



# 萬桐園

China Wan Tong Yuan (Holdings) Limited  
中國萬桐園(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 6966



Annual Report

2019 年報



# CONTENTS

## 目錄

Corporate Information 公司資料	2
Financial Summary 財務概要	4
Chairman's Statement 主席報告書	6
Management Discussion and Analysis 管理層討論及分析	9
Corporate Governance Report 企業管治報告	22
Biographies of Directors and Senior Management 董事及高級管理層履歷	33
Directors' Report 董事會報告	40
Independent Auditor's Report 獨立核數師報告	63
Consolidated Statement of Profit or Loss and Other Comprehensive Income 合併損益及其他全面收益表	69
Consolidated Statement of Financial Position 合併財務狀況表	70
Consolidated Statement of Changes in Equity 合併權益變動表	72
Consolidated Statement of Cash Flows 合併現金流量表	73
Notes to the Consolidated Financial Statements 合併財務報表附註	75

### BOARD OF DIRECTORS

Non-executive Director

Ms. Zhao Ying (*Chairman*)

Executive Directors

Ms. Li Xingying

Mr. Huang Guangming

Independent Non-executive Directors

Mr. Cheung Ying Kwan

Dr. Wong Wing Kuen Albert

Mr. Choi Hon Keung Simon

### COMPLIANCE OFFICER

Mr. Huang Guangming

### AUTHORIZED REPRESENTATIVES

Ms. Li Xingying

Mr. Lam Koon Fai (CPA, ACCA) (resigned on 21 February 2019)

Mr. Tang Chun Man Adam (CPA) (appointed on 21 February 2019)

### COMPANY SECRETARY

Mr. Lam Koon Fai (CPA, ACCA) (resigned on 21 February 2019)

Mr. Tang Chun Man Adam (CPA) (appointed on 21 February 2019)

### AUDIT COMMITTEE

Dr. Wong Wing Kuen Albert (*Chairman*)

Mr. Cheung Ying Kwan

Mr. Choi Hon Keung Simon

### NOMINATION COMMITTEE

Ms. Zhao Ying (*Chairman*)

Mr. Cheung Ying Kwan

Mr. Choi Hon Keung Simon

### REMUNERATION COMMITTEE

Dr. Wong Wing Kuen Albert (*Chairman*)

Mr. Cheung Ying Kwan

Ms. Zhao Ying

### REGISTERED OFFICE

2nd Floor

The Grand Pavilion Commercial Centre

802 West Bay Road, P.O. Box 10338

Grand Cayman KY1-1003

Cayman Islands

### 董事會

非執行董事

趙穎女士(*主席*)

執行董事

李興穎女士

黃廣明先生

獨立非執行董事

張應坤先生

王永權博士

蔡漢強先生

### 合規主任

黃廣明先生

### 授權代表

李興穎女士

林冠輝先生(CPA、ACCA)(於2019年2月21日辭任)

鄧峻文先生(CPA)(於2019年2月21日獲委任)

### 公司秘書

林冠輝先生(CPA、ACCA)(於2019年2月21日辭任)

鄧峻文先生(CPA)(於2019年2月21日獲委任)

### 審核委員會

王永權博士(*主席*)

張應坤先生

蔡漢強先生

### 提名委員會

趙穎女士(*主席*)

張應坤先生

蔡漢強先生

### 薪酬委員會

王永權博士(*主席*)

張應坤先生

趙穎女士

### 註冊辦事處

2nd Floor

The Grand Pavilion Commercial Centre

802 West Bay Road, P.O. Box 10338

Grand Cayman KY1-1003

Cayman Islands

## HEADQUARTERS IN CHINA

Baganqu North, Economic and  
Technological Development Area  
Langfang, Hebei, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3508, 35th Floor  
West Tower  
Shun Tak Centre, 168-200 Connaught Road Central  
Hong Kong

## AUDITORS

Deloitte Touche Tohmatsu  
Certified Public Accountants

## LEGAL ADVISER TO THE COMPANY

Jeffrey Mak Law Firm  
(as to Hong Kong laws)

## PRINCIPAL BANKER

China Construction Bank

## COMPLIANCE ADVISER

Innovax Capital Limited

## COMPANY WEBSITE

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

TMF (Cayman) Ltd.  
2nd Floor  
The Grand Pavilion Commercial Centre  
802 West Bay Road, P.O. Box 10338  
Grand Cayman KY1-1003  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## STOCK CODE

6966

## 中國總部

中國河北省廊坊市  
經濟技術開發區  
八干渠北

## 香港主要營業地點

香港  
干諾道中168-200號信德中心  
西座  
35樓3508室

## 核數師

德勤•關黃陳方會計師行  
執業會計師

## 本公司法律顧問

麥振興律師事務所  
(有關香港法律)

## 主要往來銀行

中國建設銀行

## 合規顧問

創陞融資有限公司

## 本公司網站

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

## 股份過戶登記總處

TMF (Cayman) Ltd.  
2nd Floor  
The Grand Pavilion Commercial Centre  
802 West Bay Road, P.O. Box 10338  
Grand Cayman KY1-1003  
Cayman Islands

## 香港股份過戶登記分處

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

## 股份代號

6966



# FINANCIAL SUMMARY

## 財務概要

### Result

### 業績

		Year ended 31 December 截至12月31日止年度				
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Revenue	收入	<b>63,377</b>	43,385	38,617	31,179	24,409
Profit before tax	除稅前溢利	<b>33,316</b>	35,300	13,895	20,716	17,909
Income tax expense	所得稅開支	<b>(9,765)</b>	(7,053)	(6,772)	(4,523)	(3,578)
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年度溢利及全面收益總額	<b>23,551</b>	28,247	7,123	16,193	14,331

### Assets and Liabilities

### 資產及負債

		As at 31 December 於12月31日				
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Total assets	總資產	<b>235,344</b>	220,963	176,060	135,808	189,191
Total liabilities	總負債	<b>82,863</b>	92,033	87,633	80,660	150,236
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	<b>152,481</b>	128,930	88,427	55,148	38,955

### Financial Statistics

### 財務統計

		2019 2019年	2018 2018年	2017 2017年	2016 2016年	2015 2015年
Current ratio <sup>1</sup>	流動比率 <sup>1</sup>	<b>9.3</b>	5.2	2.4	1.7	1.1
Gearing ratio (%) <sup>2</sup>	資產負債比率(%) <sup>2</sup>	<b>35.2</b>	41.7	49.8	59.4	79.4
Return on total assets (%) <sup>3</sup>	總資產回報(%) <sup>3</sup>	<b>10.0</b>	12.8	4.1	11.9	7.6
Net profit margin (%) <sup>4</sup>	淨利潤率(%) <sup>4</sup>	<b>37.2</b>	65.1	18.5	51.9	58.7

## Key Financial Data

## 主要財務數據

		2019 2019年 RMB 人民幣	2018 2018年 RMB 人民幣	2017 2017年 RMB 人民幣	2016 2016年 RMB 人民幣	2015 2015年 RMB 人民幣
Earnings per share — basic <sup>5</sup>	每股盈利—基本 <sup>5</sup>	<b>0.024</b>	0.028	0.009	0.022	0.019
Net assets value per share <sup>6</sup>	每股資產淨值 <sup>6</sup>	<b>0.152</b>	0.129	0.108	0.074	0.052

### Notes:

1. Current ratio is calculated by dividing current assets by current liabilities.
2. Gearing ratio is calculated by dividing the total liabilities by total assets.
3. Return on total assets is calculated by dividing the profit for the year by total assets.
4. Net profit margin is calculated by dividing the profit for the year by revenue.
5. Earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by weighted average number of ordinary shares in issue during the year.
6. Net assets value per share is calculated by dividing the net assets by weighted average number of ordinary shares in issue during the year. Net assets represent total assets less total liabilities.

### 附註：

1. 流動比率乃按流動資產除以流動負債計算。
2. 資產負債比率乃按總負債除以總資產計算。
3. 總資產回報乃按年內溢利除以總資產計算。
4. 淨利潤率乃按年內溢利除以營業額計算。
5. 每股盈利乃按本公司持有人應佔年內溢利除以年內已發行普通股之加權平均數計算。
6. 每股資產淨值乃按淨資產除以年內已發行普通股之加權平均數計算。資產淨值指總資產減總負債。



# CHAIRMAN'S STATEMENT 主席報告書

Dear honourable shareholders,

During the Period, the Group was principally engaged in the sale of burial plots and columbarium units, provision of other burial-related services and provision of cemetery maintenance services.

各位尊敬的股東：

於該期間內，本集團主要從事銷售墓地及骨灰廊、提供其他殯葬相關服務及墓園維護服務。

**Zhao Ying,**

Non-Executive Director and Chairman  
趙穎，非執行董事兼主席

Dear Shareholders,

Hello, everyone!

Spring has arrived with a clear blue sky, and the earth comes alive. In this beautiful season, please allow me, on behalf of the Board of Directors, to take this opportunity to express to all shareholders, investors and friends from all walks of life my heartfelt gratitude and my hope for your happiness!

I am pleased to present, on behalf of the Board of Directors of China Wan Tong Yuan (Holdings) Limited (the “**Company**”), the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2019.

In 2019, China Wan Tong Yuan has transferred its listing from GEM to the Main Board. This is a monumental success for us where we have seen significant improvement in operation management and services. In 2019, the operating revenue of the Company amounted to RMB63.4 million (2018: RMB43.4 million), representing a growth of 46.1% compared to 2018. Despite the professional fees in relation to the transfer of listing this year, the profit attributable to shareholders of the Group amounted to RMB23.6 million in 2019 (2018: RMB28.2 million).

親愛的各位股東：

你們好！

在這春和景明、萬物勃發的時節，請允許我代表公司董事局向全體股東、廣大投資者、各界朋友致以崇高的敬意和美好的祝願！

本人謹代表中國萬桐園(控股)有限公司(「**本公司**」)董事會欣然提呈本公司及其附屬公司(統稱「**本集團**」)截至2019年12月31日止年度的經審核綜合財務報表。

2019年中國萬桐園經歷了由創業板轉到主板的重要躍升，經營管理及服務工作取得了顯著的提升。2019年，公司營業收入達到人民幣63.4百萬元，較2018年增長達46.1% (2018年：人民幣43.4百萬元)。雖然今年涉及轉板上市的相關專業費用，但本集團2019年的股東應佔溢利仍達人民幣23.6百萬元(2018年：人民幣28.2百萬元)。

Wan Tong Yuan operates under the tenet of “respecting life, returning to nature, displaying humanity, and eternal commemoration”, and has made an unchanged commitment to its customers “to the satisfaction of people in both worlds”. Last year, Wan Tong Yuan was actively learning and improving itself by using international, top-notch funeral service standards as its benchmarks. It took the lead in carrying out a series of boutique services and its business included cemetery operation, funeral services, cemetery maintenance, etc. It was operating and managing its business as a green, environmental and modern cemetery under the idea of integrating burial memorial, garden art, cultural display and national defence education as a whole, with an aim to meet diverse demands of the society.

In 2019, the successful transfer of listing on the Hong Kong Stock Exchange of the Company increased its bargaining power in the capital market, laying a solid foundation for the position of the Company in the industry, capital operation and talent acquisition. In terms of business, China Wan Tong Yuan actively cooperated with the local government for its city development plan and provided collective storage services for relocation of columbarium in areas affected by future development plan. The Company continued to undertake storage services of columbarium required by the government for urban redevelopment and built three new columbarium units for business expansion. In addition, the sale of burial plots remained stable. The Company continued to expand its artistic cemetery, and the cemetery environment was improved, with warmer, more diversified and person-centered products and services, which enabled the Company to meet different needs and preferences of its customers.

The Group believes that, benefiting from China's healthy development of burial service industry, especially under the trend of economic recovery, increasing urbanization, consumption upgrade and aging population, we will continue to seek for higher-level, higher-quality development in the coming year.

In 2020, the Group will continue to strengthen our market position in Langfang by creating innovative products and services, planning and setting up new projects, increasing the coverage of greening in the cemetery and highlighting the characteristics of humanity, landscape and ecology. The Group will steadily develop and continue to expand its own advantages in the sale of burial plots and the storage of columbarium. The Group will also actively respond and further expand the layout of funeral services business. By leveraging on its successful transfer to the Main Board, the Group will aim high and to extensively explore merger and acquisition projects in the Beijing-Tianjin-Hebei area and even in Asia and cooperate with funeral homes in various regions, so as to expand the business coverage of the Company.

「尊重生命、回歸自然、展示人文、永久紀念」是萬桐園的宗旨，「讓兩個世界的人都滿意」是對客戶不變的承諾。一年來，萬桐園積極學習，主動提高，對標國際一流殯葬服務標準，率先開展了一系列的精品服務，覆蓋公墓經營、殯葬禮儀、墓園維護等領域，形成了集安葬紀念、園林藝術、文化展示、國防教育為一體的綠色環保型現代化墓園的經營管理理念，滿足社會各界人群的多元化需求。

2019年，公司在香港聯交所轉板成功，標誌著公司在資本市場上增加了更多的話語權，為公司在行業地位、資本運作、人才招攬等打下了堅實的基礎。在業務方面，中國萬桐園積極配合支持當地政府城市發展計畫，為受未來發展計畫影響地區的遷移骨灰提供集體存放服務。公司繼續承接政府舊改所需的骨灰寄存業務，新建3棟骨灰廊用於拓展業務；另外，墓地銷售業務保持平穩，繼續拓展藝術墓區，墓園環境更加優良，提供的服務更加溫暖，多元化、人性化的產品及服務將使本公司能夠滿足客戶的不同需求及喜好。

集團相信，受益於中國殯葬服務業的良性發展，特別是在經濟的復蘇增長、不斷提高的城鎮化水準、消費升級以及人口老齡化社會趨勢下，我們將在新一年繼續尋求更高層次、更高品質的發展。

在2020年，本集團將繼續鞏固在廊坊的市場地位，不斷創新產品和服務，規劃建設新專案，提高園區綠化覆蓋率，突出人文化、園林化、生態化特色；穩紮穩打，繼續拓展自身優勢的墓地銷售和骨灰寄存業務；積極應對，進一步擴展在殯儀服務業務的佈局；高瞻遠矚，借成功轉主板的東風，深入挖掘京津冀地區乃至亞洲區域的並購專案，與多個地區的殯儀館探討合作聯營，拓寬公司的事業版圖。



In view of the recent epidemic of the novel coronavirus pneumonia, the Group will cooperate with the government to actively respond to the situation and introduce various corporate management measures in a timely manner, in order to strictly prevent and control the spread of the epidemic. While developing its business, the Group will continue to actively organize various social welfare activities to practice the corporate culture of "Let Love Lives On". The Group also maintains a harmonious relationship between human and the nature, shoulders the industrial, social and historical responsibilities of a corporate, and promotes the modernization and integration of the funeral industry in the PRC.

The year of 2020 will be an important one for China Wan Tong Yuan. After the transfer of listing, all businesses will be carried out in full swing. In particular, with full access to the capital market, we will focus on pursuing three important goals: social benefits, economic benefits and historical responsibilities. We will pursue exploration and innovation, overcome difficulties and move forward, and walk in the path of development conducive to humanity, charity and environment. In the journey of upgrading the traditional funeral industry to a modern service industry and a business of noble life, we will provide better products and services, and reward investors and the society with sustainable growth and results!

In the end, I wish all of us good time and health, and stay gold in the coming year!

**Chairman: Zhao Ying**

24 March 2020, Hong Kong

有鑒於最近的新冠肺炎疫情，本集團將配合政府積極應對，及時出台各項公司管理措施，嚴防嚴控疫情傳播；在發展業務的同時，本集團會持續積極組織各項公益活動，踐行「讓愛延續」的公司文化；並處理好人與自然的和諧關係，擔負起企業的行業責任、社會責任、歷史責任，推動中國殯葬業的現代化整合。

2020年對中國萬桐園來說是非常重要的一年，轉板上市後各項業務全面展開，特別是在與資本市場的親密擁抱中，我們將以追求社會效益、經濟效益和歷史責任為三重目標，開拓創新，砥礪前行，走更加人文性、公益性和環保性的良性發展之路，在傳統殯葬行業升級為現代化服務業和崇高生命事業的徵程中，提供更好的產品和服務，用可持續增長的業績回報投資者、回報社會！

最後，新的一年願我們珍愛時光，珍惜健康，歲月靜好，初心不忘！

**主席：趙穎**

2020年3月24日，香港



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Business Review

During the year, the Group was principally engaged in the sale of burial plots and columbarium units, provision of other burial-related services and provision of cemetery maintenance services in Langfang.

#### Sales of burial plots and columbarium units and provision of other burial-related services

Burial services were the largest component of our revenue, representing 94.0% of our revenue for the year ended 31 December 2019 (2018: 92.2%).

The burial services market in Langfang is concentrated. Demand for our burial service and growth in our revenue are driven by the overall demand for burial services in Langfang and the Jing-Jin-Ji megalopolis at large. We believe our reputation, quality of services, and well-maintained and conveniently located facilities allow us to compete effectively in Langfang. The Company is optimistic that this operation will be continuously developed and expanded.

#### Provision of cemetery maintenance services

We provide ongoing cemetery maintenance services as an integral part of our burial services to maintain our beautiful landscaped cemetery. Customers pay for maintenance fees upfront when they sign the sales contracts to purchase the burial plots. Our revenue from cemetery maintenance was RMB3.8 million for the year ended 31 December 2019 (2018: RMB3.4 million).

### Strengths

#### Burial services provider strategically located in Langfang

Through our longstanding presence in Langfang, we believe that we have accumulated valuable knowledge about the local customs and preferences in terms of burial practices. Leveraging our experience, local knowledge and market reputation, and supported by the available land parcels within our cemetery and the broadened customer base as well as the long-standing stickiness of our customers, we believe we are able to continue to grow our business by making additional burial plots based on customer demand and providing better services. Subject to strict regulatory restrictions and entry barriers and government zoning policies, we therefore believe our well-established operation model presents us a considerable first-mover advantage over potential competitors, assisting us to penetrate the burial services market in Langfang and the Jing-Jin-Ji megalopolis at large.

### 業務回顧

年內，本集團主要從事在廊坊出售墓地及骨灰廊、提供其他殯葬相關服務及提供墓園維護服務。

#### 出售墓地及骨灰廊及提供其他殯葬相關服務

殯葬服務是我們收益的最大組成部分，佔截至2019年12月31日止年度我們收益的94.0%（2018年：92.2%）。

廊坊殯葬服務市場集中。對我們殯葬服務的需求及我們的收益增長乃由廊坊及整個京津冀都市圈殯葬服務的整體需求帶動。我們相信借助我們的聲譽、服務質素、維護良好及位置便利的設施，我們可在廊坊有效競爭。本公司對此業務會持續發展並擴張感到樂觀。

#### 提供墓園維護服務

我們提供墓園持續維護服務，維持墓園美景，這是我們殯葬服務不可或缺的一環。客戶簽訂購買墓地的銷售合約時提前支付維護費。截至2019年12月31日止年度，我們自墓地維護服務的收益為人民幣3.8百萬元（2018年：人民幣3.4百萬元）。

### 優勢

#### 位於廊坊戰略地段的殯葬服務供應商

由於我們較早進入廊坊市場，故相信我們積累了寶貴的本地習俗及偏好等墓葬習俗知識。憑藉我們的經驗和本地知識及市場聲譽，得益於墓園可用地塊與日益壯大的客戶以及客戶的長遠粘性度，我們相信我們可基於客戶需求通過新增銷售墓地以及更好的服務持續發展業務。受限於嚴格的監管限制和准入門檻以及政府劃地政策，因此，我們相信完善的運營模式賦予我們較潛在競爭對手著人先鞭的優勢，以便全面打入廊坊及京津冀都市圈殯葬服務市場。

### Comprehensive burial services to satisfy diversified customer needs

Instead of basic burial services which only have limited scope for unique designs or customization, we offer diversified burial services to customers with different preferences and budgets and attract local customers who are willing to pay a price premium for unique designs or customization and customers from neighboring cities where affordable burial sites have become increasingly sparse. We can provide more diversified burial services to satisfy customers' various needs with high-quality services of different types; meanwhile, we are able to cater to different preferences of customers by designing diversified traditional and art cemetery, as well as providing various types of burial services, such as tree burial and flower bed burial.

### Brand associated with professionalism and commitment to social responsibility

We operate our cemetery under the brand “萬桐園 (Wan Tong Yuan)” and cooperate with a network of third-party funeral service providers in Langfang which refer customers to us. We believe that our brand exemplifies our professionalism and commitment to social responsibility. We strive to provide professional burial services to our customers. To this end, we provide on-the-job training to all employees, with a strong focus on cultivating their moral character. We believe that employees with sufficient industry experience and a virtuous character are better suited to attending customers in emotional stress with professionalism and delicacy. We also keep abreast of market changes and customer demand from our daily operations.

We have organised various charity activities, including visits to elderly home on Chongyang Festival and participation in a social welfare organization “Love and Companionship”. We focus more on palliative care for the elderly. With the improvement of corporate reputation, we also emphasis more on our role as a revolutionary education base to promote the spirit of revolutionary tradition and to educate the young generation. We are also committed to taking more social responsibilities and responsible for the placement and storage of remains transferred from urban villages or anonymous remains referred by social welfare institutions.

### Committed, experienced and stable management team

We believe that our committed, professional, experienced and stable management team enables us to form a vision of long-term development, closely follow the market trends and customer preferences with industry insights to adjust our business strategies and execute our business initiatives on a consistent basis. We provide professional training, scientific and reasonable remuneration system and career path, and attractive benefits package for all employees to achieve health and stable development in our team.

### 全面殯葬服務滿足不同客戶的需求

基本殯葬服務的特製或定製範圍有限，而我們提供可迎合不同偏好及預算客戶的各類殯葬服務需求，吸引了願意支付特製或定製服務溢價的本地客戶及實惠墓址漸少的周邊城市客戶。一方面通過進一步提供多元化殯儀服務，用不同類型的優質服務，滿足客戶的多種需求；另外通過設計多樣化的傳統及藝術墓，結合樹葬、花壇葬等多種葬式，滿足客戶的不同喜好。

### 與專業化及承擔社會責任相關的品牌

我們經營「萬桐園」公墓，並與廊坊第三方殯儀服務供應商進行網絡合作以向我們推薦客戶。我們認為我們的品牌彰顯了我們的專業化及所承擔的社會責任。我們致力為客戶提供專業的殯葬服務。為此，我們為全體僱員提供在職培訓，重點塑造品德。我們相信具備充分行業經驗及高尚品德的僱員可更專業細緻溫暖的服務於心情極度悲痛的客戶。我們亦自日常營運中掌握市場變動及客戶需求。

我們組織參加公益活動，例如重陽節敬老院慰問，以及加入了愛與陪伴的社會公益組織，在老人臨終關懷方面投入更多關注等。我們在提高企業美譽度的同時，加大革命教育基地的作用，弘揚革命傳統精神，教育後輩。我們也承擔城中村拆遷骨灰以及社會保障機構的無名骨灰的存放安置工作，承擔更多的社會責任。

### 敬業、經驗豐富及穩定的管理團隊

我們相信敬業、專業、經驗豐富且穩定的管理團隊可使我們構築長期發展藍圖，以行業洞察力密切掌控市場趨勢及客戶偏好，以便持續調整我們的業務策略及實施我們的業務計劃。我們為全體僱員提供專業的培訓，同時為其提供優厚的福利待遇，科學合理的薪酬體系及晉陞空間，使我們的團隊健康穩定的發展。



## Outlook

The sales of the Group's burial services used to peak during February and March and around the Qing Ming Festival in the prior years. Due to the impact of the recent outbreak of the novel coronavirus, the Group is facing significant challenges in its business development. With that said, the Group will continue to uphold its belief and cooperate with the government on the anti-epidemic work and consistently improve the operations of the cemetery and provide quality services to our customers.

The Group aspires to strengthen its market position in Langfang and expand its business in the Jing-Jin-Ji megalopolis and beyond through the following strategies.

### Strengthen the market position in Langfang

The Company believes that a more elegant environment of the cemetery with warmer, more diversified and person-centered services would enable the Company to address the customers' various needs and preferences. Thus, the Group has continuously upgraded and planned to further develop its cemetery, especially the environment in cemetery, upgrade its facilities and diversify its service offerings. For example, the Group upgraded the main entrance of the cemetery, commenced to develop "Pine Garden" (松園) and further developed its sectioned burial areas for artistic burial plots. In 2020, in addition to the further development of its cemetery as mentioned above, the Group plans to design and provide other types of burial services, for example, wall burial (壁葬), sea burial (海葬) and tree burial (樹葬). Moreover, the Group intends to promote its reputation and services through contact and communications with more prospective customers, communities and institutions of elderly services, for example, to invite more prospective customers to the Group's events and to organize recreation and sports events for the elderly.

## 展望

以往，於2、3月以及清明節前後，均為本集團殯葬服務銷售的高峰時期。有鑒於最近新型冠狀病毒肺炎爆發的影響，本集團的業務發展面臨重大挑戰。雖然如此，本集團仍會繼續秉持一直以來的信念，配合政府進行抗疫工作，並持續改善墓園運作及為客戶提供優質的服務。

透過採取以下策略，本集團追求鞏固於廊坊的市場地位並擴大本集團於京津冀都市圈及其他地區的業務。

### 鞏固於廊坊的市場地位

本公司相信，擁有更優雅墓園環境及提供更溫暖、更多元化及人性化服務，將使本公司能夠滿足客戶的不同需求及喜好。因此，本集團不斷進行升級改造並計劃進一步發展墓園，尤其是提升墓園環境、升級設施及使服務更多元化。例如，本集團已升級改造墓園正門、開始開發「松園」及進一步發展藝術墓地的劃定墓區。於2020年，除上述墓園進一步發展外，本集團計劃設計及提供其他類型的殯葬服務，例如壁葬、海葬及樹葬。此外，本集團擬透過與更多潛在客戶、社區及長者服務機構聯絡及溝通，以提高聲譽及推廣服務，例如邀請更多潛在客戶參與本集團活動，並為長者舉辦康樂及體育活動。

In addition, in view of the rapid development of Langfang, which is benefited from the overall development of the Jing-Jin-Ji megalopolis, the local government has been carrying out the urban planning and construction. During this process, it may involve the migration of the villagers and resettlement of the remains of their deceased relatives. As a licensed and well established cemetery, in possession of both capability and capacity, the Group provides columbarium collective storage services to meet the demand arising from the local government's city development plan on one hand, and broaden its income source on the other. Further to the sale of columbarium units in 2018, the Group plans to actively cooperate with and support the local government's city development plan, and provide columbarium collective storage services for the removed remains in the areas under the development plan in the future. In light of further demand of such columbarium collective storage services induced by the government's city planning, the Group has invested approximately RMB21.4 million and completed the construction of another three buildings in its cemetery as columbaria, with the real estate certificate (不動產權證) obtained in September 2019. The Group will make good use of its new columbaria to continuously support the government's city development plan.

