧

概覽

按學生入學總人數計，本集團為中國最大民辦高等教育供應商之一。於2016年12月31日，本集團擁有及營辦的學校(即重慶人文科技學院、重慶工商大學派斯學院、重慶應用技術職業學院及內蒙古豐州職業學院(青城分院))的學生入學總人數為32,635名。

我們主要集中於中國提供優質民辦高等學歷教育，致力培養專業人才。我們提供多樣化的專業及課程，包括通過與地方企業及政府機構的合作關係及合作教育計劃，藉此提升學生的實踐培訓及就業前景。因此，我們擁有及營辦的學校達至高畢業生初次就業率。我們認為，我們取得的相對較高的畢業生初次就業率反映我們的教育成果，我們相信此將繼續提升品牌認知度及有助我們吸引優秀學生。



Our Schools

As at the Latest Practicable Date, the Group operated four schools in the PRC, three of which are located in Chongqing and the other school is situated in Inner Mongolia. Through these schools, we primarily offer formal higher education, including formal undergraduate education and junior college education. Typically, we charge our students tuition fees and boarding fees and we generally raise tuition fees involving certain majors at the schools we own and operate every two to three school years to reflect our increased operating costs. Students who have already enrolled at our schools continue to pay the tuition fees in effect when they first enrolled in our schools.

The fifth school of the Group, Laoling Minsheng Secondary Vocational School, was established on 20 September 2016 and is expected to enroll its first batch of students in September 2018.

In addition, as disclosed in the prospectus of the Company dated 10 March 2017, pursuant to certain cooperation agreements entered into between the Group, the People's Government of Laoling and Bureau of Education of Laoling,

我們的學校

截至最後實際可行日期，本集團目前在中國營辦四所學校，其中三所位於重慶，其他位於內蒙古。透過該等學校，我們主要提供高等學歷教育，包括本科學歷教育及大專教育。一般而言，我們向學生收取學費及住宿費。我們一般每兩至三學年提高涉及若干我們擁有及營辦的學校的部分專業的學費，以反映營辦成本增加。已入學的學生繼續支付彼等首次入學時已執行的學費。

本集團第五所學校樂陵民生職業中等專業學校已於2016年9月20日成立，並預期於2018年9月有第一批學生入學。

此外，如本公司日期為2017年3月10日之招股章程所披露，根據本集團，樂陵市人民政府與樂陵市教育局訂立之若干合作協議，樂陵民生職業中等專業學校將按委託

Laoling Secondary Vocational and Technical School will be managed and operated by Laoling Minsheng Secondary Vocational School under an entrustment management arrangement. We have completed the filing of the said entrustment management arrangement with the People's Government of Dezhou in April 2017.

Our Investments in Overseas Schools

In order to introduce advanced curriculums and innovative teaching methods into our schools in the PRC to bolster our education quality and reputation, and to create more exchange opportunities for our students in the PRC, we have invested in Beacon International College PTE. LTD. ("Beacon International College") in Singapore and Hong Kong Nang Yan College of Higher Education Limited ("Hong Kong Nang Yan College of Higher Education") in Hong Kong.

管理安排營辦樂陵市職業中等專業學校。我們已於2017年4月向德州人民政府完成有關上述委託管理安排的備案。

我們於海外學校的投資

為了向我們於中國的學校引入先進的課程及創新的教學方法以提高我們的教育質量及聲譽，及為我們於中國的學生創造更多交流機會，我們已投資位於新加坡的 Beacon International College PTE. LTD. (「培根國際學院」)及位於香港的香港能仁專上學院有限公司(「香港能仁專上學院」)。





As at 31 December 2016, we directly owned approximately 25.6% equity interest in Beacon International College and were one of the two members of Hong Kong Nang Yan College of Higher Education, which is a company limited by guarantee established under the laws of Hong Kong.

Outlook

In our efforts to achieve business growth, we plan to further expand our school network through acquiring existing schools and/or establishing new schools, including by cooperating with other school sponsors to establish new schools.

The Group will continue to identify suitable investments, acquisitions and project opportunities in order to enhance the value of the Company and create higher returns for Shareholders.

FINANCIAL REVIEW

Revenue

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

The revenue of the Group increased by approximately 4.4% from approximately RMB426.3 million in 2015 to approximately RMB445.0 million in 2016. This increase was primarily due to an increase of tuition fees from approximately RMB395.1 million for the year ended 31 December 2015 to approximately RMB412.5 million for the year ended 31 December 2016, primarily because (i) the total student enrollment increased as at 31 December 2016 compared to 31 December 2015; (ii) the Group increased tuition fees by RMB1,000 for most of the majors offered at Chongqing College of Humanities, Science and Technology and by RMB1,000 for certain majors offered at Pass College of Chongqing Technology and Business University for the 2016/2017 school year; and (iii) in 2016, the Group granted direct subsistence allowance in cash of approximately RMB6.3 million to our students, which was treated as a deduction from the gross revenue.

於2016年12月31日，我們直接擁有培根國際學院約25.6%股權並為受根據香港法例設立的擔保限制公司香港能仁專上學院的兩名股東之一。

展望

我們努力實現業務增長並計劃透過收購現有學校及／或建立新學校(包括透過與其他學校出資人合作建立新學校)進一步擴展我們的學校網絡。

本集團將會繼續識別合適的投資、收購及項目機會以提升本公司的價值及為股東創造更高的回報。

財務回顧

收益

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

本集團的收益由2015年的約人民幣426.3百萬元增加約4.4%至2016年的約人民幣445.0百萬元。增長主要由於學費由截至2015年12月31日止年度約人民幣395.1百萬元增加至截至2016年12月31日止年度約人民幣412.5百萬元，主因是(i)於2016年12月31日的學生入學總人數與2015年12月31日相比有所增長；(ii)本集團將2016/2017學年重慶人文科技學院大部分專業的學費上調人民幣1,000元，以及將重慶工商大學派斯學院若干專業上調人民幣1,000元；及(iii)於2016年，本集團以現金向學生授出直接補助津貼約人民幣6.3百萬元，被視為收益總額減少。

Cost of Sales

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

The cost of sales increased by approximately 13.2% from approximately RMB164.7 million in 2015 to approximately RMB186.4 million in 2016. This increase was primarily due to an increase in staff costs, office expenses and rental fees. Staff costs increased by approximately 16.7% from approximately RMB85.7 million for the year ended 31 December 2015 to approximately RMB100.0 million for the year ended 31 December 2016, mainly due to (i) an increase in staff salaries and benefits at Chongqing College of Humanities, Science and Technology and Pass College of Chongqing Technology and Business University to make the compensation package of our teachers more competitive; and (ii) an increase in the number of teachers employed at all of the schools we own and operate in response to the increase in student enrollment. Office expenses increased by approximately 29.5% from approximately RMB6.1 million for the year ended 31 December 2015 to approximately RMB7.9 million for the year ended 31 December 2016, mainly as a result of our offering of research funds to our teaching staffs at Chongqing College of Humanities, Science and Technology who obtained certain notable teaching and research achievements, such as publishing papers in academic journals. Rental expenses increased by approximately 84.8% from approximately RMB1.6 million for the year ended 31 December 2015 to approximately RMB3.0 million for the year ended 31 December 2016, mainly due to increased rental payments we made to the landlord with respect to an agreement entered into by Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) in 2015.

銷售成本

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

銷售成本由2015年約人民幣164.7百萬元增加約13.2%至2016年約人民幣186.4百萬元。增幅主要來自員工成本、辦公室開支及租金增長。員工成本由截至2015年12月31日止年度約人民幣85.7百萬元增加約16.7%至截至2016年12月31日止年度約人民幣100.0百萬元，主要由於(i)重慶人文科技學院及重慶工商大學派斯學院員工薪金及福利增加，令教師的薪酬方案更具競爭力；及(ii)為應對招生人數的上升，我們擁有及營辦的所有學校擴大教師隊伍。辦公室開支由截至2015年12月31日止年度約人民幣6.1百萬元增加約29.5%至截至2016年12月31日止年度約人民幣7.9百萬元，主要由於我們為重慶人文科技學院取得若干著名教學及研究成就的教師提供研究資金，例如於學術期刊發表論文。租金由截至2015年12月31日止年度約人民幣1.6百萬元增加約84.8%至截至2016年12月31日止年度約人民幣3.0百萬元，主要由於根據內蒙古豐州職業學院(青城分院)於2015年訂立的協議，我們須向業主繳付更多租金。



Gross Profit

The gross profit decreased by approximately 1.2% from approximately RMB261.7 million in 2015 to approximately RMB258.6 million in 2016, and gross profit margin decreased from approximately 61.4% for the year ended 31 December 2015 to approximately 58.1% for the year ended 31 December 2016, due primarily to a large increase in cost of sales resulting, in particular, from increased staff costs, office expenses and rental expenses compared to the increase in revenue.

Other Income and Gains

Other income and gains consists primarily of government grants, net exchange gain, investment income from available-for-sale investments and investment deposits, other interest income and net rental income.

Other income and gains increased by approximately 71.7% from approximately RMB56.9 million in 2015 to approximately RMB97.8 million in 2016. This increase was primarily due to (i) increased grants by the local government in Chongqing to our three schools in 2016, which was due to our increased use of subsidies for daily expenses, resulting in the transfer of government subsidies from deferred income to the consolidated income statement; and (ii) a large net foreign currency exchange gain we had in 2016 compared to 2015, mainly because (A) our overseas subsidiary borrowed funds from our PRC subsidiaries in the second half of 2015 to repurchase issued ordinary shares from our previous investors, which continued in 2016 and resulted in large amounts of U.S. dollar-denominated funds, and (B) U.S. dollar continued to appreciate against the Renminbi during 2016, partially offset by (i) a decrease in investment income from available-for-sale investments and investment deposits as we redeemed certain amounts in connection with the repurchase of our issued ordinary shares from our previous investors; (ii) a decrease in other interest income as a result of the deposit interest rate cut in October 2015; and (iii) a decrease in net rental income in 2016 because the lease for properties rented by an Independent Third Party expired and a new lease has not yet been entered into, which resulted in reduced rental income.

毛利

毛利由2015年約人民幣261.7百萬元下降約1.2%至2016年約人民幣258.6百萬元，而毛利率由截至2015年12月31日止年度約61.4%下降至截至2016年12月31日止年度約58.1%，主要由於銷售成本(尤其是員工成本、辦公室開支及租金開支增加所致)增幅較收益增長為高。

其他收入及收益

其他收入及收益主要包括政府補助、匯兌收益淨額、可供出售投資及投資存款的投資收入、其他利息收入及淨租金收入。

其他收入及收益由2015年約人民幣56.9百萬元增加約71.7%至2016年約人民幣97.8百萬元。增長主要由於(i)重慶當地政府於2016年向我們的三所學校增加補助，乃由於我們用於日常開支的補助增加，導致政府補助由遞延收益轉移至綜合收益表；及(ii)我們於2016年相比2015年錄得大筆外幣匯兌收益，主要歸因於(A)我們的海外附屬公司於2015年下半年向中國附屬公司借貸，以向先前投資者回購已發行普通股，該安排於2016年繼續推進，帶來大筆美元計值款項，及(B)2016年美元兌人民幣持續升值，部分抵銷了(i)可供出售投資及投資存款投資收入下降，乃來自我們就向先前投資者購回我們的已發行普通股而贖回的若干金額；(ii)2015年10月存款利率下調導致其他利息收入減少；及(iii)2016年淨租金收入下降，因獨立第三方租賃的物業租約屆滿，但仍未訂立新租約，導致租金收入下降。

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 40.9% from approximately RMB8.3 million in 2015 to approximately RMB11.7 million in 2016, primarily because we increased our promotional efforts to attract more student enrollment at our schools for the 2016/2017 school year.

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, travel and transportation expenses and rental expenses.

Administrative expenses increased by approximately 39.9% from approximately RMB61.7 million in 2015 to approximately RMB86.3 million in 2016, due primarily to (i) an increase in staff costs for our administrative staff at Chongqing College of Humanities, Science and Technology and Pass College of Chongqing Technology and Business University in 2016; and (ii) a substantial increase in listing expenses, auditor's fees and legal and consulting services fees incurred in connection with the Global Offering in 2016.

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2015年約人民幣8.3百萬元增加約40.9%至2016年約人民幣11.7百萬元，主要由於我們增加了推廣力度，吸引更多學生於2016/2017學年入讀我們的學校。

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、差旅開支及租金開支。

行政開支由2015年約人民幣61.7百萬元增加約39.9%至2016年約人民幣86.3百萬元，主要由於(i)於2016年重慶人文科技學院及重慶工商大學派斯學院行政人員的員工成本增加；及(ii)2016年就全球發售產生的上市開支、核數師費用及法律與顧問服務費大幅上升。



Other Expenses, Net

Other expenses consist primarily of expenses relating to donations, which represent cash donations some of our schools made to third-party educational and other institutions and disposal of fixed assets.

Other expenses, net increased substantially from approximately RMB0.7 million in 2015 to approximately RMB3.7 million in 2016. This increase was primarily attributable to (i) an increase of loss on disposal of items of property, plant and equipment in 2016 compared to 2015 as a result of Chongqing College of Humanities, Science and Technology's disposal of its old front gate and some of the fixed assets in 2016; (ii) a voluntary donation from Chongqing College of Humanities, Science and Technology in support of Chongqing's public welfare initiative; and (iii) the compensation we provided to a tenant of a property owned by Chongqing College of Humanities, Science and Technology as the school needed to recover the property from the tenant for the construction of a campus hospital within the school.

Finance Costs

Finance costs mainly represent interest on loans we borrowed from the ultimate holding company and certain of our related parties. Finance costs increased substantially from approximately RMB0.3 million in 2015 to approximately RMB2.6 million in 2016, mainly due to the increased interest we paid for the loans we borrowed from (i) the ultimate holding company in the third and fourth quarters of 2015 to repurchase some of our issued ordinary shares from our previous investors; and (ii) certain of our related parties in the first quarter of 2016, which were subsequently extended to Hong Kong Nang Yan College of Higher Education.

其他開支淨額

其他開支主要包括有關捐贈的開支，指我們的部份學校向第三方教育及其他機構的捐款及出售固定資產。

其他開支淨額由2015年約人民幣0.7百萬元大幅增加至2016年約人民幣3.7百萬元，主要由於(i)2016年重慶人文科技學院出售其舊前圍及若干固定資產，導致2016年出售物業、廠房及設備項目虧損較2015年上升；(ii)重慶人文科技學院自願捐款支持重慶公共事業計劃；及(iii)由於重慶人文科技學院需要向租戶收回所擁有的物業，以於校內興建校園醫院，因此我們需要向相關租戶提供賠償。

融資成本

融資成本主要指我們自最終控股公司及若干關聯方借入的貸款之利息。融資成本由2015年約人民幣0.3百萬元大幅增加至2016年約人民幣2.6百萬元，主要由於向以下各方借款而支付的利息增加(i)2015年第三及第四季度向最終控股公司借款，以向先前投資者回購部分已發行普通股；及(ii)2016年第一季度向若干關聯方借款，而該筆借款其後已提供予香港能仁專上學院。

Share of Loss of an Associate

Share of loss of an associate represents the loss we incurred in connection with our investment in Beacon International College, in which we maintained a 25.6% equity interest as at 31 December 2016. Share of loss of an associate decreased by approximately 28.1% from approximately RMB0.9 million in 2015 to approximately RMB0.7 million in 2016. This decrease was primarily due to improved operating results at Beacon International College in 2016.

Income Tax Expenses

The income tax expense we incurred for the year ended 31 December 2016 was approximately RMB1.6 million, compared to an income tax expense of approximately RMB33.2 million for the year ended 31 December 2015. The income tax expense in 2015 was primarily due to a distribution of dividend by Chongqing College of Humanities, Science and Technology to its school sponsor, Chongqing Li'ang Industry Co., Ltd.* (重慶利昂實業有限公司) ("Li'ang Industry"), in 2015, which resulted in Li'ang Industry having to pay the relevant PRC Enterprise Income Tax ("EIT") in 2015.

應佔聯營公司虧損

應佔聯營公司虧損指於2016年12月31日，我們就投資於培根國際學院(我們於其中擁有25.6%股權)產生的虧損。應佔聯營公司虧損由2015年約人民幣0.9百萬元下降約28.1%至2016年約人民幣0.7百萬元，跌幅主要由於培根國際學院2016年的營運業績有所改善。

所得稅開支

截至2016年12月31日止年度我們產生的所得稅開支為約人民幣1.6百萬元，而截至2015年12月31日止年度所得稅開支為約人民幣33.2百萬元。2015年的所得稅開支主要由於重慶人文科技學院於2015年向其學校出資人重慶利昂實業有限公司(「利昂實業」)分派股息，導致利昂實業需於2015年支付相關的中國企業所得稅(「企業所得稅」)。

* English names are translated for identification purpose only.



FINANCIAL AND LIQUIDITY POSITION

Net Current Assets

As at 31 December 2016, the Group had net current assets of approximately RMB635.8 million, which primarily consisted of available-for-sale investments, investment deposits and cash and bank balances. The current assets as at 31 December 2016 increased to approximately RMB1,156.7 million from approximately RMB1,038.8 million as at 31 December 2015. The increase in current assets primarily reflected (i) an increase in cash and bank balances, which increased from approximately RMB352.2 million as at 31 December 2015 to approximately RMB602.3 million as at 31 December 2016; and (ii) an increase of approximately RMB241.4 million in investment deposits from approximately RMB121.2 million as at 31 December 2015 to approximately RMB362.6 million as at 31 December 2016 as we made additional investments in investment deposits as part of our liquidity management measures, and was partially offset by a decrease in available-for-sale investments, which decreased from approximately RMB522.1 million as at 31 December 2015 to approximately RMB143.2 million as at 31 December 2016, as we redeemed a certain amount of available-for-sale investments and deposited the funds at commercial banks as our cash and bank balances. The current liabilities increased from approximately RMB354.2 million as at 31 December 2015 to approximately RMB520.9 million as at 31 December 2016, mainly reflecting (i) an increase of approximately RMB125.4 million of loans we borrowed from the ultimate holding company in 2016 to repurchase some of our issued ordinary shares from our previous investors, which were reclassified as current liabilities from non-current liabilities and the loans have been fully repaid on 7 March 2017; (ii) an increase of approximately RMB25.3 million in other payable and accruals and (iii) an increase of approximately RMB16.7 million in deferred revenue as our total student enrollment increased for the 2016/2017 school year compared to the 2015/2016 school year and we raised tuition fees for most of the majors offered at Chongqing College of Humanities, Science and Technology and for certain majors offered at Pass College of Chongqing Technology and Business University for the 2016/2017 school year.

財務及流動資金狀況

流動資產淨值

於2016年12月31日，本集團擁有流動資產淨值約人民幣635.8百萬元，主要包括可供出售投資、投資存款及現金及銀行結餘。於2016年12月31日的流動資產由2015年12月31日的約人民幣1,038.8百萬元增加至約人民幣1,156.7百萬元。流動資產增加主要反映(i)現金及銀行結餘由2015年12月31日的約人民幣352.2百萬元增加至2016年12月31日的約人民幣602.3百萬元；及(ii)因作為我們的流動資金管理措施之一部分，我們作出額外的投資存款投資，因此投資存款由2015年12月31日的約人民幣121.2百萬元增加約人民幣241.4百萬元至2016年12月31日的約人民幣362.6百萬元，並部分被可供出售投資減少所抵銷，而可供出售投資由2015年12月31日的約人民幣522.1百萬元下降至2016年12月31日的約人民幣143.2百萬元，乃由於我們贖回若干可供出售投資金額，並將資金存入商業銀行，作為我們的現金及銀行結餘。流動負債由2015年12月31日的約人民幣354.2百萬元增加至2016年12月31日的約人民幣520.9百萬元，主要反映(i)我們於2016年向最終控股公司借入的貸款增加約人民幣125.4百萬元，以便向先前投資者回購部分已發行普通股，而該等貸款已由非流動負債重新分類為流動負債，並已於2017年3月7日悉數償還；(ii)其他應付款及應計費用增加約人民幣25.3百萬元及(iii)遞延收益增加約人民幣16.7百萬元，乃因我們2016/2017學年的學生入學總人數較2015/2016學年增加，以及我們將重慶人文科技學院2016/2017學年開辦的大部分專業及重慶工商大學派斯學院2016/2017學年開辦的若干專業的學費上調。

Capital Expenditures

Capital expenditures primarily relate to maintaining and upgrading the existing school premises and purchasing additional educational facilities and equipment for our schools. Capital expenditures consist of the additions of property, plant and equipment and prepaid land lease payments.

Capital expenditures increased from approximately RMB68.2 million in 2015 to approximately RMB122.4 million in 2016, due primarily to prepaid land lease payments we made in connection with the parcel of land Pass College of Chongqing Technology and Business University acquired in August 2016.

Capital Commitments

Capital commitments primarily relate to the acquisition of property, plant and equipment and loan commitments to an associate. The following table sets forth a summary of capital commitments at the end of the reporting period:

		Year ended 31 December 截至 12 月 31 日止年度	
		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Contracted but not provided for:	已訂約但未撥備：		
Equipment	設備	6,121	5,129
Buildings	樓宇	7,248	111
Loan committed to an associate	向聯營公司的貸款承擔	26,877	—
Total	總額	40,246	5,240

Capital commitments increased from approximately RMB5.2 million in 2015 to approximately RMB40.2 million in 2016. This increase was primarily due to (i) an increase in the amount of loan we have committed to provide to Hong Kong Nang Yan College of Higher Education; and (ii) an increase in the amount we have committed to the renovation construction projects involving certain of our school buildings.

資本開支

資本開支主要關於維護及提升現有學校校舍及為學校購買額外教學設施及設備。資本開支包括添置物業、廠房及設備，以及預付土地租賃款項。

資本開支由2015年的約人民幣68.2百萬元增加至2016年的約人民幣122.4百萬元，主要由於我們就重慶工商大學派斯學院於2016年8月購買一塊土地預付土地租賃款項。

資本承擔

資本承擔主要關於購買物業、廠房及設備及向聯營公司的貸款承擔。下表載列於報告期末的資本承擔概要：

資本承擔由2015年的約人民幣5.2百萬元增加至2016年的約人民幣40.2百萬元。增幅主要由於(i)我們承諾向香港能仁專上學院提供的貸款金額增加；及(ii)我們就涉及若干學校大樓的翻新建築項目承諾的金額增加。

Operating Lease Commitments

The Group leases certain buildings under operating lease arrangements. Leases for buildings are generally negotiated for an initial term of one year with an option for renewal after the initial expiration date, at which time all terms will be renegotiated. The table below sets forth our future minimum lease payments payable under non-cancellable operating leases at the end of the reporting periods:

		Year ended 31 December 截至12月31日止年度	
		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Within one year	一年內	536	182

The operating lease commitments increased from approximately RMB0.2 million in 2015 to approximately RMB0.5 million in 2016, primarily attributable to the rental payment commitments relating to the lease entered into by Inner Mongolia Fengzhou Vocational College (Qingcheng Branch).

Indebtedness

As at 31 December 2016, the Group did not have any outstanding bank loans, nor any unutilized banking facilities. As at 31 December 2016, the Group had approximately RMB125.4 million outstanding amount due to the ultimate holding company. These loans were unsecured and were repayable in March and June 2017. This amount was borrowed from the ultimate holding company in connection with the repurchase of issued ordinary shares from previous investors beginning in the second half of 2015. In addition, as at 31 December 2016, the Group had approximately RMB14.1 million outstanding amount due to related parties, which was mainly used as loans to Hong Kong Nang Yan College of Higher Education. These loans were unsecured and were repayable in June and July 2017. The loans from ultimate holding company and related parties were fully repaid on 7 March 2017 and 17 March 2017.

