



**SINO-LIFE GROUP LIMITED**  
**中國生命集團有限公司**

Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立的有限公司  
Stock Code 股份代號: 8296

2020  
ANNUAL REPORT 年報



活出精彩  
LIVE LIFE TO THE  
**FULLEST**

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*The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading; and there are no other matters the omission of which would make any statement herein or in this report misleading.*

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各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

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# Corporate Information 公司資料

Corporate information of the Company as at the date of this report is as follows:

以下為本公司於本報告日期的公司資料：

## BOARD OF DIRECTORS

### Executive Directors

Mr. Xu Jianchun (*Chairman*)  
Mr. Liu Tien-Tsai (*Chief executive officer*)  
Dr. Xu Qiang (*Chief executive officer*)  
(Redesignated on 22 January 2021)

### Independent non-executive Directors

Mr. Chai Chung Wai  
Mr. Sun Fei  
Mr. Wang Jun

## COMPANY SECRETARY

Mr. Chu Kin Ming *CPA, FCCA, ACIS, ACMA*

## AUTHORISED REPRESENTATIVES

Mr. Liu Tien-Tsai  
Mr. Chu Kin Ming *CPA, FCCA, ACIS, ACMA*

## COMPLIANCE OFFICER

Mr. Liu Tien-Tsai

## AUDIT COMMITTEE

Mr. Sun Fei (*Chairman*)  
Mr. Chai Chung Wai  
Mr. Wang Jun

## REMUNERATION COMMITTEE

Mr. Chai Chung Wai (*Chairman*)  
Mr. Sun Fei  
Mr. Wang Jun

## NOMINATION COMMITTEE

Mr. Wang Jun (*Chairman*)  
Mr. Chai Chung Wai  
Mr. Sun Fei

## AUDITOR

Crowe (HK) CPA Limited

## 董事會

### 執行董事

許建春先生(*主席*)  
劉添財先生(*行政總裁*)  
徐強博士(*首席執行官*)  
(於二零二一年一月二十二日調任)

### 獨立非執行董事

齊忠偉先生  
孫飛先生  
王均先生

## 公司秘書

朱健明先生*CPA, FCCA, ACIS, ACMA*

## 授權代表

劉添財先生  
朱健明先生*CPA, FCCA, ACIS, ACMA*

## 監察主任

劉添財先生

## 審核委員會

孫飛先生(*主席*)  
齊忠偉先生  
王均先生

## 薪酬委員會

齊忠偉先生(*主席*)  
孫飛先生  
王均先生

## 提名委員會

王均先生(*主席*)  
齊忠偉先生  
孫飛先生

## 核數師

國富浩華(香港)會計師事務所有限公司

# Corporate Information 公司資料

## PRINCIPAL BANKER

Bank SinoPac  
First Commercial Bank  
The Hongkong and Shanghai Banking Corporation Limited  
China Merchants Bank

## REGISTERED OFFICE

The Grand Pavilion Commercial Centre  
Oleander Way  
802 West Bay Road  
P.O. Box 32052  
Grand Cayman KY1-1208  
Cayman Islands

## REGISTERED OFFICE IN HONG KONG

Unit 601, 6/F., Ovest  
77 Wing Lok Street  
Sheung Wan  
Hong Kong

## SHARE REGISTRARS AND TRANSFER OFFICES

**Principal share registrar and transfer office**  
Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

### Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## STOCK CODE

8296

## WEBSITE

[www.sinolifegroup.com](http://www.sinolifegroup.com)

## 主要往來銀行

永豐銀行  
第一商業銀行  
香港上海滙豐銀行有限公司  
招商銀行

## 註冊辦事處

The Grand Pavilion Commercial Centre  
Oleander Way  
802 West Bay Road  
P.O. Box 32052  
Grand Cayman KY1-1208  
Cayman Islands

## 香港註冊辦事處

香港  
上環  
永樂街77號  
Ovest 6樓601室

## 股份過戶登記處

**主要股份過戶登記處**  
Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心54樓

## 股份代號

8296

## 網站

[www.sinolifegroup.com](http://www.sinolifegroup.com)

# Chairman's Statement

## 主席報告

I am pleased to present the results of Sino-Life Group Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2020 ("the Year") on behalf of the board (the "Board") of directors (the "Directors") of the Company.

In 2020, the sudden coronavirus disease ("COVID-19") pandemic has a serious negative impact on the global economy, causing the already fragile world economy to fall into recession. According to the "World Economic Situation and Outlook 2020" released by the United Nations, the global economy will shrink by 4.3% in 2020. The timely and effective prevention and control measures taken by the Chinese government that successfully contained the further spread of the pandemic and has provided guarantees for the resumption of production and operation of enterprises. The Chinese government has also introduced a series of policies and measures to support accelerated economic recovery, and that the results have been achieved in coordinating epidemic prevention and control and the economy and social development which makes China become the only economy in the world that achieves positive growth in 2020. Therefore, the Group's business operations in China have remained relatively stable compared to the corresponding period in 2019.

In the 21st century, under the background of higher income of residents, enhanced health awareness of citizens, ageing population and industrial policy support, the biotechnology industry has ushered in vigorous development. In recent years, the development has been particularly rapid, and it has entered a golden period of rapid development. In order to comply with the national industrial development trend and grasp the dividends of the rapid development of the biotechnology industry in the future, the Group implemented a diversified development strategy in early 2019. According to the development scheme of the Group, the Group prioritizes the pilot stem cell business and develops stem cell, cultivation, machineries and other related businesses. After two years of initial development, with the management's efforts, this business has made substantial progress. The project has been promoted in China under the Sales of Stem Cells and Immunocytes Agency Agreement signed in 2019, as well as sales of biotechnical machineries and other electronics products in Hong Kong Special Administrative Region ("Hong Kong"), the People's Republic of China (the "PRC").

本人謹代表董事(「董事」)會(「董事會」)欣然提呈中國生命集團有限公司(「本公司」)及其附屬公司(「本集團」)截至二零二零年十二月三十一日止年度(「本年度」)之業績。

二零二零年，突如其來的新型冠狀病毒(「COVID-19」)疫情，對全球經濟產生嚴重負面影響，導致本就脆弱的世界經濟陷入了衰退，據聯合國《世界經濟形勢與展望》報告顯示，二零二零年全球經濟萎縮4.3%。鑒於中國政府及時採取有效的防控舉措，成功遏制了疫情的進一步蔓延，為企業的復工復產、生產經營提供了保障。中國政府出台一系列支持經濟加快復甦的政策措施，在統籌疫情防控和經濟社會發展取得重大成果，成為二零二零年全球唯一實現正增長的經濟體。因此，本集團於中國經營之業務比較二零一九年同期保持相對穩定。

進入二十一世紀，在居民收入提高、健康意識提升、老齡化加劇、產業政策支持等背景下，生物科技產業迎來蓬勃的發展，近幾年發展尤其迅猛，步入快速發展的黃金時期。為順應國家產業發展趨勢，把握住生物科技行業未來高速發展的紅利，本集團於二零一九年初實施多元化發展戰略，根據本集團的發展規劃，本集團優先試點干細胞業務，開展干細胞、培養基、儀器設備等相關業務。經過兩年時間的初步發展，在管理層的努力經營下，該項業務取得實質性進展，在中國推進二零一九年所簽訂之干細胞與免疫細胞銷售代理協議內的項目，以及在中華人民共和國(「中國」)香港特別行政區(「香港」)開展生物科技儀器及其他電子產品銷售業務。

# Chairman's Statement

## 主席報告

However, during the COVID-19 pandemic, in order to strictly implement the prevention and control requirements of personnel isolation, and for sale of the health and safety of customers, the Group's provision of advisory service on stem cell and immunocytes business experienced temporarily shutdown during the Year, causing a drop in revenue from such business segment.

Meanwhile, in Hong Kong, despite of the control measures including business shutdown, traffic control and personnel isolation and mandated closures implemented by governments in Hong Kong during the Year, as the pandemic prevention and control has achieved remarkable results, certain measures have been relaxed in the third quarter, allowing the Group to gradually resume its operations. The Group's sales of biotechnical machineries and other electronics products business contributed approximately RMB4,298,000 to the Group's revenue during the Year, as compared with that of approximately RMB3,263,000 during the year ended 31 December 2019 ("the Prior Year").

The COVID-19 pandemic had almost no adverse effect on the provision of funeral, cremation and cemetery services segment due to its business nature and recorded an approximately 4.6% year-on-year increase in the PRC. As a result, the Group's revenue increased by approximately 2.6% year on year, reflecting the successful diversification of the Group's businesses in enhancing risk-tolerant capability.

Up to the date of this report, COVID-19 pandemic has not caused material financial difficulties to the Group. Depending on the development and spread of COVID-19 pandemic subsequent to the date of this report, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep continuous attention on the situation of COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

然而，在COVID-19疫情期間，為嚴格落實人員隔離的防控要求，以及出於客戶健康安全考慮，本集團於本年度提供之幹細胞及免疫細胞諮詢服務業務出現暫時性停止，導致該部分的收益有所下降。

同時，儘管香港政府於本年度已實施包括企業停工、交通管制及人員隔離以及強制封閉等管控措施，但隨著疫情防控取得顯著成效，香港於第三季度已放寬若干措施，使得本集團逐步恢復經營。本集團之生物科技儀器及其他電子產品銷售業務於本年度為本集團貢獻約人民幣4,298,000元，而截至二零一九年十二月三十一日止年度（「過往年度」）約為人民幣3,263,000元。

由於業務性質，COVID-19疫情對提供殯儀、火化及墓園服務部分業務的幾乎沒有不利影響，於中國錄得同比增長約4.6%。因此，本集團的整體收益同比增長約2.6%，反映了本集團業務的多元化提高抗風險能力。

直至本報告日期，COVID-19疫情尚未導致本集團重大財務困難。就本報告日期之後的COVID-19疫情發展及擴散而言，本集團因此產生的經濟狀況進一步變化或會對本集團之財務業績造成影響，而於本報告日期尚未能對其程度作出估計。本集團將持續關注COVID-19疫情的情況並積極應對其對本集團的財務狀況及經營業績造成的影響。

# Chairman's Statement

## 主席報告

Looking forward, while consolidating the traditional funeral service business, the Group will focus more resources on the development of emerging industries in biotechnology. The biotechnology industry is a multi-disciplinary industry. In the future, it will be integrated and developed with new technologies such as artificial intelligence, big data, new materials, and the Internet, such as medical robots and desktop electron microscopes. Therefore, the Group will accurately grasp the future development trends of technological innovation and application scenarios in the biotechnology industry, and strengthen external cooperation through business licensing (authorization), equity investment, investment and mergers, and at the same time, it will formulate incentive measures that combine multiple methods to attract and retain cutting-edge talents, management talents and relevant people who have contributed to the development of the Group, This would improve the Group's operating conditions, optimise business structure, improve earning capability, and drive sustainable and quality development of the Group's business.

Finally, I would again like to acknowledge and thank the health and emergency personnel who have worked so hard to ensure the safety of the nation. I would also like to thank the Group's entire management and staff for their efforts and contributions. I would also like to take this opportunity to express heartfelt thanks to the Company's shareholders and business partners for their longtime support and trust.

*Chairman*  
**Xu Jianchun**

16 April 2021

展望未來，本集團在鞏固傳統殯儀服務業務的同時，將集中更多資源重點發展生物科技新興產業。生物科技行業屬於多學科交叉行業，未來將與人工智能、大數據、新材料、互聯網等新技術融合發展，如醫療機器人、台式電鏡等。因此，本集團將精準把握生物科技行業未來技術創新、應用場景等發展趨勢，通過業務許可(授權)、股權投資、投資併購等方式加強對外合作，同時，將制定多種方式相結合的激勵措施，吸引並留住尖端人才、管理人才以及對本集團發展起到貢獻的有關人士，借此改善本集團的經營現狀，優化業務結構，提升盈利能力，推動本集團業務長期可持續、高質量發展。

最後，我要再次感謝所有醫護及救援人員，盡忠職守確保國家安全。本人謹代表董事會感謝本集團全體管理層及員工的勤勞及貢獻。同時亦向本公司股東及業務合作夥伴長遠的支持及信賴致以衷心謝意。

*主席*  
**許建春**

二零二一年四月十六日



# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

During the year ended 31 December 2020 (the “Year”), despite the growth of the mainland China’s economy continued to slow down as the result of the coronavirus disease (“COVID-19”) pandemic, the revenue from the operation of Sino-Life Group Limited (the “Company”) and its subsidiaries (the “Group”) in People’s Republic of China (the “PRC”) remained relatively steady as compared with the corresponding year in 2019 (the “Prior Year”), while performance in Hong Kong Special Administrative Region, the PRC (“Hong Kong”) and Taiwan also recorded has been sluggish. The operations in Socialist Republic of Vietnam (“Vietnam”) also remained steady over the Year.

During the Year and the Prior Year, the amount and percentage of the revenue derived from respective geographical segments were as follow:

		2020 二零二零年		2019 二零一九年	
		RMB'000 人民幣千元	% 百分比	RMB'000 人民幣千元	% 百分比
The PRC	中國	61,317	89.8	59,868	89.9
Taiwan	台灣	1,802	2.6	2,258	3.4
Hong Kong	香港	4,786	7.0	4,063	6.1
Vietnam	越南	435	0.6	421	0.6
		<b>68,340</b>	<b>100.0</b>	<b>66,610</b>	<b>100.0</b>

#### The PRC

Business in the PRC continues to be the major source of income of the operations of the Group during the Year. The Group’s revenue derived from the PRC market was relatively stable and contributed approximately RMB61,317,000 of revenue to the Group for the Year, as compared with that of the Prior Year of approximately RMB59,868,000. In the PRC, the Group is principally engaged in provision of funeral, cremation and cemetery services in funeral parlours and funeral service centres under the Group’s management in Chongqing. The Group also carried out the advisory service on stem cells and immunocytes under an agency agreement in Guangzhou city, Guangdong province.

### 業務回顧

截至二零二零年十二月三十一日止年度（「本年度」），儘管中國大陸經濟增長因新型冠狀病毒（「COVID-19」）疫情繼續放緩，中國生命集團有限公司（「本公司」）及其附屬公司（「本集團」）於中華人民共和國（「中國」）之業務收益比較二零一九年同年（「過往年度」）保持相對穩定，而於中國香港特別行政區（「香港」）及台灣的表現亦不佳。於本年度，越南社會主義共和國（「越南」）的經營亦保持穩定。

於本年度及過往年度，來自相應地區分部之收益金額及百分比如下：

#### 中國

於本年度，中國之業務繼續為本集團業務之主要收入來源。於本年度，本集團來自中國市場之收益相對穩定並為本集團貢獻收益約人民幣61,317,000元，而過往年度約為人民幣59,868,000元。於中國，本集團主要在本集團於重慶管理之殯儀館及殯儀服務中心提供殯儀、火化及墓園服務。本集團亦於廣東省廣州市根據代理協議從事幹細胞及免疫細胞諮詢服務。

# Management Discussion and Analysis

## 管理層討論及分析

The provision of funeral, cremation and cemetery services business and advisory service on stem cells and immunocytes contributed approximately RMB60,961,000 (The Prior Year: RMB58,277,000) and RMB356,000 (The Prior Year: RMB1,591,000), respectively, of the revenue in the PRC during the Year.

In response to the COVID-19 pandemic, the Chinese government has adopted control measures including business shutdown, traffic control and personnel isolation, the Group's advisory service on stem cells and immunocytes experienced temporarily shut-down during the Year, causing a drop in revenue from such business segment. On the other hand, in light of the business nature of the provision of funeral, cremation and cemetery services segment, the COVID-19 pandemic's impact was less severe than expected and recorded an approximately 4.6% year-on-year increase.

### *Taiwan and Hong Kong*

In Taiwan and Hong Kong, the Group is principally engaged in the sales of funeral services deeds, which was accounted for by the Group as contract liabilities, and provision of funeral arrangement services to the deed holders and non-funeral services deed holders, which are accounted for by the Group as revenue. The Group also carries out sales of biotechnical machineries and other electronics products in Hong Kong during the Year.

Revenue derived from the Taiwan market was approximately RMB1,802,000 for the Year (The Prior Year: RMB2,258,000), representing a decrease of approximately 20.2% from the Prior Year. Revenue derived from the Hong Kong market was approximately RMB4,786,000 for the Year (The Prior Year: RMB4,063,000), representing an increase of approximately 17.8% from the Prior Year.

Due to the COVID-19 pandemic, the government of Taiwan declared mandated closures and travel restrictions during the Year. As the demand of the Group's business in Taiwan mainly derived locally, the travel restrictions did not have much significantly disruption to the business but the mandated closures inevitably had an adverse impact on the operation of the business locally, and resulted in an approximately 20.2% decrease in the revenue as compared with the Prior Year.

於本年度，於中國提供殯儀、火化及墓園服務業務及幹細胞及免疫細胞諮詢服務分別貢獻收益約人民幣60,961,000元(過往年度：人民幣58,277,000元)及人民幣356,000元(過往年度：人民幣1,591,000元)。

為應對COVID-19疫情，中國政府採取包括企業停工、交通管制及人員隔離等管控措施，使得本集團本年度之幹細胞及免疫細胞諮詢服務暫時停止，導致有關業務分部的收益下跌。另一方面，鑒於提供殯儀、火化及墓園服務分部的業務性質，COVID-19疫情的影響無預期嚴重，錄得同比增加約4.6%。

### *台灣及香港*

於台灣及香港，本集團主要從事銷售殯儀服務契約(本集團將其列賬為合約負債)及向殯儀服務契約持有人及非殯儀服務契約持有人提供殯儀安排服務(本集團將其列賬為收益)。本集團於本年度亦在香港銷售生物科技儀器及其他電子產品。

於本年度來自於台灣市場之收益約為人民幣1,802,000元(過往年度：人民幣2,258,000元)，較過往年度減少約20.2%。本年度來自於香港市場之收益約為人民幣4,786,000元(過往年度：人民幣4,063,000元)，較過往年度增加約17.8%。

受COVID-19疫情影響，台灣政府於本年度宣佈強制封閉及出行限制。由於本集團於台灣的業務需求主要來自當地，因此出行限制並無對業務造成重大中斷，惟強制封閉不可避免地對當地業務營運造成不利影響，導致收益較過往年度減少約20.2%。

# Management Discussion and Analysis

## 管理層討論及分析

On the other hand, despite of the control measures including business shutdown, traffic control and personnel isolation and mandated closures implemented by governments in Hong Kong during the Year, certain measures have been relaxed in the third quarter, allowing the Group to gradually resume its operations. The Group's sales of biotechnical machineries and other electronic products segments contributed approximately RMB4,298,000 to the Group's revenue during the Year, as compared with that of approximately RMB3,263,000 during the Prior Year.

### Vietnam

The Group's revenue derived from the sales of burial plots in Vietnam was approximately RMB435,000 for the Year (The Prior Year: RMB421,000), representing an increase of approximately 3.3% from the Prior Year.

另一方面，儘管於本年度香港政府實施包括企業停工、交通管制及人員隔離以及強制封閉等管控措施，若干措施已於第三季度放寬，使得本集團逐步恢復其業務。於本年度，本集團生物科技儀器及其他電子產品銷售分部為本集團貢獻收益約為人民幣4,298,000元，而過往年度約為人民幣3,263,000元。

### 越南

本年度，本集團來自於越南墓地銷售之收益約為人民幣435,000元（過往年度：人民幣421,000元），較過往年度增加約3.3%。

## FINANCIAL REVIEW

### Revenue

	2020 二零二零年			2019 二零一九年		
	Revenue	Gross profit/(loss) 毛利/ (虧損)	Gross profit margin 毛利率	Revenue	Gross profit/(loss) 毛利/ (虧損)	Gross profit margin 毛利率
	RMB'000 人民幣千元	RMB'000 人民幣千元	% 百分比	RMB'000 人民幣千元	RMB'000 人民幣千元	% 百分比
Funeral services 殯儀服務	63,686	28,849	45.3%	61,756	30,914	50.1%
Provision of advisory service on stem cells and immunocytes 提供幹細胞及免疫細胞諮詢服務	356	356	100.0%	1,591	1,029	64.7%
Sales of biotechnical machineries and other electronic products 生物科技儀器及其他電子產品銷售	4,298	(38)	(0.9%)	3,263	99	3.0%
	68,340	29,167	42.7%	66,610	32,042	48.1%

## 財務回顧

### 收益

The Group generated its revenue from its:

- (i) funeral services, which mainly involve provision of funeral related service, including arrangement services and related consultancy services, provision of funeral and cremation services and sale of burial plots and tombstones;
- (ii) provision of advisory service on stem cells and immunocytes; and
- (iii) sales of biotechnical machineries and other electronic products.

本集團收益產生自其：

- (i) 殯儀服務，主要涉及提供殯儀相關服務（包括安排服務及相關諮詢服務、提供殯儀及火化服務以及銷售墓地及墓碑）；
- (ii) 提供幹細胞及免疫細胞諮詢服務；及
- (iii) 生物科技儀器及其他電子產品銷售。

# Management Discussion and Analysis

## 管理層討論及分析

For the Year, the Group's revenue was approximately RMB68,340,000 (The Prior Year: RMB66,610,000), representing an increase of approximately 2.6% for the Prior Year. The increase was mainly contributed by the funeral services business in the PRC.

### Cost of sales

For the Group's funeral services, the cost of sales primarily consists of costs directly attributable to the provision of its services, which mainly include: (i) direct labour and staff cost for the funeral services provided by individuals during the funeral ceremony held in a funeral parlour or a funeral service centre managed by the Group; (ii) subcontracting charges for services provided by the subcontractors in Taiwan; (iii) commission expenses from the recognition of commission paid to sales agents for funeral services deeds at the point when the services of the funeral services deeds are provided; (iv) the management fee and operating lease charges for hire of funeral parlours and funeral service centres; and (v) materials used for funeral ceremonies and cremation services such as fresh flowers, fuel for the cremation furnace and cost of the goods sold in the funeral parlour and funeral service centres under the Group's management in the PRC.

On the other hand, the Group's business in provision of advisory services on stem cells and immunocytes and sales of biotechnical machineries and other electronic products, the cost of sales primarily consists of the costs of advisory services on stem cells and immunocytes and biotechnical machineries and other electronic products.

### Gross profit

Gross profit for the Year was approximately RMB29,167,000 (The Prior Year: RMB32,042,000), and gross profit margin decreased by approximately 5.4% to approximately 42.7% (The Prior Year: 48.1%). The decrease in the gross profit margin was mainly because of (i) the additional costs incurred in funeral services in responding to the COVID-19 pandemic; and (ii) decrease in the revenue from the provision of advisory service on stem cells and immunocytes, which has higher gross profit margin as compared with the funeral services segment.

### Other income and other net (loss)/gain

Other income and other net (loss)/gain of approximately RMB2,314,000 during the Year, representing a year on year increase of 94.8% as compared with RMB1,188,000 for the Prior Year.

於本年度，本集團之收益約為人民幣68,340,000元(過往年度：人民幣66,610,000元)，較過往年度增加約2.6%。該增加主要歸因於中國殯儀服務業務。

### 銷售成本

就本集團之殯儀服務而言，銷售成本主要包括提供服務之直接應佔成本，其主要包括：(i)個人於本集團管理之殯儀館或殯儀服務中心舉行的殯儀儀式上提供殯儀服務之直接勞工及員工成本；(ii)台灣分包商提供服務的分包費用；(iii)於提供殯儀服務契據的服務時確認就殯儀服務契據支付予銷售代理之佣金所產生之佣金開支；(iv)租用殯儀館及殯儀服務中心之管理費及經營租賃開支；及(v)殯儀儀式及火化服務所使用之物料(如鮮花、焚化爐燃料)以及本集團於中國所管理的殯儀館及殯儀服務中心出售貨品之成本。

另一方面，就本集團提供幹細胞及免疫細胞諮詢服務以及生物科技儀器及其他電子產品銷售之業務而言，銷售成本主要包括幹細胞及免疫細胞諮詢服務以及生物科技儀器及其他電子產品之成本。

### 毛利

本年度毛利約為人民幣29,167,000元(過往年度：人民幣32,042,000元)，毛利率下降約5.4%至約42.7%(過往年度：48.1%)。毛利率減少主要因為(i)因COVID-19疫情殯儀服務產生額外成本；及(ii)提供幹細胞及免疫細胞諮詢服務所得收益減少，而其毛利率高於殯儀服務分部者。

### 其他收入及其他(虧損)/收益淨額

於本年度，其他收入及其他(虧損)/收益淨額約為人民幣2,314,000元，較過往年度人民幣1,188,000元同期增加94.8%。

# Management Discussion and Analysis

## 管理層討論及分析

### Selling and administrative expenses

Compared with the Prior Year, selling expenses for the Year decreased by approximately 55.7% to approximately RMB3,175,000 as the result of the reduction of sales activities after the outbreak of COVID-19 pandemic. Administrative expenses, which accounted for approximately 36.5% (The Prior Year: 42.4%) of revenue, decreased by approximately 11.9% to approximately RMB24,922,000 (The Prior Year: RMB28,273,000) due to the general decrease in the salary level across different geographical segments during the Year.

### Other operating expenses and finance costs

Other operating expenses of approximately RMB679,000 was recorded during the Year, as compared with other operating expenses of approximately RMB36,000 for the Prior Year.

Finance costs of the Group mainly consisted of the interest expenses on the bank borrowings and the interest expenses on the lease liabilities under HKFRS 16. The finance costs remained relatively stable at approximately RMB2,521,000, as compared to that of the Prior Year of approximately RMB2,791,000.

### Income tax expense

Income tax expense was mainly incurred by operations in the PRC, which was approximately RMB3,421,000 (The Prior Year: RMB1,236,000) for the Year, representing an increase of approximately RMB2,185,000 or approximately 176.8% as compared with the Prior Year. The increase was mainly attributable to withholding tax arising from the dividend received from the Group's subsidiaries located in the PRC.

### Loss for the Year

As the result of the cumulative effect from the above-mentioned factors, the loss attributable to the owners of the Company for the Year was approximately RMB2,974,000, as compared with the Prior Year of approximately RMB3,804,000. Loss per share was approximately RMB0.40 cents (The Prior Year: RMB0.51 cents).

### 銷售及行政開支

與過往年度相較，本年度之銷售開支減少約55.7%至約人民幣3,175,000元，原因為COVID-19疫情爆發後銷售活動減少。於本年度，行政開支佔收益約36.5%（過往年度：42.4%），減少約11.9%至約人民幣24,922,000元（過往年度：人民幣28,273,000元），乃由於各地區分部的工資水平總體下降。

### 其他經營開支及融資成本

本年度錄得其他經營開支約人民幣679,000元，而過往年度其他經營開支約為人民幣36,000元。

本集團融資成本主要包括銀行借貸利息開支及香港財務報告準則第16號項下租賃負債利息開支。融資成本維持相對穩定約人民幣2,521,000元，而過往年度約為人民幣2,791,000元。

### 所得稅開支

所得稅開支主要為中國業務所產生，本年度約為人民幣3,421,000元（過往年度：人民幣1,236,000元），較過往年度上升約人民幣2,185,000元或約176.8%。該上升主要由於自本集團位於中國的附屬公司收取的股息產生的預扣稅所致。

### 年度虧損

基於上述因素所帶來累計影響，本年度本公司擁有人應佔虧損約為人民幣2,974,000元，而過往年度約為人民幣3,804,000元。每股虧損約為人民幣0.40分（過往年度：人民幣0.51分）。

# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintains a stable financial position. As at 31 December 2020, the Group had cash and bank balances of approximately RMB123,674,000 (The Prior Year: RMB119,216,000), while current and non-current bank borrowings were approximately RMB1,138,000 and approximately RMB5,826,000 respectively (The Prior Year: RMB1,154,000 and approximately RMB7,235,000 respectively). All bank loans were denominated in New Taiwan Dollars (“NTD”), at prevailing market interest rate. During the Year, the Group did not use any financial instruments for hedging purposes.

It is the Group’s policy to adopt a prudent financial management strategy and maintain a suitable level of liquidity facilities to meet operation requirements and acquisition opportunities. As at 31 December 2020, the gearing ratio representing the ratio of total borrowing to the total assets of the Group was approximately 2.5% (The Prior Year: 2.9%).

As at 31 December 2020 and 2019, the Group had commitment for the capital injections in associates and a joint venture, in aggregate, amounted to RMB15,200,000.

Save as disclosed above, the Group had no other material capital commitments, material contracts, contingent liabilities or significant investment plans.

Since January 2020, the outbreak of COVID-19 pandemic had impact on the global business environment. Up to the date of this report, COVID-19 pandemic has not caused material financial difficulties to the Group. The Group remained in a healthy and sound liquidity position as at 31 December 2020.

Depending on the development and spread of COVID-19 pandemic, subsequent to the date of this report, further changes in economic conditions for the Group arising thereof may have impact on the financial results for the year ending 31 December 2021 of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep continuous attention on the situation of COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

### 流動資金、財務資源及資本架構

本集團維持穩健的財務狀況。於二零二零年十二月三十一日，本集團擁有現金及銀行結餘約人民幣123,674,000元（過往年度：人民幣119,216,000元），而流動及非流動的銀行借貸分別約為人民幣1,138,000元及約人民幣5,826,000元（過往年度：分別為人民幣1,154,000元及約人民幣7,235,000元）。所有銀行貸款以新台幣（「新台幣」）計值並按現行市場利率計息。於本年度，本集團並未使用任何財務工具作對沖用途。

本集團之政策為採納審慎財務管理策略，並維持流動資金於合適水平，以應付營運所需及把握收購機會。於二零二零年十二月三十一日，資產負債比率（即本集團總借款對總資產的比率）約為2.5%（過往年度：2.9%）。

截至二零二零年及二零一九年十二月三十一日，本集團注入聯營公司及合營企業資本承擔合共為人民幣15,200,000元。

除上文所披露者外，本集團並無其他重大資本承擔、重大合約、或然負債或重大投資計劃。

自二零二零年一月以來，COVID-19疫情爆發對全球業務環境造成影響。直至本報告日期，COVID-19疫情尚未導致本集團重大財務困難。本集團於二零二零年十二月三十一日維持穩健的流動資金狀況。

就本報告日期之後的COVID-19疫情發展及擴散而言，本集團因此產生的經濟狀況進一步變化或會對本集團截至二零二一年十二月三十一日止年度之財務業績造成影響，而於本報告日期尚未能對其程度作出估計。本集團將持續關注COVID-19疫情的情況並積極應對其對本集團的財務狀況及經營業績造成的影響。

# Management Discussion and Analysis

## 管理層討論及分析

### EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's operations are geographically based in the PRC, Taiwan, Hong Kong and Vietnam.

These consolidated financial statements of the Group are presented in RMB, except for certain incomes and expenses which are denominated in United States Dollars ("USD"), NTD, Hong Kong Dollars ("HKD") and Vietnamese Dong ("VTD").

It is possible that the value of RMB may fluctuate against that of USD, NTD, HKD and VTD. The Group's operating results and financial condition may be affected by changes in the exchange rates of RMB against USD, NTD, HKD and VTD in which the Group's revenue and expenses are denominated.

As at 31 December 2020, the Group did not have any borrowings, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group is not exposed to any material interest and exchange risks.

### SIGNIFICANT ACQUISITIONS AND DISPOSAL OF INVESTMENTS

The Group did not have any significant acquisitions and disposal of investments during the Year.

### THE NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2020, the Group employed approximately 179 employees (The Prior Year: 188 employees). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on regular basis.

### CHARGE ON GROUP ASSETS

As at 31 December 2020, the carrying amount of property, plant and equipment pledged as security for the Group's bank borrowings was approximately RMB20,394,000 (The Prior Year: RMB19,932,000).

### 匯率波動風險

本集團業務在地理上位於中國、台灣、香港及越南。

除若干收入及開支以美元(「美元」)、新台幣、港元(「港元」)及越南盾(「越南盾」)計值外，本集團之綜合財務報表均以人民幣呈列。

人民幣兌美元、新台幣、港元及越南盾的價值可能出現價值波動。本集團經營業績及財務狀況可能受人民幣兌美元、新台幣、港元及越南盾(本集團收益及開支的計值貨幣)的匯率變動影響。

於二零二零年十二月三十一日，本集團並無任何借貸、外匯合約、利率或貨幣掉期或其他作對沖用途的金融衍生工具。因此，本集團概無面臨任何重大利率及外匯風險。

### 重大收購及出售投資

本集團於本年度並無任何重大收購及出售投資。

### 僱員數目及薪酬

於二零二零年十二月三十一日，本集團僱用約179名僱員(過往年度：188名僱員)。本集團根據現行市場薪酬基準、個人資歷及表現釐定員工薪酬。包括表現花紅及獲得購股權的資格在內的薪酬組合會被定期審閱。

### 抵押本集團資產

於二零二零年十二月三十一日，作為本集團銀行借貸的擔保而被抵押的物業、廠房及設備的賬面值約為人民幣20,394,000元(過往年度：人民幣19,932,000元)。

# Management Discussion and Analysis

## 管理層討論及分析

### CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 31 December 2020 and 2019.

### CAPITAL EXPENDITURE

For the Year, capital expenditure of the Group for property, plant and equipment amounted to approximately RMB3,713,000 (The Prior Year: RMB754,000).

### CAPITAL COMMITMENTS

As at 31 December 2020 and 2019, the Group had commitment for the capital injections in associates and a joint venture, in aggregate, amounted to RMB15,200,000.

Saved as disclosed above, the Group had no other material capital commitments, material contracts or significant investment plans.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including business risks and operational risks.

The key business and operations risk exposure by the Group are summarised as follows:

- (i) Slowing down of the economy and customer spending;
- (ii) Deterioration of market competition;
- (iii) Increasing life expectancy and decline in the number of deceased persons;
- (iv) Non-compliance with any relevant rules and regulations in the PRC by the owners of funeral parlour and funeral service centres in the PRC; and
- (v) Reliance on qualified and skilled employees as the business operations of the Group are service-oriented.

### 或然負債

於二零二零年及二零一九年十二月三十一日，本集團概無任何或然負債。

### 資本開支

於本年度，本集團的物業、廠房及設備資本開支約為人民幣3,713,000元（過往年度：人民幣754,000元）。

### 資本承擔

截至二零二零年及二零一九年十二月三十一日，本集團注入聯營公司及合營企業資本承擔合共為人民幣15,200,000元。

除上文所披露者外，本集團並無其他重大資本承擔、重大合約或重大投資計劃。

### 主要風險及不確定因素

本集團之財務狀況、營運業績、業務及前景受多項風險及不確定因素影響，包括業務風險及營運風險。

本集團所面對的主要業務及營運風險概列如下：

- (i) 經濟及顧客消費放緩；
- (ii) 市場競爭惡化；
- (iii) 人類平均壽命延長及死亡人數減少；
- (iv) 位於中國的殯儀館及殯儀服務中心擁有人違反中國任何相關規則及規例；及
- (v) 由於本集團業務營運屬服務為主，需要依賴合資格及熟手僱員。



# Management Discussion and Analysis

## 管理層討論及分析

The Group is also exposed to certain financial risk, including market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Details of financial risks are set out in note 34 to the consolidated financial statements.

Save as disclosed above, there may be other risks and uncertainties in addition to those mentioned above which are not known to the Group or which may not be material now but could turn out to be material in the future.

### ENVIRONMENTAL POLICY AND PERFORMANCE

The Group emphasises on environmental conservation. Although the Group does not establish a formal environmental policy, various measures have been implemented to encourage compliance with environmental legislation and promote awareness towards environmental protection to the employees. It implements green office practices such as double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances. To conserve the environment, the Company encourages staff to maintain electronic records in order to reduce paper consumption. The Group will review its environmental practices periodically and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses.

In accordance with Rule 17.103 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules"), the Company will publish an environmental, social and governance ("ESG") report within three months after the publication of this annual report in compliance with the provisions set out in the ESG Reporting Guide in Appendix 20 of the GEM Listing Rules.

本集團亦面臨若干財務風險，包括市場風險(包括外匯風險及利率風險)、信貸風險及流動資金風險。財務風險之詳情載於綜合財務報表附註34。

除上文所披露者外，可能有其他本集團並未知悉，或於現在並不重大，但可能於未來成為有重大影響的風險及不確定因素。

### 環境保護政策及表現

本集團注重環保。儘管本集團並無制訂正式的環境保護政策，但已落實多項措施以鼓勵遵守環境法例及提高僱員的環保意識。本集團實行多項綠色辦公室慣例，如雙面打印及複印、提倡使用環保紙及通過關掉閒置燈光及電器減少用電。為保護環境，本公司鼓勵員工保存電子記錄，以減少用紙。本集團將定期審閱其環保慣例，並將考慮於本集團的業務營運中實施更多生態友好措施及慣例。

根據聯交所GEM證券上市規則(「GEM上市規則」)第17.103條，本公司將根據GEM上市規則附錄二十環境、社會及管治(「環境、社會及管治」)報告指引所載條文於本年報刊發後三個月內發佈其環境、社會及管治報告。

# Management Discussion and Analysis

## 管理層討論及分析

### **LAWS AND REGULATIONS OF OUR BUSINESS**      **與我們業務有關的法例及規例**

As far as the board (the “Board”) of directors (the “Director(s)”) of the Company and management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

就本公司董事(「董事」)會(「董事會」)及管理層所知，本集團已於各重大方面遵守對本集團業務及營運有重大影響之相關法律及規例。於本年度內，本集團並無重大違反或未有遵守適用法律及規例。

### **RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS**      **與僱員、客戶及供應商的關係**

The Group establishes good working relationship with employees. The quality of the employer-employee relationship affects each employee’s morale, productivity and ultimately, the Company’s profitability. Each employee’s ideal work environment varies and the expectations include a relationship that is mutually respect, encourages open communication and is free of hostile working conditions. Certain employees have worked for the Group for over 15 years.

本集團與僱員建立良好工作關係。勞資關係好壞可影響各僱員的士氣、生產力，最終對本公司的盈利能力造成影響。各僱員對理想工作環境的定義不同，彼等的預期包括互相尊重的關係、鼓勵公開溝通及友善的工作環境。若干僱員已為本集團工作逾十五年。

The Group has built a solid track record for providing reliable and cost competitive funeral services and has a good reputation with the customers. The Group has also conducted survey of customers’ opinion on its services with regard to the types of services which had been provided to the customers and their comments on the quality of the services provided.

本集團有提供可靠及具成本競爭力殯儀服務的實績，於客戶之間聲譽良好。本集團亦已就其服務進行客戶意見調查，內容有關其向客戶提供的服務類型及彼等對所提供服務質素的意見。

The Group puts strong emphasis on the reliability of suppliers to meet the needs of our customers. The Group’s practice to make prompt payment to suppliers benefited the Group from negotiating a better price and maintaining long-term relation with the suppliers.

本集團十分注重供應商能否可靠地滿足客戶需要。本集團的慣常做法為準時向供應商付款，這有助本集團磋商更佳的價格，並與供應商維持長遠關係。

During the Year, there were no material and significant dispute between the Group and its employees, suppliers and/or customers.

於本年度內，本集團與僱員、供應商及／或客戶之間並無重大及主要分歧。

# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECTS

The Board believes that the Group's business is rather stable as our business is currently focused on mainland China. Despite of the impact from the sudden COVID-19 pandemic in 2020, the Chinese government has adopted comprehensive prevention and control measures to provide guarantees for the resumption of work and production, and launched a series of policy measures to support the accelerated recovery of the economy. On the one hand, due to our business nature, the COVID-19 pandemic has almost no adverse effect on the provision of funeral services, cremation and cemetery services, and the Group recorded positive year-on-year growth in China. On the other hand, the Group implemented a diversified development strategy in early 2019, prioritizing the pilot stem cell business, and developing stem cells, culture media, equipment and other related businesses. After two years of initial development, this business has made substantial progress with the efforts of the management.

Up to the date of this report, the COVID-19 pandemic has not caused material financial difficulties to the Group. The Group will continue to pay attention to the updates on COVID-19 pandemic and actively respond to its impact on the Group's financial condition and results of operation.

Looking forward to the future, the Group will consolidate its traditional funeral service business while allocating more resources on the development of emerging industries in biotechnology. The biotechnology industry is a multi-disciplinary industry. In the future, it will be integrated and developed with new technologies such as artificial intelligence, big data, new materials, and the Internet, such as medical robots and desktop electron microscopes. Therefore, the Group will accurately grasp the future development trends of technological innovation and application scenarios in the biotechnology industry, and strengthen external cooperation through business licensing (authorization), equity investment, investment and mergers and acquisitions, and meanwhile, it will formulate a combination of incentive measures to attract and retain cutting-edge talents, management talents and relevant persons who have contributed to the development of the Group, so as to improve the current operating conditions of the Group, optimize the business structure, increase profitability, and promote the long-term sustainable and high-quality development of the Group's business.

### 前景

董事會認為，由於我們的業務目前主要集中於中國內地，面對二零二零年突如其來的COVID-19疫情衝擊，中國政府採取全面的防控舉措，為企業的復工復產、生產經營提供了保障，並出台一系列支持經濟加快復甦的政策措施，因此，本集團的業務基本相對比較穩定。一方面，由於業務性質，COVID-19疫情對提供殯儀、火化及墓園服務部分業務的幾乎沒有不利影響，於中國錄得同比正增長。另一方面，本集團於二零一九年初實施多元化發展戰略，優先試點幹細胞業務，開展幹細胞、培養基、儀器設備等相關業務，經過兩年時間的初步發展，在管理層的努力經營下，該項業務取得實質性進展。

直至本報告日期，COVID-19疫情尚未導致本集團重大財務困難。本集團將持續關注COVID-19疫情的情況並積極應對其對本集團的財務狀況及經營業績造成的影響。

展望未來，本集團在鞏固傳統殯儀服務業務的同時，將集中更多資源重點發展生物科技新興產業。生物科技行業屬於多學科交叉行業，未來將與人工智能、大數據、新材料、互聯網等新技術融合發展，如醫療機器人、臺式電鏡等。因此，本集團將精準把握生物科技行業未來技術創新、應用場景等發展趨勢，通過業務許可(授權)、股權投資、投資併購等方式加強對外合作，同時，將制定多種方式相結合的激勵措施，吸引並留住尖端人才、管理人才以及對本集團發展起到貢獻的有關人士，借此改善本集團的經營現狀，優化業務結構，提升盈利能力，推動本集團業務長期可持續、高質量發展。

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The corporate governance practices of Sino-Life Group Limited (the “Company”) are based on the principles and the code provisions as set out in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 15 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”). The principles adopted by the Company emphasis a quality board, transparency and accountability to shareholders. In the opinion of the board (the “Board”) of directors (the “Director(s)”) of the Company, the Company has complied with the Code for the year ended 31 December 2020 (the “Year”), with the exception for the following deviation:

Under the code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. In addition, under the code provision E.1.2 of the Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. Certain independent non-executive Directors, for the time when the annual general meeting of the Company held on 10 August 2020 (“2020 AGM”), had other business engagements and thus, were not able to attend the 2020 AGM. In this regard, the compliance officer (the “Compliance Officer”) and company secretary (the “Company Secretary”) of the Company had reminded the relevant independent non-executive Directors as well as other current independent non-executive Directors and non-executive Director to attend general meetings of the Company in future for compliance of code provision A.6.7 as set out in the Code.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and the Code and align with the latest developments.

### 企業管治常規

中國生命集團有限公司(「本公司」)之企業管治常規乃基於聯交所GEM證券上市規則(「GEM上市規則」)附錄十五之企業管治常規守則(「守則」)所載原則及守則條文。本公司所採納之原則著重高質素之董事會及對股東之透明度及問責性。本公司董事(「董事」)會(「董事會」)認為，於截至二零二零年十二月三十一日止年度(「本年度」)內，本公司一直遵守守則，惟以下背離除外：

根據守則第A.6.7條守則條文，獨立非執行董事及其他非執行董事應出席股東大會並全面了解股東的意見。此外，根據守則第E.1.2條守則條文，董事會主席應出席股東週年大會及彼亦應邀請審核、薪酬、提名及任何其他委員會(按適用者)的主席出席。若干獨立非執行董事於二零二零年八月十日本公司舉行股東週年大會(「二零二零年股東週年大會」)時因有其他事務在身，而未能出席二零二零年股東週年大會。就此而言，本公司監察主任(「監察主任」)及公司秘書(「公司秘書」)已提醒有關獨立非執行董事、現任其他獨立非執行董事及非執行董事，於未來出席本公司的股東大會，以符合守則第A.6.7條守則條文的規定。

本公司將繼續改進其企業管治常規以適應其業務的進行及發展，並會不時審閱其企業管治常規以保證其遵守守則的法定規定以及符合最新發展。

# Corporate Governance Report

## 企業管治報告

### NON-COMPLIANCE WITH FINANCIAL REPORTING PROVISIONS OF THE GEM LISTING RULES

Due to the travel restriction in force in Taiwan and Vietnam to combat the outbreak of COVID-19 pandemic, the audit of the financial statements of the Group for the year ended 31 December 2019 has been affected. The Company was unable to publish and despatch the audited annual results for the financial year ended 31 December 2019 (the "2019 Annual Results") and the related annual report for the year ended 31 December 2019 (the "2019 Annual Report") on or before 31 March 2020 as required by the GEM Listing Rules. Such delay has constituted non-compliance with Rules 18.03 and 18.49 of the GEM Listing Rules. However, in accordance with the FURTHER GUIDANCE ON THE JOINT STATEMENT IN RELATION TO RESULTS ANNOUNCEMENTS IN LIGHT OF THE COVID-19 PANDEMIC released on 16 March 2020 ("Further Guidance") by The Securities and Futures Commission and the Stock Exchange, an issuer may defer the publication of the annual report initially for up to 60 days from the date of the Further Guidance if, among other things, on or before 15 May 2020. The Company has published its preliminary 2019 Annual Results without its auditors' agreement pursuant to the Further Guidance on 31 March 2020. The supplemental announcements on the 2019 Annual Results have been published on 22 June 2020 and 8 July 2020 respectively and the 2019 Annual Report has been published and delivered on 30 June 2020.

### CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with such code of conduct throughout the Year.

### 未能遵守GEM上市規則之財務申報條文

由於台灣及越南實施的旅遊限制以抵禦 COVID-19 疫情，本集團截至二零一九年十二月三十一日止年度之財務報表審核受到影響。本公司未能於二零二零年三月三十一日或之前根據 GEM 上市規則的規定刊發及寄發截至二零一九年十二月三十一日止財政年度之經審核全年業績（「二零一九年全年業績」）及截至二零一九年十二月三十一日止年度之相關年度報告（「二零一九年年報」）。相關延遲已構成未能遵守 GEM 上市規則第 18.03 及 18.49 條。然而，根據證券及期貨事務監察委員會與聯交所於二零二零年三月十六日刊發的「有關在 COVID-19 大流行下刊發業績公告的聯合聲明的進一步指引」（「進一步指引」），倘（其中包括）發行人可延遲刊發年度報告，初次延期最多為進一步指引日期起計的 60 天（即於二零二零年五月十五日或之前）。本公司根據進一步指引已於二零二零年三月三十一日刊發其未與其核數師議定的初步二零一九年全年業績。二零一九年全年業績之補充公告已分別於二零二零年六月二十二日及二零二零年七月八日刊發以及二零一九年年報已於二零二零年六月三十日刊發及寄發。

### 董事進行證券交易之行為守則

本公司採納有關董事進行證券交易之行為守則，其條款與 GEM 上市規則第 5.48 至 5.67 條所載的規定交易標準同樣嚴謹。已向所有董事作出特定查詢，董事確認，彼等於本年度內一直遵守該等行為守則。

# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS

#### A) Board Composition

For the Year and until the date of this report, the Board comprises members as follows:

##### Executive Directors

Mr. Xu Jianchun (*Chairman*)  
Mr. Liu Tien-Tsai (*Chief executive officer*)  
Dr. Xu Qiang (*Chief executive officer*)  
(Redesignated on 22 January 2021)

##### Independent non-executive Directors

Mr. Chai Chung Wai  
Mr. Sun Fei  
Mr. Wang Jun

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. Pursuant to the Code, the Board adopted a board diversity policy (the "Board Diversity Policy", and further elaborate below). The Company recognises and embraces the benefits of diversity of Board members. While all Board's 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. There was change in members of the Board during the Year and up to the date of this annual report as below:

- Dr. XU Qiang has been redesignated from a non-executive Director to an executive Director with effect from 22 January 2021.

The biographical details of the Directors and the relationship among the members of the Board, if any, are set out in the "Biographical Details of the Directors and Senior Management" on pages from 41 to 44 of this annual report.