The Directors believe that the above will further strengthen the Group's market position in Langfang.

#### Expand the business scope to provide funeral services

The Group generated substantially all of its revenue from burial services and has also forged stable business relationship with a number of local funeral services providers which refer customers to the Group. The Directors believe, however, that one-stop-shop services integrating funeral and burial services are able to confer a significant competitive advantage, as bereaved families generally prefer dealing with fewer services providers to ensure a seamless and smooth experience at each stage of the process. The Group has set up service sites at Langfang Funeral Parlor (廊坊市殯儀館), and assigned specialists to introduce cemetery-related services, deal with pre-service business and promote to and identify prospective customers.

此外，由於廊坊受京津冀都市圈整體發展帶動迅速發展，當地政府不斷推進城市規劃建設。該過程中可能涉及村民搬遷及重新安置村民已故親屬骨灰事宜。作為持證經營且服務完善的墓園，本集團具備能力與場地，提供骨灰集體存放服務，以滿足當地政府城市發展計劃的需求，同時亦可擴大收益來源。繼2018年骨灰廊銷售後，本集團計劃積極配合及支持當地政府城市發展計劃，為受未來發展計劃影響地區的遷移骨灰提供集體存放服務。鑒於政府城市規劃使該等骨灰集體存放服務的需求進一步增加，本集團已投資約人民幣21.4百萬元，於其墓園完成建造另外三幢建築作為骨灰廊，於2019年9月取得不動產權證。本集團會善用新建之骨灰廊以繼續支持政府的城市發展計劃。

董事相信，上述項目將進一步鞏固本集團於廊坊的市場地位。

#### 擴大本集團的業務範圍，提供殯儀服務

本集團絕大部分收益來自殯葬服務，並與若干本地殯儀服務供應商建立穩定的業務關係，該等供應商將客戶轉介至本集團。然而，董事認為，由於逝者家屬一般傾向與較少服務供應商交涉，以確保過程中的每個階段順暢進行，整合殯儀及殯葬服務的一站式服務能帶來顯著的競爭優勢。本集團已於廊坊市殯儀館設立服務站點，並指派專員介紹有關墓園的服務、處理售前業務及向潛在客戶推廣及識別潛在客戶。



In the future, the Group plans to offer the following customized funeral services: (i) providing its customers with consultations on funeral arrangements and suggesting certain funeral services packages for them; (ii) liaising with the families of the deceased, the funeral parlor and crematorium for transportation arrangements of the deceased; making up and dressing up the deceased in accordance with the wishes of the customers; (iii) providing wreaths and flower arrangements, and specially-prepared decorations for display at the funeral; and (iv) arranging for and conducting the performance of funeral rituals or ceremonies as required by the customers.

The Group will continue to expand its services from provision of burial services only to provision of integrated funeral and burial services.

Tap further into the burial services market in the Jing-Jin-Ji megalopolis

Leveraging on the Group's strategic location in Langfang and proximity to regional hubs in the Jing-Jin-Ji megalopolis, the Group continues to pay effort to tap further into the burial services market in this region, especially in Beijing, where affordable burial plots have become increasingly sparse and local residents become increasingly mobile with the integration of communities and the construction of a web of high-speed intercity transportation infrastructure. The Group plans to devote more marketing resources to serving the neighboring cities and further develop cooperation with local funeral services providers as its business partners. The Group targets to establish cooperative relationships with more Beijing-based funeral services providers in 2020 to promote its burial services locally. Meanwhile, the Group plans to cooperate with local funeral homes and hospital mortuaries to access bereaved families in a more direct and more prompt way, so that the Group can react immediately to provide high-quality one-stop-shop services integrating funeral and burial services for its prospective customers.

本集團計劃在未來提供以下定製殯儀服務：(i)為客戶提供喪禮安排諮詢，並為彼等推薦若干殯儀服務套餐；(ii)與先人的家屬、殯儀館及火葬場聯絡，以安排先人遺體之接運；按照客戶意願為先人化妝及打扮；(iii)提供花圈及鮮花佈置，以及於葬禮上展示的特別裝飾；及(iv)根據客戶要求安排及舉辦喪禮儀式。

本集團將從僅提供殯葬服務至提供綜合殯儀及殯葬服務，以繼續擴展其服務範疇。

深入發掘京津冀都市圈的殯葬服務市場

本集團擬憑藉廊坊處於京津冀都市圈地區樞紐的戰略位置優勢深入發掘該地區(尤其是北京)的殯葬服務市場。目前該地區日益融合，實惠墓址漸少，而隨著高速城際交通基礎設施網絡的興建，人口流動增大。本集團計劃投入更多營銷資源服務周邊城市，並與當地殯儀服務供應商進一步開展合作，將其作為本集團的業務夥伴。本集團計劃於2020年與更多位於北京的殯儀服務供應商建立合作關係，向當地推廣本集團的殯葬服務。與此同時，本集團計劃與當地殯儀館、醫院太平間建立合作，更直接、更迅速地接觸逝者家屬，第一時間做出反應，為潛在客戶提供優質的一站式殯儀及殯葬服務。

#### Pursue strategic alliance and acquisition opportunities

The Group is developing its business primarily through organic growth. Going forward, the Group intends to selectively acquire, invest in or enter into strategic partnerships with other death care services providers, including funeral services providers and cemetery operators. The Group bases its selection criteria on, among other things, brand name, location, land cost, land reserves and profitability. The Group generally favors cemeteries located in wealthy and densely populated provinces, where there is a higher demand for high-quality death care services. In particular, the Group seeks to prioritize business expansion opportunities with death care services providers in the Jing-Jin-Ji megalopolis and bring synergy to its current operations. Meanwhile, it will also explore potential acquisition or investment in other regions. In addition to the downstream industry of burial services, the Group is also committed to seeking development in the upstream industry, for example, palliative care services, to expand its business opportunities and to identify strategic alliance. Therefore, the Directors believe that the Group will achieve industrial integration from aging to burial for a diverse range of customers.

#### 物色戰略夥伴及收購機會

本集團現正主要透過內部增長建立業務。展望未來，本集團擬選擇性收購或投資殯儀服務供應商及墓園營運商等其他善終服務供應商或與之形成戰略夥伴關係。本集團的甄選標準基於（其中包括）品牌、所在地、土地成本、土地儲備及盈利能力。由於人口密集的富裕省份對於優質善終服務的需求更高，故本集團一般偏好該等省份的墓園。具體而言，本集團致力優先開發與京津冀都市圈善終服務供應商的業務擴張機會，為現有業務帶來協同效應，同時尋求其他區域的潛在收購或投資項目。除殯葬下游產業外，本集團亦努力尋求於上游產業發展（例如臨終關懷服務）以拓展商業空間及尋找戰略聯盟夥伴。因此，董事相信，本集團將為多元化客戶實現由老到葬的產業整合。



## Financial Review

### Revenue

Our revenue for the year ended 31 December 2019 was substantially generated from: (i) sale of burial plots, which includes the right to use the burial plots and headstones and other ancillary products to be used on the burial plots; (ii) sale of columbarium units, which includes the right to use the columbarium units and other ancillary products to be used on columbarium units; (iii) other burial-related services such as the organization and conducting of interment rituals, the design, construction and landscaping of the burial plots, and the engraving of inscriptions and ceramic photographs on the headstones; and (iv) cemetery maintenance services. The table below sets forth a breakdown of our revenue:

## 財務回顧

### 收益

我們截至2019年12月31日止年度的收益大部分來自：(i)墓地銷售，包括墓地使用權及墓碑及於墓地使用的其他配套產品；(ii)銷售骨灰廊，包括骨灰廊使用權及其他配套產品；(iii)其他殯葬相關服務，例如安排及舉行安葬儀式以及墓地的設計、建造及景觀、於墓碑雕刻銘文及陶瓷相片等配套服務；及(iv)墓園維護服務。下表載列我們的收益明細：

		Year ended 31 December 截至12月31日止年度			
		2019 2019年		2018 2018年	
		Revenue 收益 (RMB'000) (人民幣千元)	% of total revenue 佔總收益 %	Revenue 收益 (RMB'000) (人民幣千元)	% of total revenue 佔總收益 %
Burial Services	殯葬服務				
Sales of burial plots	銷售墓地	30,228	47.7%	33,242	76.6%
Sale of columbarium units	銷售骨灰廊	24,886	39.3%	4,145	9.6%
Provision of other burial-related services	提供其他殯葬相關服務	4,472	7.0%	2,619	6.0%
		59,586	94.0%	40,006	92.2%
Provision of cemetery maintenance services	提供墓園維護服務	3,791	6.0%	3,379	7.8%
		63,377	100.0%	43,385	100.0%



Benefiting from the regional economic growth, we have grown substantially since our inception in 2007. Further to the sale of certain columbarium units (288 square metres) in 2018, the Group continued to actively cooperate with and support the local government's city development plan, and provide columbarium collective storage services for the removed cremains in the areas under the development plans. In 2019, the Group recognized a revenue in the amount of RMB24.9 million from the sale of certain columbarium units (1,481 square metres), which contributed to the substantial increase in total revenue for the year. The Group's revenue was increased by 46.1% from RMB43.4 million for the year ended 31 December 2018 to RMB63.4 million for the year ended 31 December 2019.

#### Cost of sales and services

Cost of sales and services consist primarily of the costs we incur in relation to the provision of our services. Our cost of sales and services was at RMB12.8 million in 2019 (2018: RMB7.0 million), with an increase of 83.5%.

得益於地區經濟增長，我們自2007年創辦以來發展迅猛。繼2018年售出部分骨灰廊(288平方米)，本集團繼續積極配合及支持當地政府城市發展計劃，為受發展計劃影響地區的遷移骨灰提供集體存放服務。於2019年，本集團錄得人民幣24.9百萬元之骨灰廊銷售收益(1,481平方米)，因而令當年的收益顯著上升。本集團的收益由2018年的人民幣43.4百萬元增加46.1%至2019年的人民幣63.4百萬元。

#### 銷售及服務成本

銷售及服務成本主要包括我們就提供服務產生的成本。我們2019年的銷售及服務成本為人民幣12.8百萬元(2018年：人民幣7.0百萬元)，增加83.5%。

#### Year ended 31 December 截至12月31日止年度

	2019 2019年		2018 2018年	
	Cost of sales and services 銷售及服務成本 (RMB'000) (人民幣千元)	% of total cost of sales and services 佔總銷售及服務成本 %	Cost of sales and services 銷售及服務成本 (RMB'000) (人民幣千元)	% of total cost of sales and services 佔總銷售及服務成本 %
Burial services 殯葬服務	12,150	95.2%	6,585	94.7%
Cemetery maintenance 墓園維護	613	4.8%	369	5.3%
	<b>12,763</b>	<b>100.0%</b>	6,954	100.0%

The Group's cost of sales and services consist primarily of the costs it incurred in relation to the provision of its services, including the headstone cost, construction cost of columbaria, land acquisition cost, cemetery maintenance cost, burial-related cost and others.

本集團的銷售及服務成本主要包括提供服務產生的成本，包括墓碑成本、骨灰廊建造成本、土地收購成本、墓園維護成本、殯葬相關成本及其他。

The Group's cost of sales and services for burial service increased significantly by 84.5% from RMB6.6 million in 2018 to RMB12.2 million in 2019, primarily due to the increase in construction costs as a result of increased sale of the columbarium units in 2019. The Group's cost of sales and services for cemetery maintenance increased from RMB0.4 million in 2018 to RMB0.6 million in 2019.

本集團殯葬服務的銷售及服務成本由2018年的人民幣6.6百萬元大幅增加84.5%至2019年的人民幣12.2百萬元，主要是由於2019年骨灰廊銷售上升而增加的建造成本。本集團墓園維護的銷售及服務成本由2018年的人民幣0.4百萬元增加至2019年的人民幣0.6百萬元。



### Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales and services. Our gross profit for 2019 and 2018 was RMB50.6 million and RMB36.4 million, respectively.

### 毛利及毛利率

毛利即收益減銷售及服務成本。我們2019年及2018年的毛利分別為人民幣50.6百萬元及人民幣36.4百萬元。

		Year ended 31 December 截至12月31日止年度			
		2019 2019年		2018 2018年	
		Gross profit 毛利 (RMB'000) (人民幣千元)	Gross profit margin 毛利率 %	Gross profit 毛利 (RMB'000) (人民幣千元)	Gross profit margin 毛利率 %
Burial services	殯葬服務	47,436	79.6%	33,421	83.5%
Cemetery maintenance	墓園維護	3,178	83.8%	3,010	89.1%
		<b>50,614</b>	<b>79.9%</b>	36,431	84.0%

Our overall gross profit margin for 2019 and 2018 was 79.9% and 84.0%, respectively. Our relatively high gross profit margins during the year were primarily due to (i) the relatively high gross profit margins in the burial industry; (ii) our ability to provide high-quality burial services; and (iii) the relatively low land acquisition cost for our cemetery.

我們2019年及2018年的整體毛利率分別為79.9%及84.0%。我們的年內毛利率相對較高，主要是由於(i)殯葬行業的毛利率相對較高；(ii)我們能夠提供優質殯葬服務；及(iii)我們墓園的土地收購成本相對較低。

The lower gross profit margin percentage for 2019 is mainly due to higher construction costs of the new columbaria resulting in a lower gross profit margin for the sale of certain columbarium units in 2019. The gross profit margin percentage of the provision of cemetery maintenance services decreased by approximately 5%-point year-on-year, mainly due to the increase in other greening sporadic expenses in 2019.

2019年較低的殯葬服務毛利率主要由於新骨灰廊的建造成本較高，導致於2019年銷售若干骨灰廊的毛利率較低。提供墓園維護服務的毛利率按年下跌約百分之五，主要由於2019年增加其他綠化零星開支增加。

### Other income

The Group's other income decreased by 52.5% from RMB10.3 million in 2018 to RMB4.9 million in 2019. This decrease was primarily due to a decrease in dividends income from financial assets at FVTPL in 2019.

### 其他收入

本集團的其他收入由2018年的人民幣10.3百萬元減少52.5%至2019年的人民幣4.9百萬元，減少主要是由於2019年來自按公平值計入損益的金融資產股息收入減少。

### Distribution and selling expenses

Our distribution and selling expenses increased by 17.4% from RMB5.6 million for 2018 to RMB6.6 million for 2019. This increase was primarily due to selling expenses relating to the increased sale of columbarium units in 2019.

### 分銷及銷售開支

我們的分銷及銷售開支由2018年的人民幣5.6百萬元增加17.4%至2019年的人民幣6.6百萬元，增長主要是由於我們銷售骨灰廊之增長相關的銷售費用。

#### Administrative expenses

Our administrative expenses increased significantly by 192.3% from RMB5.7 million for 2018 to RMB16.7 million for 2019. This increase was primarily due to the increase in professional fees and other expenses relating to the transfer of listing from GEM to Main Board, amounting to approximately RMB10.0 million (2018: nil).

#### Profit before tax

As a result of the above, our profit before tax decreased by 5.6% from RMB35.3 million for 2018 to RMB33.3 million for 2019.

#### Income tax expense

Our income tax expense increased by 38.5% from RMB7.1 million for 2018 to RMB9.8 million for 2019, generally consistent with the increase of our revenue.

#### Profit and total comprehensive income for the year

Our profit and total comprehensive income for the year decreased by 16.6% from RMB28.2 million for 2018 to RMB23.6 million for 2019. Our net profit margin decreased from 65.1% for 2018 to 37.2% for 2019, primarily due to higher professional fees and other administrative expenses incurred in connection with the application for the transfer of listing from GEM to Main Board in 2019 and the decrease in dividends income from financial assets at FVTPL in 2019; partly offset by higher revenue in 2019 with the increased sales of columbarium units.

#### Earnings per share

The basic earnings per share for the year ended 31 December 2019 calculated based on the weighted average number of 1,000,000,000 ordinary shares was RMB0.024 (basic earnings per share for the year ended 31 December 2018: RMB0.028).

#### Cash Flow

Our cash and cash equivalents decreased by RMB2.1 million to RMB189.3 million as at 31 December 2019 from RMB191.4 million as at 31 December 2018, principally attributable to the net cash outflow of RMB5.5 million from our operating activities; partially offset by the net cash inflow of RMB2.3 million from investing activities.

#### Pledge of assets

There was no charge on the Group's assets as at 31 December 2019 and 2018.

#### 行政開支

我們的行政開支由2018年的人民幣5.7百萬元大幅增加192.3%至2019年的人民幣16.7百萬元，增長主要是由於2019年本公司從GEM轉往主板上市而增加之專業服務費用及其他開支約人民幣10.0百萬元(2018年：零)。

#### 除稅前溢利

由於上述因素，除稅前溢利由2018年的人民幣35.3百萬元減少5.6%至2019年的人民幣33.3百萬元。

#### 所得稅開支

我們的所得稅開支由2018年的人民幣7.1百萬元增加38.5%至2019年的人民幣9.8百萬元，與收益增長基本一致。

#### 年內溢利及全面收入總額

我們的年內溢利及全面收入總額由2018年的人民幣28.2百萬元減少16.6%至2019年的人民幣23.6百萬元。我們的淨利潤率由2018年的65.1%下降至2019年的37.2%，主要是由於2019年因申請由GEM轉往主板上市而產生有關專業顧問費用及其他行政開支上升；及來自按公平值計入損益的金融資產股息收入減少；由因2019年因骨灰廊銷售增加而收益增加部分抵銷。

#### 每股盈利

基於截至2019年12月31日止年度加權平均普通股數目1,000,000,000股計算的每股基本盈利為人民幣0.024元(截至2018年12月31日止年度每股基本盈利：人民幣0.028元)。

#### 現金流量

我們的現金及現金等價物減少人民幣2.1百萬元，由2018年12月31日的人民幣191.4百萬元減少至2019年12月31日的人民幣189.3百萬元，主要是由於我們經營活動所得現金流出淨額人民幣5.5百萬元；由於投資活動所得現金流入淨額人民幣2.3百萬元部分抵銷。

#### 資產抵押

於2019年及2018年12月31日，本集團並無任何資產抵押。



### Inventories

Our inventories primarily consist of burial plots, columbarium units, headstones and others. The related carrying amounts of the cemetery assets attributable to the burial plots and columbarium units are transferred to inventory upon the commencement of development of cemetery assets into burial plots with the intention of sale in the ordinary course of business. Headstones are recognised as inventory when they are contracted for sale and set up in the cemetery. Inventories are transferred to cost when the customer obtains the right to use the burial plot. Our inventories increased significantly from RMB2.0 million as at 31 December 2018 to RMB19.3 million as at 31 December 2019, primarily due to certain expenditure for the construction of the three new columbaria.

### Prepayments and other receivables

Our prepayments and other receivables remained relatively stable at RMB0.5 million and RMB0.7 million as at 31 December 2018 and 2019, respectively.

### Trade and other payables

Our trade and other payables increased by 41.6% from RMB9.5 million as at 31 December 2018 to RMB13.4 million as at 31 December 2019, primarily due to certain professional fees in relation to the transfer of listing from GEM to Main Board were only settled in early 2020 subsequent to the successful transfer in December 2019.

### Contract liabilities

Contract liabilities represent the obligations to transfer burial plots and cemetery maintenance services in accordance with the revenue recognition policy and the nature of the business.

As at 31 December 2019, current contract liabilities amounted to RMB7.7 million (as at 31 December 2018: RMB9.1 million). The decrease in current contract liabilities is mainly due to recognition of revenue during the year.

As at 31 December 2019, non-current contract liabilities amounted to RMB58.2 million (as at 31 December 2018: RMB52.7 million). The increase in non-current contract liabilities is mainly due to increase in advances from customers during the current year.

### Capital structure

During the year ended 31 December 2019, there was no change to the capital structure of the Company.

### 存貨

我們的存貨主要包括墓地、骨灰廊、墓碑及其他。墓地及骨灰廊應佔墓園資產的相關賬面值於墓園資產開始發展為墓地並有意在日常業務過程中出售時撥入存貨。墓碑在訂約銷售並於墓園內設立時確認為存貨。存貨在客戶取得墓地使用權時撥入成本。我們的存貨由2018年12月31日的人民幣2.0百萬元大幅增加至2019年12月31日的人民幣19.3百萬元，主要是由於興建三幢新骨灰廊的若干開支。

### 預付款項及其他應收款項

預付款項及其他應收款項相對維持穩定，分別為2018年12月31日的人民幣0.5百萬元和2019年12月31日的人民幣0.7百萬元。

### 貿易及其他應付款項

我們的貿易及其他應付款項由2018年12月31日的人民幣9.5百萬元增加41.6%至2019年12月31日的人民幣13.4百萬元，主要是由於部分由創GEM往主板上市產生的專業費用在2019年12月成功轉板後於2020年初才繳清。

### 合約負債

合約負債指根據收益確認政策及業務性質轉讓墓地及墓園維護服務的義務。

2019年12月31日的流動合約負債為人民幣7.7百萬元(2018年12月31日：人民幣9.1百萬元)。流動合約負債減少主要是由於確認為當年的收益。

2019年12月31日的非流動合約負債為人民幣58.2百萬元(2018年12月31日：人民幣52.7百萬元)。非流動合約負債增加主要是由於當年收到客戶預付款項增加。

### 資本結構

截至2019年12月31日止年度，本公司的資本結構並無改變。

### Liquidity and financial resources

As at 31 December 2019, we had bank balances and cash of approximately RMB189.3 million (2018: RMB191.4 million). We have financed our working capital, capital expenditures and other capital requirements primarily through income generated from our operations. In the future, we expect to fund our capital expenditures, working capital and other capital requirements from the Group's bank balances and cash, cash generated from our operations and other borrowings.

### Gearing ratio

The Directors of the Company review the capital structure on annual basis. As part of this review, the Directors of the Company consider the cost of capital and the risk associated with each class of capital. Based on the recommendations of the Directors of the Company, the Group will balance its overall capital structure through payment of dividends, issue of new shares and repurchase of shares as well as issue of new debts or the redemption of existing debts.

As at 31 December 2019, the gearing ratio of the Group, being total liabilities to total assets, was 35.2% (2018: 41.7%), which indicates the Group's healthy liquidity position.

### Employee remuneration and relations

As at 31 December 2019, the Group had a total of 59 employees (2018: 62 employees). The Group provides employees with competitive remuneration and benefits, and the remuneration policy will be reviewed on a regular basis based on the performance and contribution of the employees and the industry remuneration level. In addition, the Group also provides various training courses to enhance the employees' skills and capabilities in all aspects.

### Operating lease

As at 31 December 2019, the Group had minimum lease payments receivable of approximately RMB0.2 million (2018: RMB0.4 million).

### Commitments

As at 31 December 2019, the Group had capital commitments in respect of expenditure in cemetery assets of approximately RMB0.3 million (2018: nil).

### Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2019 (2018: nil).

### 流動資金及財務資源

於2019年12月31日，我們的銀行結餘及現金約為人民幣189.3百萬元(2018年：人民幣191.4百萬元)。我們主要以經營產生的收入撥付我們營運資金、資本開支及其他資本需求。日後，我們預期透過本集團銀行結餘及現金經營所得現金、以及其他借款撥付我們的資本開支、營運資金及其他資本需求。

### 資產負債比率

本公司董事每年會檢討資本架構。作為此檢討之一部分，本公司董事考慮資本成本及與各類別股份有關的風險。根據本公司董事的推薦建議，本集團將透過派發股息、發行新股及購回股份以及發行新債務或贖回現有債務平衡其整體資本架構。

本集團於2019年12月31日之資產負債比率(即總負債與總資產之比率)為35.2%(2018年：41.7%)，表示本集團流動資金穩健。

### 僱員薪酬及關係

於2019年12月31日，本集團共有59名僱員(2018年：62名僱員)。本集團為僱員提供具競爭力的薪酬及福利，並會按照僱員表現及貢獻以及行業薪酬水平定期檢討薪酬政策。此外，本集團亦提供不同培訓課程，藉以提升僱員各方面的技能。

### 經營租賃

於2019年12月31日，本集團的應收最低租賃付款約為人民幣0.2百萬元(2018年：人民幣0.4百萬元)。

### 承擔

於2019年12月31日，本集團就墓園資產方面的開支資本承擔約為人民幣0.3百萬元(2018年：零)。

### 或然負債

於2019年12月31日，本集團並無重大或然負債(2018年：零)。



### Significant Investments, Acquisitions and Disposals

During the year, there were no material acquisition or disposal of significant investment.

On 24 August 2018, Langfang Wantong Cemetery Co., Ltd. (廊坊市萬桐公墓有限公司) (the “Vendor”, an indirect wholly-owned subsidiary of the Company) and Langfang City Huanmei Landscaping Engineering Co., Ltd. (廊坊市環美園林工程有限公司) (the “Purchaser”) entered into a conditional sale and purchase agreement (the “SPA”), pursuant to which the Purchaser has conditionally agreed to acquire the sale shares, being 5.78% of the total registered capital of Suburban Rural Credit Cooperatives of Langfang City (廊坊市城郊農村信用合作聯社) (the “Target Company”), and the Vendor has agreed to sell the abovementioned sale shares (the “Disposal”) at the total consideration of RMB76,000,000.

Completion of the Disposal took place on the completion date in accordance with terms and conditions of the SPA. Immediately after the completion, the Group ceased to hold any interest in the Target Company.

Further details of the Disposal were set out in the announcement of the Company dated 24 August 2018 and the circular of the Company dated 24 September 2018.

### Foreign currency risk

The Group’s business is principally denominated in Renminbi. As certain bank deposits are denominated in Hong Kong dollars, therefore, the Group is exposed to foreign currency exchange risk. No currency hedging arrangement had been made by the Group during the year. The Directors have positive attitude to regular monitor the exposure to foreign exchange so as to reduce the foreign exchange rate risk to minimal.

### 重大投資、收購事項及出售事項

本年度並無重大收購或出售事項，亦無作出重大投資。

於2018年8月24日，廊坊市萬桐公墓有限公司(「賣方」，本公司間接全資附屬公司)與廊坊市環美園林工程有限公司(「買方」)訂立有條件買賣協議(「買賣協議」)，據此，買方有條件同意收購待售股份，即佔廊坊市城郊農村信用合作聯社(「目標公司」)註冊資本總額的5.78%；而賣方有條件同意出售上述待售股份(「出售事項」)，代價總額為人民幣76,000,000元。

出售事項的完成於完成日期根據買賣協議的條款及條件落實。緊隨完成後，本集團不再持有目標公司任何權益。

出售事項之進一步詳情載於本公司日期為2018年8月24日的公告及本公司日期為2018年9月24日的通函。

### 外匯風險

本集團的業務主要以人民幣計值。由於若干銀行存款以港元計值，因此，本集團承受外匯風險。本集團在年內概無進行貨幣對沖安排。董事積極定期監察所承受的外匯風險，以盡可能降低外匯風險。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2019.