經營租賃承擔

本集團根據經營租賃安排租賃若干樓宇。樓宇租約一般以初步為期一年的年期進行磋商，首次年期屆滿後可選擇續約，屆時將重新磋商所有條款。下表載列我們於報告期末根據不可撤銷經營租約應付的未來最低租賃款項：

經營租賃承擔由2015年的約人民幣0.2百萬元增加至2016年的約人民幣0.5百萬元，主要來自與內蒙古豐州職業學院(青城分院)訂立的租約相關的租金付款承擔。

債務

於2016年12月31日，本集團並無任何未償還銀行貸款或任何未動用銀行融資。於2016年12月31日，本集團應付最終控股公司的未償還金額為約人民幣125.4百萬元。該等貸款為無抵押及須於2017年3月及6月償還。該筆款項向最終控股公司籌借，以便於2015年下半年開始向先前投資者回購已發行普通股。此外，於2016年12月31日，本集團應付關聯方的未償還金額為約人民幣14.1百萬元，主要用於向香港能仁專上學院提供貸款。該等貸款為無抵押及須於2017年6月及7月償還。來自最終控股公司及關聯方的貸款已於2017年3月7日及2017年3月17日悉數償還。

On 25 February 2017, the Group obtained a term loan facility from Bank of China (Hong Kong) Limited with a maximum principal amount of US\$25.0 million or its equivalent in Hong Kong dollars. This facility has a term of six months from the date of the facility letter and bears an interest of 1.50% per annum over LIBOR (for draw-downs in U.S. dollars) or 1.50% per annum over HIBOR (for draw-downs in Hong Kong dollars). The Group has made a draw-down of this term loan facility on 7 March 2017 amounted to approximately US\$20.8 million (equivalent to approximately RMB143.2 million) to fully repay the loans borrowed from the ultimate holding company and related parties on 7 March 2017 and 17 March 2017. The bank loan has been fully repaid on 22 March 2017 by using the Proceeds from Listing.

Capital Structure

There has been no change in the capital structure of the Group since the Listing Date and up to the Latest Practicable Date. The capital of the Group only comprises of ordinary shares.

Contingent Liabilities

As at 31 December 2016, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group (2015: nil).

Pledge of Assets

As at 31 December 2016, the Group did not pledge any assets.

Off-balance Sheet Arrangements

The Group does not have any special purpose entities that provide financing, liquidity, market risk or credit support to it or engage in leasing, hedging or research and development services with it. The Group has not entered into any derivative contracts that are indexed to the Shareholders of the Group and classified as shareholders' equity, or that are not reflected in its financial statements. Moreover, the Group does not have any retained or contingent interest in assets transferred to an unconsolidated entity that services as credit, liquidity or market risk support to such entity.

於2017年2月25日，本集團自中國銀行(香港)有限公司獲得最高本金額為25.0百萬美元(或等值港元)的定期貸款融資。該融資的期限為自提供貸款通知書日期起計六個月，按倫敦銀行同業拆息加每年1.50%計息(就以美元計值的提取額而言)或香港銀行同業拆息加每年1.50%計息(就以港元計值的提取額而言)。本集團已於2017年3月7日提取定期貸款融資中合共約20.8百萬美元(相當於約人民幣143.2百萬元)，已於2017年3月7日及2017年3月17日悉數償還自最終控股公司及若干關聯方借入的貸款。銀行貸款已於2017年3月22日使用上市所得款項悉數償還。

資本結構

自上市日期起至最後實際可行日期，本集團之資本結構概無任何變動。本集團之資本結構僅包括普通股股份。

或然負債

於2016年12月31日，本集團並無任何重大或然負債、擔保及本集團任何成員公司並無未決或面臨的任何重大訴訟或申索(2015年：無)。

資產質押

於2016年12月31日，本集團並無質押任何資產。

資產負債表外安排

本集團並無成立任何特殊目的實體以提供融資、流動資金、市場風險或其信貸支持或從事租賃、對沖或提供研發服務。本集團並無訂立任何視為本集團的股東並劃分為股東權益，或未於其財務報表反映的衍生合同。此外，本集團亦無於轉讓予非綜合實體以提供信貸、流動資金或市場風險支持的資產中擁有任何保留或或然權益。

Foreign Exchange Exposure

The majority of the Group's revenue and expenditures are denominated in Renminbi ("RMB"). As at 31 December 2016, certain bank balances were denominated in United States dollar ("US\$") and Hong Kong dollar ("HK\$"). The Group currently does not have any foreign currency hedging policies, it does not foresee any significant currency exposure in the near future. However, any permanent or significant changes in US\$ and HK\$ against RMB, may have possible impact on the Group's results and financial positions.

Key Financial Ratios

		As at/for the year ended 31 December 於12月31日/ 截至12月31日止年度	
		2016	2015
Net profit margin ⁽¹⁾	純利率 ⁽¹⁾	56.1%	50.1%
Return on assets ⁽²⁾	資產回報率 ⁽²⁾	11.8%	9.9%
Return on equity ⁽³⁾	股本回報率 ⁽³⁾	16.7%	12.8%
Current ratio ⁽⁴⁾	流動比率 ⁽⁴⁾	222.0%	293.3%
Gearing ratio ⁽⁵⁾	資本負債率 ⁽⁵⁾	8.9%	8.4%

Notes:

- (1) Net profit margin equals profit for the year divided by revenue for the year.
- (2) Return on assets equals profit for the year divided by average total assets as at the end of the year.
- (3) Return on equity equals profit for the year divided by average total equity amounts as at the end of the year.
- (4) Current ratio equals current assets divided by current liabilities as at the end of the year.
- (5) Gearing ratio equals interest-bearing loans divided by total equity as of the end of the year.

外幣匯兌風險

本集團的大部份收益及開支以人民幣(「人民幣」)計值。截至2016年12月31日，若干銀行結餘以美元(「美元」)及港元(「港元」)計值。本集團目前並無任何外匯兌沖政策，其預期於短期未來不會面對任何重大外幣風險。然而，美元及港元兌人民幣匯率的任何永久或重大變動可能會對本集團的業績及財務狀況造成影響。

主要財務比率

附註：

- (1) 純利率等於年內溢利除以年內收益。
- (2) 資產回報率等於年內溢利除以年末的平均資產總值。
- (3) 股本回報率等於年內溢利除以年末的平均股本總額。
- (4) 流動比率等於年末流動資產除以流動負債。
- (5) 資本負債率等於年末計息貸款除以總權益。

Net Profit Margin

The net profit margin increased from approximately 50.1% for the year ended 31 December 2015 to approximately 56.1% for the year ended 31 December 2016. The income tax expense in a relevant large amount in 2015 is mainly due to a distribution of dividends by Chongqing College of Humanities, Science and Technology to its school sponsor, Li'ang Industry, in 2015, which resulted in Li'ang Industry having to pay the relevant EIT in 2015.

Return on Assets and Return on Equity

The return on assets ratio was approximately 11.8% as at 31 December 2016, and return on equity ratio was approximately 16.7% as at 31 December 2016. Both of the return ratios as at 31 December 2016 were higher than the return ratios as at 31 December 2015 primarily due to an increase in our profit in 2016, which increased at a faster pace than the increase in our average total assets and average total equity.

Current Ratio

The current ratio decreased to approximately 222.0% as at 31 December 2016 from approximately 293.3% as at 31 December 2015, primarily due to the rate of increase of current liabilities outpacing the increase of current assets. The current liabilities as at 31 December 2016 mainly reflected the reclassification from non-current liabilities to current liabilities of the loans, which have been repaid on 7 March 2017, borrowed from the ultimate holding company to repurchase issued ordinary shares from previous investors in 2016.

Gearing Ratio

The gearing ratio increased to approximately 8.9% as at 31 December 2016 from approximately 8.4% as at 31 December 2015, primarily due to the increase in the amount of accrued interest for the interest-bearing loans from the ultimate holding company and certain related parties.

純利率

純利率由截至2015年12月31日止年度的約50.1%上升至截至2016年12月31日止年度的約56.1%。2015年所得稅開支金額相對較大，主要由於重慶人文科技學院於2015年向其學校出資人利昂實業派發股息，導致利昂實業於2015年須支付相關企業所得稅。

資產回報率及股本回報率

於2016年12月31日的資產回報率為約11.8%，而我們於2016年12月31日的股本回報率為約16.7%。兩項回報率於2016年12月31日均高於2015年12月31日的回報率，主要由於2016年的溢利增加，其增長速度高於平均資產總值及平均股本總額的增幅。

流動比率

流動比率由2015年12月31日的約293.3%下降至2016年12月31日的約222.0%，主要由於流動負債的增長速度高於流動資產的增幅。於2016年12月31日的流動負債主要反映已於2017年3月7日悉數償還向最終控股公司借入的貸款由非流動負債重新分類至流動負債，而該筆貸款乃用作於2016年自先前投資者回購已發行普通股。

資本負債率

資本負債率由2015年12月31日約8.4%上升至2016年12月31日約8.9%，主要由於來自最終控股公司及若干關聯方的計息貸款的累計利息增加。



Employment, Training and Development

As at 31 December 2016, the Group had a total of 2,206 employees. Employees of the Group are remunerated based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. As required by PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including housing provident fund, pension, medical, maternity insurance, work-related injury insurance and unemployment insurance.

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

Material Acquisitions and Disposals

During the year ended 31 December 2016 and up to the date of this annual report, the Group did not make any material acquisitions or disposals of subsidiaries or associates.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this annual report, the Group did not have other plans for material investments and capital assets.

僱傭、培訓及發展

截至2016年12月31日，本集團擁有合共2,206名僱員。本集團僱員的薪酬乃基於彼等的表現、經驗及現行市場慣例而釐定，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社會保障計劃，其中包括住房公積金、退休金、醫療、生育保險、工傷保險及失業保險。

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。

重大收購及出售

截至2016年12月31日止年度及直至本年報日期，本集團並未進行任何其他附屬公司或聯營公司的重大收購或出售。

重大投資及資本資產之未來計劃

除於本年報所披露外，本集團概無其他重大投資及資本資產之其他計劃。

BOARD OF DIRECTORS

Executive Directors

Mr. Li Xuechun, aged 63, is the founder of our Group. Since October 1998, Mr. Li has served as chairman of the board of directors of Li'ang Industry. He was appointed as a Director of our 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. He is currently a member of the 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 serves as a representative on its 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). 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 any listed companies during the last three years.

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

董事會

執行董事

李學春先生，63歲，本集團的創辦人。自1998年10月起，李先生擔任利昂實業董事長。彼於2005年12月13日獲委任為本公司的董事，並自2006年1月17日起出任董事會主席。李先生在教育界擁有逾10年經驗，自2006年起擔任董事會主席。此外，李先生自2008年5月至2016年11月起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。彼目前為中國人民政治協商會議全國委員會委員，並擔任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任何上市公司擔任董事職位。

李先生為本公司執行董事兼副總裁左燿晨先生的岳父。

* English names are translated for identification purpose only.

Ms. Zhang Weiping, aged 52, 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 any listed companies during the last three years.

張衛平女士，52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任何上市公司擔任任何董事職位。

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Mr. Zuo Yichen, aged 36, joined the Group in August 2016 as Vice President. Mr. Zuo was appointed as a Director of our Company on 23 August 2016. 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 was a Letter of Guarantee Expert certified by Chamber of Commerce China* (中國國際商會) from June 2012 to May 2014. He obtained the certificate of Certified Treasury Professional (CTP) from the Association for Financial Professionals in June 2014. He has been a Certified Anti-Money Laundering Specialist (CAMS) charterholder since September 2015. Mr. Zuo did not hold any directorship in any 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.

左燿晨先生，36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。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。於2012年6月至2014年5月，左先生為獲中國國際商會認證的保函專家。彼於2014年6月取得金融專業人士協會的國際財資管理師證書。自2015年9月起，彼為國際公認反洗錢師。左先生在過去三年並無於任何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。

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Mr. Lam Ngai Lung, aged 40, 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. He did not hold any directorship in any listed companies during the last three years.

林毅龍先生，40歲，於2012年5月加入本集團並擔任投資部總經理，隨後於2016年8月23日獲委任為本公司董事。林先生自2016年5月22日起出任本集團財務總監。林先生於會計及財務方面擁有逾15年經驗。在加入本集團前，彼於2000年9月至2003年11月於執業會計師事務所馬炎璋會計師行擔任審計助理。於2003年11月至2006年10月，林先生受聘於羅兵咸永道會計師事務所及離職前職位為高級審計員。於2006年11月至2007年3月，林先生獲委聘為自2004年8月於聯交所上市的TOM集團有限公司(股份代號：2383)的副經理，主要負責內部業務審查。於2007年3月至2012年5月，林先生擔任畢馬威會計師事務所顧問經理。林先生於1999年11月畢業自香港科技大學，取得理學學士學位，主修數學。於2000年10月，彼獲得香港城市大學專業會計研究生證書。林先生自2004年起為香港會計師公會會員，並自2005年起為特許金融分析師持證人。彼在過去三年並無於任何上市公司擔任任何董事職位。

Independent Non-executive Directors

Mr. Chan Ngai Sang, Kenny, aged 52, 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 Accounts. Mr. Chan has over 25 years of experience in accounting, taxation, auditing and corporate finance. Mr. Chan holds a bachelor of commerce degree obtained from the University of New South Wales in 1988 and is a member of Chartered Accountants of Hong Kong Institute of Certified Public Accountants. He currently serves as the independent non-executive director of TSC Group Holdings Limited (stock code: 206), Convoy Financial Holdings Limited (stock code: 1019), WLS Holdings Ltd (stock code: 8021), Combest Holdings Limited (stock code: 8190), Sing on Holdings Limited (stock code: 8352) and AMCO United Holding Limited (stock code: 630), each of which is a company listed on the Stock Exchange.

Mr. Yu Huangcheng, aged 41, 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 any listed companies during the last three years.

獨立非執行董事

陳毅生先生，52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25年經驗。陳先生於1988年自新南威爾斯大學取得商學士學位，並為香港會計師公會會員。彼目前為TSC集團控股有限公司(股份代號：206)、康宏金融控股有限公司(股份代號：1019)、滙隆控股有限公司(股份代號：8021)、康佰控股有限公司(股份代號：8190)、成安控股有限公司(股份代號：8352)及雋泰控股有限公司(股份代號：630)的獨立非執行董事，該等公司均為於聯交所上市的公司。

余黃成先生，41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任何上市公司擔任任何董事職位。

* English names are translated for identification purpose only.

Mr. Wang Wei Hung, Andrew, aged 61, 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) since October 2011. Mr. Wang graduated from Concordia University, Canada with a bachelor of arts degree in Communications Arts.

王惟鴻先生，61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月起一直擔任新融宇集團(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。

SENIOR MANAGEMENT

Mr. Wang Wei, aged 50, joined the Group in October 2005 and is currently the financial director and head of finance department of Chongqing College of Humanities, Science and Technology. Mr. Wang has over 15 years of experience in finance and accounting and is primarily responsible for the finance and accounting of our Group's schools in Chongqing. Prior to joining our Group, Mr. Wang worked as accountant with Beijing Zhongruicheng Lianhe Accounting Firm Chongqing Branch* (北京中瑞誠聯合會計事務所重慶分所) and Chongqing Tongguan Accounting Firm Co., Ltd.* (重慶通冠會計師事務所有限責任公司). Mr. Wang graduated from Jiangxi Caijing College* (江西財經學院) with a bachelor degree in economics in July 1989.

Mr. Li Jiandong, aged 44, joined our Group in January 2016 and is currently the deputy officer of logistics of Chongqing College of Humanities, Science and Technology and has been primarily responsible for the logistical support of our schools in Chongqing. Prior to joining our Group, Mr. Li served as the general manager of Shandong Dongying Jinheng Furniture Co., Ltd.* (山東東營金恒家具有限公司), a company primarily engaged in export and trading of furniture, between June 2010 to December 2015. From March 1999 to March 2010, Mr. Li was employed by Shandong Shenghui Timber Co, Ltd.* (山東勝輝木業有限公司) and last occupied the position of deputy general manager.

COMPANY SECRETARY

Ms. Ng Wing Shan is the company secretary of our Company and was appointed on 21 September 2016. Ms. Ng is a fellow member of The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Ms. Ng is an assistant vice president of 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，50歲，於2005年10月加入本集團，目前擔任重慶人文科技學院財務總監及財務部主管。王先生於財務及會計方面擁有逾15年經驗並主要負責本集團在重慶的學校之財務及會計。於加入本集團前，王先生於北京中瑞誠聯合會計師事務所重慶分所及重慶通冠會計師事務所有限責任公司擔任會計師。王先生於1989年7月畢業於江西財經學院，獲得經濟學學士學位。

李建東先生，44歲，於2016年1月加入本集團，目前擔任重慶人文科技學院後勤副主任，主要負責我們於重慶的學校的後勤支援。於加入本集團前，李先生於2010年6月至2015年12月期間擔任山東東營金恒家具有限公司(一間主要從事家具出口及貿易的公司)總經理。於1999年3月至2010年3月，李先生受聘於山東勝輝木業有限公司及離職前的職位為副總經理。

公司秘書

吳詠珊女士為本公司公司秘書及於2016年9月21日獲委任。吳女士為香港特許秘書公會及英國特許秘書及行政人員公會之資深會員。吳女士為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。

* English names are translated for identification purpose only.

The Board is pleased to present the reports and the audited financial statements of the Company and the Group for the year ended 31 December 2016.

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 People's Republic of China (the "PRC"). Details of the principal activities of the Group's subsidiaries are set out in Note 1 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, 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 report.

RESULTS

The Group's results for the year ended 31 December 2016 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 92 to 188.

董事會欣然呈報本公司及本集團截至2016年12月31日止年度的報告及經審核財務報表。

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。本集團主要於中華人民共和國(「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。

足夠公眾持股量

基於本公司所得的公開資料及據本公司董事所知悉，於本報告日期，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25%的足夠公眾持股量。

業績

本集團截至2016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92頁至第188頁的綜合財務報表。

BUSINESS REVIEW

A review of business of the Group during the year ended 31 December 2016 is set out in the Management Discussion and Analysis on pages 10 to 25.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is exposed to various risks in the operations of the Group's business and 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.

業務回顧

本集團截至2016年12月31日止年度的業務回顧載列於第10頁至第25頁之管理層討論及分析。

主要風險及不確定因素及風險管理

本集團的業務營運面臨多項風險，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。



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.

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 75 to 77 "Risk Management and Internal Control" of corporate governance report.

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。

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75頁至第77頁之「風險管理及內部監控」。

SUMMARY OF FINANCIAL INFORMATION

A summary of the Group's results, assets and liabilities for the last four 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 during the year ended 31 December 2016 are set out in Note 13 to the financial statements.

The Group's properties, included above at cost, were valued at RMB1,484,580,000 as at 31 December 2016 in the prospectus issued on 10 March 2017 in connection with the listing of the Company's shares on 22 March 2017. Had the Group's properties been included in these financial statements at such valuation amount throughout the year ended 31 December 2016, an additional depreciation charge of RMB16,121,000 would have been recognised in the consolidated statement of profit or loss for the year ended 31 December 2016.

SIGNIFICANT INVESTMENTS HELD

The Group held available-for-sale investments and investment deposits during the year ended 31 December 2016. Details of available-for-sale investments and investment deposits of the Group as at 31 December 2016 are set out in Notes 18, 22 and 23 to the financial statements.

BANK LOANS AND OTHER LOANS

The Group did not have any bank loans as at 31 December 2016. Particulars of loans from the ultimate holding company and related parties as at 31 December 2016 are set out in Notes 26 and 27 to the financial statements respectively.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 29 to the financial statements.

財務資料概要

本集團於過去四個財政年度的業績、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、廠房及設備於截至2016年12月31日止年度的變動詳情已載列於財務報表附註13。

於2017年3月10日就本公司股份於2017年3月22日上市而刊發的招股章程中，本集團上述按成本入賬的物業的估值為人民幣1,484,580,000元。於截至2016年12月31日止年度整段期間，倘本集團之物業按該估值計入此等財務報表，則會於截至2016年12月31日止年度的綜合損益表中確認人民幣16,121,000元的額外折舊開支。

持有的重大投資

本集團於截至2016年12月31日止年度持有可供出售投資及投資存款。於2016年12月31日，可供出售投資及投資存款的詳情已載列於財務報表附註18、附註22及附註23。

銀行貸款及其他貸款

本集團於2016年12月31日並無任何銀行貸款。於2016年12月31日來自最終控股公司及關聯方的貸款的詳情已分別載於財務報表附註26及附註27。

股本

本公司於年內的股本變動詳情已載列於財務報表附註29。



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 38 to the financial statements and in the consolidated statement of changes in equity on pages 95 to 96, respectively. As at 31 December 2016, the aggregate amount of reserve available for distribution to equity shareholders of the Company was approximately RMB1,570,703,000 (2015: approximately RMB1,331,201,000).

DIVIDEND

The Board does not recommend the payment of a final dividend to the Shareholders of the Company for the year ended 31 December 2016 (year ended 31 December 2015: nil).

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

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

As shares of the Company were not yet listed on the Hong Kong Stock Exchange during the year ended 31 December 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2016.

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 35.3% of the total purchases for in 2016 and purchases from the largest supplier included therein amounted to 11.8% of the Group's total purchases for the year.

儲備及可供派發儲備

本公司及本集團的年內儲備變動詳情已分別載列於財務報表附註38及第95頁至第96頁的綜合權益變動表。於2016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1,570,703,000元(2015年：約人民幣1,331,201,000元)。

股息

董事會不建議向本公司股東派發截至2016年12月31日止年度的末期股息(截至2015年12月31日止年度：無)。

概無股東已豁免或同意豁免任何股息的安排。

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。

購買、出售或贖回本公司上市證券

因本公司之股份於截至2016年12月31日止年度尚未於香港聯交所上市，截至2016年12月31日止年度，本公司或其附屬公司概無購買、出售或贖回任何本公司已上市之證券。

主要客戶及供應商

於報告期內，並無向單一客戶提供的服務貢獻本集團總收益10%或以上。

自本集團五大供應商的採購佔2016年的總採購價35.3%，而當中包括自最大供應商的採購佔本集團年度總採購的11.8%。

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

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

The shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK\$1,350.7 million (equivalent to approximately RMB1,198.1 million), after deducting underwriting commissions and all related expenses. The net proceeds received from the global offering will be used in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

Since the Listing Date of the Company and up to the date of this annual report, approximately US\$20.8 million (equivalent to approximately RMB143.2 million) was used to repay a term loan from a third-party financial institution, which was used to repay the loans borrowed from the ultimate holding company and related parties.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2016 and up to the date of this annual report, the Group did not make any material acquisitions or disposals of subsidiaries or associates.

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

與僱員、客戶及供應商的關係

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

上市所得款項淨額用途

本公司之股份於上市日期於聯交所主板上市，本公司從全球發售取得的所得款項淨額為約1,350.7百萬港元(相當於約人民幣1,198.1百萬美元)，乃扣除包銷佣金及所有相關開支。從全球發售取得的所得款項淨額將按招股章程「未來計劃及所得款項用途」一節所述的方式使用。

自本公司上市日期起直至本年報日期，約20.8百萬美元(相當於約人民幣143.2百萬美元)已用作償還一間第三方財務機構的有期貨款，該貸款乃用作償還向最終控股公司及關聯方借入的貸款。

重大收購及出售

截至2016年12月31日止年度及直至本年報日期，本集團概無任何與附屬公司或聯營公司相關之重大收購及出售。



CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 December 2016 amounted to approximately RMB691,000 (2015: approximately RMB230,000).