### 董事會

#### A) 董事會成員

於本年度及直至本報告日期，董事會成員如下：

##### 執行董事

許建春先生(*主席*)  
劉添財先生(*行政總裁*)  
徐強博士(*首席執行官*)  
(於二零二一年一月二十二日調任)

##### 獨立非執行董事

齊忠偉先生  
孫飛先生  
王均先生

董事會的成員各有所長，而每名董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專才。根據守則，董事會採納董事會成員多元化政策（「董事會成員多元化政策」，並於下文進一步闡述）。本公司肯定及接受董事會成員多元化的益處。在董事會所有任命將繼續奉行任人唯才的原則的同時，本公司將確保董事會在切合本公司業務所需的技能、經驗、不同觀點方面取得平衡。挑選候選人將基於多種不同觀點，包括但不限於性別、年齡、文化及教育背景、專業或其他經驗、技術及知識。董事會成員於年內及直至本年報日期的變動如下：

- 徐強博士自二零二一年一月二十二日由非執行董事調任為執行董事。

董事會成員董事的履歷資料及董事會成員間關係(如有)載於本年報第41至44頁之「董事及高級管理層之履歷」。

# Corporate Governance Report

## 企業管治報告

### B) Role and Function

The Board is responsible for formulating the strategic business development, reviewing and monitoring the business performance of the Group, as well as preparing and approving the consolidated financial statements of the Company. The Directors, collectively and individually, are aware of their responsibilities to the shareholders of the Company (the "Shareholder(s)"), for the manner in which the affairs of the Group are managed and operated. As and when necessary, the Directors can access to the advice and services of the Company Secretary, and in the appropriate circumstances, seeking of independent professional advice at the Group's expense to ensure that the Board's procedures, and all applicable rules and regulations are followed.

The Board gives clear directions as to the powers delegated to the management for the day-to-day management and administration functions of the Group, in particular, with respect to the circumstances where management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. The Board fully supports the senior management to discharge its duties and responsibilities in all circumstances. The Board will review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

The independent non-executive Directors have brought in a wide range of business and financial expertise, experiences and independent judgment to the Board. Through active participation in the Board meetings and serving on various Board committees, all independent non-executive Directors will make various contributions to the Company.

### B) 角色及職能

董事會負責制訂業務發展策略、審閱及監察本集團的業務表現以及編製及批核本公司的綜合財務報表。董事明白，須就本集團的管理及營運事宜共同及個別向本公司股東（「股東」）承擔責任。於有需要時，董事可獲取公司秘書的意見及服務，並在適當的情況下徵求獨立專業意見，以確保依循董事會程序及一切適用的規則及規定，有關費用由本集團支付。

董事會對委派予管理層有關執行本集團日常管理及行政職能的權力，給予清晰的指引，特別是涉及管理層在何種情況下須作出匯報，及於代表本集團作出決定或作出任何承諾前須事先取得董事會批准等事宜方面。在任何情況下，董事會會全力支持高級管理層履行其職務及責任。董事會將定期審閱該等安排，以確保有關安排仍切合本集團的需要。

獨立非執行董事為董事會帶來了廣博的業務及財務專業知識、經驗及獨立判斷。透過積極出席董事會會議及在各個董事委員會中任職，全體獨立非執行董事將為本公司做出諸多貢獻。

# Corporate Governance Report

## 企業管治報告

The Board normally should schedule four meetings a year at quarterly intervals and meets as and when required to discuss the overall business, development strategy, operations and financial reporting of the Company. For the Year, the Board held 6 meetings. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association (the "Articles of Association"). The Directors will receive agenda and details of items for decision in advance of each board meeting. The following table shows the attendance of individual Directors at the Board meetings and general meetings held during the Year:

董事會一般應每年安排四次例會，每季舉行一次，以討論本公司的整體業務、發展策略、營運及財務申報事宜。本年度，董事會共舉行六次會議。董事可親自或透過本公司組織章程細則（「組織章程細則」）所容許之其他電子通訊方式出席會議。董事在各董事會會議舉行前將會收到議程及議事項目詳情。下表載列個別董事本年度出席董事會會議及股東大會之情況：

		Board meeting 董事會會議	2020 AGM 二零二零年 股東週年大會
<b>Executive Directors</b>	<b>執行董事</b>		
Mr. Xu Jianchun ( <i>Chairman</i> )	許建春先生(主席)	6/6	0/1
Mr. Liu Tien-Tsai ( <i>Chief executive officer</i> )	劉添財先生 (行政總裁)	6/6	0/1
<b>Non-executive Director</b>	<b>非執行董事</b>		
Dr. Xu Qiang*	徐強博士*	5/6	0/1
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>		
Mr. Chai Chung Wai	齊忠偉先生	6/6	1/1
Mr. Sun Fei	孫飛先生	6/6	0/1
Mr. Wang Jun	王均先生	5/6	0/1

\* Dr. Xu has been redesignated from a non-executive Director to an executive Director on 22 January 2021.

\* 徐強博士自二零二一年一月二十二日由非執行董事調任為執行董事。

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1 of the Code, the roles of chairman of the Board (the "Chairman") and chief executive officer (the "CEO") of the Company should be segregated and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

### 主席及行政總裁

根據守則第A.2.1條守則條文，本公司之董事會主席（「主席」）與行政總裁（「行政總裁」）的角色應有區分，不應由一人同時兼任。主席與行政總裁之間職責的分工應清楚界定並以書面列載。



# Corporate Governance Report

## 企業管治報告

The positions of Chairman and CEO of the Company for the Year are held separately by Mr. Xu Jianchun and Mr. Liu Tien-Tsai, respectively. The Chairman is responsible for the Group's strategic planning and the management of the operations of the Board, while the CEO takes the lead in the Group's operations and business development. There is a clear division of responsibilities between the Chairman and CEO of the Company which provides a balance of power and authority.

Subsequent to the Year, Dr. Xu Qiang was appointed as a CEO on 22 January 2021.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Year, the Board complies at all times with the requirement of the GEM Listing Rules relating to the appointment of at least 3 independent non-executive Directors presenting at least one-third of the Board with at least one of them has appropriate professional qualifications of accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent for the Year.

### DIRECTORS' TRAINING

According to the code provision A.6.5 of the Code, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors.

During the Year and up to the date of this report, all Directors have confirmed that they have participated in continuous professional development by attending training course or reading relevant materials on the topics related to roles, functions and duties of a director of a listed company. All newly appointed Directors before their appointment will be given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group. All Directors have been updated on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices.

於本年度內本公司之主席及行政總裁之職務分別由許建春先生及劉添財先生擔任。主席負責本集團的策略規劃及董事會運作的管理，而行政總裁將領導本集團的經營及業務發展。主席及行政總裁的職責有清晰劃分能夠保持權力與授權的平衡。

本年度之後，徐強博士於二零二一年一月二十二日獲任命為首席執行官。

### 獨立非執行董事

於本年度，董事會始終遵守GEM上市規則之相關規定，委任至少三名獨立非執行董事(佔董事會至少三分之一)，彼等至少一名擁有適當之會計專業資格或相關財務管理專長。本公司已根據GEM上市規則第5.09條收到每名獨立非執行董事之年度獨立性確認書。本公司認為於本年度全體獨立非執行董事確屬獨立人士。

### 董事培訓

根據守則第A.6.5條守則條文，全體董事應參與一項發展及更新其知識及技能之持續專業發展課程，以確保彼等對董事會之貢獻仍屬知情及相關。本公司應負責安排培訓及撥款，適當地著重董事之角色、職能及職責。

於本年度及截至本報告日期，所有董事均確認彼等通過參加培訓課程或閱讀有關上市公司董事的角色、職能及職責的資料進行持續專業發展。所有新委任的董事在彼等上任前將會獲得有關董事職責及責任、適用於董事的相關法律及法規、本集團權益及業務的披露義務的相關指引材料。全體董事已獲告知有關GEM上市規則及其他適用監管規定的最新發展，以保證遵守良好的企業管治常規及提升彼等的相關意識。

# Corporate Governance Report

## 企業管治報告

### BOARD COMMITTEES

The Board has also established the following committees with defined terms of reference:

- Audit Committee
- Remuneration Committee
- Nomination Committee

Each Board committee makes decisions on matters within its terms of reference and applicable limits of authority. The terms of reference as well as the structure and membership of each committee will be reviewed from time to time.

#### A) Audit Committee

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules which consists of three independent non-executive Directors. The terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the GEM website and the Company's website.

#### Composition and Meeting Record of the Audit Committee

For the Year, 6 meetings were held. The following table shows the attendance of individual Directors at the meetings held during the Year:

Mr. Sun Fei ( <i>Chairman</i> )	6/6
Mr. Chai Chung Wai	6/6
Mr. Wang Jun	5/6

#### Role and Function

The major responsibilities of the Audit Committee include, among others, the followings:

- making recommendation to the Board on the appointment, re-appointment and removal of external auditor of the Company (the "External Auditor");

### 董事委員會

董事會亦已成立下列委員會，並界定職權範圍：

- 審核委員會
- 薪酬委員會
- 提名委員會

各董事委員會對其所屬職權範圍及適用權限內之事宜作出決定。本公司將不時檢討各委員會之職權範圍、架構及成員。

#### A) 審核委員會

本公司已成立審核委員會（「審核委員會」）並遵守GEM上市規則第5.28至5.33條制訂其書面職權範圍，其由三名獨立非執行董事組成。載有審核委員會職權、職責及責任的職權範圍可於GEM網站及本公司網站進行查閱。

#### 審核委員會成員及會議記錄

本年度，已舉行六次會議。下表載列個別董事於本年度出席會議之情況：

孫飛先生(主席)	6/6
齊忠偉先生	6/6
王均先生	5/6

#### 角色及職能

審核委員會之主要職責包括(其中包括)以下各項：

- 就本公司外聘核數師（「外聘核數師」）之委任、重新委任及罷免向董事會提供推薦意見；

# Corporate Governance Report

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- ii. reviewing and monitoring the External Auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable accounting standard;
  - iii. monitoring the integrity of the Group's consolidated financial statements, annual reports and accounts, half-yearly reports and quarterly reports;
  - iv. liaising with the Board and the senior management and to meet with the External Auditor;
  - v. overseeing the Group's financial controls, internal control and risk management systems; and
  - vi. reviewing the financial and accounting policies and practices of the Group.
- ii. 根據適用會計標準檢討及監察外聘核數師的獨立性及客觀性及核數程序的有效性；
  - iii. 監察本集團之綜合財務報表、年度報告及賬目、半年度報告及季度報告之完整性；
  - iv. 與董事會及高級管理層聯絡及與外聘核數師會面；
  - v. 監督本集團之財務控制、內部控制及風險管理系統；及
  - vi. 檢討本集團之財務及會計政策以及慣例。

During the Year, the Audit Committee has reviewed the quarterly reports, half-yearly report and annual report before submission to the Board. The Audit Committee has made recommendation to the Board on the appointment of new External Auditor. The Audit Committee focused not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the GEM Listing Rules and the legal requirements in the review of the Group's quarterly reports, half-yearly report and annual report. The Audit Committee has also reviewed the effectiveness of the risk management and internal control systems, considered the re-election of External Auditor, discussed with the External Auditor about the audit plan and reviewed the continuing connected transactions of the Company.

於本年度，審核委員會已於季度報告、半年度報告及年度報告提呈董事會前負責有關審閱工作。審核委員會已建議董事會委任新的外聘核數師。審核委員會在審閱本集團的季度報告、半年度報告及年度報告方面不僅關注會計政策及慣例變動造成的影響，亦關注有關會計準則、GEM上市規則及法律規定的合規情況。審核委員會亦已審閱風險管理及內部控制系統的有效性，考慮外聘核數師的重選，與外聘核數師討論核數計劃並審閱本公司的持續關連交易。

### B) Remuneration Committee

The Company has established a remuneration committee (the "Remuneration Committee") according to the relevant provision of the GEM Listing Rules with written terms of reference which consists of three independent non-executive Directors. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

### B) 薪酬委員會

本公司已根據GEM上市規則相關條例成立薪酬委員會（「薪酬委員會」）並制訂其書面職權範圍，其由三名獨立非執行董事組成。載有薪酬委員會職權、職責及責任的職權範圍可於GEM網站及本公司網站進行查閱。薪酬委員會採納的運作模式為擔任董事會的諮詢角色，惟董事會保留批准個別執行董事及高級管理層的薪酬待遇的最終權利。

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### Composition and Meeting Record of the Remuneration Committee

For the Year, 1 meeting was held. The following table shows the attendance of individual Directors at the meetings held during the Year:

Mr. Chai Chung Wai ( <i>Chairman</i> )	1/1
Mr. Sun Fei	1/1
Mr. Wang Jun	1/1

### Role and Function

The major responsibilities of the Remuneration Committee include, among others, the followings:

- i. making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management;
- ii. determining the specific remuneration packages of all executive Directors and senior management;
- iii. reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; and
- iv. reviewing and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.

During the Year, the Remuneration Committee has reviewed the remuneration package of the Board members and the senior management of the Company. No Director was involved in deciding his/her own remuneration.

Particulars of the Directors' emoluments for the Year are set out in note 8 to the consolidated financial statements.

### 薪酬委員會成員及會議記錄

於本年度，已舉行一次會議。下表載列個別董事年內出席會議之情況：

齊忠偉先生( <i>主席</i> )	1/1
孫飛先生	1/1
王均先生	1/1

### 角色及職能

薪酬委員會之主要職責包括(其中包括)以下各項：

- i. 就本公司有關董事及高級管理層之所有薪酬政策及架構向董事會提供推薦意見；
- ii. 釐定所有執行董事及高級管理層之特別薪酬組合；
- iii. 經參照董事會不時議決之公司目標及指標檢討及批准以表現為基礎之酬金；及
- iv. 審閱及批准就有關喪失或終止職務或委任而須向執行董事及高級管理層作出的賠償，以確保該賠償符合有關合約條款且賠償款項對本公司而言屬公平及不會產生過高費用。

於本年度，薪酬委員會已審閱本公司之董事會成員及高級管理層之薪酬組合。概無董事參與決定自身的薪酬。

本年度董事酬金的詳情乃載於綜合財務報表附註8。

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### Remuneration of Senior Management by Band

Pursuant to code provision B.1.5 the Code, details of the annual remuneration of the members of the senior management by band for the Year were as follows:

按範圍劃分的高級管理層薪酬  
根據守則第B.1.5條守則條文，高級管理層成員於本年度的年度薪酬詳情按範圍載列如下：

	Number of employee(s) 僱員數目
Nil to HK\$1,000,000	零至1,000,000港元
	3

### C) Nomination Committee

The Company has established a nomination committee (the "Nomination Committee") with written terms of reference in accordance with requirements of the Stock Exchange which consists of three independent non-executive Directors. The terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the GEM website and the Company's website.

### C) 提名委員會

本公司已成立提名委員會（「提名委員會」）並根據聯交所規定制訂其書面職權範圍，其由三名獨立非執行董事組成。載有提名委員會職權、職責及責任的職權範圍可於GEM網站及本公司網站進行查閱。

### Composition and Meeting Record of the Nomination Committee

For the Year, 1 meeting was held. The following table shows the attendance of individual Directors at the meetings held during the Year:

Mr. Wang Jun ( <i>Chairman</i> )	1/1
Mr. Chai Chung Wai	1/1
Mr. Sun Fei	1/1

### 提名委員會成員及會議記錄

於本年度，已舉行一次會議。下表載列個別董事於本年度出席會議之情況：

王 均先生( <i>主席</i> )	1/1
齊忠偉先生	1/1
孫 飛先生	1/1

### Role and Function

The major responsibilities of the Nomination Committee include, among others, the followings:

- i. reviewing the structure, size, composition and diversify for consistency (including the skills, knowledge and experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes;
- ii. identifying individuals suitably qualified to become Board members and making recommendations to the Board on the selection of individuals nominated for directorships;
- iii. assessing the independence of independent non-executive Directors;

### 角色及職能

提名委員會之主要職責包括(其中包括)以下各項：

- i. 定期檢討董事會的架構、規模、組成及多元化(包括技能、知識及經驗)，並就任何建議變動定期向董事會提出推薦意見；
- ii. 識別具適合資格成為董事會成員之個別人士，並向董事會作出有關遴選獲提名參選董事之個別人士之推薦意見；
- iii. 評估獨立非執行董事的獨立性；

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- |   |   |
|---|---|
| iv. making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the CEO; | iv. 就有關委任或重新委任董事及董事(尤其是主席及行政總裁)的繼任計劃向董事會提出推薦意見; |
| v. making recommendations to the Board on the policy concerning the diversity of Board members; and   | v. 就董事會成員多元化的政策向董事會提出推薦意見;及                     |
| vi. reviewing and giving full consideration to the Board Diversity Policy adopted from time to time.  | vi. 對已採納的董事會成員多元化政策不時給予審閱及充份考慮。                 |

The summary of work performed by the Nomination Committee during the Year is as follows:

於本年度，提名委員會所履行的工作概要如下：

- |   |                                   |
|---|-----------------------------------|
| - To review the existing Board's structure, size, composition and diversity;                            | - 檢討現有董事會的架構、規模、組成及多元化情況;         |
| - To review the Board Diversity Policy;   | - 檢討董事會成員多元化政策;                   |
| - To review the nomination policy of the Board ("Board Nomination Policy" and further elaborate below); | - 檢討董事會提名政策(「董事會提名政策」，及於下文進一步闡述); |
| - To review and assess the independence of the independent non-executive Directors; and                 | - 檢討及評估獨立非執行董事的獨立性;及              |
| - To make recommendations on the retiring Directors at the 2020 AGM of the Company.                     | - 於本公司二零二零年股東週年大會提出有關退任董事的推薦意見。   |

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### Board Nomination Policy

The Company adopted the Board Nomination Policy, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

### Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilises various methods for identifying candidates, including recommendations from Board members, management, and professional search firms. All candidates, including incumbents and candidates nominated by Shareholders are evaluated by the Nomination Committee based upon the Director's qualifications. While candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's businesses.

### 董事會提名政策

本公司已採納董事會提名政策，為提名委員會確立書面指引，以識別具適合資格成為董事會成員之個別人士，並經參考所制定標準向董事會作出有關遴選獲提名參選董事之個別人士之推薦意見。董事會最終負責遴選及委任新董事。

董事會通過授予提名委員會權力以盡力確保委任加入董事會之董事具商業、財務及管理技能等對本集團業務屬關鍵之相關背景、經驗及知識，以使董事會能作出明智及熟慮決策。彼等共同具備對本集團相關及重要領域之能力。

### 提名過程

提名委員會須定期或於需要時評估董事會是否已出現或預期會出現任何空缺。

提名委員會使用多個方法識別候選人，包括來自董事會成員、管理層及專業獵頭公司之建議。所有候選人（包括現任董事及由股東提名之候選人）由提名委員會根據董事資格進行評估。候選人將按相同標準通過審閱履歷表、個人面試及進行背景審查而評估。提名委員會具酌情權確立該標準之加權比重，可就對本公司業務需求而言屬適合的多元化角度目的，根據董事會整體組成、技能組合、年齡、性別及經驗（而非個別候選人）而有所不同。

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### Selection Criteria

The Nomination Committee will take into account a variety of factors including without limitation to whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and the Shareholders.

During the Year, no new Director was appointed.

The Company shall review and reassess the Board Nomination Policy and its effectiveness on a regular basis or as required.

### Board Diversity Policy

The composition of the Board is reviewed on an annual basis by the Nomination Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision-making and effective functioning. The Company adopted the Board Diversity Policy and recognises the benefits of having diversity in the composition of the Board.

### Measurable Objectives

The Company noted that people from different background and with different professional and life experience are likely to approach problems in different ways and accordingly, members of the Board with diverse background will bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions when deciding on corporate issues and formulating policies for the Group. In determining the Board's composition and selection of candidates to the Board, the Nomination Committee will consider factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service.

### 遴選標準

提名委員會將考慮多種因素，包括但不限於候選人是否具有關資歷、技能、經驗及性別多元化，可補足現有董事之技能、經驗及背景，其中會考慮候選人之最高個人及職業操守及信譽、於獲提名人士範疇內的已證實成就及能力以及作出良好商業判斷之能力、補足現有董事會之技能、協助及支援管理層並對本公司之成功作出重大貢獻之能力以及提名委員會認為符合本公司及股東最佳利益之其他因素。

於本年度，並無新董事獲委任。

本公司將定期或按需要檢討及重新評核董事會提名政策及其效能。

### 董事會成員多元化政策

提名委員會每年檢討董事會成員之組成，以確保董事會具備適當專業知識及經驗組合，共同作出知情決策及有效運作的必要核心能力。本公司已採納董事會成員多元化政策，並認同董事會組成多元化之裨益。

### 可計量目標

本公司注意到，來自不同背景且具不同專業和人生經驗的人士很可能會以不同方法解決問題，因此，具多元化背景的董事會成員將於議事時提出不同考慮因素及提問，使董事會能就公司問題和為本集團制定政策作出決策時考慮更多選擇及解決方案。於釐定董事會成員組成及遴選董事會候選人時，提名委員會將考慮之因素包括但不限於性別、年齡、文化、學歷背景、種族、專業經驗、技能、行業知識及服務年期。



# Corporate Governance Report

## 企業管治報告

All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria, having regard for the benefits of diversity on the Board, the business model and specific needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

### Composition of the Diversified Board

As at the date of this annual report, the Board comprises six Directors. The following table further illustrate the composition and diversity of the Board in terms of age, length of service with the Group, educational background and professional experience as of the date of this annual report:

Name of Directors 董事姓名	Age Group 年齡層		Length of Service 服務年期		Educational Background 學歷背景			Professional Experience 專業經驗		
	35 to 50 35歲至50歲	over 50 50歲以上	less than 5 years 5年或以下	more than 5 years 5年以上	Science 科學	Accountancy 會計	Others 其他	Science 科學	Accounting and Finance 會計及金融	Management 管理
	Mr. Xu Jianchun 許建春先生	✓		✓				✓	✓	✓
Mr. Liu Tien-Tsai 劉添財先生		✓		✓			✓		✓	
Dr. Xu Qiang <sup>(Note)</sup> 徐強博士 <sup>(附註)</sup>	✓		✓		✓			✓	✓	
Mr. Chai Chung Wai 齊忠偉先生		✓		✓		✓		✓	✓	
Mr. Sun Fei 孫飛先生	✓		✓		✓			✓		
Mr. Wang Jun 王均先生	✓		✓		✓			✓		

Note: Dr. Xu Qiang was redesignated from a non-executive Director to an executive Director on 22 January 2021.

The Nomination Committee believes that the current composition of the Board demonstrates a thorough consideration of the measurable objectives for achieving board diversity.

The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity.

所有董事會委任將基於用人唯才原則，並按遴選標準考慮候選人，當中會考慮董事會成員多元化裨益、本集團業務模式及具體需求。最終決定將視乎選定候選人之優點及將為董事會帶來的貢獻而定。

### 具多元化成員之董事會之組成

於本年報日期，董事會由六位董事組成。下表進一步說明於本年報日期，董事會在年齡、於本集團之服務年期、學歷背景及專業經驗方面之組成及成員多元化程度：

附註：徐強博士自二零二一年一月二十二日由非執行董事調任為執行董事。

提名委員會認為董事會的現有成員之構成充分考慮了在實現董事會多元化方面的可計量目標。

董事會在甄選及建議董事會的合適候選人時將伺機增加女性成員的比例。董事會將參考股東的預期以及國際及當地的最佳常規保證維持適當的性別多元化平衡，最終目標是實現董事會的性別平等。

# Corporate Governance Report

## 企業管治報告

### APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Under code provision A.4.1 of the Code, all the non-executive Directors should be appointed for a specific term, subject to re-election. At present, each of Mr. Chai Chung Wai, Mr. Sun Fei and Mr. Wang Jun, the independent non-executive Directors, have been appointed for a specific term of three years.

According to the requirements of article 16.18 of the Articles of Association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years. The Directors to retire every year shall be those appointed by the Board during the year and those who have been longest in office since their last re-election. Where a retiring Director, being eligible, offers himself for re-election, the Board shall consider and, if consider appropriate, recommend such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to Shareholders prior to a general meeting in accordance with the GEM Listing Rules.

### CORPORATE GOVERNANCE FUNCTIONS

All members of the Board are responsible for performing the corporate governance functions set out in code provision D.3.1 of the Code, which include developing and reviewing the Company's policies and practices on corporate governance (including those on compliance with legal and regulatory requirements), monitoring the Company's compliance with the Code and reviewing the disclosures in the Corporate Governance Report.

### AUDITOR'S REMUNERATION

Crowe (HK) CPA Limited was appointed as the External Auditor of the Company. The External Auditor is primarily responsible for providing audit services in connection with the annual consolidated financial statements. During the Year, the total remuneration in respect of services provided by Crowe (HK) CPA Limited amounted to approximately RMB711,000, of which approximately RMB711,000 was incurred for statutory audit and nil was incurred for non-audit services which mainly included the review of the preliminary result announcement of the Group and other professional services.

### 董事之委任、重選及罷免

根據守則第A.4.1條守則條文，所有非執行董事的委任應有指定任期，並須接受重新選舉。目前，各獨立非執行董事齊忠偉先生、孫飛先生及王均先生均以固定年期獲委任，為期三年。

根據組織章程細則第16.18條之規定，三分之一董事須於各股東週年大會退任，而各董事亦須至少每三年輪席退任一次。每年退任之董事須為董事會於該年度委任且自彼等最近獲重選以來任職最長之董事。倘退任董事合資格重選連任，董事會應考慮並在適當情況下建議有關退任董事在股東大會上重選連任。載有有關退任董事必要資料的通函將根據GEM上市規則於股東大會前寄發予股東。

### 企業管治職能

所有董事會成員負責執行守則第D.3.1條守則條文中規定的企業管治職能，其中包括制定及檢討本公司關於企業管治的政策及常規(包括遵守法律及法規要求的政策及常規)、監督本公司遵守守則的情況以及審查企業管治報告中的披露事項。

### 核數師酬金

國富浩華(香港)會計師事務所有限公司已獲委任為本公司之外聘核數師。外聘核數師主要負責提供有關年度綜合財務報表之審計服務。本年度內，就國富浩華(香港)會計師事務所有限公司提供之服務所付之酬金總額約為人民幣711,000元，其中約人民幣711,000元有關法定審計服務，而無有關非審計服務(主要包括審閱本集團初步業績公告及其他專業服務)。

# Corporate Governance Report

## 企業管治報告

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for the period. In preparing the consolidated financial statements for the Year, the Directors have selected appropriate accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable and on a going concern basis. The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group. Having made appropriate enquiries, the Board is not aware any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. It is the External Auditor's responsibility to form an independent opinion, based on their audit, on those consolidated financial statements and to report their opinion solely to the Shareholders, as a body, and for no other purpose. They do not assume responsibility towards or accept liability to any other person for the contents of the independent auditor's report. The statement of the External Auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 63 to 70 of this annual report.

### COMPANY SECRETARY

Mr. Chu Kin Ming ("Mr. Chu") was appointed as the Company Secretary on 11 June 2019. Mr. Chu has taken no less than 15 hours of relevant professional training during the Year.

Biographical detail of Mr. Chu is set out in the section headed "Biographical Details of the Directors and Senior Management" in this annual report.

### 董事及核數師就財務報表之責任

董事負責編製本集團各財政期間真實及公允反映其財務狀況之綜合財務報表，以及有關期間之業績及現金流量。於編製本年度之綜合財務報表時，董事已貫徹選用合適之會計政策，並按持續基準作出審慎、公平及合理之判斷及估計。董事知悉彼等編製本集團綜合財務報表之責任。經作出適當查詢後，董事會並不知悉任何有關可質疑本集團能否繼續按持續基準經營之事件或狀況之重大不明朗因素。外聘核數師之責任是根據彼等審核工作的結果，對綜合財務報表表達獨立意見，並僅向股東作為一個整體作出報告。除此之外，該報告不可用作其他用途。外聘核數師概不就獨立核數師報告的內容，對任何其他人士負責或承擔責任。外聘核數師有關彼等就綜合財務報表的申報責任載於本年報第63頁至第70頁的獨立核數師報告。

### 公司秘書

朱健明先生(「朱先生」)於二零一九年六月十一日獲委任為公司秘書。於本年度，朱先生已接受不少於15個小時之相關專業培訓。

有關朱先生之履歷載於本年報「董事及高級管理層之履歷」一節。

# Corporate Governance Report

## 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROL

### 風險管理及內部監控

The Company has established the framework of risk management and internal control below with a view to adopting the Code as set out in Appendix 15 to the GEM Listing Rules:

本公司已建立以下風險管理及內部監控框架，以採納GEM上市規則附錄十五所載之守則：

(a) *The process used to identify, evaluate and manage significant risks*

(a) *用於辨認、評估及管理重大風險的程序*

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

本集團用於辨認、評估及管理重大風險的程序概述如下：

Risk Identification – Identifies risks that may potentially affect the Group's business and operations.

風險識別 – 識別可能對本集團業務及營運構成潛在影響之風險。

Risk Assessment – (i) Assesses the risks identified by using the assessment criteria developed by the management; and (ii) Considers the impacts and consequences on the business and the likelihood of their occurrence.

風險評估 – (i)使用管理層建立之評估標準，評估已識別之風險；及(ii)考慮風險對業務之影響及後果，以及風險出現之可能性。

Risk Response – (i) Prioritises the risks by comparing the results of the risk assessment; and (ii) Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

風險應對 – (i)透過比較風險評估之結果，排列風險優先次序；及(ii)釐定風險管理策略及內部監控程序，以防止、避免或降低風險。

Risk Monitoring and Reporting – (i) Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place; (ii) Revises the risk management strategies and internal control processes in case of any significant change of situation; and (iii) Reports the results of risk monitoring to the management and the Board regularly.

風險監察及匯報 – (i)持續並定期監察有關風險，以及確保設有適當的內部監控程序；(ii)於出現任何重大變動時，修訂風險管理策略及內部監控程序；及(iii)向管理層及董事會定期匯報風險監察的結果。

(b) *The main features of the risk management and internal control systems*

(b) *風險管理及內部監控系統的主要特點*

Control procedures have been designed to: (i) safeguard assets against misappropriation and disposition; (ii) ensure compliance with relevant laws, rules and regulations; (iii) ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and (iv) to provide reasonable assurance against material misstatement, loss or fraud.

本集團已制定監控程序，旨在(i)保障資產不會被挪用及處置；(ii)確保遵守有關法例、規則及規例；(iii)確保有關為業務用途或公眾使用提供可靠財務資料之會計記錄得到妥善保管；及(iv)針對重大錯誤陳述、損失或欺詐行為提供合理保證。

# Corporate Governance Report

## 企業管治報告

(c) *An acknowledgement by the Board that it is responsible for the risk management and internal control systems and reviewing their effectiveness. It should also explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatements or losses*

The Board is responsible for establishing and maintaining the sound risk management and internal control systems of the Company on an ongoing basis, as well as reviewing and evaluating their design and effectiveness at least annually. The Board oversees the overall risk management of the Group, endeavours to identify respective risks of major business segments, analyse control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatements or losses.

(d) *The process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects*

The Company has engaged Crowe (HK) Risk Advisory Limited as its risk management and internal control review adviser (the "Adviser") with a view to facilitate the Company in maintaining an internal audit function. The Company has also formulated an internal audit charter to define the scope, duties, responsibilities and reporting protocol of the internal audit function. The Adviser has assisted the Company in conducting an annual risk assessment to identify significant risks by strategic risks, operational risks, financial risks and compliance risks of its major business segments. A three-year internal audit plan was determined based upon the results of risk assessment under the risk-based audit approach. The Advisor also assisted the Board and the Audit Committee in performing an independent annual review of the effectiveness and adequacy of the risk management and internal control systems for the Year. Such review is conducted annually according to the three-year internal audit plan approved by the Audit Committee. The Adviser has reported findings and areas for improvement to the Audit Committee and management. The Board and the

(c) 董事會確認其負責風險管理及內部監控系統及檢討其成效。其亦須詮釋該等系統乃為管理而非消除未能達到業務目標的風險而設計，且僅能對於重大誤報或虧損提供合理而非絕對之保障

董事會負責持續建立及維持本公司之健全風險管理及內部監控系統，並至少每年檢討及評估其設計及成效。董事會監督本集團整體之風險管理，致力識別主要業務分部各自的風險、分析控制已識別風險之影響及促進配合實行減輕風險的措施。本公司之風險管理及內部監控系統旨在管理而非消除未達致業務目標之風險，且僅能對於重大誤報或虧損提供合理而非絕對之保障。

(d) 用於檢討風險管理及內部監控系統有效性的程序及解決嚴重內部監控缺失的程序

本公司已委任國富(香港)風險顧問有限公司擔任其風險管理及內部監控檢討顧問(「顧問」)以促進本公司維持內部審核職能。本公司亦制定內部審核章程，以界定內部審核職能的範圍、職責、責任及匯報協議。顧問已協助本公司進行年度風險評估，以根據其主要業務部門的戰略風險、運營風險、財務風險及合規風險來識別重大風險。根據以風險為基礎的審核方法項下的風險評估結果，釐定三年內部審核計劃。顧問亦協助董事會及審核委員會對本年度的風險管理及內部控制系統的有效性及充分性進行獨立年度審查。有關審核每年根據審核委員會批准的三年內部審核計劃進行。顧問向審核委員會及管理層匯報結果及需改進之範

# Corporate Governance Report

## 企業管治報告

Audit Committee are of the view that there were no material internal control defeats noted for the Year. All recommendations from the Adviser would be properly followed up by the Group to ensure that they would be implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate for the Year.

(e) *The procedures and internal controls for the handling and dissemination of inside information*

An information disclosure policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosure are made in accordance with the GEM Listing Rules. The policy regulates the handling and dissemination of inside information, which includes: (i) designated reporting channels from different operations informing any potential inside information to designated departments; (ii) designated persons and departments to determine further escalation and disclosure as required; and (iii) designated persons authorised to act as spokespersons and respond to external enquiries.

## SHAREHOLDERS' RIGHTS

### Procedures for Shareholders to convene an extraordinary general meeting

Pursuant to article 12.3 of the Articles of Association, extraordinary general meetings of the Company (the "EGM(s)") shall also be convened on the requisition of two or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. If within twenty-one days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) representing more than one-half of the total voting rights of all of them may do so in the same manner, provided that such meeting shall be held within three months after the deposit of such requisition, 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.

。董事會及審核委員會認為，本年度並無發現重大內部監控缺失。本集團將適當跟進顧問的全部建議，以確保於合理時間內落實執行。因此，董事會認為，本年度風險管理及內部監控系統有效且足夠。

(e) *用於處理及傳播內幕消息之程序及內部監控*

本集團已制訂信息披露政策，確保在保密的情況下存取潛在內幕消息，直至根據GEM上市規則作出一致和及時的披露為止。該政策規管處理及發放內幕消息的方式，包括(i)為不同營運單位向指定部門匯報任何潛在內幕消息指定匯報渠道；(ii)指定人士及部門按規定決定進一步匯報及披露方式；及(iii)指定獲授權人士作為發言人及回應外界查詢。

## 股東權利

### 股東召開股東特別大會的程序

根據組織章程細則第12.3條，本公司之股東特別大會（「股東特別大會」）亦須由兩名或多名於遞呈要求當日持有不少於本公司有權於股東大會上投票之繳足股本十分之一的股東要求時召開。該項要求須以書面形式向董事或公司秘書提呈，以要求董事會就該項要求所指定之任何業務交易召開股東特別大會。倘董事未能於有關遞呈後21日內正式召開該大會，則遞呈要求人士本人（擁有所有遞呈要求人士全部投票權一半以上）可按相同方式召開股東大會，惟該大會應於遞呈要求後三個月內召開。所有因董事會未有召開大會致使遞呈要求人士產生的合理開支，須由本公司向遞呈要求人士償付。

# Corporate Governance Report

## 企業管治報告

### Procedures for Shareholders to nominate a person for election as a Director

Pursuant to article 16.4 of the Articles of Association, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Company Secretary notice in writing by a Shareholder (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

The details of the Company's procedures for Shareholders to propose a person for election as a Director are set out in the "Procedures for shareholders to nominate a person for election as a Director" which is available on the Company's website at [www.sinolifegroup.com](http://www.sinolifegroup.com).

### Procedures for Shareholders to put enquiries to the Board

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the Company Secretary at the Company's head office and principal place of business in Hong Kong or the Company's Hong Kong branch share registrar and transfer office.

Shareholders or investors can raise questions or provide comments and suggestions to the Company through the following means:

By post: Unit 601, 6/F., Ovest  
77 Wing Lok Street  
Sheung Wan  
Hong Kong  
By email: [ir@sinolifegroup.com](mailto:ir@sinolifegroup.com)

### 股東提名人士參選董事的程序

根據組織章程細則第16.4條，任何未經董事會推薦的人士均不可於任何股東大會參選董事，除非在此期間（應最少七天，不早於該選舉大會通知發出後的第二天開始，並不遲於該大會日期前七天結束），由合資格出席大會並於會上投票的股東（非該獲提名人士）以書面通知公司秘書，擬於會上提名該名人士參加選舉，且遞交該名擬獲提名人士簽署的書面通知以證明其願意參與選舉。

本公司關於股東提名人士參選董事的程序詳情，載於本公司網站([www.sinolifegroup.com](http://www.sinolifegroup.com))的「股東提名人士參選董事的程序」。

### 股東向董事會提出查詢的程序

股東可隨時索取本公司之公開資料。股東應於本公司之總部及香港主要營業地點向公司秘書或透過本公司之香港股份過戶登記分處提出任何有關查詢。

股東或投資者可透過以下方式向本公司查詢及提出意見：

郵遞：香港  
上環  
永樂街77號  
Ovest 6樓601室  
電郵：[ir@sinolifegroup.com](mailto:ir@sinolifegroup.com)

# Corporate Governance Report

## 企業管治報告

### Procedures for Shareholders to put forward proposals at Shareholders' meeting

There are no provisions allowing Shareholders to make proposals or move resolutions at the general meetings under the memorandum of the Company and the Articles of Association or the laws of the Cayman Islands. However, Shareholders are welcomed to put forward proposals relating to the operations and management of the Group to be discussed at Shareholders' meetings. The proposals shall be sent to the Company Secretary at the contact details as set out in the paragraph headed "Procedures for Shareholders to put enquiries to the Board" above by a written requisition. Shareholders who wish to put forward a proposal should convene an EGM by following the procedures set out in the paragraphs headed "Procedures for Shareholders to convene an extraordinary general meeting" above.

### DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance covers on Directors' and officers' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

### CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the Year.

### VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

### INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

To ensure effective communication between the Board and the Shareholders, the Company has adopted a Shareholders' communication policy (the "Communication Policy"). Under the Communication Policy, the Company's information shall be communicated to the Shareholders mainly through general meetings, including annual general meetings, the Group's financial reports (quarterly reports, half-yearly report and annual report), its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website and meetings with investors and analysts.

### 股東在股東大會上提出議案的程序

本公司組織章程文件及組織章程細則或開曼群島法律中並無任何條款允許股東在股東大會上提出議案或動議決議案。然而，本公司歡迎股東提出與本集團的運營及管理有關的議案，以供在股東大會上進行討論。議案應以書面要求形式按上文「股東向董事會提出查詢的程序」一段所載的聯繫詳情發送予公司秘書。意欲提出議案的股東應按照上文「股東召開股東特別大會的程序」一段所載的程序召開股東特別大會。

### 董事及高級人員責任保險

涵蓋董事及高級人員法律責任之適當保險已有效保障本集團董事及高級人員因本集團業務產生之風險。

### 憲章文件

於本年度，本公司的憲章文件並無變動。

### 以投票方式表決

根據GEM上市規則第17.47(4)條之規定，除主席以誠實信用之原則做出決定，容許純粹有關程序或行政事宜之決議案以舉手方式表決外，在股東大會上，股東所作之任何表決必須以投票方式進行。

### 投資者關係及與股東之溝通

為確保董事會與股東保持有效溝通，本公司已採納一項股東溝通政策（「溝通政策」）。根據溝通政策，本公司將主要透過股東大會（包括股東週年大會）、本集團之財務報告（季度、半年度及年度報告）、於本公司及聯交所網站上刊登之公司通訊及其他企業刊物以及投資者及分析師會議向股東提供其資料。



# Corporate Governance Report

## 企業管治報告

### DIVIDEND POLICY

The Company adopted a policy on payment of dividends (the "Dividend Policy") in March 2019, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to the Shareholders after considering the Company's ability to pay dividends, which will depend on a number of factors, including but not limited to:

- (i) the Group's actual and expected financial performance;
- (ii) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (iii) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (iv) the Group's liquidity position;
- (v) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (vi) any other factors that the Board deems relevant.

The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring interim dividends from time to time.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

### 股息政策

本公司於二零一九年三月採納派付股息之政策(「股息政策」)，確立本公司宣派及建議派發股息之適當程序。

本公司經考慮本公司派付股息之能力後將向股東宣派及／或建議派發股息，其將視乎若干因素，包括但不限於：

- (i) 本集團之實際及預期財務表現；
- (ii) 本集團之預期營運資金需求、資本開支需求及未來擴展計劃；
- (iii) 本公司及本集團各成員公司之保留盈利及可供分派儲備；
- (iv) 本集團之流動資金狀況；
- (v) 普遍經濟情況及其他或會影響本集團之業務或財務表現及狀況的內部或外部因素；及
- (vi) 任何其他董事會認為相關的因素。

董事會可全權酌情決定是否派付股息(視乎情況須獲股東批准)(倘適用)。即使董事會決議建議並派付股息，其形式、密度及金額將取決於營運及盈利、資金需求及盈餘、整體財務狀況、合約限制及其他本集團之其他影響本集團之因素。董事會亦可不時考慮宣派中期股息。

本公司將定期(或按需要)檢討及重新評核股息政策及其效能。

# Biographical Details of the Directors and Senior Management

## 董事及高級管理層之履歷

As the date of this annual report, the biographical information of the Group's Directors and senior management are as follows:

於本年報日期，本集團董事及高級管理層的履歷資料如下：

### EXECUTIVE DIRECTORS

### 執行董事

**Mr. Xu Jianchun (許建春)**, aged 42, was appointed on 22 December 2017 as the Chairman of the Board. Mr. Xu holds a doctorate degree in economics from Renmin University of China. Mr. Xu has many years of investment experience in the biotechnology sector. He has extensive experience in the biotechnology investment and operation field.

**許建春先生**，42歲，於二零一七年十二月二十二日獲委任為董事會主席。許先生持有中國人民大學經濟學博士學位。許先生擁有多年生命科技領域投資經驗，彼於生命科技領域投資運營具備豐富經驗。

**Mr. Liu Tien-Tsai (劉添財)**, aged 63, was appointed on 24 February 2005. Mr. Liu is responsible for the overall corporate strategies, planning, overall operational management and business development of the Group. Mr. Liu is a director of all subsidiaries of the Group (including Bau Shan Life Science Technology Co., Ltd (寶山生命科技股份有限公司) ("Bau Shan"). Mr. Liu founded Bau Shan and became its controlling shareholder in 1998, and has since then been continuously expanding its management team. Mr. Liu is also the team head of the funeral services deed team. Since the Group's establishment, Mr. Liu has played an active role in training its team. Mr. Liu obtained certificates in Non-Profit Making Organisation Management and Mortuary Science and Funeral Service Management from Nanhua University (南華大學) in 2000 and 2001 respectively. Having over 10 years of managerial, corporate and business experience, Mr. Liu began his career in funeral business since 1998. Mr. Liu has been a member of Japan Environmental Zhai Yuan Association (日本環境齋苑協會), the National Funeral Director Association of the United States and the FIAT-IFTA of Holland, and a council member of Society of Chinese Funeral Education (中華民國殯葬教育學會) and Chinese Society of Life and Death Studies (中華生死學會). Mr. Liu had also been a lecturer holding seminars on the skills of being a ceremonial master and cosmetology at the Continuing Education Centre, Ling Tung College (嶺東技術學院進修暨推廣教育中心) in Taiwan. Mr. Liu is currently an honorary member of the China Funeral Association (中國殯葬協會) in the PRC.

**劉添財先生**，63歲，於二零零五年二月二十四日獲委任。劉先生負責本集團之整體企業策略、規劃、整體營運管理及業務發展。劉先生為本集團所有附屬公司(包括寶山生命科技股份有限公司(「寶山」))之董事。劉先生創立寶山，並於一九九八年成為其控股股東，並自此一直擴充其管理團隊。劉先生亦為殯儀服務契約團隊的主管。自本集團成立以來，劉先生一直於培訓團隊方面擔當積極的角色。劉先生分別於二零零零年及二零零一年取得南華大學非營利事業管理及殯葬學及殯儀館服務管理證書。劉先生自一九九八年起開展其殯儀事業，彼擁有逾十年管理、企業及業務經驗。劉先生曾為日本環境齋苑協會、美國國家殯儀業董事協會及荷蘭FIAT-IFTA成員，並為中華民國殯葬教育學會及中華生死學會協會成員。劉先生亦於台灣嶺東技術學院進修暨推廣教育中心擔任成為禮儀師及美容技能課堂講師。劉先生目前為中國殯葬協會名譽會員。

# Biographical Details of the Directors and Senior Management 董事及高級管理層之履歷

**Dr. Xu Qiang (徐強)**, aged 43, was appointed on 1 March 2019 as a non-executive Director and was redesignated from a non-executive Director to an executive Director on 22 January 2021. Dr. Xu obtained his master's degree in Materials Physics and Chemistry from Tsinghua University in 2003. In 2008, he has obtained a doctorate's degree in Quantitative Electron Diffraction from Delft University of Technology in the Netherlands. Since 2012, Dr. Xu has served successively as Product Manager, Director of Application and is now the Vice President of Business Development in a nanotechnology company, focusing on the development of electron microscope related products, in the Netherlands.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chai Chung Wai (齊忠偉)**, aged 54, was appointed on 16 February 2009. Mr. Chai obtained his master degree of Accounting from Jinan University on 6 January 2004 and of business administration from the University of Manchester in December 2006. Mr. Chai is a fellow member of the Association of Chartered Certified Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants, an associate of the Institute of Chartered Accountants in England and Wales and a Fellow of The Hong Kong Institute of Directors. Mr. Chai has extensive experience of over 20 years in the accounting and financial field. Mr. Chai has been the company secretary of Ping Shan Tea Group Limited. He is currently independent non-executive director of Sino Energy International Holdings Group Limited (a company listed in Hong Kong, stock code: 1096). Mr. Chai was an independent non-executive director of Asia Coal Limited (a company formerly listed in Hong Kong, stock code: 835, and cancelled listing on 18 June 2019) from September 2018 to June 2019.

**徐強博士**，43歲，於二零一九年三月一日獲委任非執行董事，並於二零二一年一月二十二日由非執行董事調任為執行董事。徐博士於二零零三年獲取清華大學材料物理與化學專業碩士學位。於二零零八年，彼獲取荷蘭Delft University of Technology定量電子衍射博士學位。自二零一二年起，徐博士於荷蘭一間納米技術公司先後出任產品經理、技術應用總監且現為業務發展副總裁，專門研發電子顯微鏡相關產品。

## 獨立非執行董事

**齊忠偉先生**，54歲，於二零零九年二月十六日獲委任。齊先生於二零零四年一月六日在暨南大學取得會計碩士學位及於二零零六年十二月在曼徹斯特大學取得工商管理碩士學位。齊先生為特許公認會計師公會資深會員、香港會計師公會資深會員、英格蘭及威爾斯特許會計師公會會員及香港董事學會資深會員。齊先生於會計及金融領域擁有逾20年的豐富經驗。齊先生曾任坪山茶業集團有限公司之公司秘書。彼現為中能國際控股集團有限公司(香港上市公司，股份代號：1096)之獨立非執行董事。齊先生於二零一八年九月至二零一九年六月為亞洲煤業有限公司之獨立非執行董事(一間前香港上市公司，股份代號：835，已於二零一九年六月十八日取消上市)。

# Biographical Details of the Directors and Senior Management 董事及高級管理層之履歷

**Mr. Sun Fei (孫飛)**, aged 41, was appointed on 23 January 2018. Mr. Sun obtained a Bachelor of Science degree in biophysics from the Department for Intensive Instruction of Science and Arts of Nanjing University in 2001, and obtained a doctorate degree in biophysics from the School of Medicine, Tsinghua University in 2006. Since 2006, he has been a researcher at the Institute of Biophysics of the Chinese Academy of Sciences, conducting an independent research on biophysics and structural biology. Since 2012, he has served as the director of the Center for Biological Imaging of the Institute of Biophysics of the Chinese Academy of Sciences, leading the establishment and operation of the international-class Center for Biological Imaging. Since 2015, he has been appointed as professor at the University of Chinese Academy of Sciences, teaching graduate and undergraduate students. He has extensive research experience in biophysical technology, cryo-electron microscopy, biological macromolecular structure and biological imaging, and has extensive management experience in the operation and maintenance of research platforms. In 2009, Mr. Sun was awarded the Shizhang Bei Prize in Biophysics. In 2013, he was chosen to participate as a teenage talent in the National Special Support Program for High-Level Talents, the "Ten Thousand Talent Program". In 2017, Mr. Sun was awarded the Outstanding Contribution Award for his contributions to cryo-electron microscopy in China. In 2017, he was elected as the managing director of the Biophysical Society of China and the vice-chairman of the Cryo-electron Microscopy Branch of the Biophysical Society of China.