### Corporate Governance Practices

The Company is committed to establish and maintain good corporate governance practices and procedures. For the year ended 31 December 2019, the Board has adopted its own code on corporate governance practices which incorporate all the code provisions in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard and ensure further standards be put in place by reference to the recommended best practices whenever suitable and appropriate.

This Corporate Governance Report is to outline the major principles of the Company’s corporate governance. Shareholders are encouraged to make their views known to the Group if they have issues with the Company’s corporate governance and to directly raise any matters of concern to the chairman of the Board (“Chairman”).

The Company has complied with the code provisions set out in the CG Code during the Year.

### Board of Directors

Our Board currently consists of six Directors, comprising one non-executive Director (“NED”), two executive Directors (“EDs”) and three independent non-executive Directors (“INEDs”). The powers and duties of our Board include convening general meetings and reporting our Board’s work at our Shareholders’ meetings, determining our business and investment plans, preparing our annual financial budgets and final reports, formulating proposals for profit distributions as well as exercising other powers, functions and duties as conferred by our Memorandum and Articles of Association. The composition of the Board during the year ended 31 December 2019 and up to the date of this report was as follows:

#### Name of Director 董事姓名

Zhao Ying  
趙穎  
Li Xingying  
李興穎  
Huang Guangming  
黃廣明  
Cheung Ying Kwan  
張應坤  
Wong Wing Kuen, Albert  
王永權  
Choi Hon Keung, Simon  
蔡漢強

#### Position 職位

Non-executive Director and Chairman  
非執行董事兼主席  
Executive Director  
執行董事  
Executive Director  
執行董事  
Independent non-executive Director  
獨立非執行董事  
Independent non-executive Director  
獨立非執行董事  
Independent non-executive Director  
獨立非執行董事

董事會欣然提呈本公司截至2019年12月31日止年度的企業管治報告。

### 企業管治常規

本公司致力建立及維持良好企業管治常規及程序。截至2019年12月31日止年度，董事會已採納其自身的企業管治常規守則，其中包括聯交所證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）所有守則條文。本公司董事將繼續檢討其企業管治常規，以提升其企業管治標準，並確保於合適及適當時參考推薦最佳常規進一步制定標準。

本企業管治報告概述本公司企業管治的主要原則。倘本公司股東對本公司企業管治事項有任何問題，可以踴躍向本集團提出觀點，亦可以直接向董事會主席（「主席」）提出任何受關注的事項。

於本年度，本公司已遵守企業管治守則所載之守則條文。

### 董事會

董事會現時由六名董事組成，包括一名非執行董事、兩名執行董事及三名獨立非執行董事。董事會的權力及職責包括召開股東大會並於股東大會上匯報董事會的工作、釐定業務及投資計劃、編製年度財政預算及全年報告、制定溢利分派建議，以及行使組織章程大綱及細則賦予的其他權力、職能及職責。下表呈列截至2019年12月31日止年度及截至本報告日期董事會的成員名單：



There is no relationship between the Chairman and the Chief Executive Officer. The Directors do not have financial, business, family or other material/relevant relationships with each other. The biographical details of the Directors and other senior management are set out in the section headed “Biographical Details of Directors and Senior Management” on pages from 33 to 39 of this annual report.

During the Year, the Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three INEDs with at least one of them possessing appropriate professional qualifications and accounting and related financial management expertise as required under the Listing Rules among the Directors. The Company has received annual confirmations of independence from all of the independent non-executive Directors and the Board is of the view that all the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

## Responsibilities of the Board

The Board is responsible for overseeing the management, businesses, strategic directions, financial performance and monitoring business and performance. The Board provides high-level guidance and effective oversight of the Management and holds regular meetings to discuss the Group’s businesses and operations. All Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and the Shareholders at all times.

The Board reserves for its decisions all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those involving conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

The day-to-day management, administration and operation of the Company are delegated to the management team. The delegated functions and work tasks are periodically reviewed by the Board to ensure that they accommodate the needs of the Group. Executive Directors and senior executives meet regularly to review the performance of the businesses of the Group as a whole. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

主席與行政總裁之間並無關係。董事之間概無財務、業務、家族或其他重大／相關關係。董事及其他高級管理層的履歷詳情載於本年報第33至39頁「董事及高級管理層履歷」一節。

年內，董事會一直遵守上市規則有關委任最少三名獨立非執行董事，以及其中最少一名董事擁有上市規則要求的適當專業資格及會計與相關財務管理知識的規定。本公司已接獲全體獨立非執行董事就彼等的獨立性發出的年度確認書。董事會認為，全體獨立非執行董事根據上市規則第3.13條均為獨立人士。

## 董事會的職責

董事會負責監督管理、業務、決策方向、財務表現及監察業務及表現。董事會為管理層提供高層次的指引及有效監督，並召開定期會議討論本集團業務及營運。全體董事真誠執行職務，遵守適用法律及法規及客觀決策，在任何時候均以符合本公司及股東的利益行事。

董事會保留本公司所有主要事項的決定權，包括批准及監督所有政策、整體策略及預算、內部控制及風險管理制度、重大交易（尤其是涉及利益衝突者）、財務資料、董事委任及其他重大財務及營運事項。

本公司日常管理、行政及營運授權管理層團隊負責。董事會定期檢討授權的職能及工作，以確保彼等照顧到本集團需要。執行董事與高級行政人員定期會面，檢討本集團整體業務表現。董事會亦就管理層權力提供清晰指引，包括管理層應進行匯報的情況，並將定期檢討授權安排，以確保彼等仍然適合本集團需要。



All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions.

## Board Diversity

The Company has adopted the Board Diversity Policy with measurable objectives. A diverse Board will include and make good use of differences in the skills, industry knowledge and experience, education, race, age, gender, background and other qualities of directors. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

## Dividend Policy

The Company has adopted a general dividend policy that aims to provide the shareholders of the Company out of the Group's profit attributable to shareholders in any financial year. In proposing any dividend payout, the Board shall take into account, inter alia, the following factors: (i) the actual and expected financial results of the Group; (ii) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; (iii) the Group's business strategies, including future cash commitments and investment needs to sustain the long-term growth aspect of the business; (iv) the current and future operations, liquidity position and capital requirements of the Group; and any other factors that the Board deems appropriate.

## Directors' Securities Transactions

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Appendix 10 of the Listing Rules. Having made specific enquires of the Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the period from the date of listing up to the date of this report.

## Chairman and Chief Executive Officer

The roles and duties of the Chairman and the Chief Executive Officer are carried out by different individuals. The role of Chairman is held by Ms. Zhao Ying, and the role of Chief Executive Officer is held by Mr. Yu Minghua. The Chairman provides leadership for the Board and ensures its effectiveness in all aspects. The Chief Executive Officer has the delegated power to monitor the daily operation and management of the Company. The Board will keep reviewing the current structure of the Board and the need of appointment of a suitable candidate to perform the role of Chairman.

全體董事(包括獨立非執行董事)為董事會帶來廣泛而寶貴的業務經驗、知識及專業精神，高效率地執行董事會職能，饒富成效。

## 董事會多元化

本公司已採納設有可衡量目標的董事會多元化政策。多元化的董事會將包括及善用董事不同的技能、行業知識及經驗、教育、種族、年齡、性別、背景及其他特質。所有董事會任命均以用人唯才為原則，輔以客觀準則考慮候任人選，並充分考慮董事會多元化的裨益。

## 股息政策

本公司已採納一般股息政策，旨在以任何財政年度股東應佔本集團溢利向本公司股東派付股息。建議派付任何股息時，董事會考慮以下因素(其中包括)：(i)本集團的實際及預期財務業績；(ii)可能影響本集團業務或財務表現及狀況的經濟狀況以及其他內部或外部因素；(iii)本集團的業務策略，包括持續長期業務增長所需的未來現金承諾及投資需要；(iv)本集團目前及未來的營運、流動資金狀況及資本需求；及董事會視為適當的任何其他因素。

## 董事的證券交易

本公司已根據上市規則附錄十，採納有關董事買賣本公司證券的操守守則。經向董事作出具體查詢後，全體董事確認彼等由上市日期起至本報告日期期間，一直遵守規定的買賣標準及本公司採納的有關董事證券交易操守守則。

## 主席及行政總裁

主席與行政總裁的角色及職責應由不同人士擔任。趙穎女士擔任主席，而余明華先生擔任行政總裁。主席領導董事會，並確保其於所有方面維持運作成效。行政總裁獲授權監督本公司日常營運及管理。董事會將持續檢討董事會目前的架構及委任適當人選擔任主席一職的需要。



## Independent Non-executive Directors

In compliance with the Listing Rules, the Company has appointed three INEDs representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise.

The functions of INEDs are primarily to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts at board meetings.

## Confirmation of Independence

Each of INEDs has made an annual confirmation of independence by reference to Rule 3.13 of the Listing Rules and the Company considers that all Independent Non-executive Directors were independent during the Year.

## Appointment and Re-election of Directors

Each of the EDs is engaged on a service agreement with the Company for a term of three years. The Company has also issued a letter of appointment for a term of three years to the NED and each of the INEDs.

The procedures and process of appointment, re-election and removal of Directors are governed by the Articles of Association. The Company has established a Nomination Committee which is responsible for reviewing the Board composition, monitoring the appointment and succession planning of the Directors and assessing the independence of the INEDs.

The Articles of Association provides that any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting ("AGM") of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

In accordance with the Articles of Association, at each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

## 獨立非執行董事

為遵守上市規則，本公司已委任三名獨立非執行董事，佔董事會人數三分之一以上，且至少一名擁有適當專業資格或會計或相關財務管理專長。

獨立非執行董事的職能主要為於董事會會議上就策略、政策、表現、問責性、資源、主要委任及操守標準事宜作出獨立判斷。

## 確認獨立性

各獨立非執行董事已根據上市規則第3.13條作出年度獨立性確認，本公司認為所有獨立非執行董事於本年度均為獨立人士。

## 委任及重選董事

各執行董事與本公司訂立為期三年的服務協議。本公司亦向非執行董事及各獨立非執行董事發出為期三年的委任狀。

委任、重選及罷免董事的手續及程序由組織章程細則規管。本公司已成立提名委員會，負責檢討董事會構成、監督董事委任及繼任規劃及評估獨立非執行董事的獨立性。

組織章程細則規定，任何獲委任填補臨時空缺的董事的任期直至其獲委任後首次本公司股東大會為止，並可於有關大會膺選連任。任何獲委任為現有董事會新增成員的董事的任期直至其獲委任後首次本公司股東周年大會（「股東周年大會」）為止，並可於有關大會膺選連任。任何以該等方式獲董事會委任的董事於釐定在股東周年大會輪值退任的董事或董事人數時不應計算在內。

根據組織章程細則，於各股東周年大會，三分之一當時在任的董事須輪值退任。然而，倘董事總數並非三的倍數，則以最接近但不少於三分之一作為應退任的董事人數。每年退任的董事為自上次膺選連任或委任以來任期最長者，惟倘董事於同日獲委任成為或獲膺選連任，則除非彼等另外協定，否則將以抽籤方式釐定退任人選。

## Continuous Professional Development for Directors

Pursuant to Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. During the year ended December 31, 2019, all Directors, including Ms. Zhao Ying, Ms. Li Xingying, Mr. Huang Guangming, Mr. Cheung Ying Kwan, Dr. Wong Wing Kuen, Albert, Mr. Choi Hon Keung, Simon had studied the reading materials relevant to corporate governance and other regulatory requirements in order to ensure that their contribution to the Board remains informed and relevant.

## Board Meetings

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

The following table indicates the number of Board, committee and general meetings during the financial year and the number of attendance by each of the Directors:

Name	姓名	Number of meetings attended/held 出席/舉行會議次數				
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	General Meeting 股東大會
<b>Non-executive Director and Chairman</b> Zhao Ying	<b>非執行董事兼主席</b> 趙穎	6/6	—	1/1	1/1	1/1
<b>Executive Directors</b> Li Xingying Huang Guangming	<b>執行董事</b> 李興穎 黃廣明	5/6 6/6	— —	— —	— —	1/1 1/1
<b>Independent Non-executive Directors</b> Cheung Ying Kwan Wong Wing Kuen, Albert Choi Hon Keung, Simon	<b>獨立非執行董事</b> 張應坤 王永權 蔡漢強	6/6 6/6 6/6	5/5 5/5 4/5	1/1 1/1 —	1/1 — 1/1	1/1 1/1 1/1

## 董事的持續專業發展

根據企業管治守則守則條文第A.6.5條，全體董事應參與持續專業發展，以確保彼等適切了解本集團業務及營運，並充分明白彼等根據上市規則及有關監管規定的職責及責任。截至2019年12月31日止年度，全體董事(包括趙穎女士、李興穎女士、黃廣明先生、張應坤先生、王永權博士及蔡漢強先生)已研讀有關企業管治及其他監管規定的閱讀材料，以確保彼等對董事會提供知情相關的貢獻。

## 董事會會議

董事會定期會面，以檢討及批准財務及營運表現，並審議及批准本公司整體策略及政策。需要討論及議決重大事件或重要事項時將舉行額外會議。

下表呈列董事會、委員會及股東大會於本財政年度舉行的次數，以及各董事的出席次數：



## Board Committees

The Board has established three Board committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing particular aspects of the Company's affairs. All the Board committees should report to the Board on their decisions or recommendations made.

### Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision C.3.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing rules. The Audit Committee consists of three members, namely Dr. Wong Wing Kuen, Albert, Mr. Cheung Ying Kwan and Mr. Choi Hon Keung, Simon. The chairman of the Audit Committee is Dr. Wong Wing Kuen, Albert. The primary duties of the Audit Committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of our Group, making recommendations to the Board on the appointment and removal of external auditors, reviewing our financial information and disclosures, to oversee the audit process, to develop and review our policies and to perform other duties and responsibilities as assigned by the Board.

During 2019, the Audit Committee held 5 meetings to review and discuss the relevant quarterly, interim and annual financial statements, results announcements and reports of the Group.

### Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.26 of the Listing Rules and code provision B.1.2 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee consists of three members, namely Dr. Wong Wing Kuen, Albert, Mr. Cheung Ying Kwan and Ms. Zhao Ying. The chairman of the Remuneration Committee is Dr. Wong Wing Kuen, Albert. The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to the Directors regarding our policy and structure for the remuneration of all our Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policies; (ii) making recommendations to our Board on the remuneration packages of our Directors and senior management; and (iii) reviewing and approving the management's remuneration proposals with reference to our Board's corporate goals and objectives.

## 董事委員會

董事會已成立三個董事委員會，即審核委員會、提名委員會及薪酬委員會，負責監督本公司特定範疇的事項。董事會全體委員會應向董事會匯報彼等作出的決定或推薦意見。

### 審核委員會

本公司已成立審核委員會並遵照上市規則第3.22條及上市規則附錄十四所載企業管治守則C.3.3段制定其書面職權範圍。審核委員會由三名成員組成，即王永權博士、張應坤先生及蔡漢強先生。審核委員會主席為王永權博士。審核委員會的主要職責為透過就本集團財務報告程序、內部控制及風險管理制度的有效性提供獨立意見、向董事會提供有關任免外聘核數師的推薦意見、審閱財務資料及披露，協助董事會監察審核過程、制定及審閱我們的政策，以及履行董事會指派的其他職務與職責。

於2019年度，審核委員會舉行了五次會議，以審閱及討論本集團季度、中期及年度財務報表、業績公告及報告的相關初稿。

### 薪酬委員會

本公司已遵照上市規則第3.26條及上市規則附錄十四所載企業管治守則B.1.2段，成立薪酬委員會並制定其書面職權範圍。薪酬委員會由三名成員組成，即王永權博士、張應坤先生及趙穎女士。薪酬委員會主席為王永權博士。薪酬委員會的主要職責包括(但不限於): (i)向董事提供有關全體董事及高級管理層薪酬政策及架構，以及就制定該等薪酬政策訂立正式及透明程序的推薦意見；(ii)向董事會提供有關董事及高級管理層薪酬待遇的推薦意見；及(iii)參考董事會公司目標及目的，審批管理層薪酬建議。

The Company has adopted the model to delegate the remuneration committee to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

During 2019, the Remuneration Committee meet one time to review the remuneration policies and remuneration packages of the Directors.

#### Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with code provision A.5.2 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Nomination Committee consists of three members, namely Ms. Zhao Ying, Mr. Cheung Ying Kwan and Mr. Choi Hon Keung, Simon. The chairman of the Nomination Committee is Ms. Zhao Ying. The primary function of the Nomination Committee is to make recommendations to our Board on appointment of members of our Board. During 2019, the Nomination Committee held 1 meeting to review the structure, size and composition of the Board and concluded that the members of the Board have possessed the expertise and independence to carry out the Board's functions and responsibilities.

Pursuant to the terms of Reference of the Nomination Committee (Amended and restated with effect from 16 December 2019), the Nomination Committee shall review the structure, size and composition (including the skills, knowledge and professional experience, gender, age, cultural and educational background) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Based on such factors, the Nomination Committee shall also identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

### Directors' Responsibilities for Financial Statements

The Directors have acknowledged their responsibilities for preparing the consolidated financial statements of the Group for the Year in accordance with statutory requirements and applicable accounting standards.

The Board is committed to providing a balanced, clear and comprehensive assessment of quarterly, interim and annual reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The reporting responsibilities of the Company's external auditor on the financial statements of the Group are set out in the section of "Independent Auditor's Report" in this Annual Report.

本公司採納了授權薪酬委員會向董事會建議個別執行董事及高級管理層人員薪酬待遇的模式。

於2019年度，薪酬委員會舉行了一次會議，以審閱本公司董事的薪酬政策及薪酬待遇。

#### 提名委員會

本公司已成立提名委員會並已遵照上市規則附錄十四所載企業管治守則A.5.2制定其書面職權範圍。提名委員會由三名成員組成，即趙穎女士、張應坤先生及蔡漢強先生。提名委員會主席為趙穎女士。提名委員會的主要職責為就委任董事會成員向董事會提出推薦意見。於2019年度，提名委員會舉行了一次會議，以檢討董事會架構、規模及構成，並總結董事會成員擁有執行董事會職能及責任的專業知識及獨立性。

根據提名委員會的職權範圍(經修訂及重列，自2019年12月16日起生效)，提名委員會須至少每年檢討董事會的架構、規模及組成(包括技能、知識及專業經驗、性別、年齡、文化及教育背景)，並就任何為補充本公司的公司策略而擬對董事會作出的變動提出建議。基於該等因素，提名委員會亦應物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。

### 董事就財務報表須承擔的責任

董事已知悉彼等就根據法定規定及適用會計準則編製本年度本集團合併財務報表的責任。

董事會致力就季度、中期及年報、價格敏感公告及上市規則與其他監管規定項下的其他披露事項，提供持平、清晰及全面的評估。

董事並不知悉任何可能會對本公司持續經營能力構成重大疑問的事件或情況的重大不明朗因素。

本公司外聘核數師就本集團財務報表的申報責任載於本年報「獨立核數師報告」一節。



## Corporate Governance Functions

The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, reviewing and monitoring the training and continuous professional development of Directors and senior management, reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct applicable to employees and the Directors, and reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report contained in the Company's annual reports.

## Auditors' Remuneration

The fees paid/payable to the Company's auditor, in respect of audit services for the year ended 31 December 2019 amounted to RMB1,180,000.

During the year ended 31 December 2019, the fees paid/payable for the services provided by the Company's auditor are set out as follows:

### Services rendered 提供的服務

Statutory audit services  
法定審核服務

Non-audit services  
非審核服務

### Fees paid/payable 已付／應付費用

RMB1,180,000  
人民幣1,180,000元

RMB740,000  
人民幣740,000元

## Remuneration of Senior Management

For the year ended 31 December 2019, the remuneration of the members of the senior management is set out by band as follows:

		Number of employees 僱員人數	
		2019 2019年	2018 2018年
Nil to HK\$1,000,000	零至1,000,000港元	5	5

## 企業管治職能

董事會負責履行企業管治職能，例如制定及檢討本公司企業管治政策及常規、檢討及監察董事及高級管理層的培訓及持續專業發展、檢討及監察本公司在遵守法律及監管規定方面的政策及常規、制定、檢討及監察適用於僱員及董事的操守守則、以及檢討本公司就企業管治守則的合規情況及本公司年報所載企業管治報告內的披露事項。

## 核數師酬金

就截至2019年12月31日止年度審核服務已付／應付本公司核數師費用為人民幣1,180,000元。

於截至2019年12月31日止年度，就本公司核數師提供的服務已付／應付費用呈列如下：

## 高級管理層薪酬

截至2019年12月31日止年度，高級管理層成員的薪酬按薪酬範圍呈列如下：

## Risk Management and Internal Control

The Board recognises the overall responsibility for the establishment, maintenance, and review of the risk management and internal control system and an effective risk management and internal control system enhances the Group's ability in achieving business objectives, safeguarding assets, complying with applicable laws and regulations and contributes to the effectiveness and efficiency of its operations. The senior management reviews and evaluates the control process and monitors any risk factors on a regular basis and reports to the Board and the Audit Committee on any findings and measures to address the variances and identified risks.

The risk management and internal control 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 misstatement or loss.

The Group's risk management and internal control procedures include a comprehensive budgeting, information reporting and performance monitoring system. The Audit Committee reviews the effectiveness of the Group's internal audit function and the Group's risk management and internal control system annually, covering all key control, including financial, operational and compliance. The result of review will be reported to the Board and some measures would be proposed if there is any area for improvement. During the Year, the Board has conducted a review of the effectiveness of the risk management and internal control systems and considered them effective and adequate.

## Company Secretary

Mr. Lam Koon Fai resigned as the company secretary of the Company on 21 February 2019. On the same day, Mr. Tang Chun Man Adam ("Mr. Tang") was appointed as the company secretary of the Company. The biographical details of Mr. Tang are set out under the section headed "Biographies of the Directors and Senior Management".

## Shareholders' Right

The general meetings of the Company provide an opportunity for communication between the shareholders of the Company and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board.

## 風險管理及內部控制

董事會了解設立、維持及檢討風險管理及內部控制制度的全面責任，而有效的風險管理及內部控制制度可加強本集團達致業務目標的能力、保障資產、遵守適用法律及法規以及有助提升營運的效率及成效。高級管理層定期檢討及評估控制程序及監察任何風險因素，並向董事會及審核委員會匯報任何發現及應對變動與已識別風險的措施。

風險管理及內部控制制度旨在管理而非消除無法達致業務目標的風險，並僅能就重大錯誤陳述或損失提供合理而非絕對的保障。

本集團的風險管理及內部控制制度包括全面預算編製、資料匯報及表現監察制度。審核委員會每年檢討本集團內部審核職能的成效及本集團風險管理及內部控制制度，涵蓋所有關鍵控制，包括財務、營運及合規。檢討結果將向董事會匯報，而倘有任何可改善之處，則會建議推行若干措施。年內，董事會已進行風險管理及內部控制制度的成效檢討，並認為其屬有效及充分。

## 公司秘書

林冠輝先生於2019年2月21日辭任本公司公司秘書。同日，鄧峻文先生（「鄧先生」）獲委任為本公司公司秘書。鄧先生的履歷載於「董事及高級管理層履歷」一節。

## 股東權利

本公司股東大會為本公司股東與董事會提供溝通機會。每年將舉行本公司股東周年大會，地點可由董事會釐定。



### Right to Convene EGM and putting forward proposals at general meetings

Each general meeting, other than an AGM, shall be called an extraordinary general meeting (“EGM”). EGM shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

EGM shall be called by at least 14 days’ notice in writing. The written requisition must state the purposes of the meeting, be signed by the requisitioner(s) and deposited to the Board or the company secretary of the Company at the Company’s principal place of business in Hong Kong marked with the attention of the company secretary, and such may consist of several documents in like form, each signed by one or more requisitionists.

### Enquires to the Board

Shareholders may put forward enquires to the Board in writing to the principal place of business in Hong Kong of the Company.

#### Enquiry Contact:

By email: admin@lfty.com  
By post: Unit 3508, 35th Floor,  
West Tower,  
Shun Tak Centre,  
168–200 Connaught Road Central,  
Hong Kong  
Attention: Public Relationship

### 召開股東特別大會及於股東大會提呈建議的權利

除股東周年大會外，各股東大會稱為股東特別大會（「股東特別大會」）。股東特別大會可於提交要求日期持有不少於本公司繳足並附有股東大會投票權的資本十分之一的一名或多名股東要求時召開。有關要求須以書面形式提交予董事會或公司秘書，要求董事會召開股東特別大會，以處理有關要求所指明的任何事項。有關大會須於提交有關要求後兩個月內召開。倘董事會於收到有關要求後的21日內仍未召開有關大會，則提出要求人士可自行以相同形式召開大會，而因董事會未能召開會議導致提出要求人士產生的一切合理開支，則須由本公司付還提出要求人士。

召開股東特別大會須發出最少14日書面通知。書面要求必須列明會議目的、由提出要求人士簽署，並提交至本公司香港主要營業地點予董事會或公司秘書及註明致公司秘書。有關書面要求可由格式相若的數份文件組成，並由一名或多名提出要求人士簽署。

### 向董事會查詢

股東可以書面向董事會查詢，並發送至本公司香港主要營業地點。

#### 聯絡資料：

電郵： admin@lfty.com  
郵遞地址： 香港干諾道中168–200號  
信德中心西座  
35樓3508室

致： 公共關係



## Investors Relations

The Company has maintained a continuing dialogue with the Company's shareholders and investors through various channels, including, among others, the Company's annual, interim and quarterly reports, notices, announcements and circulars and the Company's website at [www.lfwty.com](http://www.lfwty.com). The Company also holds press conferences from time to time at which the Executive Directors and senior management of the Group are available to answer questions regarding the Group's business and performance.

## Inside Information

The Company regulates the handling and propagation of inside information according to the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission and as indicated in the corporate responsibility policy and various affiliate proceedings to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the propagation of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about the due compliance with all policies regarding the inside information with the latest regulatory updates.

## Change in Constitutional Documents

The Company has adopted the memorandum and articles of association on 7 September 2017 for Listing. Save to above, for the year ended 31 December 2019, the Board does not aware of any significant changes in the Company's constitutional documents during the Year.