RECTIFICATION MEASURES

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

慈善捐款

本集團於截至2016年12月31日止年度所作的慈善捐款約為人民幣691,000元(2015年：約人民幣230,000元)。

整改措施

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

Buildings occupied by 樓宇由以下機構佔用	Total number of buildings with defective titles as disclosed in the Prospectus 於招股章程披露之存在業權瑕疵的樓宇總數	Total number of buildings which we have obtained the building ownership certificates as at the date of this annual report 於本年報日期，我們已取得房屋所有權證的樓宇總數	The number of buildings covered by applications with the relevant government authorities to obtain the required permits and/or acceptance checks as at the date of this annual report 於本年報日期向相關政府機關作出申請，以取得規定的許可證及／或驗收的樓宇數目
Chongqing College of Humanities, Science and Technology 重慶人文科技學院	15	11	4
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 of the Company during the year of 2016 and up to the date of this annual report were as follows:

Executive Directors

Mr. Li Xuechun (*Chairman of the Board*)
 Ms. Zhang Weiping (*Chief Executive Officer*)
 Mr. Zuo Yichen (appointed on 23 August 2016)
 Mr. Lam Ngai Lung (appointed on 23 August 2016)

Independent Non-executive Directors

Mr. Chan Ngai Sang, Kenny (appointed on 2 March 2017)
 Mr. Yu Huangcheng (appointed on 2 March 2017)
 Mr. Wang Wei Hung, Andrew (appointed on 2 March 2017)

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 Company 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 26 to 32 of this annual report.

DIRECTORS INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 34 to the 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 2016 and up to the date of this annual report.

DIRECTORS' INTEREST IN COMPETING BUSINESS

At no time during the year 2016, the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group.

董事

於2016年內及直至本年報日期的本公司董事如下：

執行董事

李學春先生(董事會主席)
 張衛平女士(行政總裁)
 左燭晨先生(於2016年8月23日獲委任)
 林毅龍先生(於2016年8月23日獲委任)

獨立非執行董事

陳毅生先生(於2017年3月2日獲委任)
 余黃成先生(於2017年3月2日獲委任)
 王惟鴻先生(於2017年3月2日獲委任)

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，而本公司認為根據上市規則第3.13條，該等董事為獨立人士。

董事資歷

董事的個人履歷已載列於本年度報告第26頁至第32頁。

董事於交易、安排或合約中的重大權益

除財務報表附註34所披露者外，於2016年及直至本報告日期，董事概無於本公司或其附屬公司簽訂的有關本集團業務的重大交易、安排或合約中，直接或間接擁有重大實益權益。

董事於競爭業務的權益

董事或其各自之聯繫人概無於2016年內任何時間從事任何與本集團業務直接或間接競爭的業務或於當中擁有任何權益。



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

As the Company had not been listed on the Stock Exchange on 31 December 2016, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO") and Section 352 of the SFO did not apply to the Directors and chief executives of the Company as at 31 December 2016.

At the Listing Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), 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:

Long Position in the Shares

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

因本公司於2016年12月31日尚未於聯交所上市，於2016年12月31日，證券及期貨條例(「證券及期貨條例」)第XV部第7及第8分部及證券及期貨條例第352條並不適用於本公司董事及主要行政人員。

於上市日期，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：

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 the Listing Date 於上市日期於本公司的股權概約百分比
Mr. Li Xuechun ^(Note) 李學春先生 ^(附註)	Beneficial owner 實益擁有人	3,000,000,000	Long 好倉	75%

Note: Mr. Li Xuechun ("Mr. Li") holds 90% of the issued share capital of Honest Cheer Investments Limited ("Honest Cheer") and is its sole director and he is therefore deemed to be interested in the shares held by Honest Cheer upon the Listing. Ms. Li Ning, daughter of Mr. Li, holds the remaining 10% of the issued share capital of Honest Cheer.

附註：李學春先生(「李先生」)持有誠悅投資有限公司(「誠悅」)90%已發行股本，並為誠悅的唯一董事，故於上市時被視為持有誠悅的股份的權益。李寧女士為李先生的女兒，彼持有誠悅餘下的10%已發行股本。



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

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

As the Company had not been listed on the Stock Exchange on 31 December 2016, Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO did not apply to any substantial Shareholders of the Company as at 31 December 2016.

So far as is known to any Director or chief executive of the Company, as at the Listing Date, the 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，於上市日期，本公司的主要行政人員或董事概無於本公司及其相關法團(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

因本公司於2016年12月31日尚未於聯交所上市，故於2016年12月31日，證券及期貨條例第XV部第2及第3分部及證券及期貨條例第336條並不適用於本公司任何主要股東。

就本公司董事及主要行政人員所知，於上市日期，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 the Listing Date 於上市日期於本公司的股權概約百分比
Honest Cheer 誠悅	Beneficial owner 實益擁有人	3,000,000,000	Long 好倉	75%
City Legend International Limited 華昌國際有限公司	Beneficial owner 實益擁有人	332,000,000	Long 好倉	8%

Save as disclosed above, as at the Listing Date, 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

At no time during the year 2016 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.

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

董事認購股份及債權證的權利

任何董事或彼等各自的配偶或18歲以下子女概無於2016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。

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).

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).

In accordance with article 84(1) of the Company's articles of association, Mr. Li Xuechun, Ms. Zhang Weiping and Mr. Lam Ngai Lung 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.

董事服務合約及其他資料

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

各獨立非執行董事均與本集團訂立服務合約，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予以終止為止(或根據相關服務合約條款)。

根據本公司章程細則第84(1)條，李學春先生、張衛平女士及林毅龍先生將於應屆股東週年大會輪值退任董事會及膺選連任。

概無在擬於應屆股東週年大會上重選的董事與本公司或其任何附屬公司簽訂任何尚未到期而不可由本公司或其任何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。



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 2016 and up to the date of this annual report.

SHARE OPTION SCHEME

The following is a summary of principal terms of the Share 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.

管理合約

於截至2016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。

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，亦使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. 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;
- (c) a direct or indirect shareholder of any member of the Group;
- (d) a supplier of goods or services to any member of the Group;
- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;
- (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;
- (g) an associate of any of the persons referred to in paragraphs (a) to (f) above; and
- (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”).

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) 本集團任何成員公司的直接或間接股東；
- (d) 向本集團任何成員公司供應貨品或服務的供應商；
- (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) 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) 上文(a)至(f)段所述任何人士的聯繫人；及
- (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:

- (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

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) 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) 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.

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.

(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. 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(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. 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).

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,

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. 向關連人士授出購股權

根據購股權計劃條款，僅於上市規則規定的時間內，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，



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.

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.

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. *授出購股權的時間限制*

董事會知悉內部資料後，董事會不得根據購股權計劃授出任何購股權，直至內部資料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至業績公佈刊發當日止期間不得授出購股權，即董事會為通過本公司任何年度、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. 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.

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.

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不一致。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毋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. 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。



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
- (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.

任何少於要約所提呈的股份數目的授出購股權要約可獲接納，惟可接納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(及須載於載有授出購股權要約的函件中)全權酌情釐定，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上的股份收市價；及
- (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的平均收市價。



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.

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) 行使任何購股權須視乎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而定。

- (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) 根據下文所述及根據已授購股權須遵守的條款及條件，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該購股權(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),則承授人有權於該要約成為或被宣稱為無條件的當日後一個月內任何時候(在收購要約的情況下)或(在協議安排的情況下)於本公司通知的時間及日期前行使購股權(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,則本公司向擁有尚未行使的購股權的承授人發出通知,同時向本公司的所有股東或債權人寄發召開考慮該項和解或安排的會議的通知,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) 法院裁定的和解或安排當日。

- (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.

- (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。



13. Lapse of Share Option Scheme

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. 購股權計劃失效

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) 任何該等調整產生的效果，不得使股份以低於其面值的價格發行；

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

15. Cancellation of Options not exercised

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

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

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

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

15. 註銷未行使的購股權

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

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

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

16. Ranking of Shares

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

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

17. Termination

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

16. 股份地位

於行使購股權時將予配發的股份受不時頒佈的組織章程細則及開曼群島法例的所有條文規限，並自(i)配發日，或(ii)倘該日為本公司暫停辦理股份過戶登記之日，則為重新辦理股份過戶登記的首日起在各方面與現有已發行繳足股份享有同等權益，因此將賦予持有人於(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，惟倘記錄日期早於配發日，則不包括先前已宣派或建議或議決派付或作出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在購股權計劃規限下及符合購股權計劃的情況下仍然有效及可予行使。



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 alternation 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 條所載有利於承授人的事宜有關的購股權計劃條文的任何變動；
- (c) 購股權計劃所載之董事會或董事會委派的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.

Application has been made to the Stock Exchange for the listing of 400,000,000 shares which may be issued pursuant to the exercise of Options under the Share Option Scheme.

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不會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：

- (j) 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。

我們已向聯交所申請批准因行使購股權計劃項下的購股權而可能發行之400,000,000股股份上市。



At the date of this annual report, no Share Options were granted.

於本年報日期概無授出購股權。

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme of the Company 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 year or subsisted at the end of the year.

股票掛鈎協議

除本年報所披露之本公司購股權計劃外，本公司於年內概無訂立或於年底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。

PERMITTED INDEMNITY PROVISION

As at the date of this annual report, all Directors of the Company were covered under the liability insurance purchased by the Company for its Directors.

獲許可彌償保證條文

於本年報日期，所有本公司董事均獲本公司為其董事投購的責任保險保障。

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2016, the Group employed 2,206 (2015: 1,875) staffs in the PRC and Hong Kong. The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage and training programs.

僱員及薪酬政策

於2016年12月31日，本集團於中國及香港聘用的員工為2,206名(2015年：1,875名)。本集團會按僱員表現、工作經驗及當時市價釐定彼等之酬金。其他僱員福利包括強制性公積金、保險及醫療津貼及培訓項目。

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

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。

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

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

Details of the remuneration of the Directors, and five highest paid individuals during the year ended 31 December 2016 are set out in Notes 8 and 9 to the financial statements.

董事及五名最高薪酬人士於截至2016年12月31日止年度的薪酬詳情載列於財務報表附註8及9。

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

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

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group during the year ended 31 December 2016 are set out in Note 34 to the financial statements.

The transactions 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.

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 2016, 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 2016 and up to the date of this annual report, the Group has complied with the relevant laws and regulations that have a significant impact on the Company.

EVENTS AFTER THE REPORTING PERIOD

The important events occurred since the year ended 31 December 2016 are disclosed in Note 39 to the financial statements.

LITIGATION

During the year ended 31 December 2016 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.

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財務報表附註2.4「僱員福利」。

關聯方交易

本集團於截至2016年12月31日止年度所訂立的關聯方交易詳情已載列於財務報表附註34。

該等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。

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2016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2016年12月31日止年度及截至本年報日期，本集團已遵守對本公司產生重大影響的相關法律及法規。

報告期之後的事件

於截至2016年12月31日止年度後發生的重要事情已於財務報表附註39中披露。

訴訟

於截至2016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。



CODE ON CORPORATE GOVERNANCE PRACTICES

As the Company was not yet listed on the Hong Kong Stock Exchange during the year ended 31 December 2016, the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules (the “Corporate Governance Code”) was not applicable to us during the year ended 31 December 2016. After the Listing, the Company will comply with all the code provisions set forth in the Corporate Governance Code.

AUDIT COMMITTEE

The Company established an audit committee in compliance with the Corporate Governance Code. The members of the audit committee have discussed with the management, and reviewed, the 2016 financial statements as set out in this annual report.

AUDITOR

The financial statements of the Group for the year ended 31 December 2016 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 report.

RECOMMENDATION TO CONSULT PROFESSIONAL TAX ADVICE

If the Shareholders of the Company are not sure about the tax effect on the purchase, holding, sale, trading or exercise of any rights attached to the relevant shares of the Company, they are recommended to consult independent experts for advice.

On behalf of the Board
Li Xuechun
 Chairman

Hong Kong, 14 April 2017

企業管治常規守則

由於本公司於截至2016年12月31日止年度尚未於香港聯交所上市，因此，於截至2016年12月31日止年度，香港上市規則附錄十四所載的企業管治守則(「企業管治守則」)並不適用於我們。於上市後，我們將遵守企業管治守則所載的所有守則條文。

審核委員會

本公司已按企業管治守則成立審核委員會。審核委員會的成員已與管理層討論並審視載列於本年度報告的2016年財務報表。

核數師

本集團於截至2016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報告日期，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

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，2017年4月14日



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.

The Company's Shares have been listed on the Stock Exchange since 22 March 2017. As the Company's shares were not listed during the year ended 31 December 2016, the Company was not subject to the Corporate Governance Code as set out in Appendix 14 of the Listing Rules during 2016. Since the Listing Date up to the date of this annual report, the Company has been in compliance with all applicable code provisions under the Corporate Governance Code.

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 re-appointments, 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。

本公司股份已自2017年3月22日起在聯交所上市。由於本公司股份於截至2016年12月31日止年度並未上市，故本公司於2016年不受上市規則附錄十四所載企業管治守則所規限。自上市日期起直至本年報日期，本公司一直遵守企業管治守則之所有適用守則條文。

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.

The Board currently comprises four executive Directors, namely Mr. Li Xuechun, Ms. Zhang Weiping, Mr. Zuo Yichen and Mr. Lam Ngai Lung 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 of the Company. Save as disclosed herein, there are no other financial, business, family or other material/relevant relationships among members of the Board.

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

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

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，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本公司執行董事左燿晨先生的岳父。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.

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。



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 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 more than 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 was established on 2 March 2017. It comprises three independent non-executive Directors, namely, Mr. Chan Ngai Sang, Kenny, Mr. Yu Huangcheng and Mr. Wang Wei Hung, Andrew. Mr. Chan Ngai Sang, Kenny, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

獨立非執行董事的獨立身份

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

為遵守上市規則第3.10(1)和(2)條及3.10A條，本公司已委任三名獨立非執行董事，超過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

審核委員會於2017年3月2日成立。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。

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 and such responsibilities as assigned by the Board.

Remuneration Committee

The Remuneration Committee was established on 2 March 2017. It comprises three members, namely Mr. Wang Wei Hung, Andrew, Mr. Li Xuechun and Mr. Yu Huangcheng. 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.

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2016 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	5
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1

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

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董事會委派的其他職責及有關責任。

薪酬委員會

薪酬委員會於2017年3月2日成立。薪酬委員會包括三名成員，即王惟鴻先生、李學春先生及余黃成先生。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。概無董事參與有關其本身薪酬的討論。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2016年12月31日止年度按範圍劃分本集團高級管理層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財務報表附註8及9。

Nomination Committee

The Nomination Committee was established on 2 March 2017. It comprises three members, namely, Mr. Li Xuechun, Mr. Yu Huangcheng and Mr. Chan Ngai Sang, Kenny. 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. It is also responsible for considering and recommending to the Board suitably qualified persons to become a member of the Board, monitor the succession planning of Directors and assess the independence of independent non-executive Directors. 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.

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.

提名委員會

提名委員會於2017年3月2日成立。提名委員會包括三名成員，即李學春先生、余黃成先生及陳毅生先生。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。提名委員會亦負責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。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。

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。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the independent non-executive Directors has entered into a service contract with the Company for an initial term of one year commencing from the Listing Date. 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. 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.

BOARD DIVERSITY POLICY

Pursuant to the Corporate Governance Code, 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.

委任及重選董事

各獨立非執行董事已與本集團簽訂服務合約，自上市日期起計初步期為一年。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。任何獲董事會委任為新增董事的董事任期僅至下屆股東週年大會為止或任何獲董事會委任以填補臨時空缺的董事的任期僅直至下屆股東大會為止，惟彼等符合資格由股東重選。此外，於每屆股東週年大會當時為數至少三分之一的董事(如董事人數並非三(3)的倍數，則須為最接近但不少於三分之一的董事人數)須輪流退任，惟各董事須最少每隔三年於股東週年大會上輪流退任一次，並符合資格由股東重選。

董事會多元化政策

根據企業管治守則，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根據本公司業務需求具有適當的技能、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。



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 2016, the Board held two meetings. The first meeting was for the approval of the subdivision of Company's shares which took effect on 5 July 2016, among other things. All Board members at that moment, namely Mr. Li Xuechun and Ms. Zhang Weiping have attend the meeting. The second meeting was for the approval of the submission of the Company's listing application to the Stock Exchange, among other things. All Board members at that moment, namely Mr. Li Xuechun, Ms. Zhang Weiping, Mr. Zuo Yichen and Mr. Lam Ngai Lung have attended the meeting held on 21 September 2016.

董事會會議

根據企業管治守則，董事會會議定期及每年約每隔一季最少舉行四次。就例行董事會會議而言，會議通知最少14天前發出以達致最高董事出席率。董事可向主席或本公司秘書提議，以將事宜列入例行董事會會議議程。

於董事會會議上，相關文件將提供予董事以便其考慮及批准。於董事會會議召開后合理時間內，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2016年12月31日止年度，董事會舉行兩次會議。第一次會議以(其中包括)批准公司股份的分拆，該股份的分拆於2016年7月5日生效。當時全體董事會成員，即李學春先生及張衛平女士已出席會議。第二次會議以(其中包括)批准本公司向聯交所提出上市申請。當時全體董事會成員，即李學春先生、張衛平女士、左燭晨先生及林毅龍先生已出席於2016年9月21日舉行之會議。

DIRECTORS' AND OFFICERS' INSURANCE

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

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

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. The Company will also arrange regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. In September 2016, the Company has arranged for its legal adviser to conduct training sessions for each of the Directors, namely, Mr. Li Xuechun, Ms. Zhang Weiping, Mr. Zuo Yichen, Mr. Lam Ngai Lung, Mr. Chan Ngai Sang, Kenny, Mr. Yu Huangcheng and Mr. Wang Wei Hung, Andrew, regarding their responsibilities as a Director of the Company under the Listing Rules and Hong Kong laws, as well as the Company's continuing obligations under the Listing Rules upon it listing.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions (the "Securities Dealing Code"). The Directors' compliance with the relevant provisions of the Securities Dealing Code during the period from the Listing Date up to and including 31 December 2017 will be reported in the corporate governance report for the year ending 31 December 2017 to be published in 2018.

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。

董事持續培訓及專業發展

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。於2016年9月，本公司已安排法律顧問為各董事，即李學春先生、張衛平女士、左燦晨先生、林毅龍先生、陳毅生先生、余黃成先生及王惟鴻先生開展培訓課程，以了解上市規則及香港法律下本公司董事的責任及於上市後上市規則下本公司的持續義務。

董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則作為本公司有關董事進行證券交易的行為守則（「證券交易守則」）。董事自上市日期直至2017年12月31日（包括該日）期間遵守證券交易守則相關條文的情況將於2018年刊發之截至2017年12月31日止年度之企業管治報告內報告。

In addition, senior management of the Group who, because of their office in the Company, are likely to be in possession of inside information, have also been requested to comply with the provisions of the Securities Dealing Code when dealing in the Company's shares.

此外，因受聘於本公司而可能獲得內幕消息的本集團高級管理層，於買賣本公司股份時亦須遵守證券交易守則的條文。

COMPANY SECRETARY

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

公司秘書

吳詠珊女士為本公司公司秘書及於2016年9月21日獲委任。吳女士為香港特許秘書公會及英國特許秘書及行政人員公會之資深會員。吳女士為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。

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.

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 2016, Ms. Ng has undertaken not less than 15 hours of relevant professional training respectively in compliance with rule 3.29 of the Listing Rules.

截至2016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。

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.

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。

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.

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。

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 of the Company dated 10 March 2017, taking into account the internal control measures implemented by the Group in connection with the non-compliance incidents disclosed under the section headed “— Legal Proceedings and Compliance” in the prospectus, the on-going monitoring and supervision by the Board and the principals of the Group’s schools with the assistance from professional external advisers where required, and the fact that, as confirmed by the Directors, the non-compliance incidents did not involve fraud or dishonesty, the Directors are of the view that our enhanced internal control measures are adequate and effective.

The Company has established an internal audit department to carry out its internal audit functions by assisting the Board to implement the Group’s risk management framework. The work of the internal audit department will be reviewed by the Audit Committee and the Board annually. Taking into account the report(s) to be provided by the Group’s internal control department, the Board will confirm whether the Group’s risk management and internal control system is adequate and effective and the Group has complied with the provisions on risk management and internal controls as set out in the Corporate Governance Code for the year ending 31 December 2017 in the corporate governance report for the year ending 31 December 2017 to be published in 2018.

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。

如本公司日期為2017年3月10日之招股章程所披露，考慮到本集團就招股章程「—法律程序及合規情況」一節所披露的違規事件所採取的內部控制措施、董事會及本集團學校的校長於需要時在外部專業顧問協助下持續監控及監管，以及經董事確認違規事件不涉及欺詐或不誠實，故董事認為，我們經加強的內部控制措施足夠有效。

本公司已成立內部審核部門，以協助董事會履行其內部審核職能，從而實施本集團的風險管理框架。內部審核部門的工作將由審核委員會及董事會每年進行審閱。考慮到本集團內部監控部門將提供的報告，本集團將會確認本集團風險管理及內部控制制度是否足夠有效及本集團於截至2017年12月31日止年度是否遵守將於2018年刊發的截至2017年12月31日止年度的企業管治報告內企業管治守則所載有關風險管理及內部控制的條文。

The Group regulates the handling and dissemination of inside information according to the “Guidelines on Disclosure of Inside Information” published by the Securities and Future Commission in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

DIRECTORS’ RESPONSIBILITY IN PREPARING FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company’s consolidated financial statements which give a true and fair view of the Group’s state of affairs, results and cash flows for the year and in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as going concern.

本集團按證券及期貨事務監察委員會於2012年6月頒佈的《內幕消息披露指引》監管內幕消息的處理及發佈，以確保適當批准披露該等消息前維持保密，並以有效率及一致的方式發佈該等消息。本公司定期提醒董事及僱員妥善遵守所有有關內幕消息的政策。此外，本公司讓董事、高級管理人員及僱員掌握最新之監管最新資料。本公司將編製或更新合適指引或政策以確保遵守監管規定。

董事負責編製財務報表

董事會明白本身有責任根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例之披露要求編製本公司綜合財務報表，真實公平反映本集團於本年度的事務情況、業績及現金流量。本公司已根據審慎及合理的判斷及估計選擇合適的會計政策並貫徹採用。董事會認為本集團備有充足資源於可見未來繼續經營業務，且並不知悉任何可能影響本公司業務或致令本公司持續經營能力成疑的事件或狀況的重大不確定因素。

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditor of the Company, Ernst & Young, during the year ended 31 December 2016 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	4,791
Non-audit services	非審核服務	—
Total	總計	4,791

核數師酬金

本公司核數師安永會計師事務所截至2016年12月31日止年度為本集團提供有關審核及非審核服務的概約酬金如下：

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

At general meetings of the Company, the Shareholders will have the opportunity to communicate directly with the Directors. The Chairman of the Board and the chairman of each of the Board Committees will attend the annual general meetings to answer Shareholders' questions. The auditor of the Company will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

與股東及投資者溝通

本公司認為，與股東有效溝通是加強投資者關係及讓投資者了解本集團業務、業績及策略的重要因素。本公司亦了解，及時全面披露資訊以便股東及投資者作出知情投資決定的重要性。

於本公司股東大會上，股東有機會可以與董事直接對話。董事會主席及各董事委員會主席須出席股東週年大會回應股東的問題。本公司核數師亦會出席股東週年大會解答有關審核工作、核數師報告編製過程與內容、會計政策及核數師獨立性等問題。

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the 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.