**孫飛先生**，41歲，於二零一八年一月二十三日獲委任。孫先生於二零零一年本科畢業於南京大學基礎教學強化部，獲生物物理學理學學士學位，並於二零零六年畢業於清華大學醫學院，獲生物物理學理學博士學位。二零零六年至今任中國科學院生物物理研究所研究員，獨立開展生物物理與結構生物學研究。二零一二年至今擔任中國科學院生物物理研究所生物成像中心主任，領導建設和運行國際一流生物成像研究平台。二零一五年至今被聘為中國科學院大學崗位教授，開展研究生和本科生的教學工作。彼於生物物理技術、冷凍電子顯微成像技術、生物大分子構造、生物影像處理等方面擁有豐富的研究經驗，並在研究平台運行維護方面擁有豐富的管理經驗。孫先生於二零零九年榮獲貝時璋青年生物物理學家獎。於二零一三年彼入選國家高層次人才特殊支持計劃「萬人計劃」青年拔尖人才。於二零一七年孫先生榮獲中國冷凍電鏡傑出貢獻獎。於二零一七年彼當選中國生物物理學會常務理事及中國生物物理學會冷凍電鏡分會副理事長。

# Biographical Details of the Directors and Senior Management 董事及高級管理層之履歷

**Mr. Wang Jun (王均)**, aged 49, was appointed on 17 April 2018. He received his Bachelor of Science in Chemistry and Cell Biology in 1993 and a Doctor in Polymer Chemistry and Physics in 1999 from College of Chemistry and Molecular Sciences, Wuhan University. From 1999 to 2004, he has worked as a postdoctoral fellow at Johns Hopkins Singapore Pte Ltd (約翰霍普金斯新加坡私人有限公司\*) and the School of Medicine at Johns Hopkins University. From 2004 to 2016, he has been a professor and a doctoral tutor at the University of Science and Technology of China. Since 2016, he has been a professor and a doctoral tutor of School of Medicine, Institutes for Life Sciences, South China University of Technology. He has excellent research experiences in biomedical polymers, nanobiomaterials and nanomedicine. He was awarded the “Hundred Talents Program” by the Chinese Academy of Sciences in 2005, and was granted the National Science Fund for Distinguished Young Scholars in 2011. He was selected as a member of “Young and Middle – Aged Industrial Leaders of Science and Technology” by Ministry of Science and Technology of the People’s Republic of China in 2014, and was selected as one of the scientific and technological innovation leaders in “The Plan for Ten Thousand Talents” (萬人計劃), the National Plan for the Special Support of High-level Talents in 2016. In 2016, he was selected as a fellow of the Royal Society of Chemistry. Currently, he serves as a fellow of the council of Chinese Society for Biomaterials.

## SENIOR MANAGEMENT

**Mr. Chu Kin Ming**, aged 40, was appointed as the company secretary of the Company on 1 June 2019. He is a fellow member of The Association of Chartered Certified Accountants. He is also a member of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. Mr. Chu holds a Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University and he has extensive experiences in the field of accounting and financial management.

\* for identification purposes only

**王均先生**，49歲，於二零一八年四月十七日獲委任。彼分別於一九九三年在武漢大學化學與分子科學學院畢業，獲化學專業和細胞生物學專業理學士學位及於一九九九年在化學與分子科學學院畢業，獲高分子化學與物理專業博士學位。一九九九年至二零零四年彼先後在約翰霍普金斯新加坡私人有限公司\* (Johns Hopkins Singapore Pte Ltd)、約翰霍普金斯大學醫學院從事博士後研究工作；二零零四年至二零一六年彼任中國科學技術大學教授、博士生導師；二零一六年起彼任華南理工大學醫學院、生命科學研究院教授及博士生導師。在生物醫用高分子、納米生物材料與納米醫學等領域具有豐富的研究經驗。於二零零五年彼入選中國科學院「百人計劃」；二零一一年彼獲得國家傑出青年科學基金，二零一四年彼入選中華人民共和國科學技術部「中青年科技創新領軍人才」，二零一六年彼入選國家高層次人才特殊支持計劃「萬人計劃」科技創新領軍人才，二零一六年彼入選英國皇家化學學會\* (The Royal Society of Chemistry) 資深會士。目前任中國生物材料學會理事。

## 高級管理層

**朱健明先生**，40歲，於二零一九年六月一日獲委任為本公司之公司秘書。彼為特許公認會計師公會資深會員，亦為香港會計師公會、英國特許秘書及行政人員公會以及香港特許秘書公會成員。朱先生持有香港理工大學會計文學士學位，彼於會計及財務管理方面具有豐富經驗。

\* 僅供識別

# Directors' Report

## 董事會報告

The board (the "Board") of directors (the "Director(s)") of Sino-Life Group Limited (the "Company", together with its subsidiaries as the "Group") is here to present the annual report and the audited consolidated financial statements for the year ended 31 December 2020 (the "Year").

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 39 to the consolidated financial statements. There were no significant changes in nature of Group's principal activities during the Year.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the group's business, can be found in the section headed "Management Discussion and Analysis" set out on pages 8 to 18 of this annual report. This discussion forms part of this report.

### RESULTS AND APPROPRIATIONS

The Group's loss for the Year is set out in the consolidated statement of profit or loss and other comprehensive income on pages 71 and 72 and the state of affairs of the Group at that date are set out in the consolidated statement of financial position on pages 73 and 74.

The Board does not recommend the payment of any dividend for the Year (2019: Nil).

### MAJOR CUSTOMERS AND SUPPLIERS

Since the Group is principally engaged in the provision of funeral services, none of its customers accounted for more than 10% of its total turnover during the Year. Purchases from the Group's five largest suppliers accounted for 72% of the total purchases for the Year and purchases from the largest supplier included therein amounted to 35%.

At no time during the Year, none of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any material beneficial interest in the Group's five largest customers and suppliers.

中國生命集團有限公司(「本公司」，連同其附屬公司統稱「本集團」)董事(「董事」)會(「董事會」)謹此提呈截至二零二零年十二月三十一日止年度(「本年度」)的年度報告及經審核綜合財務報表。

### 主要活動及業務回顧

本公司的主要活動為投資控股而其附屬公司的活動載於綜合財務報表附註39。本集團主要活動的性質於本年度並無重大變化。

香港公司條例附表5所要求對該等活動作出的進一步討論及分析載於本年報第8至18頁的「管理層討論及分析」一節，當中包括本集團所面對的主要風險及不確定因素的討論，以及本集團業務可能進行的未來發展指標。本討論為董事會報告的一部份。

### 業績及撥付

本集團於本年度的虧損載於第71頁及72頁的綜合損益及其他全面收益表及本集團於該日的財務狀況載於第73頁及74頁的綜合財務狀況表。

董事會並不建議就本年度支付任何股息(二零一九年：無)。

### 主要客戶及供應商

本集團主要從事供應殯儀服務，於本年度，概無其客戶佔超過本集團總營業額的10%。向本集團五大供應商作出的購買佔本年度總購買額的72%，而向其中最大供應商作出的購買佔35%。

於本年度內任何時間，概無本公司董事或彼等的任何聯繫人或任何股東(就董事深知，擁有本公司已發行股本5%以上的股東)於本集團的五大客戶及供應商擁有任何重大實益權益。

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## 董事會報告

### SEGMENT REPORTING

Details of segment reporting for the Year are set out in note 4 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

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

### INVESTMENT PROPERTIES

Details of movements in investment properties of the Group during the Year are set out in note 16 to the consolidated financial statements.

### SHARE CAPITAL

There are no movements in either the Company's authorised or issued share capital during the Year.

### RESERVES

Details of movements in the reserves of the Company and of the Group during the Year are set out in note 32 to the consolidated financial statements and in the consolidated statement of changes in equity on page 75, respectively.

### DISTRIBUTABLE RESERVES

At 31 December 2020, the Company's reserves available for distribution to owners comprising share premium account less accumulated losses, amounted to approximately RMB17,828,000.

### DONATIONS

No charitable donations was made by the Group during the Year (2019: Nil).

### 分部報告

本年度分部報告詳情載於綜合財務報表附註4。

### 物業、廠房及設備

本集團的物業、廠房及設備於本年度的變動詳情載於綜合財務報表附註14。

### 投資物業

本集團投資物業於本年度的變動詳情載於綜合財務報表附註16。

### 股本

本公司的法定或已發行股本於本年度並無變動。

### 儲備

本公司及本集團的儲備於本年度的變動詳情分別載於綜合財務報表附註32及載於本年報第75頁的綜合權益變動表。

### 可分派儲備

於二零二零年十二月三十一日，本公司可供分派予擁有人的儲備(包括股份溢價賬減累積虧損)約人民幣17,828,000元。

### 捐款

本集團於本年度概無作出慈善捐款(二零一九年：無)。

# Directors' Report

## 董事會報告

### DIRECTORS

The Directors during the Year and up to the date of this report were:

#### Executive Directors

Mr. Xu Jianchun

Mr. Liu Tien-Tsai

Dr. Xu Qiang (redesignated from non-executive Director to executive Director on 22 January 2021)

#### Independent non-executive Directors

Mr. Chai Chung Wai

Mr. Sun Fei

Mr. Wang Jun

According to the requirements of article 16.2 of the articles of association of the Company (the "Articles of Association"), the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Dr. Xu Qiang will retire in accordance with article 16.2 of the Articles of Association, and, being eligible, offer himself for re-election in the forthcoming annual general meeting of the Company (the "AGM").

According to the requirements of article 16.18 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, 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. Mr. Liu Tien-Tsai and Mr. Wang Jun will retire by rotation in accordance with article 16.18 of the Article of Association, and, being eligible, offer themselves for re-election in the forthcoming AGM.

### 董事

於本年度及直至本報告日期的董事為：

#### 執行董事

許建春先生

劉添財先生

徐強博士(於二零二一年一月二十二日  
由非執行董事調任為執行董事)

#### 獨立非執行董事

齊忠偉先生

孫飛先生

王均先生

根據本公司組織章程細則(「組織章程細則」)第16.2條之規定，董事會有權不時及隨時委任任何人士為董事，以填補董事會臨時空缺或增加董事會成員的名額。任何以此方式獲委任的董事任期僅至本公司下屆股東週年大會為止，此等董事屆時有資格在該大會上膺選連任。徐強博士將根據組織章程細則第16.2條輪席退任，並符合資格且願意於本公司應屆股東週年大會(「股東週年大會」)膺選連任。

根據組織章程細則第16.18條之規定，在每屆股東週年大會上，當時在任之三分之一董事(或如果董事數目並非三之倍數，則為最接近三分之一而又不少於三分之一之數目)必須輪席退任，而每名董事須最少每三年於股東週年大會輪席退任一次。劉添財先生及王均先生將根據組織章程細則第16.18條輪席退任，並符合資格且願意於本公司應屆股東週年大會膺選連任。



# Directors' Report

## 董事會報告

### BOARD OF DIRECTORS AND SENIOR MANAGEMENT

As at the date of this report, biographical details of the Directors and senior management of the Group are set out on pages from 41 to 44 of this annual report.

### DIRECTORS' SERVICE AGREEMENT

Mr. Xu Jianchun ("Mr. Xu"), an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 22 December 2017, which continues thereafter until terminated by either party giving not less than two months' notice in writing to the other party.

Mr. Liu Tien-Tsai, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 9 September 2009, which continues thereafter until terminated by either party giving not less than three months' notice in writing to the other party.

Dr. Xu Qiang, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 22 January 2021, which continues thereafter until terminated by either party giving not less than two month's notice in writing to the other party.

Mr. Chai Chung Wai, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years commencing from 9 September 2018, which can be terminated by either party giving not less than one month's notice in writing to the other party.

Mr. Sun Fei, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years from 23 January 2021, which can be terminated by either party giving not less than one month's notice in writing to the other party.

Mr. Wang Jun, an independent non-executive Director, has renewed his letter of appointment with the Company for a term of three years from 17 April 2021, which can be terminated by either party giving not less than one month's notice in writing to the other party.

### 董事會及高級管理層

於本報告日期，董事及本集團高級管理層的履歷詳情載於本年報第41頁至第44頁。

### 董事的服務協議

執行董事許建春先生(「許先生」)已與本公司訂立服務協議，自二零一七年十二月二十二日起計為期三年且其後續期，直至由任何一方向另一方發出不少於兩個月的書面通知終止為止。

執行董事劉添財先生已與本公司訂立服務協議，自二零零九年九月九日起計為期三年且其後續期，直至由任何一方向另一方發出不少於三個月的書面通知終止為止。

執行董事徐強博士已與本公司訂立服務協議，自二零二一年一月二十二日起計為期三年且其後續期，直至由任何一方向另一方發出不少於兩個月的書面通知終止。

獨立非執行董事齊忠偉先生已與本公司重續委任函件，自二零一八年九月九日起計為期三年，直至由任何一方向另一方發出不少於一個月的書面通知終止。

獨立非執行董事孫飛先生已與本公司續簽委任函件，自二零二一年一月二十三日起計為期三年，直至由任何一方向另一方發出不少於一個月的書面通知終止。

獨立非執行董事王均先生已與本公司續簽委任函件，自二零二一年四月十七日起計為期三年，直至由任何一方向另一方發出不少於一個月的書面通知終止。

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## 董事會報告

None of the Directors, including those to be re-elected at the forthcoming AGM, has a service agreement which is not determinable by the Group within one year without the payment of compensation (other than statutory compensation).

### EMOLUMENT POLICY

A remuneration committee is 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 and comparable market practices.

The Company has adopted a share option scheme (the "Share Option Scheme") as incentive to directors and eligible employees and the Share Option Scheme was expired and all of the options under the Share Option Scheme were lapsed during the Year. The Company has proposed to adopt a new share option scheme (the "New Share Option Scheme") to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, advisors, consultants, service providers, agents, customers, partners or joint-venture partners of the of the Group and to promote the success of the business of the Group. Up to the date of this report, the New Share Option Scheme has not yet been approved by the shareholders of the Company.

For details of the Share Option Scheme, please refer to the section headed "Share Option Scheme" below. For details of the New Share Option Scheme, please refer to the circular of the Company dated 29 March 2021.

### REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments for the Year are set out in note 8 and note 9 to the consolidated financial statements.

概無任何董事(包括將於下屆股東週年大會參加重選的董事)擁有本集團在不支付賠償(法定賠償除外)的情況下不可於一年內終止的服務協議。

### 薪酬政策

本公司已成立薪酬委員會，旨在考慮本集團的經營業績、個別表現及可比較的市場慣例後，檢討本集團的薪酬政策及本集團全體董事及高級管理層的薪酬結構。

本公司已採納購股權計劃(「購股權計劃」)作為對董事及合資格職員的激勵，且於本年度，購股權計劃已屆滿，而購股權計劃項下所有購股權均已失效。本公司建議採納新購股權計劃(「新購股權計劃」)乃為吸引及挽留最稱職人員，為本集團之僱員(全職及兼職)、董事、顧問、諮詢人、服務提供商、代理、客戶、合作夥伴或合營企業夥伴提供額外獎勵及推動本集團業務之成功。直至本報告日期，新購股權計劃仍未獲本公司股東批准。

有關購股權計劃詳情，請參閱下文「購股權計劃」一節。有關新購股權計劃詳情，請參閱本公司日期為二零二一年三月二十九日之通函。

### 董事及五位最高薪酬人士的酬金

於本年度董事及五位最高薪酬人士酬金的詳情載於綜合財務報表附註8及附註9。

# Directors' Report

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 under the Laws of Hong Kong ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

#### Aggregate long positions in the Shares

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本的概約百分比
股東名稱	權益性質	所持股份數目	
Hong Kong Gaoqi Biological Technology Company Limited 香港高崎生物科技有限公司	Beneficial Owner 實益擁有人	220,475,000	29.69%

Note: The Company's Director Mr. Xu is also a director of Hong Kong Gaoqi Biological Technology Company Limited in which he holds 25% equity interest.

Save as disclosed above and the Directors' interests as disclosed in "Directors' and Chief Executives' Interests in and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations", no person had interests in shares or short positions in the shares of the Company or underlying shares which are required to be recorded in the register to be kept by the Company pursuant to section 336 of the Securities and Futures Ordinance as at 31 December 2020.

### 董事及主要行政人員於本公司或其相聯法團之股份、相關股份及債權證之權益及淡倉

於二零二零年十二月三十一日，概無本公司董事或主要行政人員於本公司或其任何相聯法團(具香港法例第571章《證券及期貨條例》(「證券及期貨條例」)第XV部所賦予之涵義)之股份、相關股份及債權證中，持有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例之該等條文彼等被當作或視為持有之任何權益及淡倉)，或根據證券及期貨條例第352條須列入該條文指定之登記冊之權益及淡倉或根據GEM上市規則第5.46至5.67條，須知會本公司及聯交所之權益或淡倉。

### 主要股東於股份及相關股份之權益及淡倉

#### 於股份之好倉總額

註：本公司董事許先生亦為香港高崎生物科技有限公司之董事，並持有該公司之25%股權。

除上文所披露者外及於「董事及主要行政人員於本公司或其相聯法團之股份、相關股份及債權證之權益及淡倉」披露的董事的權益外，於二零二零年十二月三十一日，概無人士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336條須予備存的登記冊所記錄之權益或淡倉。

# Directors' Report

## 董事會報告

### DIRECTORS' INTERESTS IN CONTRACTS

Save as the transactions disclosed in note 35 to the consolidated financial statements, no transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries, fellow subsidiaries or parent company was a party and in which a Director or his connected entity had, directly or indirectly, a material interest subsisted at the end of the Year or at any time during the Year.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporation" above, at no time during the Year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### CONTINUING CONNECTED TRANSACTIONS

#### Agency Agreement

On 31 January 2019, Zhongke Guangju Cell Therapy (Guangdong) Co., Ltd.\* (中科廣聚細胞醫療(廣東)有限公司) ("Zhongke Guangju"), a company indirectly held as to 30% equity interest by Mr. XU Jianchun ("Mr. Xu") and his Associates through a controlled company, entered into an agency agreement (the "Agency Agreement") with Zhongke Zhenqi Biotechnology (Guangdong) Co., Ltd.\* (中科臻祺生物科技(廣東)有限公司) ("Zhongke Zhenqi"), a wholly-owned subsidiary of the Company. Pursuant to the Agency Agreement, Zhongke Guangju has agreed to engage Zhongke Zhenqi as a distribution agent to market development and market promotion of stem cells and immunocytes in the PRC, Hong Kong and Macau and also providing market feedback to Zhongke Guangju for three years commencing from 31 January 2019.

Mr. XU, the chairman of the Board and executive Director of the Company, and his Associates indirectly hold through a controlled company 30% of the shares in Zhongke Guangju. Accordingly, the transactions contemplated under the Agency Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

### 董事於合約中的權益

除綜合財務報表附註35中所披露的交易外，於本年度末或本年度內任何時間，概無董事或其關連實體於對本集團業務而言屬重大的任何交易、安排或合約(本公司或其任何附屬公司、同系附屬公司或母公司為訂約方)中直接或間接擁有重大權益。

### 董事認購股份或債權證的權利

除上文「董事及主要行政人員於本公司或其相聯法團的股份、相關股份及債權證之權益及淡倉」一節所披露的詳情外，於本年度任何時間，本公司或其任何附屬公司或同系附屬公司概無任何安排，致使本公司之董事或主要行政人員或其各自聯繫人(定義見GEM上市規則)獲取可認購本公司或其任何相聯法團(定義見證券及期貨條例)之證券的權利，或透過購入本公司或任何其他法人團體之股份或債權證而獲益之權利。

### 持續關連交易

#### 代理協議

於二零一九年一月三十一日，中科廣聚細胞醫療(廣東)有限公司(「中科廣聚」，其30%股權由許建春先生(「許先生」)及其聯繫人透過受控公司間接持有)與中科臻祺生物科技(廣東)有限公司(「中科臻祺」，為本公司全資附屬公司)訂立代理協議(「代理協議」)。根據代理協議，中科廣聚已同意聘請中科臻祺為中國、香港及澳門的幹細胞及免疫細胞市場開發及市場推廣的分銷代理，並向中科廣聚提供市場反饋，於二零一九年一月三十一日開始為期三年。

中科廣聚之30%股份由本公司董事會主席兼執行董事許先生及其聯繫人透過受控公司間接持有。因此，根據GEM上市規則第20章，代理協議項下擬進行之交易構成本公司之關連交易。

# Directors' Report

## 董事會報告

The Directors estimate that for the period from the effective date of the Agency Agreement to 31 December 2019, the year ended 31 December 2020 and the year ending 31 December 2021, the aggregate value of the products and/or services provided to Zhongke Zhenqi under the Agency Agreement by Zhongke Guangju will not exceed RMB8,000,000 (approximately HK\$9,290,000), RMB8,500,000 (approximately HK\$9,871,000) and RMB8,500,000 (approximately HK\$9,871,000) respectively.

The annual cap of the aggregate value of the products and/or services provided to Zhongke Zhenqi under the Agency Agreement by Zhongke Guangju set by the Board for the period from 31 January 2020 to 31 December 2020 is RMB8,500,000 (approximately HK\$9,871,000). During the year ended 31 December 2020, the total amount incurred by Zhongke Guangju to Zhongke Zhenqi pursuant to the Agency Agreement was approximately RMB356,000. Further details of this continuing connected transaction are set out in the announcements of the Company dated 31 January 2019 and 1 February 2019.

The Company has adopted the following internal control measures to ensure that the continuing connected transaction is conducted in accordance with the pricing policy and terms of the Agency Agreement as well as the GEM Listing Rules:

- (i) The Company's finance department will from time to time obtain proof of market prices of products and/or services provided by Zhongke Guangju. All quotations and/or prices will be filed as reference prices for the continuing connected transaction to ensure that prices for products and/or services provided to Zhongke Zhenqi by Zhongke Guangju do not exceed general market price and prices for identical or similar for products and/or services provided to other independent third party agents by Zhongke Guangju;
- (ii) The Company's finance department will monitor and ensure that the continuing connected transaction is conducted in accordance with the terms of the Agency Agreement and do not exceed the annual caps of the continuing connected transaction;
- (iii) The Board will continue to review on a regular basis the Group's internal control system and its effectiveness; and

董事預期，自代理協議生效日期至二零一九年十二月三十一日止期間、截至二零二零年十二月三十一日止年度及截至二零二一年十二月三十一日止年度，中科廣聚根據代理協議向中科臻祺供應之產品及／或提供服務之總價值分別將不會超過人民幣8,000,000元(約9,290,000港元)、人民幣8,500,000元(約9,871,000港元)及人民幣8,500,000元(約9,871,000港元)。

董事會就二零二零年一月三十一日至二零二零年十二月三十一日期間為中科廣聚根據代理協議向中科臻祺供應之產品及／或提供服務之總價值所設定的年度上限為人民幣8,500,000元(約9,871,000港元)。於截至二零二零年十二月三十一日止年度，中科廣聚根據代理協議向中科臻祺產生的總金額為約人民幣356,000元。有關該持續關連交易的進一步詳情，載於本公司日期為二零一九年一月三十一日及二零一九年二月一日的公告。

本公司已採用以下內部監控措施以確保持續關連交易按照代理協議的定價政策及條款執行並遵守GEM上市規則：

- (i) 本公司財務部將可不時獲取中科廣聚提供產品及／或服務市場價格的證明。所有報價及／或定價記錄會被存檔作為持續關連交易的參考價格，以確保中科廣聚向中科臻祺提供產品及／或服務的價格不高於市場一般價格及中科廣聚向其他獨立第三方代理提供相同或相似種類產品及／或服務所提供的價格；
- (ii) 本公司財務部將監控及確保持續關連交易按照代理協議的條款進行且並沒有超出持續關連交易的年度上限；
- (iii) 董事會將持續定期檢討本集團的內部監控制度及其有效性；及

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(iv) The Company will appoint an external auditor pursuant to the GEM Listing Rules to conduct annual reviews of the continuing connected transactions and its annual caps.

The independent non-executive Directors have reviewed the aforesaid continuing connected transaction and confirmed that the transaction has been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the aforesaid continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued their unqualified letter containing the auditor's findings and conclusions in respect of the aforesaid continuing connected transaction in accordance with Rule 20.54 of the GEM Listing Rules as follows, a copy of the auditor's letter has been provided by the Company to the Stock Exchange:

- (1) nothing has come to the auditor's attention that causes them to believe that the continuing connected transaction has not been approved by the Board;
- (2) nothing has come to the auditor's attention that causes them to believe that the continuing connected transaction was not entered into, in all material respects, in accordance with the relevant agreements governing such transaction; and
- (3) nothing has come to the auditor's attention that causes them to believe that the continuing connected transaction has exceeded the respective maximum aggregate annual value as set by the Company.

(iv) 本公司將根據GEM上市規則委聘外部核數師對持續關連交易及其年度上限進行年度審閱。

獨立非執行董事已審閱上述持續關連交易，並確認該交易：

- (1) 於本集團的日常及一般業務過程中訂立；
- (2) 按正常商業條款或更佳條款訂立；以及
- (3) 根據按公平合理且符合本公司股東整體利益的條款對其規管的協議訂立。

本公司核數師獲委聘根據香港會計師公會頒佈的香港核證委聘準則第3000號(經修訂)「審核或審閱過往財務資料以外的核證委聘」並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就上述持續關連交易作出報告。

核數師已根據GEM上市規則第20.54條發出載有其對上述持續關連交易的發現及結論的無保留意見函件(本公司已將該核數師函件副本呈交聯交所)，如下：

- (1) 概無事項引起核數師注意，使彼等相信持續關連交易尚未得到董事會的批准；
- (2) 概無事項引起核數師注意，使彼等相信持續關連交易並未在所有重大方面根據規管該交易的相關協議訂立；及
- (3) 概無事項引起核數師注意，使彼等相信持續關連交易已超出本公司設定的有關最大年度總價值。

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A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

### CONNECTED TRANSACTION

#### *Discloseable Transaction and Connected Transaction in relation to the Acquisition of the sale equity in the Target Company and entering into the VIE Agreements*

On 26 November 2019, 深圳富盈達信生物科技合夥企業(有限合夥) Shenzhen Fuying Daxin Biotechnology Partnership (Limited Partnership)\* (the "Vendor"), the Company (the "Purchaser A") and 中科訊達生物科技(深圳)有限公司 Zhongke Xunda Biotechnology (Shenzhen) Co., Ltd.\*, a wholly owned subsidiary of the Company (the "Purchaser B"), entered into a sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which the Vendor conditionally agreed to sell, and the Purchasers conditionally agreed to acquire the sale equity, including 32% equity interest in 廣州銳鑄生物科技有限公司 ("GZRT"), at the aggregated consideration of HK\$28,880,000 (the "Acquisition").

廣東艾時代生物科技有限責任公司 Guangdong Xtem Biotechnology Co., Ltd.\*, a company established in the PRC with limited liability (the "Target Company"), GZRT, and the PRC equity owners (the "PRC Equity Owners"), which consisting of the Vendor, 深圳市南嶽資產管理有限公司 Shenzhen Nanyue Asset Management Co., Ltd.\* (a company established in the PRC with limited liability) (the "PRC Shareholder A"), 深圳市耶寶微納米芯片研究院有限公司 Shenzhen Yebao Micro-Nano Chip Research Institute Co., Ltd.\* (a company established in the PRC with limited liability) (the "PRC Shareholder B"), 深圳市厚朴投資管理有限公司, Shenzhen Houpu Investment Management Co., Ltd.\* (a company established in the PRC with limited liability) (the "PRC Shareholder C"), and 藍志男 (Mr. Lan Zhinan) ("Mr. Lan"), will implement a reorganization and enter into the variable interest entity agreements (the "VIE Agreements"), pursuant to which GZRT will have effective control over the finance and operation of the Target Company and will be entitled to 95% economic interests and benefits generated by the Target Company.

\* for reference only

本公司已將該核數師函件副本呈交聯交所。

### 關連交易

#### *有關收購目標公司之銷售股權及訂立VIE協議的須予披露交易及關連交易*

於二零一九年十一月二十六日，深圳富盈達信生物科技合夥企業(有限合夥)(「賣方」)、本公司(「買方甲」)及本公司之全資附屬公司 中科訊達生物科技(深圳)有限公司(「買方乙」)訂立買賣協議(「買賣協議」)，據此賣方有條件同意出售而買方有條件同意收購銷售股權(包括於廣州銳鑄生物科技有限公司(「GZRT」)的32%股權)，總代價為28,880,000港元(「收購事項」)。

廣東艾時代生物科技有限責任公司(一家於中國成立的有限公司，「目標公司」)、GZRT及中國股權擁有人(「中國股權擁有人」)，當中包括賣方、深圳市南嶽資產管理有限公司(一家於中國成立的有限公司，「中國股東甲」)、深圳市耶寶微納米芯片研究院有限公司(一家於中國成立的有限公司，「中國股東乙」)、深圳市厚朴投資管理有限公司(一家於中國成立的有限公司，「中國股東丙」)及藍志男先生(「藍先生」)將實行重組及訂立可變權益實體協議(「VIE協議」)，據此，GZRT將可實際控制目標公司的財務及營運，並將有權享有目標公司產生的95%經濟利益及得益。

\* 僅供參考

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Due to the impact of the anomalous coronavirus pneumonia pandemic, the due diligence workload and the delay in all other relevant tasks, the Vendor and the Purchasers mutually agreed not to proceed with the transactions and entered into a termination agreement on 8 March 2021 to terminate the Sale and Purchase Agreement with immediate effect, and all relevant parties shall be released and discharged from their respective rights and obligations therein. Given that the Sale and Purchase Agreement will not proceed, the Company will not prepare the corresponding circular and will not convene an extraordinary general meeting in approving the agreements. The Board is of the view that the termination of the S&P Agreement will not cause material adverse effect on the operation, business and financial position of the Group.

Further details of this discloseable transaction and connected transaction are set out in the announcements of the Company dated 26 November 2019, 16 December 2019, 9 January 2020, 2 March 2020, 9 April 2020, 1 June 2020, 30 June 2020, 3 August 2020, 15 September 2020, 15 October 2020, 20 November 2020, 18 December 2020, 29 January 2021 and 9 March 2021.

Details of related party transactions undertaken in the normal course of business of the Group during the Year are set out in note 35 to the consolidated financial statements.

Save as disclosed above, all other related party transactions and balances did not constitute connected transactions or continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules.

### **PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES**

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

### **MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year.

由於反常的冠狀病毒性肺炎大流行的影響，盡職調查工作過量且延遲所有其他相關工作，賣方與買方一致同意不再進行交易並於二零二一年三月八日就終止買賣協議訂立終止協議，即刻生效，且所有相關方均獲免除及解除彼等各自於此項下的權利及義務。鑑於買賣協議不再繼續進行，本公司將不會編製相應的通函，亦不會召開臨時股東大會批准該等協議。董事會認為，買賣協議的終止不會對本集團的經營、業務及財務狀況構成重大不利影響。

有關須予披露交易及關連交易進一步詳情載於本公司日期為二零一九年十一月二十六日、二零一九年十二月十六日、二零二零年一月九日、二零二零年三月二日、二零二零年四月九日、二零二零年六月一日、二零二零年六月三十日、二零二零年八月三日、二零二零年九月十五日、二零二零年十月十五日、二零二零年十一月二十日、二零二零年十二月十八日、二零二一年一月二十九日及二零二一年三月九日的公告。

本集團於本年度正常業務過程中進行的關連方交易之詳情載於綜合財務報表附註35。

除上文所披露者外，根據GEM上市規則第20章，所有其他關連方交易及結餘均不構成須遵守GEM上市規則項下的申報、公佈或獨立股東批准規定的本公司的關連交易或持續關連交易。

### **購買、出售及贖回上市證券**

本公司或其任何附屬公司於本年度概無購買、出售或贖回本公司任何上市證券。

### **管理合約**

於本年度，就本公司整體或任何重大部分業務方面概無訂立或存在管理及行政合約。



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## 董事會報告

### **DIRECTORS' INTEREST IN A COMPETING BUSINESS**

During the Year and up to the date of this annual report, none of the Directors, the controlling shareholders of the Company, or any of their respective close associates (as defined in the GEM Listing Rules) is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the businesses of the Group, and is required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules.

### **BANK BORROWINGS**

Particulars of bank borrowings of the Group as at 31 December 2020 are set out in note 28 to the consolidated financial statements.

### **RETIREMENT SCHEMES**

Particulars of the retirement schemes of the Group are set out in note 13 to the consolidated financial statements.

### **CONFIRMATION OF INDEPENDENCE**

The Company has received from each of the independent non-executive Directors a written annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors are independent.

### **CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct throughout the Year.

### **董事於競爭業務之權益**

於本年度及截至本年報日期，除本集團業務外，概無董事、本公司之控股股東或任何彼等各自的緊密聯繫人（定義見GEM上市規則）於與本集團業務直接或間接構成或可能構成競爭之業務中擁有根據GEM上市規則第11.04條須予披露之權益。

### **銀行借貸**

本集團於二零二零年十二月三十一日的銀行借貸的詳情載於綜合財務報表附註28。

### **退休計劃**

本集團退休計劃的詳情載於綜合財務報表附註13。

### **獨立性確認**

本公司已收到各獨立非執行董事根據GEM上市規則第5.09條所作的書面年度獨立性確認書，並認為全體獨立非執行董事均屬獨立人士。

### **有關董事進行證券交易之行為守則**

本公司採納有關董事進行證券交易之行為守則，其條款與GEM上市規則第5.48至5.67條所載的交易標準同樣嚴謹。已向所有董事作出特定查詢，董事確認，彼等於本年度內一直遵守該等行為守則。

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### SHARE OPTION SCHEME

Pursuant to the written resolutions of the shareholders of the Company dated 24 August 2009, a share option scheme ("Share Option Scheme") was approved and adopted. The Share Option Scheme will remain in force for a period of 10 years commencing from the date of adoption of the Share Option Scheme from 24 August 2009 (the "Date of Adoption") (that is from 24 August 2009 to 23 August 2019). The Share Option Scheme has been expired on 23 August 2019 and so no further options can be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all aspect. The major terms of the Share Option Scheme are summarised as follows:

- (a) The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants who have contributed or may contribute to the Group as incentive or rewards for their contributions to the Group.
- (b) The participants include (i) any employees; (ii) any executive Directors; (iii) any non-executive Directors (including, without limitation, independent non-executive Directors) of the Company and/or any of its subsidiaries; and (iv) any consultants, advisers, agents, partners or joint-venture partners of the Company and/or any of its subsidiaries who, in the absolute discretion of the Board (the "Eligible Participants"), has contributed or may contribute to the Group.
- (c) The exercise price of a share option under the Share Option Scheme will not be less than the highest of (i) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (ii) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (iii) the nominal value of a share on the offer date of the particular option.

### 購股權計劃

根據二零零九年八月二十四日的本公司股東書面決議案，已批准及採納購股權計劃（「購股權計劃」）。購股權計劃將由購股權計劃之採納日期二零零九年八月二十四日（「採納日期」）起計十年期間（即二零零九年八月二十四日至二零一九年八月二十三日）維持有效。購股權計劃已於二零一九年八月二十三日日期滿失效，因此將不會進一步授出購股權，惟購股權計劃之條文將於所有方面維持十足效力及有效性。購股權計劃之主要條款概述如下：

- (a) 購股權計劃之目的是讓本公司向曾經或可能會對本集團作出貢獻的合資格參與者授出購股權，作為彼等對本集團作出貢獻的鼓勵或獎勵。
- (b) 參與者包括本公司及／或其任何附屬公司之(i)任何僱員；(ii)任何執行董事；(iii)任何非執行董事(包括但不限於獨立非執行董事)；及(iv)董事會全權酌情認為對本集團有貢獻或可能有貢獻的本公司及／或其任何附屬公司之任何諮詢人、顧問、代理、合夥人或合營夥伴（「合資格參與者」）。
- (c) 購股權計劃項下購股權的行使價將不會少於下列最高者：(i)於特定購股權的要約日期(必須為營業日)股份在聯交所每日報價表上顯示在聯交所的收市價；(ii)緊接該特定購股權的要約日期前五個營業日股份於聯交所每日報價表上顯示的平均收市價；及(iii)股份於特定購股權要約日期的面值。

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(d) 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 share option schemes of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% of the total number of Shares in issue as at the Date of Adoption of the Share Option Scheme. The Board may seek approval by the shareholders of the Company at general meeting to refresh the 10% limit. However, the total number of Shares available for issue under exercise of options which may be granted under the Share Option Scheme in these circumstances must not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshment of the 10% limit.

On 27 May 2010, the shareholders of the Company had approved the refreshment of 10% limit of the grant of options under the Share Option Scheme. The total number of Shares available for issue under the Share Option Scheme is 74,250,000 Shares, representing 10% of the total number of Shares in issue as at the date of this annual report.

(e) The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time and the maximum number of Shares in respect of which options may be granted to each Eligible Participant shall not exceed 1% of the total number of Shares in issue for the time being in any 12-month period up to and including the date of offer of the grant.

(d) 未經股東同意，根據購股權計劃及本公司任何其他購股權計劃將予授出的全部購股權獲行使後可能發行的股份總數合共不得超過於購股權計劃之採納日期已發行股份總數的10%。董事會可於股東大會上向本公司股東尋求同意對10%上限予以更新。然而，於該等情況下，根據購股權計劃可能授出的購股權獲行使後可予發行的股份總數不得超過於批准更新10%上限日期已發行股份總數的10%。

於二零一零年五月二十七日，本公司股東已通過更新根據購股權計劃授出購股權的10%上限。根據購股權計劃可予發行的股份總數為74,250,000股股份，相當於本年報日期已發行股份總數的10%。

(e) 就根據購股權計劃可授出的購股權及本公司任何其他購股權計劃之股份數目最多不得超出不時之已發行股份總數之30%，且就可向每名合資格參與者授出的購股權之股份數目最多不得超出於提呈授出日期前(包括該日)之任何12個月期間當時已發行股份總數之1%。

# Directors' Report

## 董事會報告

- (f) An offer shall be made to Eligible Participants in writing and shall remain open for acceptance by the Eligible Participants concerned for a period of 30 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the Date of Adoption of the Share Option Scheme or the termination of the scheme. An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a non-refundable remittance in favour of the Company of HKD10 by way of consideration for the grant thereof is received by the Company, within such time as may be specified in the offer (which shall not be later than 30 days from the date of offer).
- (g) The exercisable period of any option granted under the Share Option Scheme should be determined by the Board upon grant of the share option but in any event should not exceed 10 years from the date of grant of the share option.
- (h) An option shall be exercisable in whole or in part in the circumstances by giving notice in writing to the Company stating that the option is thereby exercised and the number of shares in respect of which it is so exercised. Each such notice must be accompanied by a non-refundable remittance for the full amount of the subscription price for shares in respect of which the notice is given.
- (f) 要約須以書面形式向合資格參與者作出，並須於作出當日起三十日期間內可供有關的合資格參與者選擇接納，惟於採納購股權計劃當日的十週年後或該計劃終止後不得再提供要約以供接納。當本公司於要約內列明的時間(不遲於要約日期起計30日)內接獲包含由合資格參與者正式簽署的要約接納書之函件之副本，連同付予本公司之不可退還股款10港元作為接納授出的代價，則提呈給該名合資格參與者的全部股份的要約，即視為已由有關合資格參與者接納。
- (g) 根據購股權計劃授出之購股權可予行使期間應該由董事會於授出購股權之時釐定，惟無論如何不得超過授出購股權日期起計10年。
- (h) 於向本公司發出書面通知，並於當中註明將據此行使購股權及所行使購股權所涉及的股份數目後，將可行使全部或部份購股權。各有關通知必須夾附就所發出的通知中所涉及股份的整筆認購價的不可退還股款。

# Directors' Report

## 董事會報告

Details of the share options movements during the Year under the Share Option Scheme are as follows:

於本年度購股權計劃項下之購股權變動詳情如下：

Name/category of participants	Date of grant of share option	Exercise price per Share	Exercise period	Number of share options 購股權數目			
				Balance as at 1 January 2020 於二零二零年一月一日之結餘	Granted during the Year 本年度授出	Lapsed during the Year 於本年度失效	Balance as at 31 December 2020 於二零二零年十二月三十一日之結餘
Continuous contract employees 連續合約僱員	11 February 2010 二零一零年二月十一日	HK\$1.18 1.18港元	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	6,332,000	-	6,332,000	-
Consultants 顧問	11 February 2010 二零一零年二月十一日	HK\$1.18 1.18港元	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	41,900,000	-	41,900,000	-
				48,232,000	-	48,232,000	-

For the options granted in 2010, they are exercisable starting half year from the grant date. The exercisable period is 10 years from the date of grant of the share option.

就於二零一零年授出之購股權而言，彼等可於授出日期起計半年後開始行使。行使期間為授出購股權日期起計10年。

During the Year, 48,232,000 share options were lapsed and no share option was cancelled, exercised and granted.

於本年度，48,232,000份購股權失效及並無購股權被註銷、獲行使及授出。

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this annual report.

### 公眾持股量的充足性

根據本公司可公開獲得的資料及就董事所知，於本年報日期，本公司已發行股本總額的至少25%由公眾人士持有。

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

### 優先權

組織章程細則及開曼群島法律項下並無提供優先權，令本公司可按現有股東股權比例發售新股份。

### CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 19 to 40 of this annual report.

### 企業管治

本公司企業管治詳情載於本年報第19頁至第40頁之企業管治報告。

# Directors' Report

## 董事會報告

### PERMITTED INDEMNITY PROVISION

During the Year, a permitted indemnity provision that meets the requirements specified in section 469(2) of the Companies Ordinance for the benefit of the Directors is in force.

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty by any of the Directors.

The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers during the Year and the indemnity provision and Directors' and officers' liability insurance remains in force as of the date of this annual report.

### CHANGES IN INFORMATION OF DIRECTORS

The changes in Directors' information subsequent to the date of interim report for the six months ended 30 June 2020, as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules, are set out below:

Name of Director 董事姓名	Details of Changes 變動詳情
Dr. XU Qiang	i. Redesignated from a non-executive Director to an executive Director on 22 January 2021; and ii. Appointed as a chief executive officer of the Company on 22 January 2021.
徐強博士	i. 於二零二一年一月二十二日由非執行董事調任為執行董事；及 ii. 於二零二一年一月二十二日獲委任為本公司首席執行官。

### FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the past five financial years, as extracted from the audited consolidated financial statements, is set out on page 220 of this annual report. This summary does not form part of the audited financial statements.

### 獲准許之彌償條文

於本年度，基於董事利益之符合公司條例第469(2)條所述規定而獲准許之彌償條文已生效。

組織章程細則規定，董事將獲以本公司資產及利潤作為彌償保證，並確保其不會因彼等執行彼等之職責時因所作出、發生的作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支受損；惟本彌償保證不延伸至與任何董事欺詐或不忠誠有關的任何事宜。

本公司已於本年度就其董事及高級管理人員可能面對之法律訴訟作適當之投保安排，且於本年報日期，彌償條文及董事及高級管理人員之責任保險維持有效。

### 董事資料變動

截至二零二零年六月三十日止六個月的中期報告日期後，董事資料的變動(根據GEM上市規則第17.50A(1)條所要求披露)載列如下：

### 財務概要

本集團過去五個財政年度之已刊發業績以及資產及負債概要(摘錄自經審核綜合財務報表)載於本年報第220頁。該概要並不構成經審核財務報表的一部分。

# Directors' Report

## 董事會報告

### REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the Year comply with applicable reporting standards, GEM Listing Rules, and that adequate disclosures have been made.

### AUDITOR

On 15 August 2018, Crowe (HK) CPA Limited resigned as the auditor of the Company and Elite Partners CPA Limited was then appointed as the auditor of the Company thereafter.

On 14 December 2020, Elite Partners CPA Limited resigned as the auditor of the Company and Crowe (HK) CPA Limited was then appointed as the auditor of the Company thereafter. The consolidated financial statements for the year ended 31 December 2019 and 2020 have been audited by Elite Partners CPA Limited and Crowe (HK) CPA Limited respectively.

Crowe (HK) CPA Limited will retire at the end of the forthcoming AGM and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Crowe (HK) CPA Limited as auditor of the Company is to be proposed at the forthcoming AGM.

On behalf of the Board

**Xu Jianchun**

*Chairman and Executive Director*

16 April 2021

### 審核委員會審閱

本集團於本年度之經審核綜合財務報表已由審核委員會審閱。審核委員會認為本集團之本年度綜合財務報表符合適用的申報準則及GEM上市規則，並已作出充分披露。

### 核數師

於二零一八年八月十五日，國富浩華(香港)會計師事務所有限公司辭任本公司核數師職務，而開元信德會計師事務所有限公司則獲委任為本公司核數師。

於二零二零年十二月十四日，開元信德會計師事務所有限公司辭任本公司核數師職務，而國富浩華(香港)會計師事務所有限公司則獲委任為本公司核數師。截至二零一九年及二零二零年十二月三十一日止年度的綜合財務報表乃分別由開元信德會計師事務所有限公司及國富浩華(香港)會計師事務所有限公司審核。

國富浩華(香港)會計師事務所有限公司將於應屆股東週年大會上退任，並符合資格且願意獲重新委任連任。本公司將於應屆股東週年大會上提呈一項續聘國富浩華(香港)會計師事務所有限公司為本公司核數師之決議案。

代表董事會

**許建春**

*主席兼執行董事*

二零二一年四月十六日

# Independent Auditor's Report 獨立核數師報告



國富浩華（香港）會計師事務所有限公司  
**Crowe (HK) CPA Limited**  
香港 銅鑼灣 禮頓道77號 禮頓中心9樓  
9/F Leighton Centre,  
77 Leighton Road,  
Causeway Bay, Hong Kong

## To the shareholders of Sino-Life Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Sino-Life Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 71 to 219, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## 致中國生命集團有限公司 股東

*(於開曼群島註冊成立之有限公司)*

### 意見

本核數師已審計第71至219頁所載中國生命集團有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）之綜合財務報表，此綜合財務報表包括於二零二零年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及該等綜合財務報表的附註，包括主要會計政策概要。

本核數師認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）所頒佈的香港財務報告準則（「香港財務報告準則」）真實而公平地反映 貴集團於二零二零年十二月三十一日的綜合財務狀況，以及其於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。



# Independent Auditor's Report

## 獨立核數師報告

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the 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 of 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.

### 意見基準

本核數師已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。本核數師在該等準則項下的責任在本報告「核數師對綜合財務報表的審計責任」一節進一步闡述。根據香港會計師公會的職業會計師道德守則(「守則」)，本核數師獨立於貴集團，並已按照守則履行其他道德責任。本核數師相信已獲得足夠及適當的審計憑證，為本核數師的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項是本核數師專業判斷所認為，對本核數師審計本期間綜合財務報表最為重要的事項。該等事項已於本核數師審計整份綜合財務報表及就其出具意見處理，而本核數師不會就該等事項獨立提供意見。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter 關鍵審計事項

#### Valuation of freehold land and buildings and investment properties 永久業權土地及樓宇以及投資物業的估值

We identified the valuation of freehold land and buildings and investment properties as a key audit matter due to the inherent level of subjective judgements and estimates required in determining the fair values.

我們確認永久業權土地及樓宇以及投資物業的估值為關鍵審計事項鑒於釐定公平值時涉及固有的主觀性判斷及估計。

As disclosed in notes 14 and 16 to the consolidated financial statements, the carrying amounts of freehold land and buildings and investment properties were approximately RMB24,516,000 and RMB6,531,000 as at 31 December 2020 respectively. During the year ended 31 December 2020, a revaluation surplus on freehold land and buildings of approximately RMB279,000 was recognised in other comprehensive income and a fair value gain on investment properties of approximately RMB101,000 was recognised in the consolidated statement of profit or loss and other comprehensive income.

誠如綜合財務報表附註14及16所披露，於二零二零年十二月三十一日，永久業權土地及樓宇以及投資物業的賬面值分別約為人民幣24,516,000元及人民幣6,531,000元。截至二零二零年十二月三十一日止年度，永久業權土地及樓宇之重新估值盈餘約人民幣279,000元於其他全面收益內確認，而投資物業之公平值收益約人民幣101,000元於綜合損益及其他全面收益表確認。

### How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理

Our procedures in relation to the valuation of freehold land and buildings and investment properties included:

我們有關評估永久業權土地及樓宇及投資物業之程序包括：

- Obtaining an understanding of the management's valuation processes and significant assumptions to assess if these approaches are in compliance with the requirements of HKFRSs and industry norms;
- 了解管理層的估值程序及重大假設，以評估該等方法是否符合香港財務報告準則和行業準則的要求；
- Evaluating the competence, capabilities and objectivity of the Valuer;
- 評估估值師之專長、能力及客觀性；
- Obtaining the detailed work of the Valuer to evaluate the accuracy and relevance of key inputs used in the valuation.
- 獲取估值師的工作詳情，以評價估值所用輸入數據之準確性及相關性。
- Evaluating the appropriateness of the valuation methods used based on our knowledge of the property markets; and
- 根據吾等對物業市場的了解來評估所使用的估值方法的合適性；及
- Assessing the reasonableness of the key inputs and assumptions, including unit sale rate by comparing these estimates to entity-specific information and market data based on our knowledge of the property markets.
- 根據吾等對物業市場的了解，透過將該等估計與實體特定資料及市場數據相比，以評估關鍵輸入數據及假設(包括單位售價)的合理性。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter 關鍵審計事項

### How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理

#### Valuation of freehold land and buildings and investment properties (Continued) 永久業權土地及樓宇以及投資物業的估值(續)

As disclosed in notes 2(g) and 2(f) to the consolidated financial statements, the Group's freehold land and buildings and investment properties are stated at fair value based on the valuations performed by an independent qualified professional valuer ("Valuer"). Details of the valuation techniques and key inputs used in the valuations are disclosed in notes 14 and 16 to the consolidated financial statements.