## 投資者關係

本公司與本公司股東及投資者透過各種途徑持續保持溝通，其中包括本公司年度中期及季度報告、通告、公告及通函及本公司網站[www.lfwty.com](http://www.lfwty.com)。本公司亦不時召開記者會，本集團執行董事及高級管理層將於會上回答有關本集團業務及表現的提問。

## 內幕消息

本公司根據證券及期貨事務監察委員頒佈的「內幕消息披露指引」及企業責任政策與各種相關程序所示，處理及公佈內幕消息，以確保內幕消息於披露獲批准前維持保密，而有關消息的公佈以有效及一致方式進行。本公司定期提醒董事及僱員妥為遵守根據最近期監管更新的所有內幕消息政策。

## 章程文件變動

為進行上市，本公司已於2017年9月7日採納組織章程大綱及細則。除上文所述者外，截至2019年12月31日止年度，董事會並不知悉年內本公司章程文件曾出現任何重大變動。



# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### Board of Directors

The Board of Directors (the "Board") consists of six Directors, comprising one non-executive Director, two executive Directors and three independent non-executive Directors.

ZHAO Ying (趙穎)

Non-executive Director and Chairman

Ms. ZHAO Ying (趙穎), aged 49, joined the Group in January 2017 and was further designated as a non-executive Director in March 2017. Ms. Zhao has been serving as a director of Wan Tong (HK) Company Limited, a wholly-owned subsidiary of the Company, since January 2017. Ms. Zhao has been serving as a director of Langfang City Property Development Co., Ltd. (廊坊市城區房地產開發有限公司) since February 2008 and a non-executive director of China VAST Industrial Urban Development Company Limited (中國宏泰產業市鎮發展有限公司, a company listed on the Stock Exchange with stock code 6166) since February 2014.

LI Xingying (李興穎)

Executive Director, and Deputy Chief Executive Officer

Ms. LI Xingying (李興穎, "Ms. Li"), aged 41, was appointed as an executive Director in March 2017. Ms. Li has 16 years of experience in burial services industry. Ms. Li joined the Group in November 2007. She has been serving as the legal representative and director of Langfang City Wantong Funeral Services Co., Ltd. (廊坊市萬桐殯葬服務有限公司), a wholly-owned subsidiary of the Company, and Wangtongyuan Investment since March 2017. She also has been serving as an executive director of Langfang Wantong since May 2015. Before joining the Group, she served as a clerk and cashier of Wan Tong Yuan from March 1999 to September 2000 and a salesperson in Langfang City Property Development Co., Ltd. (廊坊市城區房地產開發有限公司) from September 2000 to March 2003. From March 2003 to October 2005, Ms. Li served as the marketing manager of Wan Tong Yuan, being responsible for the overall management of the customers' services center and business administration thereof. Ms. Li served as the general manager of Wan Tong Yuan from October 2005 to November 2007 and the executive general manager of Langfang Wantong from November 2007 to May 2015. Ms. Li has been the sole executive director, legal representative and general manager of Langfang Wantong since May 2015.

In November 2016, Ms. Li took the 35th Training Class of Modern Cemetery in China and President Workshop (第三十五屆全國現代公墓建設培訓班暨總裁研修班), which was organized by China Funeral Association (中國殯葬協會).

### 董事會

董事會(「董事會」)由六名董事組成，包括一名非執行董事、兩名執行董事及三名獨立非執行董事。

趙穎

非執行董事兼主席

趙穎女士，49歲，於2017年1月加入本集團，後於2017年3月獲指定為非執行董事。趙女士自2017年1月起擔任本公司全資附屬公司萬桐(香港)有限公司董事。趙女士自2008年2月起擔任廊坊市城區房地產開發有限公司董事及自2014年2月起擔任聯交所上市公司中國宏泰產業市鎮發展有限公司(股份代號：6166)的非執行董事。

李興穎

執行董事及行政副總裁

李興穎女士(「李女士」)，41歲，於2017年3月獲委任為執行董事。李女士具備16年殯葬服務業經驗，於2007年11月加入本集團。彼自2017年3月起擔任本公司全資附屬公司廊坊市萬桐殯葬服務有限公司及萬桐園投資的法定代表人及董事。彼亦自2015年5月起擔任廊坊萬桐的執行董事。加入本集團前，彼於1999年3月至2000年9月任萬桐園店員兼收銀員，於2000年9月至2003年3月任廊坊市城區房地產開發有限公司銷售員。2003年3月至2005年10月，李女士任萬桐園營銷經理，負責客戶服務中心的整體管理及業務管理。李女士於2005年10月至2007年11月任萬桐園總經理，並於2007年11月至2015年5月任廊坊萬桐執行總經理。李女士自2015年5月起一直為廊坊萬桐的唯一執行董事、法定代表及總經理。

於2016年11月，李女士參加由中國殯葬協會組織的第三十五屆全國現代公墓建設培訓班暨總裁研修班。



## Biographies of Directors and Senior Management 董事及高級管理層履歷

### HUANG Guangming (黃廣明)

#### Executive Director

Mr. HUANG Guangming (黃廣明, "Mr. Huang"), aged 45, was appointed as an executive Director in March 2017. Mr. Huang has more than seven years of experience in burial services industry. Mr. Huang rejoined the Group as a deputy general manager of Langfang Wantong in September 2013. Mr. Huang served as the human resources manager of Langfang City Property Development Co., Ltd. (廊坊市城區房地產開發有限公司) from June 2004 to November 2007, the deputy general manager of Langfang Wantong from November 2007 to June 2010 and the general manager of Chengde Yonglun Real Estate Development Co., Ltd. (承德永倫房地產開發有限公司) from June 2010 to September 2013. From time to time, Mr. Huang supervised the operation of the purchasing center of Langfang City Property Development Co., Ltd. (廊坊市城區房地產開發有限公司) during September 2013 and March 2017, which was a part-time position only.

Mr. Huang received associate (大專) level education in marketing from Hebei University of Science and Technology (河北科技大學) and graduated from the same university in July 2001.

### CHEUNG Ying Kwan (張應坤)

#### Independent non-executive Director

Mr. CHEUNG Ying Kwan (張應坤, "Mr. Cheung"), aged 60, was appointed as an independent non-executive Director in September 2017. Mr. Cheung has more than 20 years of experience in finance and accounting. Mr. Cheung has been the company secretary of China Mental Resources Utilization Limited (中國金屬資源利用有限公司, a company listed on the Stock Exchange with stock code 1636) since February 2014. Mr. Cheung served as the financial controller of Gushan Environmental Energy Limited (古杉環保能源有限公司) from March 2006 to August 2013, the qualified accountant and company secretary of Goldigit Atom-tech Holdings Limited (金澤超分子科技控股有限公司) (currently known as Jinchuan Group International Resources Co. Ltd. (金川集團國際資源有限公司), a company listed on the Stock Exchange with stock code 2362) from April 2001 to March 2006, an independent non-executive director of Beijing Chunlizhengda Medical Instruments Co., Ltd. (北京市春立正達醫療器械股份有限公司, a company listed on the Stock Exchange with stock code 1858) from March 2015 to March 2018, an independent non-executive director of ZACD Group Ltd (a company listed on the Stock Exchange with stock code 8313) from December 2017 to January 2019 and an independent non-executive director of Gold-Finance Holdings Limited (金誠控股有限公司, a company listed on the Stock Exchange with stock code 1462) from February 2016 to May 2019. Mr. Cheung has been an independent non-executive director of Tian Shan Development (Holding) Limited (天山發展(控股)有限公司, a company listed on the Stock Exchange with stock code 2118) since June 2010.

### 黃廣明

#### 執行董事

黃廣明先生(「黃先生」), 45歲, 於2017年3月獲委任為執行董事。黃先生有逾七年的殯葬服務行業經驗, 於2013年9月重新加入本集團任廊坊萬桐的副總經理。黃先生於2004年6月至2007年11月任廊坊市城區房地產開發有限公司人力資源經理, 於2007年11月至2010年6月任廊坊萬桐的副總經理, 並於2010年6月至2013年9月任承德永倫房地產開發有限公司總經理。黃先生於2013年9月至2017年3月期間僅以兼職形式不時監督廊坊市城區房地產開發有限公司旗下採購中心的營運。

黃先生於河北科技大學接受營銷大專程度教育並於2001年7月於同一大學畢業。

### 張應坤

#### 獨立非執行董事

張應坤先生(「張先生」), 60歲, 於2017年9月獲委任為獨立非執行董事。張先生有逾20年的財務及會計經驗。張先生自2014年2月起擔任聯交所上市公司中國金屬資源利用有限公司(股份代號: 1636)的公司秘書。張先生於2006年3月至2013年8月任古杉環保能源有限公司財務主管, 於2001年4月至2006年3月任聯交所上市公司金澤超分子科技控股有限公司(現稱金川集團國際資源有限公司, 股份代號: 2362)的合資格會計師兼公司秘書, 於2015年3月至2018年3月任聯交所上市公司北京市春立正達醫療器械股份有限公司(股份代號: 1858)的獨立非執行董事, 於2017年12月至2019年1月任職聯交所上市公司杰地集團有限公司(股份代號: 8313)的獨立非執行董事及於2016年2月至2019年5月任職聯交所上市公司金誠控股有限公司(股份代號: 1462)的獨立非執行董事。張先生於2010年6月起任職聯交所上市公司天山發展(控股)有限公司(股份代號: 2118)的獨立非執行董事。



## Biographies of Directors and Senior Management 董事及高級管理層履歷

Mr. Cheung has been a fellow member of the Association of Chartered Certified Accountants since November 2000 and an associate member of the Hong Kong Institute of Certified Public Accountants since April 1995. Mr. Cheung obtained a diploma in fabric manufacturing from The Hong Kong Polytechnic University in September 1981.

### WONG Wing Kuen, Albert (王永權)

Independent non-executive Director

Dr. WONG Wing Kuen, Albert (王永權, "Dr. Wong"), aged 68, was appointed as an independent non-executive Director, the chairman of audit committee and the chairman of remuneration committee in September 2017. Dr. Wong has approximately 24 years of experience in accounting. Dr. Wong has a broad range of experience serving as an independent non-executive director of various listed companies, including China VAST Industrial Urban Development Company Limited (中國宏泰產業市鎮發展有限公司, a company listed on the Stock Exchange with stock code 6166) since August 2014, APAC Resources Limited (亞太資源有限公司, a company listed on the Stock Exchange with stock code 1104) since July 2004, Solargiga Energy Holdings Limited (陽光能源控股有限公司, a company listed on the Stock Exchange with stock code 757) since January 2008, China Merchants Land Limited (招商局置地有限公司, a company listed on the Stock Exchange with stock code 978) since June 2012, Capital Finance Holdings Limited (首都金融控股有限公司, a company listed on the Stock Exchange with stock code 8239) since January 2018, China Medial & HealthCare Group Limited (中國醫療網絡有限公司, a company listed on the Stock Exchange with stock code 383) since December 2018, and Dexin China Holdings Company Limited (德信中國控股有限公司, a company listed on the Stock Exchange with stock code 2019) since January 2019. He served as a principal consultant of KND & Co. CPA Limited (冠達會計師事務所有限公司) from April 1994 to December 2017. Dr. Wong has been appointed as a principal consultant of KND Associates CPA Limited, Hong Kong (冠泓會計師行有限公司) since January 2018.

Dr. Wong received a degree of Doctor of Philosophy in Business Administration from the Bulacan State University, Republic of the Philippines in December 2010. Dr. Wong is a member of the following institutions, including: a fellow member of The Institute of Chartered Secretaries and Administrators; a fellow member of The Hong Kong Institute of Chartered Secretaries; a fellow member of The Taxation Institute of Hong Kong; a member of the Hong Kong Securities Institute; a fellow member of Association of International Accountants; a fellow member of Society of Registered Financial Planners; a member of The Chartered Institute of Arbitrators; an associate member of The Chartered Institute of Bankers in Scotland; and a full member of Macau Society of Certified Practising Accountants.

張先生自2000年11月起為英國特許公認會計師公會資深會員，自1995年4月起為香港會計師公會會員。張先生於1981年9月獲香港理工大學布料製造文憑。

### 王永權

獨立非執行董事

王永權博士(「王博士」)，68歲，於2017年9月獲委任為獨立非執行董事、審核委員會主席及薪酬委員會主席。王博士有約24年的會計經驗。王博士有任職多間上市公司獨立非執行董事的廣泛經驗，包括自2014年8月起任職聯交所上市公司中國宏泰產業市鎮發展有限公司(股份代號：6166)、自2004年7月起任職聯交所上市公司亞太資源有限公司(股份代號：1104)、自2008年1月起任職聯交所上市公司陽光能源控股有限公司(股份代號：757)、自2012年6月起任職聯交所上市公司招商局置地有限公司(股份代號：978)、自2018年1月起任職聯交所上市公司首都金融控股有限公司(股份代號：8239)、自2018年12月起任職聯交所上市公司中國醫療網絡有限公司(股份代號：383)及自2019年1月起任職聯交所上市公司德信中國控股有限公司(股份代號：2019)。彼由1994年4月至2017年12月擔任冠達會計師事務所有限公司總顧問。王博士自2018年1月起獲委任為冠泓會計師行有限公司總顧問。

王博士於2010年12月獲菲律賓共和國比立勤國立大學頒發的工商管理哲學博士學位。王博士為以下機構的成員，包括：英國特許秘書及行政人員學會資深會員；香港特許秘書公會資深會員；香港稅務學會資深會員；香港證券及投資學會會員；國際會計師公會資深會員；註冊財務策劃師協會資深會員；英國特許仲裁學會會員；蘇格蘭特許銀行家協會副會員；及澳門會計師公會專業會員。



## Biographies of Directors and Senior Management 董事及高級管理層履歷

Notwithstanding Dr. Wong's engagement as an independent non-executive director of another seven companies listed on the Stock Exchange, Dr. Wong confirmed that he would devote sufficient time to act as the independent non-executive Director based on the following:

- Dr. Wong is neither a full time member of the above-named companies nor involved in the day-to-day operations or management of such companies. As such, he has no executive and management responsibility therein;
- Dr. Wong is primarily required to attend relevant board meetings, committee meetings and shareholders' meetings of the above-named listed companies. He has maintained a high attendance rate for board meetings, committee meetings and shareholders' meetings for such listed companies during the respective latest financial periods since his appointment dates;
- Dr. Wong's role as a principal consultant of KND Associates CPA Limited is on a part-time basis and he does not involve in the daily management of KND Associates CPA Limited;
- with his background and experience, Dr. Wong is fully aware of the responsibilities and expected time involvements for independent non-executive director. He has not found difficulties in devoting to and managing his time with numerous companies and he is confident that with his experience in being responsible for several roles, he will be able to discharge his duties to the Company;
- none of the above-named listed companies that he has directorship with has questioned or complained about his time devoted to such companies; and
- Dr. Wong's role in the Group is non-executive in nature and he will not be involved in the daily management of the Group's business, thus his engagement as the independent non-executive Director will not require his full-time participation.

Based on the foregoing, the Directors do not have reasons to believe that the various positions currently held by Dr. Wong will result in Dr. Wong not having sufficient time to act as the independent non-executive Director or not properly discharging his fiduciary duties as a director of the Company.

儘管王博士擔任其他七間聯交所上市公司的獨立非執行董事，但王博士確認其將投入足夠時間擔任本集團獨立非執行董事，依據如下：

- 王博士既非上述公司的專職人員亦不參與該等公司的日常營運或管理。因此，其對該等公司並無執行及管理職責；
- 王博士主要須出席上述上市公司的相關董事會會議、委員會會議及股東大會。自其獲委任日期起，於各最近財政期間王博士一直保持於該等上市公司的董事會會議、委員會會議及股東大會的高出席率；
- 王博士擔任冠泓會計師行有限公司的總顧問乃屬兼職性質，且其不參與冠泓會計師行有限公司的日常管理；
- 憑藉其背景及經驗，王博士充分知悉獨立非執行董事的職責及預計投入時間。就向多間公司投入及管理其時間而言，王博士並無困難，且彼堅信憑藉其擔任多個職務的經驗，其有能力履行對本公司的職責；
- 其任職董事的上述上市公司均無質疑或投訴其對該等公司投入的時間；及
- 王博士於本集團的職務屬非執行性質，且其將不參與本集團業務的日常管理。因此，就其獨立非執行董事的委任而言，將毋須其專職參與。

基於上述原因，董事並無理由相信王博士目前擔任多個職位將導致其並無充裕時間擔任本公司的獨立非執行董事或無法妥善履行作為本公司董事的信託責任。



## Biographies of Directors and Senior Management 董事及高級管理層履歷

CHOI Hon Keung, Simon (蔡漢強)

Independent non-executive Director

Mr. CHOI Hon Keung, Simon (蔡漢強, "Mr. Choi"), aged 59, was appointed as an independent non-executive director in September 2017. Mr. Choi has more than seven years of experience in corporate governance. Mr. Choi served as an independent non-executive director of Kenford Group Holdings Limited (建福集團控股有限公司, a company listed on the Stock Exchange with stock code 464) from August 2011 to September 2017, and an independent non-executive director of Boyaa Interactive International Limited (博雅互動國際有限公司, a company listed on the Stock Exchange with stock code 434) since October 2013.

Mr. Choi obtained a bachelor's degree in laws from Peking University (北京大學) in 1991 and a master's degree in laws from The University of London in 1992. Mr. Choi received his Common Professional Examination Certificate in Laws and Postgraduate Certificate in Laws from The University of Hong Kong in June 1994 and September 1995, respectively. Mr. Choi was admitted as a solicitor in Hong Kong and the UK in November 1997 and June 1998, respectively.

### Senior Management

Our senior management is responsible for the day-to-day management of our business.

Mr. YU Minghua (余明華)

Mr. YU Minghua (余明華, "Mr. Yu"), aged 42, joined the Group in February 2016. Mr. Yu is currently the chief executive officer of the Company and a deputy general manager of Langfang Wantong, being responsible for product development and business expansion of the Group. He has also been serving as the general manager of Wangtongyuan Investment since March 2017, being responsible for general operation and management of the company. Mr. Yu has more than four years of experience in burial and funeral services industry. Prior to joining the Group, Mr. Yu served as the deputy general manager of Guangxi Huazuyuan Investment Co., Ltd. (廣西華祖園投資有限公司) from May 2013 to September 2014 and a deputy project general manager of Puyang Hualong District Longxiang Cemetery Park Co., Ltd. (濮陽市華龍區龍鄉陵園有限公司) from March 2010 to February 2011.

From September 2009 to December 2010, Mr. Yu received a burial services training at Changsha Social Work College (長沙民政職業技術學院).

蔡漢強

獨立非執行董事

蔡漢強先生(「蔡先生」)，59歲，於2017年9月獲委任為獨立非執行董事。蔡先生擁有逾七年企業管治經驗，蔡先生自2011年8月至2017年9月擔任聯交所上市公司建福集團控股有限公司(股份代號：464)的獨立非執行董事，並自2013年10月以來一直擔任聯交所上市公司博雅互動國際有限公司(股份代號：434)的獨立非執行董事。

蔡先生分別於1991年及1992年取得北京大學法學學士學位及倫敦大學法學碩士學位。蔡先生分別於1994年6月及1995年9月取得香港大學香港法律專業共同試證書及法學專業證書。蔡先生分別於1997年11月及1998年6月成為香港及英國認可的事務律師。

### 高級管理層

我們的高級管理層負責管理日常業務。

余明華

余明華先生(「余先生」)，42歲，於2016年2月加入本集團，現任本公司行政總裁兼廊坊萬桐副總經理，負責本集團的產品開發及業務擴展。彼自2017年3月起亦擔任萬桐園投資的總經理，負責公司一般運營及管理。余先生擁有逾四年殯葬及殯儀服務業經驗。加入本集團前，余先生於2013年5月至2014年9月任廣西華祖園投資有限公司副總經理及於2010年3月至2011年2月任濮陽市華龍區龍鄉陵園有限公司項目副總經理。

2009年9月至2010年12月，余先生於長沙民政職業技術學院接受殯葬服務培訓。



## Biographies of Directors and Senior Management 董事及高級管理層履歷

### LIU Fengxue (劉鳳學)

Mr. LIU Fengxue (劉鳳學, “Mr. Liu”), aged 38, joined the Group in November 2007. Mr. Liu is currently the vice president of general administration of the Company and a deputy general manager of Langfang Wantong, being responsible for the daily operation and general management of the Group. Mr. Liu has more than 16 years of experience in logistical and corporate support. After joining the Group, Mr. Liu served as the head of security in Langfang Wantong from November 2007 to June 2016, and he was promoted as the head of logistical support department and deputy general manager of Langfang Wantong in July 2010 and June 2016, respectively. Prior to joining the Group, Mr. Liu served as the head of security team of Lanshuiwan Property Management (藍水灣物業) of Langfang City Hengtai Services Co., Ltd. (廊坊市恒泰服務有限公司) from November 2002 to November 2007.

### CHU Yunli (褚雲利)

Mr. CHU Yunli (褚雲利, “Mr. Chu”), aged 48, joined the Group in November 2007. Mr. Chu is currently the financial controller of the Company, being responsible for the overall management of financial reporting and cost management of the Group. Mr. Chu has been the financial controller at Langfang Wantong since he joined the Group. Mr. Chu has ten years of experience in corporate finance.

Mr. Chu attended correspondence courses (函授) and received his associate degree (大專) in accounting from Beijing Institute of Business (北京商學院) (currently known as Beijing Technology and Business University (北京工商大學)) in July 1997.

### GAO Ping (高萍)

Ms. GAO Ping (高萍, “Ms. Gao”), aged 38, joined the Group in November 2007 and has more than 15 years of experience in customer services and marketing. Ms. Gao is currently the vice president of marketing of the Company and has been the marketing manager of Langfang Wantong since its establishment, being responsible for the overall management of the marketing department of the Group. She has also been a supervisor of Wangtongyuan Investment since March 2017, being responsible for monitoring and overseeing the company’s financial matters and supervising the conduct of the board of directors and senior management. Prior to joining the Group, Ms. Gao served as the sales executive of Wan Tong Yuan from October 2005 to November 2007 and the marketing manager of Langfang Economic and Technological Development Area Yongsheng Real Estates Development Co., Ltd. (廊坊開發區永升房地產開發有限公司) from November 2003 to October 2005.

### 劉鳳學

劉鳳學先生(「劉先生」)，38歲，於2007年11月加入本集團。劉先生現任本公司綜合管理副總裁兼廊坊萬桐副總經理，負責本集團日常運作及一般管理。劉先生擁有逾16年後勤及企業管理經驗。加入本集團後，劉先生由2007年11月至2016年6月任廊坊萬桐安保負責人，2010年7月及2016年6月分別晉升為後勤支援部部長及廊坊萬桐副總經理。加入本集團前，劉先生於2002年11月至2007年11月任廊坊市恒泰服務有限公司藍水灣物業安保負責人。

### 褚雲利

褚雲利先生(「褚先生」)，48歲，於2007年11月加入本集團。褚先生現任本公司財務主管，負責本集團財務報告的整體管理及成本控制。褚先生自加入本集團以來一直任廊坊萬桐的財務主管。褚先生擁有十年企業融資經驗。

褚先生參加函授課程，並於1997年7月取得北京商學院(現稱北京工商大學)會計大專文憑。

### 高萍

高萍女士(「高女士」)，38歲，於2007年11月加入本集團，擁有逾15年客服及營銷經驗。高女士現任本公司營銷副總裁，自廊坊萬桐成立以來一直擔任其營銷經理，負責本集團營銷部的整體管理。自2017年3月起，彼亦擔任萬桐園投資的監事，負責監察和監督公司的財務事宜並監督董事會和高級管理層的行為。加入本集團前，高女士於2005年10月至2007年11月任萬桐園銷售主管及於2003年11月至2005年10月任廊坊開發區永升房地產開發有限公司營銷經理。



## Biographies of Directors and Senior Management 董事及高級管理層履歷

Ms. Gao attended correspondence courses (函授) and obtained her associate degree (大專) in Physical Education from Hebei Institute of Physical Education (河北體育學院) in July 2003.

高女士參加函授課程，並於2003年7月取得河北體育學院體育大專文憑。

### TANG Chun Man Adam (鄧峻文)

Mr. TANG Chun Man Adam (鄧峻文, "Mr. Tang"), aged 32, was appointed as the chief financial officer and company secretary of the Company in February 2019, being responsible for the overall financial management of the Group and advising the Board on corporate governance matters. Mr. Tang has extensive experience in auditing, financial planning and analysis and accounting.

### 鄧峻文

鄧峻文先生(「鄧先生」)，32歲，於2019年2月獲委任為本公司財務總監兼公司秘書，負責本集團整體財務管理及就企業管治事宜向董事會提供意見。鄧先生有豐富的審計、財務規劃與分析及會計經驗。

Mr. Tang holds a bachelor's degree in Professional Accountancy from The Chinese University of Hong Kong. Mr. Tang is a member of the Hong Kong Institute of Certified Public Accountants.

鄧先生持有香港中文大學專業會計學士學位，鄧先生為香港會計師公會成員。





# DIRECTORS' REPORT

## 董事會報告

The Board is pleased to present its report and the audited financial statements of the Company and of the Group for the year ended 31 December 2019.

### Principal Activities and Analysis of Operations

The Company is an investment holding company. The Group was principally engaged in the sale of burial plots and columbarium units, provision of other burial-related services and provision of cemetery maintenance services.

### Business Review and Performance

A fair review of the Group's business, an indication of likely future development in the Group's business, an analysis using financial key indicators as required by Schedule 5 to the Hong Kong Companies Ordinance (Cap. 622) can be found in the "Management Discussion and Analysis" section, which forms part of this Directors' Report of this annual report.

### Results

Results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 69 of this annual report.

### Dividends

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: nil). The Company is not aware of any arrangements under which a shareholder has waived or agreed to waive any dividends.

### Financial Summary

The summary of the results and of the assets and liabilities of the Group is set out on page 4 of this annual report.

### Key Risks and Uncertainties Facing by the Group

The followings are part of the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

The Group operate one cemetery in Langfang and any significant downturn of the regional economy or changes in local regulatory regime or burial practices could materially and adversely affect our business, financial condition and results of operations. The management regularly review and adapt our services to cater to the customs and preferences of the local residents in order to retain existing customers and to attract prospective customers.