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。

SHAREHOLDERS' RIGHTS

General

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

股東權利

一般資料

為保障股東的權益與權利，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。

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.

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.

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已發行且附有權利可在本公司股東大會投票的股本不少於十分之一的一或多名股東，有權隨時向董事會或本公司公司秘書提出書面要求，由董事會召開本公司股東特別大會，以處理該項要求指明的事宜，而該會議須在提出要求後兩個月內召開。倘若在提出要求後21天內，董事會未有按要求召開會議，則提出要求者可以相同的方式召開會議，由於董事會未有召開會議而導致提議人所承擔的一切合理開支，須由本公司向提議人補償。

Procedures for Proposing a Person for Election as a Director

Pursuant to the Article 85 of the articles of associations of the Company, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice (as defined therein) signed by a Member (as defined therein) (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Mr. Lam Ngai Lung of Room 1102, 11/F., The Lee Gardens One, 33 Hysan Avenue, Causeway Bay, Hong Kong (email address: msedu@minshengedu.com).

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted the third amended and restated memorandum and articles of association of the Company on 2 March 2017 (with the memorandum of association and the articles of association taking effect from 2 March 2017 and the Listing Date, respectively). There was no change in the memorandum and articles of association of the Company during the period from the Listing Date to the date of this annual report.

提名人士參選董事的程序

根據本公司的組織章程細則第85條，除非獲董事推薦參選，或由正式合資格出席大會並可於會上投票的股東(定義見組織章程細則)(並非擬參選人)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。

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(地址為香港銅鑼灣希慎道33號利園一期11樓1102室)(電郵地址：msedu@minshengedu.com)。

更改組織章程文件

本公司已於2017年3月2日採納第三版經修訂及重列的組織章程大綱及細則(組織章程大綱及組織章程細則分別於2017年3月2日及上市日期生效)。於上市日期起至本報告期間，本公司的組織章程大綱及細則概無變動。



22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

香港
中環
添美道1號
中信大廈22樓

**To the shareholders of Minsheng Education Group
Company Limited**
(Incorporated in the Cayman Islands with limited liability)

致：民生教育集團有限公司全體股東
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Minsheng Education Group Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 92 to 188, which comprise the consolidated statement of financial position as at 31 December 2016, 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 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們已審核載於第92頁至第188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2016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2016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 (“HKSAAs”) 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之責任一節作進一步描述。根據香港會計師公會的國際會計師專業操守(「該操守」)，我們獨立於貴集團，並已根據該操守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。

我們已履行於核數師就審核綜合財務報表之責任一節中描述(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 matter

關鍵審核事項

Income tax

所得稅

According to the Implementation Rules for the Law for Promoting Private Education (the "Implementation Rules"), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatments. The Implementation Rules provide that the relevant authorities under the State Council may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. Up to 31 December 2016, no separate policies, regulations or rules have been introduced by the authorities in this regard. In accordance with the historical tax returns filed to the relevant tax authorities and the confirmations obtained therefrom, the Group's schools in the People's Republic of China (the "PRC Schools") which require reasonable returns did not pay corporate income tax and had enjoyed the preferential corporate income tax exemption treatments during 2016. Given that there are little official policies, regulations or rules supporting the preferential tax treatments enjoyed by the PRC Schools, there are uncertainties on the adoption of such preferential tax treatments by the PRC Schools.

Relevant disclosures are included in note 3 "Significant Accounting Judgements and Estimates" and note 10 "Income Tax" to the financial statements.

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

As to our audit procedures, we have:

- reviewed the confirmations issued by the local tax bureaus, in the areas where the PRC Schools operate, to identify if the PRC Schools were default in tax or in violation of PRC tax laws;
- discussed with the Group's PRC legal advisors about the tax position taken by the PRC Schools, in particular, whether or not the PRC Schools were required to pay income tax by their respective tax authorities by the end of year 2016 and whether the PRC Schools which enjoyed such preferential tax treatments were in compliance with 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 impact on the tax position of the PRC Schools;
- checked historical tax returns; 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.

根據民辦教育促進法實施條例(「實施條例」)，民辦學校不論是否要求合理回報，均可享稅務優惠。按實施條例規定，國務院屬下的相關機關可向要求合理回報的民辦學校推行稅務優惠及相關適用政策。直至2016年12月31日，機關並無就此推出單行政策、法規或規則。根據過往呈交至相關稅務機關的報稅表及由此取得的確認函，貴集團位於中華人民共和國的學校(「中國學校」)要求合理回報，但於2016年並無繳付企業所得稅而享有企業所得稅的稅項豁免。由於只有極少官方政策、法規或規則支持中國學校享有的稅務優惠，因此中國學校可否採納該稅務優惠存在不確定性。

相關披露載於財務報表附註3「重大會計判斷及估計」及附註10「所得稅」。

就我們的審核程序而言，我們已：

- 檢視在中國學校開設地區的當地稅務當局所發出的確認函，以識別中國學校有否拖欠稅款或違反中國的稅務法律；
- 與貴集團的中國法律顧問討論中國學校的稅務狀況，尤其在其相關稅務機關有否要求中國學校支付截至2016年止年度之所得稅及中國學校享有之該等稅務優惠是否符合中國之適用法律及法規；
- 評估機關直至本報告日期已推出而可能影響中國學校稅務狀況的任何新政策、法規或規則；
- 檢查過往報稅表；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 matter

關鍵審核事項

Goodwill impairment

商譽減值

The Group recorded a significant amount of goodwill (RMB304 million) as at 31 December 2016 which is supported by an annual impairment review. No impairment charge has been recorded against goodwill in the current year. Certain assumptions used in the impairment review are subjective and involved significant judgements and estimates, and they include:

- the future cash flow growth assumptions used in the Group's most recent budgets for the next five years approved by management, including future industry development, pricing strategies, market supply and demand, and gross margins;
- the growth rate used beyond the period covered by the budgets; and
- the discount rate applied to future cash flows.

The accounting judgements and estimates and disclosure related to the impairment assessment are included in notes 3 and 15 to the financial statements.

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 unit, we have performed the following procedures:

- evaluated management's future cash flow forecasts and the process by which they were drawn up;
- assessed the actual performance in the year against the prior year budgets to evaluate historical forecasting accuracy;
- assessed the key assumptions by checking to the historical trend and industry index;
- performed sensitivity analyses on the forecasts;
- involved our internal valuation experts to assist us in analysing the discount rate used by comparing to the industry index; and
- evaluated the adequacy of the Group's disclosures regarding goodwill impairment testing.

貴集團截至2016年12月31日錄得重大金額的商譽(人民幣304百萬元)，並由年度減值審查支持。本年度並無錄得商譽的減值開支。減值審查採用之若干假設乃主觀且涉及重大判斷及估計，而當中包括：

- 於貴集團最近期已獲管理層批准的未來五年預算中採用的未來現金流量增長假設，包括未來行業發展、定價政策、市場供求及毛利率；
- 預算涵蓋期間後所使用的增長率；及
- 應用至未來現金流量的貼現率。

有關減值評估的會計判斷、估計及披露載於財務報表附註3及15內。

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，邀請我們的內部估值專家協助我們分析經採用的貼現率；及
- 評價貴集團對於商譽減值測試的披露是否恰當。



Key audit matter

關鍵審核事項

Revenue recognition

確認收益

The occurrence and completeness of the Group's revenue are of high inherent risk because of the large volume of tuition and boarding fees processed. In addition, tuition and boarding fees paid in advance at or prior to the beginning of each academic year are recognised as revenue proportionately over the fiscal years covering that academic year. Therefore, revenue may be recorded in the incorrect period of the fiscal year.

The accounting policy of revenue recognition and disclosure of the amount of revenue are included in notes 2.4 and 5 to the financial statements.

由於要進行大量的學費及住宿費交易，本集團收益的發生及完整性有很高的固有風險。此外，預先或於各學年開始前繳付的學費及住宿費乃按比例確認為涵蓋該學年的財政年度之收益。因此，收益可能錄入錯誤的財政年度期間。

收益金額的收益確認會計政策及披露載於財務報表附註2.4及5內。

How our audit addressed the key audit matter

我們的審核如何處理關鍵審核事項

As to our audit procedures, we have:

- tested the controls on the collection of tuition and boarding fees and the controls designed and applied by the Group to calculate the deferred revenue and corresponding amount of revenue;
- on a sample basis, tested the collection of tuition fees, observed the attendance records and checked the identities of students for their existence;
- recalculated the amount of deferred revenue and revenue recognised during the year; and
- reconciled the number of newly enrolled students during the year to the enrollment 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.

就我們的審核程序而言，我們已：

- 測試收取學費及住宿費的監控及貴集團就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，測試收取學費方式、觀察出席記錄及檢查出席學生身份；
- 重新計算年內確認的遞延收益金額及收益；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.

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。

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師於報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不再持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責集團審核的方向、監督及執行。我們為審核意見承擔全部責任。

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.

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。

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hui Kin Fai, Stephen.

Ernst & Young*Certified Public Accountants*

Hong Kong
14 April 2017

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地認為會影響我們獨立性的所有關係及其他事項以及(如適用)相關防範措施。

與審核委員會溝通的事項中，我們釐定對本期綜合財務報表的審核最為重要的事項，從而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期我們報告中溝通的事項而造成的負面後果超過其所產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人為許建輝。

安永會計師事務所*執業會計師*

香港
2017年4月14日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2016

截至2016年12月31日止年度

		Notes 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
REVENUE	收益	5	444,997	426,317
Cost of sales	銷售成本		(186,391)	(164,653)
Gross profit	毛利		258,606	261,664
Other income and gains	其他收入及收益	5	97,753	56,921
Selling and distribution expenses	銷售及分銷開支		(11,693)	(8,297)
Administrative expenses	行政開支		(86,301)	(61,678)
Other expenses, net	其他開支淨額		(3,745)	(698)
Finance costs	融資成本	6	(2,595)	(305)
Share of loss of an associate	分佔聯營公司虧損		(667)	(928)
PROFIT BEFORE TAX	除稅前溢利	7	251,358	246,679
Income tax expense	所得稅開支	10	(1,609)	(33,222)
PROFIT FOR THE YEAR	年度溢利		249,749	213,457
OTHER COMPREHENSIVE INCOME	其他全面收益			
Other comprehensive income to be reclassified to profit or loss in subsequent periods	將於其後期間重新分類至損益的其他全面收益			
Available-for-sale investments:	可供出售投資：			
Change in fair value	公平值變動		182	5,426
Reclassification adjustments for gains on maturity included in profit or loss	重新分類調整並計入損益之到期收益		(5,426)	(6,757)
			(5,244)	(1,331)
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		(33,478)	27,924
OTHER COMPREHENSIVE INCOME FOR THE YEAR	年度其他全面收益		(38,722)	26,593
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收益總額		211,027	240,050
Profit attributable to:	以下應佔溢利：			
Owners of the parent	母公司擁有人	11	243,431	203,207
Non-controlling interests	非控股權益		6,318	10,250
			249,749	213,457
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		204,909	229,848
Non-controlling interests	非控股權益		6,118	10,202
			211,027	240,050
Earnings per share attributable to ordinary equity holders of the parent:	母公司普通股持有人應佔每股盈利：		RMB	RMB
Basic and diluted	基本及攤薄	12	人民幣 0.09	人民幣 0.05

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2016
於2016年12月31日

		Notes 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	611,716	583,567
Prepaid land lease payments	預付土地租賃款項	14	106,431	55,999
Goodwill	商譽	15	303,937	303,937
Other intangible assets	其他無形資產	16	2,682	2,418
Investments in associates	聯營公司投資	17	20,886	3,290
Available-for-sale investment	可供出售投資	18	6,000	6,000
Deposits for acquisition of land use rights	收購土地使用權的按金		15,500	15,500
Total non-current assets	非流動資產總值		1,067,152	970,711
CURRENT ASSETS	流動資產			
Inventories	存貨	19	1,260	1,184
Trade receivables	貿易應收款項	20	873	2,620
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	21	45,774	39,409
Available-for-sale investments	可供出售投資	22	143,182	522,096
Investment deposits	投資存款	23	362,600	121,230
Loan to an associate	向聯營公司貸款	17	707	—
Cash and bank balances	現金及銀行結餘	23	602,322	352,218
Total current assets	流動資產總值		1,156,718	1,038,757
CURRENT LIABILITIES	流動負債			
Deferred revenue	遞延收益	24	263,163	246,471
Other payables and accruals	其他應付款項及應計費用	25	110,729	85,445
Deferred income - current	遞延收入－即期	28	7,488	5,195
Loans from the ultimate holding company	來自最終控股公司的貸款	26	125,413	—
Loans from related parties	來自關連方的貸款	27	14,073	—
Tax payable	應付稅項		77	17,046
Total current liabilities	流動負債總額		520,943	354,157
NET CURRENT ASSETS	流動資產淨值		635,775	684,600
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,702,927	1,655,311

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

綜合財務狀況表(續)

31 December 2016

於2016年12月31日

		Notes 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Deferred income - non-current	遞延收入－非即期	28	132,015	116,725
Loans from the ultimate holding company	來自最終控股公司的貸款	26	—	115,095
Loans from related parties	來自關連方的貸款	27	—	4,550
Total non-current liabilities	非流動負債總額		132,015	236,370
Net assets	資產淨值		1,570,912	1,418,941
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	29	209	217
Reserves	儲備	30	1,570,703	1,331,201
			1,570,912	1,331,418
Non-controlling interests	非控股權益		—	87,523
Total equity	總權益		1,570,912	1,418,941

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 2016

截至2016年12月31日止年度

	Note	Attributable to owners of the parent 母公司擁有人應佔									
		Share capital	Contributed surplus	Capital reserve	Statutory reserve	Available-for-sale investment revaluation reserve 可供出售投資重估儲備	Retained profits 留存溢利	Exchange fluctuation reserve 外匯波動儲備	Total	Non-controlling interests	Total equity
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
	附註29			Note 30(b) 附註30(b)	Note 30(c) 附註30(c)						
At 1 January 2015	於2015年1月1日	375	66,667	508,836	352,406	6,438	977,334	(71,664)	1,840,392	77,321	1,917,713
Profit for the year	年度溢利	—	—	—	—	—	203,207	—	203,207	10,250	213,457
Other comprehensive income for the year:	年度其他全面收益：										
Change in fair value of available-for-sale investments	可供出售投資之公平值變動	—	—	—	—	5,155	—	—	5,155	271	5,426
Release of reserve upon maturity of available-for-sale investments	於可供出售投資到期時撥回儲備	—	—	—	—	(6,438)	—	—	(6,438)	(319)	(6,757)
Exchange differences related to foreign operations	有關換算海外業務之匯兌差額	—	—	—	—	—	—	27,924	27,924	—	27,924
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	(1,283)	203,207	27,924	229,848	10,202	240,050
Shares repurchased	已購回股份	29	(158)	(508,836)	—	—	(283,137)	53,309	(738,822)	—	(738,822)
Transfer from retained profits	轉撥自留存溢利	—	—	—	57,479	—	(57,479)	—	—	—	—
At 31 December 2015	於2015年12月31日	217	66,667*	—*	409,885*	5,155*	839,925*	9,569*	1,331,418	87,523	1,418,941

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

綜合權益變動表(續)

Year ended 31 December 2016

截至2016年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Share capital 股本	Contributed surplus 實繳盈餘	Capital reserve 資本儲備	Statutory reserve 法定儲備	Available-for-sale investment	Retained profits 留存溢利	Exchange fluctuation reserve	Total	Non-controlling interests 非控股權益	Total equity 總權益
Note	revaluation reserve 可供出售投資重估儲備					reserve 外匯波動儲備					
附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		Note 29 附註29		Note 30(b) 附註30(b)	Note 30(c) 附註30(c)						
At 1 January 2016	於2016年1月1日	217	66,667	—	409,885	5,155	839,925	9,569	1,331,418	87,523	1,418,941
Profit for the year	年內溢利	—	—	—	—	—	243,431	—	243,431	6,318	249,749
Other comprehensive income for the year:	年內其他全面收益：										
Change in fair value of available-for-sale investments	可供出售投資之公平值變動	—	—	—	—	111	—	—	111	71	182
Release of reserve upon maturity of available-for-sale investments	於可供出售投資到期時撥回儲備	—	—	—	—	(5,155)	—	—	(5,155)	(271)	(5,426)
Exchange differences related to foreign operations	有關核算海外業務之匯兌差額	—	—	—	—	—	—	(33,478)	(33,478)	—	(33,478)
Total comprehensive income for the year	年內全面收益總額	—	—	—	—	(5,044)	243,431	(33,478)	204,909	6,118	211,027
Shares repurchased	已購回股份	29	(8)	—	—	—	(58,667)	(381)	(59,056)	—	(59,056)
Transfer from retained profits	轉撥自留存溢利	—	—	—	57,449	—	(57,449)	—	—	—	—
Contribution from a shareholder*	股東注資*	—	93,641	—	—	—	—	—	93,641	(93,641)	—
At 31 December 2016	於2016年12月31日	209	160,308*	—*	467,334*	111*	967,240*	(24,290)*	1,570,912	—	1,570,912

※ On 22 September 2016, the shareholders of Chongqing Li'ang Industry Company Limited ("Li'ang Industry") passed resolutions pursuant to which (i) the articles of association of Li'ang Industry were amended to the effect that Chongqing Minsheng Education Management Company Limited, a wholly-owned subsidiary of the Company, should be entitled to 100% of any dividend or distribution to be paid by Li'ang Industry to its shareholders and Mr. Li Xuechun ("Mr. Li"), the Company's controlling shareholder and the non-controlling shareholder of Li'ang Industry, should not be entitled to any such dividend or distribution with effect from 10 August 2016; and (ii) Mr. Li relinquished his right to distribution of assets of Li'ang Industry which may arise upon dissolution of Li'ang Industry with effect from 10 August 2016. As a result, with effect from 10 August 2016, no profit or retained earnings of Li'ang Industry and its subsidiaries would be attributable to Mr. Li and the non-controlling interests in Li'ang Industry and its subsidiaries previously held by Mr. Li were derecognised as at 10 August 2016.

* These reserve accounts comprise the consolidated reserves of RMB1,570,703,000 in the consolidated statement of financial position as at 31 December 2016 (2015: RMB1,331,201,000).

※ 於2016年9月22日，重慶利昂實業有限公司(「利昂實業」)的股東通過決議案，據此，(i)利昂實業的組織章程細則已予修訂，自2016年8月10日起，本公司的全資附屬公司重慶民升教育管理有限公司有權收取利昂實業派付予其股東的100%股息或分派及李學春先生(「李先生」)，本公司控股股東之一及利昂實業的非控股股東)無權收取任何相關股息或分派；及(ii)於2016年8月10日起利昂實業解散生效後，李先生放棄其收取利昂實業資產分派的權利。因此，自2016年8月10日起，李先生並無應佔利昂實業及其附屬公司的溢利或保留盈利，及截至2016年8月10日李先生先早於利昂實業及其附屬公司所持有的非控股權益被終止確認。

* 該等儲備賬包括於2016年12月31日的綜合財務狀況表內金額為人民幣1,570,703,000元(2015年：人民幣1,331,201,000元)的綜合儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2016

截至2016年12月31日止年度

	Notes 附註	2016 RMB'000 人民幣千元	2015 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	251,358	246,679
Adjustments for:	就以下各項調整：		
Finance costs	融資成本	2,595	305
Share of loss of an associate	分佔聯營公司虧損	667	928
Dividend income from an available- for-sale investment	可供出售投資股息收入	(360)	(480)
Investment income from available- for-sale investments and investment deposits	可供出售投資及投資 存款的投資收入	(25,372)	(36,856)
Other interest income	其他利息收入	(1,500)	(3,340)
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	2,121	86
Government grants released	已發放的政府補助	(39,687)	(8,627)
Depreciation	折舊	38,861	39,051
Recognition of prepaid land lease payments	確認預付土地租賃款	1,578	955
Amortisation of other intangible assets	其他無形資產攤銷	868	738
Impairment of trade receivables	貿易應收款項減值	1,841	1,934
Reversal of impairment of other receivables	其他應收款項撥回減值	(565)	—
		232,405	241,373
Increase in inventories	存貨增加	(76)	(131)
(Increase)/decrease in trade receivables	貿易應收款項 (增加)/減少	(94)	347
Increase in prepayments, deposits and other receivables	預付款項、按金及 其他應收款項增加	(957)	(2,369)
Increase in other payables and accruals	其他應付款項及應計費用 增加	7,960	7,896
Increase in deferred revenue	遞延收益增加	16,692	15,321
Government grants received	已收政府補助	57,270	64,317
Cash generated from operations	經營所得現金	313,200	326,754
Interest income received	已收利息收入	1,500	3,340
Income tax paid	已付所得稅	(18,578)	(16,970)
Net cash flows from operating activities	經營活動所得現金流量 淨額	296,122	313,124

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

Year ended 31 December 2016

截至2016年12月31日止年度

	Notes 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Net cash flows from operating activities	經營活動所得現金流量淨額	296,122	313,124
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchase of items of property, plant and equipment	購置物業、廠房及設備項目	(53,538)	(58,417)
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	312	249
Additions to other intangible assets	添置其他無形資產	(1,132)	(632)
Additions to prepaid land lease payments	預付土地租賃款項增加	(52,933)	(17,216)
Dividend income from an available-for-sale investment	可供出售投資股息收入	360	480
Advance of a loan to a third party	向第三方墊付貸款	—	(30,000)
Redemption of investment deposits and available-for-sale investments	贖回投資存款及可供出售投資	2,196,990	2,139,890
Purchase of investment deposits and available-for-sale investments	購買投資存款及可供出售投資	(1,823,320)	(1,820,590)
Investment income from investment deposits and available-for-sale investments	投資存款及可供出售投資所得投資收入	25,372	38,874
Advance of loans to associates	向聯營公司墊付貸款	(17,771)	—
Purchase of a shareholding in an associate	收購聯營公司股權	—	(707)
Net cash flows from investing activities	投資活動所得現金流量淨額	274,340	251,931
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Shares repurchased	已購回股份	(59,056)	(738,822)
New loans from related parties	來自關連方的新增貸款	8,639	4,546
New loans from the ultimate holding company	來自最終控股公司的新增貸款	—	114,781
Prepayment for listing expenses	上市開支預付款項	(2,501)	—
Net cash flows used in financing activities	融資活動所用現金流量淨額	(52,918)	(619,495)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表(續)

Year ended 31 December 2016

截至2016年12月31日止年度

	Notes 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加／(減少)淨額	517,544	(54,440)
Cash and cash equivalents at beginning of year	年初現金及 現金等價物	473,448	499,921
Effect of foreign exchange rate changes, net	匯率變動影響，淨額	(26,070)	27,967
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及 現金等價物	964,922	473,448
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析		
Cash and bank balances	現金及銀行結餘	23 602,322	352,218
Investment deposits with original maturity of less than three months when acquired	獲得時原始到期日為 三個月以下的投資存款	23 362,600	121,230
		964,922	473,448

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 PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, 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 Honest Cheer Investments Limited, which was incorporated in the British Virgin Islands.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Company name 公司名稱	Place of incorporation/ registration/ and business 註冊成立/註冊 地點以及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔 實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Minsheng Education Company Limited 民生教育有限公司	Cayman Islands 開曼群島	US\$50,000 50,000美元	100%	—	Investment holding 投資控股
Minsheng Education Services Company Limited 民生教育服務有限公司	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PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands。

本公司為投資控股公司。於年內，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

本公司的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 subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司的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 地點以及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔 實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Minsheng Education 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
Minsheng Education Development (Hong Kong) Company Limited 民生教育發展(香港) 有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100%	Investment holding 投資控股
Hong Kong College of Technology and Business Limited 香港工商學院有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	Investment holding 投資控股
Chongqing Minsheng Education Management Company Limited ("Minsheng Education Management") 重慶民升教育管理有限公司 (「民升教育管理」)	The PRC / Mainland China 中國/中國大陸	US\$14,500,000 14,500,000美元	—	100%	Provision of education management and services 提供教育管理及服務

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊 地點以及營業地點	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 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

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司的附屬公司的詳情如下所示：
(續)

Year ended 31 December 2016
截至2016年12月31日止年度

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司的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 地點以及營業地點	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 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 diseases diagnosis and treatment services 提供疾病診斷和治療服務
Chongqing Zhiyuan Times Education Management Company Limited 重慶致遠時代教育管理有限公司	The PRC / Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	—	100%	Provision of university logistics management services 提供大學物流管理服務
Chongqing Bozhi Education Services Company Limited ("Bozhi Education") 重慶博智教育服務有限公司 (「博智教育」)	The PRC / Mainland China 中國/中國大陸	US\$9,000,000 9,000,000美元	—	100%	Provision of education management and services 提供教育管理及服務
Chongqing Li'ang Education Services Company Limited 重慶利昂教育服務有限公司	The PRC / Mainland China 中國/中國大陸	RMB30,000,000 人民幣30,000,000元	—	100%	Provision of university and college logistics services 提供高等院校物流服務
Chongqing Pass Education Services Company Limited 重慶派斯教育服務有限公司	The PRC / Mainland China 中國/中國大陸	RMB300,000 人民幣300,000元	—	100%	Provision of university and college logistics services 提供大學及高等院校 物流服務

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司的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 地點以及營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of effective equity interests attributable to the Company 本公司應佔 實際股權比例		Principal activities 主要業務活動
			Direct 直接	Indirect 間接	
Inner Mongolia Fengzhou Vocational College (Qingcheng Branch) 內蒙古豐州職業學院 (青城分院)	The PRC / Mainland China 中國/中國大陸	RMB4,000,000 人民幣4,000,000元	—	100%	Provision of junior college education services 提供大專教育服務
Chongqing Huizhi Education Services Company Limited 重慶匯智教育服務有限公司	The PRC / Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	—	100%	Provision of university logistics services 提供大學物流服務
Beijing Minsheng Time Education Technology Company Limited 北京民晟時代教育科技 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 counselling services 提供教育諮詢服務

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊成立/註冊 地點以及營業地點	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	
Laoling Chengyue Education Investment Management Company Limited 樂陵誠悅教育投資管理 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 and health care programs 投資於教育及保健項目
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

Except for Minsheng Education Management and Bozhi Education, which were established as wholly-foreign-invested enterprises, all the above PRC companies were established as domestic-invested enterprises.