誠如綜合財務報表附註2(g)及2(f)所披露，貴集團永久業權土地及樓宇及投資物業乃根據獨立合資格估值師(「估值師」)進行的估值按公平值列賬。有關估值所用的估值方法及關鍵輸入數據之詳情披露於綜合財務報表附註14及16。

The valuations have been arrived at using direct comparison method, which are dependent on certain key inputs and assumptions in respect of prevailing market conditions such as unit sale rate.

該等估值乃採用直接比較法達致，其取決於有關現行市況之若干關鍵輸入數據及假設(如單位售價)。

# Independent Auditor's Report

## 獨立核數師報告

### OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion to those statements on 22 June 2020.

### OTHER INFORMATION

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

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

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

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

### 其他事宜

貴集團截至二零一九年十二月三十一日止年度之綜合財務報表由另一名核數師於二零二零年六月二十二日審核，而彼對該等報表發表無保留意見。

### 其他資料

貴公司董事對其他資料負責。其他資料包括年報內綜合財務報表及就其發出的核數師報告以外的資料。

本核數師就綜合財務報表發出的意見並不涵蓋其他資料，本核數師亦不對該等資料發表任何形式的核證結論。

就綜合財務報表的審計而言，本核數師的責任為閱讀其他資料，並在過程中考慮其他資料與綜合財務報表或本核數師於審計過程中所了解的情況是否有重大抵觸，或是否可能有重大錯誤陳述。基於本核數師已執行的工作，倘本核數師認為其他資料存在重大錯誤陳述，本核數師需要報告有關事實。就此而言，本核數師並無任何報告。

### 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製真實而公平的綜合財務報表，以及落實其認為屬必要的內部控制，以使所編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

# Independent Auditor's Report

## 獨立核數師報告

### **RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

### **董事及治理層就綜合財務報表須承擔的責任(續)**

於編製綜合財務報表時，董事負責評估貴集團以持續基準經營的能力，並在適用情況下披露與持續基準有關的事項，以及使用持續經營的會計基礎，惟董事有意將貴集團清盤或停止經營，或除此以外別無其他實際的替代方案則除外。

治理層負責監督貴集團財務報告流程。

### **核數師對綜合財務報表的審計責任**

本核數師的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並根據協定的委聘條款，僅向閣下整體出具載有本核數師意見的核數師報告，且並無其他目的。本核數師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。合理核證是高水平的核證，但並不保證按照《香港審計準則》進行的審計總能發現已存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期有關錯誤陳述(個別或共同)會影響使用者根據該等綜合財務報表所作出的經濟決定，則有關錯誤陳述被視為重大錯誤陳述。

在根據《香港審計準則》進行審計的過程中，本核數師會作出專業判斷，並保持專業懷疑態度。本核數師亦：

- 識別和評估綜合財務報表因欺詐或錯誤而存在重大錯誤陳述的風險，因應該等風險設計及執行審計程序，以及獲取充足和適當的審計憑證為本核數師的意見提供基礎。由於欺詐可能涉及串謀、偽造、故意遺漏、失實陳述，或凌駕內部控制，因此，與未能發現因錯誤而導致的重大錯誤陳述相比，未能發現因欺詐而導致的重大錯誤陳述的風險較高。

# Independent Auditor's Report 獨立核數師報告

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 核數師對綜合財務報表的審計 責任(續)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- 了解與審核有關的內部控制，以設計適用於有關情況的審核程序，但並非旨在對 貴集團內部控制的成效發表意見。
- 評估董事所採用會計政策是否恰當，以及董事所作出的會計估計及相關披露是否合理。
- 就董事採用持續經營基礎的會計法是否恰當作出結論，並根據已獲取的審計憑證，就是否有對 貴集團繼續以持續基準經營的能力構成重大疑問的事件或情況的相關重大不確定因素作出結論。倘本核數師的結論為存在重大不確定因素，則本核數師需要於核數師報告中提出須注意綜合財務報表內的相關資料披露，或倘有關披露資料不足，則需要修訂本核數師的意見。本核數師的結論以截至核數師報告日期所獲得的審計憑證為基礎。然而， 貴集團可能因未來事件或情況而不再持續經營。
- 評估綜合財務報表的整體呈列方式、架構及內容(包括披露資料)，以及綜合財務報表是否以達致公平呈列反映相關交易及事件。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的合適審計憑證，以就綜合財務報表發表意見。本核數師須負責指導、監督及執行集團的審計工作。本核數師須為所作出的審計意見承擔全部責任。

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

本核數師與管治層就(其中包括)審計工作的計劃範圍及時間安排及重大審計發現(包括本核數師於審計期間識別出的內部監控的任何重大缺陷)進行溝通。

# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

**Crowe (HK) CPA Limited**  
*Certified Public Accountants*  
Hong Kong, 16 April 2021

**Chan Wing Fai**  
Practising Certificate Number P07327

### 核數師對綜合財務報表的審計責任(續)

本核數師亦向管治層提交聲明，說明本核數師已遵守有關獨立性的道德要求，並就所有被合理認為可能影響本核數師獨立性的關係及其他事宜及(如適用)用以消除威脅採取的行動及防範措施，與彼等進行溝通。

從與管治層溝通的事項中，本核數師決定對本期綜合財務報表的審計工作最為重要的事項，而有關事項因而為關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕見的情況下，本核數師認為由於可合理預期披露此等事項的不良後果將超越公眾知悉此等事項的利益，因而不應於報告中披露，否則本核數師會於核數師報告中說明此等事項。

**國富浩華(香港)會計師事務所有限公司**  
*執業會計師*  
香港，二零二一年四月十六日

**陳穎輝**  
執業證書編號：P07327

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>	4	<b>68,340</b>	66,610
Cost of sales and services rendered	銷售及服務成本		<b>(39,173)</b>	(34,568)
<b>Gross profit</b>	<b>毛利</b>		<b>29,167</b>	32,042
Fair value gain on investment properties	投資物業之公平值收益	16	<b>101</b>	-
Fair value (loss)/gain on financial assets designated at fair value through profit or loss ("FVTPL")	指定為按公平值計入損益(「按公平值計入損益」)之財務資產之公平值(虧損)/收益	19	<b>(32)</b>	3,831
Other income and other net (loss)/gain	其他收入及其他(虧損)/收益淨額	5	<b>2,314</b>	1,188
Selling expenses	銷售開支		<b>(3,175)</b>	(7,169)
Administrative expenses	行政開支		<b>(24,922)</b>	(28,273)
Reversal of impairment losses/ (impairment losses) recognised under expected credit loss model on trade and other receivables, net	貿易及其他應收款項之預期信貸虧損模型項下之已確認減值虧損回撥/(減值虧損)淨額	6(d), 34(a)	<b>1,226</b>	(1,220)
Other operating expenses	其他經營開支		<b>(679)</b>	(36)
Impairment loss on an associate	一間聯營公司之減值虧損	18	-	(395)
<b>Profit/(loss) from operations</b>	<b>經營收益/(虧損)</b>		<b>4,000</b>	(32)
Finance costs	融資成本	6(a)	<b>(2,521)</b>	(2,791)
Share of losses of associates	應佔聯營公司虧損	18	-	(105)
<b>Profit/(loss) before taxation</b>	<b>除稅前收益/(虧損)</b>	6	<b>1,479</b>	(2,928)
Income tax expense	所得稅開支	7	<b>(3,421)</b>	(1,236)
<b>Loss for the year</b>	<b>年度虧損</b>		<b>(1,942)</b>	(4,164)
<b>Other comprehensive income/ (expense)</b>	<b>其他全面收益/(開支)</b>			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益的項目:</i>			
Surplus on revaluation of land and buildings	土地及樓宇之重估盈餘		<b>279</b>	397
Exchange difference arising on translation	換算所產生之匯兌差額		<b>(5,187)</b>	2,429
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能會重新分類至損益的項目:</i>			
Exchange differences arising on translation of foreign operations	換算海外業務所產生之匯兌差額		<b>927</b>	1,956
<b>Other comprehensive (expense)/income for the year, net of income tax</b>	<b>年度其他全面(開支)/收益(扣除所得稅)</b>	10	<b>(3,981)</b>	4,782
<b>Total comprehensive (expense)/income for the year, net of income tax</b>	<b>年度全面(開支)/收益總額(扣除所得稅)</b>		<b>(5,923)</b>	618



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Note 附註		
<b>(Loss)/profit for the year attributable to:</b>			
<b>以下人士應佔年度(虧損)/收益:</b>			
Owners of the Company		<b>(2,974)</b>	(3,804)
Non-controlling interests		<b>1,032</b>	(360)
		<b>(1,942)</b>	(4,164)
<b>Total comprehensive (expense)/income attributable to:</b>			
<b>以下人士應佔全面(開支)/收益總額:</b>			
Owners of the Company		<b>(6,759)</b>	710
Non-controlling interests		<b>836</b>	(92)
		<b>(5,923)</b>	618
<b>Loss per share</b>			
<b>每股虧損</b>			
Basic and diluted	11	<b>RMB(0.40) cents</b> <b>人民幣(0.40)分</b>	RMB(0.51) cents 人民幣(0.51)分

The notes on pages 79 to 219 form part of these consolidated financial statements.

第79頁至219頁之附註為該等綜合財務報表之一部分。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Notes 附註			
<b>NON-CURRENT ASSETS</b>		<b>非流動資產</b>		
Property, plant and equipment	14	物業、廠房及設備	30,142	32,417
Right-of-use assets	27	使用權資產	32,619	36,528
Investment properties	16	投資物業	6,531	6,622
Intangible assets	17	無形資產	2	2
Interests in associates	18	於聯營公司的權益	-	-
Goodwill	20	商譽	-	-
Other deposits	23	其他按金	99	-
Deposits for hire of funeral parlours and funeral services centres	23	租用殯儀館及殯儀服務中心之按金	1,000	1,000
			<b>70,393</b>	76,569
<b>CURRENT ASSETS</b>		<b>流動資產</b>		
Financial assets designated at FVTPL	19	指定為按公平值計入損益之財務資產	33,639	38,336
Development and formation costs	21	開發及成立成本	4,542	5,292
Inventories	22	存貨	1,546	966
Trade and other receivables	23	貿易及其他應收款項	43,820	52,778
Cash and bank balances	24	現金及銀行結餘	123,674	119,216
			<b>207,221</b>	216,588
<b>CURRENT LIABILITIES</b>		<b>流動負債</b>		
Trade and other payables	25	貿易及其他應付款項	16,876	17,660
Contract liabilities	26	合約負債	87,994	97,901
Lease liabilities	27	租賃負債	4,403	3,796
Bank borrowings	28	銀行借貸	1,138	1,154
Income tax liabilities	29	所得稅負債	3,567	4,002
Amounts due to directors	35(e)	應付董事之款項	3,660	789
Amount due to a shareholder	35(f)	應付一名股東之款項	10,544	8,664
Provisions	30	撥備	2,550	3,044
			<b>130,732</b>	137,010
<b>NET CURRENT ASSETS</b>		<b>流動資產淨值</b>	<b>76,489</b>	79,578
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>總資產減流動負債</b>	<b>146,882</b>	156,147
<b>NON-CURRENT LIABILITIES</b>		<b>非流動負債</b>		
Amount due to a shareholder	35(f)	應付一名股東之款項	1,677	-
Contract liabilities	26	合約負債	186	199
Lease liabilities	27	租賃負債	27,467	31,064
Bank borrowings	28	銀行借貸	5,826	7,235
			<b>35,156</b>	38,498
<b>NET ASSETS</b>		<b>資產淨值</b>	<b>111,726</b>	117,649

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	31	69,218	69,218
Reserves	儲備	32	50,052	56,811
			<b>119,270</b>	126,029
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>(7,544)</b>	(8,380)
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>111,726</b>	117,649

Approved and authorised for issue by the board of directors on 16 April 2021 and are signed on its behalf by:

由董事會於二零二一年四月十六日批准及授權發佈並由以下人士代表簽署：

**Xu Jianchun**  
*Chairman and Executive Director*  
**許建春**  
主席兼執行董事

**Liu Tien-Tsai**  
*Executive Director*  
**劉添財**  
執行董事

The notes on pages 79 to 219 form part of these consolidated financial statements.

第79頁至219頁之附註為該等綜合財務報表之一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

Attributable to owners of the Company  
本公司擁有人應佔

	Share capital (Note 31)	Share premium (Note 32 (b)) (i)	Merger reserve (Note 32 (b)) (ii)	Statutory reserve (Note 32 (b)) (iii)	Statutory surplus reserve (Note 32 (b)) (iv)	Properties revaluation reserve (Note 32 (b)) (v)	Foreign currency translation reserve (Note 32 (b)) (vi)	Share-based compensation reserve (Note 32 (b)) (vii)	Accumulated losses	Sub-total	Non-controlling interests	Total	
	股本 (附註31)	股份溢價 (附註32(b)) (i)	合併儲備 (附註32(b)) (ii)	法定儲備 (附註32(b)) (iii)	法定盈餘儲備 (附註32(b)) (iv)	物業重估儲備 (附註32(b)) (v)	外幣匯兌儲備 (附註32(b)) (vi)	以股份為基礎之補償儲備 (附註32(b)) (vii)	累計虧損	小計	非控股權益	總額	
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
<b>At 1 January 2019</b>	<b>於二零一九年一月一日</b>	69,218	220,633	(16,261)	790	1,550	2,601	(19,359)	7,027	(160,984)	105,215	(2,406)	102,809
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(3,804)	(3,804)	(360)	(4,164)
Surplus on revaluation of land and buildings	土地及樓宇之重估盈餘	-	-	-	-	397	-	-	-	397	-	397	
Exchange differences arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	4,117	-	-	4,117	268	4,385	
Other comprehensive income	其他全面收益	-	-	-	-	397	4,117	-	-	4,514	268	4,782	
Total comprehensive income/ (expense) for the year	年度全面收益/ (開支)總額	-	-	-	-	397	4,117	-	(3,804)	710	(92)	618	
Recognition of non-controlling interests upon partial disposal of a subsidiary	於部分出售一間附屬公司後確認非控股權益	-	-	-	-	-	-	-	20,104	20,104	(5,882)	14,222	
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	69,218	220,633	(16,261)	790	1,550	2,998	(15,242)	7,027	(144,684)	126,029	(8,380)	117,649
<b>At 1 January 2020</b>	<b>於二零二零年一月一日</b>	69,218	220,633	(16,261)	790	1,550	2,998	(15,242)	7,027	(144,684)	126,029	(8,380)	117,649
(Loss)/profit for the year	年度(虧損)/收益	-	-	-	-	-	-	-	-	(2,974)	(2,974)	1,032	(1,942)
Surplus on revaluation of land and buildings	土地及樓宇之重估盈餘	-	-	-	-	143	-	-	-	143	136	279	
Exchange differences arising on translation of foreign operations	換算海外業務所產生之匯兌差額	-	-	-	-	-	(3,928)	-	-	(3,928)	(332)	(4,260)	
Other comprehensive income/ (expense)	其他全面收益/ (開支)	-	-	-	-	143	(3,928)	-	-	(3,785)	(196)	(3,981)	
Total comprehensive income/ (expense) for the year	年度全面收益/ (開支)總額	-	-	-	-	143	(3,928)	-	(2,974)	(6,759)	836	(5,923)	
Transfer to reserves	儲備轉撥	-	-	-	10,508	-	-	-	(10,508)	-	-	-	
Lapse of share options	購股權失效	-	-	-	-	-	-	(7,027)	7,027	-	-	-	
<b>At 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	69,218	220,633	(16,261)	790	12,058	3,141	(19,170)	-	(151,139)	119,270	(7,544)	111,726

The notes on pages 79 to 219 form part of these consolidated financial statements.

第79頁至219頁之附註為該等綜合財務報表之一部分。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

			2020	2019
		Notes	二零二零年	二零一九年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>			
Profit/(loss) before taxation	除稅前溢利／(虧損)		<b>1,479</b>	(2,928)
Adjustments for:	調整：			
Finance costs	融資成本	6(a)	<b>2,521</b>	2,791
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6(c)	<b>5,352</b>	2,011
Depreciation of right-of-use assets	使用權資產折舊	6(c)	<b>5,076</b>	4,750
(Reversal of impairment losses)/ impairment losses recognised under expected credit loss model on trade and other receivables, net	貿易及其他應收款項之預期信貸虧損模型項下之已確認(減值虧損回撥)／減值虧損淨額	6(d)	<b>(1,226)</b>	1,220
Over-provision written back for cost of service	撤回服務成本超額撥備	5	<b>(399)</b>	-
Reversal of impairment loss on prepayment	回撥預付款項減值虧損	5	<b>(784)</b>	-
Impairment loss on an associate	於一間聯營公司之減值虧損		-	395
Fair value gain on investment properties	投資物業之公平值收益	16	<b>(101)</b>	-
Gains on disposal of property, plant and equipment	出售物業、廠房及設備之收益	5	-	(24)
Interest income	利息收入	5	<b>(210)</b>	(547)
Fair value loss/(gain) on financial assets designated at FVTPL	指定為按公平值計入損益之財務資產之公平值虧損／(收益)	19	<b>32</b>	(3,831)
Share of losses of associates	應佔聯營公司虧損	18	-	105
Net exchange loss/(gain)	匯兌虧損／(收益)淨額	5	<b>343</b>	(1)
			<b>12,083</b>	3,941

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Notes 附註			
<b>CHANGES IN WORKING CAPITAL</b>		<b>營運資金變動</b>		
(Increase)/decrease in inventories		存貨(增加)/減少	(640)	126
Decrease/(increase) in trade and other receivables		貿易及其他應收款項減少/(增加)	8,197	(2,194)
Decrease in financial assets designated at FVTPL		指定為按公平值計入損益之財務資產減少	3,397	-
Decrease in development and formation costs		開發及成立成本減少	419	-
(Decrease)/increase in trade and other payables		貿易及其他應付款項(減少)/增加	(347)	1,917
Decrease in contract liabilities		合約負債減少	(6,432)	(598)
Increase in amount due to a shareholder		應付一名股東之款項增加	2,666	4,174
Increase in amounts due to directors		應付董事款項增加	3,066	49
			<b>10,326</b>	<b>3,474</b>
<b>CASH GENERATED FROM OPERATIONS</b>		<b>經營所得現金</b>	<b>22,409</b>	<b>7,415</b>
Income taxes paid in the People's Republic of China ("PRC")	29(a)	已支付中華人民共和國(「中國」)之所得稅	(4,519)	(1,492)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>經營業務所得現金淨額</b>	<b>17,890</b>	<b>5,923</b>
<b>INVESTING ACTIVITIES</b>		<b>投資活動</b>		
Purchases of property, plant and equipment	14	購買物業、廠房及設備	(3,713)	(754)
Proceeds from disposal of property, plant and equipment		出售物業、廠房及設備之所得款項	-	208
Proceeds from disposal of a portion of equity interest in a subsidiary		出售一間附屬公司的部分股權之所得款項	-	14,038
Interest received		已收利息	210	547
Capital injection into associates		於聯營公司的注資	-	(500)
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>		<b>投資活動(所用)/所得現金淨額</b>	<b>(3,503)</b>	<b>13,539</b>
<b>FINANCING ACTIVITIES</b>		<b>融資活動</b>		
Repayment of bank borrowings	24(b)	償還銀行借貸	(1,166)	(1,112)
Interest paid on bank borrowings	24(b)	已付銀行借貸利息	(155)	(264)
Repayment of lease liabilities, including related interests	24(b)	償還租賃負債(包括相關利息)	(6,523)	(6,139)
Increase in amount due to a shareholder	24(b)	應付一名股東之款項增加	1,677	-

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	Notes 附註		
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>融資活動所用現金淨額</b>	<b>(6,167)</b>	(7,515)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物增加淨額</b>	<b>8,220</b>	11,947
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>於一月一日之現金及現金等價物</b>	<b>119,216</b>	103,467
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>外幣匯率變動之影響</b>	<b>(3,762)</b>	3,802
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>於十二月三十一日之現金及現金等價物</b>	<b>123,674</b>	119,216
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘分析</b>		
Cash and bank balances	現金及銀行結餘	24	119,216

The notes on pages 79 to 219 form part of these consolidated financial statements.

第79頁至219頁之附註為該等綜合財務報表之一部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 1. GENERAL INFORMATION

Sino-Life Group Limited (the “Company”) was incorporated on 24 February 2005 in the Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Law. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 9 September 2009.

The Company is principally engaged in investment holding. The subsidiaries are mainly engaged in the provision of funeral and related services in the PRC, Taiwan and Hong Kong, sale of burial plots and tombstones and provision of cemetery maintenance services in Socialist Republic of Vietnam (“Vietnam”), and provision of advisory services on stem cells and immunocytes and sales of advance biotechnical machinery and other electronic products in Hong Kong Special Administrative Region, the PRC (“Hong Kong”) and the PRC. The Company and its subsidiaries are herein collectively referred to as the “Group”. The addresses of the Company’s registered office and principal place of business are The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands and Unit 601, 6/F., Ovest, No. 77 Wing Lok Street, Sheung Wan, Hong Kong respectively.

### 1. 一般資料

中國生命集團有限公司(「本公司」)乃根據開曼群島公司法於二零零五年二月二十四日在開曼群島註冊成立為一間獲豁免有限責任公司，其股份於二零零九年九月九日在香港聯合交易所有限公司(「聯交所」) GEM上市。

本公司主要從事投資控股。其附屬公司主要業務為於中國、台灣及香港特提供殯儀及相關服務、於越南社會主義共和國(「越南」)銷售墓地及墓碑及提供墓園修繕服務，以及於中國香港特別行政區(「香港」)及中國提供幹細胞及免疫細胞諮詢服務和高端生物科技儀器及其他電子產品銷售業務。本公司及其附屬公司於下文統稱為「本集團」。本公司註冊辦事處及主要營業地點之地址分別為The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands及香港上環永樂街77號Ovest 6樓601室。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in the consolidated financial statements.

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries and the Group’s interests in associates.

### 2. 主要會計政策

#### (a) 遵例聲明

該等財務報表已根據香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」），合共包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例的披露規定而編製。該等財務報表亦遵守聯交所GEM證券上市規則（「GEM上市規則」）之適用披露條文。本集團所採納之主要會計政策披露如下。

香港會計師公會已頒佈若干香港財務報告準則的修訂本（於本集團之本會計期間首次生效或可提早應用）。附註3提供首次應用此等準則的修訂本所導致之會計政策之任何變動之資料，以於該等綜合財務報表中反映現行會計期間與本集團相關者為限。

#### (b) 編製財務報表之基準

截至二零二零年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司及本集團於聯營公司之權益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (b) Basis of preparation of the financial statements (Continued)

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is United States dollars (“US\$”). The functional currencies are Renminbi (“RMB”), Taiwan dollars (“NTD”), Hong Kong dollars (“HK\$”) and Vietnamese dong (“VND”) for subsidiaries incorporated/established in the PRC, Taiwan, Hong Kong and Vietnam respectively. The consolidated financial statements are presented in RMB, rounded to the nearest thousand, except when otherwise indicated, which is different from the functional currency of the Company as majority of the Group’s transactions are denominated in RMB.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment properties;
- freehold land and buildings; and
- financial assets designated at FVTPL.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### (b) 編製財務報表之基準(續)

計入本集團各實體財務報表之項目以實體之主要經營經濟環境之貨幣(「功能貨幣」)計量。本公司之功能貨幣為美元(「美元」)。於中國、台灣、香港及越南註冊／成立之附屬公司之功能貨幣分別為人民幣(「人民幣」)、新台幣(「新台幣」)、港元(「港元」)及越南盾(「越南盾」)。由於本集團大部分交易乃以人民幣計值，故綜合財務報表乃以人民幣(其與本公司之功能貨幣不同)呈列，除另有指明外，所有價值均四捨五入至最接近千位數。

編製財務報表時所使用之計量基準為歷史成本基準，惟以下資產乃以其公平值列賬(誠如下文所載會計政策所闡釋)：

- 投資物業；
- 永久業權土地及樓宇；及
- 指定為按公平值計入損益之財務資產。

編製符合香港財務報告準則之財務報表要求管理層須作出判斷、估計及假設，該等判斷、估計及假設會影響政策應用以及所呈報之資產、負債、收入及開支金額。此等估計及相關假設乃基於過往經驗及在有關情況下被認為屬合理之各項其他因素，而所得結果乃用作判斷顯然無法輕易透過其他來源獲得有關資產與負債賬面值之依據。實際結果或有別於此等估計。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (b) Basis of preparation of the financial statements (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 43.

#### (c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

#### (b) 編製財務報表之基準(續)

估計及相關假設乃按持續基準審閱。倘修訂僅影響修訂估計之期間，則對會計估計之修訂乃於修訂估計之期間確認，而倘修訂影響目前及未來期間，則會於修訂及未來期間確認。

管理層於應用香港財務報告準則所作出的判斷對綜合財務報表及附註43所討論估計不明朗因素之主要來源有重大影響。

#### (c) 附屬公司及非控股權益

附屬公司為本集團控制之實體。當本集團承受或享有參與實體所得的可變回報，且有能透過其對實體的權力影響該等回報時，則本集團控制該實體。於評估本集團是否擁有有關權力時，僅會考慮其實質權利(由本集團及其他方擁有)。

於附屬公司之投資會自控制開始日期起綜合計入綜合財務報表內，直至控制結束日期為止。集團內公司間之結餘、交易及現金流和集團內公司間之交易所產生之任何未變現盈利於編製綜合財務報表時悉數抵銷。僅當並無出現減值跡象時，集團內公司間之交易所產生之未變現虧損則按照未變現收益之相同方式抵銷。

非控股權益指並非由本公司直接或間接擁有之附屬公司權益，而本集團未有就此與該等權益持有人達成任何附加條款，致令本集團整體上對該等權益產生符合財務負債定義之合約義務。就各業務合併而言，本集團可選擇按公平值或按非控股權益分佔附屬公司可識別淨資產的比例計量任何非控股權益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (c) Subsidiaries and non-controlling interests (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income or expense for the year between non-controlling interests and the owners of the Company. Total comprehensive income or expense of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

#### *Changes in the Group's interests in existing subsidiaries*

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

#### (c) 附屬公司及非控股權益(續)

非控股權益會在綜合財務狀況表之權益中，與本公司擁有人應佔權益分開呈報。非控股權益所佔本集團業績之權益則會在綜合損益及其他全面收益表中列作為非控股權益與本公司擁有人之間的本年度總損益及全面收益或開支總額分配。即使其將導致非控股權益出現虧絀結餘，附屬公司之全面收益或開支總額仍劃撥至本公司擁有人及非控股權益。來自非控股權益持有人之貸款及對該等持有人之其他合約責任，於綜合財務狀況表中呈列為財務負債。

#### *本集團於現有附屬公司之權益變動*

倘本集團於附屬公司之權益出現變動，但並無導致本集團失去控制權，則入賬列作權益交易。控股與非控股權益之金額於綜合權益內均予以調整，以反映相關權益之變動，惟不會對商譽作出調整，亦不會確認任何盈虧。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (c) Subsidiaries and non-controlling interests (Continued)

##### *Changes in the Group's interests in existing subsidiaries (Continued)*

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

#### (d) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

#### (c) 附屬公司及非控股權益 (續)

##### *本集團於現有附屬公司之權益變動(續)*

倘本集團失去對附屬公司之控制權，則入賬列作出售該附屬公司之全部權益，而所產生之盈虧會於損益確認。於失去控制權當日仍保留於前附屬公司之任何權益乃按公平值確認，而該款項將視為於初步確認財務資產時之公平值，或(如適用)於一間聯營公司或一間合營企業之投資之初步確認成本。

於本公司財務狀況表中，於附屬公司之投資按成本減減值虧損列賬，惟投資分類為持作出售(或計入分類為持作出售之出售組別)。

#### (d) 商譽

商譽指

- (i) 已轉讓代價之公平值、於被收購方之任何非控股權益金額及本集團先前於被收購方持有的股本權益之公平值三者之總和；超出
- (ii) 於收購日期計量之被收購方可辨識資產及負債公平值淨額的部分。

當(ii)大於(i)，則超出部分會作為議價購買收益即時於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (d) Goodwill (Continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment.

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

#### (e) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(n)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

#### (d) 商譽(續)

商譽按成本減累計減值虧損列賬。因業務合併所產生之商譽乃分配至預期可自合併協同效應獲益的各現金產生單位(「現金產生單位」)(或現金產生單位組別)及每年進行減值測試。

於本年度出售現金產生單位時，購入商譽的任何應佔金額於出售時均計入損益的計算內。

#### (e) 聯營公司

聯營公司指本集團或本公司對其管理層有重大影響力(而非控制或共同控制)，包括參與財務及經營決策之實體。

於一間聯營公司之投資按權益法於綜合財務報表入賬，除非分類為持作出售(或計入分類為持作出售之出售組別)。根據權益法，投資初步按成本記賬，並按本集團應佔被投資公司之可識別淨資產於收購日期公平值超出投資成本部分(如有)作出調整。投資成本包括購買價、收購投資直接應佔之其他成本，以及任何於聯營公司之直接投資(構成本集團股本投資一部分)。其後，投資乃就本集團於收購後應佔被投資公司淨資產之變動及任何與投資有關之減值虧損(見附註2(n))作出調整。於各報告日期，本集團評估投資是否有任何客觀減值證據。任何於收購日期超出成本之部分、本集團應佔被投資公司之收購後及除稅後業績及年內任何減值虧損均於綜合損益表確認，本集團應佔被投資公司其他全面收益的收購後及除稅後項目亦於綜合損益及其他全面收益表內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (e) Associates (Continued)

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate (after applying the expected credit loss ("ECL") model to such other long-term interests where applicable).

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

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, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

#### (e) 聯營公司(續)

當本集團應佔聯營公司的虧損超出其權益時，本集團的權益將減少至零，且不再確認進一步虧損，惟倘本集團已產生法定或推定責任，或代表被投資公司作出付款則除外。就此而言，本集團的權益為權益法項下的投資賬面值連同實質上屬於本集團於聯營公司投資淨額一部分的任何其他長期權益(就有關其他長期權益應用預期信貸虧損(「預期信貸虧損」)模式後，倘適用)。

本集團與其聯營公司的交易產生的未變現溢利及虧損按本集團於被投資公司的權益對銷，惟如未變現虧損提供所轉讓資產減值的證據，則未變現溢利及虧損即時於損益內確認。

倘於一間聯營公司的投資變成於一間合營企業的投資，或反之亦然，則保留權益不會重新計量。相反，該投資繼續按權益法入賬。

於所有其他情況下，倘本集團不再對一間聯營公司擁有重大影響，則入賬作為出售於該被投資公司的全部權益，由此產生的收益或虧損則於損益內確認。任何在喪失重大影響力的日期仍保留在該前被投資公司的權益按公平值確認，而此金額被視為初步確認財務資產的公平值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (f) Investment property

Investment properties are land and/or building which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss.

#### (g) Property, plant and equipment

Freehold land and buildings held for own use are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of the reporting period.

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(n)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 2(h)).

#### (f) 投資物業

投資物業是指為賺取租金收入及／或為資本增值而以租賃權益擁有或持有的土地及／或建築物，當中包括就尚未確定未來用途持有的土地以及現正建造或發展以供未來用作投資物業之物業。

投資物業按公平值列賬，除非於報告期末，投資物業仍然正在建造或發展及當時不能可靠地確定公平值。投資物業公平值的變動，或報廢或出售投資物業所產生的任何收益或虧損均於損益內確認。

#### (g) 物業、廠房及設備

持有作自用之永久業權土地及樓宇乃按重估金額(即於重估當日之公平值減去任何其後之累計折舊)列賬。

重估會定期進行，以確保該等資產於報告期末之賬面值將不會與使用公平值釐定之價值有重大差異。

下列為物業、廠房及設備按成本減累計折舊及減值虧損列賬(見附註2(n))：

- 永久產權或租賃物業(本集團並非該等物業權益的登記擁有人)租約所產生的使用權資產；及
- 廠房及設備項目，包括租賃相關廠房及設備產生的使用權資產(見附註2(h))。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES 2. 主要會計政策(續) (Continued)

#### (g) Property, plant and equipment (Continued)

Changes arising on the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the properties revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the properties revaluation reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- freehold land is not depreciated;
- buildings situated on freehold land are depreciated over their estimated useful life, being no more than 50 years after the date of completion;

#### (g) 物業、廠房及設備(續)

重估持作自用之物業產生之變動一般於其他全面收益內處理，並於權益中之物業重估儲備分開累計。惟以下情況除外：

- 倘出現重估虧絀，則以虧絀額超過就該資產於緊接重估前計入物業重估儲備之數額為限，自損益中扣除；及
- 倘以往曾將同一項資產之重估虧絀自損益中扣除，則在出現重估盈餘時，便會撥入損益賬計算。

折舊乃按照以下估計可使用年期以直線法撇銷物業、廠房及設備項目之成本或估值減其估計殘值(如有)計算：

- 永久業權土地不計提折舊；
- 位於永久業權土地之樓宇按其估計可使用年期(即於竣工日期後不超過50年)計提折舊；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (g) Property, plant and equipment (Continued)

- The Group's interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion;
- Leasehold improvements 3 to 10 years or over the remaining term of the lease, if shorter
- Furniture, fixtures and office equipment 2 to 5 years
- Motor vehicles 3 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition and installation of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

#### (g) 物業、廠房及設備(續)

- 本集團於位於租賃土地之上之樓宇之權益按未屆滿之租賃年期及彼等之估計可使用年期(即不超過竣工日期後50年)之較短者計提折舊；
- 租賃物業裝修 3至10年，或(倘更短)剩餘之租賃年期
- 傢俬、裝置及辦公室設備 2至5年
- 汽車 3至5年

倘一項物業、廠房及設備之部分有不同之可使用年期，該項目之成本或估值按合理基準分配至各部分，而各部分則獨立計提折舊。資產之可用年期及其殘值(如有)將於每年檢討。

歷史成本包括收購及安裝項目直接應佔之開支。成本亦可能包括轉撥自權益至以外幣購置物業、廠房及設備之合資格現金流量對沖產生之任何收益／虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (g) Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The item is stated at cost less impairment until it begins to generate economic benefits, then the item is subsequently measured according to the measurement basis of its respective asset class. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred or provided for.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the properties revaluation reserve to accumulated losses and is not reclassified to profit or loss.

Properties, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties, plant and equipment are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as similar assets, commences when the assets are ready for their intended use.

#### (g) 物業、廠房及設備(續)

其後成本乃僅當與項目有關之未來經濟利益可能流入本集團且項目成本能可靠計量時，方會計入資產之賬面值或確認為獨立資產(視適用情況而定)。該項目按成本減減值列賬，直至其開始產生經濟利益為止，該項目其後根據其各自資產類別的計量基準計量。所有其他維修及保養成本均於產生或計提撥備的財政期間內自損益扣除。

倘資產之賬面值高於其估計可收回金額，則資產之賬面值即時撇減至其可收回金額。

報廢或出售物業、廠房及設備項目產生之收益或虧損按出售所得款項淨額與該項目賬面值之差額釐定，並於報廢或出售當日在損益中確認。任何相關重估盈餘自物業重估儲備轉撥至累計虧損，且不會重新分類計入損益。

在建作生產、供應或行政用途之物業、廠房及設備按成本減去任何已確認減值虧損列賬。成本包括專業費用，及如屬合資格資產，則為根據本集團會計政策資本化之借貸成本。該等物業、廠房及設備於竣工及可作擬定用途時分類為適當類別之物業、廠房及設備。該等資產按類似資產相同之基準於資產可作擬定用途時開始折舊。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (g) Property, plant and equipment (Continued)

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in properties revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to accumulated losses.

#### (h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

##### (i) *As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

#### (g) 物業、廠房及設備(續)

倘物業因已證實結束自用而變更為投資物業，該項目於轉變日之賬面值與公平值(包括分類為使用權資產的相關租賃土地)之間的任何差額，於其他全面收益確認並於物業重估儲備累計。在隨後物業出售或停止使用時，相關重估儲備將直接轉撥至累計虧損。

#### (h) 租賃資產

本集團會於訂立合約時評估該合約是否屬租賃或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產用途的權利，則該合約屬租賃或包含租賃。當客戶有權指示已識別資產之用途以及自該用途獲得絕大部分經濟利益時，即表示擁有控制權。

##### (i) *作為承租人*

倘合約包含租賃部分及非租賃部分，則本集團已選擇不區分非租賃部分，並將各租賃部分及任何相關非租賃部分入賬列作所有租賃的單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租期為12個月或以下的短期租賃及低價值資產租賃除外。當本集團就低價值資產訂立租賃時，本集團按個別租賃基準決定是否將租賃資本化。與該等並未資本化租賃相關的租賃付款於租期內按系統化基準確認為開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (h) Leased assets (Continued)

##### (i) As a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(g) and 2(n)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment properties are carried at fair value in accordance with note 2(f); and
- right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value in accordance with note 2(g); and

#### (h) 租賃資產(續)

##### (i) 作為承租人(續)

倘租賃已資本化，租賃負債初步按租期內應付租賃付款之現值確認，並採用租賃中所內含之利率貼現，倘該利率不易釐定，則使用相關增量借貸利率。於初步確認後，租賃負債按攤銷成本計量，而利息開支使用實際利率法計算。計量租賃負債時，不依賴指數或利率之可變租賃款項並不包括在內，因此自其所產生會計期間之損益內扣除。

於租賃資本化時確認的使用權資產初步按成本計量，該成本包括租賃負債之初步金額加上於開始日期或之前作出之任何租賃付款，以及產生之任何初步直接成本。於適用情況下，使用權資產成本亦包括拆除及移除相關資產或恢復相關資產或該資產所在地之估計成本，並貼現至彼等之現值再減任何已收租賃優惠。使用權資產其後按成本減累計折舊及減值虧損列賬(見附註2(g)及2(n))，惟以下使用權資產類別除外：

- 符合投資物業定義之使用權資產根據附註2(f)按公平值入賬；及
- 與租賃土地及樓宇有關之使用權資產(當中本集團為租賃權益之登記擁有人)根據附註2(g)按公平值入賬；及

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (h) Leased assets (Continued)

##### (i) As a lessee (Continued)

- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

#### (h) 租賃資產(續)

##### (i) 作為承租人(續)

- 與租賃土地權益有關之使用權資產(當中土地之權益作為存貨持有)按成本與可變現淨值之較低者入賬。

倘指數或利率變動引致未來租賃付款變動，或本集團根據餘值擔保預期應付款項之估計有所變動，或當重新評估本集團是否將合理確定行使購買、續期或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，則就使用權資產之賬面值作出相應調整，或倘使用權資產之賬面值減至零，則於損益入賬。

當租賃範疇發生變動或租賃合約原先並無規定的租賃代價發生變動(「租賃修改」)，且未作為單獨的租賃入賬時，則亦要對租賃負債進行重新計量。於此情況下，租賃負債根據經修訂的租賃付款及租賃期限，使用經修訂的貼現率於修改生效日期重新計量。

於綜合財務狀況表，長期租賃負債的流動部分釐定為於報告期後十二個月內到期清場的合約付款的現值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES 2. 主要會計政策(續) (Continued)

#### (h) Leased assets (Continued)

##### (ii) *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(s).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(h)(i), then the Group classifies the sub-lease as an operating lease.

#### (i) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

#### (h) 租賃資產(續)

##### (ii) 作為出租人

本集團作為出租人時，其在租賃開始時將每項租賃釐定為融資租賃或經營租賃。倘其將相關資產所有權附帶的絕大部分風險及回報轉移至承租人，則租賃分類為融資租賃。如不屬此情況，則租賃分類為經營租賃。

當合約包含租賃及非租賃部分，本集團按相對獨立的銷售價格將合約中代價分配予各部分。經營租賃產生之租金收入根據附註2(s)確認。

倘本集團為中間出租人，經參考主租賃產生的使用權資產，分租被分類為融資租賃或經營租賃。倘主租賃為短期租賃，而本集團對此應用附註2(h)(i)所述之豁免，則本集團將分租分類為經營租賃。

#### (i) 財務工具

當集團實體成為工具合約條文之一方時，則於綜合財務狀況表確認財務資產及財務負債。所有常規買賣之財務資產按交易日基準確認及終止確認。常規買賣指須於法規或市場慣例規定時間內交付資產之財務資產買賣。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### *Financial assets*

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (i) 財務工具(續)

財務資產及財務負債初步按公平值計量，惟初步根據香港財務報告準則第15號計量自客戶合約所產生之貿易應收款項除外。收購或發行財務資產及財務負債(按公平值計入損益之財務資產及財務負債除外)直接應佔之交易成本乃於初步確認時加至或扣自財務資產或財務負債之公平值(如適用)。收購按公平值計入損益之財務資產或財務負債直接應佔之交易成本，即時於損益內確認。

實際利率法乃計算有關期間之財務資產或財務負債攤銷成本及利息收入及利息開支分配之方法。實際利率為透過財務資產或財務負債之預期年期或(如適用)較短期間將估計未來現金收付款(包括構成實際利率不可分割部分之所有已付或已收費用及點數、交易成本及其他溢價或折讓)準確折現至初次確認時之賬面淨值之利率。

#### *財務資產*

財務資產之分類及其後計量

以下條件的財務資產其後按攤銷成本計量：

- 該財務資產以目的為持有資產以收取合約現金流量之經營模式持有；及
- 該財務資產的合約條款導致於指定日期出現現金流量(其只能用作償還本金及本金結欠所產生的利息)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

##### *Financial assets (Continued)*

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### (i) 財務工具(續)

##### *財務資產(續)*

財務資產之分類及其後計量(續)

符合以下條件的財務資產其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量:

- 該財務資產以目的為持有財務資產以出售及收取合約現金流量之經營模式持有;及
- 該財務資產的合約條款導致於指定日期出現現金流量(其只能用作償還本金及本金結欠所產生的利息)。

所有其它財務資產其後按公平值計入損益,惟倘股本投資並非持作買賣,亦並非由收購方於香港財務報告準則第3號業務合併所適用的業務合併中確認為或然代價,則本集團於初步確認財務資產日期可以不可撤回地選擇於其他全面收益呈列股本投資之公平值之其後變動。

倘一項財務資產符合以下條件,則將該財務資產分類為持作買賣:

- 其主要收購作於不久將來出售用途;或
- 其於初步確認時為本集團一併管理且具有近期實際短期獲利模式的已識別財務工具之組合之一部分;或
- 其為並非指定及用作對沖工具的衍生工具。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

##### *Financial assets (Continued)*

Classification and subsequent measurement of financial assets (Continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### (i) *Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

#### (i) 財務工具(續)

##### *財務資產(續)*

財務資產之分類及其後計量(續)

此外，本集團可以不可撤回地指定按公平值計入損益的方式來計量須按攤銷成本計量或按公平值計入其他全面收益的財務資產，前提是此舉能消除或大幅減少會計不一致的情況。

#### (i) *攤銷成本及利息收入*

其後按攤銷成本計量的財務資產及其後按公平值計入其他全面收益的債務工具／應收款項的利息收入乃使用實際利率法予以確認。利息收入乃對財務資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的財務資產除外(見下文)。對於其後出現信貸減值的財務資產，利息收入乃透過自下個報告期開始對財務資產之攤銷成本應用實際利率確認。倘出現信貸減值的財務工具的信貨風險好轉，使財務資產不再出現信貸減值，則由釐定該資產不再出現信貸減值後之報告期開始，利息收入以對財務資產賬面總值應用實際利率方式確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued) *Financial assets (Continued)*

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income and other net (loss)/gain" line item.

#### Impairment of financial assets

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables and cash and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12 months ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

#### (i) 財務工具(續) *財務資產(續)*

按公平值計入損益之財務資產

並不符合按攤銷成本計量或按公平值計入其他全面收益或指定為按公平值計入其他全面收益之財務資產乃按公平值計入損益計量。

按公平值計入損益之財務資產按於各報告期末之公平值計量，而任何公平值收益或虧損均於損益內確認。於損益內確認之淨收益或虧損並不包括就該財務資產所賺取之任何股息或利息，並計入「其他收入及其他(虧損)/收益淨額」項目內。

#### 財務資產減值

本集團根據香港財務報告準則第9號就須進行減值評估的財務資產(包括貿易及其他應收款項以及現金及銀行結餘)以預期信貸虧損模式進行減值評估。預期信貸虧損的金額於每個報告日期予以更新，以反映自初步確認以來信貸風險的變動。

全期預期信貸虧損指於相關工具預期年期內發生所有可能的違約事件而導致的預期信貸虧損。相反，十二個月預期信貸虧損(「十二個月預期信貸虧損」)指預期於報告日期後十二個月內可能發生的違約事件而導致的部分全期預期信貸虧損。

預期信貸虧損根據本集團過往信貸虧損經驗進行評估，並根據債務人特定因素、一般經濟狀況及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

##### *Financial assets (Continued)*

##### Impairment of financial assets (Continued)

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

#### (i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

#### (i) 財務工具(續)

##### *財務資產(續)*

##### 財務資產減值(續)

本集團一直就貿易應收款項確認全期預期信貸虧損。

就所有其他工具而言，本集團計量與十二個月預期信貸虧損等額的虧損撥備，除非自初步確認以來信貸風險已大幅增加，在此情況下，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損，乃基於自初步確認起出現違約的可能性或風險是否大幅增加。

#### (i) *信貸風險大幅增加*

為評估信貸風險自初步確認後是否已大幅增加，本集團會將財務工具於報告日出現違約的風險與該財務工具於初步確認當日出現違約的風險相比較。本集團進行評估時，會考慮合理及有依據的量化及質性資料，包括參考過往經驗及無須耗費不必要的成本或精力而取得的前瞻性資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued) Financial assets (Continued)

Impairment of financial assets (Continued)

##### (i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

#### (i) 財務工具(續) 財務資產(續)

財務資產減值(續)

##### (i) 信貸風險大幅增加(續)

具體而言，評估信貸風險是否已大幅增加時會考慮以下資料：

- 財務工具的外部(如有)或內部的信貸評級實際上或預期嚴重惡化；
- 信貸風險的外部市場指標嚴重轉差，例如債務人的信貸息差、信貸違約掉期價格顯著增加；
- 業務、金融或經濟環境目前受到或預期出現不利影響，並預計嚴重使債務人的債務償還能力下降；
- 債務人的經營業績實際上或預期嚴重惡化；或
- 債務人面對的監管、經濟或技術環境在實際上或預計會發生重大不利變動，導致債務人的債務償還能力嚴重下降。

不論上述評估結果，本集團認為，當合約付款逾期超過三十天，則自初步確認以來信貸風險已大幅增加，除非本集團有合理及有依據之資料證明屬其它情況。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

##### *Financial assets (Continued)*

Impairment of financial assets (Continued)

##### (i) *Significant increase in credit risk (Continued)*

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### (ii) *Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### (iii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;

#### (i) 財務工具(續)

##### *財務資產(續)*

財務資產減值(續)

##### (i) *信貸風險大幅增加(續)*

本集團定期監察用於識別信貸風險是否有大幅增加之標準是否有效，並對其進行適當修訂，以確保該標準能於款項逾期前識別信貸風險是否有大幅增加。

##### (ii) *違約之定義*

就內部信貸風險管理而言，本集團認為，如內部產生或外部來源資料顯示，債務人很可能無法向債權人(包括本集團)悉數還款(不計及本集團所持有任何抵押品)，則發生違約事件。

不論上述，本集團認為，如財務資產逾期超過九十天，則違約已經發生，惟本集團擁有合理及有依據資料顯示一項更滯後的違約標準更為合適，則另作別論。

##### (iii) *出現信貸減值之財務資產*

如一項或多項事件發生，導致財務資產的估計未來現金流量受到負面影響，則該財務資產出現信貸減值。財務資產出現信貸減值之證據包括有關以下事件之可觀察數據：

- (a) 發行人或借款人出現嚴重財務困難；
- (b) 違約，例如逾期或拖欠事件；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

##### *Financial assets (Continued)*

Impairment of financial assets (Continued)

##### *(iii) Credit-impaired financial assets (Continued)*

- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

##### *(iv) Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### (i) 財務工具(續)

##### *財務資產(續)*

財務資產減值(續)

##### *(iii) 出現信貸減值之財務資產(續)*

- (c) 借款人之貸款人因與借款人出現財務困難相關經濟或合約理由授予借款人貸款人一般不會考慮的寬免；
- (d) 借款人很可能將宣佈破產或進行財務重組；或
- (e) 有關財務資產之活躍市場因財務困難而消失。

##### *(iv) 撇銷政策*

如有資料顯示對手方出現嚴重財務困難且並無實際收回可能性(例如，對手方被清盤或已進入破產程序，或如屬其他貿易應收款項，有關款項逾期超過兩年(以較早發生者為準))，則本集團將有關財務資產撇銷。已撇銷財務資產仍可面臨本集團收回款項程序之強制執行活動，包括尋求法律意見(如適用)。撇銷構成一項終止確認事件。任何其後收回款項確認於損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued) Financial assets (Continued)

##### Impairment of financial assets (Continued) (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effect.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping;

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

#### (i) 財務工具(續) 財務資產(續)

##### 財務資產減值(續)

##### (v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率程度(即倘發生違約時的損失程度)及違約風險敞口的函數。違約概率及違約損失率程度之評估乃按過往數據及前瞻性資料為依據。預期信貸虧損的估計反映以相應發生違約風險作為加權釐訂之公正及概率加權金額。本集團經考慮過往信貸虧損經驗後使用撥備矩陣並採用實際權益法估計貿易應收款項的預期信貸虧損，並按無須耗費不必要的成本或精力而取得的前瞻性資料作出調整。

一般而言，預期信貸虧損為根據合約中應付本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額，並按初步確認時釐定的實際利率折現。

若干貿易應收款項的全期預期信貸虧損經考慮過往逾期資料及前瞻性宏觀經濟資料等相關信貸資料按集體基準考慮。

就集體評估而言，本集團分組時考慮以下特徵：

- 逾期狀況；
- 債務人性質、規模及行業；及
- 外部信貸評級(如有)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

##### *Financial assets (Continued)*

Impairment of financial assets (Continued)

##### (v) *Measurement and recognition of ECL (Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

#### (i) 財務工具(續)

##### *財務資產(續)*

財務資產減值(續)

##### (v) *預期信貸虧損的計量及確認(續)*

分組獲管理層定期檢討，以確保各組之組成繼續具有類似之信貸風險特徵。

利息收入乃根據財務資產的賬面總值計算，除非財務資產出現信貸減值，其利息收入則按有關財務資產的攤銷成本計算。

本集團就所有財務工具通過調整賬面值於損益中確認減值收益或虧損，惟貿易應收款項通過虧損撥備賬對其賬面值進行相應調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

##### *Financial assets (Continued)*

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

#### (i) 財務工具(續)

##### *財務資產(續)*

##### 終止確認財務資產

本集團僅於從資產收取現金流量的合約權利屆滿時，或轉移財務資產及該項資產所有權的絕大部分風險及回報至另一實體時，方會終止確認該項財務資產。倘本集團並無轉移亦無保留所有權的絕大部分風險及回報，並繼續控制已轉移資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留已轉移財務資產所有權的絕大部分風險及回報，本集團繼續確認該項財務資產，亦就所收到的所得款項確認抵押借貸。

於終止確認按攤銷成本計量的財務資產時，資產的賬面值與已收及應收代價總和之間的差額於損益中確認。

於終止確認分類為按公平值計入其他全面收益的債務工具投資時，先前於按公平值計入其他全面收益儲備中累計的累計收益或虧損會重新分類至損益。

當終止確認本集團於首次確認時已選擇按公平值計入其他全面收益計量的股本工具投資時，其先前累計於按公平值計入其他全面收益儲備的累計收益或虧損不會重新分類至損益，但會轉撥至累計虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (i) Financial instruments (Continued)

##### *Financial liabilities and equity*

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

##### Financial liabilities at amortised cost

Financial liabilities including bank borrowings, trade and other payables are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### (i) 財務工具(續)

##### *財務負債及權益*

##### 分類為債務或權益

債務及權益工具乃根據合約安排之內容及財務負債及權益工具之定義分類為財務負債或權益。

##### 權益工具

權益工具乃證明一間實體的資產於扣除其所有負債後之剩餘權益的任何合約。本公司所發行之權益工具乃按已收取之所得款項(扣除直接發行成本)確認。

永續工具(包括本集團不承擔交付現金或其他財務資產之合同義務,或本集團具有全權酌情權無限期遞延支付分派及贖回本金額)被分類為權益工具。

購回本公司本身之權益工具直接於權益內確認並扣減。購買、出售、發行或註銷本公司本身之權益工具不得於損益內確認收益或虧損。

##### 財務負債

所有財務負債均使用實際利率法按攤銷成本或按公平值計入損益其後計量。

##### 按攤銷成本計量之財務負債

財務負債(包括銀行借貸、貿易及其他應付款項)其後使用實際利率法按攤銷成本計量。

##### 終止確認財務負債

本集團於且僅於本集團的責任解除、取消或屆滿時終止確認財務負債。終止確認的財務負債的賬面值與已付及應付的代價之間的差額會於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (j) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

- trademark	5 to 10 years
- computer system	2 to 2.5 years

#### *Derecognition of intangible assets*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### (k) Development and formation costs

The development and formation costs represent development costs incurred for a cemetery site which will be completed for sale and are stated at the lower of cost and net realisable value.