董事會欣然提呈其報告及截至2019年12月31日止年度本公司及本集團之經審核財務報表。

### 主要業務及營運分析

本公司為投資控股公司。本集團主要從事出售墓地及骨灰廊、提供其他殯葬相關服務及提供墓園維護服務。

### 業務回顧及表現

本集團業務之公平回顧、本集團業務可能出現的未來發展之跡象及根據香港公司條例(第622章)附表5規定使用財務主要指標作出之分析載於「管理層討論及分析」一節，其為本年報董事會報告的一部分。

### 業績

本集團截至2019年12月31日止年度之業績載於本年報之第69頁之合併損益及其他全面收益表。

### 股息

董事並不建議派付截至2019年12月31日止年度之末期股息(2018年：零)。本公司並不知悉股東已放棄或同意放棄任何股息的任何安排。

### 財務概要

本集團業績以及資產及負債概要載於本年報第4頁。

### 本集團面對之主要風險及不明朗因素

以下為本集團所識別之部分主要風險及不明朗因素。除下文所示者外，可能有其他本集團並不知悉之風險及不明朗因素，或現時屬不重大但將來可能屬重大之風險及不明朗因素。

本集團於廊坊市經營一個墓園，倘該地區經濟出現任何嚴重衰退或當地監管制度或墓葬習俗變化均可能令我們的業務、財務狀況及經營業績蒙受嚴重不利影響。管理層定期檢討及調整我們的服務，以迎合當地居民之習俗及偏好，從而挽留現有客戶及吸引潛在客戶。

The death care industry in China, subject to the strict requirement of relevant regulations imposed by the government, is a highly regulated industry. There are strict restrictions on licenses and land supply which pose risks and uncertainties on the Group's business expansion. The Group have adopted internal guidelines to ensure that the sale of burial plots to living customers satisfy these conditions as required by the relevant laws.

There are uncertainties associated with the expansion of our business. The successful implementation of our expansion strategies may be influenced by various factors such as our ability to identify suitable business opportunities or expansion plans on our cemetery, to obtain government and other third-party consents, permits and licenses that are required to operate our business. The expansion of our burial services is also dependent on customer satisfaction and our marketing efforts. In order to maintain growth in our business, it may be necessary for the Group to implement marketing initiatives to create public awareness and acceptance of our services.

### Key Relationships with Employees, Customers and Suppliers

The Group recognises that employees are one of the significant assets of the Group. The Group aims to continue establishing a caring environment to employees and emphasise the personal development of its employees. The Group maintains a good relationship with our customers and suppliers. The Group aims to continue providing quality products and services to our customers and establishing co-operation strategy with our suppliers.

中國殯葬服務業須遵從政府頒佈的有關法規之嚴格規定，屬高度規管行業。牌照及土地供應受嚴格限制，對本集團業務擴張構成風險及不明朗因素。本集團已採納內部指引，以確保向在世客戶出售墓地時符合有關法規規定的條件。

我們的業務擴張存在不明朗因素。我們能否成功實施擴張策略取決於多項因素，例如能否物色合適的商機或擴張墓園的計劃、能否自政府及其他第三方取得經營業務所需同意書、許可證及牌照。殯葬服務的擴張亦取決於客戶滿意度及營銷力度。為維持業務增長，我們或須實施營銷計劃吸引公眾關注並接納我們的服務。

### 與僱員、客戶及供應商之關鍵關係

本集團明白僱員為本集團之重大資產之一。本集團致力繼續為僱員建立關懷環境，強調僱員的個人發展。本集團與其客戶及供應商維持良好關係。本集團志在繼續為其客戶提供優質產品及服務，並與其供應商制定合作策略。

## Compliance with Laws and Regulations

The Company is incorporated in the Cayman Islands with its shares listed on the Main Board of the Stock Exchange. The Group's subsidiaries are incorporated in the British Virgin Islands, Hong Kong and China. The Group's operations are mainly carried out by the Group's subsidiaries in China while the Group also has a corporate and administrative office in Hong Kong. Our establishments and operations accordingly shall comply with relevant laws and regulations in the Cayman Islands, the British Virgin Islands, China and Hong Kong. During the year under review, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the Group.

## Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor its subsidiaries have purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2019.

## Tax Relief and Exemption

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's listed securities.

## Property, Plant and Equipment

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

## Investment Properties

The Group's Investment properties represented the land parcel of Langfang City Funeral Parlour, which is leased to a third party from January 2015 to December 2020. Details of the movements in investment properties of the Group are set out in note 14 to the consolidated financial statements.

## Share Capital

Movements in the share capital of the Company during the Year under review and as at 31 December 2019 are set out in note 24 to the consolidated financial statements.

## 遵守法律及法規

本公司於開曼群島註冊成立，而其股份於香港聯合交易所有限公司主板上市。本集團之附屬公司於英屬處女群島、香港及中國註冊成立。本集團之業務主要由本集團之中國附屬公司進行，而本集團亦於香港設有企業及行政辦公室。因此，我們的處所及營運須遵守開曼群島、英屬處女群島、中國及香港之有關法律及法規。於回顧年度，本公司並不知悉有任何違反有關法律及法規，而對本集團有重大影響之情況。

## 購買、出售及贖回本公司已上市證券

截至2019年12月31日止年度，本公司及其附屬公司概無購買、出售或贖回本公司任何已上市證券。

## 稅務寬減及豁免

本公司並不知悉有關股東因持有本公司上市證券而獲任何稅務寬減。

## 物業、廠房及設備

本集團物業、廠房及設備變動之詳情載於合併財務報表附註13。

## 投資物業

本集團的投資物業指向第三方出租的廊坊市殯儀館地塊，租期自2015年1月至2020年12月。本集團投資物業變動之詳情載於合併財務報表附註14。

## 股本

本公司股本於回顧年度及截至2019年12月31日止之變動載於合併財務報表附註24。

## Share Premium and Reserves

Movements in the share premium and reserves of the Group during the year under review are set out on page 72 in the consolidated statement of changes in equity and in note 25 to the consolidated financial statements.

## Distributable Reserves

The Company do not have any distributable reserves as at 31 December 2019 (2018: RMB4,113,000).

## Charitable Donations

During the year ended 31 December 2019, the Group made approximately RMB881,000 charitable donations (2018: Nil).

## Major Suppliers and Customers

During the year ended 31 December 2019, the single largest customer accounted for 39.3% of the Group's revenue (2018: no single customer accounted for 10% or more of the Group's revenue). Revenue from the Group's five largest customers accounted for 41.4% of the Group's total revenue (2018: did not account for 30% or more of the Group's total revenue). Purchases from the Group's five largest suppliers accounted for approximately 84.8% (2018: 80.1%) of the total purchases for the Year and purchases from the single largest supplier 61.2% (2018: 59.1%) of the Group's total purchases.

During the year ended 31 December 2019, none of the Directors, their close associates, nor any of the Shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the five largest customers and suppliers of the Group.

## Remuneration Policy and Retirement Benefits of the Group

As at 31 December 2019, the Group had a total of 59 employees (31 December 2018: 62 employees). The Group provides employees with competitive remuneration and benefits, and the remuneration policy will be reviewed on a regular basis based on the performance and contribution of the employees and the industry remuneration level. In addition, the Group also provides various training courses to enhance the employees' skills and capabilities in all aspects. Details of the Group's the retirement benefit plans are set out in note 30 to the consolidated financial statements.

## 股本溢價及儲備

於回顧年度內，本集團股本溢價及儲備之變動載於第72頁之合併權益變動表及合併財務報表附註25。

## 可供分派儲備

於2019年12月31日，本公司並無可供分派儲備(2018年：人民幣4,113,000元)。

## 慈善捐款

截至2019年12月31日止年度，本集團作出慈善捐款約人民幣881,000元(2018年：零)。

## 主要供應商及客戶

截至2019年12月31日止年度，單一最大客戶佔本集團收益39.3%(2018年：並無單一客戶佔本集團收益10%或以上)。本集團自五大客戶收益佔本集團收益41.4%(2018年：並不佔本集團收益30%或以上)。本集團五大供應商之採購額佔該年度總採購額約84.8%(2018年：80.1%)，而單一最大供應商之採購額佔本集團總採購額61.2%(2018年：59.1%)。

截至2019年12月31日止年度，概無董事、彼等之緊密聯繫人及任何本公司股東(據董事所深知，擁有本公司已上市證券超過5%者)於本集團五大客戶及供應商擁有任何權益。

## 本集團薪酬政策及退休福利

於2019年12月31日，本集團合共有59名僱員(2018年12月31日：62名僱員)。本集團為僱員提供具競爭力之薪酬及福利，而薪酬政策將按僱員表現及貢獻以及業界薪酬水平定期進行檢討。此外，本集團亦提供各種培訓課程，以全面提升僱員之技能及能力。本集團退休福利計劃之詳情載於合併財務報表附註30。

## Directors

The Directors of the Company during the year ended 31 December 2019 and up to the date of this report were:

## 董事

截至2019年12月31日止年度及直至本報告日期，本公司之董事名單如下：

Name of Director 董事姓名	Position 職位
Zhao Ying 趙穎	Non-executive Director and Chairman 非執行董事兼主席
Li Xingying 李興穎	Executive Director 執行董事
Huang Guangming 黃廣明	Executive Director 執行董事
Cheung Ying Kwan 張應坤	Independent Non-executive Director 獨立非執行董事
Wong Wing Kuen, Albert 王永權	Independent Non-executive Director 獨立非執行董事
Choi Hon Keung, Simon 蔡漢強	Independent Non-executive Director 獨立非執行董事

Brief biographical details of the Directors and senior management are set out on pages 33 to 39 of this annual report.

董事及高級管理層之履歷詳情載於本年報之第33至39頁。

All Directors are appointed for a specific term of three years which may be extended as each and the Company may agree, subject to retirement by rotation and re-election at the annual general meeting ("AGM") in accordance with the articles of association of the Company. Article 108 of the articles of association of the Company provides that at each AGM, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

全體董事均以三年之固定年期委任，並可各自與公司協定延長期限，惟須根據本公司組織章程細則於股東周年大會（「股東周年大會」）輪值退任及膺選連任。本公司組織章程細則第108條規定，於各股東周年大會，當時在任董事的三分之一（或倘其人數並非三之倍數，則以最接近三分之一的人數）須輪值退任，而各董事（包括按固定年期委任者）最少須每三年輪值退任一次。

## Change of Information of Directors

Below are changes of directors' information required to be disclosed pursuant to the Listing Rules from the Listing Date to the date of this annual report:

## 董事資料變動

下列為自上市日期起至本年報日期根據上市規則須披露的董事資料變動：

On 12 September 2017, Mr. Choi Hon Keung, Simon (蔡漢強) resigned as an independent non-executive director of Kenford Group Holdings Limited (建福集團控股有限公司) (a company listed on the Stock Exchange with stock code 0464).

於2017年9月12日，蔡漢強先生辭任建福集團控股有限公司（期股份於聯交所上市，股份代號：0464）的獨立非執行董事。

On 1 January 2018, 6 December 2018 and 11 January 2019, Dr. Wong Wing Kuen, Albert (王永權) was appointed as an independent non-executive director of Capital Finance Holdings Limited (首都金融控股有限公司) (a company listed on the Stock Exchange with stock code 8329), China Medical & HealthCare Group Limited (中國醫療網絡有限公司) (a company listed on the Stock Exchange with stock code 383) and Dexin China Holdings Company Limited (德信中國控股有限公司) (a company listed on the Stock Exchange with stock code 2019) respectively.

On 16 March 2018, 31 January 2019 and 15 May 2019, Mr. Cheung Ying Kwan (張應坤) has resigned as the independent non-executive director of Beijing Chunlizhengda Medical Instruments Co., Ltd. (北京市春立正達醫療器械股份有限公司) (a company listed on the Stock Exchange with stock code 1858), ZACD Group Ltd (a company listed on the Stock Exchange with stock code 8313) and Gold-Finance Holdings Limited (金誠控股有限公司), (a company listed on the Stock Exchange with stock code 1462).

### Directors' Service Contracts

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the Group within one year without the payment of compensation other than statutory compensation.

### Directors' Interests in Transactions, Arrangements and Contracts

Save as disclosed in note 31 to the consolidated financial statements, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company, any of its subsidiaries was a party and in which any Director or an entity connected with him/her or Controlling Shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year under review.

### Directors' Rights to Purchase Shares or Debentures

Save as disclosed in this report, at no time during the year under review, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18, were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

於2018年1月1日、2018年12月6日及2019年1月11日，王永權博士分別擔任首都金融控股有限公司（其股份於聯交所上市，股份代號：8329）、中國醫療網絡有限公司（其股份於聯交所上市，股份代號：383）及德信中國控股有限公司（其股份於聯交所上市，股份代號：2019）的獨立非執行董事。

張應坤先生分別於2018年3月16日、2019年1月31日及2019年5月15日辭任北京市春立正達醫療器械股份有限公司（其股份於聯交所上市，股份代號：1858）、杰地集團有限公司（其股份於聯交所上市，股份代號：8313）及金誠控股有限公司（其股份於聯交所上市，股份代號：1462）的獨立非執行董事。

### 董事服務合約

概無擬於應屆股東周年大會膺選連任之董事，與本集團任何成員公司訂立本集團不可在一年內終止而不作出賠償（法定賠償除外）之服務合約。

### 董事於交易、安排及合約之權益

除於合併財務報表附註31所披露者外，於本財政年度底或回顧財政年度任何時間，概無本公司董事或與他／她有關的實體或控股股東於與本集團業務有關，而本公司、其任何附屬公司為合約方之重大交易、安排或合約直接或間接擁有重大權益。

### 董事購買股份或債權證之權利

除本報告所披露者外，於回顧年度內，本公司或其任何附屬公司均無參與訂立任何安排以促使本公司董事可透過購入本公司或任何其他法人團體股份或債權證之方式獲得利益，亦概無董事或其任何配偶或十八歲以下子女獲授予任何權利以認購本公司或任何其他法人團體之股本或債權證，或行使任何有關權利。

## Directors' and Chief executive's Interests in Shares

As at 31 December 2019, the interests and short positions of each of the Directors and chief executive 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 (the "SFO") which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to Appendix 10 of the Listing Rules, were as follows:

Name of Director 董事姓名	Nature of interests 權益性質	Number of securities held 所持證券數目	Approximate percentage of shareholding 持股量概約百分比
Ms. Zhao Ying (Note 2)	Founder of a discretionary trust who can influence how the trustee exercises its discretion	700,000,000 (L) (Note 1)	70% (Note 3)
趙穎女士(附註2)	全權信託創立人，可影響受託人行使其酌情權之方式	700,000,000 (L) (附註1)	70% (附註3)

Notes:

- The letter "L" denotes long position of the Shares of the Company.
- Ms. Zhao Ying is the chairman and non-executive Director of the Company. She is the settlor, sole member of The Hope Trust's protective committee and a beneficiary of The Hope Trust, which is a discretionary trust and TMF (Cayman) Ltd. is the trustee of The Hope Trust. TMF (Cayman) Ltd. wholly owns the entire share capital of Lily Charm Holding Limited. Lily Charm Holding Limited wholly owns the entire issued share capital of Tai Shing International Investment Company Limited. Therefore, Ms. Zhao Ying is deemed to be interested in the 700,000,000 Shares directly held by Tai Shing International Investment Company Limited.
- The percentage is calculated on the basis of 1,000,000,000 Shares in issue as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such

## 董事及最高行政人員於股份之權益

於2019年12月31日，董事及最高行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及8分部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有關條文彼等被當作或視作擁有之權益及淡倉)，或根據證券及期貨條例第352條須記錄於本公司存置之登記冊之權益及淡倉，或根據上市規則附錄10須知會本公司及聯交所之權益及淡倉如下：

附註：

- 英文字母「L」表示本公司股份中之好倉。
- 趙穎女士為本公司主席兼非執行董事。彼為The Hope Trust財產授予人及受益人，以及The Hope Trust保護委員會之唯一成員。The Hope Trust為全權信託，而TMF (Cayman) Ltd.為The Hope Trust受託人。TMF (Cayman) Ltd.全資擁有Lily Charm Holding Limited之全部股本。Lily Charm Holding Limited全資擁有泰盛國際投資有限公司之全部已發行股本。因此，趙穎女士被視為於泰盛國際投資有限公司直接持有之700,000,000股股份中擁有權益。
- 百分比按於2019年12月31日已發行之1,000,000,000股股份計算。

除上文所披露者外，於2019年12月31日，概無本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之任何其他權益或淡倉(包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉)，或根據證券及

provisions of the SFO) or which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to Appendix 10 of the Listing Rules.

## Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2019, so far as was known to the Directors, the following persons/entities (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

期貨條例第352條須記錄於本公司存置之登記冊之權益或淡倉，或根據上市規則附錄10須知會本公司及聯交所之權益或淡倉。

## 主要股東於本公司股份及相關股份之權益及淡倉

於2019年12月31日，就董事所知，以下人士/實體（本公司董事或最高行政人員除外）於股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部的條文向本公司披露之權益或淡倉，或根據證券及期貨條例第336條須記錄於本公司存置之登記冊之權益或淡倉；或直接或間接擁有附有權利可在所有情況下於本公司或本集團任何其他成員公司的股東大會上投票的任何類別股本面值10%或以上權益。

Name of Shareholder	Nature of interests	Number of securities held (Note 1)	Approximate percentage of shareholding (Note 5)
股東姓名／名稱	權益性質	所持證券數目 (附註1)	持股量 概約百分比 (附註5)
Tai Shing International Investment Company Limited	Beneficial owner (Note 2)	700,000,000 (L)	70%
泰盛國際投資有限公司	實益擁有人(附註2)	700,000,000 (L)	70%
Lily Charm Holding Limited	Interest in a controlled Corporation (Notes 2, 3)	700,000,000 (L)	70%
Lily Charm Holding Limited	受控法團權益(附註2、3)	700,000,000 (L)	70%
TMF (Cayman) Ltd.	Trustee (Notes 2, 3, 4)	700,000,000 (L)	70%
TMF (Cayman) Ltd.	受託人(附註2、3、4)	700,000,000 (L)	70%

Notes:

- (1) The letter "L" denotes the entity/person's long position in the Shares.
- (2) Tai Shing International Investment Company Limited directly holds 700,000,000 Shares.
- (3) Lily Charm Holding Limited holds the entire of issued share capital of Tai Shing International Investment Company Limited, thus Lily Charm Holding Limited is deemed to be interested in the 700,000,000 Shares.

附註：

- (1) 英文字母「L」表示該實體／人士於股份中的好倉。
- (2) 泰盛國際投資有限公司直接持有700,000,000股本公司股份。
- (3) Lily Charm Holding Limited持有泰盛國際投資有限公司全部已發行股本，因此Lily Charm Holding Limited被視為於700,000,000股股份中擁有權益。



- (4) TMF (Cayman) Ltd. is on the trusts of The Hope Trust, which is a discretionary trust set up by Ms. Zhao Ying, the chairman and non-executive Director of the Company. TMF (Cayman) Ltd. directly holds the entire issued share capital of Lily Charm Holding Limited. Therefore, TMF is deemed to be interested in 700,000,000 Shares.
- (5) The percentage is calculated on the basis of 1,000,000,000 Shares in issue as at 31 December 2018.

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any other persons, except disclosed below under "Other persons' interests and short positions in the Shares and underlying Shares of the Company" other than the Directors and the chief executive of the Company who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debenture of the Company and its associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO; or who is directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

#### Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2019, so far as was known to the Directors, the following persons/entities (not being Directors or chief executive or substantial shareholders of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

- (4) TMF (Cayman) Ltd.為The Hope Trust之受託人，而The Hope Trust為本公司主席兼非執行董事趙穎女士成立之全權信託。TMF (Cayman) Ltd.直接持有Lily Charm Holding Limited之全部已發行股本。因此，TMF被視為於700,000,000股股份中擁有權益。
- (5) 百分比按於2018年12月31日已發行之1,000,000,000股股份計算。

除上文所披露者外，於2019年12月31日，除於下文「其他人士於本公司股份及相關股份之權益及淡倉」所披露者外，董事概不知悉有任何人士（本公司董事及最高行政人員除外）於本公司及其相聯法團股份、相關股份及債權證中擁有或視作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉；或根據證券及期貨條例第336條須記錄於本公司存置之登記冊之權益或淡倉；或將直接或間接擁有附有權利可在所有情況下於本公司或本集團任何其他成員公司的股東大會上投票的任何類別股本面值10%或以上權益。

#### 其他人士於本公司股份及相關股份之權益及淡倉

於2019年12月31日，就董事所知，以下人士／實體（本公司董事或最高行政人員或主要股東除外）於股份或相關股份中擁有或被視作擁有須根據證券及期貨條例第XV部第2及3分部的條文向本公司披露之權益或淡倉，或根據證券及期貨條例第336條須記錄於本公司存置之登記冊之權益或淡倉：

Name of Shareholder	Capacity/Nature of Interests	Number of Shares held (Note 1)	Percentage of shareholding (Note 3)
股東姓名／名稱	身份／權益性質	所持股份數目 (附註1)	持股量百分比 (附註3)
Fairich Trading Limited 飛富貿易有限公司	Beneficial owner 實益擁有人	82,960,000 (L)	8.3%
Ms. Xing Junying 邢軍英女士	Interest in a controlled corporation (Note 2) 受控法團權益(附註2)	82,960,000 (L)	8.3%

Notes:

- (1) The letter "L" denotes the entity/person's long position in the Shares.
- (2) Fairich Trading Limited is directly wholly owned by Ms. Xing Junying.
- (3) The percentage is calculated on the basis of 1,000,000,000 Shares in issue as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, the Directors are not aware of any other person or corporation other than the Directors, the chief executive and substantial shareholders of the Company who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debenture of the Company and its associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## Competing Interests

The Directors are not aware of any business or interest of the Directors nor the Controlling Shareholder nor any of their respective close associates (as defined in the Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 December 2019.

## The Deed of Non-Competition

The INEDs and the rest of the Board reviewed the confirmation provided by each of the Controlling Shareholders and confirmed that they have reviewed the compliance with the terms of the Deed of Non-competition dated 7 September 2017 and 5 December 2019 by the Controlling Shareholders and the enforcement of the undertakings (the "Undertakings") given by the Controlling Shareholders under the Deed of Non-competition and are satisfied that all of the Undertakings were complied with by the Controlling Shareholders for the year ended 31 December 2019.

## Connected Transactions and Related Party Transactions

Details of related party transactions of the Group during the year ended 31 December 2019 are set out in note 31 to the consolidated financial statements. None of these related party transactions were subject to the disclosure requirements of connected transactions or continuing connected transactions under the Listing Rules.

## Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

附註：

- (1) 英文字母「L」表示該實體／人士於股份中的好倉。
- (2) 飛富貿易有限公司由邢軍英女士直接全資擁有。
- (3) 百分比按於2019年12月31日已發行之1,000,000,000股股份計算。

除上文所披露者外，於2019年12月31日，董事概不知悉有任何其他人士或公司（本公司董事、最高行政人員及主要股東除外）於本公司及其相聯法團股份、相關股份及債權證中擁有或視作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉；或根據證券及期貨條例第336條須記錄於本公司存置之登記冊之權益或淡倉。

## 競爭性利益

董事概不知悉，截至2019年12月31日止年度，本公司董事及控股股東以及彼等各自的緊密聯繫人（定義見上市規則）擁有與本集團業務競爭或可能競爭的任何業務或於該等業務中擁有權益，亦無與本集團有或可能有任何利益衝突。

## 不競爭契據

獨立非執行董事及其餘董事會成員已審閱各控股股東向董事會提供的確認，並確認彼等已審閱控股股東遵守日期為2017年9月7日及2019年12月5日的非競爭契據條款的情況，以及控股股東在該契據下作出承諾的履行情況，並信納控股股東於截至2019年12月31日止年度，一直遵守所有承諾。

## 關連交易及關聯方交易

本集團截至2019年12月31日止年度之關聯方交易載於合併財務報表附註31。概無該等關聯方交易根據上市規則須遵守關連交易或持續關連交易的披露規定。

## 管理合約

於本期間，概無訂立或存在任何與本公司全部或任何重大業務部分之管理及行政合約。

## Pre-Emptive Rights

There is no provision for pre-emptive rights under the articles of association of the Company or the laws of Cayman Islands, the jurisdiction in which the Company was incorporated, and there is no restriction against such rights which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

## Permitted Indemnity Provision

The Articles of Association provide that the Directors are entitled to 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 in or about the execution of their duty in their respective offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director. The Company has purchased and maintained Directors' liability insurance during the year under review, which provides appropriate coverage for the Directors.

## Equity-Linked Agreement

No equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2019.

## Environment Policy

The Company is committed to support environmental sustainability. The Company encourages environmental protection and adheres to the principle of recycling and reducing, including encouraging double-sided printing and copying, setting up recycling bins, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance. The Company will review its environmental practices from time to time and will consider implementing further eco-friendly measures in the operation of the Group's businesses. The Company will publish its environmental, social and governance report on an annual basis in accordance with the requirements of the Listing Rules.

## Sufficient Public Float

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

## 優先購買權

本公司組織章程細則或開曼群島(本公司註冊成立之司法權區)法例概無有關優先購買權之條文，亦概無有關該等權利之規定，強制本公司須按比例向其現有股東提呈發售新股份。

## 獲准許之彌償條文

組織章程細則規定，董事就其職位執行職務而可能產生或蒙受之所有訴訟、成本、費用、損失、損害及開支，均可自本公司之資產及溢利獲得彌償，確保免就此受損，惟該彌償不適用於因有關董事任何欺詐或不誠實行為招致之任何事項。本公司已於回顧年度投購董事責任險，可為董事提供適當保障。

## 股票掛鈎協議

截至2019年12月31日止年度，本集團概無訂立任何股票掛鈎協議，而該等協議亦概不存在。

## 環境政策

本公司致力支持環境可持續性。本公司鼓勵環保，遵循回收及減廢原則，包括鼓勵雙面列印及複印、設立回收箱、推廣使用再造紙及透過關閉閒置照明設備及電器減低能源消耗。本公司將不時檢討其環保慣例，並將考慮於本集團業務營運中實施更多環保措施。本公司將根據上市規則之規定，每年刊發其環境、社會及管治報告。

## 足夠公眾持股量

根據本公司可公開取得之資料及據董事所知，截至本報告日期，本公司已按上市規則維持不少於25%的本公司已發行股份之足夠公眾持股量。

## Use of Proceeds from the Global Offering

Since the date of Listing and up to 31 December 2019, part of the net proceeds has been applied to use according to the Prospectus. The amount of unused net proceeds as at 1 January 2019 and 31 December 2019 were approximately RMB31.2 million and RMB25.7 million respectively.

## Reasons for Deviation from the Original Business Strategies

Strengthening the market position in Langfang

Since the GEM Listing, the Group has been planning to upgrade its facilities and monitoring system to keep up with the evolving market and to improve the security level of the cemetery. However, during the implementation of the upgrading plans, there were certain delays due to (i) the Group's prudent approach for the continuous upgrades of the main entrance area and roads and passages in the cemetery, and the building of a platform to conduct public memorial ceremonies; and (ii) the lengthy negotiation procedures with certain external services providers for details of service contracts. Further, the Group had also deferred its plan of developing new sectioned burial areas as the Group inclined to devote more efforts in developing the new columbarium units in order to cater to the growing demand of the columbarium collective storage services as a result of the redevelopment plan of the local government being actualized phase by phase according to the schedules.