除了成立為外商獨資企業之民生教育管理及博智教育外，上述所有的中國公司均成立為境內投資企業。

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司的附屬公司的詳情如下所示：
(續)

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”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain available-for-sale investments, which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”), and all values are rounded to the nearest thousand except otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2016. 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、國際會計準則理事會(「國際會計準則理事會」)頒佈之國際會計準則(「國際會計準則」)及詮釋)、香港公認會計原則及香港公司條例之披露規定而編製。除若干可供出售投資乃公平值計量外，該等財務報表乃按成本慣例法編製。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於截至2016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人的參與而獲得或有權獲得浮動回報，則說明本集團對該被投資方具有控制權，且有能力通過其對被投資方的權力(如向本集團給予當前能力指示被投資方有關活動的現有權利)而影響有關回報。

若本公司擁有被投資方一半以下投票權或類似權利(直接或間接地)，則本集團在評估其是否對被投資方擁有權力時將考慮所有相關事實及情況，包括：

- (a) 與被投資方其他投票持有人的合約性安排；
- (b) 因其他合約安排而產生的權利；及
- (c) 本集團的投票權及潛在投票權。

2.1 BASIS OF PREPARATION (continued)***Basis of consolidation (continued)***

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準(續)***綜合基準(續)***

附屬公司的財務報表乃按照與本公司相同的報告期間，採用一致的會計政策予以編製。附屬公司的業績在本集團取得控制之日起綜合入賬，並將繼續綜合入賬，直至該控制不再存在之日為止。

即使導致非控股權益出現赤字結餘，損益及其他全面收益各組成部分歸屬於本集團母公司擁有人及非控股股東。所有集團內公司間的資產及負債、權益、收入、開支及集團內成員公司間交易產生的現金流量於綜合入賬時全面對銷。

倘事實及情況顯示上文所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資方。附屬公司的所有權權益變動(並無失去控制權)，按權益交易入賬。

倘本集團失去一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計換算差額；及確認(i)所收代價的公平值、(ii)所保留任何投資的公平值及(iii)損益賬中任何因此產生的盈餘或虧損。先前於其他全面收益內確認的本集團應佔部分重新分類為損益或留存溢利(如適用)，按照倘若本集團已直接出售相關資產及負債所須採用的相同基準分類。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised standards for the first time for the current year's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

IFRS 14 *Regulatory Deferral Accounts*

Amendments to IAS 1 *Disclosure Initiative*

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

Amendments to IAS 27 *Equity Method in Separate Financial Statements*

Annual Improvements 2012-2014 Cycle Amendments to a number of IFRSs

The application of these new and revised standards in the current year has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2.2 會計政策及披露變動

本集團於本年度綜合財務報表中首次採用以下新訂及經修訂準則。

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號(修訂本) *投資實體：應用合併的例外情況*

國際財務報告準則第11號(修訂本) *收購合營業務權益的會計處理*

國際財務報告準則第14號 *監管遞延賬目*

國際會計準則第1號(修訂本) *披露計劃*

國際會計準則第16號及國際會計準則第38號(修訂本) *可接受折舊及攤銷之方法之澄清*

國際會計準則第16號及國際會計準則第41號(修訂本) *農業：生產性植物*

國際會計準則第27號(修訂本) *獨立財務報表的權益法*

2012年至2014年週期之年度改進 若干國際財務報告準則之修訂

於本年度應用該等新訂及經修訂準則對本集團即期及過往期間的財務表現及狀況及／或載列於本綜合財務報表之披露並無任何重大影響。

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 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ²
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> ²
IFRS 9	<i>Financial Instruments</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 15	<i>Revenue from Contracts with Customers</i> ²
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> ²
IFRS 16	<i>Leases</i> ³
Amendments to IAS 7	<i>Disclosure Initiative</i> ¹
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> ¹
Amendments to IAS 40	<i>Transfers of Investment Property</i> ²
Amendments to IFRSs	<i>Annual Improvements to IFRSs 2014-2016 Cycle</i> ⁵
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> 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2號(修訂本)	以股份為基礎的付款交易之澄清及計量 ²
國際財務報告準則第4號(修訂本)	應用國際財務報告準則第9號金融工具及國際財務報告準則第4號保險合同 ²
國際財務報告準則第9號	金融工具 ²
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15號	客戶合約收益 ²
國際財務報告準則第15號(修訂本)	關於國際財務報告準則第15號客戶合約收益之澄清 ²
國際財務報告準則第16號	租賃 ³
國際會計準則第7號(修訂本)	披露計劃 ¹
國際會計準則第12號(修訂本)	確認未變現虧損之遞延稅項資產 ¹
國際會計準則第40號(修訂本)	投資物業轉讓 ²
國際財務報告準則(修訂本)	2014年至2016年週期之國際財務報告準則年度改進 ⁵
國際財務報告詮釋委員會第22號	外幣交易及預付代價 ²

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

- 1 Effective for annual periods beginning on or after 1 January 2017
- 2 Effective for annual periods beginning on or after 1 January 2018
- 3 Effective for annual periods beginning on or after 1 January 2019
- 4 Effective for annual periods beginning on or after a date to be determined
- 5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard upon adoption and expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

- 1 於2017年1月1日或之後開始的年度期間生效
- 2 於2018年1月1日或之後開始的年度期間生效
- 3 於2019年1月1日或之後開始的年度期間生效
- 4 於將予待定的日期或之後開始的年度期間生效
- 5 於2017年1月1日或2018年1月1日(如適用)或之後開始之年度期間生效

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：

於2014年7月，國際會計準則理事會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替國際會計準則第39號及全部先前版本的國際財務報告準則第9號。該準則引入分類及計量、減值及對沖會計法的新規定。本集團預期自2018年1月1日起採納國際財務報告準則第9號。本集團目前正評估於採納該準則後的影響及預期採納國際財務報告準則第9號將會對本集團金融資產之澄清及計量造成影響。

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. The Group expects to adopt IFRS 15 on 1 January 2018. Based on the preliminary analysis, the Group anticipates that the adoption of IFRS 15 in the future is unlikely to have significant impacts on the recognition of service income from the provision of education and boarding services.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. For lessee accounting, the standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. For lessor accounting, the standard substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group expects to adopt IFRS 16 on 1 January 2019. The total operating lease commitments of the Group in respect of leased premises as at 31 December 2016 were RMB536,000 (2015: RMB182,000). With the recognition exemption applicable to short-term leases, the Group does not expect significant impacts on the financial position and financial performance of the Group when adopting IFRS 16.

2.3 已頒佈惟未有生效之國際財務報告準則(續)

國際財務報告準則第15號制定一個新的五步模式，將自客戶合同產生的收益入賬。根據國際財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加系統化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間訂約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收益確認的規定。本集團預期於2018年1月1日採納國際財務報告準則第15號。根據初步分析，本集團預期日後採納國際財務報告準則第15號不可能對確認來自提供教育及住宿服務的服務收入造成重大影響。

國際財務報告準則第16號載列有關確認、計量、呈列及披露租賃之原則。對於承租人的會計處理，該準則引入單一承租人的會計模式，並要求承租人確認全部12個月以上年期的租賃的資產和負債，除非該資產屬低價值的。該準則要求承租人確認資產的使用權(即使用該租賃資產的權利)及租賃負債(即其支付租金的義務)。對於出租人的會計處理，該準則大體上承接國際會計準則第17號對出租人的會計要求。因此，出租人須繼續為其租賃分類為經營租賃或融資租賃，並為這兩類租賃作出不同會計處理。本集團預期自2019年1月1日起採納國際財務報告準則第16號。於2016年12月31日，本集團有關租賃物業的總經營租賃承擔為人民幣536,000元(2015年：人民幣182,000元)。因確認豁免適用於短期租賃，本集團預計於採納國際財務報告準則第16號不會對本集團的財務狀況及財務表現產生重大影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Investments in associates***

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate 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.

2.4 主要會計政策概要**於聯營公司的投資**

聯營公司指本集團一般持有不少於20%投票權的長期權益而對其有重大影響力的實體。重大影響力為可參與被投資方的財政及營運政策決定，但不可控制或共同控制該等政策。

本集團於聯營公司的投資，是採用權益會計法按本集團所佔資產淨值減任何減值損失於綜合財務狀況表列賬。

本集團所佔聯營公司的收購後業績及其他全面收益分別計入綜合損益及綜合其他全面收益。此外，若於聯營公司的權益有任何直接確認的變動，本集團會於綜合權益變動表內確認任何應佔變動(如適用)。本集團與聯營公司之間交易所產生的未變現收益及虧損，均以本集團於聯營公司的投資為限予以抵銷，除非未變現虧損是基於所轉讓資產的減值。

倘於聯營公司的投資成為於合營公司的投資(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失去合營公司的共同控制權後，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權後，聯營公司或合營公司賬面值與保留投資公平值及出售所得款項之間的差異於損益確認。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)*****Business combinations and goodwill***

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要(續)***業務合併及商譽***

業務合併以購買法入賬。轉讓的代價乃以收購日期的公平值計量，該公平值為本集團所轉讓資產、本集團自被收購方的前擁有人承擔的負債及本集團發行以換取被收購方控制權的股權於收購日期的公平值的總和。於各項業務合併中，本集團選擇按公平值或分佔被收購方可識別淨資產的比例計量非控股權益中屬於現有所有權權益並賦予其持有人權利在清盤時按比例分佔淨資產的被收購方的部分。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時支銷。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟狀況及相關條件，評估所承擔的金融資產及負債，以作出適當分類及標示，包括區分被收購方所訂立的主合約中的嵌入式衍生工具。

倘業務合併分階段進行，先前持有的股權按其於收購日期的公平值重新計量，而任何因此產生的盈虧於損益確認。

由收購方將予轉讓的任何或然代價按於收購日期的公平值確認。分類為金融資產或負債的或然代價按公平值計量，而公平值變動乃於損益確認。分類為權益的或然代價將不會重新計量，而其後結算會於權益入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

商譽首先按成本計量，即已轉讓代價、已確認的非控股權益金額及本集團先前所持有被收購方股權的任何公平值的總和，超逾所收購可識別淨資產及所承擔負債的差額。倘此代價及其他項目的總和低於所收購淨資產的公平值，則其差額將於重新評估後於損益內確認為議價收購收益。

首次確認後，商譽按成本減任何累計減值虧損計量。商譽每年會作減值測試，倘有事件或情況變化顯示賬面值可能減值，則會更頻密地進行測試。本集團於12月31日對商譽進行年度減值測試。為進行減值測試，本集團將於業務合併中收購的商譽由收購日期起分配至預期可從合併產生的協同效益中獲益的各現金產生單位或現金產生單位組別，而不論本集團其他資產或負債有否分配至該等單位或組別。

減值按與商譽有關的現金產生單位(現金產生單位組別)可收回金額的評估釐定。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。已確認的商譽減值虧損不會於往後期間撥回。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures certain available-for-sale investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

倘商譽分配至現金產生單位(或現金產生單位組別)，而該單位當中部分業務被出售，則於釐定出售損益時，與所出售業務有關的商譽會計入該業務的賬面值。於該等情況售出的商譽乃按售出業務的相對價值及現金產生單位的保留部分計量。

公平值計量

本集團於各報告期末以公平值計量若干可供出售投資。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(倘無主要市場，則為對該資產或負債最有利的市場)進行而計量。本集團必須可於該主要市場或最有利市場進行交易。資產或負債的公平值乃採用市場參與者為資產或負債定價時所用的假設計量，並假設市場參與者按本身最佳經濟利益行事。

非金融資產的公平值計量，會衡量市場參與者最大程度及最佳使用該資產得到經濟利益的能力，或將該資產售予另一可最大程度及最佳使用該資產的市場參與者而獲得經濟利益的能力。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平值計量(續)

本集團採用在有關情況下屬適當的估值技術，且有充足數據可計量公平值、盡量使用相關可觀察資料同時盡量避免使用不可觀察資料。

所有於財務報表中計量或披露公平值的資產及負債，按對公平值計量整體重要的最低水平參數分類為下述的公平值級別：

第1級 — 按相同資產或負債於活躍市場的報價(未經調整)

第2級 — 基於一種估值方法而其最低水平參數對公平值計量有重要性且可以直接或間接觀察者

第3級 — 基於一種估值方法而其最低水平參數對公平值計量有重要性且不可以觀察者

在財務報表重複確認的資產及負債，本集團於各報告期末重新衡量分類，以釐定公平值等級(以對公平值計量整體重要的最低水平參數為準)有否轉變。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產減值

當資產(存貨及財務資產除外)存在減值跡象或須對資產進行年度減值測試時，會估計資產的可收回金額。資產的可收回金額是指資產或現金產生單位的使用價值與其公平值減出售成本兩者之中的較高者，並會就個別資產釐定，除非該資產並非很大程度上獨立於其他資產或資產組別而產生現金流入，則可收回金額按資產所屬現金產生單位釐定。

僅當資產的賬面值超過其可收回金額時方會確認減值虧損。評估使用價值時，以反映當前市場評定的貨幣時間價值與資產特有風險的稅前貼現率將估計未來現金流量貼現為現值。減值虧損於產生期間自損益中扣除，列入與該已減值資產的功能一致的同類開支。

在各報告期間結束時均會評估是否有跡象顯示之前確認的減值虧損可能不復存在或有所減少。若存在該跡象，則會估計可收回金額。僅當用於釐定資產的可收回金額的估計有所改變時，先前就該資產確認的減值虧損(商譽除外)方可撥回，但撥回後的數額不得高於假設以往年度並無就資產確認減值虧損而原應釐定的賬面值(已扣除任何折舊/攤銷)。該減值虧損的撥回於產生期間計入損益。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (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)的聯營公司或合營公司；
 - (iii) 該實體與本集團均為同一第三方的合營公司；
 - (iv) 一個實體為第三方實體的合營公司，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，且為離職後福利計劃的贊助僱主；
 - (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)***

A party is considered to be related to the Group if:
(continued)

- (b) the party is an entity where any of the following conditions applies: (continued)
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 主要會計政策概要(續)***關連方(續)***

倘任何一方符合以下條件，則被視為與本集團有關連：(續)

- (b) 倘該方為符合下列任何條件的實體：(續)
- (vii) (a)(i)項所指人士對該實體有重大影響力或為該實體(或該實體母公司)的主要管理層成員；及
 - (viii) 該實體或該實體所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

物業、廠房及設備與折舊

物業、廠房及設備(在建項目除外)按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及使該資產達致其擬定用途的運作狀況及地點而所佔的任何直接成本。

物業、廠房及設備項目投產後產生的維修及保養等開支，一般於產生期間於損益中扣除。於符合確認準則的情況下，大型檢測開支乃資本化作為替代資產的賬面值。倘物業、廠房及設備之重要部分須定期更換，則本集團確認該等部分為具特定使用年期之個別資產並相應計提折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.4% to 6.3%
Motor vehicles	9.5% to 23.8%
Furniture and equipment	9.5% to 31.7%
Computer equipment	9.5% 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。就此採用的主要年如下：

樓宇	2.4%至6.3%
汽車	9.5%至23.8%
傢俬及設備	9.5%至31.7%
電腦設備	9.5%至31.7%

倘其中一項物業、廠房及設備項目的不同部分的使用年期不同，則該項目的成本按合理基準分配至各部分，而各部分會單獨計提折舊。剩餘價值、使用年期及折舊方法至少於各財政年度結算日進行檢討，如認為適當即調整。

初步確認的物業、廠房及設備項目(包括任何重要部分)於出售或預期使用或出售不會再產生未來經濟利益時終止確認。於資產終止確認年度在損益確認的任何出售或報廢盈虧，乃有關資產出售所得款項淨額與賬面值的差額。

在建工程主要包括在動工的樓宇，按成本值減任何減值虧損列賬且不予折舊。成本值包括建築的直接成本。在建工程在完成及可使用時重新歸類至適當類別的物業、廠房及設備。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 to 10 years.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

個別收購的無形資產於初步確認時按成本計量。業務合併之中收購無形資產的成本乃該資產於收購日期的公平值。無形資產的可使用年期評估為有限或無限。可使用年期有限的無形資產隨後於可使用經濟年限內攤銷，並在有跡象顯示無形資產可能出現減值時評估減值。可使用年期有限的無形資產的攤銷期及攤銷方法至少於各財政年度結算日進行檢討。

電腦軟件

已購買的電腦軟件按成本減任何減值虧損列賬，並以直線法在5至10年的估計可使用年期内攤銷。

租賃

倘資產所有權的絕大部分回報及風險仍由出租人承擔，則租賃作為經營租賃入賬。倘本集團為出租人，本集團根據經營租賃租出的資產計入非流動資產，根據經營租賃應收的租金按租期以直線法計入損益。倘本集團為承租人，根據經營租賃應付的租金(已扣除自出租人獲得的任何優惠)按租期以直線法自損益扣除。

經營租賃的預付土地租金最初按成本列賬，其後按租期以直線法確認。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables and available-for-sale financial investments. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss and other comprehensive income. The loss arising from impairment is recognised in the statement of profit or loss and other comprehensive income in finance costs for loans and in administrative expenses for receivables.

2.4 主要會計政策概要(續)

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貸款及應收款項以及可供出售金融投資。金融資產初始確認時，以公平值加收購金融資產應佔的交易成本計量。

金融資產的所有常規買賣於交易日(即本集團承諾購買或出售該資產之日)確認。常規買賣指需要在一般由法規或市場慣例確定的期間交付資產的金融資產買賣。

後續計量

金融資產的後續計量視乎其分類而定，載列如下：

貸款及應收款項

貸款及應收款項指有固定或可確定付款且在活躍市場上並無報價的非衍生金融資產。初始計量後，該等資產隨後採用實際利率法以攤銷成本扣減任何減值撥備計量。計算攤銷成本時，考慮收購的任何折讓或溢價，包括實際利率所包含的費用或成本。實際利率攤銷計入損益及其他全面收益表的其他收入及收益。貸款的減值虧損在損益及其他全面收益表的融資成本確認，而應收款項的減值虧損在損益及其他全面收益表的行政開支確認。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)*****Investments and other financial assets (continued)****Subsequent measurement (continued)*

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in an unlisted equity investment and banks' wealth management products. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Banks' wealth management products in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss and other comprehensive income in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss and other comprehensive income in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss and other comprehensive income as other income in accordance with the policies set out for "Revenue recognition" below.