The development costs comprise specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised. Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the burial plots.

#### (j) 無形資產

獨立收購之可使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬。攤銷可使用年期有限的無形資產乃按其估計可使用年期以直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，估計變動之影響按前瞻基準入賬。

以下可使用年期有限之無形資產乃自可使用日期起按以下估計可使用年期攤銷：

- 商標	5至10年
- 電腦系統	2至2.5年

#### *取消確認無形資產*

無形資產於出售，或預計不會自使用或出售產生未來經濟利益時取消確認。因取消確認無形資產而產生的盈虧，乃按出售所得款項淨額與該項資產賬面值之間的差額計量，並於有關資產取消確認時在損益內確認。

#### (k) 開發及成立成本

開發及成立成本指於將完成待出售之墓園產生之開發成本並按成本及可變現淨值兩者中之較低者列賬。

開發成本包括特別指定成本，包括收購土地成本、開發、材料及供應之成本總額、工資及其他直接開支、適當比例之間接費用及撥充資本之借貸成本。可變現淨值指估計銷售價格減估計完成成本及銷售墓地所產生之成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES 2. 主要會計政策(續) (Continued)

#### (l) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost of merchandises for resale and marble stones is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of burial plots developed for sale is determined by an apportionment of the total development costs (see note 2(k)) attributable to completed but unsold units.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### (l) 存貨

存貨是指日常業務過程中持作銷售、處在為該等銷售的生產過程中，或以在生產過程中或提供服務時將予耗用的材料或物料形式持有的資產。

存貨乃以成本與可變現淨值兩者中之較低者列賬。

轉售貨品及大理石之成本以加權平均成本法計算，並包括所有採購成本、兌換成本及將存貨運至現址及變成現狀之其他成本。

發展墓地以供銷售之成本釐定為已落成惟未售出單位應佔總發展成本(見附註2(k))之份額。

可變現淨值乃按正常業務過程中之估計售價減估計完成成本及估計銷售所需之成本。

存貨出售時，該等存貨之賬面值於確認有關收益之期間確認為開支。

任何存貨撇減至可變現淨值之金額及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何存貨撇減撥回之金額，在作出撥回期間確認為減少已確認為開支之存貨金額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(i).

#### (n) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- right-of-use assets;
- intangible assets;
- goodwill;
- deposits and prepayments;
- interests in associates; and
- investments in subsidiaries in the Company's statement of financial position.

#### (m) 現金及現金等價物

現金及現金等價物指銀行及手頭現金、存於銀行及其他金融機構之活期存款，以及可隨時轉換為已知金額現金且沒有重大價值變動風險之短期及高流通量投資，而於購入後三個月內到期。就綜合現金流量表而言，按要求償還及構成本集團現金管理一個不可或缺部分之銀行透支亦列入現金及現金等價物部分。現金及現金等價物根據附註2(i)所載政策評估預期信貸虧損。

#### (n) 非財務資產減值

於每個報告期末審閱內部及外部資料來源，以識別是否有跡象顯示以下資產可能出現減值，(商譽除外)或先前確認之減值虧損不再存在或可能已減少：

- 物業、廠房及設備(按經重估金額列賬之物業除外)；
- 使用權資產；
- 無形資產；
- 商譽；
- 按金及預付款項；
- 於聯營公司的權益；及
- 載於本公司財務狀況表之附屬公司投資。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (n) Impairment of non-financial assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

##### – Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (that is a CGU).

##### – Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

#### (n) 非財務資產減值(續)

如出現任何上述跡象，則估計資產可收回金額。此外，就商譽、未可供使用的無形資產及具有不確定限期可用年期的無形資產而言，其可收回金額會每年進行評估(無論是否存在任何減值跡象)。

##### – 可收回金額之計算

資產的可收回金額乃其公平值減出售成本與其使用價值兩者中之較高者。在評估使用價值時，估計未來現金流量會按可以反映當時市場對貨幣時間價值及資產特定風險的評估之稅前貼現率，貼現至其現值。倘資產並不產生基本上獨立於其他資產之現金流入，則就能獨立產生現金流入之最小資產組別(即現金產生單位)釐定可收回金額。

##### – 減值虧損之確認

倘資產或其所屬現金產生單位之賬面值超過其可收回金額，則於損益中確認減值虧損。就現金產生單位確認之減值虧損，會首先分配以減少分配至現金產生單位(或該單位組別)之任何商譽賬面值，其後按比例減少該單位(或該單位組別)內其他資產之賬面值，惟資產之賬面值將不會減至低於其本身之公平值減去出售成本(如可計量)或使用價值(如能確定)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (n) Impairment of non-financial assets (Continued)

##### – *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

##### – *Interim financial reporting and impairment*

Under the GEM Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim Financial Reporting*, every three months. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

#### (n) 非財務資產減值(續)

##### – *減值虧損之撥回*

就除商譽以外的資產而言，倘用作釐定可收回金額之估算出現正面的變化，有關減值虧損便會撥回。有關商譽之減值虧損將不予撥回。

撥回減值虧損以過往年度並未確認減值虧損而釐定的資產之賬面值為限。所撥回之減值虧損在確認撥回之年度計入損益內。

##### – *中期財務報告及減值*

根據GEM上市規則，本集團須遵照香港會計準則第34號中期財務報告，每三個月編製中期財務報告。於中期期間末，本集團應用與於財政年度末相同之減值測試、確認及撥回標準。

於中期內就商譽確認之減值虧損並不於其後期間撥回。倘於中期相關之財政年度完結時方評估減值，此時即使不用確認虧損或確認較少虧損時，亦不會撥回減值虧損。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES 2. 主要會計政策(續)

#### (Continued)

#### (o) Employee benefits

##### (i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

##### (ii) *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

#### (p) Share-based payments

##### (i) *Share options granted to employees*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share-based compensation reserve within equity. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

#### (o) 僱員福利

##### (i) *短期僱員福利及定額供款退休計劃之供款*

薪金、年度獎金、有薪年假、定額供款退休計劃之供款及非貨幣福利成本於僱員提供相關服務的年度內累計。倘若延遲付款或結算會造成重大的影響，則該等數額會以現值列賬。

##### (ii) *終止福利*

終止福利於本集團無法再收回該等福利及其確認涉及支付終止福利之重組成本時(以較早者為準)確認。

#### (p) 以股份為基礎之付款

##### (i) *授予僱員之購股權*

授予僱員之購股權按公平值確認為僱員成本，而權益中之以股份為基礎之補償儲備亦會相應增加。公平值乃於授予日以二項式期權定價模型計量，並考慮購股權授予條款及條件。倘僱員須符合歸屬條件方能無條件地享有購股權，於計及購股權會否歸屬之可能性後，便會將購股權之估計公平值總額於歸屬期內分開確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (p) Share-based payments (Continued)

##### (i) *Share options granted to employees (Continued)*

During the vesting period, the number of share options expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to accumulated losses).

##### (ii) *Share options granted to non-employees*

Share options issued in exchange for services are measured at the fair values of the services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counterparty renders the services. The fair values of services received are recognised as expenses (unless the services qualify for recognition as assets).

#### (p) 以股份為基礎之付款(續)

##### (i) 授予僱員之購股權(續)

本集團會於歸屬期內審閱預期歸屬之購股權數目。所導致之已於以往年度確認之累計公平值之任何調整會於審閱年度之損益中列支/計入，除非原來之僱員支出符合確認為資產之資格，便會對以股份為基礎之補償儲備作出相應之調整。已確認為支出之數額會於歸屬日作出調整，以反映所歸屬購股權之實際數目(同時對以股份為基礎之補償儲備作出相應之調整)；但只會於無法符合與本公司股份市價相關之生效條件時方會沒收。權益數額於以股份為基礎之補償儲備中確認，直至購股權獲行使(當轉入股份溢價賬時)或購股權到期(當直接撥入累計虧損時)時為止。

##### (ii) 授予非僱員之購股權

就換取服務而發行之購股權按獲取服務時之公平值計量，除非公平值不能可靠計量，在此情況下，購股權按所授出權益工具之公平值於對手方提供服務日期計量。所獲取服務之公平值確認為開支(惟該服務符合資格確認為資產則作別論)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

#### (q) 所得稅

本年度所得稅包括即期稅項和遞延稅項資產及負債的變動。即期稅項和遞延稅項資產及負債的變動均在損益中確認，倘與於其他全面收益或直接於權益中確認的項目相關，在此情況下，其相關稅項金額分別在其他全面收益或直接於權益中確認。

即期稅項是按本年度應課稅收入，根據在報告期末已生效或實質上已生效的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產及負債在就財務申報而言的賬面值與彼等的稅基的差異。遞延稅項資產亦可以由未利用稅項虧損和未利用稅項抵減產生。

除了某些有限的例外情況外，所有遞延稅項負債和所有遞延稅項資產(只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅溢利)均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅溢利包括因撥回目前存在的應課稅暫時差異而產生的數額；但這些撥回的差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回的同一年間或遞延稅項資產所產生稅項虧損可向後期或向前期結轉的期間內撥回。在決定目前存在的應課稅暫時差異是否足以支持確認由未利用稅項虧損和抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠使用可利用稅項虧損或抵減撥回的同一年間內轉回。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (q) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

#### (q) 所得稅(續)

確認遞延稅項資產和負債之暫時差異之有限例外情況為因不可扣稅之商譽而產生之該等暫時差異；初步確認既不影響會計亦不影響應課稅溢利之資產或負債(惟屬業務合併之一部分則除外)；及與於附屬公司之投資有關之暫時差異(惟如屬應課稅差異，只限於本集團可以控制撥回之時間，且在可預見之將來不大可能轉回之差異；或如屬可扣稅差異，則只限於很可能在將來轉回之差異)。

當投資物業根據附註2(f)所載會計政策按公平值列賬，確認遞延稅項的金額按該物業於報告日期假設以賬面值出售該等資產的稅率計算，除非該物業為須折舊的及以一項商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之絕大部分經濟利益。在其他情況下，已確認遞延稅額是按照資產與負債賬面值的預期實現或結算方式，根據在報告期末已生效或實質上已生效的稅率計量。遞延稅項資產與負債均不貼現計算。

本集團會在每個報告期末審閱遞延稅項資產的賬面值並於不再可能獲得足夠的應課稅溢利以抵扣相關的稅務利益時調低賬面值。惟倘若日後有可能獲得足夠的應課稅溢利，有關減額便會撥回。

來自分派股息的額外所得稅於確認派付有關股息之責任時予以確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (q) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

#### (r) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

#### (q) 所得稅(續)

即期稅項結餘和遞延稅項結餘及其變動額會分開列示，並且不予抵銷。即期稅項資產和遞延稅項資產會在本公司或本集團有法定行使權以即期稅項資產抵銷即期稅項負債，並且符合以下附帶條件的情況下可以分別抵銷即期稅項負債和遞延稅項負債：

- 即期稅項資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或
- 遞延稅項資產與負債：此等資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅實體；或
  - 不同的應課稅實體。此等實體計劃在日後每個預計有大額遞延稅項負債需要結算或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產和結算即期稅項負債，或同時變現該等資產和結算該等負債。

#### (r) 撥備及或然負債

倘過去事項導致本集團須承擔法定或既定責任，而履行有關責任可能須撥付經濟利益，且能可靠地作估計，則確認撥備。倘貨幣之時間值屬重大，則撥備將以預計結清責任所須開支之現值列賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (r) Provisions and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (s) Revenue recognition

##### *Revenue from contracts with customers*

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

#### (r) 撥備及或然負債(續)

倘須撥付經濟利益之可能性不大，或無法可靠地估計其金額時，除非須撥付經濟利益之機會極微，否則有關責任將作為或然負債予以披露。至於僅在日後是否出現一項或以上事件時方可確定之有關責任，除非須撥付經濟利益之機會極微，否則亦將披露為或然負債。

#### (s) 收益確認

##### *來自客戶合約之收益*

本集團於(或隨著)履約責任獲履行時確認收益，即當與特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

履約責任指個別的商品及服務(或一組商品或服務)或一系列大致相同的個別商品或服務。

倘符合以下其中一項標準，則控制權隨時間轉移，而收益則參照完全履行相關履約責任的進展情況而隨時間確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生或提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生讓本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (s) Revenue recognition (Continued)

##### *Revenue from contracts with customers (Continued)*

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

##### *Principal versus agent*

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

#### (s) 收益確認(續)

##### *來自客戶合約之收益(續)*

否則，收益於客戶獲得個別商品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即只需待時間過去代價即須到期支付。

合約負債指本集團就本集團已從客戶收取代價(或應收客戶代價)向客戶轉讓商品或服務的責任。

合約資產及與該合約相關的合約負債按淨額基準入賬及呈列。

##### *委託人對代理人*

當另一方從事向客戶提供商品或服務，本集團釐定其承諾的性質是否為提供指定商品或服務本身的履約義務(即本集團為委託人)或安排由另一方提供該等商品或服務(即本集團為代理人)。

倘本集團在向客戶轉讓商品或服務之前控制指定商品或服務，則本集團為委託人。

倘本集團的履約義務為安排另一方提供指定的商品或服務，則本集團為代理人。在此情況下，在將商品或服務轉讓予客戶之前，本集團不控制另一方提供的指定商品或服務。當本集團為代理人時，應就為換取另一方安排提供的指定商品或服務預期有權取得的任何收費或佣金的金額確認收益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (s) Revenue recognition (Continued)

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentive, granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

#### (s) 收益確認(續)

利息收入按實際利率法按照將財務資產的預計年限內的估計未來現金收入與財務資產的賬面總值準確折現的利率計算確認。就並無信貸減值之按攤銷成本或按公平值計入其他全面收益(可劃轉)計量的財務資產而言，實際利率應用於資產賬面總值。就出現信貸減值的財務資產而言，實際利率應用於資產的攤銷成本(即賬面總值減虧損撥備)。

根據經營租賃應收的租金收入於租期所涵蓋的期間以等額分期方式在損益中確認；除非有另一基準更能代表租賃資產的使用產生利益的模式。已授出的租賃優惠於損益確認為應收租賃付款總淨額的一部分。並非取決於指數或比率的可變租賃付款在其產生的會計期間內確認為收入。

當可以合理確定本集團將會收到政府補助，且本集團會符合相關補助的附帶條件時，政府補助初步於綜合財務狀況表內確認。用作補償本集團已產生的開支的補助於產生開支的同一期間有系統地於損益確認為收入。補償本集團資產成本的補助將自資產之賬面值扣除，並在其後以減少折舊開支之方式在資產之可使用年期內於損益實際確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of non-PRC operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the foreign currency translation reserve.

On the disposal of a non-PRC operation the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

#### (t) 外幣換算

年內之外幣交易按交易日之匯率換算。以外幣計值的貨幣資產及負債則以於報告期末之匯率換算。匯兌收益及虧損均於損益確認，惟用以對沖外國業務淨投資的外幣借貸所產生者則在其他全面收益內確認。

以外幣歷史成本計量的非貨幣資產及負債按交易當日的匯率換算。交易日為本公司初步確認該等非貨幣資產或負債的日期。按公平值列賬的以外幣計值的非貨幣資產及負債按計量公平值當日的匯率換算。

非中國業務之業績按與交易日匯率相若之匯率換算為人民幣。財務狀況表之項目則按報告期末之匯率換算為人民幣。所產生之匯兌差異於其他全面收益確認，以及單獨於權益中之匯兌儲備累計。

於出售非中國業務時，有關外國業務的累計匯兌差異金額將於出售損益獲確認時從權益重新分類至損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

#### (v) Related parties

(a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

#### (u) 借貸成本

因收購、興建或生產需經一段長時期準備方可作擬定用途或出售之資產直接產生之借貸成本，會資本化作為有關資產之部分成本。其他借貸成本於產生期間列作開支。

借貸成本乃於資產開支產生、借貸成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為合資格資產之部分成本。當所有有關籌備合資格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫時終止或停止資本化借貸成本。

#### (v) 關連人士

(a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司的主要管理層成員。

(b) 倘符合下列任何條件，即實體與本集團有關連：

- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (v) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies: (Continued)

- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (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);
- (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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

#### (v) 關連人士(續)

(b) 倘符合下列任何條件，即實體與本集團有關連：(續)

- (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)；
- (iii) 兩間實體均為同一第三方的合營企業；
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職後福利計劃；
- (vi) 實體受(a)所識別人士控制或受共同控制；
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；
- (viii) 向本集團或本集團之母公司提供主要管理人員服務之實體或有關實體所屬集團之任何成員公司。

一名人士之近親家庭成員指預期可於有關人士與有關實體交往時對其發揮影響力或受其影響之家庭成員。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued) 2. 主要會計政策(續)

#### (w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Company's executive directors, which are the chief operating decision maker of the Company for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

#### (w) 分部報告

財務報表所報告之經營分部及各分部項目之金額乃自為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本公司執行董事(本公司主要經營決策者)提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產工序性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部分此等準則，則該等經營分部可能會被合併。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 3. APPLICATION OF AMENDMENTS TO HKFRSs

#### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements.

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 3. 應用香港財務報告準則(修訂本)

#### 於本年度強制生效之香港財務報告準則(修訂本)

於本年度，本集團已首次應用由香港會計師公會頒佈並於二零二零年一月一日或之後開始的年度期間強制生效的香港財務報告準則中對概念框架之提述(修訂本)及下列香港財務報告準則(修訂本)，以編製綜合財務報表：

香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義
香港財務報告準則第3號(修訂本)	業務的定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革

於本年度應用香港財務報告準則中對概念框架之提述(修訂本)及香港財務報告準則(修訂本)對本集團目前及過往年度的財務狀況及表現及／或該等綜合財務報表載列的有關披露並無重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION 4. 收益及分部資料

#### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or services lines is as follows:

#### (a) 收益分拆

按主要產品或服務種類劃分的來自客戶合約之收益分拆如下：

#### *Disaggregation of revenue for the year ended 31 December 2020*

#### *截至二零二零年十二月三十一日止年度的收益分拆*

		Funeral services	Stem cells and immunocytes and other businesses	Total
		殯儀服務	幹細胞及免疫細胞及其他業務	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>Major products and services</b>	<b>主要產品及服務</b>			
Funeral services and cremation services provided in funeral parlours and funeral service centres under the Group's management	本集團管理之殯儀館及殯儀服務中心提供之殯儀服務及火化服務	60,961	-	60,961
Funeral arrangement and related consultancy services	殯儀安排及相關諮詢服務	2,290	-	2,290
Sales of burial plots and tombstones	銷售墓地及墓碑	435	-	435
Provision of advisory service on stem cells and immunocytes	提供幹細胞及免疫細胞諮詢服務	-	356	356
Sales of biotechnical machineries and other electronics products	生物科技儀器及其他電子產品銷售	-	4,298	4,298
		<b>63,686</b>	<b>4,654</b>	<b>68,340</b>
<b>Timing of revenue recognition</b>	<b>收益確認時間</b>			
At a point in time	於某一時間點	4,853	4,298	9,151
Over time	隨時間推移	58,833	356	59,189
		<b>63,686</b>	<b>4,654</b>	<b>68,340</b>
<b>Primary geographical market</b>	<b>主要地區市場</b>			
The PRC	中國	60,961	356	61,317
Taiwan	台灣	1,802	-	1,802
Hong Kong	香港	488	4,298	4,786
Vietnam	越南	435	-	435
		<b>63,686</b>	<b>4,654</b>	<b>68,340</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION 4. 收益及分部資料(續)

#### (Continued)

#### (a) Disaggregation of revenue (Continued)

*Disaggregation of revenue for the year ended 31 December 2019*

#### (a) 收益分拆(續)

*截至二零一九年十二月三十一日止年度的收益分拆*

		Funeral services	Stem cells and immunocytes and other businesses	Total
		殯儀服務	幹細胞及免疫細胞及其他業務	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>Major products and services</b>	<b>主要產品及服務</b>			
Funeral services and cremation services provided in funeral parlours and funeral service centres under the Group's management	本集團管理之殯儀館及殯儀服務中心提供之殯儀服務及火化服務	58,277	-	58,277
Funeral arrangement and related consultancy services	殯儀安排及相關諮詢服務	3,058	-	3,058
Sales of burial plots and tombstones	銷售墓地及墓碑	421	-	421
Provision of advisory service on stem cells and immunocytes	提供幹細胞及免疫細胞諮詢服務	-	1,591	1,591
Sales of biotechnical machineries	銷售生物科技儀器	-	3,263	3,263
		61,756	4,854	66,610
<b>Timing of revenue recognition</b>	<b>收益確認時間</b>			
At a point in time	於某一時間點	421	3,263	3,684
Over time	隨時間推移	61,335	1,591	62,926
		61,756	4,854	66,610
<b>Primary geographical market</b>	<b>主要地區市場</b>			
The PRC	中國	58,277	1,591	59,868
Taiwan	台灣	2,258	-	2,258
Hong Kong	香港	800	3,263	4,063
Vietnam	越南	421	-	421
		61,756	4,854	66,610

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 收益及分部資料(續)

#### (a) Disaggregation of revenue (Continued) *Performance obligations for contracts with customers*

##### Funeral services and cremation services

The Group offers services of planning funeral arrangement and interment, organising and hosting of the funeral. Revenue from funeral services is recognised when services are provided. Except for sales of prepaid funeral services packages offered to individuals, payment of the transaction price is due immediately at the point the funeral services are provided. Sales of prepaid funeral services packages is sales of funeral services based on a contract prior to death occurring. The payment is due when the contract of prepaid funeral services packages is signed, which will give rise to contract liabilities at the inception of a contract, until the revenue recognised when the funeral service is offered. Details of the prepaid funeral services packages contract are disclosed in note 26 to the consolidated financial statements.

##### Funeral arrangement and related consultancy services

Revenue from funeral arrangement and related consultancy services is recognised when services are provided. Payment of the transaction price is due immediately at the point the funeral arrangement and related consultancy services are provided.

##### Sales of burial plots and tombstones

Revenue from the sales of burial plots and tombstones is recognised when the control of burial plots and tombstones is transferred to the customer, being when the right to use of burial plots and tombstones has been passed. Payment of the transaction price is due immediately at the point the customer purchases the burial plots and tombstones.

#### (a) 收益分拆(續) *客戶合約的履約責任*

##### 殯儀服務及火化服務

本集團提供殯儀安排規劃及安葬服務，組織及主持殯儀服務。殯儀服務的收益於提供服務時確認。除向個人提供銷售預付殯儀服務組合外，交易價格的支付於提供殯儀服務時立即到期。銷售預付殯儀服務組合為根據死亡發生前的合約銷售殯儀服務。於簽訂預付殯儀服務組合時到期支付，將於合約開始時產生合約負債，直至於提供殯儀服務時確認收益。預付殯儀服務組合合約詳情於綜合財務報表附註26進一步披露。

##### 殯儀安排及相關諮詢服務

殯儀安排及相關諮詢服務的收益於提供服務時確認。交易價格的支付於提供殯儀安排及相關諮詢服務時立即到期。

##### 銷售墓地及墓碑

銷售墓地及墓碑的收益於墓地及墓碑的控制權轉移至客戶(即墓地及墓碑的使用權已轉移)時確認。交易價格的支付於客戶購買墓地及墓碑時立即到期。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 收益及分部資料(續)

#### (a) Disaggregation of revenue (Continued) *Performance obligations for contracts with customers (Continued)*

Provision of advisory service on stem cells and immunocytes

Revenue from advisory service on stem cells and immunocytes is recognised when services are performed. Advisory service on stem cells and immunocytes is advisory service based on a contract prior to the advisory service. Payment of the transaction price is due when the contract of advisory service is signed, which will give rise to contract liabilities at the inception of a contract, until the revenue recognised when the advisory service is rendered.

Sales of biotechnical machineries and other electronic products

Revenue from sales of biotechnical machineries and other electronic products is recognised when the control of such products is transferred to the customer, being when the goods have been delivered to the customer's specific location. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears of obsolescence and loss in relation to the goods. The normal credit term is 90 days upon delivery.

#### (b) Segment information

The Group manages its businesses by divisions, which are organised by a business lines. In a manner consistent with the way in which information is reported internally to the executive directors of the Company (the "Executive Directors"), which are the chief operating decision maker, for the purposes of resources allocation and performance assessment.

During the year ended 31 December 2020, the Executive Directors considered that it is the best interest of the Company and the shareholders of the Company to concentrate its resources on the "funeral services" segment and "stem cells and immunocytes and other business" segment, and thus the Executive Directors decided to classify the "elderly care service" segment as "unallocated" and applies such change retrospectively.

#### (a) 收益分拆(續) *客戶合約的履約責任(續)*

提供幹細胞及免疫細胞諮詢服務

幹細胞及免疫細胞諮詢服務的收益於進行服務時確認。幹細胞及免疫細胞諮詢服務乃基於諮詢服務之前合約的諮詢服務。交易價應於簽訂諮詢服務合約時支付，這將於合約開始時產生合約負債，直至提供諮詢服務時確認收益。

銷售生物科技儀器及其他電子產品

銷售生物科技儀器及其他電子產品的收益於該等產品的控制權轉移至客戶(即貨品已交付至客戶指定地點)時確認。於交付後，客戶全權釐定分配方式及貨品銷售價格，對貨品銷售時間負有主要責任並承擔貨品滯後及虧損。正常信貸期為交付後90日。

#### (b) 分部資料

本集團以與就資源分配及評估表現而向本公司執行董事(「執行董事」，即主要營運決策者)呈報內部資料一致之方式，按分部管理其業務，而分部乃按業務種類劃分管理。

截至二零二零年十二月三十一日止年度，執行董事認為將其資源集中於「殯儀服務」分部以及「幹細胞及免疫細胞及其他業務」分部符合本公司及本公司股東最佳利益，因此執行董事決定將「護老服務」分部分類為「未分配」並追溯應用該變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 收益及分部資料(續)

#### (b) Segment information (Continued)

For the years ended 31 December 2020 and 2019, the Group had below two reportable segments:

- Funeral services: Provision of funeral related service, including arrangement services and related consultancy services, provision of funeral and cremation services and sale of burial plots and tombstones; and
- Stem cells and immunocytes and other business: Provision of advisory service on stem cells and immunocytes and sales of biotechnical machineries and other electronic products.

#### (A) *The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2020 and 2019 is as follows:*

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Executive Directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and, intangible asset and current assets with the exception of corporate assets. Segment liabilities include trade and other payables, contract liabilities, lease liabilities, amounts due to directors, amount due to a shareholder, provisions and current tax liabilities attributable to the activities of the individual segments and borrowings managed directly by the segments.

#### (b) 分部資料(續)

截至二零二零年及二零一九年十二月三十一日止年度，本集團有以下兩個可報告分部：

- 殯儀服務：提供殯儀相關服務，包括安排服務及相關諮詢服務、提供殯儀及火化服務以及銷售墓地及墓碑；及
- 乾細胞及免疫細胞及其他業務：提供幹細胞及免疫細胞諮詢服務以及生物科技儀器及其他電子產品銷售。

#### (A) *截至二零二零年及二零一九年十二月三十一日止年度提供予執行董事的可報告分部的分部資料如下：*

分部業績、資產及負債就評估分部表現及於分部間分配資源而言，執行董事按下列基準監察各可報告分部應佔之業績、資產及負債：

分部資產包括除公司資產外之所有有形及無形資產及流動資產。分部負債包括各個別分部活動應佔之貿易及其他應付款項、合約負債、租賃負債、應付董事款項、應付一名股東款項、撥備及即期稅項負債以及分部直接管理之借貸。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 收益及分部資料(續)

#### (b) Segment information (Continued)

(A) *The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2020 and 2019 is as follows: (Continued)*

Segment results, assets and liabilities (Continued)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment results represent the earnings and loss of each segment without allocation of valuation (loss)/gain on investment properties and financial assets designated at FVTPL, impairment loss on an associate, reversal of impairment losses/(impairment losses) recognised under ECL model on financial assets, share of losses of associates, other income and other net (loss)/gain, unallocated head office and corporate expenses, finance costs and income tax expense. This is the measure reported to the Executive Directors for the purposes of resource allocation and assessment of segment performance.

For the purpose of assessment by the Executive Directors, the finance costs on bank borrowings and lease liabilities were not included in segment results while the bank borrowings and lease liabilities have been included in the segment liabilities.

In addition to receiving segment information concerning segment results, the Executive Directors are provided with segment information concerning revenue, interest income and expense from cash balances and borrowings managed directly by the segments, fair value (loss)/gain on financial assets designated at FVTPL, reversal of impairment losses/(impairment losses) recognised under ECL model on financial assets, depreciation and amortisation, income tax expenses, and additions to non-current segment assets used by the segments in their operations.

#### (b) 分部資料(續)

(A) *截至二零二零年及二零一九年十二月三十一日止年度提供予執行董事的可報告分部的分部資料如下: (續)*

分部業績、資產及負債(續)

收益及開支乃參考該等分部產生之銷售及該等分部產生之開支或按照該等分部應佔資產折舊或攤銷所產生之其他開支而分配至可報告分部。

分部業績指各分部所產生之盈利及虧損，但未分配投資物業及指定為按公平值計入損益之財務資產之估值(虧損)/收益、一間聯營公司之減值虧損、財務資產之預期信貸虧損模型項下之已確認減值虧損回撥/(減值虧損)、應佔聯營公司虧損、其他收入及其他(虧損)/收益淨額、未分配總部及公司開支、融資成本及所得稅開支。此乃就資源分配及評估分部表現向執行董事匯報之方式。

就執行董事的評估而言，銀行借款及租賃負債的融資成本並無計入分部業績，而銀行借款及租賃負債已計入分部負債。

除獲得有關分部業績之分部資料外，執行董事亦獲提供有關收益、來自各分部直接管理之現金結餘及借貸之利息收入及開支、指定為按公平值計入損益之財務資產之公平值(虧損)/收益、財務資產之預期信貸虧損模型項下之已確認減值虧損回撥/(減值虧損)、折舊及攤銷、所得稅開支及各分部用於其營運之非流動分部資產添置之分部資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 收益及分部資料(續)

#### (b) Segment information (Continued)

(A) The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2020 and 2019 is as follows: (Continued)

Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Executive Directors for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2020 and 2019 is set out below:

#### (b) 分部資料(續)

(A) 截至二零二零年及二零一九年十二月三十一日止年度提供予執行董事的可報告分部的分部資料如下:(續)

分部業績、資產及負債(續)

有關就截至二零二零年及二零一九年十二月三十一日止年度之資源分配及評估分部表現向執行董事提供之本集團可報告分部之資料載列如下:

	Year ended 31 December 截至十二月三十一日止年度					
	2020 二零二零年			2019 二零一九年		
	Funeral services	Stem cells and immunocytes and other business	Total	Funeral services	Stem cells and immunocytes and other business	Total
	殯儀服務	乾細胞及免疫細胞及其他業務	總計	殯儀服務	乾細胞及免疫細胞及其他業務	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Segment Revenue</b>	<b>分部收益</b>					
- Funeral services and cremation services provided in funeral parlours and funeral service centres under the Group's management	60,961	-	60,961	58,277	-	58,277
- Funeral arrangement and related consultancy services	2,290	-	2,290	3,058	-	3,058
- Sales of burial plots and tombstones	435	-	435	421	-	421
- Provision of advisory service on stem cells and immunocytes	-	356	356	-	1,591	1,591
- Sales of biotechnical machineries and other electronics products	-	4,298	4,298	-	3,263	3,263
	<b>63,686</b>	<b>4,654</b>	<b>68,340</b>	<b>61,756</b>	<b>4,854</b>	<b>66,610</b>
Segment operating profit/(loss)	<b>9,598</b>	<b>(366)</b>	<b>9,232</b>	<b>3,298</b>	<b>428</b>	<b>3,726</b>
<b>Other items:</b>	<b>其他項目:</b>					
Amounts included in the measure of segment operating profit/(loss):	計量分部經營溢利/(虧損)計入之金額:					
Depreciation of property, plant and equipment and right-of-use assets	9,462	120	9,582	6,004	-	6,004
Amounts not included in the measure of segment operating profit/(loss) but regularly reported to Executive Directors:	計量分部經營溢利/(虧損)不計入之金額,而其定期向執行董事呈報:					
Interest income	208	1	209	545	2	547
Finance costs	2,502	8	2,510	2,784	-	2,784
Fair value (loss)/gain on financial assets designated as FVTPL	(32)	-	(32)	3,831	-	3,831
Reversal of impairment losses/(impairment losses) recognised under ECL model on trade and other receivables, net	1,242	-	1,242	(1,151)	(67)	(1,218)
Income tax expense	1,875	8	1,883	1,217	19	1,236
Additions to non-current segment assets	3,871	879	4,750	754	-	754

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION 4. 收益及分部資料(續) (Continued)

(b) Segment information (Continued)

(A) *The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2020 and 2019 is as follows: (Continued)*

Segment results, assets and liabilities (Continued)

There are no inter-segment sales during the year (2019: Nil).

The following table presents segment assets and segment liabilities of the Group's reportable segments as at 31 December 2020 and 2019:

(b) 分部資料(續)

(A) *截至二零二零年及二零一九年十二月三十一日止年度提供予執行董事的可報告分部的分部資料如下：(續)*

分部業績、資產及負債(續)

本年度概無分部間銷售(二零一九年：無)。

下表載列於二零二零年及二零一九年十二月三十一日本集團可報告分部的分部資產及分部負債：

		2020 二零二零年			2019 二零一九年		
		Funeral services	and other businesses 乾細胞及免疫細胞 殯儀服務及其他業務	Total	Funeral services	and other businesses 乾細胞及免疫細胞 殯儀服務及其他業務	Total
		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
Segment assets	分部資產	238,756	5,739	244,495	270,638	3,707	274,345
Segment liabilities	分部負債	141,836	7,042	148,878	159,767	3,285	163,052

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 收益及分部資料(續)

(b) Segment information (Continued)

(B) Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other items

(b) 分部資料(續)

(B) 可報告分部收益、損益、資產、負債及其他項目之對賬

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>			
Total reportable segment revenue and consolidated revenue	可報告分部收益總額及綜合收益		<b>68,340</b>	66,610
<b>Profit or loss</b>	<b>損益</b>			
Total reportable segment profit derived from Group's external customers	本集團外界客戶產生之可報告分部溢利總額		<b>9,232</b>	3,726
Fair value gain on investment properties	投資物業公平值收益	16	<b>101</b>	-
Fair value (loss)/gain on financial assets designated at FVTPL	指定為按公平值計入損益之財務資產的公平值(虧損)/收益	19	<b>(32)</b>	3,831
Other income and other net (loss)/gain	其他收入及其他(虧損)/收益淨額	5	<b>2,314</b>	1,188
Reversal of impairment losses/ (impairment losses) recognised under ECL model on	以下各項之預期信貸虧損模型項下之已確認減值虧損回撥/(減值虧損)			
- Trade receivables	- 貿易應收款項	6(d), 34(a)	<b>(7)</b>	(383)
- Other receivables	- 其他應收款項	6(d), 34(a)	<b>1,233</b>	(837)
Impairment loss on an associate	一間聯營公司之減值虧損	18	-	(395)
Finance costs	融資成本	6(a)	<b>(2,521)</b>	(2,791)
Share of losses of associates	應佔聯營公司虧損	18	-	(105)
Unallocated head office and corporate expenses	未分配總部及公司開支		<b>(8,841)</b>	(7,162)
Consolidated profit/(loss) before taxation	綜合除稅前收益/(虧損)		<b>1,479</b>	(2,928)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION 4. 收益及分部資料(續)

#### (Continued)

(b) Segment information (Continued)

(B) Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other items (Continued)

(b) 分部資料(續)

(B) 可報告分部收益、損益、資產、負債及其他項目之對賬(續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Assets</b>	<b>資產</b>		
Total reportable segment assets	可報告分部資產總值	244,495	274,345
Unallocated head office and corporate assets	未分配總部及公司資產		
- Cash and bank balances	- 現金及銀行結餘	26,571	14,881
- Other deposit and prepayments	- 其他按金及預付款項	3,851	184
- Others	- 其他	2,697	3,747
Consolidated total assets	綜合資產總值	277,614	293,157
<b>Liabilities</b>	<b>負債</b>		
Total reportable segment liabilities	可報告分部負債總額	148,878	163,052
Unallocated head office and corporate liabilities	未分配總部及公司負債		
- Certain amount due to a shareholder	- 應付一名股東之若干款項	11,701	8,664
- Others	- 其他	5,309	3,792
Consolidated total liabilities	綜合負債總額	165,888	175,508

#### Other items

#### 其他項目

	Year ended 31 December 截至十二月三十一日止年度								
	2020 二零二零年				2019 二零一九年				
	Funeral services	and other businesses	Unallocated	Consolidated total	Funeral services	and other businesses	Unallocated	Consolidated total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
<b>Other items:</b>	<b>其他項目:</b>								
Depreciation of property, plant and equipment and right-of-use assets	物業、廠房及設備及 使用權資產折舊	9,462	120	846	10,428	6,004	-	757	6,761
Interest income	利息收入	208	1	1	210	545	2	-	547
Finance costs	融資成本	2,502	8	11	2,521	2,784	-	7	2,791
Fair value (loss)/gain on financial assets designated as FVTPL	指定為按公平值計入損益 之財務資產公平值 (虧損)/收益	(32)	-	-	(32)	3,831	-	-	3,831
Reversal of impairment losses/ (impairment losses) recognised under ECL model on trade and other receivables, net	貿易及其他應收款項之預期信貸虧損 (減值虧損)淨額	1,242	-	(16)	1,226	(1,151)	(67)	(2)	(1,220)
Income tax expense	所得稅開支	1,875	8	1,538	3,421	1,217	19	-	1,236
Additions to non-current segment assets	添置非流動分部資產	3,871	879	144	4,894	754	-	-	754

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 收益及分部資料(續)

#### (c) Geographic information

The following is an analysis of geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, investment properties, right-of-use assets, intangible assets, interests in associates, goodwill, other deposits and deposits for hire of funeral parlours and funeral services centres ("Specified Non-Current Assets").

The geographical location of customers refers to the location at which the services were provided or the goods delivered. The geographical locations of Specified Non-Current Assets are based on the physical location of the assets under consideration. In the case of intangible assets, interests in associates and goodwill, it is based on the location of the operation to these assets are allocated.

#### (c) 地區資料

以下乃有關(i)本集團來自外界客戶之收益；及(ii)本集團之物業、廠房及設備、投資物業、使用權資產、無形資產、於聯營公司的權益、商譽、其他按金及租用殯儀館及殯儀服務中心之按金(「特定非流動資產」)之地區資料分析。

客戶之所在地區乃指提供服務或送交貨品之地區。特定非流動資產之所在地區以相關資產所處實際位置為基準。倘為無形資產、於聯營公司的權益及商譽，則以獲分配該等資產之業務所在地為基準。

		Revenue from external customers (by customer location) 來自外界客戶之收益 (按客戶地區劃分)		Specified Non-Current Assets (by physical location) 特定非流動資產 (按實際位置劃分)	
		For the year ended 31 December 截至十二月三十一日止年度		As at 31 December 於十二月三十一日	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
The PRC	中國	61,317	59,868	40,829	45,387
Taiwan	台灣	2,148	3,645	29,250	30,923
Hong Kong	香港	4,440	2,676	203	196
Vietnam	越南	435	421	111	63
		<b>68,340</b>	66,610	<b>70,393</b>	76,569

#### Information about major customers

For the years ended 31 December 2020 and 2019, revenue from any single external customer does not amount to 10% or more of the Group's revenue.

#### 主要客戶資料

截至二零二零年及二零一九年十二月三十一日止年度，概無來自任何單一外界客戶之收益佔本集團收益10%或以上。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 5. OTHER INCOME AND OTHER NET (LOSS)/GAIN 5. 其他收入及其他(虧損)/收益淨額

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款之利息收入	210	547
Total interest income on financial assets measured at amortised cost	按攤銷成本計量之財務資產之利息收入總額	210	547
Sundry income	雜項收入	287	350
Rental income from investment properties	投資物業之租金收入	265	266
Government grants	政府補助	712	-
Gains on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	24
Over-provision written back for cost of service (note 30)	撤回服務成本超額撥備(附註30)	399	-
Reversal of impairment loss on prepayment	回撥預付款項減值虧損	784	-
Net exchange (loss)/gain	匯兌(虧損)/收益淨額	(343)	1
		<b>2,314</b>	<b>1,188</b>

### 6. PROFIT/(LOSS) BEFORE TAXATION 6. 除稅前溢利/(虧損)

Profit/(loss) before taxation is arrived at after charging/(crediting) the followings:

除稅前溢利/(虧損)乃經扣除/(計入)下列項目後釐定:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>(a) Finance costs</b>	<b>(a) 融資成本</b>		
Interest on lease liabilities	租賃負債之利息	2,366	2,527
Interest on bank borrowings	銀行借貸之利息	155	264
Total interest expenses on financial liabilities not at FVTPL	並非按公平值計入損益之財務負債利息開支總額	2,521	2,791
<b>(b) Staff costs (including directors' emoluments)</b>	<b>(b) 員工成本(包括董事薪酬)</b>		
Salaries, wages and other benefits	薪金、工資及其他福利	21,332	18,075
Contributions to defined contribution retirement plans	定額供款退休計劃供款	259	2,274
		<b>21,591</b>	<b>20,349</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 6. PROFIT/(LOSS) BEFORE TAXATION 6. 除稅前溢利/(虧損)(續) (Continued)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>(c) Depreciation</b>	<b>(c) 折舊</b>		
Right-of-use assets	使用權資產	5,076	4,750
Property, plant and equipment	物業、廠房及設備	5,352	2,011
		<b>10,428</b>	<b>6,761</b>
<b>(d) Other items</b>	<b>(d) 其他項目</b>		
Auditors' remuneration	核數師酬金		
– audit services	– 審計服務	711	767
Cost of inventories	存貨成本	10,496	7,456
Rental income from investment properties less direct outgoing of RMB nil (2019: RMB nil)	投資物業租金收入減直接開支 人民幣零元 (二零一九年： 人民幣零元)	<b>(265)</b>	<b>(266)</b>
Lease payments for property, plant and equipment not included in the measurement of lease liabilities: minimum lease payments	物業、廠房及設備租賃付款額 (不計入租賃負債之計量)：最低租賃付款額	<b>257</b>	<b>255</b>
Impairment losses recognised under ECL model on trade receivables, net	貿易應收款項之預期信貸虧損模型項下之已確認減值虧損淨額	<b>7</b>	<b>383</b>
(Reversal of impairment losses)/ impairment losses recognised under ECL model on other receivables, net	其他應收款項之預期信貸虧損模型項下之已確認(減值虧損回撥)/減值虧損淨額	<b>(1,233)</b>	<b>837</b>
		<b>(1,226)</b>	<b>1,220</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS 7. 綜合損益表之所得稅

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current tax	即期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	1,883	1,236
PRC withholding tax	中國預扣稅	1,538	-
<b>Total</b>	<b>總計</b>	<b>3,421</b>	<b>1,236</b>

Notes:

- (a) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong for both years.

- (b) The Group is not subject to any taxation under the jurisdiction of the Cayman Islands, Independent State of Samoa ("Samoa") and the British Virgin Islands ("BVI") for both years.
- (c) The subsidiaries operating in the PRC are subject to Enterprise Income Tax rate at 25% (2019: 25%) in accordance with the Law of the People's Republic of China on Enterprises Income Tax (中華人民共和國企業所得稅法) except that Chongqing Xizhou Funeral Service Company Limited ("Chongqing Xizhou"), an indirect wholly-owned subsidiary of the Company, is entitled to a preferential tax rate of 15% (2019: 15%) in accordance with 西部大開發企業所得稅優惠, which is applied to Chongqing Xizhou since January 2011 and, provided that the conditions precedent to entitlement of preferential tax rate are fulfilled by Chongqing Xizhou in each of subsequent years, the preferential tax rate can be applied to Chongqing Xizhou up to December 2020. For the year ended 31 December 2020, Chongqing Xizhou is subject to enterprise income tax rate at 15% (2019: 15%).