The Directors are of the view that the Group's competitiveness is established by word of mouth and customers are more inclined to opt for burial services providers who offer high-quality burial services in wide range of burial plot designs across sectioned burial areas featured in landscaped cemeteries and pricing choices, for the memory and respect of the deceased, which is of great importance in the traditional Chinese culture. Therefore, the Directors believe that by (i) developing new sectioned burial areas, for example, Pine Garden and areas for artistic burial plots, to provide more choices to customers with higher purchasing power; and (ii) acquiring additional machineries, such as waste incinerators, lawn movers and sprinkler trucks, to improve the overall scenery of the cemetery as well as the efficiency of the operation performance by 2020, would enable the Group to capture the growth in the burial services market as there will be growing demand for death care services during such period. Coupled with the implementation of the other business strategies, the Group expects that the increasing awareness of the brand "Wan Tong Yuan" elicited by the widespread recognition from the customers would further boost its market position in Langfang.

## 全球發售所得款項用途

自上市日期起及直至2019年12月31日，部分所得款項淨額已用於招股章程所述的用途。於2019年1月1日及2019年12月31日之未使用所得款項淨額分別約為人民幣31.2百萬元及人民幣25.7百萬元。

## 偏離原先業務策略的原因

鞏固於廊坊的市場地位

自於GEM上市以來，本集團已計劃提升其設施及監察系統以迎合不斷轉變的市場，並改善墓園的保安水平。然而，提升計劃實行期間出現若干延誤，此乃由於(i)本集團以審慎方式持續提升主入口區域及墓園內的道路及通道，以及興建進行公眾紀念儀式的平台；及(ii)與若干外部服務供應商就服務合約細節而進行的長時間協商程序。此外，本集團亦已延後其開發新劃定墓區的計劃，因本集團傾向投放更多努力於發展新骨灰廊，以滿足因當地政府根據時間表按階段實現重建計劃而正在增長的骨灰集體存放服務需求。

董事認為本集團的競爭力乃由口碑建立，且客戶傾向選擇在以園景墓園及定價選擇為特色的多種劃定墓區墓地設計方面提供優質殯葬服務的殯葬服務供應商，以紀念先人並向先人表達敬意，此在傳統中國文化中尤為重要。因此，董事相信，因該期間內殯葬服務需求將會增長，於2020年前透過(i)開發新劃定墓區(例如松園及藝術墓地)以為高消費力的客戶提供更多選擇；及(ii)添置更多機器(例如廢物焚化爐、割草機及澆水車)以改善墓園的整體景觀及營運表現效率，將可使本集團有能力把握善終服務的增長機會。配合其他業務策略的實施，本集團預期客戶的廣泛認可致使「萬桐園」的品牌知名度提升，將進一步增強其於廊坊的市場地位。

## Expanding the business scope of the Group to provide funeral services

Alongside commencement of its funeral services business by end of 2017 as stated in the Prospectus, the Group initially planned to cooperate with the existing Langfang Funeral Parlor operated by the local government to promote its funeral services. While continually refining its plans and implementation details in respect of such cooperation during the second half of 2017, the Group had, in the meantime, shortlisted and visited various potential sites for the construction of its own funeral services center. Unfortunately, agreement was not reached with the landlords due to the nature of the Group's industry. In early 2018, the Group was aware of the local government's plan to build a new funeral parlor to replace the existing one. Further information of such plan was not released by the local government until late 2018 but with no details of the scope of services to be offered by the new funeral parlor. As the provision of burial and funeral services is highly regulated in the PRC, the Group has made continuous efforts to communicate with the local government so as to minimize any potential conflict or duplication between the services to be provided by the government's new funeral parlor and the funeral services center to be built up by the Group. Such conflict and duplication could pose uncertainties to the Group's mode of operation in the funeral services market. In order to reduce such uncertainties, the Group slowed down the establishment of its own new funeral services center pending more clarity of the government's plan on its new funeral parlor. In 2019, as the local government had yet to release updates for the concrete timeline and details for the development of the new funeral parlor, the management of the Group believed that the new funeral parlor may not be ready for operation within the next few years, which would not be ideal for the Group to further delay the provision of funeral services until then. As such, the Group decided to move forward and is looking for a suitable venue for the provision of the funeral services, performing development planning and design of the center, and it would obtain the approval from the relevant government authorities prior to the development. Currently, the management of the Group expects that the construction of the center to be completed by the end of 2020. Before that, the Group plans to start marketing its funeral services and lease temporary venues for the early stage of its provision of the relevant services, such as certain areas within the Langfang Funeral Parlor or other suitable venues in Langfang. Meanwhile, the Group also plans to broaden its cooperation with the existing funeral services providers (e.g. shroud stores) and set up customer services spots at their stores to promote the one-stop-shop services integrating funeral and burial services. In addition, after reaching out to more prospective customers and with its well-trained staff in the provision of funeral services, the Group plans to leverage its team and operating experiences to collaborate with the local government and seek ways to complement the funeral services provided by the new funeral parlor after the commencement of its operation.

## 擴大本集團業務範疇以提供殯儀服務

誠如招股章程所述，本集團於2017年年底開始其殯儀服務業務，同時初步計劃與由當地政府經營的現有廊坊市殯儀館合作，以推廣本集團的殯儀服務。於2017年下半年就有關合作改進其計劃及實施細節的同時，本集團已揀選及考察多個潛在位置以建造其殯儀服務中心。遺憾的是，本集團的行業性質導致其未能與業主達成協議。於2018年年初，本集團知悉當地政府計劃興建新殯儀館以取代現有的殯儀館。當地政府直至於2018年年底才發佈該計劃的進一步資料，惟仍未有新殯儀館所提供服務範疇之詳情。由於於中國提供殯葬及殯儀服務受到嚴格規管，本集團一直努力與當地政府溝通，以盡量減少政府新殯儀館與本集團將興建的殯儀服務中心將予提供的服務範圍之間的任何潛在衝突或重疊。有關衝突或重疊可為本集團於殯儀服務市場的經營模式帶來不確定性。為減低有關不確定性，本集團放緩設立其殯儀服務中心的進度，待政府的新殯儀館計劃更清晰時再作行動。於2019年，由於當地政府仍未公佈發展新殯儀館的最新實際時間表及詳情，本集團管理層相信該新殯儀館未必可於未來數年內開始營運，而進一步延遲提供殯儀服務至該新殯儀館營運之時對本集團而言屬不理想。因此，本集團正尋找提供殯儀服務的合適場地，進行中心的開發計劃及設計，並會於開發前取得有關政府機關的批准。本集團管理層現時預計中心將於2020年年底完成建造。在此之前，本集團計劃在提供有關服務的初期階段開始推廣其殯儀服務及租賃臨時場地，例如廊坊殯儀館內部分區域或廊坊其他合適場地。本集團亦計劃擴大與現有殯儀服務供應商（例如壽衣店）的合作，於其店舖內設立客戶服務站點以推廣整合殯儀及殯葬服務的一站式服務。此外，在接觸更多潛在客戶後，憑藉對提供殯儀服務訓練有素的員工，本集團計劃運用其團隊及營運經驗與當地政府合作，以待新殯儀館投入運作後設法與其提供的殯儀服務互相補足。

## Tapping further into the burial market in the Jing-Jin-Ji megalopolis & pursuing strategic alliance and acquisition opportunities

Since the GEM Listing, the Company has performed preliminary site visits and researched for some potential acquisition opportunities for the purpose of pursuing strategic alliance and acquisition opportunities according to the future plans under the Prospectus. However, the Company hardly found suitable acquisition opportunities to proceed with and at present it is at a preliminary selection stage that no agreement has been entered into as at the Latest Practicable Date, which was primarily due to: (i) concern over the relatively high pricing after the Group had assessed the potential targets by considering a number of factors, among others, the profitability, sustainability, brand name and operating efficiency; and (ii) concern over compliance with the relevant laws and regulations, in particular the legal titles of the land use rights of the cemeteries, so as to ensure a stable development after the acquisition of the potential targets. As at the Latest Practicable Date, under the premises of commercial viability and high standards of regulatory compliance, the Company is still proactively seeking suitable strategic alliance and acquisition opportunities. The Group has been investing time and effort to build its brand awareness for the purpose of strengthening its market position in Langfang and capturing the growth in the nearby markets.

The Group had been liaising with multiple Beijing-based funeral services providers, including primarily shroud stores and funeral ceremony services providers, and since 2017, the Group had successfully built cooperation and partnership with them, mainly for referring customers and marketing of the Group's cemetery and burial services. The Directors believe that customers' brand awareness is important for the Group to strengthen its market position in Langfang and expand its business nearby, thus moving onwards, the Group aims to further boost its network in the Jing-Jin-Ji megalopolis by partnerships establishment, brand promotion and provision of one-stop-shop services integrating funeral and burial services.

The Directors believe that the delay in the implementation or due adjustments of its business plans would not have material adverse impact on the Group since the current implementation plans are better aligned with the Group's development.

## 深入發掘京津冀都市圈殯葬市場，爭取戰略聯盟及收購機會

自於GEM上市以來，本集團已進行初步場地視察，並研究若干潛在收購機會，以根據招股章程所載的未來計劃尋求戰略聯盟及收購機會。然而，本公司並不容易找到合適的收購機會，且目前仍處於初步篩選階段，於最後實際可行日期並無訂立任何協議，主要由於：(i)於本集團經考慮若干因素（其中包括）潛在目標的盈利能力、可持續性、品牌及營運效率）而作出評估以後，對潛在目標之定價較高的關注；及(ii)對相關法律與法規的合規情況的關注，特別是墓園土地使用權的合法所有權，以確保收購潛在目標後的穩定發展。於最後實際可行日期，在商業可行性及高標準的合規性的前提下，本公司仍正積極尋找合適的戰略聯盟及收購機會。

本集團一直投放時間及精力建立品牌知名度，以鞏固廊坊市場地位及把握附近市場的增長。本集團一直與多個於北京的殯儀服務供應商（主要包括壽衣店及葬禮儀式服務供應商）保持聯絡，且自2017年起本集團已成功與彼等建立合作夥伴關係，主要為向客戶介紹及營銷本集團的墓園及殯葬服務。董事相信，客戶對品牌的認知度對本集團鞏固其於廊坊的市場地位及擴展其業務至鄰近地區十分重要，因此，展望未來，本集團打算透過建立合作關係、品牌推廣及提供整合殯儀及殯葬服務的一站式服務，進一步拓展其於京津冀都市圈的網絡。

董事認為，本集團的業務計劃的實施延誤或因而作出的調整對本集團並無重大不利影響，因現時的實施計劃更能配合本集團的發展。

An analysis of the utilization of the net proceeds from the listing date up to 31 December 2019 and the expected use of net proceeds in 2020 is set out below:

自上市日期起及直至2019年12月31日動用所得款項淨額及2020年預期所得款項淨額用途之分析載列如下：

		Planned use of net proceeds as stated in the Prospectus up to 30 June 2019 <sup>Note</sup> 截至2019年6月30日 按招股章程所述 所得款項淨額之 擬定用途 <sup>附註</sup> RMB 人民幣	Actual use of net proceeds up to 31 December 2019 截至2019年12月31日 所得款項淨額之 實際用途 RMB 人民幣	Expected use of net proceeds in 2020 2020年 預計所得款項 淨額之用途 RMB 人民幣
Strengthening our market position in Langfang	鞏固於廊坊的市場地位	14.6 million 14.6百萬元	9.0 million 9.0百萬元	5.6 million 5.6百萬元
Expanding our business scope to provide funeral services	擴大業務範疇，提供殯儀服務	9.1 million 9.1百萬元	0.8 million 0.8百萬元	8.3 million 8.3百萬元
Tapping further into the burial market in the Jing-Jin-Ji megalopolis & pursuing strategic alliance and acquisition opportunities	深入發掘京津冀都市圈殯葬市場，爭取戰略聯盟及收購機會	12.7 million 12.7百萬元	0.9 million 0.9百萬元	11.8 million 11.8百萬元

Note: Figures in this column are adjusted based on the actual amount of net proceeds received from the GEM Listing. The difference between the actual amount of net proceeds received and the expected amount disclosed in the Prospectus was allocated on a pro rata basis with reference to the percentage of allocation set out in the Prospectus.

附註：此列金額乃按GEM上市所得款項淨額的實際金額調整後之金額。所得款項淨額的實際金額與招股章程披露的預期金額之間的差額乃參照載於招股章程的分配百分比按比例分配。

## BUSINESS OBJECTIVES, ACTUAL BUSINESS PROGRESS AND EXPECTED DEVELOPMENTS

An analysis comparing the business objectives as set out in the prospectus with the Group's actual business progress for the period from listing date to 31 December 2019 as well as the expected development for 2020 is set out below:

Strengthening the Market Position in Langfang

## 業務目標、實際業務進展及預期發展

招股章程所載業務目標與本集團自上市日期至2019年12月31日期間的實際業務進展之比較分析以及於2020年的預期發展載列如下:

鞏固於廊坊的市場地位

Implementation Plan 實施計畫	Business Progress up to the 31 December 2019 直至2019年12月31日的業務進度	Expected Development for 2020 於2020年的預期發展
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**(i) Upgrading the environment and roads in the cemetery and developing new sectioned burial area**  
升級墓園的環境及道路以及發展新的劃定墓區

Designing and constructing burial plots 設計及建設墓地	Designed and constructed the family graves in crypt-style and hill-style 已設計及建設地宮式及小丘式家庭墓	Continue to design other burial services and develop burial plots, carrying out relevant construction for flower burial, tree burial and other burial services, and prefabricated burial plots
Designing and constructing family graves, tree burial services and flower burial services 設計及建設家庭墳墓、樹葬服務及花壇葬服務	Designed sea burial services and sculptures for sea burial services and designed wall burials 已設計海葬服務及海葬服務雕塑，並已設計壁葬	繼續設計其他殯葬服務及發展墓地，進行花壇葬、樹葬及其他殯葬服務的相關建設，及預製墓地
Constructing sculptures for sea burial services 建造海葬服務雕塑	Carrying out relevant construction for flower burial and tree burial services as well as relevant burial plots according to customers' requirements from time to time 根據客戶要求不時進行花壇葬及樹葬服務以及有關墓地的相關建設	Making customized burial plots according to customers' requirements from time to time 根據客戶要求不時製造定製墓地
	Designed and started providing flower burial and tree burial services 已設計並開始提供花壇葬及樹葬服務	



Implementation Plan 實施計畫	Business Progress up to the 31 December 2019 直至2019年12月31日的業務進度	Expected Development for 2020 於2020年的預期發展
Upgrading the environment of the sectioned burial areas and roads in the cemetery 升級墓園劃定墓區的環境及道路	Upgraded the main entrance area and roads and passages of the western part of the cemetery 已升級墓園主入口區及道路及西面通道	Upgrading the passages of the northern part of the cemetery 升級墓園北面通道
Upgrading the main entrance area and roads of cemetery 升級墓園的主入口區及道路	Completed the gardening and building of the landscape connecting different sectioned burial areas 已完成園藝及建造連接墓園內不同劃定墓區的景觀	Beautifying the surrounding areas of the artificial hill 美化假山的附近區域
Upgrading the gardening, designing and building the landscape connecting different sectioned burial areas in the cemetery 升級墓園園藝及設計與建造連接墓園內不同劃定墓區的景觀	Designed memorial for the body donors 已設計遺體捐獻者紀念碑  Upgraded for the greening appearance of main entrance of the cemetery is underway 升級墓園主入口的綠化外觀進行中	Setting up a cemetery services center 設立墓園服務中心  Building waterscape with Chinese traditional cultural elements 修建具有中國傳統文化元素的水景
Constructing and polishing an artificial hill in the northern part of the cemetery 升級建設墓園北面假山		Building a platform to conduct public memorial ceremonies 修建公開紀念儀式平臺
Building waterscape with Chinese traditional cultural elements 修建具有中國傳統文化元素的水景		Designing and constructing landscaping elements in the cemetery to enhance the cemetery environment 於是墓園設計及建設景觀元素以改善墓園環境
Upgrading the monitoring system of the cemetery 升級墓園監察系統		
Designing memorial for the body donors 設計遺體捐獻者紀念碑		
Building a platform to conduct public memorial ceremonies 修建公開紀念儀式平臺		

Implementation Plan 實施計畫	Business Progress up to the 31 December 2019 直至2019年12月31日的業務進度	Expected Development for 2020 於2020年的預期發展
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<p>Developing Rose Garden, Langfang Garden and artistic burial areas 開發月季園、廊坊園及藝術墓區</p>	<p>Renamed Rose Garden to Pine Garden and sectioned more areas in the cemetery for further development of burial plots. The design of Pine Garden had been completed and the construction is in progress. Part of the burial plots in Pine Garden are already launched for sale 月季園已改名為松園，並劃定更多墓園區域以進一步開發墓地。松園的設計已完成，而建設仍在進行中。部分松園內的墓地已推出銷售</p> <p>Artistic burial areas are under continuous development 藝術墓區正持續發展</p>	<p>Continue to develop and complete the construction of the entire Pine Garden with more burial plots available for sale 繼續開發及完成建設整個松園，提供更多可供出售的墓地</p> <p>Continue to develop and beautify artistic burial areas 繼續開發及美化藝術墓區</p> <p>Developing Langfang Garden according to the market demand, and considering to rename Langfang Garden 根據市場需求開發廊坊園，並正考慮更改廊坊園的命名</p>
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**(ii) Acquisition of additional facilities and vehicles**  
購置額外設施及車輛

<p>Upgrading existing facilities and machinery and purchasing additional ones (such as waste incinerators and lawn mowers) for gardening and interment rituals, if required by business development 如業務發展需要，為園藝及安葬儀式添置額外及升級廢物焚化爐及割草機等現有設施及機器</p>	<p>Purchased lawn mowers, sprinkler truck, and purchased and installed incinerators 已添置割草機、澆水車以及已添置及安裝焚化爐</p> <p>Purchased new equipment and constructed new facilities, such as electricity system and water wells 已添置新設備及建設電力系統及水井等新設施</p>	<p>Purchasing a vehicle for the daily operation of the cemetery and machineries (such as lawn movers and other machinery and equipment) according to the development of the cemetery 根據墓園的發展添置車輛及機器（例如割草機、其他機械和設備）作墓園日常營運之用</p>
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Expanding the Business Scope of the Group to Provide Funeral Services

擴大本集團業務範疇以提供殯儀服務

**Implementation Plan**  
實施計畫

**Business Progress up to the 31 December 2019**  
直至2019年12月31日的業務進度

**Expected Development for 2020**  
於2020年的預期發展

- |  |   |   |
|--|---|---|
| <p>(i) Locating, leasing, designing and constructing premises for the operation of funeral services center and funeral services store in the living community<br/>物色、租用、設計及建造用作營運殯儀服務中心及於社區內殯儀服務店的場地</p> | <p>Service sites at Langfang Funeral Parlor have been set up and staffs have been sent onsite<br/>廊坊市殯儀館的服務站點已經設立且已派遣工作人員到現場</p> <p>Construction of the funeral hall at the cemetery has been completed and the Group already started providing improved interment ritual services<br/>完成建設墓園禮儀廳且本集團已開始提供經改善的安葬儀式服務</p> | <p>Leasing a venue, design and construct the funeral services center<br/>租用地方、設計及建造殯儀服務中心</p> <p>Acquiring equipment relating to the provision of funeral services<br/>購置提供殯儀服務相關之設備</p>  |
|  | <p>Commenced promotion of funeral services<br/>已開始推廣殯儀服務</p>  | <p>Selecting suitable venue for the first funeral services store in Langfang or Beijing, or seeking cooperation with local partners to establish a funeral services store<br/>於廊坊或北京挑選首間殯儀服務店的合適場地，或尋求與當地夥伴合作設立殯儀服務店</p> <p>Communicating with local government and seeking cooperation opportunities with the new funeral parlor to be established<br/>與當地政府溝通並尋求與將予設立的新殯儀館的合作機會</p> |
| <p>(ii) Recruiting and training staff for provision of funeral services<br/>招聘及培訓提供殯儀服務的人員</p>   | <p>10 people including the manager of the funeral services center have been recruited and over 10 people have been provided with training<br/>已招聘殯儀服務中心包括經理在內的殯儀服務人員10人，已培訓10餘人</p> <p>Started providing funeral ritual services in the funeral hall at the cemetery<br/>已開始於墓園的禮儀廳提供安葬禮儀服務</p>                         | <p>According to demand from business development, recruiting more staff for funeral services center and newly-established funeral services store<br/>根據業務發展需要，為殯儀服務中心及新設立的殯儀服務店招聘及培訓更多人員</p>  |

Implementation Plan 實施計畫	Business Progress up to the 31 December 2019 直至2019年12月31日的業務進度	Expected Development for 2020 於2020年的預期發展
<p>(iii) Conducting marketing activities for the Group's funeral services via mass media (such as newspapers) 利用報紙等大眾媒體進行有關本集團殯儀服務的營銷活動</p> <p>Purchasing vehicles for funeral rituals and other business operation 為殯儀儀式及其他業務經營購置車輛</p>	<p>A funeral vehicle and two electric vehicles have been purchased 已購置一部殯葬車及兩部電瓶車</p> <p>Media promotion for the funeral services center has not been carried out yet 殯儀服務中心的媒體推廣尚未進行</p>	<p>Purchasing additional vehicle for business operation 為業務經營購置額外車輛</p> <p>Promoting online tomb sweeping services and providing tomb sweeping services on behalf of customers, such as wreath placing ceremony on behalf of customers 推廣網上祭掃服務及提供代客祭掃服務、例如進行代客獻花儀式</p> <p>Promoting the funeral services center via mass media 利用大眾媒體推廣殯儀服務中心</p> <p>Expanding cooperation with those Beijing-based funeral services providers and mortuaries, and carrying out marketing activities 拓展與北京殯儀服務供應商和太平間的合作，並進行營銷活動</p>

Tapping Further into the Burial Market in the Jing-Jin-Ji Megalopolis & Pursuing Strategic Alliance and Acquisition Opportunities

深入發掘京津冀都市圈殯葬市場，爭取戰略聯盟及收購機會

**Implementation Plan**  
實施計畫

**Business Progress up to the 31 December 2019**  
直至2019年12月31日的業務進度

**Expected Development for 2020**  
於2020年的預期發展

(i) Liaising and cooperating with more Beijing-based funeral services providers and mortuaries  
與更多北京殯儀服務供應商及太平間洽談及合作

The Group has liaised and started cooperation with eight Beijing-based funeral services providers and one hospital mortuary, while further marketing activities are in progress

本集團已與八家北京殯儀服務應商及一個醫院太平間洽談並開始合作，而進一步營銷活動仍在進行中

The Group is also negotiating with other potential partners

本集團正與其他潛在合作夥伴協商

Expanding cooperation with those Beijing-based funeral services providers and mortuaries  
拓展與北京殯儀服務供應商和太平間的合作

Carrying out marketing activities, including sales referrals and giving out leaflets to increase brand awareness in Beijing  
進行營銷活動，包括銷售推薦及派發傳單以增加於北京的品牌知名度

Leveraging the Group's first store in Beijing to extend cooperation with funeral services providers in other cities in the Jing-Jin-Ji megalopolis

憑藉本集團首間北京經營店拓展與京津冀都市圈其他城市的殯儀服務供應商的合作

Continue to develop the Group's brand through its network with other funeral services providers in the Jing-Jin-Ji megalopolis

透過本集團與京津冀都市圈其他殯儀服務供應商的人脈繼續發展本集團的品牌

Implementation Plan 實施計畫	Business Progress up to the 31 December 2019 直至2019年12月31日的業務進度	Expected Development for 2020 於2020年的預期發展
(ii) Establishing the first Beijing-based store for marketing purpose 設立首間北京經營店用作營銷	Not set up yet 尚未設立	<p>Setting up the first store of the Group in Beijing for marketing, together with promotion on the Group's digital marketing channel 設立首間北京經營店用作營銷，並推廣本集團數碼營銷管道</p> <p>Continue to seek suitable sites in Beijing and expand to other cities in the Jing-Jin-Ji megalopolis for setting up more stores for promoting the Group's brand and services 為設立更多經營店繼續於北京尋找合適的地點及拓展至京津冀都市圈其他城市以推廣本集團的品牌及服務</p>
(iii) Selecting potential targets for acquisition and conducting acquisition 選擇收購的潛在目標及進行收購	<p>The Group has conducted site visits to projects in various regions such as Beijing, Tianjin, Hebei, etc. A few projects were selected for further investigation, and no agreement has been entered into nor any initial payment has been made 本集團已對北京、天津、河北等多個地區專案進行現場參觀等，優選了若干專案準備進行下一步調查工作，概無訂立任何協議及支付首期款項</p>	<p>Seeking suitable strategic alliances and acquisition opportunities proactively, completing such acquisition, forming strategic alliance with suitable partners, and making relevant investment into the cooperation 積極尋找合適的戰略聯盟及收購機會，完成有關收購，與合適合作夥伴組成戰略聯盟，並於合作中作出有關投資</p>

## Interests of the Compliance Adviser

The Company has appointed Innovax Capital Limited ("Innovax Capital") to be the compliance adviser. As informed by Innovax Capital, neither Innovax Capital nor any of its directors or employees or associates, has or may have, any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 3A.29 of the Listing Rules and Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement entered into between the Company and Innovax Capital dated 28 March 2017.

## Auditors

The consolidated financial statements for the year ended 31 December 2019 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for reappointment, at the forthcoming AGM.

## 合規顧問的權益

本公司已委任創陞融資有限公司（「創陞融資」）為合規顧問。根據創陞融資所告知，除本公司與創陞融資於2017年3月28日訂立的合規顧問協議外，創陞融資及其任何董事或僱員或聯繫人並未於本公司或本集團任何成員公司的股本（包括有關證券的購股權或認購權）中擁有或可能擁有根據上市規則第3A.29條及GEM上市規則第6A.32條須知會本公司之任何權益。

## 核數師

截至2019年12月31日止年度之合併財務報表已由德勤•關黃陳方會計師行審計，其將於應屆股東周年大會退任，並合資格膺選連任。

## Events occurred since the end of the financial year

Since early 2020, the coronavirus epidemic (“the COVID-19 outbreak”) has spread across China, and it has to a certain extent impacted the economic activities of the Group. As a burial services provider in Langfang, Hebei Province, the Group’s revenue from burial services is expected to decrease as compared to the same period in 2019 due to the COVID-19 outbreak.

The management is still in the process of assessing the impacts of the COVID-19 outbreak on the financial performance and position of the Group and is currently unable to estimate the quantitative impacts to the Group up to the date of these consolidated financial statements, but will however closely monitor the development of the COVID-19 outbreak and perform further assessment of its financial impact.