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(續)*

可供出售金融投資

可供出售金融投資指非上市股權投資及銀行理財產品中的非衍生金融資產。分類為可供出售的股權投資指即未分類為持作買賣亦未指定按公平值計入損益的股權投資。該類別中的銀行理財產品指擬在不確定期限內持有且可能應流動資金需求或市場狀況變化而出售的銀行理財產品。

經初始確認後，可供出售金融投資其後按公平值計量，其未變現收益或虧損將作為其他全面收益，在可供出售投資重估儲備之中確認，直至該投資終止確認(屆時累計收益或虧損確認為損益及其他全面收益表內的其他收入)或釐定為出現減值(當累計收益或虧損從可供出售投資重估儲備中被重新歸類至損益及其他全面收益表的其他收益或虧損內)。通過持有可供出售金融投資所賺取的利息和股息將分別作為利息收入和股息收入進行列報，並根據下文「收益確認」所載政策確認為損益及其他全面收益表中的其他收入。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

When the fair value of the unlisted equity investment cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investment is stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

後續計量(續)

可供出售金融投資(續)

當非上市股權投資的公平值由於(a)合理公平值估計範圍變動就該投資而言屬重大或(b)上述範圍內各項估值的可能性不能合理評估及用於估計公平值而導致無法可靠計量時，該等投資按成本減任何減值虧損列賬。

本集團評估於不久的將來出售其可供出售金融投資的能力及意向是否仍屬適當。倘(在極少見的情況下)本集團因市場不活躍而無法買賣該等金融資產，而管理層能夠或有意持有該等金融資產至可預見將來或直至到期，則本集團可選擇重新分類該等資產。

就自可供出售類別重新分類而來的金融資產而言，重新分類日期的公平值賬面值成為其新攤銷成本，該資產過往在權益中確認的收益或虧損在投資餘下期限內按實際利率法在損益攤銷。新攤銷成本與到期金額之間的差額亦在資產餘下期限內按實際利率法攤銷。倘資產其後獲確定減值，權益中錄得的金額將重新分類至損益。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 主要會計政策概要(續)

終止確認金融資產

金融資產(或(如適用)一項金融資產或一組同類金融資產的一部分)主要在出現下列情形時終止確認(即自本集團綜合財務狀況表移除):

- 從資產收取現金流量的權利已屆滿;或
- 本集團已根據「轉手」安排出讓從資產收取現金流量的權利,或已承擔向第三方無重大拖延全額支付所收現金流量的責任;且(a)本集團已出讓資產的絕大部分風險及回報,或(b)本集團雖未出讓或保留資產的絕大部分風險及回報但已出讓資產的控制權。

當本集團已出讓從資產收取現金流量的權利或訂立轉手安排,會評估有否保留資產所有權的風險及回報以及相關保留程度。倘本集團並無出讓或保留資產的絕大部分風險及回報,亦無出讓資產控制權,本集團將以本集團持續參與程度為限繼續確認已出讓資產。在該情況下,本集團亦確認相關負債。已出讓資產及相關負債根據反映本集團所保留權利及責任的基準計量。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 主要會計政策概要(續)

金融資產減值

本集團於各報告期結束時評估有否任何客觀證據顯示一項或一組金融資產出現減值。倘於資產初始確認後出現的一項或多項事件對一項或一組金融資產的估計未來現金流量有影響且能可靠估計，則表示存在減值。減值證據包括單一債務人或一組債務人面對重大財務困難、拖欠或延遲支付利息或本金付款、可能破產或進行其他財務重組之跡象，以及可觀察數據顯示估計未來現金流量出現相當的減少，例如與拖欠有關的欠款金額或經濟狀況變動。

按攤銷成本列賬的金融資產

對於按攤銷成本列賬的金融資產，本集團首先按個別基準評估單項屬重大或按組合基準評估按單項計非重大的金融資產是否存在減值。倘本集團經單項評估金融資產認為並無客觀減值證據，則不論資產重大與否均歸入一組具有類似信貸風險特徵的金融資產，並整體評估有否減值。經單獨減值評估已確認或繼續確認減值虧損的資產並不包含於組合減值評估。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)*****Impairment of financial assets (continued)****Financial assets carried at amortised cost (continued)*

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss and other comprehensive income.

2.4 主要會計政策概要(續)**金融資產減值(續)***按攤銷成本列賬的金融資產(續)*

任何已識別之減值虧損金額，即資產的賬面值與估計未來現金流量現值(不包括尚未發生的未來信用損失)的差額。估計未來現金流量的現值按金融資產的原實際利率(即初始確認時計算的實際利率)貼現。

資產賬面值通過使用撥備賬扣減，而虧損於損益確認。利息收入持續按已扣減賬面值累計，而所用的利率即計量減值虧損時貼現未來現金流量所用的利率。倘不可能於未來收回且所有抵押品已變現或轉至本集團，則貸款及應收款項連同任何相關撥備可予撇銷。

倘減值確認後的期間發生事件導致估計減值虧損金額增減，則先前確認的減值虧損通過調整撥備賬增減。倘撇銷於日後收回，則收回的款項計入損益及其他全面收益表的其他開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

2.4 主要會計政策概要(續)

金融資產減值(續)

按成本列賬的資產

倘有客觀證據顯示，因未能可靠計量公平值而未按公平值列值的非上市股權工具出現減值虧損，或該衍生資產與該等非上市股權工具相聯繫並必須以該等非上市股權工具進行交割，則虧損金額按該資產的賬面值與估計未來現金流量的現值(按類似金融資產的現行市場回報率貼現)的差額計量。該等資產的減值虧損不予撥回。

可供出售金融投資

就可供出售金融投資而言，本集團於各報告期末評估有否任何客觀證據顯示一項或一組投資出現減值。

倘可供出售資產減值，則自其他全面收益剔除包括其成本(扣除任何本金付款及攤銷)及其現值之間的差額減過往在損益確認的任何減值虧損在內的金額，並在損益確認。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)*****Impairment of financial assets (continued)****Available-for-sale financial investments (continued)*

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss - is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

2.4 主要會計政策概要(續)***金融資產減值(續)****可供出售金融投資(續)*

倘屬分類為可供出售的股權投資，客觀證據包括一項投資的公平值大幅或長期降至其成本值以下。「大幅」以相對於投資的最初成本評估，「長期」以公平值低於其最初成本的期間評估。倘存在減值證據，累計虧損(按收購成本與當前公平值的差額，減過往於損益就該投資確認的任何減值虧損計量)會由其他全面收益剔除，並於損益確認。分類為可供出售的股本工具的減值虧損不會透過損益撥回。減值後增加的公平值直接於其他全面收益確認。

於釐定是否「大幅」或「長期」時需作出判斷。於作出該判斷時，本集團評估(包括其他因素)一項投資公平值低於其成本的續時間及數額。

倘屬分類為可供出售的債務工具，減值根據按攤銷成本列賬的金融資產的相同標準評估。然而，所錄得的減值金額即為按攤銷成本與當前公平值的差額，減過往於損益就該投資確認的任何減值虧損計量的累計虧損。未來的利息收入持續按資產已扣減賬面值累計，而所用的利率即計量減值虧損時貼現未來現金流量所用的利率。利息收入錄為融資收入的一部分。倘債務工具其後的公平值增加可與在損益確認減值虧損後發生的事件客觀相關，則債務工具的減值虧損透過損益撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include other payables and accruals and loans from the ultimate holding company and related parties.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss and other comprehensive income.

2.4 主要會計政策概要(續)

金融負債

初始確認及計量

金融負債於初始確認時歸類為貸款及借款。

所有金融負債初始按公平值確認，而貸款及借款則須扣除直接應佔交易成本。

本集團的金融負債包括其他應付款項、應計費用及來自最終控股公司及關連方的貸款。

後續計量

不同類別的金融負債後續計量如下：

貸款及借款

初始確認後，貸款及借款其後以實際利率法計量攤銷成本，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及其他全面收益的融資成本。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)*****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.

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.

2.4 主要會計政策概要(續)***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估計成本計算。

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)。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要(續)

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。

所有應課稅暫時性差異均確認遞延稅項負債，惟以下情況除外：

- 倘遞延稅項負債產生自交易中對某一資產或負債的初次確認，且此交易並非業務合併，而交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對於投資附屬公司及聯營公司相關的應課稅暫時性差異，倘暫時性差異的逆轉時間能控制且可能不會在可見將來逆轉。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)*****Income tax (continued)***

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.

2.4 主要會計政策概要(續)***所得稅(續)***

所有可扣減暫時性差異、結轉的未動用稅項抵免及任何未動用稅項虧損均確認為遞延稅項資產。若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差異、結轉的未動用稅項抵免及未動用稅項虧損，則會確認遞延稅項資產，惟以下情況除外：

- 倘有關可扣減暫時性差異的遞延稅項資產來自交易中對某一資產或負債的初步確認，且此交易並非業務合併，而交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司及聯營公司的投資的相關可扣減暫時性差異而言，僅在暫時性差異有可能在可見將來撥回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss.

2.4 主要會計政策概要(續)

所得稅(續)

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從資產賬面值扣減，並撥往損益。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) service income includes tuition fees and boarding fees of colleges and high schools of the Group.

The tuition fees from the schools of the Group are received in advance at the beginning of each academic year. Revenue is recognised after the price is fixed or determinable, and services are provided.

Tuition and boarding fees are generally received by colleges and high schools in advance prior to the beginning of each academic year, and are initially recorded as deferred revenue. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The portion of tuition and boarding payments received from students but not earned is recorded as deferred revenue and is reflected as a current liability as such amounts represent revenue that the Group expects to earn within one year. The academic year of the Group's schools is generally from September to June of the following year.

- (b) interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition;
- (c) rental income, on a time proportion basis over the lease terms; and
- (d) dividend income is recognised when the shareholders' right to receive payment has been established.

2.4 主要會計政策概要(續)

收益確認

本集團在經濟利益很可能流入本集團，且收益能可靠地計量時基於以下各項確認收益：

- (a) 服務收入包括本集團的大學及高中的學費及住宿費。

本集團學校學費於每個學年初預先收取。確定或可釐定價格及提供服務後，會確認收益入賬。

一般情況下，大學及高中於每學年開始前預先收取學費及住宿費，初始記錄為遞延收益。學費及住宿費於有關課程的相關期內按比例確認。已收學生的學費及住宿費但未賺取的部分會計入遞延收益，並以流動負債表示，有關數額即本集團預計於一年內賺取的收益。本集團學校的學年一般由9月開始至下一年6月止。

- (b) 利息收入乃以時間為基準，參考未償還本金及適用實際利率累計，而實際利率為初步確認時透過金融資產的整個預計年期將估計日後現金收益準確貼現至該資產的賬面淨值的比率；
- (c) 租金收入在租約期限內按時間比例基準確認；及
- (d) 股息收入在股東收取付款的權利確立時予以確認。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.4 主要會計政策概要(續)

僱員福利

退休金計劃

本集團於中國內地經營的附屬公司的僱員須參與由地方市政府營運的中央退休金計劃。於中國內地經營的附屬公司須按其工資成本之某一百分比向中央退休金計劃供款。供款於根據中央退休金計劃規則應付時自損益扣除。

本集團亦根據強制性公積金計劃條例，為本集團於香港的全體僱員設立定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款按僱員基本薪金百分比作出，並於根據強積金計劃條款須支付時自損益扣除。強積金計劃的資產由獨立管理基金保管，與本集團資產分開持有。本集團的僱主供款於注入強積金計劃時悉數歸屬僱員。

外幣

該等財務報表以人民幣呈報。本集團旗下各實體決定自身的功能貨幣，而計入各實體財務報表的項目均採用功能貨幣計量。本集團旗下實體入賬的外幣交易初步按其各自於交易日當時的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債，按於報告期末的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於損益確認。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)*****Foreign currencies (continued)***

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The Company incorporated in the Cayman Islands uses the US 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)***

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)。

本公司於開曼群島註冊成立，使用美元作為功能貨幣。由於本集團主要於中國內地經營業務，故人民幣用作為本公司之呈列貨幣。於報告期末，本公司及使用人民幣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.

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 2016, the carrying amount of goodwill was RMB303,937,000 (2015: RMB303,937,000). Further details are given in note 15 to the financial statements.

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。

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2016年12月31日，商譽的賬面值為人民幣303,937,000元(2015年：人民幣303,937,000元)。進一步詳情載於財務報表附註15。

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)*****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 2016, the total carrying amount of property, plant and equipment and prepaid land lease payments that were subject to impairment tests was RMB129,113,000 (2015: RMB115,954,000).

3. 重大會計判斷及估計(續)***非金融資產(商譽除外)減值***

本集團於年末時評估全部非金融資產是否存在任何減值跡象。當有跡象顯示非金融資產賬面值可能不可收回時進行減值測試。當一項資產或現金產生單位的賬面值超過其可收回金額(即公平值減出售成本與其使用價值兩者中的較高者)時即存在減值。公平值減出售成本乃根據來自同類資產公平交易的受約束銷售交易的可用數據或可觀察市價減出售資產的增量成本計算。計算使用價值時，管理層必須估計來自資產或使用主要假設(如預算銷售額)現金產生單位的預期未來現金流量，並選取合適的貼現率，以計算該等現金流量的現值。於2016年12月31日，物業、廠房及設備的賬面值以及預付土地租賃款項的總額受限於減值測試，為人民幣129,113,000元(2015年：人民幣115,954,000元)。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Impairment of loan to an associate

The Group estimates the provision for impairment of the loan to Hong Kong Nang Yan College of Higher Education Limited by assessing its recoverability based on credit history and expected future cash flows of that associate. This requires the use of estimates and judgements. Provision is applied to the loan to an associate where events or changes in circumstances indicate that the balance may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amount of loan to an associate and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the provision at the end of the year. Further details of the loan to an associate are set out in note 17 to the financial statements.

Fair values of certain available-for-sale investments

Certain available-for-sale investments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Group to make estimates about expected future cash flows, credit risk, volatility and discount rates, and hence they are subject to uncertainty. The fair values of such available-for-sale investments at 31 December 2016 was RMB143,182,000 (2015: RMB522,096,000). Further details are included in note 22 to the financial statements.

3. 重大會計判斷及估計(續)

向聯營公司貸款的減值

本集團估計香港能仁專上學院有限公司之貸款的減值撥備乃根據該營公司之信用記錄及預期未來現金流量評估可收回情況。這需要使用估計及判斷。當有事件出現或情況變動顯示結餘可能無法收回時，便會就聯營公司貸款計提撥備。倘預期數額與原先估計有所不同，有關差額將影響聯營公司貸款的賬面值，繼而影響有關估計變動發生期間的減值虧損。本集團於年末重新評估該等減值撥備。有關聯營公司貸款減值的進一步詳情分別載於財務報表附註17。

若干可供出售投資的公平值

若干可供出售投資根據按適用於具備類似條款及風險特徵項目的貼現率貼現的預期現金流量估值。該估值要求本集團就預期未來現金流量、信貸風險、波動及貼現率的作出估計，因此存在不確定性。該等可供出售投資於2016年12月31日的公平值為人民幣143,182,000元(2015年：人民幣522,096,000元)。進一步詳情載於財務報表附註22。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)***Current and deferred tax***

Significant judgement is required in interpreting the relevant tax rules and regulations so as to determine whether the Group is subject to corporate income tax. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made. Further details of the current and deferred tax are set out in note 10 to the financial statements.

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 99% of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no geographical segment information is presented.

3. 重大會計判斷及估計(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現有稅項負債是否充足的判斷。該等稅項負債變動會影響決定變更期間的稅項開支。有關即期及遞延稅項的進一步詳情載於財務報表附註10。

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(主要經營決策者)報告的資料在資源分配及表現評估方面並不包含不連續的經營分部的財務資料，且董事以整體審閱本集團的財務業績。因此，並無呈報有關經營分部的進一步資料。

地區資料

於年內，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99%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。

4. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

No service provided to a single customer accounted for 10% or more of the total revenue of the Group during the year.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

4. 經營分部資料(續)

有關主要客戶的資料

於年內，並無向單一客戶提供的服務佔本集團總收益10%或以上。

5. 收益、其他收入及收益

收益指有關期間所提供服務的價值。

有關收益、其他收入及收益的分析如下：

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Revenue	收益		
Tuition fees	學費	412,526	395,140
Boarding fees	住宿費	32,471	31,177
		444,997	426,317
Other income and gains	其他收入及收益		
Dividend income from an available-for-sale investment	可供出售投資股息收入	360	480
Investment income from available-for-sale investments and investment deposits	可供出售投資及投資存款之投資收入	25,372	36,856
Other interest income	其他利息收入	1,500	3,340
Net rental income	租金收入淨額	1,194	1,249
Government grants (note 28)	政府補貼(附註28)		
– Related to assets	– 資產相關	6,331	3,996
– Related to income	– 收入相關	33,356	4,631
Exchange gain, net	匯兌收益淨額	27,097	2,653
Others	其他	2,543	3,716
		97,753	56,921

The government grants are related to the subsidies received from the local government for the purpose of compensating the operating expenses arising from the schools' teaching activities and expenditures on teaching facilities. There are no unfulfilled conditions or contingencies relating to such government grants recognised.

政府補貼與就學校教學活動及教學設施開支產生的經營費用所作補償向當地政府收取的補助有關。有關已確認的政府補貼並無任何關連的未達成條件或或然事項。

6. FINANCE COSTS

6. 融資成本

	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Interest on loans from the ultimate holding company and related parties	2,595	305

7. PROFIT BEFORE TAX

7. 除稅前溢利

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

本集團除稅前溢利乃扣除/(計入)以下各項後達致：

	Notes 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Depreciation	13	38,861	39,051
Amortisation of other intangible assets	16	868	738
Minimum lease payments under operating leases		4,711	3,223
Recognition of prepaid land lease payments	14	1,578	955
Auditor's remuneration		4,994	154
Employee benefit expense (excluding directors' remuneration (note 8)):			
Wages and salaries		88,583	79,996
Pension scheme contributions (defined contribution schemes)		22,477	17,318
Foreign exchange differences, net		(27,097)	(2,653)
Impairment of trade receivables	20	1,841	1,934
Impairment of other receivables	21	435	—
Recovery of other receivables		(1,000)	—
Dividend income from an available-for-sale investment		(360)	(480)
Investment income from available-for-sale investments and investment deposits		(25,372)	(36,856)
Other interest income		(1,500)	(3,340)
Loss on disposal of items of property, plant and equipment, net		2,121	86
Donation expense		691	230

8. DIRECTORS' REMUNERATION

Details of directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

8. 董事酬金

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司規則第2分部(有關董事福利之資料披露)披露之本年度董事酬金如下：

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Fees	袍金	—	—
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,383	2,730
Discretionary bonuses	酌情性花紅	777	—
Pension scheme contributions	退休金計劃供款	11	—
		4,171	2,730

Executive directors

執行董事

Year ended 31 December 2016 截至2016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	Discretionary bonuses 酌情性花紅 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	975	—	—	975
Ms. Zhang Weiping	張衛平女士	1,653	—	465	2,118
Mr. Zuo Yichen (appointed on 23 August 2016)	左燿晨先生 (於2016年8月23日獲委任)	517	6	—	523
Mr. Lam Ngai Lung (appointed on 23 August 2016)	林毅龍先生 (於2016年8月23日獲委任)	238	5	312	555
		3,383	11	777	4,171

Year ended 31 December 2016
截至2016年12月31日止年度

8. DIRECTORS' REMUNERATION (continued)

8. 董事酬金(續)

Year ended		Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
31 December 2015		薪金、津貼 及實物利益	退休金計劃供款	酬金總額
截至2015年12月31日止年度		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Mr. Li Xuechun	李學春先生	983	—	983
Ms. Zhang Weiping	張衛平女士	1,747	—	1,747
Mr. Tsang Kwong Yue, Conrad (resigned on 6 October 2015)	Tsang Kwong Yue, Conrad 先生 (於2015年10月 6日辭任)	—	—	—
Ms. Wanlin Liu (resigned on 29 December 2015)	Wanlin Liu 女士 (於2015年12月 29日辭任)	—	—	—
		2,730	—	2,730

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

於年內，概無董事放棄或同意放棄任何薪酬的安排。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year ended 31 December 2016 include three (2015: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2015: three) highest paid employees who are neither a director nor chief executive of the Group, during the year are as follows:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,232	1,542
Pension scheme contributions	退休金計劃供款	23	15
		1,255	1,557

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		2016	2015
Nil to HK\$1,000,000	零至 1,000,000 港元	2	3

During the year, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 五名最高薪酬僱員

截至2016年12月31日止年度，本集團五名最高薪酬僱員包括三名(2015年：兩名)董事，相關董事薪酬詳情載於上文附註8。於有關期間其餘兩名(2015年：三名)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：

薪酬介乎下列範圍的非董事及非主要行政人員的最高薪酬僱員數目如下：

於年內，概無最高薪酬僱員放棄或同意放棄任何薪酬，而本集團亦無向該五名最高薪酬僱員支付酬金作為加入本集團或於加入本集團後的獎勵或離職補償。

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company, Minsheng Education Company Limited, Minsheng Education Services Company Limited and Minsheng Education Development Company Limited, which were incorporated in the Cayman Islands, are not subject to income tax.

Minsheng Education Development (Hong Kong) Company Limited and Hong Kong College of Technology and Business Limited, which were incorporated in Hong Kong, were subject to profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

Pursuant to the PRC Corporate Income Tax Law and the respective regulations, except for the preferential tax rate of 15% under the Western Development Tax Incentive Scheme available to Chongqing Li'ang Education Services Company Limited and Chongqing Pass Education Services Company Limited, the companies of the Group which operate in Mainland China are subject to Corporate Income Tax ("CIT") at a rate of 25% on their respective taxable income.

10. 所得稅

本集團須根據本集團成員公司所在及經營之司法權區產生之溢利按實體基準繳付所得稅。

本公司、民生教育有限公司、民生教育服務有限公司及民生教育發展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)有限公司及香港工商學院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。

根據中國所得稅法及有關法規，除重慶利昂教育服務有限公司及重慶派斯教育服務有限公司可享有的西部開發稅項獎勵計劃下的15%優惠稅率外，本集團旗下於中國內地營運的公司須就各自的應課稅收入按25%稅率繳付企業所得稅(「企業所得稅」)。

10. INCOME TAX (continued)

According to the Implementation Rules for the Law for Promoting Private Education (the "Implementation Rules"), private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatments. Private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. The Implementation Rules provide that the relevant authorities under the State Council may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. During the year and up to the date of this report, no separate policies, regulations or rules have been introduced by the authorities in this regard. In accordance with the historical tax returns filed to the relevant tax authorities and the confirmation obtained therefrom, the Group's schools which require reasonable returns did not pay corporate income tax and had enjoyed the preferential corporate income tax exemption treatments in 2016.

As a result, no income tax expense was recognised for the Group's schools for the year ended 31 December 2016 (2015: nil).

The major components of the income tax expense for the Group are as follows:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Current – Mainland China	即期－中國內地		
Charge for the year	年內徵繳	1,609	33,222

10. 所得稅(續)

根據《民辦教育促進法實施條例》(「實施條例」)，民辦學校不論要求取得合理回報與否，均可享受優惠政策。出資人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。於年內及直至本報告日期，並無機關就此制定單獨的政策、法規及規則。根據向相關稅務機構遞交的過往納稅申報單以及就此取得的確認，本集團要求取得合理回報的學校於2016年並未繳納企業所得稅並享受優惠企業所得稅待遇。

因此，截至2016年12月31日止年度，本集團的學校並無所得稅開支(2015年：無)。

本集團之所得稅開支的主要部分如下：

Year ended 31 December 2016
截至2016年12月31日止年度

10. INCOME TAX (continued)

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

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Profit before tax	除稅前溢利	251,358	246,679
Tax at the statutory tax rates	按法定稅率計算之稅項	62,840	62,129
Lower tax rate enacted by local authority	較低稅率	(1,548)	(1,067)
Income not subject to tax	毋須課稅收入	(60,588)	(28,184)
Expenses not deductible for tax	不可扣稅開支	323	65
Tax losses not recognised	未確認之稅務虧損	582	279
		1,609	33,222

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

10. 所得稅(續)

採用本公司及其大部分附屬公司營業之國家(或司法權區)之法定稅率計算之除稅前溢利適用之稅項費用與按實際稅率計算之稅項費用之對賬如下:

根據中國企業所得稅法，在中國內地成立的外商投資企業向外國投資者宣派股息須繳納10%預扣稅。該規定自2008年1月1日起生效，且適用於2007年12月31日後的盈利。倘中國內地與外國投資者所在司法權區之間訂有稅務條約，或可採用較低的預扣稅稅率。就本集團而言，適用稅率為10%。因此，本集團須負責為於中國內地成立的附屬公司就2008年1月1日起產生的盈利所分派的股息繳納預扣稅。

10. INCOME TAX (continued)

At 31 December 2016, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China (2015: nil). In the opinion of the directors, the Group's unremitted earnings will be retained in Mainland China for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB878,470,000 at 31 December 2016 (2015: RMB748,010,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

As at 31 December 2016, the Group had tax losses arising in Hong Kong of RMB314,000 (2015: RMB241,000), 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 RMB6,708,000 (2015: RMB6,818,000), 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.