附註：

- (a) 於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，引入利得稅率兩級制。條例草案於二零一八年三月二十八日簽署成為法律，並於翌日刊憲。根據利得稅率兩級制，合資格集團實體首2百萬港元之溢利將按8.25%計稅，而超過2百萬港元之溢利將按16.5%計稅。不符合利得稅率兩級制之集團實體之溢利將繼續按統一稅率16.5%計稅。

由於本集團於兩個年度概無在香港產生任何應課稅溢利，故並無作出香港利得稅撥備。

- (b) 本集團於兩個年度均毋須繳納開曼群島、薩摩亞獨立國(「薩摩亞」)及英屬處女群島(「英屬處女群島」)司法權區之任何稅項。
- (c) 於中國經營之附屬公司須根據中華人民共和國企業所得稅法按25%(二零一九年：25%)之企業所得稅率納稅，惟本公司之間接全資附屬公司重慶錫周殯葬服務有限公司(「重慶錫周」)可根據西部大開發企業所得稅優惠按15%(二零一九年：15%)之優惠稅率納稅，而有關優惠稅率自二零一一年一月起適用於重慶錫周，而倘重慶錫周於其後各年度達成享有優惠稅率之先決條件，則重慶錫周可一直應用優惠稅率至二零二零年十二月。於截至二零二零年十二月三十一日止年度，重慶錫周須按15%(二零一九年：15%)之企業所得稅稅率納稅。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

### 7. 綜合損益表之所得稅(續)

Notes: (Continued)

附註：(續)

- (d) Bau Shan Life Science Technology Co., Ltd. (“Bau Shan”), a direct subsidiary of the Company, Bao De Life Enterprise Co., Ltd. (“Bau De”) and Bu Lao Lin Limited (“BLL”), both of which are indirect subsidiaries of the Company, are subject to Taiwan Enterprise Income Tax at 17% (2019: 17%) on taxable profits determined in accordance with the Income Tax Act and other relevant laws in Taiwan. No provision for Taiwan Enterprise Income Tax has been made as Bau Shan has accumulated tax losses brought forward which exceed the estimated assessable profits for the year, and Bau De and BLL have no assessable profits for both years.
- (e) Bao Son Life Company Limited (“Bao Son Life”) and Hoan Loc Viet Duc Hoa Corporation (“HLV Duc Hoa”), indirect non-wholly-owned subsidiaries of the Company, are subject to Vietnam Corporate Income Tax at 20% (2019: 20%) on taxable profits determined in accordance with the relevant laws and regulations in Vietnam. No provision for Vietnam Corporate Income Tax has been made as Bao Son Life and HLV Duc Hoa have no assessable profits for both years.
- (f) PRC withholding tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008.

- (d) 本公司直接附屬公司寶山生命科技股份有限公司(「寶山」)及本公司兩間間接附屬公司寶德生命事業股份有限公司(「寶德」)及不老林有限公司(「不老林」)須根據台灣所得稅法及其他相關法律，按應課稅溢利的17%(二零一九年：17%)繳納台灣企業所得稅。由於寶山本年度承前的累計稅項虧損超逾預計應課稅溢利，且寶德及不老林於兩個年度均無應課稅溢利，故概無就台灣企業所得稅作出撥備。
- (e) 本公司之間接非全資擁有附屬公司寶山生命責任有限公司(「寶山生命」)及Hoan Loc Viet Duc Hoa Corporation(「HLV Duc Hoa」)須根據越南相關法律及法規釐定之應課稅溢利按20%(二零一九年：20%)之稅率繳納越南企業所得稅。由於寶山生命及HLV Duc Hoa於兩個年度均無應課稅溢利，故概無就越南企業所得稅作出撥備。
- (f) 於中國成立的公司向其海外投資者宣派自二零零八年一月一日起賺取溢利的股息應按10%的稅率繳納中國預扣稅。

Reconciliation between income tax expense and accounting profit/(loss) at applicable tax rates:

按適用稅率計算之所得稅開支及會計收益/(虧損)之對賬：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Profit/(loss) before taxation	除稅前收益/(虧損)	1,479	(2,928)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to loss in the tax jurisdictions concerned	按相關稅務司法權區內虧損適用稅率就除稅前收益/(虧損)計算之理論稅項	(111)	(766)
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	2,107	2,582
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(787)	(1,120)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	674	540
PRC withholding tax	中國預扣稅	1,538	-
Actual tax expense	實際稅項開支	3,421	1,236

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

### 8. 董事薪酬

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部規定須予披露之董事薪酬如下：

Name of directors	董事姓名	Fees	2020 二零二零年			Total
			Salaries and allowances (note i) 薪金及津貼 (附註i)	Discretionary bonuses 酌情花紅	Retirement benefit scheme contributions 退休福利計劃供款	
	Notes	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
	附註					
<i>Executive directors</i> 執行董事						
Mr. Liu Tien-Tsai ("Mr. Liu")	劉添財先生 (「劉先生」)	3,549	929	78	-	4,556
Mr. Xu Jianchun	許建春先生	1,334	-	-	-	1,334
<i>Non-executive director</i> 非執行董事						
Dr. Xu Qiang	徐強博士 (ii)	53	-	-	-	53
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Chai Chung Wai	齊忠偉先生	62	-	-	-	62
Mr. Sun Fei	孫飛先生	53	-	-	-	53
Mr. Wang Jun	王均先生	53	-	-	-	53
		5,104	929	78	-	6,111

Name of directors	董事姓名	Fees	2019 二零一九年			Total
			Salaries and allowances (note i) 薪金及津貼 (附註i)	Discretionary bonuses 酌情花紅	Retirement benefit scheme contributions 退休福利計劃供款	
	Notes	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
	附註					
<i>Executive directors</i> 執行董事						
Mr. Liu	劉先生	2,003	876	76	-	2,955
Mr. Xu Jianchun	許建春先生	1,323	-	-	-	1,323
<i>Non-executive director</i> 非執行董事						
Dr. Xu Qiang	徐強博士 (ii)	53	-	-	-	53
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Chai Chung Wai	齊忠偉先生	62	-	-	-	62
Mr. Sun Fei	孫飛先生	53	-	-	-	53
Mr. Wang Jun	王均先生	53	-	-	-	53
		3,547	876	76	-	4,499

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 8. DIRECTORS' EMOLUMENTS (Continued) 8. 董事薪酬(續)

Notes:

- (i) Salaries, allowance and benefits in kind paid to the executive director are generally emoluments paid or payables in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.
- (ii) Appointed on 1 March 2019, and redesignated as executive director and the chief executive officer of the Company on 22 January 2021.

No director of the Company waived or agreed to waive any emoluments and no emoluments were paid or payable by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

As at 31 December 2020 and 2019, the directors did not hold any share options under the Company's share option scheme. The details of the share options are disclosed in note 41.

### 9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2019: two) are directors of the Company whose emoluments are disclosed in note 8. The aggregate of the emoluments of the remaining three (2019: three) individuals are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, allowances and other benefits	薪金、津貼及其他福利	1,014	885
Discretionary bonuses	酌情花紅	33	30
Contributions to retirement benefit scheme	退休福利計劃供款	29	15
		<b>1,076</b>	<b>930</b>

附註：

- (i) 支付執行董事的薪金、津貼及實物利益一般乃為支付或應付該等人士就本公司及其附屬公司的管理事務所提供的其他服務的酬金。
- (ii) 於二零一九年三月一日獲委任，而於二零二一年一月二十二日調任為本公司執行董事兼首席執行官。

於兩個年度，本公司概無董事放棄或同意放棄任何薪酬，本集團亦概無向任何董事支付或應付薪酬作為加入或於加入本集團時之獎勵，或作為離職賠償。

於二零二零年及二零一九年十二月三十一日，董事並無持有本公司購股權計劃項下的購股權。購股權之詳情於附註41披露。

### 9. 最高薪人士

五名最高薪人士包括兩名(二零一九年：兩名)本公司董事，其薪酬於附註8披露。其餘三名(二零一九年：三名)最高薪人士之薪酬總額如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries, allowances and other benefits	1,014	885
Discretionary bonuses	33	30
Contributions to retirement benefit scheme	29	15
	<b>1,076</b>	<b>930</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 9. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued) 9. 最高薪人士(續)

The emoluments of the three (2019: three) individuals with the highest emoluments are within the following band:

三名(二零一九年:三名)最高薪人士之薪酬介乎下列範圍:

	2020 二零二零年 Number of individuals 人數	2019 二零一九年 Number of individuals 人數
Nil to HK\$1,000,000 (equivalent to approximately RMB889,162 (2019: RMB881,955))	3	3
零至1,000,000港元 (相當於約人民幣 889,162元 (二零一九年:人民幣 881,955元))		

No emoluments were paid or payable by the Group to any of the three (2019: three) highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

於兩個年度內，本集團概無向任何三名(二零一九年:三名)最高薪人士支付或須向彼等支付薪酬作為加入或於加入本集團時之獎勵，或作為離職賠償。

### 10. OTHER COMPREHENSIVE (EXPENSE)/INCOME 10. 其他全面(開支)/收益

There was no tax effect on each component of the other comprehensive (expense)/income for both years.

於兩個年度內，各分部並無因其他全面(開支)/收益受到稅務影響。

### 11. LOSS PER SHARE 11. 每股虧損

#### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of RMB2,974,000 (2019: RMB3,804,000) and the weighted average number of 742,500,000 ordinary shares (2019: 742,500,000 ordinary shares) in issue during the year.

#### (a) 每股基本虧損

每股基本虧損乃根據本公司擁有人應佔虧損人民幣2,974,000元(二零一九年:人民幣3,804,000元)及年內已發行普通股加權平均數742,500,000股(二零一九年:742,500,000股普通股)計算。

#### (b) Diluted loss per share

For the year ended 31 December 2020, there was no dilutive potential ordinary share outstanding. Therefore, the diluted loss per share is the same as the basic loss per share.

#### (b) 每股攤薄虧損

截至二零二零年十二月三十一日止年度，並無發行在外的攤薄潛在普通股。因此，每股攤薄虧損乃佔與每股基本虧損相同。

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2019 as the impact of the share options had anti-dilutive effect on the basic loss per share amounts presented. Therefore, the diluted loss per share is the same as the basic loss per share.

截至二零一九年十二月三十一日止年度，所呈列之每股基本虧損金額並無作出調整，因為購股權之影響對所呈列之每股基本虧損金額具反攤薄效應。因此，每股攤薄虧損乃佔與每股基本虧損相同。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 12. DIVIDENDS

No dividend was paid or proposed for both years ended 31 December 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

### 13. RETIREMENT BENEFITS SCHEMES

Employees of the Group's PRC and Vietnam subsidiaries are required to participate in a defined contribution retirement benefit scheme administrated and operated by the local municipal government. The Group's PRC and Vietnam subsidiaries are required to make contributions to scheme based on certain percentage of the relevant portion of the payroll of all qualifying employees in accordance with the relevant regulations in the PRC and Vietnam respectively. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income.

The Group is also required to participate in defined contribution retirement benefit schemes administered and operated by Bureau of Labour Insurance of Taiwan for employees employed in Taiwan. Under the scheme, the employers are required to make contributions to the scheme at 6% of the employees' relevant income. Contributions to the schemes vest immediately.

The Group has arranged its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan managed by independent trustees. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' earning as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary. Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of retirement benefits associated with the retirement benefit schemes beyond the contribution described above.

### 12. 股息

並無派付或建議截至二零二零年及二零一九年十二月三十一日止兩個年度股息，自報告期末亦無建議任何股息。

### 13. 退休福利計劃

本集團中國及越南附屬公司之僱員須參與由地方市政府管理及經營之定額供款退休福利計劃。本集團之中國及越南附屬公司須分別根據中國及越南相關條例，按全部合資格僱員薪酬相關部分之若干百分比對計劃作出供款。該等供款從綜合損益及其他全面收益表中扣除。

本集團亦須就於台灣僱用之僱員參與由台灣勞工保險局管理及經營之定額供款退休福利計劃。根據計劃，僱主須按僱員相關收入之6%向計劃作出供款。計劃供款即時歸屬。

本集團已按照香港僱傭條例之司法權限根據香港強制性公積金計劃條例安排其所僱用之香港僱員加入強制性公積金計劃（「強積金計劃」）。強積金計劃為定額供款退休計劃，由獨立信託人管理。根據強積金計劃，強制性公積金計劃條例規定本集團（僱主）及其僱員每月須各自按僱員收入之5%向該計劃作出供款。僱主及僱員每月供款以1,500港元為上限，另可作自願供款。計劃供款即時歸屬。

除上述供款外，本集團並無任何其他與上述退休福利計劃相關之退休福利付款之重大責任。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

(a)

(a)

		Freehold land and buildings held for own use carried at fair value 持作自用 並按公平值 列賬之 永久業權土地 及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 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
<b>Cost or valuation</b>	<b>成本或估值</b>						
As at 1 January 2019	於二零一九年一月一日	24,831	16,086	14,846	5,384	607	61,754
Exchange adjustments	匯兌調整	545	88	80	37	-	750
Additions	添置	-	-	180	-	574	754
Disposals	出售	-	-	(17)	(975)	-	(992)
Surplus on revaluation	重估盈餘	397	-	-	-	-	397
Less: Elimination of accumulated depreciation	減：累計折舊對銷	(466)	-	-	-	-	(466)
As at 31 December 2019	於二零一九年十二月三十一日	25,307	16,174	15,089	4,446	1,181	62,197
<b>Representing:</b>	<b>即：</b>						
Cost	成本	-	16,174	15,089	4,446	1,181	36,890
Valuation - 2019	估值 - 二零一九年	25,307	-	-	-	-	25,307
		25,307	16,174	15,089	4,446	1,181	62,197
As at 1 January 2020	於二零二零年一月一日	25,307	16,174	15,089	4,446	1,181	62,197
Exchange adjustments	匯兌調整	(870)	(154)	(199)	(92)	(4)	(1,319)
Additions	添置	-	2,342	137	1,089	145	3,713
Transfer from construction in progress	轉撥自在建工程	-	927	-	-	(927)	-
Disposals	出售	-	-	(5)	-	-	(5)
Surplus on revaluation	重估盈餘	279	-	-	-	-	279
Less: Elimination of accumulated depreciation	減：累計折舊對銷	(200)	-	-	-	-	(200)
As at 31 December 2020	於二零二零年十二月三十一日	24,516	19,289	15,022	5,443	395	64,665
<b>Representing:</b>	<b>即：</b>						
Cost	成本	-	19,289	15,022	5,443	395	40,149
Valuation - 2020	估值 - 二零二零年	24,516	-	-	-	-	24,516
		24,516	19,289	15,022	5,443	395	64,665

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備(續)

(Continued)

(a) (Continued)

(a) (續)

		Freehold land and buildings held for own use carried at fair value 持作自用 並按公平值 列賬之 永久業權 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 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
<b>Accumulated depreciation and impairment losses</b>	<b>累計折舊及減值虧損</b>						
As at 1 January 2019	於二零一九年一月一日	-	12,732	11,270	4,924	-	28,926
Exchange adjustments	匯兌調整	3	65	44	29	-	141
Charge for the year	本年度支出	463	772	665	111	-	2,011
Elimination on disposals	出售時對銷	-	-	(11)	(821)	-	(832)
Elimination on revaluation	重估時對銷	(466)	-	-	-	-	(466)
As at 31 December 2019	於二零一九年十二月三十一日	-	13,569	11,968	4,243	-	29,780
As at 1 January 2020	於二零二零年一月一日	-	13,569	11,968	4,243	-	29,780
Exchange adjustments	匯兌調整	-	(134)	(178)	(92)	-	(404)
Charge for the year	本年度支出	200	3,447	1,659	46	-	5,352
Elimination on disposals	出售時對銷	-	-	(5)	-	-	(5)
Elimination on revaluation	重估時對銷	(200)	-	-	-	-	(200)
As at 31 December 2020	於二零二零年十二月三十一日	-	16,882	13,444	4,197	-	34,523
<b>Net book value</b>	<b>賬面淨值</b>						
As at 31 December 2020	於二零二零年十二月三十一日	24,516	2,407	1,578	1,246	395	30,142
As at 31 December 2019	於二零一九年十二月三十一日	25,307	2,605	3,121	203	1,181	32,417

(b) Had the revalued freehold land and buildings held for own use been carried at cost less accumulated depreciation, the carrying amounts would have been:

(b) 倘經重估持作自用之永久業權土地及樓宇乃以成本減累計折舊列賬，賬面值將如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Freehold land and buildings held for own use	持作自用之永久業權土地及樓宇	21,354	22,537

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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備(續) (Continued)

#### (c) Fair value measurement of properties

##### (i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs, that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

#### (c) 物業之公平值計量

##### (i) 公平值層級

下表呈列於報告期末按經常性基準計量的本集團物業的公平值，歸類為香港財務報告準則第13號公平值計量定義的三級公平值層級。公平值計量歸類的層級經參考估值技術中使用的輸入值的可觀察性及重要性釐定如下：

- 第一層估值：只以第一層輸入值計量公平值，即相同資產或負債於計量日在活躍市場的未調整報價
- 第二層估值：以第二層輸入值(而非重要之不可觀察輸入值)計量公平值，即其輸入值之可觀察性並未如第一層輸入值。不可觀察輸入值為並無市場數據可作參考之輸入值

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT (Continued) 14. 物業、廠房及設備(續)

#### (c) Fair value measurement of properties (Continued)

##### (i) Fair value hierarchy (Continued)

- Level 3 valuations: Fair value measured using significant unobservable inputs

#### (c) 物業之公平值計量(續)

##### (i) 公平值層級(續)

- 第三層估值：以重要的不可觀察輸入值計量公平值

		Fair value measurements as at 31 December 2020 categorised into 於二零二零年十二月三十一日之 公平值計量分類為			
		Fair value at 31 December 2020 於二零二零年 十二月三十一日 之公平值 RMB'000 人民幣千元	Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元
<b>Recurring fair value measurement</b>	<b>經常性公平值計量</b>				
Freehold land and buildings - Taiwan	永久業權土地及 樓宇 - 台灣	23,124	-	-	23,124
Buildings - The PRC	樓宇 - 中國	1,392	-	-	1,392
		<b>24,516</b>	<b>-</b>	<b>-</b>	<b>24,516</b>

		Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日之 公平值計量分類為			
		Fair value at 31 December 2019 於二零一九年 十二月三十一日 之公平值 RMB'000 人民幣千元	Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元
<b>Recurring fair value measurement</b>	<b>經常性公平值計量</b>				
Freehold land and buildings - Taiwan	永久業權土地及 樓宇 - 台灣	23,824	-	-	23,824
Buildings - The PRC	樓宇 - 中國	1,483	-	-	1,483
		<b>25,307</b>	<b>-</b>	<b>-</b>	<b>25,307</b>

During the years ended 31 December 2020 and 2019, there were no transfers between level 1 and level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy levels as at the end of the reporting period in which they occur.

於截至二零二零年及二零一九年十二月三十一日止年度，第一層與第二層之間並無轉換，亦無轉入第三層或自第三層轉出。本集團之政策為於報告期末公平值層級之間出現轉換時確認有關轉換。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備(續) (Continued)

#### (c) Fair value measurement of properties (Continued)

##### (i) Fair value hierarchy (Continued)

All of the Group's freehold land and buildings held for own use were revalued as at 31 December 2020 and 2019. The valuations were carried out by APAC Appraisal and Consulting Limited ("APAC"), an independent qualified professional valuers, for the years ended 31 December 2020 and 2019, with recent experience in the location and category of properties being valued. The Group's directors have discussed with APAC on the valuation assumptions and valuation results when the valuation are performed at each interim and annual reporting date.

#### (c) 物業之公平值計量(續)

##### (i) 公平值層級(續)

於二零二零年及二零一九年十二月三十一日，所有本集團持作自用之永久業權土地及樓宇均已重估。於截至二零二零年及二零一九年十二月三十一日止年度，估值由對上述估值物業所在地及類別有近期估值經驗之獨立合資格估值師亞太估值及顧問有限公司(「亞太」)進行，在各個中期及年度報告日期進行估值時，本集團董事已與亞太討論估值假設及估值結果。

	Valuation techniques 估值技術	Unobservable input 不可觀察輸入值	Range 範圍	
			2020 二零二零年	2019 二零一九年
Freehold land and buildings – Taiwan 永久業權土地及樓宇 – 台灣	Direct comparison approach 直接比較法	Property-specific adjusting rate 物業指定調整率	(30%) to 18% (30%)至18%	(5%) to 10% (5%)至10%
Buildings – The PRC 樓宇 – 中國	Direct comparison approach 直接比較法	Property-specific adjusting rate 物業指定調整率	(5%) to 10% (5%)至10%	(25%) to 26% (25%)至26%

The fair value of properties held for own use located in Taiwan and the PRC is determined using direct comparison approach by reference to the market price of comparable properties and adjusted for building quality, location of the properties and timing of the reference transactions. There has been no change on the valuation technique during the year.

於台灣及中國持作自用之物業之公平值乃使用直接比較法釐定，已參考可供比較物業之市價，並就參考交易之樓宇質量、物業地點及時間作出調整。於本年度，估值技術並無變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT (Continued) 14. 物業、廠房及設備(續)

#### (c) Fair value measurement of properties (Continued)

##### (ii) Information about Level 3 fair value measurements

The movements during the period in the balances of these Level 3 fair value measurements are as follows:

#### (c) 物業之公平值計量(續)

##### (ii) 有關第三層公平值計量之資料

期內，上述第三層公平值計量結餘變動如下：

		Freehold land and buildings – Taiwan 永久業權 土地及樓宇 – 台灣 RMB'000 人民幣千元	Buildings – The PRC 樓宇 – 中國 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	23,348	1,483	24,831
Depreciation charge for the year	本年度折舊開支	(169)	(297)	(466)
Exchange adjustments	匯兌調整	545	–	545
Surplus on revaluation	重估盈餘			
– recognised in other comprehensive income, included in “properties revaluation reserve”	– 於其他全面收益確認，計入「物業重估儲備」	100	297	397
At 31 December 2019	於二零一九年十二月三十一日	23,824	1,483	25,307
At 1 January 2020	於二零二零年一月一日	23,824	1,483	25,307
Depreciation charge for the year	本年度折舊開支	(170)	(30)	(200)
Exchange adjustments	匯兌調整	(870)	–	(870)
Surplus on revaluation	重估盈餘			
– recognised in other comprehensive income, included in “properties revaluation reserve”	– 於其他全面收益確認，計入「物業重估儲備」	340	(61)	279
At 31 December 2020	於二零二零年十二月三十一日	23,124	1,392	24,516

Effect of foreign currency exchange differences of properties held for own use are recognised in other comprehensive income in “foreign currency translation reserve”.

持作自用的物業之外幣匯兌差異的影響於「匯兌儲備」之其他全面收益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備(續) (Continued)

- (d) The carrying amount of freehold land and buildings held for own use pledged as security for the Group's bank borrowings was RMB20,394,000 (2019: RMB19,932,000) (note 28) as at 31 December 2020.
- (d) 於二零二零年十二月三十一日，已抵押作為本集團銀行借貸抵押品之持作自用的永久業權土地及樓宇的賬面值為人民幣20,394,000元(二零一九年：人民幣19,932,000元)(附註28)。
- (e) There was no impairment loss on property, plant and equipment has been provided for both the years ended 31 December 2020 and 2019.
- (e) 截至二零二零年及二零一九年十二月三十一日止兩個年度，概無就物業、廠房及設備計提減值虧損。
- (f) During the year, the Group's freehold land amounting to RMB1,620,000 (2019: RMB1,682,000) was under trust arrangements.
- (f) 於本年度，本集團根據信託安排持有之永久業權土地為人民幣1,620,000元(二零一九年：人民幣1,682,000元)。

### 15. PREPAID LEASE PAYMENTS

### 15. 預付租賃付款

		RMB'000 人民幣千元
At 31 December 2018	於二零一八年十二月三十一日	2,804
Reclassified to right-of-use assets upon initial application of HKFRS 16	於首次應用香港財務報告準則第16號時重新分類至使用權資產	(2,804)
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	於二零一九年一月一日、二零一九年十二月三十一日、二零二零年一月一日及二零二零年十二月三十一日	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 16. INVESTMENT PROPERTIES

### 16. 投資物業

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At fair value	按公平值		
At 1 January	於一月一日	6,622	6,505
Effect of foreign currency exchange differences, included in "foreign currency translation reserve"	外幣匯兌差異的影響 (計入「匯兌儲備」)	(192)	117
Fair value adjustment to profit or loss	計入損益之公平值調整	101	-
At 31 December	於十二月三十一日	6,531	6,622

#### Fair value measurement of investment properties

##### (i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs, that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

#### 投資物業之公平值計量

##### (i) 公平值層級

下表呈列於報告期末按經常性基準計量的本集團物業的公平值，歸類為香港財務報告準則第13號公平值計量定義的三級公平值層級。公平值計量歸類的層級經參考估值技術中使用的輸入值的可觀察性及重要性釐定如下：

- 第一層估值：只以第一層輸入值計量公平值，即相同資產或負債於計量日在活躍市場的未調整報價
- 第二層估值：以第二層輸入值(而非重要之不可觀察輸入值)計量公平值，即其輸入值之可觀察性並未如第一層輸入值。不可觀察輸入值為並無市場數據可作參考之輸入值



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 16. INVESTMENT PROPERTIES (Continued) 16. 投資物業(續)

Fair value measurement of investment properties (continued)

(i) Fair value hierarchy (continued)

- Level 3 valuations: Fair value measured using significant unobservable inputs

投資物業之公平值計量(續)

(i) 公平值層級(續)

- 第三層估值：以重要的不可觀察輸入值計量公平值

Fair value measurements  
as at 31 December 2020 categorised into  
於二零二零年十二月三十一日之  
公平值計量分類為

	Fair value at 31 December 2020 於二零二零年 十二月三十一日 之公平值 RMB'000 人民幣千元	Level 1	Level 2	Level 3
		第一層級 RMB'000 人民幣千元	第二層級 RMB'000 人民幣千元	第三層級 RMB'000 人民幣千元
<b>Recurring fair value measurement 經常性公平值計量</b>				
Investment properties 投資物業				
- Taiwan - 台灣	4,993	-	-	4,993
- The PRC - 中國	1,538	-	-	1,538
	<b>6,531</b>	-	-	<b>6,531</b>

Fair value measurements  
as at 31 December 2019 categorised into  
於二零一九年十二月三十一日之  
公平值計量分類為

	Fair value at 31 December 2019 於二零一九年 十二月三十一日 之公平值 RMB'000 人民幣千元	Level 1	Level 2	Level 3
		第一層級 RMB'000 人民幣千元	第二層級 RMB'000 人民幣千元	第三層級 RMB'000 人民幣千元
<b>Recurring fair value measurement 經常性公平值計量</b>				
Investment properties 投資物業				
- Taiwan - 台灣	5,138	-	-	5,138
- The PRC - 中國	1,484	-	-	1,484
	<b>6,622</b>	-	-	<b>6,622</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 16. INVESTMENT PROPERTIES (Continued)

### 16. 投資物業(續)

#### Fair value measurement of investment properties (continued)

#### 投資物業之公平值計量(續)

##### (i) Fair value hierarchy (continued)

During the years ended 31 December 2020 and 2019, there were no transfers between level 1 and level 2, or transfers into or out of level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy levels as at the end of the reporting period in which they occur.

##### (i) 公平值層級(續)

於截至二零二零年及二零一九年十二月三十一日止年度，第一層與第二層之間並無轉換，亦無轉入第三層或自第三層轉出。本集團之政策為於報告期末公平值層級之間出現轉換時確認有關轉換。

The Group's investment properties were revalued as at 31 December 2020 and 2019. The valuations for the years ended 31 December 2020 and 2019 were carried out by APAC, an independent qualified professional valuers with recent experience in the location and category of property being valued. The Group's directors have discussed with APAC on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

本集團之投資物業於二零二零年及二零一九年十二月三十一日進行重估。於截至二零二零年及二零一九年十二月三十一日止年度，估值由獨立合資格估值師亞太進行，其對上述估價物業所在地及類別有近期估值經驗。在各個中期及年度報告日期進行估值時，本集團董事已與亞太討論估值假設及估值結果。

##### (ii) Information about Level 3 fair value measurements

##### (ii) 有關第三層公平值計量之資料

	Valuation techniques 估值技術	Unobservable input 不可觀察輸入值	Range 範圍	
			2020	2019
			二零二零年	二零一九年
Freehold land – Taiwan 永久業權土地 – 台灣	Direct comparison approach 直接比較法	Property-specific adjusting rate 物業指定調整率	(25%) to 10% (25%)至10%	(5%) to 10% (5%)至10%
Land and buildings – The PRC 土地及樓宇 – 中國	Direct comparison approach 直接比較法	Property-specific adjusting rate 物業指定調整率	(5%) to 10% (5%)至10%	(25%) to 26% (25%)至26%

The fair value of investment properties is determined using direct comparison approach by reference to the market price of comparable properties and adjusted for location and size of the properties.

投資物業之公平值乃使用直接比較法釐定，已參考可供比較物業之市價，並就物業之所在地及面積作出調整。

(iii) During the year, the Group's investment properties amounting to RMB4,993,000 (2019: RMB5,138,000) were held under trust arrangements.

(iii) 於年內，本集團根據信託安排持有之投資物業為人民幣4,993,000元(二零一九年：人民幣5,138,000元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 17. INTANGIBLE ASSETS

### 17. 無形資產

		Trademark 商標 RMB'000 人民幣千元	Computer system 電腦系統 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>			
At 1 January 2019	於二零一九年一月一日	20	1,783	1,803
Exchange adjustments	匯兌調整	-	49	49
At 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	20	1,832	1,852
Exchange adjustments	匯兌調整	(1)	(47)	(48)
At 31 December 2020	於二零二零年 十二月三十一日	19	1,785	1,804
<b>Accumulated amortisation</b>	<b>累計攤銷</b>			
At 1 January 2019	於二零一九年一月一日	18	1,783	1,801
Exchange adjustments	匯兌調整	-	49	49
At 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	18	1,832	1,850
Exchange adjustments	匯兌調整	(1)	(47)	(48)
At 31 December 2020	於二零二零年 十二月三十一日	17	1,785	1,802
<b>Carrying value</b>	<b>賬面值</b>			
<b>At 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>	<b>2</b>	<b>-</b>	<b>2</b>
At 31 December 2019	於二零一九年 十二月三十一日	2	-	2

### 18. INTERESTS IN ASSOCIATES

### 18. 於聯營公司的權益

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cost of investment in associates:	投資於聯營公司的成本：	500	500
Share of losses from associates	應佔聯營公司虧損	(105)	(105)
		395	395
Less: Impairment losses on associates	減：聯營公司之減值虧損	(395)	(395)
		-	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 18. INTERESTS IN ASSOCIATES (CONTINUED) 18. 於聯營公司的權益(續)

The following list contains only the particulars of material associates, all of which are unlisted corporate entities, whose quoted market price is not available:

下表列出均為非上市公司實體且並無市場報價之所有重大聯營公司的詳情：

Name 名稱	Place of incorporation 註冊成立地點	Registered capital 註冊資本	Paid up capital 繳足資本	Group's effective interest 集團實際權益		Principal activities 主要業務
				2020 二零二零年	2019 二零一九年	
Guangdong Weixiang Biotechnology Co., Ltd. <sup>△</sup> ("Guangdong Weixiang") 廣東為象生物科技有限公司 (「廣東為象」)	PRC 中國	RMB24,000,000 人民幣 24,000,000元	N/A (note) 不適用 (附註)	30%	30%	Research and development of cell cultivation 研發細胞培養基
Guangdong Yashan Biotechnology Co., Ltd. <sup>△</sup> ("Guangdong Yashan") 廣東崖山生物科技有限公司 (「廣東崖山」)	PRC 中國	RMB10,000,000 人民幣 10,000,000元	RMB500,000 人民幣 500,000元	20%	20%	Research and development of cell cultivation 研發細胞培養基

<sup>△</sup> The English translation of the companies' names is for reference only. The official name of these companies are in Chinese.

<sup>△</sup> 公司名稱的英譯僅供參考，其官方名稱為中文。

Note: Registered capital of the Company was not paid-up as at 31 December 2020.

附註：於二零二零年十二月三十一日本公司註冊資本尚未繳足。

All of the above associates are accounted for using the equity method in the consolidated financial statements.

以上所有聯營公司以權益法於綜合財務報表入賬。

Aggregate information of associates that are not individually material:

並非個別重大聯營公司的彙總資料：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	綜合財務報表中個別非重大聯營公司之賬面值總額	-	-
Aggregate amounts of the Group's share of those associates'	本集團應佔該等聯營公司總額		
- Loss for the year	- 年內虧損	-	(105)
- Other comprehensive income	- 其他全面收入	-	-
- Total comprehensive expense	- 全面開支總額	-	(105)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 19. FINANCIAL ASSETS DESIGNATED AT FVTPL

### 19. 指定為按公平值計入損益之財務資產

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Mutual funds/unit trusts, at fair value Established in Taiwan (note (i))	互惠基金／單位信託， 按公平值 於台灣成立(附註(i))	<b>33,639</b>	38,336

- (i) According to the Mortuary Service Administration Act (殯葬管理條例) in Taiwan, which was first promulgated on 17 July 2002 and further amended on 1 July 2003 and 4 July 2007, the Group has to deposit 75% of the gross receipt of each funeral services deed entered into after 31 July 2003 in financial institutions in Taiwan as trust monies.

The trust monies have been invested, in mutual funds and unit trusts in Taiwan, which were managed by fund managers of these financial institutions in Taiwan. The mutual funds and unit trusts comprise a basket of financial assets including local and foreign currencies bank deposits, bonds and equity securities listed in Taiwan and other foreign stock markets.

Financial assets at FVTPL are presented within “operating activities” as part of changes in working capital in the consolidated statement of cash flows. The Group has obtained a net realised and unrealised loss of RMB32,000 for the year ended 31 December 2020 (2019: gain of RMB3,831,000).

The financial assets above offer the Group the opportunity for return through fair value gain. They have no fixed maturity and coupon rate.

The fair value of the above financial assets is based on their current bid prices in an active market.

- (i) 根據於二零零二年七月十七日首次頒佈並於二零零三年七月一日及二零零七年七月四日進一步修訂之台灣殯葬管理條例，本集團須就於二零零三年七月三十一日後訂立之各項殯儀服務契約於台灣金融機構存放收入總額之75%作為信託金。

信託金已投資於台灣的互惠基金及單位信託，其由台灣之該等金融機構基金管理人管理。互惠基金與單位信託由一籃子財務資產組成，包括本地及外國貨幣銀行存款、在台灣及其他外國股市上市之債券及股本證券。

按公平值計入損益之財務資產於綜合現金流量表「經營業務」內呈列，作為營運資金變動一部分。截至二零二零年十二月三十一日止年度，本集團獲得人民幣32,000元之已變現及未變現淨虧損(二零一九年：收益人民幣3,831,000元)。

上述財務資產為本集團提供透過公平值收益獲取回報之機會。該等財務資產並無固定到期日及票面利率。

上述財務資產的公平值乃基於其於活躍市場的現時買入價而定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 20. GOODWILL

### 20. 商譽

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cost:	成本		
At 1 January	於一月一日	19,167	18,729
Exchange adjustments	匯兌調整	(718)	438
At 31 December	於十二月三十一日	18,449	19,167
Accumulated impairment losses:	累計減值虧損：		
At 1 January	於一月一日	19,167	18,729
Exchange adjustments	匯兌調整	(718)	438
At 31 December	於十二月三十一日	18,449	19,167
Carrying amount at 31 December	於十二月三十一日之賬面值	-	-

Goodwill was arising from the Group obtained control of BLL through the acquisition of 100% equity voting interests in BLL which is engaged in provision of elderly care and related consultancy services.

The goodwill was fully impaired prior to year ended 31 December 2019.

商譽乃來自本集團透過收購取得從事提供護老及相關諮詢服務的不老林之100%附帶投票權的股本權益，取得不老林之控制權。

於二零一九年十二月三十一日止年度之前，商譽已予全數減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 21. DEVELOPMENT AND FORMATION COSTS 21. 開發及成立成本

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Development and formation costs	開發及成立成本		
– burial plots under development for sale	– 開發待售墓地	4,542	5,292

The development and formation costs represent development costs incurred for burial plots construction in a cemetery site which will be completed for sale by burial plot and are stated at the lower of cost and net realisable value.

開發及成立成本指將於一處墓園中完成待出售之墓地之開發成本，並按成本或可變現淨值兩者中之較低者列賬。

### 22. INVENTORIES

### 22. 存貨

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Merchandises for resale	轉售貨品	630	359
Completed burial plots	已完工墓地	916	607
		1,546	966

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 23. TRADE AND OTHER RECEIVABLES

### 23. 貿易及其他應收款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	996	2,716
Less: Allowance for credit loss (note 34(a))	減：信貸虧損撥備 (附註34(a))	(377)	(383)
Trade receivables, net (notes (c) and (d))	貿易應收款項，淨額 (附註(c)及(d))	619	2,333
Prepayments, deposits and other receivables, net (note (e))	預付款項、按金及其他 應收款項淨額(附註(e))	44,300	51,445
		<b>44,919</b>	53,778
Representing:	指：		
Current	即期	43,820	52,778
Non-current	非即期	1,099	1,000
		<b>44,919</b>	53,778

Notes:

附註：

- (a) All of the current portion of trade and other receivables are expected to be recovered within one year and prepayments are expected to be recognised as expense within one year or in its normal operating cycle.
- (a) 所有貿易及其他應收款項的即期部分預期於一年內收回，而預付款項預期於一年內或於正常營運週期確認為開支。
- (b) The carrying amounts of trade and other receivables approximate to their fair values.
- (b) 貿易及其他應收款項之賬面值與其公平值相若。
- (c) Trade receivables with the following aging analysis by age presented based on the invoice date, net of allowance, as at the end of the reporting period:
- (c) 以下為於報告期末貿易應收款項(扣除撥備)按發票日期呈列之賬齡分析：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
0 to 180 days	0至180日	619	1,856
181 to 365 days	181至365日	-	9
1 year to 2 years	1年至2年	-	468
		<b>619</b>	2,333



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 23. TRADE AND OTHER RECEIVABLES (Continued) 23. 貿易及其他應收款項(續)

Notes: (Continued)

附註：(續)

(c) (Continued)

(c) (續)

The average credit period for funeral arrangement services granted to non-funeral services deed customers is 45 days (2019: 45 days).

就殯儀安排服務，向非殯儀服務契約之客戶授出之平均信貸期為45日(二零一九年：45日)。

There is no credit period granted to customers for the other service rendered by the Group.

本集團並無就所提供之其他服務向客戶授出信貸期。

The Group does not hold any collateral over these balances.

本集團並無就該等結餘持有任何抵押品。

Further details on the Group's credit policy are set out in note 34(a).

有關本集團信貸政策的進一步詳情載於附註34(a)。

(d) Trade receivables that are not impaired

(d) 並無減值之貿易應收款項

At the end of the reporting period, the analysis of trade receivables that were past due but not impaired, based on past due date, are as follows:

於報告期末，已逾期但未減值之貿易應收款項按逾期天數之分析如下：

		2020 二零二零年		
	Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元	
	百分比			
Current (not past due)	即期(未逾期)	5.1%	652	(33)
1-30 days past due	逾期1-30日	0%	-	-
31-90 days past due	逾期31-90日	100%	21	(21)
More than 90 days past due	逾期超過90日	100%	323	(323)
			996	(377)

		2019 二零一九年		
	Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 RMB'000 人民幣千元	Loss allowance 虧損撥備 RMB'000 人民幣千元	
	百分比			
Current (not past due)	即期(未逾期)	0%	430	-
1-30 days past due	逾期1-30日	0%	1,401	-
31-90 days past due	逾期31-90日	0%	-	-
More than 90 days past due	逾期超過90日	43.3%	885	(383)
			2,716	(383)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 23. TRADE AND OTHER RECEIVABLES (Continued) 23. 貿易及其他應收款項(續)

Notes: (Continued)

附註：(續)

(d) (Continued)

(d) (續)

As at 31 December 2020, included in the Group's trade receivables are debtors with aggregate carrying amount of RMB Nil (2019: RMB1,903,000) which are past due as at the reporting date. Out of the past due balances, RMB Nil (2019: 502,000) has been past due 90 days or more and is not considered as in default because of the good repayment records of those customers and continuous business relationship with the Group. The Group does not hold any collateral over these balances.

於二零二零年十二月三十一日，本集團的貿易應收款項包括總賬面金額為人民幣零元(二零一九年：人民幣1,903,000元)於報告日期已逾期的應收賬款。於逾期的餘額中，人民幣零元(二零一九年：人民幣502,000元)已逾期90天或更長時間，並且未被視為違約，因為該等客戶的還款記錄良好且與本集團有持續業務關係。本集團並無就該等結餘持有任何抵押品。

Details of impairment assessment of trade receivables and other receivables for the years ended 31 December 2020 and 2019 are set out in note 34.

截至二零二零年及二零一九年十二月三十一日止年度的貿易應收款項及其他應收款項減值評估之詳情載於附註34。

(e) Included in prepayments, deposits and other receivables are deposits paid for funeral parlours and funeral services centre and prepaid agency commission for funeral services of approximately RMB1,000,000 (2019: RMB1,000,000) and RMB14,599,000 (2019: RMB19,149,000), respectively.

(e) 計入預付款項、按金及其他應收款項為分別向殯儀館及殯儀服務中心支付之按金及有關殯儀服務之預付代理佣金約人民幣1,000,000元(二零一九年：人民幣1,000,000元)及人民幣14,599,000元(二零一九年：人民幣19,149,000元)。

A commission is paid to the agents when the service deeds amounts were received by the Group. The commission is fully refundable according to the agency agreements if the Group are not required to perform the funeral.

本集團收取服務契約款項時將向代理支付佣金，倘本集團無需提供殯儀服務，相關佣金可根據代理協議全額退還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 24. CASH AND BANK BALANCES

### 24. 現金及銀行結餘

(a) Cash and bank balances comprise:

(a) 現金及銀行結餘包括：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	123,674	119,216
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	綜合財務狀況表及綜合現金流量表內的現金及現金等價物	123,674	119,216

Cash at bank earns interest at floating rates based on daily bank deposit rates.

銀行現金按根據每日銀行存款利率計算之浮動利率計息。

At 31 December 2020, cash at bank and on hand of the Group of RMB14,906,000 (2019: RMB17,238,000) were denominated in RMB and placed with banks in the PRC. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零二零年十二月三十一日，本集團之銀行及手頭現金為人民幣14,906,000元(二零一九年：人民幣17,238,000元)，以人民幣計值並存放於中國之銀行。人民幣兌換外幣須根據中國外匯管制條例及結匯、售匯及付匯管理規定進行。

As at 31 December 2020 and 2019, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit loss is provided.

於二零二零年及二零一九年十二月三十一日，本集團對銀行結餘進行減值評估，並認為對手銀行的違約概率甚微，故不計提信貸虧損撥備。

The carrying amounts of the Group's cash at bank and on hand are denominated in the following currencies:

本集團之銀行及手頭現金之賬面值以下列貨幣計值：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
US\$	美元	13,211	636
HK\$	港元	14,074	14,999
RMB	人民幣	14,906	17,238
NTD	新台幣	81,348	85,954
VND	越南盾	135	389
		123,674	119,216

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 24. CASH AND BANK BALANCES 24. 現金及銀行結餘(續)

(Continued)

(b) Reconciliation of liabilities arising from financing activities (b) 融資活動所得負債對賬

		Lease liabilities 租賃負債		Bank borrowings 銀行借貸		Amount due to a shareholder 應付一名股東之款項	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	34,860	38,472	8,389	9,304	-	-
<b>Changes from financing cash flows</b> 融資現金流變動							
Repayment of principal of lease liabilities	償還租賃負債 本金部分	(4,157)	(3,612)	-	-	-	-
Repayment of bank borrowings	償還銀行借貸	-	-	(1,166)	(1,112)	-	-
Payment of interest	利息付款	(2,366)	(2,527)	(155)	(264)	-	-
Advances from a shareholder	自一名股東的預收款項	-	-	-	-	1,677	-
Total changes from financing cash flows	融資現金流變動總額	(6,523)	(6,139)	(1,321)	(1,376)	1,677	-
Finance costs	融資成本	2,366	2,527	155	264	-	-
Addition of right-of-use assets	添置使用權資產	1,181	-	-	-	-	-
Exchange adjustments	匯兌調整	(14)	-	(259)	197	1,677	-
At 31 December	於十二月三十一日	31,870	34,860	6,964	8,389	1,677	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 25. TRADE AND OTHER PAYABLES

### 25. 貿易及其他應付款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade payables (note (c))	貿易應付款項(附註(c))	2,217	3,025
Other payables and accruals	其他應付款項及應計款項	14,659	14,635
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債	16,876	17,660

Notes:

- (a) All of the trade and other payables are expected to be settled within one year or are repayable on demand.
- (b) The carrying amounts of trade and other payables approximate to their fair values.
- (c) The following is an ageing analysis of trade payables, based on the invoice date, at the end of the reporting period:

附註：

- (a) 所有貿易及其他應付款項預期將於一年內結算或來索即付。
- (b) 貿易及其他應付款項之賬面值與其公平值相若。
- (c) 以下為於報告期末貿易應付款項按發票日期之賬齡分析：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
0 to 30 days	0至30日	853	929
31 days to 90 days	31日至90日	260	257
Over 90 days	90日以上	1,104	1,839
		2,217	3,025

The average credit period on purchase of goods is 30 days (2019: 30 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

購買商品的平均信貸期為30日(二零一九年：30日)。本集團已制定財務風險管理政策，以確保所有應付款項在信貸期限內結算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 26. CONTRACT LIABILITIES

### 26. 合約負債

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Funeral services deeds (note (a))	殯儀服務契約(附註(a))	83,304	93,811
Burial plots under development and tombstones (note (b))	開發中墓地及墓碑(附註(b))	2,348	2,423
Stem cells and immunocytes and other businesses (note (c))	幹細胞及免疫細胞及其他業務(附註(c))	2,528	1,866
		<b>88,180</b>	<b>98,100</b>
Analysed as:	分析為:		
Current	即期	87,994	97,901
Non-current	非即期	186	199
		<b>88,180</b>	<b>98,100</b>

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

下表列示本年度所確認與結轉合約負債有關的收益金額。

	Funeral services deeds 殯儀服務契約 RMB'000 人民幣千元	Burial plots under development and tombstones 開發中墓地及墓碑 RMB'000 人民幣千元	Stem cells and immunocytes and other business 幹細胞及免疫細胞及其他業務 RMB'000 人民幣千元
<b>For the year ended 31 December 2020</b>	<b>截至二零二零年十二月三十一日止年度</b>		
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘確認的收益	2,024	360

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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 26. CONTRACT LIABILITIES (CONTINUED)

### 26. 合約負債(續)

		Funeral services deeds	Burial plots under development and tombstones	Stem cells and immunocytes and other business
		殯儀服務契約	開發中墓地及墓碑	細胞及其他業務
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘確認的收益	2,503	-	-

As at 1 January 2020, contract liabilities amounted to RMB98,100,000. Contract liabilities, that are not expected to be settled within the Group's normal operating cycles are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

於二零二零年一月一日，合約負債為人民幣98,100,000元。基於本集團最初向客戶轉讓貨品或服務的責任，預計不會在本集團正常經營週期內結算的合約負債分類為流動及非流動。

Notes:

附註：

(a) Bau Shan and Sino-Life (Hong Kong) Limited ("Sino-Life (HK)"), subsidiaries of the Company, sold funeral services deeds to customers ("Deed Holders"). The funeral services deeds are prepaid funeral services packages which mainly comprise particular types of funeral services at the choice of the customers to be arranged in future. The Deed Holders can elect to make payment on a lump sum basis or settle the outstanding amount of the funeral services deeds by mutual agreed instalments. The Group determines the pricing of the funeral services deeds by adding a margin to the estimated costs of delivering these services, after having taking into account of major factors including the timing of the instruction of the Deed Holders. Amounts received from funeral services deeds sold are recorded as contract liabilities. When the Deed Holders have defaulted payment for two months and do not pay back the defaulted amounts after the Group's not less than 30-day's demand notice, the funeral services deeds would be regarded as lapsed and a minimum of 20% of the total sum of the funeral services deeds or the instalments paid, whichever is lower, will be forfeited as income. The Deed Holders can request for funeral services or terminate the funeral services deeds at any time after the funeral services deeds are sold. Accordingly, contract liabilities is classified as current liabilities in the consolidated statement of financial position.

(a) 本公司之附屬公司寶山及中國生命(香港)有限公司(「中國生命(香港)」)向客戶(「契約持有人」)出售殯儀服務契約。殯儀服務契約為預付殯儀服務組合，主要包括由客戶選擇就未來安排特定種類之殯儀服務。契約持有人可選擇一筆過支付款項或雙方同意分期支付未償付之殯儀服務契約款項。本集團經考慮主要因素(包括契約持有人之指示時間)後，透過對提供該等服務之估計成本加上邊際利潤，從而釐定殯儀服務契約之價格。就已售出殯儀服務契約所收取之款項以合約負債入賬。倘契約持有人已拖欠付款兩個月，且於本集團發出不少於30日的付款通知書後未能繳回拖欠款項，則殯儀服務契約將被視作失效，並將沒收殯儀服務契約總額最少20%或已付分期付款(以金額較低者為準)作為收入。契約持有人可於售出殯儀服務契約後任何時間，要求殯儀服務或終止殯儀服務契約。因此，合約負債在綜合財務狀況表中分類為流動負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 26. CONTRACT LIABILITIES (Continued)

### 26. 合約負債(續)

Notes: (Continued)

附註：(續)

(a) (Continued)

(a) (續)

According to the Mortuary Service Administration Act (殯葬管理條例) in Taiwan, the Group has to deposit 75% of the gross receipt of each funeral services deed entered into after 31 July 2003 in financial institutions in Taiwan as trust monies. As at 31 December 2020, the Group has invested trust monies in mutual funds and unit trusts in Taiwan at a carrying amount of RMB33,639,000 (2019: RMB38,336,000). Details are disclosed in note 19 to the consolidated financial statements.

根據台灣殯葬管理條例，本集團須將就於二零零三年七月三十一日後訂立之各份殯儀服務契約所收取收入總額之75%存款於台灣之金融機構作為信託金。於二零二零年十二月三十一日，本集團已投資信託金於台灣的互惠基金及單位信託，賬面值為人民幣33,639,000元(二零一九年：人民幣38,336,000元)。詳情於綜合財務報表附註19披露。

(b) It is principally arising from the sales of burial plots and tombstones under instalment plans and such amount will be recognised as revenue when the relevant revenue recognition criteria are met.