By order of the Board

**Li Xingying**

*Executive Director*

Hong Kong, 24 March 2020

## 財政年度終結後發生的事件

自2020年初起，冠狀病毒疫情（「COVID-19爆發」）於中國蔓延，並在一定程度上影響本集團的經濟活動。作為河北省廊坊市的殯葬服務供應商，預期由於COVID-19爆發，本集團自殯葬服務的收入將較2019年同期下降。

管理層仍在評估COVID-19爆發對本集團財務業績及狀況的影響，目前無法估計直至該等合併財務報表日期對本集團的量化影響，惟將密切監察COVID-19爆發的發展，並進一步評估其所帶來的財務影響。

承董事會命

*執行董事*

**李興穎**

香港，2020年3月24日



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

# 德勤

**TO THE SHAREHOLDERS OF CHINA WAN TONG YUAN (HOLDINGS) LIMITED**

(Incorporated in the Cayman Islands with limited liability)

致中國萬桐園(控股)有限公司股東

(於開曼群島註冊成立之有限公司)

### Opinion

We have audited the consolidated financial statements of China Wan Tong Yuan (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 69 to 140, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the current period. This matter was 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 this matter.

### 意見

吾等已完成審計列載於第69頁至第140頁之中國萬桐園(控股)有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之合併財務報表，該等財務報表包括於2019年12月31日之合併財務狀況表與截至該日止年度的合併損益及其他全面收益表、合併權益變動表及合併現金流量表，以及合併財務報表附註，包括主要會計政策概要。

吾等認為，該等合併財務報表已根據由國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於2019年12月31日之合併財務狀況以及貴集團截至該日止年度之合併財務表現及其合併現金流量，並已遵守香港公司條例的披露規定而妥善編製。

### 意見基礎

吾等根據國際審計準則(「國際審計準則」)進行審核。吾等在該等準則下的責任在吾等的報告內核數師就審核合併財務報表須承擔的責任一節進一步闡述。根據國際會計師職業道德準則理事會的會計師職業道德守則(「守則」)，吾等獨立於貴集團，並已遵循守則履行其他道德責任。吾等認為，吾等所獲得的審計之證據屬充足及適當，能為吾等的意見提供基礎。

### 關鍵審計事項

根據吾等的專業判斷，關鍵審計事項為吾等審計本期間的合併財務報表中最重要的事項。吾等在審計整份合併財務報表及就此達致意見時處理此事項，而不會就此等事項單獨發表意見。



**TO THE SHAREHOLDERS OF CHINA WAN TONG YUAN (HOLDINGS) LIMITED** (continued)  
(incorporated in the Cayman Islands with limited liability)

致中國萬桐園(控股)有限公司股東(續)  
(於開曼群島註冊成立之有限公司)

## Key Audit Matter (continued)

## 關鍵審計事項(續)

### Key audit matter 關鍵審計事項

### How our audit addressed the key audit matter 吾等的審計如何處理關鍵審計事項

#### Revenue recognition for sales of burial plots

##### 墓地銷售的收入確認

We identified the occurrence of revenue from sales of burial plots as a key audit matter due to the significance of the amount and volume of sales transactions recognised during the year.

吾等將來自墓地銷售的收入的發生確定為一項關鍵審計事項，此乃由於年內確認的銷售交易金額及數目龐大。

Details of revenue from sales of burial plots are set out in note 5 to the consolidated financial statements. 來自墓地銷售的收益詳情載於合併財務報表附註5。

Our procedures in relation to revenue from sales of burial plot included:  
吾等就來自墓地銷售的收入所進行的程序包括：

- Obtained an understanding of the key internal controls relevant to the sales of burial plot.
- 了解有關墓地銷售的關鍵內部控制。
- Selected burial plot sales transactions on a sample basis and:
- 抽樣選取墓地銷售交易及：
  - examined the signed sales and purchase agreements to understand the relevant terms in determining when the right to use burial plots has passed to customers.
  - 檢查已簽訂的買賣協議，以了解有關釐定墓地使用權於何時轉交客戶的條款。
  - obtained evidence regarding the passing of the right to use burial plots to customers.
  - 取得有關墓地使用權轉讓予客戶的證據。
  - reconciled the amounts of recorded transactions and related receipts to the signed sales and purchase agreements of burial plots.
  - 將已入賬交易的金額與已簽訂墓地銷售買賣協議的有關收據進行對賬。



**TO THE SHAREHOLDERS OF CHINA WAN TONG YUAN (HOLDINGS) LIMITED** (continued)  
(incorporated in the Cayman Islands with limited liability)

## Other Information

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

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

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

## Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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.

致中國萬桐園(控股)有限公司股東(續)

(於開曼群島註冊成立之有限公司)

## 其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的資料，惟不包括合併財務報表及報表內的核數師報告。

吾等對合併財務報表作出的意見並無涵蓋其他資料，而吾等不會對其他資料發表任何形式的保證結論。

就吾等審計合併財務報表而言，吾等的責任為閱讀其他資料，從而考慮其他資料是否與合併財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘吾等基於已進行的工作認為其他資料出現重大錯誤陳述，吾等須報告有關事實。吾等毋須就此作出報告。

## 董事及管治層就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露要求，編製真實而公平地反映情況的合併財務報表，及負責董事釐定對編製合併財務報表屬必要的有關內部監控，以使該等合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製合併財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

管治層負責監督貴集團的財務報告流程。

**TO THE SHAREHOLDERS OF CHINA WAN TONG YUAN (HOLDINGS) LIMITED** (continued)  
(incorporated in the Cayman Islands with limited liability)

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

致中國萬桐園(控股)有限公司股東(續)

(於開曼群島註冊成立之有限公司)

## 核數師就審核合併財務報表須承擔的責任

吾等的目標為就此等合併財務報表整體而言是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出載有吾等根據協定委聘條款僅向全體股東報告意見而不作其他用途的核數師報告。吾等不會就本報告內容向任何其他人士負上或承擔任何責任。合理保證屬高層的保證，惟根據國際審計準則進行的審計工作不能保證總能察覺所存在的重大錯誤陳述。錯報可因舞弊或錯誤產生，倘有關錯誤陳述個別或整體在合理預期情況下可影響使用者根據該等合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

在根據國際審計準則進行審核的過程中，吾等運用專業判斷，保持職業懷疑態度。吾等亦：

- 識別及評估由於舞弊或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審計證據，作為吾等意見的基礎。由於舞弊可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因舞弊而導致重大錯誤陳述的風險高於未能發現因錯誤而導致重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審核程序，惟並非旨在對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的恰當性及所作出會計估計及相關披露的合理性。



**TO THE SHAREHOLDERS OF CHINA WAN TONG YUAN (HOLDINGS) LIMITED** (continued)  
(incorporated in the Cayman Islands with limited liability)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

致中國萬桐園(控股)有限公司股東(續)

(於開曼群島註冊成立之有限公司)

**核數師就審核合併財務報表須承擔的責任(續)**

- 對董事採用以持續經營為基礎的會計法的恰當性作出結論，並根據所獲取的審計證據，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請注意合併財務報表中的相關披露，或倘有關披露不足，則修訂吾等的意見。吾等的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估合併財務報表的整體呈報方式、結構及內容，包括披露資料，以及合併財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計證據，以便對合併財務報表發表意見。吾等負責集團審計的方向、監督及執行。吾等僅對審計意見承擔責任。

吾等與管治層就(其中包括)審核的計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括吾等在審計過程中識別的內部控制的任何重大缺失。

吾等亦向管治層作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜以及相關防範措施(如適用)。

**TO THE SHAREHOLDERS OF CHINA WAN TONG YUAN (HOLDINGS) LIMITED** (continued)  
(incorporated in the Cayman Islands with limited liability)

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lung Kwok Hung.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
24 March 2020

致中國萬桐園(控股)有限公司股東(續)

(於開曼群島註冊成立之有限公司)

**核數師就審核合併財務報表須承擔的責任(續)**

從與管治層溝通的事項中，吾等釐定對審核本期間合併財務報表至關重要的事項，有關事項因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等的報告中傳達某事項造成的負面後果超出由此產生的公眾利益，則吾等決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計項目合夥人為龍國鴻。

**德勤•關黃陳方會計師行**  
執業會計師  
香港  
2020年3月24日



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 合併損益及其他全面收益表

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

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		NOTES 附註	
Revenue	收益	5	43,385
Cost of sales and services	銷售及服務成本		(6,954)
Gross profit	毛利		36,431
Other income	其他收入	6	10,328
Other gains	其他收益	7	2,461
Loss on fair value changes of financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值變動虧損	16	(2,796)
Gain on fair value changes of investment properties	投資物業公平值變動收益	14	250
Distribution and selling expenses	分銷及銷售開支		(5,648)
Administrative expenses	行政開支		(5,726)
Profit before tax	除稅前溢利	8	35,300
Income tax expense	所得稅開支	10	(7,053)
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收益總額		28,247
Earnings per share	每股盈利		
Basic (RMB)	基本(人民幣)	11	0.028



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 合併財務狀況表

At 31 December 2019 於2019年12月31日

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018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	物業、廠房及設備	13	3,110
Investment properties	投資物業	14	6,010
Cemetery assets	墓園資產	15	8,333
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	16	8,600
			<b>26,053</b>
			27,085
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Inventories	存貨	18	19,273
Prepayments and other receivables	預付款項及其他應收款項	19	738
Bank balances and cash	銀行結餘及現金	20	189,280
			<b>209,291</b>
			193,878
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款項	21	13,409
Contract liabilities	合約負債	22	7,687
Income tax payable	應付所得稅		1,464
			<b>22,560</b>
			37,251
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>186,731</b>
			156,627
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>212,784</b>
			183,712



## Consolidated Statement of Financial Position 合併財務狀況表

At 31 December 2019 於2019年12月31日

		At 31 December 於12月31日		
		NOTES 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Contract liabilities	合約負債	22	<b>58,192</b>	52,697
Deferred tax liabilities	遞延稅項負債	17	<b>2,111</b>	2,085
			<b>60,303</b>	54,782
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>152,481</b>	128,930
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	24	<b>66,192</b>	66,192
Reserves	儲備	25	<b>86,289</b>	62,738
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		<b>152,481</b>	128,930
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>152,481</b>	128,930

The consolidated financial statements on pages 69 to 140 were approved and authorised for issue by the board of directors on 24 March 2020 and signed on its behalf by:

由第69頁至140頁的合併財務報表已於2020年3月24日經董事會審批並授權發行，並由下列董事簽署：

**Li Xingying**  
DIRECTOR

**Huang Guangming**  
DIRECTOR

**李興穎**  
董事

**黃廣明**  
董事





# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 合併權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔				
		Share capital	Statutory surplus reserve	Other reserves	Retained earnings	Total
		股本	法定盈餘儲備	其他儲備	保留盈利	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	66,192	4,043	1,309	29,139	100,683
Profit and total comprehensive income for the year	年內溢利及全面收益總額	—	—	—	28,247	28,247
Transfer to statutory surplus reserve	轉至法定盈餘儲備	—	2,723	—	(2,723)	—
At 31 December 2018	於2018年12月31日	66,192	6,766	1,309	54,663	128,930
Profit and total comprehensive income for the year	年內溢利及全面收益總額	—	—	—	23,551	23,551
Transfer to statutory surplus reserve	轉至法定盈餘儲備	—	3,005	—	(3,005)	—
At 31 December 2019	於2019年12月31日	<b>66,192</b>	<b>9,771</b>	<b>1,309</b>	<b>75,209</b>	<b>152,481</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 合併現金流量表

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

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit before tax	除稅前溢利	<b>33,316</b>	35,300
Adjustments for:	就以下各項作出調整：		
Interest income	利息收入	<b>(1,916)</b>	(950)
Dividend income from equity investments	股本投資的股息收入	<b>(800)</b>	(6,104)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>784</b>	677
Amortisation of cemetery assets	墓園資產攤銷	<b>384</b>	356
Gain on fair value changes of investment properties	投資物業公平值變動收益	<b>(350)</b>	(250)
Loss on fair value changes of financial assets at fair value through profit or loss	按公平值計入損益的金融 資產公平值變動虧損	<b>245</b>	2,796
Foreign exchange gains, net	外匯收益淨額	<b>(1,032)</b>	(1,976)
Operating cash flows before movements in working capital	營運資金變動前的經營現金 流量	<b>30,631</b>	29,849
Increase in cemetery assets	墓園資產增加	<b>(1,121)</b>	(345)
(Increase) decrease in inventories	存貨(增加)減少	<b>(15,787)</b>	1,536
Increase in prepayments and other receivables	預付款項及其他應收款項 增加	<b>(273)</b>	(153)
Increase (decrease) in trade and other payables	貿易及其他應付款項增加 (減少)	<b>3,939</b>	(2,574)
Increase in contract liabilities	合約負債增加	<b>4,086</b>	945
Cash generated from operations	經營所得現金	<b>21,475</b>	29,258
Income tax paid	已付所得稅	<b>(26,960)</b>	(4,357)
Net cash (used in) generated from operating activities	經營活動(所用)所得現金淨額	<b>(5,485)</b>	24,901



## Consolidated Statement of Cash Flows 合併現金流量表

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

Year ended 31 December  
截至12月31日止年度

<b>2019</b>	2018
<b>2019年</b>	2018年
<b>RMB'000</b>	RMB'000
人民幣千元	人民幣千元

### INVESTING ACTIVITIES

### 投資活動

Purchase of property, plant and equipment	購置物業、廠房及設備	<b>(395)</b>	(1,545)
Interest received	已收利息	<b>1,916</b>	950
Dividend income received from financial assets at fair value through profit or loss	自按公平值計入損益之金融資產收取的股息收入	<b>800</b>	6,104
Proceeds from disposal of a financial asset at fair value through profit or loss	出售按公平值計入損益之金融資產的所得款項	—	76,000
Repayment from a related party	關聯方還款	—	2,058

Net cash generated from investing activities	投資活動所得現金淨額	<b>2,321</b>	83,567
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### FINANCING ACTIVITIES

### 融資活動

Repayment to related parties	還款予關聯方	—	(752)
Net cash used in financing activities	融資活動所用現金淨額	—	(752)

Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	<b>(3,164)</b>	107,716
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Cash and cash equivalents at beginning of the year	年初現金及現金等價物	<b>191,412</b>	81,720
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Effect of foreign exchange rate changes	匯率變動的影響	<b>1,032</b>	1,976
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Cash and cash equivalents at end of the year represented by bank balances and cash	年末以銀行結餘及現金列賬的現金及現金等價物	<b>189,280</b>	191,412
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 合併財務報表附註

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

### 1. GENERAL

China Wan Tong Yuan (Holdings) Limited (the “Company”) was incorporated and registered in the Cayman Islands on 25 January 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The shares of the Company had been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 27 September 2017, and the listing of its shares was transferred from GEM to the Main Board of the Stock Exchange on 17 December 2019. The address of the registered office of the Company is 2nd Floor, the Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands. The address of its principal place of business is Baganqu North, Economic and Technological Development Area, Langfang, Hebei Province, the People’s Republic of China (the “PRC”). The principal activity of the Company is investment holding. Its subsidiaries are primarily engaged in the sale of burial plots and columbarium units, provision of other burial-related services and provision of cemetery maintenance services. The Company and its subsidiaries are collectively referred to as the “Group”.

The ultimate holding company and immediate holding company of the Company is Tai Shing International Investment Company Limited (“Tai Shing International”), a company incorporated in the British Virgin Islands (the “BVI”) and ultimately controlled by Ms. Zhao Ying (the “Ultimate Controlling Shareholder”).

The consolidated financial statements are presented in Renminbi (“RMB”) which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand (‘000) unless otherwise indicated.

### 1. 一般資料

中國萬桐園(控股)有限公司(「本公司」)於2017年1月25日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。本公司的股份自2017年9月27日起於香港聯合交易所有限公司(「聯交所」)的GEM上市，而其股份於2019年12月17日由GEM轉至聯交所主板上市。其註冊辦事處地址為2nd Floor, the Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands，而其主要營業地點為中華人民共和國(「中國」)河北省廊坊市經濟技術開發區八干渠北。本公司的主要業務為投資控股，而其附屬公司主要從事墓地及骨灰廊銷售、提供其他殯葬相關服務及墓園維護服務。本公司及其附屬公司統稱為「本集團」。

本公司的最終控股公司及直接控股公司是在英屬處女群島(「英屬處女群島」)註冊成立的公司泰盛國際投資有限公司(「泰盛國際」)，並最終由趙穎女士(「最終控股股東」)控制。

合併財務報表以本公司及其附屬公司的功能貨幣人民幣(「人民幣」)呈列，而除另有說明外，所有數值均約整至最接近的千元。



## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

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

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

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

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

### 2.1 IFRS 16 *Leases*

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

#### Definition of a lease

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

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

## 2. 新訂及經修訂國際財務報告準則之應用 (「國際財務報告準則」)

於本年度法定生效之新訂及經修訂國際財務報告準則

本集團已於本年度首次應用以下由國際會計準則理事會 (「國際會計準則理事會」) 頒佈的新訂及經修訂國際財務報告準則：

國際財務報告準則 第16號	租賃
國際財務報告詮釋委員會第23號	所得稅處理的不確定性
國際會計準則第19號 (修訂本)	計劃修訂、縮減或結清
國際會計準則第28號 (修訂本)	於聯營公司及合營企業之長期權益
國際財務報告準則 (修訂本)	國際財務報告準則 2015年至2017年週期的年度改進

除下文所述者外，於本年度內應用新訂及經修訂國際財務報告準則對本集團本年度及過往年度的財務表現與狀況以及該等合併財務報表所載披露事項並無重大影響。

### 2.1 國際財務報告準則第16號 *租賃*

本集團已於本年度首次應用國際財務報告準則第16號。國際財務報告準則第16號取代國際會計準則第17號 *租賃* (「國際會計準則第17號」) 及相關詮釋。

#### 租賃的定義

本集團已選擇實際可行權宜方法，將國際財務報告準則第16號應用於先前應用國際會計準則第17號及國際財務報告詮釋委員會第4號釐定一項安排是否包含租賃確定為租賃的合約，並不將該標準應用於先前未確定為包含租賃的合約。因此，本集團並未重估首次應用日期前已存在的合約。

就2019年1月1日或之後簽訂或修改的合約而言，本集團評估合約是否包含租賃時，根據國際財務報告準則第16號載列的要求應用租賃的定義。



## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

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

### 2.1 IFRS 16 *Leases* (continued)

As a lessee

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

Effective from 1 January 2019, leasehold lands which were classified as cemetery assets are measured under IFRS 16 at cost less any accumulated depreciation and any impairment losses.

As a lessor

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

New and amendments to IFRSs in issue but not yet effective

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

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

## 2. 新訂及經修訂國際財務報告準則之應用(「國際財務報告準則」)(續)

於本年度法定生效之新訂及經修訂國際財務報告準則(續)

### 2.1 國際財務報告準則第16號租賃(續)

作為承租人

於2019年1月1日首次應用日期，本集團以追溯方式應用國際財務報告準則第16號，並確認任何累計影響。

自2019年1月1日起，分類為墓園資產的租賃土地根據國際財務報告準則第16號以成本減任何累計折舊及任何減值虧損計量。

作為出租人

根據國際財務報告準則第16號的過渡條文，對於本集團作為出租人的租賃，本集團無須就其過渡進行調整，而是自首次採用日根據國際財務報告準則第16號進行核算，且不對比較信息進行重述。

已頒佈但尚未生效的新訂及經修訂國際財務報告準則

本集團未有提前採納以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第17號	保險合約 <sup>1</sup>
國際財務報告準則第3號(修訂本)	業務的定義 <sup>2</sup>
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間出售或注入資產 <sup>3</sup>
國際會計準則第1號(修訂本)	負債分類為流動或非流動 <sup>5</sup>
國際會計準則第1號及國際會計準則第8號(修訂本)	重大的定義 <sup>4</sup>
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號(修訂本)	利率基準改革 <sup>4</sup>



## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

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

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

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

The directors of the Company (the “Directors”) anticipate that the application of all the new and amendments to IFRSs above will have no material impact on the consolidated financial statements in the foreseeable future.

## 2. 新訂及經修訂國際財務報告準則之應用(「國際財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

- 1 於2021年1月1日或之後開始之年度期間生效
- 2 對於收購日期為2020年1月1日或之後開始之首個年度期間的開始或之後日期業務合併及資產收購生效
- 3 於待定日期或之後開始之年度期間生效
- 4 於2020年1月1日或之後開始之年度期間生效
- 5 於2022年1月1日或之後開始之年度期間生效

除上述新訂及經修訂國際財務報告準則外，2018年頒佈經修訂財務報告概念框架。其相應修訂國際財務報告準則標準對概念框架的引用(修訂本)將自2020年1月1日或之後開始的年度期間生效。

本公司董事(「董事」)預期應用所有上述新訂及經修訂國際財務報告準則於可見未來對合併財務報表不會有重大影響。



### 3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 (since 1 January 2019) or IAS 17 (before application of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of assets*.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

### 3. 重大會計政策

合併財務報表根據國際會計準則理事會頒佈的國際財務報告準則編製。此外，合併財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例所規定的適用披露資料。

合併財務報表根據歷史成本基準編製，惟投資物業及若干金融工具按報告期末的公平值計量，如下文所載會計政策所述。

歷史成本一般按商品及服務交易時所提供的代價的公平值作為基準。

公平值是於計量日市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否可使用其他估值方法直接可觀察或估計。本集團估計資產或負債的公平值時，會考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債特點。合併財務報表中計量及／或披露用途的公平值按此基準釐定，惟國際財務報告準則第2號以股份為基礎付款內的以股份為基礎付款交易、根據國際財務報告準則第16號（自2019年1月1日起）或國際會計準則第17號（應用國際財務報告準則第16號前）入賬的租賃交易、以及類似公平值但並非公平值的計量項目（如國際會計準則第2號存貨的可變現淨值或國際會計準則第36號資產減值的使用價值）除外。

就按公平值交易的金融工具與投資物業以及於其後期間使用不可觀察輸入數據計量公平值的估值技術而言，估值技術經校準以使初步確認時的估值技術結果與交易價格相等。





### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

### 3. 重大會計政策(續)

此外，就財務呈報而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體可於計量日獲得的相同的資產或負債於活躍市場的報價(未調整)；
- 第二級輸入數據為不包括第一級報價的資產或負債的可直接或間接觀察的輸入數據；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

所採納的主要會計政策載於下文。

#### 合併基準

合併財務報表包括本公司以及本公司及其附屬公司控制的實體的財務報表。當本公司符合以下各項時，即取得控制權：

- 對被投資方行使權力；
- 從參與被投資方的業務獲得或有權獲得可變回報；及
- 有能力使用權力影響回報。

倘有事實及情況顯示上述三項控制因素中有一項或多項出現變化，本集團將重新評估是否對被投資方擁有控制權。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

### 3. 重大會計政策(續)

合併基準(續)

合併一間附屬公司於本集團獲得該附屬公司的控制權時開始，於本集團失去該附屬公司的控制權時終止。具體而言，年內所收購或出售的附屬公司收入及開支自本集團獲得該附屬公司的控制權之日起至失去控制權之日止計入合併損益及其他全面收益表。

必要時會調整附屬公司的財務報表，以使其會計政策與本集團的會計政策一致。

所有集團內公司間的資產及負債、權益、收入、開支及與本集團成員公司間的交易相關的現金流量於合併賬目時全部對銷。

客戶合約收益

本集團於履行履約責任時確認收益，即與特定履約責任相關的商品或服務「控制權」轉移至客戶時。

履約責任指明確的商品或服務(或一批商品或服務)或一系列大致相同的明確商品或服務。

倘滿足以下其中一項標準，則應根據履行相關履約責任的完成進度於一段時期內轉讓控制權並隨時間流逝確認收益：

- 隨著本集團履約，客戶同時收取並消耗由本集團履約提供的利益；
- 本集團履約產生並改善客戶於本集團履約時控制的資產；或
- 本集團履約並無產生對本集團有替代作用的資產，且本集團對迄今為止已完成的履約款項有強制執行權。

否則，於客戶獲得明確商品或服務的控制權時於該時間點確認收益。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue from contracts with customers (continued)

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 IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer 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.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (sales of burial plots and provision of cemetery maintenance services), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

*Output method*

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

### 3. 重大會計政策 (續)

客戶合約收益 (續)

合約資產指本集團就換取本集團已轉讓予客戶之商品或服務而收取代價的權利(尚未成為無條件)。其根據國際財務報告準則第9號評估減值。反之，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

合約負債指本集團因已向客戶收取代價(或已到期代價金額)而須向客戶轉讓商品或服務的責任。

與同一合約相關的合約資產及合約負債按淨額基準入賬呈列。

具有多項履約責任的合約(包括分配交易價格)

就包含超過一項履約責任(銷售墓地及提供墓園維護服務)的合約而言，本集團按相對獨立的售價基準將交易價格分配至各項履約責任。

各項履約責任相關的明確商品或服務的獨立售價於合約訂立開始時釐定，即本集團向客戶單獨銷售承諾商品或服務的價格。倘獨立售價不可直接觀察，則本集團採用適用的技術對其進行估計，從而使交易價格完全分配至反映本集團預期有權就換取轉讓予客戶之承諾商品或服務而收取之代價金額的任何履約責任。

隨時間流逝確認收益：計量履行履約責任的完成進度

*產量法*

履行履約責任的完成進度基於產量法計量，即透過直接計量迄今已轉讓予客戶的商品或服務價值相對於合約下承諾提供的餘下商品或服務價值確認收益，有關方法最能反映本集團於轉讓商品或服務控制權方面的履約情況。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue from contracts with customers (continued)

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Leases

Definition of a lease (upon application of IFRS 16 in accordance with transitions in note 2)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2)

*Short-term leases*

The Group applies the short-term lease recognition exemption to a lease of an office premises that has a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

### 3. 重大會計政策(續)

客戶合約收益(續)

獲得合約的增量成本

獲得合約的增量成本為本集團與客戶獲得合約產生的成本，倘未獲取合約，則不會產生該成本。

倘預期可收回該等成本，則本集團將有關成本(銷售佣金)確認為一項資產。確認之資產其後有系統地與轉讓予客戶之有關該資產的商品或服務一併於損益攤銷。

倘該等成本於一年內悉數於損益攤銷，則本集團應用可行的權宜方法支銷所有獲得合約的增量成本。

租賃

租賃的定義(根據附註2的過渡應用國際財務報告準則第16號時)

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約屬租賃或包含租賃。

就首次應用日期或之後訂立或修改或因業務合併而產生的合約而言，本集團根據國際財務報告準則第16號的定義於初始、修改日期或收購日期(視情況而定)評估合約是否屬租賃或包含租賃。除非其後更改合約的條款及條件，否則不會重估有關合約。

本集團作為承租人(根據附註2的過渡應用國際財務報告準則第16號時)

*短期租賃*

本集團將短期租賃確認豁免應用於自開始日期起租期為12個月或以下及不包含購買權的辦公場所租賃。短期租賃的租金付款於租期內按直線法確認為開支。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Leases (continued)

The Group as a lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 3. 重大會計政策 (續)

#### 租賃 (續)

本集團作為承租人(2019年1月1日前)

倘租賃條款將絕大部分所有權風險及回報轉移至承租人，則租賃會分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃付款於相關租期內以直線法確認為開支。為鼓勵訂立經營租賃已收及應收的利益於租期內以直線法確認為租金開支減少。

本集團作為出租人

經營租賃的租金收入於相關租期內按直線法於損益確認。

#### 外幣

編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易按交易日當時的匯率確認。於報告期末，以外幣計值的貨幣項目按該日的匯率重新換算。按外幣歷史成本計量的非貨幣項目不予重新換算。

貨幣項目結算及貨幣項目重新換算的匯兌差額於產生期間在損益確認。

#### 政府補助

僅於可合理確保本集團將符合所附條件且將收取補助時確認政府補助。

政府補助有系統地於本集團就補助擬定補償之相關成本確認為開支的期間在損益確認。

為補償已產生的開支或虧損或用於向本集團提供即時財務支持而應收且不產生未來相關成本的政府補助於其成為應收款項的期間在損益確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Retirement benefit costs

Payments to the state-managed retirement benefit scheme are charged as an expense when employees have rendered services entitling them to the contributions.