10. 所得稅(續)

於2016年12月31日，本集團並無就於中國內地成立之附屬公司須繳納預扣稅的未匯出盈利產生的應付預扣稅確認遞延稅項(2015年：無)。董事認為，本集團的未匯出盈利將留在國內用於擴充營運，因此該等附屬公司於可見將來分派有關盈利的機會不大。於2016年12月31日，與於中國內地投資有關而遞延稅項負債尚未確認的暫時差額總額合共約為人民幣878,470,000元(2015年：人民幣748,010,000元)。

本公司向股東派付股息概不涉及所得稅影響。

於2016年12月31日，本集團在香港產生的稅項虧損為人民幣314,000元(2015年：人民幣241,000元)，可無限期用以抵銷出現虧損的本公司的日後應課稅溢利。本集團在中國內地產生的稅項虧損為人民幣6,708,000元(2015年：人民幣6,818,000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，且認為並無可能有用作扣減稅務虧損的應課稅溢利，故並無就該等虧損確認遞延稅項資產。

11. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year (2015: nil).

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

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent for the year ended 31 December 2016, and the weighted average number of ordinary shares of 2,632,246,628 (2015: 4,252,234,282) in issue during the year ended 31 December 2016.

Pursuant to the written resolutions of the sole shareholder of the Company on 5 July 2016, each share of the Company with a par value of US\$0.001 in the authorised share capital was subdivided into 100 shares of par value of US\$0.00001 each (the "Share Subdivision"), such that immediately following the Share Subdivision, the authorised share capital of the Company became US\$50,000 divided into 5,000,000,000 shares of par value of US\$0.00001 each.

The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year ended 31 December 2016, adjusted retrospectively for the Share Subdivision.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2016 and 2015.

11. 股息

董事不建議於相關年度支付任何股息 (2015年：無)。

12. 母公司普通股權益持有人應佔每股盈利

每股基本盈利乃根據截至2016年12月31日止年度的母公司普通股權益持有人應佔溢利及截至2016年12月31日止年度已發行普通股加權平均數2,632,246,628股(2015年：4,252,234,282股)計算。

根據本公司唯一股東於2016年7月5日的書面決議案，本公司法定股本中每股面值0.001美元的股份拆細為100股每股面值0.00001美元股份(「股份拆細」)，致使於緊隨股份拆細後，本公司的法定股本變為50,000美元，分為5,000,000,000股每股面值0.00001美元的股份。

用於計算的普通股加權平均數為截至2016年12月31日止年度的已發行普通股數目，經發行在外普通股數目就股份分拆進行追溯調整。

截至2016年及2015年12月31日止年度，本集團並無已發行潛在攤薄普通股。

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

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

12. 母公司普通股權益持有人應佔每股盈利(續)

每股基本及攤薄盈利之計算乃根據：

	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Earnings		
Profit attributable to owners of the parent, used in the basic and diluted earnings per share calculation	243,431	203,207
	2016	2015
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	2,632,246,628	4,252,234,282

Year ended 31 December 2016
截至2016年12月31日止年度

13. PROPERTY, PLANT AND EQUIPMENT

13. 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 傢俬及裝置 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 2016	2016年12月31日						
At 1 January 2016:	於2016年1月1日:						
Cost	成本	532,707	17,162	239,683	41,384	16,622	847,558
Accumulated depreciation	累計折舊	(87,346)	(7,419)	(138,172)	(31,054)	—	(263,991)
Net carrying amount	賬面淨值	445,361	9,743	101,511	10,330	16,622	583,567
At 1 January 2016, net of accumulated depreciation	於2016年1月1日, 扣除累計折舊	445,361	9,743	101,511	10,330	16,622	583,567
Additions	添置	11,635	125	25,608	2,008	30,067	69,443
Disposals	出售	(741)	(305)	(1,387)	—	—	(2,433)
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(15,288)	(1,396)	(19,306)	(2,871)	—	(38,861)
Transfers	轉撥	29,826	—	—	—	(29,826)	—
At 31 December 2016, net of accumulated depreciation	於2016年12月31日, 扣除累計折舊	470,793	8,167	106,426	9,467	16,863	611,716
At 31 December 2016	於2016年12月31日						
Cost	成本	573,029	17,146	246,236	38,101	16,863	891,375
Accumulated depreciation	累計折舊	(102,236)	(8,979)	(139,810)	(28,634)	—	(279,659)
Net carrying amount	賬面淨值	470,793	8,167	106,426	9,467	16,863	611,716

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、廠房及設備(續)

		Buildings 樓宇	Motor vehicles 汽車	Furniture and equipment 傢俬及裝置	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 2015	2015年12月31日						
At 1 January 2015:	於2015年1月1日:						
Cost	成本	513,852	16,584	224,555	39,500	3,637	798,128
Accumulated depreciation	累計折舊	(72,729)	(6,986)	(118,738)	(27,738)	—	(226,191)
Net carrying amount	賬面淨值	441,123	9,598	105,817	11,762	3,637	571,937
At 1 January 2015, net of accumulated depreciation	於2015年1月1日, 扣除累計折舊	441,123	9,598	105,817	11,762	3,637	571,937
Additions	添置	1,137	1,671	15,149	1,889	31,170	51,016
Disposals	出售	(130)	(199)	(6)	—	—	(335)
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(14,954)	(1,327)	(19,449)	(3,321)	—	(39,051)
Transfers	轉撥	18,185	—	—	—	(18,185)	—
At 31 December 2015, net of accumulated depreciation	於2015年12月31日, 扣除累計折舊	445,361	9,743	101,511	10,330	16,622	583,567
At 31 December 2015	於2015年12月31日						
Cost	成本	532,707	17,162	239,683	41,384	16,622	847,558
Accumulated depreciation	累計折舊	(87,346)	(7,419)	(138,172)	(31,054)	—	(263,991)
Net carrying amount	賬面淨值	445,361	9,743	101,511	10,330	16,622	583,567

The Group's buildings are situated in Mainland China.

Certificates of ownership in respect of certain buildings of the Group located in Chongqing, the PRC with a total net carrying amount of approximately RMB17,471,000 at 31 December 2016 (2015: RMB38,740,000) 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.

本集團之樓宇位於中國內地。

相關中國機關尚未發出本集團位於中國重慶之若干樓宇之所有權證，該等樓宇於2016年12月31日之賬面淨值總額約為人民幣17,471,000元(2015年：人民幣38,740,000元)。於有關期間末，董事仍在辦理取得該等所有權證的事宜。

14. PREPAID LAND LEASE PAYMENTS

14. 預付土地租金

	Notes 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Carrying amount at beginning of year	於年初的賬面值	57,271	41,010
Additions	添置	52,933	17,216
Recognised during the year (note 7)	於年內確認(附註7)	(1,578)	(955)
Carrying amount at end of year	於年末的賬面值	108,626	57,271
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的即期部分	21	(2,195)
Non-current portion	非即期部分	106,431	55,999

These pieces of leasehold lands are located in Mainland China and are held under long term leases.

該等租賃土地位於中國內地以長期租約持有。

15. GOODWILL

15. 商譽

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Cost:	成本：		
At beginning and end of year	於年初及年末	303,937	303,937
Accumulated impairment:	累計減值：		
At beginning and end of year	於年初及年末	—	—
Net carrying amount:	賬面淨值：		
At beginning and end of year	於年初及年末	303,937	303,937

15. GOODWILL (continued)

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the 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:

		2016	2015
Sales amount (% annual growth rate)	銷售金額 (佔年度增長率之百分比)	5%	5%
Gross margins (% of revenue)	毛利率(佔收益之百分比)	60%	60%
Long term growth rate	長期增長率	3%	2%
Pre-tax discount rate	稅前貼現率	15.9%	16.5%

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.

15. 商譽(續)

商譽減值測試

透過業務合併取得之商譽已分配予重慶人文科技學院之現金產生單位。

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：

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－用於釐定有關預算毛利率的價值所用的基準為緊接預算年度前所取得的平均毛利率，並對預期效率改善及預期市場發展作出上調。

長期增長率－長期增長率乃基於歷史數據及管理層對未來市場的預期而釐定。

稅前貼現率－稅前貼現率反映與有關單位相關的特定風險，乃使用資本資產定價模型並參考貝塔係數及若干在中國教育行業開展業務的公開上市公司的負債率釐定。

就有關現金產生單位的市場發展及貼現率的各項主要假設所賦予的價值與外部資料來源相一致。

16. OTHER INTANGIBLE ASSETS

16. 其他無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元
31 December 2016	2016年12月31日	
Cost at 1 January 2016, net of accumulated amortisation	於2016年1月1日的成本， 扣除累計攤銷	2,418
Addition	添置	1,132
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(868)
At 31 December 2016	於2016年12月31日	2,682
At 31 December 2016	於2016年12月31日	
Cost	成本	6,090
Accumulated amortisation	累計攤銷	(3,408)
Net carrying amount	賬面淨值	2,682
31 December 2015	2015年12月31日	
Cost at 1 January 2015, net of accumulated amortisation	於2015年1月1日的成本， 扣除累計攤銷	2,524
Addition	添置	632
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(738)
At 31 December 2015	於2015年12月31日	2,418
At 31 December 2015	於2015年12月31日	
Cost	成本	5,059
Accumulated amortisation	累計攤銷	(2,641)
Net carrying amount	賬面淨值	2,418

17. INVESTMENTS IN ASSOCIATES

17. 於聯營公司的投資

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Share of net assets	分佔資產淨值	3,003	3,290
Loan to an associate – Hong Kong Nang Yan College of Higher Education Limited	向聯營公司(香港能仁專上學院 有限公司)貸款	17,883	—
		20,886	3,290

17. INVESTMENTS IN ASSOCIATES (continued)

The loan to an associate (Hong Kong Nang Yan College of Higher Education Limited) is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the directors, the loan is considered as part of the Group's net investment in this associate.

The short term loan to an associate (Beacon International College PTE. LTD.) included in the Group's current assets totalling RMB707,000 as at 31 December 2016 is repayable in full in March 2018 and bears interest at 6% per annum.

Particulars of the associates are as follows:

Name 名稱	Particulars of equity/ interest held 所持有股本/ 權益之詳情	Place of incorporation/ establishment and business 註冊成立/ 成立地點及業務	Percentage of ownership interest attributable to the Group 本集團未應佔所有權益之百分比	Principal activities 主要業務
Beacon International College PTE. LTD.* 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
Hong Kong Nang Yan College of Higher Education Limited* 香港能仁專上學院有限公司*	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 2 members on the school management committee of Hong Kong Nang Yan which represent 15% of the voting rights.

提供予聯營公司(香港能仁專上學院有限公司)之貸款為無抵押、免息且並無固定償還期限。董事認為，該貸款被視為本集團於該聯營公司之投資淨額的一部分。

於2016年12月31日，向聯營公司(Beacon International College PTE. LTD.)的貸款計入本集團的流動資產，合共為人民幣707,000元，於2018年3月悉數償還，按年利率6%計息。

聯營公司的詳情如下：

* 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並無以股息、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兩名成員，相當於投票權的15%。

Year ended 31 December 2016
截至2016年12月31日止年度

17. INVESTMENTS IN ASSOCIATES (continued)

The above investments are indirectly held by the Company.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Share of the associates' loss for the year	分佔聯營公司年內虧損	(667)	(928)
Share of the associates' total comprehensive income	分佔聯營公司之全面收益總額	(667)	(928)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司的投資之賬面總值	20,886	3,290

17. 於聯營公司的投資(續)

以上投資由本公司間接持有。

下表闡述本集團之單獨而言並非重要的聯營公司之匯總財務資料：

18. AVAILABLE-FOR-SALE INVESTMENT

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Unlisted equity investment, at cost	非上市股權投資，按成本	6,000	6,000

The above investment represents an equity investment which was designated as an available-for-sale financial asset and has no fixed maturity date or coupon rate.

As at 31 December 2015 and 2016, the unlisted equity investment was stated at cost less impairment because the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value that the directors are of the opinion that its fair value cannot be measured reliably. The Group does not intend to dispose of the investment in the near future.

18. 可供出售投資

上述投資為指定作可供出售金融資產且無固定到期日或票息日的股權投資。

於2015年及2016年12月31日，非上市股權投資乃按成本扣除減值列值，因為無法合理評估在一定範圍內各種估計的可能性，且不能用於估算董事認為不能可靠估算公平值投資的公平值。本集團無意於短期內出售有關投資。

19. INVENTORIES

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Raw materials	原材料	1,260	1,184

19. 存貨

20. TRADE RECEIVABLES

20. 貿易應收款項

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Trade receivables	貿易應收款項	873	2,620
Impairment	減值	—	—
		873	2,620

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming school year, which normally commences in September. The outstanding receivables represent amounts related to students who have applied for the delayed payment of tuition fees and boarding fees. There is no fixed term for delayed payments. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified students, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date and net of provisions, is as follows:

本集團的學生需預付下個學年的學費及住宿費，學年一般於九月開始。尚未支付應收款項指與已申請延遲繳交學費及住宿費的學生相關的金額。延遲付款並無固定期限。本集團致力嚴格控制未支付應收款項，以減低信貸風險。高級管理層定期審查逾期結餘。基於上文所述及本集團的貿易應收款項涉及人數龐大而分散的學生，故並無重大信貸風險集中。本集團並無為其貿易應收款項結餘安排任何抵押品或其他信用增級。貿易應收款項為免息。

截至報告期間末，按交易日期及扣除撥備計算，貿易應收款項的賬齡分析如下：

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Within 1 year	一年內	211	657
1 to 2 years	一至兩年	190	1,063
2 to 3 years	兩至三年	265	741
Over 3 years	三年以上	207	159
		873	2,620

20. TRADE RECEIVABLES (continued)

The movements in provision for impairment of trade receivables are as follows:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
At beginning of year	年初	—	4,617
Impairment losses recognised (note 7)	已確認減值虧損(附註7)	1,841	1,934
Amount written off as uncollectible	已撇銷為無法收回款項	(1,841)	(6,551)
		—	—

The individually impaired trade receivables relate to students that were in financial difficulties or were in default in payments and no receivable is expected to be recovered.

The ageing analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Less than 1 year past due	逾期少於一年	401	1,720
1 to 2 years past due	逾期一至兩年	265	741
2 to 3 years past due	逾期兩至三年	207	159
		873	2,620

Receivables that were past due but not impaired relate to a number of independent students who are in temporary financial difficulties. Based on the individual assessment, the directors are of the opinion that no provision for impairment is necessary given the various efforts of these students to raise funds.

20. 貿易應收款項(續)

貿易應收款項減值撥備的變動如下：

個別減值貿易應收款項乃就有財務困難或未能付款的學生而作出，且預期應收款項將不可收回。

並非個別或全部被視為減值的貿易應收賬款的賬齡分析如下：

已逾期但未減值應收款項與多名有暫時財政困難的獨立學生有關。根據獨立評估，董事認為並無必要就該等學生各種努力籌資而作出減值撥備。

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

21. 預付款項、按金及其他應收款項

	Note 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Prepaid expenses	預付開支	2,252	1,800
Prepaid land lease payments (current portion)	預付土地租賃款項(即期)	14	1,272
Advance to staff	墊付員工款項	1,259	1,756
Advance to third parties	墊付第三方款項	2,960	2,093
Loan to a third party*	借予第三方貸款*	30,000	30,000
Interest receivables	應收利息	417	300
Listing expenses	上市開支	3,920	—
Other receivables	其他應收款項	3,507	2,708
		46,510	39,929
Less: Impairment of deposits and other receivables	減：按金及其他應收款項減值	(736)	(520)
		45,774	39,409

* The loan to a third party bears interest at 10% per annum and is repayable in full in August 2017 with a guarantee provided by another third party.

* 提供予第三方的貸款按年利率10%計息，於2017年8月悉數償還，並由另一名第三方提供擔保。

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:

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：

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
At beginning of year	年初	520	6,376
Impairment losses recognised (note 7)	已確認減值虧損(附註7)	435	—
Amount written off as uncollectible	已撇銷為無法收回款項	(219)	(5,856)
		736	520

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

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.

21. 預付款項、按金及其他應收款項(續)

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。

22. AVAILABLE-FOR-SALE INVESTMENTS**22. 可供出售投資**

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Wealth management products issued by licensed banks, at fair value	持牌銀行發出的理財產品，按公平值	143,182	522,096

During the year, the gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to RMB182,000 (2015: RMB5,426,000), and RMB5,426,000 (2015: RMB6,757,000) was reclassified from other comprehensive income to profit or loss for the year ended 31 December 2016.

於年內，本集團在其他全面收益中確認可供出售投資的收益為人民幣182,000元(2015年：人民幣5,426,000元)及人民幣5,426,000元(2015年：人民幣6,757,000元)，乃自其他全面收益重新分類至截至2016年12月31日止年度的損益中。

23. CASH AND BANK BALANCES AND INVESTMENT DEPOSITS**23. 現金及銀行結餘以及投資存款**

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	602,322	352,218
Investment deposits with licensed banks in Mainland China, at amortised cost	於中國內地持牌銀行的投資存款，按攤銷成本	362,600	121,230
Cash and cash equivalents	現金及現金等價物	964,922	473,448
Cash and bank balances and investment deposits denominated in:	以下列貨幣計價的現金及銀行結餘及投資存款：		
– RMB	– 人民幣	944,885	448,329
– HK dollars (HK\$)	– 港元	194	2,360
– US dollars (US\$)	– 美元	19,843	22,759

Investment deposits as at 31 December 2016 represented investments in wealth management products purchased from licensed banks in Mainland China, with an aggregate amount of RMB362,600,000 (2015: RMB121,230,000). The investment deposits were classified by the Group as loans and receivables and measured at amortised cost. The principals of the investment deposits were guaranteed by the licensed banks in Mainland China. The investment deposits bore fixed interest return rates in the range of 2.40% to 5.05% per annum.

As at 31 December 2016, the Group's cash and bank balances and investment deposits denominated in RMB amounted to RMB944,885,000 (2015: RMB448,329,000). The RMB is not freely convertible into other currencies, however, under the PRC 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2016年12月31日的投資存款指向中國內地持牌銀行購買的理財產品，總金額為人民幣362,600,000元(2015年：人民幣121,230,000元)。本集團將投資存款分類為貸款及應收款項，並按攤銷成本計值。投資存款的本金由內地持牌銀行擔保。投資存款有定息回報，每年的利息回報率介乎2.40%至5.05%。

於2016年12月31日，本集團的現金及銀行結餘及投資存款以人民幣計價，為人民幣944,885,000元(2015年：人民幣448,329,000元)。人民幣不可自由兌換為其他貨幣，然而，根據《中華人民共和國外匯管理條例》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。

23. CASH AND BANK BALANCES AND INVESTMENT DEPOSITS (continued)

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.

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 2016, such balances were RMB87,456,000 (2015: RMB91,859,000).

23. 現金及銀行結餘以及投資存款(續)

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而具信譽的銀行。

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2016年12月31日，結餘為人民幣87,456,000元(2015年：人民幣91,859,000元)。

24. DEFERRED REVENUE

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Tuition fees	學費	237,072	225,523
Boarding fees	住宿費	26,091	20,948
		263,163	246,471

24. 遞延收益

The students are entitled to the refund of payments in relation to the proportionate service not yet provided.

學生有權按比例收回仍未提供服務的相關款項。

25. OTHER PAYABLES AND ACCRUALS

25. 其他應付款項及應計費用

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Accrued bonuses and other employee benefits	應計花紅及其他僱員福利	19,522	12,039
Payables for catering services	應付餐飲服務款項	2,221	2,927
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付款項	30,321	14,416
Payables for management fee	管理費應付款項	12,246	12,210
Miscellaneous expenses received from students (note (i))	收取學生的雜項開支(附註(i))	22,277	20,304
Other tax payable	其他應付稅項	2,771	7,094
Payables for listing expenses	上市開支應付款項	6,135	—
Other payables	其他應付款項	15,236	16,455
		110,729	85,445

Other payables are non-interest-bearing and repayable on demand.

其他應付款項為免息，並按要求償還。

Note (i): The amount represents the miscellaneous expenses received from students which will be paid out on behalf of students.

附註(i): 金額為收取學生的雜項開支，將代學生支付。

26. LOANS FROM THE ULTIMATE HOLDING COMPANY

Loans from the ultimate holding company are unsecured, bear interest at 2% per annum and are repayable in full in March and June 2017.

26. 來自最終控股公司的貸款

來自最終控股公司的貸款無抵押按年利率2%計息，應於2017年3月及6月悉數償還。

27. LOANS FROM RELATED PARTIES

Loans from related parties represent amounts borrowed from other subsidiaries of the ultimate holding company. Loans from related parties are unsecured, bear interest at 2% per annum and are repayable in full in June and July 2017.

27. 來自關連方的貸款

來自關連方的貸款指自最終控股公司其他附屬公司籌借的款項。來自關連方的貸款無抵押按年利率2%計息，應於2017年6月及7月悉數償還。

28. DEFERRED INCOME

28. 遞延收入

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Government grants	政府補助		
At beginning of year	年初	121,920	66,230
Grants received	已收補助	57,270	64,317
Charged to profit or loss (note 7)	計入損益(附註7)	(39,687)	(8,627)
At end of year	年末	139,503	121,920
Current	即期	7,488	5,195
Non-current	非即期	132,015	116,725
		139,503	121,920

These government grants are related to the subsidies received from the local government for the purpose of compensating the operating expenses arising from the Group's schools' teaching activities and expenditures on teaching facilities. Upon completion of the operating activities and the related projects, the grants related to the expense items would be recognised as other income directly in profit or loss and the grants related to an asset would be released to profit or loss over the expected useful life of the relevant asset.

該等政府補助金與收自當地政府的補貼有關，用於補償本集團學校教學活動而產生的經營開支及教學設施開支。當經營活動及相關項目完成後，與開支項目相關的補助金應直接於損益確認為其他收入，而與資產有關的補助金應在有關資產的預計可使用年內撥入損益。

29. SHARE CAPITAL

29. 股本

Shares

股份

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Authorised:	法定：		
5,000,000,000 ordinary shares of US\$0.00001 each as at 31 December 2016 (2015: 50,000,000 ordinary shares of US\$0.001 each)	於2016年12月31日的5,000,000,000股每股面值0.00001美元的普通股(2015年：50,000,000股每股面值0.001美元的普通股)	403	403
Issued and fully paid:	已發行及繳足股款：		
2,589,451,200 ordinary shares as at 31 December 2016 (2015: 26,867,377 ordinary shares)	於2016年12月31日的2,589,451,200股普通股(2015年：26,867,377股普通股)	209	217

A summary of movements in the Company's share capital is as follows:

本公司股本變動概要如下：

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
At beginning of year	年初	217	375
Shares repurchased (note (i))	購回股份(附註(i))	(8)	(158)
At end of year	年末	209	217

(i) During the year ended 31 December 2015, the Group repurchased the Company's shares of 19,647,365 issued to previous investors through the Company and a wholly-owned subsidiary for a total consideration of US\$115,830,000 (approximately RMB738,822,000). The repurchased shares were cancelled during the year ended 31 December 2015 and the total amount paid for the repurchase of the shares of RMB738,822,000 has been charged to share capital, capital reserve and retained profits of the Group.