(b) 該款項主要產生自分期付款計劃下的墓地及墓碑銷售，而該項金額將在符合相關收益確認條件時確認為收益。

(c) Contract liabilities of stem cells and immunocytes and other business are arising from the receipt in advances from customers and such amount will be recognised as revenue when the relevant revenue recognition criteria are met.

(c) 幹細胞及免疫細胞及其他業務的合約負債指自客戶的預收款項，而該項金額將在符合相關收益確認條件時確認為收益。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 27. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES 27. 使用權資產及租賃負債

		Prepaid leasehold land 預付租賃土地 RMB'000 人民幣千元	Leased properties 租賃物業 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>			
At 31 December 2018	於二零一八年十二月三十一日	-	-	-
Impact on initial application of HKFRS 16	對首次應用香港財務報告準則第16號的影響	2,804	38,472	41,276
At 1 January 2019	於二零一九年一月一日	2,804	38,472	41,276
Exchange adjustments	匯兌調整	-	4	4
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	2,804	38,476	41,280
Exchange adjustments	匯兌調整	-	(36)	(36)
Additions	添置	-	1,181	1,181
At 31 December 2020	於二零二零年十二月三十一日	2,804	39,621	42,425
<b>Accumulated depreciation</b>	<b>累計折舊</b>			
At 1 January 2019	於二零一九年一月一日	-	-	-
Charged for the year	年度扣除	67	4,683	4,750
Exchange adjustments	匯兌調整	-	2	2
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	67	4,685	4,752
Charged for the year	年度扣除	67	5,009	5,076
Exchange adjustments	匯兌調整	-	(22)	(22)
At 31 December 2020	於二零二零年十二月三十一日	134	9,672	9,806
<b>Carrying value</b>	<b>賬面值</b>			
At 31 December 2020	於二零二零年十二月三十一日	2,670	29,949	32,619
At 31 December 2019	於二零一九年十二月三十一日	2,737	33,791	36,528

#### Nature of leasing activities (in the capacity as lessee)

The Group leases certain properties in the jurisdictions from which it operates. Under the property leases, the periodic rent is fixed over the lease term.

#### 租賃活動(以承租人身份)之性質

本集團於其經營所在的司法權區租賃若干物業。根據物業租約，於租賃期內的定期租金為固定金額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 27. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued) 27. 使用權資產及租賃負債 (續)

#### Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

#### 使用權資產

按相關資產的類別劃分之使用權資產的賬面淨值分析如下：

		<b>31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元</b>	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Ownership interests in leasehold land carried at amortised cost with remaining lease term of:	剩餘租賃期如下且按攤銷成本列賬之租賃土地之所有權權益：		
– Between 10 and 50 years	– 10至50年	<b>2,670</b>	2,737
Leased properties carried at depreciated cost, with remaining terms between 0.33 and 6.42 years (2019: 0.5 and 7.42 years)	租賃物業按折舊成本列賬且剩餘年期介乎0.33至6.42年(二零一九年：0.5至7.42年)	<b>29,949</b>	33,791
		<b>32,619</b>	36,528

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 27. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued) 27. 使用權資產及租賃負債 (續)

#### Right-of-use assets (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

#### 使用權資產(續)

有關於損益確認之租賃之開支項目分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分之使用權資產折舊開支：		
- Ownership interests in leasehold land	- 租賃土地之所有權權益	67	67
- Leased properties	- 租賃物業	5,009	4,683
		<b>5,076</b>	4,750
Interest on lease liabilities (note 6(a))	租賃負債之利息(附註6(a))	<b>2,366</b>	2,527
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	與租期於首次應用香港財務報告準則第16號日期起12個月內到期之短期租賃及其他租賃相關的開支	<b>257</b>	255

#### Cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

#### 租賃現金流出

計入綜合現金流量表之租賃金額包括以下各項：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within operating cash flows	經營現金流量內	<b>(257)</b>	(255)
Within financing cash flows	融資現金流量內	<b>(6,523)</b>	(6,139)
		<b>(6,780)</b>	(6,394)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 27. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued) 27. 使用權資產及租賃負債 (續)

#### Cash outflow for leases (Continued)

These amounts relate to the following:

#### 租賃現金流出(續)

該等金額與以下各項有關：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Lease rental paid	已付租賃租金	6,780	6,394

Details of maturity of lease liabilities are set out below and in note 34(b).

租賃負債之到期詳情載於下文及附註34(b)。

#### Lease liabilities

Future lease payments are due as follows:

#### 租賃負債

未來租賃付款之到期情況如下：

		31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元
Lease liabilities payable:	須於以下期間支付之 租賃負債：		
Within one year	一年內	4,403	3,796
Within a period of more than one year but not more than two years	超過一年但不超過兩年	4,549	3,990
Within a period of more than two years but not more than five years	超過兩年但不超過五年	14,840	13,749
More than five years	超過五年	8,078	13,325
		<b>31,870</b>	34,860
Less: Amounts due for settlement with 12 months shown under current liabilities	減：12個月內到期償付的款項(列為流動負債)	<b>(4,403)</b>	(3,796)
Amounts due for settlement after 12 months shown under non-current liabilities	12個月後到期償付的款項(列為非流動負債)	<b>27,467</b>	31,064

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 28. BANK BORROWINGS

### 28. 銀行借貸

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Bank borrowings, secured	銀行借貸，已抵押		
Current liabilities	流動負債		
- Portion of term loans from banks due for repayment within 1 year	- 於一年內到期償還的銀行定期貸款部分	1,138	1,154
Non-current liabilities	非流動負債		
- Portion of term loans from banks due for repayment after 1 year	- 於一年後到期償還的銀行定期貸款部分	5,826	7,235
Total	總計	<b>6,964</b>	8,389

At 31 December 2020 and 2019, bank borrowings were due for repayment, which are based on the scheduled repayment dates as stipulated in the respective loan agreements, as follows:

於二零二零年及二零一九年十二月三十一日，銀行借貸須於下列期間（其乃按各自貸款協議內所訂明的預定償還日期計算）償還：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 1 year	一年內	1,138	1,154
After 1 year but within 2 years	於一年後但於兩年內	1,156	1,175
After 2 years but within 5 years	於兩年後但於五年內	3,582	3,658
After 5 years	於五年後	1,088	2,402
		<b>5,826</b>	7,235
		<b>6,964</b>	8,389

All of the Group's banking facilities are subject to the fulfilment of covenants. If the Group were in breach of the covenants, the drawn down facilities would become repayable on demand.

所有本集團銀行信貸額受履行契諾所規限。倘本集團違反契諾，已動用的信貸額須於要求時償還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 28. BANK BORROWINGS (Continued)

The Group regularly monitors its compliance with these covenants and is up to date with the scheduled repayments of the term loans. Further details of the Group's liquidity risk are set out in note 34(b). As at 31 December 2020, none of the covenants relating to drawn down facilities had been breached (2019: nil).

All of the bank borrowings are carried at amortised cost.

None of the bank borrowings due for repayment after one year contain a repayment on demand clause and hence these balances are not expected to be settled within one year and are classified as a non-current liability.

As at 31 December 2020 and 2019, the effective interest rates of the bank borrowings were as follows:

		2020 二零二零年	2019 二零一九年
Variable-rate	浮動利率	1.37%–2.29%	1.62%–2.29%

Bank borrowings of RMB4,846,000 (2019: RMB5,805,000) denominated in NTD were secured by the freehold land and buildings in Taiwan with total carrying amount of RMB20,394,000 (2019: RMB19,932,000) (note 14(d)). The remaining bank borrowings of RMB2,118,000 (2019: RMB2,584,000) (note 35(c)(v)) is guaranteed by Mr. Liu.

### 28. 銀行借貸(續)

本集團定期監察是否遵守該等契諾，及時按預定的日期償還定期貸款。本集團流動資金風險的進一步詳情載於附註34(b)。於二零二零年十二月三十一日，本集團並無違反有關動用信貸額的契諾(二零一九年：無)。

所有銀行借貸按攤銷成本列值。

於一年後到期償還的銀行借貸概無載有按要求償還條款，因此，該等結餘預期於一年內將未結清，並分類為非流動負債。

於二零二零年及二零一九年十二月三十一日，銀行借貸之實際利率如下：

銀行借貸人民幣4,846,000元(二零一九年：人民幣5,805,000元)乃以新台幣計值，並以於台灣之永久業權土地及樓宇賬面總值為人民幣20,394,000元(二零一九年：人民幣19,932,000元)作抵押(附註14(d))，餘下銀行借貸人民幣2,118,000元(二零一九年：人民幣2,584,000元)(附註35(c)(v))由劉先生擔保。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 29. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION 29. 綜合財務狀況表內之所得稅

(a) Current taxation in the consolidated statement of financial position represents:

(a) 綜合財務狀況表內之即期稅項指：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	4,002	4,258
Provision for the year	年度撥備		
– PRC Enterprise Income Tax (note 7)	– 中國企業所得稅 (附註7)	1,883	1,236
– PRC withholding tax (note 7)	– 中國預扣稅 (附註7)	1,538	–
Income tax paid during the year	年內已付所得稅	(4,519)	(1,492)
Exchange adjustments	匯兌調整	663	–
At 31 December	於十二月三十一日	3,567	4,002

#### (b) Deferred tax liabilities not recognised

Under the Enterprise Income Tax Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of the tax that would be payable on the distribution of the retained profits of RMB12,260,000 (2019: RMB50,323,000) as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

#### (b) 未經確認遞延稅項負債

根據中國企業所得稅法，自二零零八年一月起，就中國附屬公司賺取之溢利宣派之股息徵收預提稅。由於本公司控制該等附屬公司之股息政策，並已推斷該等溢利不大可能於可見未來分派，故並未於綜合財務報表就分派保留溢利時須予支付之遞延稅項人民幣12,260,000元(二零一九年：人民幣50,323,000元)作出撥備。

In Taiwan, under Article 42 of the Income Tax Act of Republic of China, the net dividend or net surplus earning received by a profit-seeking enterprise organised as a company from its investment in another domestic profit-seeking enterprise shall not be included in its taxable income. Such exemption is not applicable for investment in foreign profit-seeking enterprise, which is subject to income tax at the rate of 17%.

在臺灣，根據中華民國所得稅法令第42條，以公司形式籌組的牟利企業因投資於當地另一間牟利企業而獲得的股息淨額或盈餘盈利淨額，毋須計入應課稅收入。有關豁免並不適用於在外資牟利企業的投資，該等投資的所得稅稅率為17%。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 29. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

#### (b) Deferred tax liabilities not recognised (Continued)

As one of the Group's subsidiaries, being a foreign profit-seeking enterprise, is directly and wholly owned by a subsidiary incorporated in Taiwan, a rate of 17% is applicable to the calculation of the income tax. Deferred taxation has not been provided for in the consolidated financial statements in respect of the tax that would be payable on the distribution of the retained profits of RMB22,230,000 (2019: RMB17,769,000) as the Company controls the dividend policy of this subsidiary and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

In Taiwan, under Article 4 of Standards of Withholding Rates for Various Incomes issued by Ministry of Finance of Republic of China, the net dividends or profit distributed to a profit seeking enterprise having its head office outside the territory of the Republic of China from investment in an enterprise within the territory of the Republic of China shall be withheld at a rate of 20% of the amount distributed.

As one of the Group's subsidiaries operates within the territory of Taiwan having its head office outside the territory of Taiwan, a rate of 20% is applicable to the calculation of this withholding tax. Deferred taxation has not been provided for in the consolidated financial statements for the year ended 31 December 2020 and 2019 as the subsidiary has no retained profit that can be distributed.

### 29. 綜合財務狀況表內之所得稅 (續)

#### (b) 未經確認遞延稅項負債 (續)

由於本集團其中一間附屬公司為外資牟利企業，並由一間在台灣註冊成立的附屬公司直接全資擁有，計算所得稅的適用稅率為17%。由於本公司控制該附屬公司之股息政策，並已推斷該等溢利不大可能於可見未來分派，故並未於綜合財務報表就分派保留溢利時須予支付之遞延稅項人民幣22,230,000元(二零一九年：人民幣17,769,000元)作出撥備。

在台灣，根據中華民國財政部頒佈的各類所得扣繳率標準第4條，凡總辦事處設於中華民國境外的牟利企業因投資於中華民國境內的企業而獲得的股息或溢利淨額，均須按所分派款額的20%作出預扣。

由於本集團其中一間附屬公司在台灣境內營業但總辦事處設於台灣境外，計算是項預扣稅的適用稅率為20%。由於截至二零二零年及二零一九年十二月三十一日止年度，附屬公司並無可供分派的保留溢利，故並未於綜合財務報表就遞延稅項作出撥備。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 29. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

#### (c) Deferred tax assets not recognised

As at 31 December 2020, the Group has unused tax losses of RMB25,603,000 (2019: RMB27,966,000) available for offset against future profits. Other than tax losses amounting to RMB16,604,000 (2019: RMB19,103,000) that would be expiring from 5 years to 10 years pursuant to the relevant rules and regulations in the PRC, Vietnam and Taiwan, the remainder at the end of the reporting period can be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

### 29. 綜合財務狀況表內之所得稅 (續)

#### (c) 未經確認遞延稅項資產

於二零二零年十二月三十一日，本集團之未動用稅項虧損人民幣25,603,000元(二零一九年：人民幣27,966,000元)可用以抵銷未來溢利。除根據中國、越南及台灣的相關規則及規定將於5至10年到期的稅項虧損人民幣16,604,000元(二零一九年：人民幣19,103,000元)外，於報告期末之剩餘部分可無限期結轉。由於未來溢利之來源不可預測，故概無就稅項虧損而確認遞延稅項資產。

### 30. PROVISIONS

### 30. 撥備

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Provision for future costs of delivering funeral services</b>	<b>提供殯儀服務之未來成本撥備</b>		
At 1 January	於一月一日	3,044	2,975
Over-provision written back for cost of service (note 5)	撤回服務成本超額撥備(附註5)	(399)	-
Exchange adjustments	匯兌調整	(95)	69
At 31 December	於十二月三十一日	<b>2,550</b>	<b>3,044</b>

The Group determines the pricing of the funeral services deeds by adding a margin to the estimated cost of delivering funeral services in future, after taking into account of major factors including the timing of the instruction of the Deed Holders.

This estimate is based on the sub-contracting fee payable to the sub-contractor for each funeral service deed performed, the current market conditions and the price of deeds. Management reassesses these estimates at the end of each reporting period to estimate if the contract liabilities for funeral service deeds can cover the estimated future costs of delivering funeral services and determine the need of making a provision in the consolidated financial statements.

本集團經考慮主要因素(包括契約持有人之指示時間)後，透過對於未來提供殯儀服務之估計成本加上邊際利潤，從而釐定殯儀服務契約之價格。

該估計乃基於就各項已履行的殯儀服務契約應付分包商之分包費用、現時市場狀況及契約價格進行。管理層於各報告期末重新評估該等估計，以評估該等殯儀服務契約合約負債是否足以支付提供殯儀服務之未來估計成本，並釐定是否須於綜合財務報表中作出撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 31. SHARE CAPITAL

### 31. 股本

		No. of shares 股份數目	Amount 金額 RMB'000 人民幣千元
<b>Authorised:</b>	<b>法定：</b>		
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	於二零一九年一月一日、二零一九年十二月三十一日、二零二零年一月一日及二零二零年十二月三十一日	10,000,000,000	881,541
<b>Ordinary shares issued and fully paid:</b>	<b>已發行及繳足普通股：</b>		
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	於二零一九年一月一日、二零一九年十二月三十一日、二零二零年一月一日及二零二零年十二月三十一日	742,500,000	69,218

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股擁有人有權收取不時宣派之股息及有權於本公司股東大會上就每股投一票進行表決。所有普通股就本公司之餘下資產而言均享有同等權利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 32. RESERVES

(a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of reserves between the beginning and the end of the year are set out below:

### 32. 儲備

(a) 本集團綜合權益之各部分年初與年末結餘之對賬載於綜合權益變動表。本公司儲備各部分之年初與年末之變動詳情載列如下：

		Share premium	Foreign currency translation reserve	Share-based compensation reserve	Accumulated losses	Total
		股份溢價	匯兌儲備	以股份為基礎之補償儲備	累計虧損	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
As at 1 January 2019	於二零一九年一月一日	220,633	(16,087)	7,027	(187,436)	24,137
Profit for the year	本年度溢利	-	-	-	1,600	1,600
Exchange differences on translation of financial statements	換算財務報表產生之匯兌差異	-	2,429	-	-	2,429
Total comprehensive income for the year	本年度全面收益總額	-	2,429	-	1,600	4,029
As at 31 December 2019	於二零一九年十二月三十一日	220,633	(13,658)	7,027	(185,836)	28,166
As at 1 January 2020	於二零二零年一月一日	220,633	(13,658)	7,027	(185,836)	28,166
Loss for the year	本年度虧損	-	-	-	(5,151)	(5,151)
Exchange differences on translation of financial statements	換算財務報表產生之匯兌差異	-	(5,187)	-	-	(5,187)
Total comprehensive expense for the year	本年度全面開支總額	-	(5,187)	-	(5,151)	(10,338)
Lapse of share options	購股權失效	-	-	(7,027)	7,027	-
As at 31 December 2020	於二零二零年十二月三十一日	220,633	(18,845)	-	(183,960)	17,828

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 32. RESERVES (Continued)

### 32. 儲備(續)

#### (b) Nature and purpose of reserves

#### (b) 儲備性質及用途

##### (i) *Share premium*

Under the Companies Law of the Cayman Islands, the funds in the Company's share premium account are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

##### (i) *股份溢價*

根據開曼群島公司法，本公司之股份溢價賬中資金可分派予股東，惟緊隨建議派付股息日期後本公司須有能力於債項在其日常業務過程中到期時支付其債項。

##### (ii) *Merger reserve*

Merger reserve arose from the business combination under common control in relation to the acquisition of Bau Shan during the group reorganisation in 2007. The merger reserve of the Group represents the difference between aggregate net asset value of Bau Shan acquired and the consideration paid for the acquisition of Bau Shan pursuant to the group reorganisation.

##### (ii) *合併儲備*

合併儲備乃於二零零七年進行集團重組期間就收購寶山有關而共同控制項下之業務合併而產生。本集團的合併儲備指所收購之寶山之資產淨值合計與根據集團重組就收購寶山已付代價之差額。

##### (iii) *Statutory reserve*

According to the applicable laws and regulations in Taiwan, the Group's Taiwan subsidiaries are required to transfer 10% of their net profits after taxation, as determined under the relevant accounting principles and financial regulations applicable to companies established in Taiwan, to a non-distributable reserve fund until the reserve balance reaches the registered capital of the respective enterprises. The transfer to this reserve must be made before the distribution of a dividend to owners but after offset the previous years' losses, if any.

##### (iii) *法定儲備*

根據台灣的適用法律及規例，本集團之台灣附屬公司須按適用於在台灣成立之公司之有關會計原則及財務規定，轉撥其除稅後純利之10%至不可分派儲備金，直至儲備結餘達至相關企業之註冊資本為止。對此儲備作出之轉撥必須於向擁有人分派股息前，但於抵銷過往年度虧損(如有)後作出。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 32. RESERVES (Continued)

#### (b) Nature and purpose of reserves (Continued)

##### (iv) Statutory surplus reserve

Pursuant to applicable PRC regulations, PRC subsidiaries in the Group are required to appropriate at least 10% of their profit after tax, as determined under the relevant accounting principles and financial regulations applicable to companies established in the PRC, to a non-distributable reserve fund until such reserve reaches 50% of the registered capital of the respective enterprises. The transfer to this reserve must be made before the distribution of dividends to owners. The non-distributable reserve fund can be used to offset the previous years' losses, if any, expand the existing operations or convert into additional capital of the subsidiaries, provided that the balance after such issue is not less than 25% of its registered capital. The non-distributable reserve fund is non-distributable other than upon liquidation.

According to the Vietnam Enterprise Law, Vietnam subsidiaries in the Group can set their reserve fund according to the respective Charter. Under the Charter of the Vietnam subsidiaries, they are required to transfer 5% to 15% of profit after tax to set up the reserve fund until such reserve reaches 10% of the registered capital of the respective enterprises.

### 32. 儲備(續)

#### (b) 儲備性質及用途(續)

##### (iv) 法定盈餘儲備

根據中國適用法律，本集團之中國附屬公司須將其根據適用於中國成立之公司之有關會計原則及財務規定釐定之除稅後溢利最少10%撥至不可分派儲備金，直至該儲備金達至相關企業之註冊資本50%為止。向該儲備金撥款必須於向擁有人分派股息前進行。不可分派儲備金可用於抵銷往年虧損(如有)，擴充現有業務或轉換作附屬公司之額外資本，惟前提為有關發行後之結餘不得低於其註冊資本之25%。除清盤外，不可分派儲備金不得分派。

根據越南公司法，本集團之越南附屬公司可根據各自的公司章程設立儲備金。根據越南附屬公司的公司章程，彼等須轉撥5%至15%之除稅後溢利建立儲備金，直至有關儲備金達相關企業之註冊資本10%為止。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 32. RESERVES (Continued)

### 32. 儲備(續)

#### (b) Nature and purpose of reserves (Continued)

#### (b) 儲備性質及用途(續)

##### (v) *Properties revaluation reserve*

The properties revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for freehold land and buildings held for own use in note 2(g) and is not distributable.

##### (v) *物業重估儲備*

本公司已設立物業重估儲備，並根據於附註2(g)所載就永久業權土地及持作自用樓宇採納之會計政策處理且不可分派。

##### (vi) *Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of non-PRC operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(t).

##### (vi) *匯兌儲備*

匯兌儲備包括所有因換算非中國業務財務報表所產生之匯兌差異。該儲備乃根據附註2(t)所載列之會計政策處理。

##### (vii) *Share-based compensation reserve*

The share-based compensation reserve comprises the fair value of the actual or estimated number of unexercised share options granted to eligible participants of the Group recognised in accordance with accounting policy adopted for share-based payments in note 2(p).

##### (vii) *以股份為基礎之補償儲備*

以股份為基礎之補償儲備由根據附註2(p)就以股份為基礎之付款採納之會計政策所確認之授予本集團合資格參與者之實際或估計未行使購股權數目公平價值組成。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 32. RESERVES (Continued)

#### (c) Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or sell assets to reduce debt.

Consistent with other companies in the industry, the Group monitors capital on the basis of the gearing ratio which is total liabilities divided by total assets. The Group aims to maintain the gearing ratio at a reasonable level. The gearing ratios as at 31 December 2020 and 2019 were as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Total liabilities	總負債	165,888	175,508
Total assets	總資產	277,614	293,157
Gearing ratio	資產負債比率	59.75%	59.87%

There were no changes in the Group's approach to capital management compared with previous years. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

### 32. 儲備(續)

#### (c) 資本管理

本集團管理資本之主要目標為確保本集團能夠持續經營，從而繼續為擁有人帶來回報及為其他權益關涉者帶來利益，並維持理想資本結構以減少資本成本。

為維持或調整資本結構，本集團會調整向擁有人支付之股息金額、退還資本予擁有人、發行新股份或出售資產以減少債項。

和其他同業公司一樣，本集團以資產負債比率為監察資本的基準。資產負債比率按總負債除以總資產計算。本集團旨在將資產負債比率維持於合理水平。於二零二零年及二零一九年十二月三十一日之資產負債比率如下：

與過往年度比較，本集團對資本管理之方式並無變動。本公司或其任何附屬公司均不受外部實施之資本規定限制。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 33. FINANCIAL INSTRUMENTS BY CATEGORIES 33. 按類別劃分之財務工具

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Financial assets</b>	<b>財務資產</b>		
Financial assets designated at FVTPL	指定為按公平值計入損益之財務資產	33,639	38,336
Financial assets at amortised cost	按攤銷成本計量之財務資產	127,833	126,064
<b>Financial liabilities</b>	<b>財務負債</b>		
Amortised cost	攤銷成本	71,591	70,362

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS 34. 財務風險管理及財務工具之公平值

The Group has exposure to the credit risk, liquidity risk and market risk arising from financial instruments. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risk are described below.

#### (a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivable, other receivables and cash and cash equivalents. Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis

#### *Cash and cash equivalents*

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with sound credit rating, for which the Group considers to have low credit risk.

與本集團之財務工具有關之風險包括信貸風險、流動資金風險及市場風險。下文載述本集團所面臨風險及本集團就管理該等風險所採取之財務風險管理政策及措施。

#### (a) 信貸風險

信貸風險指對手方將違反其合約責任而導致本集團出現財務損失之風險。本集團之信貸風險主要來自貿易應收款項、其他應收款項以及現金及現金等價物。管理層已制定信貸政策，並且持續監察所承受的信貸風險。

#### *現金及現金等價物*

本集團面臨之由現金及現金等價物產生之信貸風險有限，乃由於對手方為具有良好信貸評級之銀行及金融機構，因此本集團認為信貸風險較低。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (a) Credit Risk (Continued)

##### *Trade receivables*

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. In respect of trade receivables from funeral services, the Group generally offer credit period of 45 days to customers, whereas no credit period is granted to customers for other services rendered by the Group. Normally, the Group does not hold any collateral over trade receivables. At 31 December 2020, the ECLs for trade receivable were measured and loss allowance of RMB377,000 was provided (2019: RMB383,000).

The Group has no significant concentration of credit risk. The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group to credit risk.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Expected loss rates are based on actual loss experience over the past one year. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

### 34. 財務風險管理及財務工具之公平值(續)

#### (a) 信貸風險(續)

##### *貿易應收款項*

就貿易應收款項而言，對於所有要求授出超過一定金額信貸的客戶，本集團會作出個別信貸評估。另外會集中評估客戶過往償還到期款項的記錄及目前的償債能力，並會考慮客戶特定資料以及客戶經營所在的經濟環境。就殯儀服務之貿易應收款項而言，本集團一般向客戶提供45日之信貸期，而本集團提供之其他服務不授予客戶信貸期。一般而言，本集團並無就貿易應收款項持有任何抵押品。於二零二零年十二月三十一日，已計量貿易應收款項之預期信貸虧損並計提虧損撥備人民幣377,000元(二零一九年：人民幣383,000元)。

本集團並無重大信貸風險集中。倘不考慮任何持有之抵押品，則綜合財務狀況表中各財務資產的最高信貸風險為扣除任何減值撥備後的賬面值。本集團並無提供任何令本集團承受信貸風險的擔保。

本集團按等同於全期預期信貸虧損之金額計量貿易應收款項之虧損撥備，其乃使用撥備矩陣進行計算。由於本集團過往之信貸虧損並未就不同客戶分部顯示重大不同虧損模式，基於逾期狀態之虧損撥備不會進一步於本集團不同客戶基礎之間進一步區分。

預期虧損率乃基於過往一年之實際虧損經驗得出。該等比率會作出調整以反映已收集歷史數據之期間之經濟狀況、當前狀況及本集團對應收款項預期年期之經濟狀況之觀點之差異。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 34. 財務風險管理及財務工具之公平值(續)

#### (a) Credit Risk (Continued)

##### Trade receivables (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Balance at 1 January	於一月一日之結餘	383	-
Impairment losses recognised during the year	於本年度確認之減值虧損	119	383
Reversal of impairment losses recognised during the year	於本年度確認之減值虧損撥回	(112)	-
		7	383
Exchange adjustments	匯兌調整	(13)	-
Balance at 31 December	於十二月三十一日之結餘	377	383

##### Other receivables

In respect of other receivables due from third parties, the Group reviews the exposures and manages them based on the need of operation.

At each reporting date, the Group measures the ECLs of other receivables in following ways:

If, at the reporting date, the credit risk on other receivable has not increased significantly since initial recognition, the Group measures the loss allowance for other receivable at an amount equal to 12m ECL. The Group measures the loss allowance for other receivables at an amount equal to the lifetime ECL if the credit risk on other receivable has increased significantly since initial recognition.

#### (a) 信貸風險(續)

##### 貿易應收款項(續)

於本年度，貿易應收款項之虧損撥備賬變動如下：

##### 其他應收款項

就應收第三方之其他應收款項而言，本集團會根據營運需要審查風險並對其進行管理。

於各報告日期，本集團按下列方式計量其他應收款項之預期信貸虧損：

於報告日期，倘其他應收款項之信貸風險自初步確認以來並未大幅上升，本集團按等同於12個月預期信貸虧損之金額計量其他應收款項之虧損撥備。倘其他應收款項之信貸風險自初步確認以來已大幅上升，本集團按等同於全期預期信貸虧損之金額計量其他應收款項之虧損撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 34. 財務風險管理及財務工具之公平值(續)

#### (a) Credit Risk (Continued)

##### *Other receivables (Continued)*

Movement in the loss allowance account in respect of other receivables during the year is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Balance at 1 January	於一月一日之結餘	3,993	3,156
Impairment losses recognised during the year	於本年度確認之減值虧損	174	837
Reversal of impairment losses recognised during the year	於本年度確認之減值虧損回撥	(1,407)	-
		(1,233)	837
Exchange adjustments	匯兌調整	(9)	-
Balance at 31 December	於十二月三十一日之結餘	2,751	3,993

#### (a) 信貸風險(續)

##### *其他應收款項(續)*

於本年度，其他應收款項之虧損撥備賬變動如下：

#### (b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group is required to pay.

#### (b) 流動資金風險

本集團旗下個別營運實體負責其本身的現金管理事務，包括以現金盈餘進行短期投資，以及籌借貸款補足預計現金需求，惟須取得母公司董事會之批准。本集團採取之政策為定期監察其流動資金需求及其遵守借款契諾之情況，藉以確保其維持足夠之現金，以及向主要金融機構取得充裕之承諾信貸融資，以應付短期及長期流動資金需求。

下列表格載列於報告期末本集團非衍生財務負債之餘下合約到期日，有關非衍生財務負債乃根據合約未貼現現金流量(包括利用合約利率計算之利息款項，如為浮動利率，則按報告期末之現行利率)以及本集團須付款之最早日期計算。

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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 34. 財務風險管理及財務工具之公平值(續)

#### (b) Liquidity risk (Continued)

The maturity analysis for the bank borrowings is prepared based on the scheduled repayment dates.

#### (b) 流動資金風險(續)

銀行借貸的到期日分析乃按預定的償還日期編製。

		2020 contractual undiscounted cash flow 二零二零年 合約未貼現現金流量					Total contractual undiscounted cash flow 合約未貼現 現金流量總額	Carrying amount 賬面值
On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years				
按要求	於一年內	但少於兩年	但少於五年	超過五年	現金流量總額	賬面值		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Non-derivative financial liabilities	非衍生財務負債							
Trade and other payables	貿易及其他應付款項	16,876	-	-	-	16,876	16,876	
Amounts due to directors	應付董事之款項	3,660	-	-	-	3,660	3,660	
Amount due to a shareholder	應付一名股東之款項	10,544	-	1,677	-	12,221	12,221	
Bank borrowings	銀行借貸	-	1,239	1,239	3,718	1,096	7,292	
Lease liabilities	租賃負債	-	6,482	6,304	18,119	8,500	39,405	
		31,080	7,721	9,220	21,837	9,596	79,454	
							71,591	

		2019 contractual undiscounted cash flow 二零一九年 合約未貼現現金流量					Total contractual undiscounted cash flow 合約未貼現 現金流量總額	Carrying amount 賬面值
On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years				
按要求	於一年內	但少於兩年	但少於五年	超過五年	現金流量總額	賬面值		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Non-derivative financial liabilities	非衍生財務負債							
Trade and other payables	貿易及其他應付款項	17,660	-	-	-	17,660	17,660	
Amounts due to directors	應付董事之款項	789	-	-	-	789	789	
Amount due to a shareholder	應付一名股東之款項	8,664	-	-	-	8,664	8,664	
Bank borrowings	銀行借貸	-	1,297	1,297	3,891	2,445	8,930	
Lease liabilities	租賃負債	-	6,071	6,000	18,000	14,500	44,571	
		27,113	7,368	7,297	21,891	16,945	80,614	
							70,362	

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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 34. 財務風險管理及財務工具之公平值(續)

#### (b) Liquidity risk (Continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

#### (b) 流動資金風險(續)

倘浮動息率與於報告期末釐定之估計利率不同，上述就非衍生財務負債浮息工具計入之金額會出現變動。

#### (c) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to bank borrowings at variable rates. The Group is also exposed to fair value interest rate risk in relation to fixed-rate lease liabilities. The Group did not use derivative financial instruments to hedge its debt obligations.

#### (c) 利率風險

本集團須承受關於浮息銀行借貸之現金流量利率風險。本集團須承受關於固息租賃負債之公平值利率風險。本集團並未使用衍生財務工具以對沖其償債責任。

Bank balances are carried at low interest rates and the interest income thereon is not significant.

銀行結餘按低利率計算，就此產生的利息收入並不重大。

(i) The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

(i) 下表詳載本集團於報告期末的借貸利率的情況。

		2020 二零二零年		2019 二零一九年	
		RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)
<b>Fixed-rate</b>	<b>固息</b>				
Lease liabilities	租賃負債	31,870	6.87%-13.80%	34,860	3.88%-6.87%
<b>Variable-rate</b>	<b>浮息</b>				
Bank borrowings	銀行借貸	6,964	1.37%-2.29%	8,389	1.62%-2.29%

#### (ii) Sensitivity analysis

The directors of the Company performed sensitivity analysis with estimation of a general increase/decrease of 100 basis points.

#### (ii) 敏感度分析

本公司董事以整體上升／下降100個基點之估計進行敏感度分析。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 34. 財務風險管理及財務工具之公平值(續)

#### (c) Interest rate risk (Continued)

##### (ii) Sensitivity analysis (Continued)

At 31 December 2020, it is estimated that a general increase/decrease of 100 basis points in interest rates for variable-rate borrowings, with all other variables held constant, would have increased/decreased the Group's loss after tax and accumulated losses by approximately RMB58,000 (2019: RMB70,000). Other components of consolidated equity would not change in response to the general increase/decrease in interest rates.

The sensitivity analyses above have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2019: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The analysis is performed on the same basis for 2019.

#### (d) Currency risk

The Group currently does not have a foreign currency hedging policy. However, the directors of the Company monitor the Group's foreign currency exposures and will consider hedging significant foreign currency exposures should the need arises.

##### (i) Exposure to currency risk

The Group is exposed to currency risk primarily through bank deposit denominated in a foreign currency that is a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are US\$, RMB and HK\$. The Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot values when necessary to address short-term imbalances.

#### (c) 利率風險(續)

##### (ii) 敏感度分析(續)

於二零二零年十二月三十一日，倘浮息借款之利率整體上升／下降100個基點，而所有其他變數維持不變，則估計本集團之除稅後虧損及累計虧損將增加／減少約人民幣58,000元(二零一九年：人民幣70,000元)。其他綜合權益部分不會因整體利率上升／下降而出現變動。

上述敏感度分析乃根據報告期末所面對之利率風險釐定。編製分析時假設於報告期末未平倉之財務工具於整個年度均未平倉。於向主要管理人員內部報告利率風險時使用增減100個基點(二零一九年：100個基點)作出，其為管理層所評估利率可能出現之合理變動。於二零一九年乃使用相同基準進行分析。

#### (d) 貨幣風險

本集團目前並無外幣對沖政策。然而，本公司董事監察本集團之外幣風險，並將於有需要時考慮對重大的外幣風險作出對沖。

##### (i) 所面對之貨幣風險

本集團承受的貨幣風險主要來自以外幣計值的銀行存款(即有關業務所涉及的功能貨幣以外的貨幣)。引致此項風險的貨幣為美元、人民幣及港元。本集團於需應對短期失衡時之政策為按現貨匯率買賣外幣，以確保將風險淨值維持在可接受的水平。

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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 34. 財務風險管理及財務工具之公平值(續)

#### (d) Currency risk (Continued)

##### (i) Exposure to currency risk (Continued)

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date.

#### (d) 貨幣風險(續)

##### (i) 所面對之貨幣風險(續)

下表詳列本集團於報告期末因以相關實體功能貨幣以外之貨幣計值之已確認資產或負債而產生之貨幣風險。就呈報而言，風險金額乃以人民幣列示，其乃按於年結日之即期匯率換算。

		Exposure to foreign currencies (expressed in RMB)			
		所面對之外匯風險(以人民幣列示)			
		2020		2019	
		二零二零年		二零一九年	
		US\$	RMB	US\$	RMB
		美元	人民幣	美元	人民幣
		'000	'000	'000	'000
		千元	千元	千元	千元
Cash and cash equivalents	現金及現金等價物	1,459	246	299	449
Net exposure arising from recognised assets and liabilities	確認資產及負債所產生之風險淨額	1,459	246	299	449

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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 34. 財務風險管理及財務工具之公平值(續)

#### (d) Currency risk (Continued)

##### (ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after taxation (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HK\$ and the US\$ would be materially unaffected by any changes in movement in value of the US\$ against other currencies.

#### (d) 貨幣風險(續)

##### (ii) 敏感度分析

下表列出在報告期末對本集團有重大影響之匯率於該日期出現變化時，在假設所有其他風險變數維持不變之情況下，本集團之除稅後虧損(及累計虧損)將會產生之即時變動。就此而言，已假設港元兌美元的聯繫匯率將不會因美元兌其他貨幣之任何價值變動而受到重大影響。

		2020 二零二零年			2019 二零一九年		
		Increase/ (decrease) in foreign exchange rates 匯率 上升/(下跌)	Decrease/ (increase) in loss after taxation 除稅後虧損 減少/(增加)	Decrease/ (increase) in accumulated losses 累計虧損 減少/(增加)	Increase/ (decrease) in foreign exchange rates 匯率 上升/(下跌)	Decrease/ (increase) in loss after taxation 除稅後虧損 減少/(增加)	Decrease/ (increase) in accumulated losses 累計虧損 減少/(增加)
			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
US\$	美元	6.7% (6.7%)	81 (81)	81 (81)	1.3% (1.3%)	3 (3)	3 (3)



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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (d) Currency risk (Continued)

##### (ii) Sensitivity analysis (Continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' loss after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had been applied to re-measure these financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2019.

#### (e) Equity price

The Group is exposed to equity price changes arising from financial assets designated at FVTPL.

The Group's mutual funds and unit trusts are established in Taiwan, which principal assets consist of local and foreign currencies bank deposits, bonds and equity securities listed in Taiwan and other foreign stock markets.

### 34. 財務風險管理及財務工具之公平值(續)

#### (d) 貨幣風險(續)

##### (ii) 敏感度分析(續)

上表呈列之分析結果指按照各集團實體功能貨幣計算(以報告期末通行之匯率兌換為人民幣)各集團實體稅後虧損及權益之綜合即時影響，僅供呈列用途。

釐定敏感度分析時，已假設外匯利率變動已被應用於重新計量本集團持有之該等財務工具，而該等財務工具使本集團於報告期末面臨外幣風險。該分析按與二零一九年所用之相同基準進行。

#### (e) 權益價格

本集團承受之權益價格變動風險來自指定為按公平值計入損益之財務資產。

本集團之互惠基金及單位信託乃於台灣成立，其主要資產包括於台灣及其他外國證券市場之當地及外幣銀行存款、債券及權益證券。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### 34. 財務風險管理及財務工具之公平值(續)

#### (e) Equity price (Continued)

##### *Sensitivity analysis*

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the prices of the financial assets designated at FVTPL had been 10% (2019: 10%) lower/higher, loss for the year and accumulated loss would increase/decrease by RMB1,132,000 (2019: RMB684,000) for the Group as a result of the changes in fair value of financial assets designated at FVTPL.

##### *Financial assets and liabilities measured at fair value*

##### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

#### (e) 權益價格(續)

##### *敏感度分析*

以下敏感度分析乃根據於報告期末所承受之權益價格風險而釐定。

倘指定為按公平值計入損益之財務資產之價格減少/增加10% (二零一九年: 10%)，則本集團之年內虧損及累計虧損將增加/減少人民幣1,132,000元(二零一九年: 人民幣684,000元)，此乃由於指定為按公平值計入損益之財務資產之公平值變動所致。

##### *按公平值計量之財務資產及負債*

##### 公平值層級

下表呈列於報告期末按經常性基準計量的本集團財務工具的公平值，歸類為香港財務報告準則第13號公平值計量定義的三級公平值層級。公平值計量歸類的層級經參考估值技術中使用的輸入值的可觀察性及重要性釐定如下：

- 第一層估值：只以第一層輸入值計量公平值，即相同資產或負債於計量日在活躍市場的未調整報價。
- 第二層估值：以第二層輸入值(而非重要之不可觀察輸入值)計量公平值，即其輸入值之可觀察性並未如第一層輸入值。不可觀察輸入值為並無市場數據可作參考之輸入值。
- 第三層估值：以重要的不可觀察輸入值計量公平值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (e) Equity price (Continued) *Financial assets and liabilities measured at fair value (Continued)*

##### Fair value hierarchy (Continued)

The Group has a team headed by the financial controller performing valuations for the financial instruments. The team reports directly to the directors of the Company and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the directors of the Company. Discussion of the valuation process and results with the directors of the Company and the audit committee is held quarterly, to coincide with the reporting dates.

#### (f) Fair value measurements

### 34. 財務風險管理及財務工具之公平值(續)

#### (e) 權益價格(續) *按公平值計量之財務資產及負債(續)*

##### 公平值層級(續)

本集團有一隊由財務總監帶領的團隊，對財務工具進行估值。該團隊直接向本公司董事及審核委員會報告。該團隊於各中期及年度報告日期編製估值報告，連同公平值計量變動之分析，將由本公司董事審閱及批准。每季與本公司董事及審核委員會商討估值程序及結果，時間上配合報告日期。

#### (f) 公平值計量

Asset	資產	Fair value measurements as at 31 December 2020 categorised into 於二零二零年十二月三十一日的公平值計量分類為		Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日的公平值計量分類為	
		Fair value at 31 December 2020 於二零二零年十二月三十一日的公平值 RMB'000 人民幣千元	Level 1 第一層 RMB'000 人民幣千元	Fair value at 31 December 2019 於二零一九年十二月三十一日的公平值 RMB'000 人民幣千元	Level 1 第一層 RMB'000 人民幣千元
Financial assets designated at FVTPL	指定為按公平值計入損益之財務資產	33,639	33,639	38,336	38,336

During the years ended 31 December 2020 and 2019, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between Levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### (g) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2020 and 2019.

於截至二零二零年及二零一九年十二月三十一日止年度，第一層與第二層工具之間並無轉換，亦無轉入第三層或自第三層轉出。本集團之政策為於發生轉換之報告期末確認公平值層級之轉換。

#### (g) 並非按公平值列賬之財務工具之公平值

本集團按攤銷成本列賬之財務工具之賬面值與其於二零二零年及二零一九年十二月三十一日之公平值並無重大分別。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. MATERIAL RELATED PARTY TRANSACTIONS 35. 主要關連方交易

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following material related party transactions:

除綜合財務報表其他部分所披露交易及結餘外，本集團訂立以下主要關連方交易：

#### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

#### (a) 主要管理人員酬金

本集團主要管理人員酬金包括支付予本公司董事(誠如附註8所披露)及若干最高薪僱員(誠如附註9所披露)之款項如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	6,111	5,036
Post-employment benefits	離職福利	-	27
		<b>6,111</b>	<b>5,063</b>

Total remuneration is included in "staff costs".

薪酬總額計入「員工成本」。

#### (b) Remuneration for close family members of key management personnel

Remuneration for close family members of key management personnel of the Group is as follows:

#### (b) 主要管理人員近親之酬金

本集團主要管理人員近親之酬金如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	192	200
Post-employment benefits	離職福利	-	-
		<b>192</b>	<b>200</b>

Total remuneration is included in "staff costs".

薪酬總額計入「員工成本」。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 35. 主要關連方交易(續)

#### (c) Other related parties transactions

(i) On 15 March 2013, a renewal deed of trust (the "Niao Song Deed") was entered into between Bau Shan and Ms. Li Pi Hsia ("Ms. Li"), spouse of Mr. Liu, in relation to the land property situated in Taiwan at No. 943 in Section Linnei, Niao Song Township, Kaohsiung County, Taiwan (the "Niao Song Property"). Under the Niao Song Deed, Bau Shan agreed that the Niao Song Property, which is owned by Bau Shan, shall be registered under the name of and held on trust by Ms. Li for Bau Shan for a term of ten years commencing on 15 March 2013. Ms. Li has agreed that she shall act in the interest of Bau Shan in relation to the Niao Song Property during the term of the Niao Song Deed.

(ii) On 25 March 2016, a deed of trust (the "Neimen Deed") was entered into between BLL and Mr. Liu in relation to a land property situated in Taiwan at No.0300-00001 in Section Laizikeng, Neimen District, Kaohsiung County, Taiwan (the "Neimen Property"). Under the Neimen Deed, BLL agreed that the Neimen Property, which is owned by BLL, shall be registered under the name of and held on trust by Mr. Liu for BLL. Mr. Liu has agreed that he shall act in the interest of BLL in relation to the Neimen Property.

#### (c) 與其他關連方之交易

(i) 於二零一三年三月十五日，寶山與李碧霞女士(「李女士」，劉先生之配偶)就位於台灣高雄縣鳥松鄉林內段943地號之土地物業(「鳥松物業」)訂立一份重續信託契據(「鳥松契據」)。根據鳥松契據，寶山同意由寶山擁有之鳥松物業將以李女士之名義註冊，並以信託形式為寶山持有，由二零一三年三月十五日起計為期十年。李女士同意於鳥松契據年內，其將就鳥松物業以寶山之利益行事。

(ii) 於二零一六年三月二十五日，不老林與劉先生就位於台灣高雄縣內門區萊子坑段0300-00001地號之土地物業(「內門物業」)訂立一份信託契據(「內門契據」)。根據內門契據，不老林同意由不老林擁有之內門物業將以劉先生之名義註冊並以信託形式為不老林持有。劉先生同意就內門物業以不老林之利益行事。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 35. 主要關連方交易(續)

#### (c) Other related parties transactions (Continued)

- (iii) Mr. Liu signed a tenancy agreement agreeing the Group to lawfully use the property situated at unit 1404 on Level 14, Zhongxing Garden, No. 1 Heping Road, Chongqing City, the PRC at a monthly rent of RMB6,000 starting from 1 January 2019 to 31 December 2020.
- (iv) On 1 April 2016, BLL was granted by Mr. Liu Ting-Hsuan, close family member of Mr. Liu, on an exclusive basis a licence to use a number of trademarks in connection with the elderly care and related consultancy services of BLL at a consideration of HK\$1,000 per year.
- (v) Guarantee for the Group's bank loan of RMB2,118,000 (2019: RMB2,584,000) (note 28) is given by Mr. Liu during the year ended 31 December 2020.
- (vi) On 31 January 2019, Zhongke Guangju Cell Therapy (Guangdong) Co., Ltd.\* ("Zhongke Guangju"), a company incorporated in the PRC with limited liability and is indirectly held as to 30% equity interest by Mr. XU and his associates through a controlled company, and Zhongke Zhenqi Biotechnology (Hong Kong) Company Limited ("Zhongke Zhenqi"), a subsidiary of the Group, entered into an agency agreement (the "Agency Agreement"). Pursuant to the Agency Agreement, Zhongke Guangju has agreed to engage Zhongke Zhenqi as a tier 1 agent to represent its sales and/or services of stem cells and immunocytes in the PRC, Hong Kong and Macau.

#### (c) 與其他關連方之交易(續)

- (iii) 劉先生已簽訂租賃協議，同意本集團可合法使用位於中國重慶市和平路1號中興花園14樓1404室之物業，自二零一九年一月一日至二零二零年十二月三十一日，每月租金為人民幣6,000元。
- (iv) 於二零一六年四月一日，劉庭軒先生(劉先生的近親)向不老林授出獨家許可權以使用與不老林護老及相關諮詢服務有關之若干商標，代價為每年1,000港元。
- (v) 截至二零二零年十二月三十一日止年度，劉先生就人民幣2,118,000元(二零一九年：人民幣2,584,000元)(附註28)之本集團銀行貸款提供擔保。
- (vi) 於二零一九年一月三十一日，中科廣聚細胞醫療(廣東)有限公司(「中科廣聚」，一間於中國註冊成立的有限公司，及由許先生及其聯繫人透過控股公司間接持有其30%股權)與中科臻祺生物科技(香港)有限公司(「中科臻祺」)(本集團之附屬公司)訂立代理協議(「代理協議」)。根據代理協議，中科廣聚同意委託中科臻祺為一級代理商，負責於中國、香港及澳門代理其幹細胞及免疫細胞之銷售及／或服務。

\* for reference only

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 35. 主要關連方交易(續)

#### (c) Other related parties transactions (Continued)

##### (vi) (Continued)

Zhongke Guangju, as service provider, will in addition to providing stem cells and immunocytes products and/or services, be responsible for complimentary advisory and promotional materials. Zhongke Zhenqi, as agent, will be responsible for market development, market promotion and providing market feedback to Zhongke Guangju. The prices of the products and/or services provided by Zhongke Guangju were arrived at after arm's length negotiations between both parties and are consistent with the prices provided by Zhongke Guangju to existing agents. Zhongke Guangju may determine at its own discretion the sale prices of the relevant products and/or services based on market conditions.

During the year, Zhongke Zhenqi has received service fee of RMB356,000 (2019: RMB1,591,000).

#### (c) 與其他關連方之交易(續)

##### (vi) (續)

中科廣聚作為服務提供商，除提供幹細胞及免疫細胞產品及／或服務外，還將負責提供免費諮詢及宣傳材料。中科臻祺作為代理商，負責市場開發、市場推廣及向中科廣聚提供市場反饋。中科廣聚提供的產品及／或服務價格乃由雙方經公平磋商後達至，且與中科廣聚提供予現行代理的價格一致。中科廣聚可根據市場情況自行酌情釐定相關產品及／或服務的銷售價格。

於本年度，中科臻祺已收取服務費人民幣356,000元。(二零一九年：人民幣1,591,000元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 35. 主要關連方交易(續)

(d) Amounts due from/(to) other related parties

Particular of amounts due from/(to) other related parties, which are included in trade and other receivables or in trade and other payables are disclosed as follows:

		Relationship	關係	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Ms. Chang Hui-Lan	張慧蘭女士	Key management personnel	主要管理人員	90	-
Mr. Liu Ting-Hsuan	劉庭軒先生	Close family member of key management personnel	主要管理人員近親	(264)	107

Maximum amount outstanding during the year is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Ms. Chang Hui-Lan	張慧蘭女士	129	113
Mr. Liu Ting-Hsuan	劉庭軒先生	N/A 不適用	175

The amounts are unsecured, interest-free and repayable on demand.

年內最高未償還金額如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Ms. Chang Hui-Lan	129	113
Mr. Liu Ting-Hsuan	N/A 不適用	175

金額為無抵押、無息以及須按需要償還。

(e) Amounts due to directors

Particular of amounts due to directors are disclosed as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Mr. Liu	劉先生	1,143	789
Mr. Xu	許先生	2,517	-
		3,660	789

The amounts are unsecured, interest-free and repayable on demand.

(e) 應付董事之款項

應付董事款項的詳情披露如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Mr. Liu	1,143	789
Mr. Xu	2,517	-
	3,660	789

金額為無抵押、無息以及須按需要償還。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 35. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 35. 主要關連方交易(續)

(f) Amount due to a shareholder

Particular of amount due to a shareholder is disclosed as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Hong Kong Gaoqi Biological Technology Company Limited	香港高崎生物科技有限公司	12,221	8,664

As at 31 December 2020, the amount due to a shareholder classified as current liabilities amounting to approximately RMB10,024,000 (2019: RMB8,664,000) are unsecured, interest-free and repayable on demand, and approximately RMB520,000 (2019: nil) are unsecured, interest-free and repayable within one year, while the remaining portion of RMB1,677,000 (2019: RMB nil) are unsecured, interest-free and repayable over one year.

(f) 應付一名股東之款項

應付一名股東款項的詳情披露如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		12,221	8,664

於二零二零年十二月三十一日，應付予一名股東的分類為流動負債的款項約為人民幣10,024,000元(二零一九年：人民幣8,664,000元)為無抵押、無息及須按需要償還，約人民幣520,000元(二零一九年：零元)為無抵押、無息且須於一年內償還，而其餘部分為人民幣1,677,000元(二零一九年：人民幣零元)為無抵押、無息且須於一年後償還。

### 36. OPERATING LEASES

The Group as lessor

At 31 December 2020, the Group had contracted with tenants in respect of part of its office and investment properties for the following future minimum lease payments:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 1 year	一年內	212	221
After 1 year but within 5 years	一年後及五年內	212	442
		424	663

Operating lease receivables represent rentals receivable by the Group for certain of its investment properties. Leases are negotiated for terms of 3 years (2019: 3 years). None of the lease includes contingent rentals.

### 36. 經營租賃

本集團作為出租人

於二零二零年十二月三十一日，本集團就其部分辦公室及投資物業而與租戶訂約之未來最低租賃付款額如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		212	221
		212	442
		424	663

應收經營租賃款項乃為本集團就其若干投資物業應收的租金。租期經磋商商定為3年(二零一九年：3年)。並無租約包括或然租金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 37. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2020 not provided for in the financial statements are as follows:

### 37. 資本承擔

於財務報表內未撥備之於二零二零年十二月三十一日尚未履行之資本承擔如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Capital expenditure contracted but not provided for:	已簽約但未作撥備之資本開支：		
- Investments in associates	- 投資聯營公司	8,700,000	8,700,000
- Investment in a joint venture	- 於一間合營企業之投資	6,500,000	6,500,000
		<b>15,200,000</b>	<b>15,200,000</b>

### 38. PLEDGE OF ASSETS

As at 31 December 2020, bank borrowings of the Group were secured by land and buildings with an aggregate carrying amount of RMB20,394,000 (2019: RMB19,932,000) (notes 14(d) and 28).

### 38. 抵押資產

於二零二零年十二月三十一日，本集團銀行借貸由賬面總值為人民幣20,394,000元(二零一九年：人民幣19,932,000元)之土地及樓宇作抵押(附註14(d)及28)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 39. SUBSIDIARIES

- (a) Details of the Company's subsidiaries, which are private companies or, if established/incorporated outside Hong Kong, have substantially the same characteristic as a Hong Kong private company, as at 31 December 2020 and 2019 are as follows:

### 39. 附屬公司

- (a) 於二零二零年及二零一九年十二月三十一日，本公司之附屬公司（為私人公司或（倘於香港境外成立／註冊成立）具有與香港私人公司大致相同之特點）之詳情如下：

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 成立地點及日期	Authorised ordinary share capital/ registered capital 法定普通股／註冊資本	Issued and fully paid-up ordinary share or registered capital 已發行及繳足普通股或註冊資本	Attributable equity interest 應佔股權		Principal activities/place of operation 主要業務／營運地點
				2020 二零二零年	2019 二零一九年	
<b>Directly held</b> <b>直接持有</b>						
Bau Shan	Taiwan 29 December 1998	NTD70,452,000 (2019: NTD70,452,000)	NTD70,452,000 (2019: NTD70,452,000)	60%	60%	Provision of funeral services, sale of funeral services deeds and investment holding/Taiwan 提供殯儀服務、銷售殯儀服務契約及投資控股／台灣
寶山	台灣 一九九八年十二月二十九日	70,452,000新台幣 (二零一九年: 70,452,000新台幣)	70,452,000新台幣 (二零一九年: 70,452,000新台幣)			
Full Spread (China) Limited	Hong Kong 5 October 2007	N/A (2019: N/A)	HK\$1 (2019: HK\$1)	100%	100%	Investment holding/Hong Kong 投資控股／香港
弘揚(中國)有限公司	香港 二零零七年十月五日	不適用 (二零一九年: 不適用)	1港元 (二零一九年: 1港元)			
Allied Smart Development Limited	Hong Kong 1 April 2010	N/A (2019: N/A)	HK\$1 (2019: HK\$1)	100%	100%	Investment holding/Hong Kong 投資控股／香港
駿群發展有限公司	香港 二零一零年四月一日	不適用 (二零一九年: 不適用)	1港元 (二零一九年: 1港元)			
Sino-Life (Hong Kong) Limited	Hong Kong 9 August 2010	N/A (2019: N/A)	HK\$1 (2019: HK\$1)	100%	100%	Provision of funeral services and sale of funeral services deeds/Hong Kong 提供殯儀服務及銷售殯儀服務契約／香港
中國生命(香港)有限公司	香港 二零一零年八月九日	不適用 (二零一九年: 不適用)	1港元 (二零一九年: 1港元)			
Dayrise Enterprises Limited	BVI 13 September 2010	US\$50,000 (2019: US\$50,000)	US\$1 (2019: US\$1)	100%	100%	Investment holding/BVI 投資控股／英屬處女群島
日昇企業有限公司	英屬處女群島 二零一零年九月十三日	50,000美元 (二零一九年: 50,000美元)	1美元 (二零一九年: 1美元)			
Jing Run Limited	BVI 12 February 2010	US\$1,000,000 (2019: US\$1,000,000)	US\$1,000,000 (2019: US\$1,000,000)	55%	55%	Inactive/BVI 不活躍／英屬處女群島
京潤有限公司	英屬處女群島 二零一零年二月十二日	1,000,000美元 (二零一九年: 1,000,000美元)	1,000,000美元 (二零一九年: 1,000,000美元)			
Timeless Surplus (Hong Kong) Limited	Hong Kong 17 April 2012	N/A (2019: N/A)	HK\$1 (2019: HK\$1)	100%	100%	Inactive/Hong Kong 不活躍／香港
時潤(香港)有限公司	香港 二零一二年四月十七日	不適用 (二零一九年: 不適用)	1港元 (二零一九年: 1港元)			
Ban Shan Consulting Limited	Samoa 14 November 2013	US\$50,000 (2019: US\$50,000)	US\$1 (2019: US\$1)	60%	60%	Inactive/Taiwan 不活躍／台灣
薩摩亞	薩摩亞 二零一三年十一月十四日	50,000美元 (二零一九年: 50,000美元)	1美元 (二零一九年: 1美元)			
<b>Indirectly held</b> <b>間接持有</b>						
Chongqing Xibao*	The PRC 19 March 2007	US\$8,000,000 (2019: US\$8,000,000)	US\$8,000,000 (2019: US\$8,000,000)	100%	100%	Provision of funeral services and investment holding/The PRC 提供殯儀服務及投資控股／中國
重慶錫寶*	中國 二零零七年三月十九日	8,000,000美元 (二零一九年: 8,000,000美元)	8,000,000美元 (二零一九年: 8,000,000美元)			
Chongqing Xizhou**	The PRC 25 October 2006	RMB300,000 (2019: RMB300,000)	RMB300,000 (2019: RMB300,000)	100%	100%	Provision of funeral services/The PRC 提供殯儀服務／中國
重慶錫周**	中國 二零零六年十月二十五日	人民幣300,000元 (二零一九年: 人民幣300,000元)	人民幣300,000元 (二零一九年: 人民幣300,000元)			
Sino-Life Eternities Limited	BVI 15 April 2010	US\$50,000 (2019: US\$50,000)	US\$10,000 (2019: US\$10,000)	78.75%	78.75%	Investment holding/BVI 投資控股／英屬處女群島
中國新生命有限公司	英屬處女群島 二零一零年四月十五日	50,000美元 (二零一九年: 50,000美元)	10,000美元 (二零一九年: 10,000美元)			

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### 39. SUBSIDIARIES (Continued)

### 39. 附屬公司(續)

(a) (Continued)

(a) (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment/ 註冊成立/ 成立地點及日期	Authorised ordinary share capital/ registered capital 法定普通股/註冊資本	Issued and fully paid-up ordinary share or registered capital 已發行及繳足普通股 或註冊資本	Attributable equity interest 應佔股權		Principal activities/place of operation 主要業務/營運地點
				2020 二零二零年	2019 二零一九年	
<b>Indirectly held (Continued)</b> 間接持有(續)						
Sino-Life Eternities Services Limited 中國新生命服務有限公司	Hong Kong 20 April 2010 香港 二零一零年四月二十日	N/A (2019: N/A) 不適用 (二零一九年: 不適用)	HK\$1 (2019: HK\$1) 1港元 (二零一九年: 1港元)	78.75%	78.75%	Not yet commenced business/ Hong Kong 尚未開業/香港
Jinhao Enterprises Limited 金豪企業有限公司	BVI 13 September 2010 英屬處女群島 二零一零年九月十三日	US\$50,000 (2019: US\$50,000) 50,000美元 (二零一九年: 50,000 美元)	US\$1 (2019: US\$1) 1美元 (二零一九年: 1美元)	100%	100%	Investment holding/BVI 投資控股/英屬處女群島
Sino-Departures Limited 中國送行者有限公司	Hong Kong 5 December 2011 香港 二零一一年十二月五日	N/A (2019: N/A) 不適用 (二零一九年: 不適用)	HK\$5 (2019: HK\$5) 5港元 (二零一九年: 5港元)	100%	100%	Not yet commenced business/ Hong Kong 尚未開業/香港
Bao Son Life 寶山生命	Vietnam 20 June 2012 越南 二零一二年六月二十日	US\$200,000 (2019: US\$200,000) 200,000美元 (二零一九年: 200,000 美元)	US200,000 (2019: US\$200,000) 200,000美元 (二零一九年: 200,000美元)	80%	80%	Investment holding/Vietnam 投資控股/越南
HLV Duc Hoa (note (b))	Vietnam 22 June 2012	VND50,000,000,000 (2019: VND50,000,000,000) 50,000,000,000越南盾 (二零一九年: 50,000,000,000越南盾)	VND39,750,000,000 (2019: VND39,750,000,000) 39,750,000,000越南盾 (二零一九年: 39,750,000,000越南盾)	-	-	Sale of burial plots and provision of cemetery maintenance services/Vietnam 銷售墓地及提供墓園維修服務/ 越南
HLV Duc Hoa (附註(b))	Vietnam 二零一二年六月二十二日	VND50,000,000,000 (2019: VND50,000,000,000) 50,000,000,000越南盾 (二零一九年: 50,000,000,000越南盾)	VND39,750,000,000 (2019: VND39,750,000,000) 39,750,000,000越南盾 (二零一九年: 39,750,000,000越南盾)	-	-	Sale of burial plots and provision of cemetery maintenance services/Vietnam 銷售墓地及提供墓園維修服務/ 越南
BLL 不老林	Taiwan 12 October 2015 台灣 二零一五年十月十二日	NTD15,000,000 (2019: NTD15,000,000) 15,000,000新台幣 (二零一九年: 15,000,000 新台幣)	NTD15,000,000 (2019: NTD15,000,000) 15,000,000新台幣 (二零一九年: 15,000,000 新台幣)	60%	60%	Provision of elderly care and related consultancy services/Taiwan 提供護老及相關諮詢服務/台灣
Chongqing Shouen Elderly Care Services Limited** 重慶受恩養老服務有限公司**	The PRC 27 September 2016 中國 二零一六年九月二十七日	RMB1,000,000 (2019: RMB1,000,000) 人民幣1,000,000元 (二零一九年: 人民幣 1,000,000元)	RMB1,000,000 (2019: RMB1,000,000) 人民幣1,000,000元 (二零一九年: 人民幣 1,000,000元)	100%	100%	Not yet commenced business/ The PRC 尚未開業/中國
Chongqing Yongxinshuo Enterprises Management Consultancy Limited** 重慶永欣朔企業管理諮詢 有限公司**	The PRC 17 January 2016 中國 二零一六年一月十七日	RMB1,000,000 (2019: RMB1,000,000) 人民幣1,000,000元 (二零一九年: 人民幣 1,000,000元)	RMB1,000,000 (2019: RMB1,000,000) 人民幣1,000,000元 (二零一九年: 人民幣 1,000,000元)	N/A***	100%	Not yet commenced business/ The PRC 尚未開業/中國
中科臻祺生物科技(廣東) 有限公司**	The PRC 29 November 2018 中國 二零一八年十一月二十九日	RMB10,000,000 (2019: RMB10,000,000) 人民幣10,000,000元 (二零一九年: 人民幣 10,000,000元)	RMB10,000,000 (2019: RMB10,000,000) 人民幣10,000,000元 (二零一九年: 人民幣 10,000,000元)	100%	100%	Research and testing development/ The PRC 研究和試驗開發/中國
Zhongke Zhenqi Biotechnology (Hong Kong) Company Limited* 中科臻祺生物科技(香港)有限公司*	Hong Kong 9 April 2019 香港 二零一九年四月九日	N/A (2019: N/A) 不適用 (二零一九年: 不適用)	HK\$1,000,000 (2019: HK\$1,000,000) 1,000,000港元 (二零一九年: 1,000,000 港元)	100%	100%	Sales of biotechnical machineries/ Hong Kong 生物科技儀器銷售/香港
Zhongke Life Holding Co., Limited 中科生命控股有限公司	Hong Kong 22 July 2019 香港 二零一九年七月二十二日	N/A (2019: N/A) 不適用 (二零一九年: 不適用)	HK\$1,000,000 (2019: HK\$1,000,000) 1,000,000港元 (二零一九年: 1,000,000 港元)	100%	100%	Not yet commenced business/ Hong Kong 尚未開業/香港
中科迅達生物科技(深圳)有限公司*	The PRC 17 September 2019 中國 二零一九年九月十七日	RMB40,000,000 (2019: RMB40,000,000) 人民幣40,000,000元 (二零一九年: 人民幣 40,000,000元)	RMB40,000,000 (2019: RMB40,000,000) 人民幣40,000,000元 (二零一九年: 人民幣 40,000,000元)	100%	100%	Not yet commenced business/ The PRC 尚未開業/中國
Zhongke Zhenhui (Guangdong) Medical Technology Company Limited** 中科臻慧(廣東)醫療科技有限公司**	The PRC 19 May 2020 中國 二零二零年五月十九日	RMB10,000,000 (2019: N/A) 人民幣10,000,000元 (二零一九年: 不適用)	RMB10,000,000 (2019: N/A) 人民幣10,000,000元 (二零一九年: 不適用)	59%	N/A	Biomedical technology research/ The PRC 生物醫療技術研究/中國

\* A wholly-foreign-owned enterprise

\*\* A limited liability company

\*\*\* Deregistered during 2020

\* 外商獨資企業

\*\* 有限責任公司

\*\*\* 於二零二零年註銷

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## 綜合財務報表附註

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### 39. SUBSIDIARIES (Continued)

- (b) The Group does not hold any ownership interests in the entity, HLV Duc Hoa. However, based on the terms of the contract under which HLV Duc Hoa was established and controlled by the Group, the Group receives substantially all of the variable returns related to the involvement in HLV Duc Hoa's operations and net assets and has the ability to direct HLV Duc Hoa's activities that most significantly affect those returns.
- (c) The following tables list out the information of the Group's subsidiaries which has material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

### 39. 附屬公司(續)

- (b) 本集團並無持有實體 HLV Duc Hoa 之任何所有權權益。然而，根據本集團據以成立及控制 HLV Duc Hoa 之該合同之條款，本集團收取幾近全部關於參與 HLV Duc Hoa 業務之可變回報及淨資產，以及有能力主導對該等回報有最大影響之 HLV Duc Hoa 業務。
- (c) 下表載列本集團各附屬公司(擁有重大非控股權益(「非控股權益」))的資料。下文呈報之財務資料概要代表進行任何公司間對銷前之金額。

		2020 二零二零年 RMB'000 人民幣千元		2019 二零一九年 RMB'000 人民幣千元	
		Bau Shan and its subsidiary, BLL and Ban Shan Consulting Limited 寶山及 其附屬公司、 不老林及 Bao Shan Consulting Limited	Bao Son Life and its subsidiary, HLV Duc Hoa 寶山生命及 其附屬公司、 HLV Duc Hoa	Bau Shan and its subsidiary, BLL and Ban Shan Consulting Limited 寶山及 其附屬公司、 不老林及 Bao Shan Consulting Limited	Bao Son Life and its subsidiary, HLV Duc Hoa 寶山生命及 其附屬公司、 HLV Duc Hoa
NCI percentage	非控股權益百分比	40%	20%	40%	20%
Current assets	流動資產	185,023	14,555	169,844	12,007
Non-current assets	非流動資產	29,246	119	30,923	63
Current liabilities	流動負債	(217,579)	(45,582)	(208,036)	(44,244)
Non-current liabilities	非流動負債	(5,826)	(186)	(7,092)	(199)
Net liabilities	負債淨額	(9,136)	(31,094)	(14,361)	(32,373)
Carrying amount of NCI	非控股權益賬面值	(3,654)	(6,219)	(5,744)	(6,475)
Revenue	收益	1,802	434	2,257	421
Profit/(loss) for the year	年度收益/(虧損)	5,184	(817)	(1,343)	(1,065)
Total comprehensive income/(expense)	全面收益/(開支)總額	1,067	(1,412)	(480)	(151)
Profit/(loss) attributable to NCI	非控股權益應佔之 收益/(虧損)	2,074	(163)	(755)	(213)
Total comprehensive income/ (expense) attributable to NCI	非控股權益應佔之 全面收益/(開支)總額	427	(282)	(947)	(30)
Net cash inflows/(outflows) from operating activities	經營活動現金流入/ (流出)淨額	1,533	2,110	(4,453)	(1,208)
Net cash inflows/(outflows) from investing activities	投資活動現金流入/ (流出)淨額	5	(135)	1	(99)
Net cash outflows from financing activities	融資活動現金流出淨額	(1,300)	-	(1,273)	-

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### 40. CHANGE IN OWNERSHIP INTEREST IN A SUBSIDIARY

During the year ended 31 December 2019, the Group disposed of 40% of its interest into Bau Shan, reduced its continuing interest to 60%. The proceeds on disposal of RMB14,038,000 were received in cash. An amount of RMB5,882,000 (being the proportionate share of the carrying amount of the net liabilities of Bau Shan) has been transferred to non-controlling interests. The difference of RMB19,920,000 between the increase in the non-controlling interests and the consideration received has been credited to accumulated losses.

### 41. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Pursuant to the written resolutions of the shareholders of the Company dated 24 August 2009, a share option scheme ("Share Option Scheme") was approved and adopted. The major terms of the Share Option Scheme are summarised as follows:

- (a) The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants who have contributed or may contribute to the Group as incentive or rewards for their contributions to the Group.
- (b) The eligible participants include (i) any employee or proposed employee of the Company and/or any of its subsidiaries or any entity ("Invested Entity") in which the Group holds an equity interest, including any executive directors and any non-executive directors (including independent non-executive directors) of the Company, any of such subsidiaries or any Invested Entity; and (ii) any consultants, advisers, agents, partners or joint-venture partners of the Company and/or any of its subsidiaries.
- (c) The exercise price of a share option under the Share Option Scheme will not be less than the highest of (i) the closing price of the shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (ii) the average of the closing prices of the shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (iii) the nominal value of a share on the offer date of the particular option.

### 40. 於附屬公司的所有權權益變動

於截至二零一九年十二月三十一日止年度，本集團出售其於寶山的40%權益，減少其持續權益至60%。出售所得現金人民幣14,038,000元。一筆金額為人民幣5,882,000元（即佔寶山淨負債賬面值的比例）已轉移至非控股權益。非控股權益的增加與已收代價之間的差額人民幣19,920,000元已計入累計虧損。

### 41. 以股權結算股份為基礎之交易

根據本公司日期為二零零九年八月二十四日的股東書面決議案，已批准及採納購股權計劃（「購股權計劃」）。購股權計劃的主要條款概述如下：

- (a) 購股權計劃之目的是讓本公司向對本集團已作出或可能作出貢獻的合資格參與者授出購股權，作為彼等對本集團作出貢獻的鼓勵或獎勵。
- (b) 合資格參與者包括(i)本公司及／或其任何附屬公司或本集團持有股本權益的任何實體（「投資實體」）的任何僱員或候任僱員，包括本公司、其任何附屬公司或任何投資實體的任何執行董事及任何非執行董事（包括獨立非執行董事）；及(ii)本公司及／或其任何附屬公司的任何諮詢人、顧問、代理、合夥人或合營夥伴。
- (c) 購股權計劃項下購股權的行使價將不會少於下列最高者：(i)於特定購股權的要約日期（必須為營業日）股份於聯交所每日報價表上顯示在聯交所的收市價；(ii)緊接該特定購股權的要約日期前五個營業日股份於聯交所每日報價表上顯示的平均收市價；及(iii)股份於特定購股權要約日期的面值。

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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

- (d) The total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes must not in aggregate exceed 10% of the shares in issue ("General Scheme Limit").

The Share Option Scheme was expired during the year ended 31 December 2019.

- (e) Unless approved by the Company's shareholders, the total number of shares issued and to be issued upon exercise of the options granted to any participants in any twelve-month period must not exceed 1% of the shares in issue at the date of the grant of the options.
- (f) An offer shall be made to eligible participants in writing and shall remain open for acceptance by the eligible participants concerned for a period of 30 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the scheme. An offer shall be deemed to have been accepted by the eligible participant concerned in respect of all shares which are offered to such participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant, together with a non-refundable remittance in favour of the Company of HK\$10 by way of consideration for the grant thereof is received by the Company, within such time as may be specified in the offer.

### 41. 以股權結算股份為基礎之交易(續)

- (d) 根據購股權計劃及任何其他購股權計劃將予授出的全部購股權獲行使後可能發行的股份總數合共不得超過本公司已發行股份的10% (「一般計劃限額」)。

購股權計劃於截至二零一九年十二月三十一日止年度屆滿。

- (e) 除非獲本公司股東批准，否則於任何十二個月期間內因行使授予任何參與者的購股權已發行及將予發行的股份總數，不得超逾授出購股權當日已發行股份的1%。
- (f) 要約須以書面形式向合資格參與者作出，並須於作出當日起三十日期間內可供有關的合資格參與者選擇接納，惟於採納購股權計劃當日的十週年後或該計劃終止後不得再提供要約以供接納。當本公司於要約內列明的時間內接獲包含由合資格參與者正式簽署的要約接納書副本，連同付予本公司不可退還匯款10港元作為本公司接納授出的代價，則提呈給該名合資格參與者的全部股份的要約，即視為已由有關合資格參與者接納。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

### 41. 以股權結算股份為基礎之交易(續)

- (g) For the options granted in 2010, they are exercisable starting half year from the grant date. The exercisable period should be determined by the board of directors upon grant of the share option but in any event should not exceed 10 years from the date of grant of the share option.
- (h) An option shall be exercisable in whole or in part in the circumstances by giving notice in writing to the Company stating that the option is thereby exercised and the number of shares in respect of which it is so exercised. Each such notice must be accompanied by a non-refundable remittance for the full amount of the subscription price for shares in respect of which the notice is given.
- (i) The terms and conditions of the options granted are as follows:

- (g) 就於二零一零年授出之購股權而言，彼等於授出日期起計半年後開始行使。可予行使期間應該由董事會於授出購股權之時釐定，惟無論如何不得超過授出購股權日期起計10年。
- (h) 承授人須於向本公司發出書面通知的情況下全部或部分行使購股權，該通知須註明購股權獲據此行使及行使購股權所涉及的股份數目。各有關通知必須夾附不可退還匯款，金額為發出的通知中所涉及的整筆股份認購價。
- (i) 已授出購股權之條款及條件如下：

	Number of shares issuable under options granted 就授出之購股權 可發行股份數目	Life of period 有效年期	Contractual life of options 購股權合約年期
Options granted in 2010: 於二零一零年授出之購股權：			
Options granted to directors: 授予董事之購股權：			
- on 11 February 2010 - 於二零一零年二月十一日	6,420,000	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	10 years 10年
Options granted to employees: 授予僱員之購股權：			
- on 11 February 2010 - 於二零一零年二月十一日	11,680,000	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	10 years 10年
Options granted to consultants: 授予顧問之購股權：			
- on 11 February 2010 - 於二零一零年二月十一日	41,900,000	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	10 years 10年
Total share options 購股權總數	60,000,000		

The method of settlement for the options granted is by equity. The closing price of the Company's shares immediately before 11 February 2010, the date on which the options were granted, was HK\$1.16.

授出之購股權乃採用權益結算方式。本公司股份於緊接二零一零年二月十一日(即購股權獲授出之日期)前之收市價分別為1.16港元。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued) 41. 以股權結算股份為基礎之交易(續)

(j) The particulars of outstanding options at the end of the reporting period as follows:

(j) 於報告期末之尚未行使購股權詳情如下：

		2020 二零二零年		2019 二零一九年	
		Weighted average exercise price	Number of shares issuable under options granted	Weighted average exercise price	Number of shares issuable under options granted
		加權平均行使價	購股權可發行股份數目	加權平均行使價	購股權可發行股份數目
Outstanding at the beginning of the year	年初尚未行使	HK\$1.18 1.18港元	48,232,000	HK\$1.18 1.18港元	48,232,000
Lapsed during the year	年內已失效	HK\$1.18 1.18港元	(48,232,000)	HK\$1.18 1.18港元	-
Outstanding at the end of the year	年終尚未行使	N/A 不適用	-	HK\$1.18 1.18港元	48,232,000
Exercisable at the end of the year	年終可予行使	N/A 不適用	-	HK\$1.18 1.18港元	48,232,000

Terms of unexpired and unexercised share options at the end of the reporting period are as follows:

於報告期末之尚未屆滿及尚未行使購股權期限如下：

31 December 2019 二零一九年十二月三十一日	Number of shares issuable under options granted 就授出之購股權可發行股份數目	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價
Options granted to employees: 授予僱員之購股權：				
- On 11 February 2010 - 於二零一零年二月十一日	6,332,000	11 February 2010 to 10 August 2010 二零一零年二月十一日至二零一零年八月十日	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	HK\$1.18 1.18港元
Options granted to consultants: 授予顧問之購股權：				
- On 11 February 2010 - 於二零一零年二月十一日	41,900,000	11 February 2010 to 10 August 2010 二零一零年二月十一日至二零一零年八月十日	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	HK\$1.18 1.18港元
Total share options outstanding 尚未行使購股權總數	48,232,000			

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

### 41. 以股權結算股份為基礎之交易(續)

(j) (Continued)

The share options outstanding at 31 December 2019 had exercise price of HK\$1.18 and a weighted average remaining contractual life of 0.1 year.

The options granted on 11 February 2010 expire ten years from the date of grant. As at 31 December 2019, 29,072,000 of 48,232,000 options were exercisable in the same year of the date of grant with 50% each of the options granted exercisable at six months and at the end of the year from the date of grant and 19,160,000 of 48,232,000 options are exercisable over five years from the date of grant, with 20% each of the options granted exercisable at six months, and first calendar date of following four years from the date of grant. All of the options were lapsed during the year ended 31 December 2020.

(k) Fair value of share options and assumptions

(i) *Granted to director and employees*

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

(j) (續)

於二零一九年十二月三十一日尚未行使之購股權之行使價為1.18港元，加權平均剩餘合約年限為0.1年。

此等於二零一零年二月十一日授出之購股權自授出日期起計十年後屆滿。於二零一九年十二月三十一日，48,232,000份購股權中之29,072,000份可於授出日期之同年行使，自授出日期起計六個月及於年底可各行使50%之已授出購股權，48,232,000份購股權中之19,160,000份可於授出日期起計五年後行使，自授出日期起計六個月及於隨後四年首個曆日可各行使20%之已授出購股權。所有購股權於截至二零二零年十二月三十一日止年度失效。

(k) 購股權之公平值及假設

(i) *授予董事及僱員*

本集團以授出購股權而獲得之服務之公平值參考獲授購股權之公平值計量。獲授購股權之估計公平值按二項式期權定價模式計量。購股權之合約年期為本模式之一項輸入參數。

預期波幅乃根據歷史波幅(以購股權之加權平均剩餘年期計算)計算，根據可獲知公眾資料對未來預期波幅之變動作出調整。預期股息乃根據過往股息釐定。所採用主觀輸入數據假設之變動可能對公平值估計產生重大影響。

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## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 41. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### (k) Fair value of share options and assumptions (Continued)

##### (ii) *Granted to consultants*

The fair value for share options granted is measured using the market-based approach, by reference to the discounted cash flows to estimate the fair value of the professional fees that should have been paid. The value was developed by discounting future cash flows from the services to be provided by the consultants, taking into account the uniqueness of the services provided by the consultants, the historical monthly payments to similar services provided by the consultants and the service period, along with other out of pocket expenses.

Up to 31 December 2019, 41,900,000 share options under the Share Option Scheme are granted by the Company to the consultants of the Group which entitles the holder thereof to subscribe for an aggregate of 41,900,000 ordinary shares of HK\$0.1 each in the capital of the Company with an exercise price of HK\$1.18 per share during the exercisable period from 11 August 2010 to 11 February 2020. During the year ended 31 December 2020, all of such share options were lapsed.

### 41. 以股權結算股份為基礎之交易(續)

#### (k) 購股權之公平值及假設(續)

##### (ii) *授予顧問*

所授出購股權之公平值乃使用市場基礎法計量，並經參考折現現金流量以估計應支付之專業費用之公平值。價值乃經參考顧問所提供服務之獨特性、顧問所提供類似服務之歷史每月付款及服務期限以及其他實際開支，由折現源自將由顧問提供之服務之未來現金流量得出。

截至二零一九年十二月三十一日，本公司已根據購股權計劃向本集團之顧問授出41,900,000份購股權，該等購股權賦予其持有人可自二零一零年八月十一日起至二零二零年二月十一日止行使期間，按行使價每股1.18港元認購合共41,900,000股本公司股本中每股面值0.1港元之普通股之權利。於截至二零二零年十二月三十一日止年度，所有該等購股權均已失效。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 42. STATEMENT OF FINANCIAL POSITION 42. 財務狀況表

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		Notes 附註		
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司的投資	39	14,805	13,966
Intangible assets	無形資產		2	2
			<b>14,807</b>	13,968
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Other receivables	其他應收款項		102,425	110,182
Cash and cash equivalents	現金及現金等價物		13,545	14,659
			<b>115,970</b>	124,841
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Other payables	其他應付款項		43,731	41,425
			<b>(43,731)</b>	(41,425)
<b>NET ASSETS</b>	<b>淨資產</b>		<b>87,046</b>	97,384
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	31	69,218	69,218
Reserves	儲備	32	17,828	28,166
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>87,046</b>	97,384

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 43. ACCOUNTING JUDGEMENTS AND ESTIMATES 43. 會計判斷及估計

(a) **Critical accounting judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting, management has made the following judgement:

(i) *Consolidation of an entity in which the Group does not hold any equity interests*

The Group does not hold any ownership interests in the entity, HLV Duc Hoa. However, based on the terms of the contract under which HLV Duc Hoa was established and controlled by the Group, the Group receives substantially all of the variable returns related to involvement in HLV Duc Hoa's operations and net assets and has the ability to direct HLV Duc Hoa's activities that most significantly affect those returns. The directors of the Company considered that the Group has maintained de facto control in HLV Duc Hoa and the Group continues to report it as a subsidiary.

(b) **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) **應用本集團會計政策之重大會計判斷**

於應用本集團會計處理之過程中，管理層已作出以下判斷：

(i) *合併本集團並無持有任何股權的實體*

本集團並無持有實體HLV Duc Hoa之任何所有權權益。然而，根據本集團據以成立並控制HLV Duc Hoa之該合同之條款，本集團收取幾近全部關於參與HLV Duc Hoa業務之浮動回報及淨資產，以及有能力主導對該等回報有最大影響之HLV Duc Hoa業務。本公司董事認為本集團對HLV Duc Hoa維持實際控制，而本集團繼續將其列報為附屬公司。

(b) **估計不明朗因素之主要來源**

以下為涉及未來之主要假設以及於報告期末涉及重大風險可能導致下個財政年度之資產與負債之賬面值須作大幅調整之估計不明朗因素之其他主要來源。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 43. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 43. 會計判斷及估計(續)

#### (b) Key sources of estimation uncertainty (Continued)

##### (i) *Impairment of non-financial assets (including property, plant and equipment, right-of-use assets, intangible assets, interest in associates, goodwill, deposits and prepayments)*

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU 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 CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

##### (ii) *Provision of ECLs for trade receivables*

The Group uses provision matrix to calculate ECLs for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with credit-impaired are assessed for ECLs individually.

#### (b) 估計不明朗因素之主要來源(續)

##### (i) *非財務資產的減值(包括物業、廠房及設備、使用權資產、無形資產、於聯營公司之權益、商譽、按金及預付款項)*

本集團於各報告期末評估所有非財務資產是否存在任何減值跡象。倘非財務資產賬面值有不可收回跡象，則對有關資產進行減值測試。資產或現金產生單位之賬面值超逾其可收回金額(即其公平值減出售成本與其使用價值中之較高者)時，即出現減值。公平值減出售成本乃按類似資產以公平交易方式從具法律約束力之銷售交易中可獲得數據、或可觀察市價減出售資產之增量成本計算。計算使用價值時，管理層必須估計資產或現金產生單位之預期未來現金流，並選擇合適的貼現率以計算該等現金流之現值。

##### (ii) *貿易應收款項之預期信貸虧損撥備*

本集團使用撥備矩陣計算貿易應收款項之預期信貸虧損。撥備率乃根據對具有類似虧損模式的不同債務人之分組的內部信貸評級計算。撥備矩陣乃根據本集團的過往違約率，並會考慮合理及有依據且無須耗費不必要的成本或精力而取得的前瞻性資料。於每個報告日期，過往所觀察違約率經重新評估，並會考慮前瞻性資料之變動。此外，信貸減值之貿易應收款項會逐項評估預期信貸虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 43. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 43. 會計判斷及估計(續)

#### (b) Key sources of estimation uncertainty (Continued)

##### (iii) *Net realisable value of inventories and development and formation costs of burial plots*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost to make the sale. These estimates are based on the current market conditions and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimates at the end of each reporting period.

The Group writes down development and formation costs of graves to net realisable value based on assessment of the realisability of the development and formation costs of burial plots which takes into account costs to completion based on management's experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease which may result in writing down development and formation costs of burial plots to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of development and formation costs of burial plots is adjusted in the period in which such estimate is changed.

#### (b) 估計不明朗因素之主要來源(續)

##### (iii) *存貨及墓地開發及成立成本的可變現淨值*

存貨的可變現淨值為於日常業務過程中的估計售價扣除完成之估計成本及作出銷售估計成本。該等估計乃基於當時市況及銷售同類性質產品的過往經驗，其可能因客戶喜好改變及競爭對手因應嚴峻的行業週期而作出的行動而出現重大轉變。管理層於各報告期末重新評估該等估計。

本集團評估墓地開發及成立成本是否可能變現(當中根據管理層經驗計及完成成本及根據現行市況之銷售淨值)，據此撇減墓園開發及成立成本至其可變現淨值。倘完成成本增加，或銷售淨值減少，可變現淨值將下跌，或會導致墓地開發及成立成本撇減至其可變現淨值。於事態中有事項或變動顯示結餘可能無法變現時，撇減將予記錄。釐定撇減須作出判斷及估計。倘預期與原定估計有異，則墓地開發及成立成本之賬面值會於有關估計變動之期間調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 43. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 43. 會計判斷及估計(續)

#### (b) Key sources of estimation uncertainty (Continued)

##### (iv) Depreciation and amortisation

The management reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation charge for the year.

This estimate is based on the historical experience of the actual useful lives of assets of similar nature and functions and taking into account anticipated technological changes. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

##### (v) Income tax

The subsidiaries of the Company are subject to income taxes in Hong Kong, the PRC, Vietnam and Taiwan. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

##### (vi) Provision on funeral services deeds

The Group determines the pricing of the funeral services deeds by adding a margin to the estimated cost of delivering funeral services in future, after taking into account of major factors including the timing of the instruction of the Deed Holders.

#### (b) 估計不明朗因素之主要來源 (續)

##### (iv) 折舊及攤銷

管理層定期審閱資產的估計可使用年期以決定年度折舊金額及攤銷開支。

該估計乃基於性質及功能相近的資產的實際可使用年期的過往經驗，並經考慮預計的技術轉變。倘過往的估計出現重大改變，則未來期間的折舊及攤銷開支會作調整。

##### (v) 所得稅

本公司的附屬公司須繳納香港、中國、越南及台灣所得稅。於決定所得稅撥備時須作出重大判斷。於日常業務過程中，存在最終稅務決定存在不確定因素的交易及計算。倘該等事宜的最終稅務結果與最初入賬的金額不同，則該差異將影響作出該決定的期間的即期稅項及遞延稅項撥備。

##### (vi) 殯儀服務契約之條款

本集團經參考包括契約持有人作出指示之時機等主要因素後，透過在日後交付殯儀服務之估計成本另加利潤之方式，釐定殯儀服務之價格。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 43. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 43. 會計判斷及估計(續)

#### (b) Key sources of estimation uncertainty (Continued)

##### (vi) *Provision on funeral services deeds (Continued)*

This estimate is based on the sub-contracting fee payable to the sub-contractor for each funeral service deed performed, the current market conditions and the price of deeds from sub-contractors. Management reassesses these estimates at the end of each reporting period to estimate if the receipts in advance for funeral service deeds can cover the estimated future costs of delivering funeral services and determine the need of making a provision in the consolidated financial statements.

##### (vii) *Fair values of freehold land and buildings held for own use and investment properties*

The freehold land and buildings held for own use and investment properties of the Group were revalued at each reporting date during the year based on the appraised market value provided by independent qualified professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each reporting date.

#### (b) 估計不明朗因素之主要來源 (續)

##### (vi) *殯儀服務契約之條款 (續)*

該等估計乃基於應付各項已履行殯儀服務契約分包商之分包款項、現時市場狀況及分包商之契約價格進行。管理層於各報告期末重新評估該等估計，以評估該等殯儀服務契約預收款項是否足以支付殯儀服務之未來估計成本，並釐定是否須於綜合財務報表中作出撥備。

##### (vii) *持有作自用之永久業權土地及樓宇以及投資物業之公平值*

本集團持有作自用之永久業權土地及樓宇以及投資物業按獨立合資格專業估值師對於年內各報告日的評估市值重估。該等估值乃基於若干假設，而該等假設受不明朗因素影響，並可能與實際結果有大幅偏差。在作出判斷時，本集團考慮活躍市場類似物業的現價，並採用主要依據各報告日現行市況而作出的假設。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 43. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 43. 會計判斷及估計(續)

#### (b) Key sources of estimation uncertainty (Continued)

##### (viii) Estimation of incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

#### (b) 估計不明朗因素之主要來源(續)

##### (viii) 估算增量借貸利率

本集團未能輕易確定租賃內含之利率，因此，本集團使用增量借貸利率(「增量借貸利率」)來計量租賃負債。增量借貸利率是指在類似之經濟環境下，本集團為獲取與使用權資產具有相近價值之資產，並於相似借款期限及具有相似擔保之條件下而借入所需資金之利率。因此，增量借貸利率反映了本集團「將或需要支付」之款項，且在沒有可用之可觀察利率(例如，附屬公司未有進行融資交易)或需要進行調整以反映租賃條款及條件時(例如，當租賃並非以附屬公司之功能貨幣安排)，有關利率需進行估算。本集團使用可用之可觀察輸入值(例如市場利率)估算增量借貸利率，並需就個別實體進行若干特定估算(例如附屬公司之獨立信用評級)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 44. POSSIBLE IMPACT OF AMENDMENTS AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Effective for accounting periods beginning on or after		於以下日期或之後開始的會計期間生效
HKFRS 17, <i>Insurance Contracts and the related Amendments</i>	1 January 2023	香港財務報告準則第17號， 保險合約及相關修訂本	二零二三年 一月一日
Amendments to HKFRS 16, <i>COVID-19-Related Rent Concessions</i>	1 June 2020	香港財務報告準則第16號(修訂本)， 新型冠狀病毒相關租金寬減	二零二零年 六月一日
Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i>	1 January 2022	香港財務報告準則第3號(修訂本) 提述概念框架	二零二二年 一月一日
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021	香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本) 利率基準改革 – 第二階段	二零二一年 一月一日
Amendments to HKFRS 10 and HKAS 28, <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	To be determined	香港財務報告準則第10號及香港會計準則第28號(修訂本) 投資者與其聯營公司或合資企業之間的資產出售或注資	待釐定
Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)</i>	1 January 2023	香港會計準則第1號(修訂本)， 將負債分類為流動或非流動及香港詮釋第5號(二零二零年)之相關修訂	二零二三年 一月一日
Amendments to HKFRS 16, <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022	香港會計準則第16號(修訂本) 物業、廠房及設備 – 擬定用途前之所得款項	二零二二年 一月一日
Amendments to HKAS 37, <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022	香港會計準則第37號(修訂本) 虧損性合約 – 履行合約成本	二零二二年 一月一日
Amendments to HKFRSs, <i>Annual Improvement to HKFRSs 2018–2020</i>	1 January 2022	香港財務報告準則修訂本， 香港財務報告準則二零一八年至二零二零年週期之年度改進	二零二二年 一月一日

### 44. 於截至二零二零年十二月三十一日止年度已頒佈但尚未生效之修訂及新準則之可能影響

本集團並無提早應用以下已頒佈但尚未生效之新訂香港財務報告準則及其修訂以及詮釋：

	Effective for accounting periods beginning on or after		於以下日期或之後開始的會計期間生效
香港財務報告準則第17號， 保險合約及相關修訂本	1 January 2023	香港財務報告準則第17號， 保險合約及相關修訂本	二零二三年 一月一日
香港財務報告準則第16號(修訂本)， 新型冠狀病毒相關租金寬減	1 June 2020	香港財務報告準則第16號(修訂本)， 新型冠狀病毒相關租金寬減	二零二零年 六月一日
香港財務報告準則第3號(修訂本) 提述概念框架	1 January 2022	香港財務報告準則第3號(修訂本) 提述概念框架	二零二二年 一月一日
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本) 利率基準改革 – 第二階段	1 January 2021	香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本) 利率基準改革 – 第二階段	二零二一年 一月一日
香港財務報告準則第10號及香港會計準則第28號(修訂本) 投資者與其聯營公司或合資企業之間的資產出售或注資	To be determined	香港財務報告準則第10號及香港會計準則第28號(修訂本) 投資者與其聯營公司或合資企業之間的資產出售或注資	待釐定
香港會計準則第1號(修訂本)， 將負債分類為流動或非流動及香港詮釋第5號(二零二零年)之相關修訂	1 January 2023	香港會計準則第1號(修訂本)， 將負債分類為流動或非流動及香港詮釋第5號(二零二零年)之相關修訂	二零二三年 一月一日
香港會計準則第16號(修訂本) 物業、廠房及設備 – 擬定用途前之所得款項	1 January 2022	香港會計準則第16號(修訂本) 物業、廠房及設備 – 擬定用途前之所得款項	二零二二年 一月一日
香港會計準則第37號(修訂本) 虧損性合約 – 履行合約成本	1 January 2022	香港會計準則第37號(修訂本) 虧損性合約 – 履行合約成本	二零二二年 一月一日
香港財務報告準則修訂本， 香港財務報告準則二零一八年至二零二零年週期之年度改進	1 January 2022	香港財務報告準則修訂本， 香港財務報告準則二零一八年至二零二零年週期之年度改進	二零二二年 一月一日

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

### 44. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 45. EVENT AFTER REPORTING PERIOD

On 26 November 2019, the Group entered into the sale and purchase agreement (“Acquisition Agreement”) with a company of which Mr. Xu is a shareholder who owns 33% interests in a company incorporated in the PRC (the “Vendor”), pursuant to which the Vendor conditionally agreed to sell, and the Group agreed to acquire, the equity interests of a target company (the “Target Company”), whereas the equity interests represents 32% equity interest in the Target Company and through the variable interest entity agreements which in substance represents 30.4% equity interests in the Target Company, at an aggregated consideration of HK\$28,880,000.

Subsequent in March 2021, the Acquisition Agreement was terminated, and all relevant parties shall be released and discharged from their respective rights and obligations under the Acquisition Agreement.

### 46. COMPARATIVE FIGURES

Certain comparative figures have been reclassified confirm with the current year’s presentation.

### 44. 於截至二零二零年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響(續)

本集團正在評估於初始應用期間該等發展的預期影響。現時結論為，本集團採納後，對綜合財務報表並無重大影響。

### 45. 報告期後事項

於二零一九年十一月二十六日，本集團與一間於中國註冊成立的由許先生作為股東擁有33%權益的公司(「賣方」)訂立買賣協議(「收購協議」)，據此賣方有條件同意出售而本集團同意收購一間目標公司(「目標公司」)的股權，而該股權佔目標公司32%股權，並透過可變權益實體協議實質佔目標公司30.4%股權，總代價為28,880,000港元。

於二零二一年三月後，收購協議獲終止，且所有相關方均獲免除及解除彼等各自於收購協議項下的權利及義務。

### 46. 比較數字

若干比較數字已經重新分類，以與本年呈列保持一致。

# Five Years Financial Summary

## 五年財務資料概要

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

本集團於過往五個財政年度之業績、資產及負債的摘要載列如下：

### Results

### 業績

#### For the year ended 31 December

#### 截至十二月三十一日止年度

		2020	2019	2018	2017	2016
		二零二零年	二零一九年	二零一八年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
						(Restated) (重列)
Revenue	收益	<b>68,340</b>	66,610	62,667	60,709	57,342
Gross profit	毛利	<b>29,167</b>	32,042	27,889	30,598	22,193
Loss for the year	年度虧損	<b>(1,942)</b>	(4,164)	(8,523)	(20,794)	(34,626)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	<b>(2,974)</b>	(3,804)	(8,352)	(19,334)	(31,520)
Basic loss per share (RMB cents)	每股基本虧損 (人民幣分)	<b>(0.40)</b>	(0.51)	(1.12)	(2.60)	(4.25)

### Assets and liabilities

### 資產及負債

#### As at 31 December

#### 於十二月三十一日

		2020	2019	2018	2017	2016
		二零二零年	二零一九年	二零一八年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	<b>70,393</b>	76,569	43,072	48,004	52,691
Current assets	流動資產	<b>207,221</b>	216,588	193,481	184,327	199,879
Current liabilities	流動負債	<b>130,732</b>	137,010	125,510	111,022	109,875
Non-current liabilities	非流動負債	<b>35,156</b>	38,498	8,234	9,220	10,077
Net assets	資產淨值	<b>111,726</b>	117,649	102,809	112,089	132,618



**SINO-LIFE GROUP LIMITED**  
**中國生命集團有限公司**