(i) 截至2015年12月31日止年度，本集團透過本公司及一間全資附屬公司購回本公司向前投資者發行的19,647,365股股份，總代價為115,830,000美元(約人民幣738,822,000元)。所購回股份已於截至2015年12月31日止年度內註銷及就購回股份支付的總金額人民幣738,822,000元已自本集團之股本、資本儲備及保留溢利中扣除。

29. SHARE CAPITAL (continued)**Shares (continued)**

During the year ended 31 December 2016, the Group repurchased the Company's shares of 972,865 issued to previous investors through a wholly-owned subsidiary for a total consideration of US\$8,906,000 (approximately RMB59,056,000). The repurchased shares were cancelled during the year ended 31 December 2016 and the total amount paid for the repurchase of the shares of RMB59,056,000 has been charged to share capital and retained profits of the Group.

30. RESERVES**(a) Group**

The amounts of the Group's reserves and the movements therein for each of the year are presented in the consolidated statement of changes in equity on pages 95 to 96 of this report.

(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.

- 1) 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.

29. 股本(續)**股份(續)**

截至2016年12月31日止年度，本集團透過一間全資附屬公司購回本公司向前投資者發行的972,865股股份，總代價為8,906,000美元(約人民幣59,056,000元)。所購回股份已於截至2016年12月31日止年度內註銷及就購回股份支付的總金額人民幣59,056,000元已自本集團之股本及留存溢利中扣除。

30. 儲備**(a) 本集團**

本集團於年內的儲備金額及其變動於本報告第95頁至第96頁的綜合權益變動表呈列。

(b) 資本儲備

本集團的資本儲備為其當時的股東的注資溢價。

(c) 法定儲備

根據中國相關法律，本公司中國內地的附屬公司須按各自董事會釐定的金額自除稅後溢利撥款至不可分派儲備基金。該等儲備包括(i)有限責任公司一般儲備及(ii)學校發展基金。

- 1) 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股本，前提是撥充資本後結餘須不低於註冊資本的25%。

30. RESERVES (continued)

(c) Statutory reserve (continued)

- 2) According to the relevant PRC laws and regulations, private schools that require reasonable returns, they are required to make appropriation to the development fund not less than 25% of the net income of the relevant schools as determined in accordance with generally accepted accounting principles in the PRC. The development fund is for the construction or maintenance of the school facilities or procurement or upgrade of educational equipment.

31. CONTINGENT LIABILITIES

As at 31 December 2016, the Group did not have any significant contingent liabilities (2015: nil).

32. OPERATING LEASE ARRANGEMENTS

(a) As lessor

Group

The Group leases certain buildings under operating lease arrangements, with leases negotiated for terms ranging from one to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

30. 儲備(續)

(c) 法定儲備(續)

- 2) 根據相關中國法律法規，需要合理回報的民辦學校須將按中國公認會計原則計算的淨收入不少於25%撥至發展基金。發展基金乃用作興建或維修學校設施，或教育設備的採購或升級。

31. 或然負債

於2016年12月31日，本集團概無任何重大或然負債(2015年：無)。

32. 經營租賃安排

(a) 作為出租人

本集團

本集團根據經營租賃安排租用若干樓宇，辦公室的租期協定為一年至五年。租賃條款一般要求租客支付抵押按金，並根據當時市況定期調整租金。

32. OPERATING LEASE ARRANGEMENTS (continued)**(a) As lessor (continued)***Group (continued)*

At 31 December 2016, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Within one year	一年內	1,567	554
In the second to fifth years, inclusive	第二至第五年， 首尾兩年包括在內	599	557
		2,166	1,111

(b) As lessee*Group*

The Group leases certain of its buildings under operating lease arrangements. Leases for buildings were negotiated for initial terms within one year. At 31 December 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Within one year	一年內	536	182

32. 經營租賃安排(續)**(a) 作為出租人(續)***本集團(續)*

於2016年12月31日，本集團根據與租客訂立於下列日期到期的不可撤銷經營租賃應收的未來最低租金總額如下：

(b) 作為承租人*本集團*

本集團根據經營租賃安排租用若干樓宇，樓宇的初始租期協定為一年內。於2016年12月31日，本集團根據於下列日期到期的不可撤銷經營租賃應付的未來最低租金總額如下：

33. COMMITMENTS

In addition to the operating lease commitments detailed in note 32(b) above, the Group had the following capital commitments at the end of the reporting period:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Equipment	設備	6,121	5,129
Buildings	樓宇	7,248	111
Loans committed to an associate	向一間聯營公司承諾的貸款	26,877	—
		40,246	5,240

At the end of the reporting period the Group did not have significant capital commitments that are authorised but not contracted for (2015: nil).

33. 承擔

除上文附註32(b)所詳述的經營租賃承擔外，本集團於報告期期末的資本承擔如下：

於報告期末，本集團並無重大已授權但未訂約資本承擔(2015年：無)。

34. RELATED PARTY TRANSACTIONS

(a) Name and relationship of related parties

Name
姓名

Honest Cheer Investments Limited
誠悅投資有限公司

UCMG Management Limited
聯康國際有限公司

Yangguang Healthcare Group Company Limited
陽光醫療集團有限公司

Yangguang Healthcare Education Company Limited
陽光醫療教育有限公司

Yangguang Healthcare Education (Hong Kong) Company Limited
陽光醫療教育(香港)有限公司

Yangguang Healthcare Company Limited
陽光醫療有限公司

Yangguang Healthcare (Hong Kong) Company Limited
陽光醫療(香港)有限公司

Beacon International College PTE. LTD.
Beacon International College PTE. LTD.

34. 關連方交易

(a) 關連方的名稱及關係

Relationship
關係

the ultimate holding company
最終控股公司

fellow subsidiary
同系附屬公司

fellow subsidiary
同系附屬公司

fellow subsidiary
同系附屬公司

fellow subsidiary

同系附屬公司

fellow subsidiary

同系附屬公司

fellow subsidiary

同系附屬公司

associate

聯營公司

34. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

34. 關連方交易(續)

(b) 除於財務報表其他地方所詳述的交易外，本集團在年內與關連方進行以下交易：

	Notes 附註	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Loans from: 來自下列各方的貸款：			
Honest Cheer Investments Limited	誠悅投資有限公司 (i)	—	114,781
UCMG Management Limited	聯康國際有限公司 (ii)	8,639	—
Yangguang Healthcare Group Company Limited	陽光醫療集團有限公司 (iii)	—	455
Yangguang Healthcare Education Company Limited	陽光醫療教育有限公司 (iii)	—	455
Yangguang Healthcare Education (Hong Kong) Company Limited	陽光醫療教育(香港)有限公司 (iii)	—	455
Yangguang Healthcare Company Limited	陽光醫療有限公司 (iii)	—	2,726
Yangguang Healthcare (Hong Kong) Company Limited	陽光醫療(香港)有限公司 (iii)	—	455
		8,639	119,327
Interest expense to: 來自下列各方的貸款：			
Honest Cheer Investments Limited	誠悅投資有限公司 (i)	2,337	302
UCMG Management Limited	聯康國際有限公司 (ii)	166	—
Yangguang Healthcare Group Company Limited	陽光醫療集團有限公司 (iii)	9	—
Yangguang Healthcare Education Company Limited	陽光醫療教育有限公司 (iii)	9	—
Yangguang Healthcare Education (Hong Kong) Company Limited	陽光醫療教育(香港)有限公司 (iii)	9	—
Yangguang Healthcare Company Limited	陽光醫療有限公司 (iii)	56	3
Yangguang Healthcare (Hong Kong) Company Limited	陽光醫療(香港)有限公司 (iii)	9	—
		2,595	305
Loan to: 向下列各方貸款：			
Beacon International College PTE. LTD.	Beacon International College PTE. LTD. (iv)	676	—
Interest income from: 來自下列各方利息收入：			
Beacon International College PTE. LTD.	Beacon International College PTE. LTD. (iv)	13	—

34. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year (continued):

- (i) In 2015, the Group borrowed loans from Honest Cheer Investments Limited with an amount of RMB45,455,000 which bore interest at 2% per annum and were repayable in full in March 2017, and loans with an amount of RMB69,326,000 which bore interest at 2% per annum and were repayable in full in June 2017.
- (ii) In 2016, the Group borrowed loans from UCMG Management Limited with an amount of RMB8,639,000 which bore interest at 2% per annum and were repayable in full in July 2017.
- (iii) In 2015, the Group borrowed loans from Yangguang Healthcare Group Company Limited, Yangguang Healthcare Education Company Limited, Yangguang Healthcare Education (Hong Kong) Company Limited, Yangguang Healthcare Company Limited and Yangguang Healthcare (Hong Kong) Company Limited with amounts of RMB455,000, RMB455,000, RMB455,000, RMB2,726,000 and RMB455,000, respectively, which bore interest at 2% per annum and were repayable in full in June 2017.
- (iv) The interest income of RMB13,000 in 2016 from Beacon International College PTE. LTD. arose from the loan to Beacon International College PTE. LTD. of RMB676,000.

34. 關連方交易(續)

(b) 除於財務報表其他地方所詳述的交易外，本集團在年／期內與關連方進行以下交易(續)：

- (i) 於2015年，本集團借自誠悅投資有限公司的貸款為人民幣45,455,000元，按年利率2%計息及須於2017年3月悉數償還，以及貸款人民幣69,326,000元，按年利率2%計息及須於2017年6月悉數償還。
- (ii) 於2016年，本集團借自聯康國際有限公司的貸款為人民幣8,639,000元，按年利率2%計息及須於2017年7月悉數償還。
- (iii) 於2015年，本集團借自陽光醫療集團有限公司、陽光醫療教育有限公司、陽光醫療教育(香港)有限公司、陽光醫療有限公司及陽光醫療(香港)有限公司的貸款分別為人民幣455,000元、人民幣455,000元、人民幣455,000元、人民幣2,726,000元及人民幣455,000元，均按年利率2%計息及須於2017年6月悉數償還。
- (iv) 於2016年，Beacon International College PTE. LTD.的利息收入人民幣13,000元來自於向Beacon International College PTE. LTD.的貸款人民幣676,000元。

34. RELATED PARTY TRANSACTIONS (continued)**(c) Outstanding balances with related parties**

As disclosed in the consolidated statement of financial position, the Group had outstanding balances due to related parties at the end of the reporting period.

Current portion of loans from the ultimate holding company:

	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Honest Cheer Investments Limited 誠悅投資有限公司	125,413	—

Non-current portion of loans from the ultimate holding company:

	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Honest Cheer Investments Limited 誠悅投資有限公司	—	115,095

34. 關連方交易(續)**(c) 與關連方的未償還結餘**

誠如綜合財務狀況表所披露，於報告期末，本集團有應付關連方的未償還結餘。

來自最終控股公司貸款的即期部分：

來自最終控股公司貸款的非即期部分：

34. RELATED PARTY TRANSACTIONS (continued)

34. 關連方交易(續)

(c) Outstanding balances with related parties (continued)

(c) 與關連方的未償還結餘(續)

Current portion of loans from related parties:

來自關連方貸款的即期部分：

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
UCMG Management Limited	聯康國際有限公司	9,114	—
Yangguang Healthcare Group Company Limited	陽光醫療集團有限公司	496	—
Yangguang Healthcare Education Company Limited	陽光醫療教育有限公司	496	—
Yangguang Healthcare Education (Hong Kong) Company Limited	陽光醫療教育(香港)有限公司	496	—
Yangguang Healthcare Company Limited	陽光醫療有限公司	2,975	—
Yangguang Healthcare (Hong Kong) Company Limited	陽光醫療(香港)有限公司	496	—
		14,073	—

Non-current portion of loans from related parties:

來自關連方貸款的非即期部分：

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
UCMG Management Limited	聯康國際有限公司	—	—
Yangguang Healthcare Group Company Limited	陽光醫療集團有限公司	—	455
Yangguang Healthcare Education Company Limited	陽光醫療教育有限公司	—	455
Yangguang Healthcare Education (Hong Kong) Company Limited	陽光醫療教育(香港)有限公司	—	455
Yangguang Healthcare Company Limited	陽光醫療有限公司	—	2,730
Yangguang Healthcare (Hong Kong) Company Limited	陽光醫療(香港)有限公司	—	455
		—	4,550

34. RELATED PARTY TRANSACTIONS (continued)**(c) Outstanding balances with related parties (continued)**

Current portion of loans to related parties:

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Beacon International College PTE. LTD.	Beacon International College PTE. LTD.	707	—

34. 關連方交易(續)**(c) 與關連方的未償還結餘(續)**

來自關連方貸款的即期部分：

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

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,587	3,704
Discretionary bonuses	酬情性花紅	777	—
Pension scheme contributions	退休金計劃供款	24	26
		4,388	3,730

(d) 本集團主要管理人員的薪酬：

Further details of directors' emoluments are included in note 8 to the financial statements.

董事酬金的進一步詳情載於財務報表附註8。

35. 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:

35. 金融工具分類

於報告期末，各類金融工具的賬面值如下：

	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Available-for-sale investments 可供出售投資	149,182	528,096

Financial assets – loans and receivables

金融資產 – 貸款及應收款項

	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Trade receivables 貿易應收款項	873	2,620
Financial assets included in prepayments, deposits and other receivables 計入預付款、按金及其他應收款項的金融資產	33,188	32,488
Investment deposits 投資存款	362,600	121,230
Loan to an associate 向聯營公司貸款	707	—
Cash and bank balances 現金及銀行結餘	602,322	352,218
	999,690	508,556

Financial liabilities at amortised cost

金融負債，按攤銷成本

	2016 RMB'000 人民幣千元	2015 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款項的金融負債	88,436	66,312
Loans from the ultimate holding company- current 來自最終控股公司的貸款 – 即期	125,413	—
Loans from the ultimate holding company- non-current 來自最終控股公司的貸款 – 非即期	—	115,095
Loans from related parties- current 來自關連方貸款 – 即期	14,073	—
Loans from related parties- non-current 來自關連方貸款 – 非即期	—	4,550
	227,922	185,957

36. 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:

		2016 Carrying amounts 賬面值 RMB'000 人民幣千元	2016 Fair values 公平值 RMB'000 人民幣千元
Wealth management products	理財產品	143,182	143,182

		2015 Carrying amounts 賬面值 RMB'000 人民幣千元	2015 Fair values 公平值 RMB'000 人民幣千元
Wealth management products	理財產品	522,096	522,096

Management has assessed that the fair values of cash and bank balances, investment deposits, a loan to an associate, financial assets included in prepayments, deposits and other receivables, trade receivables, financial liabilities included in other payables and accruals, loans from the ultimate holding company and loans from related parties 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 values of unlisted available-for-sale investments in banks' wealth management products have been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to make estimates about the expected future cash flows including expected future interest return on maturity of the wealth management products. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

36. 金融工具的公平值及公平值層級

於有關期間，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：

管理層已評估現金及銀行結餘、投資存款、向聯繫人貸款、計入預付款、按金及其他應收款項的金融資產、貿易應收款項、計入其他應付款項及應計款項的金融負債、來自最終控股公司的貸款以及來自關連方的貸款的公平值，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價值：

銀行理財產品中非上市可供出售投資的公平值已利用貼現現金流估值模式假設無法取得可觀察市價或比率而估計。估值要求董事估計預期未來現金流(包括理財產品到期時預期未來利息回報)。董事相信估值方法得出的估計公平值(於綜合財務狀況報表中入賬)及公平值的相關變動(於其他全面收益表中入賬)屬合理，並為報告期末最適用的估值。

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis at the end of the reporting period:

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察參數	Range 幅度	Sensitivity of fair value to the input 公平值對參數的敏感度
Unlisted wealth management products 非上市銀行理財產品	Discounted cash flow method 貼現現金流法	Interest return rate 利息回報率	2.40% to 4.25% (2015: 2.20% to 5.50%) 2.40%至4.25% (2015年: 2.20%至 5.50%)	0.5% increase/(decrease) in interest return rate would result in increase/(decrease) in fair value by RMB29,000 (2015: RMB572,000). 利息回報率上升/(下跌)0.5%將導致公平值增加/(減少)人民幣29,000元(2015年: 人民幣572,000元。

36. 金融工具的公平值及公平值層級(續)

下表為金融工具估值於報告期末的重大不可觀察參數及量化敏感度分析的概要：

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 2016

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2016年12月31日

Fair value measurement using 公平值計量使用				
	Quoted prices in active markets 於活躍市場的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Wealth management products 理財產品	—	—	143,182	143,182

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy (continued)***Assets measured at fair value (continued)*

As at 31 December 2015

36. 金融工具的公平值及公平值層級 (續)**公平值層級 (續)***按公平值計量的資產 (續)*

於2015年12月31日

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets 於活躍市場 的報價 (Level 1) (第一級) RMB'000 人民幣千元	Significant observable inputs 重大可 觀察參數 (Level 2) (第二級) RMB'000 人民幣千元	Significant unobservable inputs 重大不可 觀察參數 (Level 3) (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Wealth management products	理財產品	—	—	522,096	522,096

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The Group did not have any financial liability measured at fair value at the end of the reporting period.

於年內，第一級與第二級之間的公平值並無轉讓，亦無轉讓至或轉讓自第三級的公平值。

於報告期末，本集團並無按公平值計量的任何金融負債。

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, investment deposits and available-for-sale investments. The Group has various other financial assets and liabilities such as trade receivables, other receivables, other payables and accruals, loans from the ultimate holding company and loans from related parties, which arise directly from its operations.

The main risks arising from the Group's financial instruments are 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.

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.

37. 金融風險管理目標及政策

本集團的主要金融工具包括現金及銀行結餘、投資存款及可供出售投資。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、其他應付款項及應計費用、來自最終控股公司的貸款及來自關連方的貸款。

本集團金融工具所產生的主要風險為外幣風險、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。

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。

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Foreign currency risk (continued)**

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

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Increase in the US\$ rate by 3%	美元匯率增加3%	13,121	10,487
Decrease in the US\$ rate by 3%	美元匯率下跌3%	(13,121)	(10,487)

Effect on equity (including effect on profit before tax)

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Increase in the US\$ rate by 3%	美元匯率增加3%	(16,261)	(3,431)
Decrease in the US\$ rate by 3%	美元匯率下跌3%	16,261	3,431

Credit risk

The credit risk of the Group's financial assets, which comprise bank balances, investment deposits, available-for-sale investments, trade receivables, deposits and other receivables and a loan to an associate, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

37. 金融風險管理目標及政策(續)**外幣風險(續)**

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。

*對稅前溢利的影響**對股本的影響(包括除稅前溢利的影響)***信貸風險**

本集團金融資產(包括銀行結餘、投資存款、可供出售投資、貿易應收款項、按金及其他應收款項以及向聯繫人貸款)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。

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Since the Group transacts mainly with recognised and creditworthy third parties including creditworthy banks, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk within the Group.

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.

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:

37. 金融風險管理目標及政策(續)

信貸風險(續)

由於本集團主要與獲認可及信譽良好的第三方(包括信譽卓越的銀行)交易，故毋須第三方提供抵押品。本集團按客戶／對手及地區管理集中信貸風險。本集團內部並無重大集中信貸風險。

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。

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 2016 於2016年12月31日				
		On demand	Less than 3 months	3 to less than 12 months	1 to 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	總計
		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
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	88,436	—	—	—	88,436
Loans from the ultimate holding company	來自最終控股公司的貸款	—	—	126,291	—	126,291
Loans from related parties	來自關連方的貸款	—	—	14,211	—	14,211
		88,436	—	140,502	—	228,938

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Liquidity risk (continued)****37. 金融風險管理目標及政策 (續)****流動資金風險(續)**

		As at 31 December 2015 於2015年12月31日				
		On demand 按要求時償還 RMB'000 人民幣千元	Less than 3 months 不超過三個月 RMB'000 人民幣千元	3 to less than 12 months 三至不超過 十二個月 RMB'000 人民幣千元	1 to 5 years 一至五年 RMB'000 人民幣千元	Total 總計 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	66,312	—	—	—	66,312
Loans from the ultimate holding company	來自最終控股 公司的貸款	—	—	—	118,219	118,219
Loans from related parties	來自關連方的 貸款	—	—	—	4,682	4,682
		66,312	—	—	122,901	189,213

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.

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。

37. 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 period are as follows:

		2016	2015
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total liabilities	負債總額	652,958	590,527
Total assets	資產總值	2,223,870	2,009,468
Debt-to-asset ratios	資產負債率	29%	29%

The Group did not have any unutilised banking facilities at the end of the year.

37. 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：

於年末，本集團並無任何備用銀行信貸。

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY**38. 本公司之財務狀況表**

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

於報告期末，本公司財務狀況表之資料如下所示：

		2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	附屬公司的投資	789	789
Total non-current assets	非流動資產總值	789	789
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司	142,304	125,091
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	4,041	—
Cash and bank balances	現金及銀行結餘	173	3,255
Total current assets	流動資產總值	146,518	128,346
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計款項	8,597	772
Loans from the ultimate holding company	自最終控股公司借入的貸款	38,954	—
Due to subsidiaries	應付附屬公司款項	21,176	6,741
Total current liabilities	流動負債總額	68,727	7,513
NET CURRENT ASSETS	流動資產淨值	77,791	120,833
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	78,580	121,622
NON-CURRENT LIABILITIES	非流動負債		
Loans from the ultimate holding company	自最終控股公司借入的貸款	—	35,748
Due to a subsidiary	應付附屬公司款項	92,700	88,167
Total non-current liabilities	非流動負債總額	92,700	123,915
Net liabilities	流動負債淨值	(14,120)	(2,293)
DEFICIENCY IN ASSETS	資產虧絀		
Share capital	股本	209	217
Reserves	儲備	(14,329)	(2,510)
Total deficiency in assets	總資產虧絀	(14,120)	(2,293)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Capital reserve 股本儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Exchange fluctuation 匯兌波動儲備 RMB'000 人民幣千元	Total reserves 儲備總額 RMB'000 人民幣千元
At 1 January 2015	於2015年1月1日	508,836	(16,563)	(102,890)	389,383
Loss for the year	年度虧損	—	(302)	—	(302)
Other comprehensive income for the year:	年內其他全面收益：				
Exchange differences on translation	換算之匯兌差額	—	—	55,839	55,839
Total comprehensive income for the year	年度全面收益總額	—	(302)	55,839	55,537
Repurchase of issued ordinary shares	購回已發行普通股股份	(508,836)	(8,747)	45,732	(471,851)
Difference arising from a loan from a subsidiary with an interest rate lower than the market interest rate	自附屬公司貸款而來的差額，其利率低於市場利率	—	24,421	—	24,421
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日	—	(1,191)	(1,319)	(2,510)
Loss for the year	年度虧損	—	(11,003)	—	(11,003)
Other comprehensive loss for the year:	年內其他全面收入：				
Exchange differences on translation	換算之匯兌差額	—	—	(824)	(824)
Total comprehensive loss for the year	年度全面收益總額	—	(11,003)	(824)	(11,827)
Repurchase of issued ordinary shares	購回已發行普通股股份	—	6	2	8
At 31 December 2016	於2016年12月31日	—	(12,188)	(2,141)	(14,329)

38. 本公司之財務狀況表(續)

附註：

本公司儲備之概要如下所示：

39. EVENTS AFTER THE REPORTING PERIOD

The shares of the Company were listed on the Stock Exchange on 22 March 2017, among which 1,000,000,000 shares (subject to the over-allotment option) were issued to the public at a price of HK\$1.38 per share.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 14 April 2017.

39. 報告期後之事項

本公司股份於2017年3月22日在聯交所上市，當中1,000,000,000股股份（視乎超額配股權而定）已向公眾發行，每股價格為1.38港元。

40. 批准財務報表

董事會已於2017年4月14日批准及授權刊發財務報表。

民生教育集团有限公司
Minsheng Education Group Company Limited