#### Short-term employee benefits

Short term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when the employee rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave after deducting any amount already paid.

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax (as reported in the consolidated statement of profit or loss and other comprehensive income) because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

### 3. 重大會計政策(續)

#### 退休福利成本

對國家管理退休福利計劃的供款於僱員提供服務並有權享有相關供款時確認為開支。

#### 短期僱員福利

短期僱員福利按僱員提供服務時預期支付的福利未貼現金額確認。所有短期僱員福利均確認為開支，除非其他國際財務報告準則規定或允許將福利計入資產成本。

與工資及薪金、年假以及病假相關的僱員福利扣除已付金額後確認為負債。

#### 稅項

所得稅開支為應付即期稅項與遞延稅項的總和。

應付即期稅項按本年度的應課稅溢利計算。基於其他年度應課稅或可扣減的收支項目及毋須課稅或不可扣減的項目，應課稅溢利有別於合併損益及其他全面收益表中呈列的除稅前溢利。本集團按報告期末已實行或實質已實行的稅率計算即期稅項。

遞延稅項按合併財務報表中資產及負債的賬面值與計算應課稅溢利所採用相應稅基之間的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。倘應課稅溢利有可能用以抵銷可動用的可扣減暫時差額，則就所有可扣減暫時差額確認遞延稅項資產。倘因初步確認(業務合併時除外)既不影響應課稅溢利亦不影響會計溢利的交易的資產及負債而產生暫時差額，則有關遞延稅項資產及負債不予確認。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

### 3. 重大會計政策 (續)

稅項 (續)

就與於附屬公司的投資相關的應課稅暫時差額確認遞延稅項負債，惟本集團可控制暫時差額撥回及暫時差額可能不會於可見將來撥回則除外。與該等投資相關的可扣減暫時差額所產生的遞延稅項資產，僅在可能有足夠應課稅溢利用作抵銷暫時差額利益並預期於可見將來撥回時確認。

遞延稅項資產的賬面值會於報告期末檢討，並予以扣減直至應課稅溢利不再可能足以收回全部或部分資產為止。

遞延稅項資產及負債按預期於清償負債或變現資產期間適用的稅率計量，並根據截至各報告期末已實行或實質已實行的稅率（及稅法）計算。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或償付資產及負債賬面值的方式所產生的稅務影響。

就採用公平價值模式計量的投資物業之遞延稅項而言，除非預設被推翻，否則該等物業的賬面值假設可透過銷售完全收回。當投資物業可予折舊及在業務目標是隨時間而消耗投資物業所含有的絕大部分經濟利益（而非透過出售）的業務模式持有時，有關預設將被推翻。

倘有合法執行權利可將即期稅項資產與即期稅項負債抵銷，且其與同一稅務機關徵收之所得稅有關，則遞延稅項資產及負債可互相抵銷。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Taxation (continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3. 重大會計政策(續)

#### 稅項(續)

即期及遞延稅項於損益中確認，惟倘其與於其他全面收益或直接於權益內確認的項目有關，則在該情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益內確認。

評估任何所得稅處理的不確定性時，本集團考慮相關稅務機關是否可能接受所使用，或建議個人集團實體申報所得稅時所使用的不確定稅務處理。倘可能，即期及遞延所得稅的釐定與所得稅申報表中的稅務處理一致。倘相關稅務機關不太可能接受不確定稅務處理，則通過使用最可能的金額或預期值反映各不確定性的影響。

#### 物業、廠房及設備

物業、廠房及設備(包括持作生產或供應商品或服務或作行政用途的樓宇)按成本減其後累計折舊及累計減值虧損(如有)於合併財務狀況表列賬。

物業、廠房及設備項目的折舊於其估計可使用年期內扣除剩餘價值後以直線法確認以撇銷成本。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動的影響按預先計提之基準入賬。

物業、廠房及設備項目於出售或預期持續使用該資產不會產生日後經濟利益時終止確認。處置或報廢物業、廠房及設備產生的任何收益或虧損按銷售所得款項與該資產賬面價值之間的差額釐定，並於損益內確認。





### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

#### Cemetery assets

Cemetery assets consist of land costs, cost of initial land development, and cost of landscaping for the general public areas of the cemetery and are carried at the lower of costs less accumulated amortisation and net realisable value prior to the commencement of development of the cemetery. Amortisation for cemetery assets is provided on a straight-line basis over the estimated useful life of the cemetery assets and is recognised in profit or loss.

Upon commencement of development of the cemetery with the intention of sale in the ordinary course of business of the Group, the related carrying amounts of cemetery assets are transferred to inventories.

### 3. 重大會計政策 (續)

#### 投資物業

投資物業指為賺取租金及／或資本增值而持有的物業。

投資物業初步按成本(包括任何直接應佔開支)計量。初步確認後，投資物業按公平值計量。投資物業公平值變動產生的收益或虧損於產生期間計入損益。

投資物業於出售或永久終止使用及預期出售後再無日後經濟利益之時終止確認。終止確認物業所產生的任何收益或虧損(按該資產的出售所得款項淨額與資產賬面值之間的差額計算)於終止確認該項目期間計入損益。

#### 墓園資產

墓園資產包括土地成本、初始土地開發成本及墓園公共空間景觀美化成本，於開始開發墓園前按成本減累計攤銷及可變現淨值的較低者列賬。墓園資產按其估計可使用年期以直線法攤銷，並於損益內確認。

在本集團日常業務過程中開始開發墓園擬作出售用途後，墓園資產的相關賬面值轉撥至存貨。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Impairment on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 重大會計政策(續)

#### 有形資產減值

於報告期末，本集團審閱有形資產的賬面值，以釐定有否任何跡象顯示該等資產遭受減值虧損。倘有任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)的程度。

有形資產的可收回金額按個別基準估計，倘不可能估計個別資產的可收回金額，則本集團會估計該資產所屬的現金產生單位的可收回金額。在可確定合理及一貫的分配基準的情況下，公司資產亦會分配至個別現金產生單位，否則將分配至可確定合理及一貫的分配基準的最小現金產生單位組別。

可收回金額指公平值減出售成本及使用價值的較高者。在評估使用價值時，會使用除稅前貼現率將估計未來現金流量貼現至其現值，該貼現率反映市場當時對貨幣時間價值及該資產(或現金產生單位)特定風險的評估(並未調整估計未來現金流量)。

倘資產(或現金產生單位)的可收回金額估計低於其賬面值，資產(或現金產生單位)的賬面值則減至其可收回金額。減值虧損即時於損益中確認。

倘於其後撥回減值虧損，資產(或現金產生單位)的賬面值增至經修訂的估計可收回金額，惟經調高的賬面值不得超過該資產(或現金產生單位)在過往年度如並無確認減值虧損而應有的賬面值。撥回的減值虧損即時確認為收入或虧損。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Inventories

Inventories include cemetery assets developed and ready for sale, cemetery assets under development, and tombstones and urns. Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in profit or loss.

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

### 3. 重大會計政策 (續)

#### 存貨

存貨包括已開發及可供出售的墓園資產、發展中墓園資產及墓碑及骨灰甕。存貨按成本及可變現淨值的較低者列賬。成本使用加權平均法計算。可變現淨值指存貨的估計售價減所有估計竣工成本及銷售所需成本。

#### 金融工具

金融資產及金融負債於集團實體成為工具的合約條文訂約方時確認。所有正常買賣的金融資產以結算日期為基準予以確認及終止確認。正常買賣是須於法規或市場慣例所制訂的時間內交付資產的金融資產買賣。

金融資產及金融負債初步按公平值計量，惟根據國際財務報告準則第15號初步計量的客戶合約產生的貿易應收款項除外。收購或發行金融資產及金融負債（按公平值計入損益的金融資產或金融負債除外）的直接應佔交易成本於初步確認時計入或扣除自金融資產或金融負債的公平值（如適用）。收購按公平值計入損益的金融資產或金融負債的直接應佔交易成本即時於損益確認。

實際利率法是計算金融資產或金融負債攤銷成本及按有關期間分配利息收入與利息開支的方法。實際利率是將估計未來現金收入及付款（包括已付或已收屬於實際利率組成部分的一切費用及代價、交易成本及其他溢價或折扣）按金融資產或金融負債的預期年期或（如適用）較短期間準確貼現至初步確認時賬面淨值的利率。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets

*Classification and subsequent measurement of financial assets*

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

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

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

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

All other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”), except that at the date of initial application of IFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

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

### 3. 重大會計政策(續)

金融工具(續)

金融資產

*金融資產的分類及其後計量*

符合下列條件的金融資產其後按攤銷成本計量：

- 持有金融資產之業務模式旨在收取合約現金流量；及
- 合約條款於指定日期產生之現金流量僅為支付本金及未償還之本金的利息。

符合下列條件之金融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：

- 持有金融資產之業務模式旨在同時出售及收取合約現金流量；及
- 合約條款於指定日期產生之現金流量僅為支付本金及未償還之本金的利息。

所有其他金融資產其後按公平值計入損益(「按公平值計入損益」)計量，惟於首次應用國際財務報告準則第9號／初步確認金融資產之日，倘股本投資並非持作買賣用途亦非收購方於國際財務報告準則第3號業務合併所適用之業務合併中確認的或然代價，則本集團可能會不可撤銷地選擇於其他全面收益呈列股本投資其後的公平值變動。

倘金融資產符合以下條件，則持作買賣：

- 收購該金融資產主要是為於近期出售；或
- 該金融資產於初步確認時為本集團共同管理之已識別金融工具組合的一部分，且近期具有實際短期獲利模式；或
- 該金融資產為未獲指定且可有效作為對沖工具的衍生工具。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

(ii) 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 the 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 "loss on fair value changes of financial assets at FVTPL" line item.

### 3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

*金融資產的分類及其後計量 (續)*

此外，倘可消除或大幅減少會計錯配，本集團可能會不可撤銷地將須按攤銷成本或按公平值計入其他全面收益計量的債務資產指定為按公平值計入損益計量。

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產及其後按公平值計入其他全面收益計量的債務工具／應收款項的利息收入使用實際利率法予以確認。利息收入乃對一項金融資產總賬面值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期間起透過對金融資產攤銷成本應用實際利率確認利息收入。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，則自釐定資產不再信貸減值後的報告期間開始起，透過對金融資產總賬面值應用實際利率確認利息收入。

(ii) 按公平值計入損益的金融資產

不符合按攤銷成本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計量標準的金融資產按公平值計入損益計量。

按公平值計入損益的金融資產按各報告期末的公平值計量，任何公平值收益或虧損於損益中確認。於損益中確認的收益或虧損淨額不包括該金融資產所賺取的任何股息或利息，計入「按公平值計入損益的金融資產公平值變動虧損」細分項目。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

*Impairment of financial assets*

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including other receivables and bank balances) which are subject to impairment under IFRS 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-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

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

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

*金融資產的減值*

本集團根據金融資產(包括其他應收款項及銀行結餘)的預期信貸虧損(「預期信貸虧損」)模型進行減值評估，惟須根據國際財務報告準則第9號減值。預期信貸虧損金額於各報告日期更新，以反映信貸風險自初步確認以來的變動。

全期預期信貸虧損指於相關工具預期年期內所有可能違約事件導致的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預期於報告日期後12個月內可能發生的違約事件導致的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗作出，並就債務人特定因素、一般經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作出調整。

本集團對本集團的工具計量等於12個月預期信貸虧損的虧損撥備，除非倘信貸風險自初步確認以來大幅增加，則本集團確認全期預期信貸虧損。是否確認全期預期信貸虧損的評估乃基於自初步確認以來發生違約的可能性或風險大幅增加作出。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

*Impairment of financial assets (continued)*

(i) Significant increase in credit risk

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

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;
- 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.

### 3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

*金融資產的減值 (續)*

(i) 信貸風險大幅增加

於評估信貸風險自初步確認以來是否大幅增加時，本集團比較金融工具於報告日期的違約風險與該金融工具於初步確認日期的違約風險。作此評估時，本集團同時考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部 (如有) 或內部信貸評級的實際或預期重大惡化；
- 信貸風險外部市場指標的重大惡化，例如信貸息差、債務人的信貸違約掉期價大幅增加；
- 預期將導致債務人履行債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，倘合約付款逾期超過30日，則本集團假定信貸風險自初步確認以來已大幅增加，除非本集團有合理及可靠資料證明可予收回則當別論。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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 of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

*金融資產的減值(續)*

(i) 信貸風險大幅增加(續)

本集團定期監控用於識別信貸風險是否大幅增加之標準的有效性，並於適當時對其作出修訂，以確保該標準能夠於款項逾期前識別信貸風險的大幅增加。

(ii) 違約的定義

就內部信貸風險管理而言，倘有內部資料或由外部資源獲取的資料顯示債務人可能無法向債權人(包括本集團)全額付款(不計及由本集團持有的任何抵押品)，則本集團認為已發生違約事件。

不論上述情況，倘一項金融資產已逾期超過90日，則本集團認為已產生違約事件，除非本集團有合理及可靠資料證明較寬鬆的違約標準更為適用則當別論。

(iii) 信貸減值的金融資產

倘發生一項或多項事件對金融資產的估計未來現金流量造成不利影響，則該金融資產出現信貸減值。金融資產信貸減值的證據包括有關以下事件的可觀察數據：

- (a) 發行人或借款人存在重大財務困難；
- (b) 違反合約，如拖欠或逾期事件；
- (c) 基於與借款人財務困難相關的經濟或合約理由，借款人的放款人向借款人授出放款人於其他情況下不會考慮的優惠條件；





## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

*Impairment of financial assets (continued)*

(iii) Credit-impaired financial assets (continued)

(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. 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.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as 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.

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 other receivables where the corresponding adjustment is recognised through a loss allowance account.

### 3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的減值 (續)

(iii) 信貸減值的金融資產 (續)

(d) 借款人可能將進入破產或其他財務重組程序；或

(e) 由於財務困難導致該金融資產的活躍市場不再存在。

(iv) 撇銷政策

本集團於有資料表明交易對手處於嚴重財務困難且無實際恢復可能(例如交易對手已進行清算或進入破產程序)時撇銷金融資產。撇銷之金融資產仍可根據本集團收回程序經考慮適用法律意見後強制執行。撇銷構成一項終止確認。任何其後收回款項於損益確認。

(v) 預期信貸虧損的計量與確認

預期信貸虧損計量乃違約概率、違約損失率程度(即倘違約損失的程度)及違約風險的函數。違約概率及違約損失率程度的評估乃根據歷史數據作出，並根據前瞻性資料調整。預期信貸虧損之估計反映無偏頗及概率加權之數額，其乃根據加權之相應違約風險而確定。

一般而言，預期信貸虧損按本集團根據合約應收的所有合約現金流量與本集團預期收取的現金流量之間的差額估計，並按初步確認時釐定的實際利率貼現。

利息收入按金融資產的總賬面值計算，倘金融資產信貸減值，則利息收入按金融資產的攤銷成本計算。

本集團通過調整所有金融工具的賬面值於損益確認彼等之減值收益或虧損，惟其他應收款項除外，此種情況下透過虧損撥備賬確認相應調整。



### 3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

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.

Financial liabilities and equity

*Classification as debt or equity*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into 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 Group are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities at amortised cost*

Financial liabilities including 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.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

*終止確認金融資產*

本集團僅於資產收取現金流量的合約權利屆滿時，或向另一實體轉移金融資產及資產所有權絕大部分風險及回報時終止確認金融資產。

終止確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價的差額於損益確認。

金融負債及權益

*分類為債務或權益*

集團實體發行的債務及權益工具根據所訂立合約安排的實際內容及金融負債與權益工具的釋義分類為金融負債或權益。

*權益工具*

權益工具為證明實體資產於扣除所有負債後剩餘權益的任何合約。本集團發行的權益工具按已收取的所得款項扣除直接發行成本確認。

*按攤銷成本列賬的金融負債*

金融負債(包括貿易及其他應付款項)其後以實際利率法按攤銷成本計量。

*終止確認金融負債*

本集團會並僅會於責任免除、撤銷或屆滿時，終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價之間的差額會於損益確認。



#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Investment properties

Investment properties were stated at fair values based on the valuation performed by independent professional valuers. The fair values were determined based on a method of valuation which involves certain assumptions and estimates of market condition. In relying on the valuation report, the Directors have exercised their judgment and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in profit or loss.

The carrying amount of investment properties as at 31 December 2019 was RMB6,010,000 (2018: RMB5,660,000). Further details are set out in note 14.

#### 4. 估計不確定因素的主要來源

應用附註3所述本集團的會計政策時，管理層須就從其他來源不顯而易見的資產及負債賬面值作出判斷、估計及假設。估計及相關假設以過往經驗及認為有關的其他因素為基礎。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘會計估計修訂僅影響該期間，則有關修訂會於修訂估計期間確認。倘有關修訂既影響當期，亦影響未來期間，則有關修訂會於修訂期間及未來期間確認。

各報告期末引致資產及負債賬面值在下一財政年度內有重大調整風險且有關未來的主要假設及其他主要估計不確定因素來源如下：

##### 投資物業

投資物業根據獨立專業估值師的估值按公平值列賬。公平值基於涉及若干市況假設及估計的估值方法釐定。董事依賴估值報告作出判斷，信納估值所用的假設能反映當時市況。該等假設變動會導致本集團投資物業公平值變動及損益所呈報收益或虧損金額相應調整。

於2019年12月31日，投資物業的賬面值為人民幣6,010,000元（2018年：人民幣5,660,000元）。進一步詳情載於附註14。



#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Fair value measurement of financial instruments

Certain of the Group's financial assets relating to unquoted equity instruments in the amount of RMB8,600,000 as at 31 December 2019 (2018: RMB8,845,000) were measured at fair values determined based on unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these financial instruments. Further details are set out in note 27c.

#### 5. REVENUE AND OPERATING SEGMENTS

- (i) Disaggregation of revenue from contracts with customers

#### 4. 估計不確定因素的主要來源(續)

##### 金融工具的公平值計量

於2019年12月31日，本集團若干與無報價權益工具相關並按公平值計量的金融資產為人民幣8,600,000元(2018年：人民幣8,845,000元)，而公平值則基於使用估值技術的不可觀察輸入數據釐定。於確定相關估值技術及相關輸入數據時需作出判斷及估計。與該等因素有關的假設變動會影響該等財務工具所呈報的公平值。進一步詳情載於附註27c。

#### 5. 收益及經營分部

- (i) 客戶合約收益分類

		For the year ended 31 December 2019 截至2019年12月31日止年度	
		Sales of burial plots, columbarium units and provision of other burial- related services 銷售墓地、 骨灰廊及提供 其他墓地 相關服務 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元
Types of goods and service	商品及服務種類		
Sales of burial plots	銷售墓地	30,228	—
Sales of columbarium units	銷售骨灰廊	24,886	—
Provision of other burial-related services	提供其他墓地相關服務	4,472	—
Provision of cemetery maintenance services	提供墓園維護服務	—	3,791
<b>Total</b>	<b>總計</b>	<b>59,586</b>	<b>3,791</b>



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 5. REVENUE AND OPERATING SEGMENTS

(continued)

- (i) Disaggregation of revenue from contracts with customers (continued)

### 5. 收益及經營分部 (續)

- (i) 客戶合約收益分類 (續)

		For the year ended 31 December 2019 截至2019年12月31日止年度	
		Sales of burial plots, columbarium units and provision of other burial- related services 銷售墓地、 骨灰廊及提供 其他墓地 相關服務 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元
<b>Timing of revenue recognition</b>	<b>確認收益的時間</b>		
A point in time	在某一時間點	55,114	—
Over time	隨時間流逝	4,472	3,791
<b>Total</b>	<b>總計</b>	<b>59,586</b>	<b>3,791</b>

All of the Group's revenue is from contracts with customers and generated in the PRC based on where goods are sold or services are rendered, and substantially all of the Group's identifiable assets and liabilities are located in the PRC.

本集團所有收益均來自客戶合約及於中國產生，並在中國出售商品或提供服務。本集團絕大部分可識別資產及負債均位於中國。



## 5. REVENUE AND OPERATING SEGMENTS

(continued)

- (i) Disaggregation of revenue from contracts with customers (continued)

## 5. 收益及經營分部(續)

- (i) 客戶合約收益分類(續)

		For the year ended 31 December 2018 截至2018年12月31日止年度	
		Sales of burial plots, columbarium units and provision of other burial- related services 銷售墓地、 骨灰廊及提供 其他墓地 相關服務 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元
<b>Types of goods and service</b>	<b>商品及服務種類</b>		
Sales of burial plots	銷售墓地	33,242	—
Sales of columbarium units	銷售骨灰廊	4,145	—
Provision of other burial-related services	提供其他墓地相關服務	2,619	—
Provision of cemetery maintenance services	提供墓園維護服務	—	3,379
<b>Total</b>	<b>總計</b>	<b>40,006</b>	<b>3,379</b>



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 5. REVENUE AND OPERATING SEGMENTS

(continued)

- (i) Disaggregation of revenue from contracts with customers (continued)

### 5. 收益及經營分部 (續)

- (i) 客戶合約收益分類 (續)

For the year ended  
31 December 2018  
截至2018年12月31日止年度

Sales of burial plots, columbarium units and provision of other burial- related services	Provision of cemetery maintenance services
銷售墓地、 骨灰廊及提供 其他墓地 相關服務	提供墓園 維護服務
RMB'000	RMB'000
人民幣千元	人民幣千元

Timing of revenue recognition	確認收益的時間		
A point in time	在某一時間點	37,387	—
Over time	隨時間流逝	2,619	3,379
Total	總計	40,006	3,379

All of the Group's revenue is from contracts with customers and generated in the PRC based on where goods are sold or services are rendered, and substantially all of the Group's identifiable assets and liabilities are located in the PRC.

本集團所有收益均來自客戶合約及於中國產生，並在中國出售商品或提供服務。本集團絕大部分可識別資產及負債均位於中國。



## 5. REVENUE AND OPERATING SEGMENTS

(continued)

### (ii) Performance obligations for contracts with customers

Sales of burial plots with maintenance services (multiple performance obligations)

For contracts entered into with customers on sales of burial plots, the relevant burial plots specified in the contracts have no alternative use to the Group. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the burial plots to customers. Revenue from sales of burial plots is therefore recognised at a point in time when the burial plot is transferred to customers, being at the point that the customer obtains the control of the burial plots and the Group has present right to payment and collection of the consideration is probable.

The cemetery maintenance service is considered to be a distinct service. Transaction price is allocated between sales of burial plots and the maintenance services on a relative stand-alone selling price basis. Revenue relating to the maintenance services is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight line basis over the period of service.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Sales of columbarium units (revenue recognised at a point in time)

For contracts entered into with customers on sales of columbarium units, the relevant columbarium units specified in the contracts have no alternative use to the Group. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the columbarium units to customers. Revenue from sales of columbarium units is therefore recognised at a point in time when the columbarium unit is transferred to customers, being at the point that the customer obtains the control of the columbarium units and the Group has present right to payment and collection of the consideration is probable.

## 5. 收益及經營分部(續)

### (ii) 客戶合約履約責任

銷售墓地並提供維護服務(多項履約責任)

與客戶就銷售墓地訂立的合約中指定的相關墓地對本集團而言並無替代用途。經考慮相關合約條款、法律環境及相關法律先例，本集團認為本集團並無強制權利於向客戶轉讓墓地前收取付款。因此銷售墓地的收益於墓地轉讓予客戶的時間點確認，即客戶獲得墓地控制權而本集團有權獲得付款並可收取代價的時間點。

墓園維護服務視為一項獨立的服務。交易價格按相對獨立的售價基準於銷售墓地與維護服務之間分配。與維護服務相關的收益隨時間流逝確認。分配至該等服務的交易價格於首次銷售交易時確認為合約負債，並按直線法於服務期間解除。

倘該等成本於一年內悉數於損益攤銷，則本集團應用可行的權宜方法支銷所有獲得合約的增量成本。

銷售骨灰廊(在某一時時間點確認收益)

對於就銷售骨灰廊與客戶訂立的合約，本集團對合約所指定的相關骨灰廊並無替代用途。經考慮相關合約條款、法律環境及相關法律先例，本集團認為本集團並無強制權利於向客戶轉讓骨灰廊前收取付款。因此，骨灰廊的銷售收益於骨灰廊轉讓客戶的時間點(即客戶獲得骨灰廊控制權而本集團有權獲得付款並可收取代價的時間點)確認。





## 5. REVENUE AND OPERATING SEGMENTS

(continued)

- (ii) Performance obligations for contracts with customers (continued)

Provision of other burial-related services

Other burial-related services represented revenues from miscellaneous services such as the organisation and conducting of burial rituals, the design and landscaping of the burial sites and additional engraving fees. Revenue relating to these burial-related services is recognised over time.

- (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2019 and the expected timing of recognising revenue are as follows:

## 5. 收益及經營分部 (續)

- (ii) 客戶合約履約責任(續)

提供其他墓地相關服務

其他墓地相關服務指來自雜項服務的收益，如組織及進行落葬儀式、墓址設計及景觀美化以及額外雕刻費用。與墓地相關服務有關的收益隨時間流逝確認。

- (iii) 分配至客戶合約剩餘履約責任的交易價格

於2019年12月31日，分配至剩餘履約責任(未履行或部分履行)的交易價格及確認收益的預期時間如下：

		<b>Sales of burial plots</b>	<b>Provision of cemetery maintenance services</b>
		銷售墓地	提供墓園
		RMB'000	維護服務
		人民幣千元	RMB'000
			人民幣千元
Within one year/on demand	於一年內／按要求	2,437	5,250
More than one year but not more than two years	超過一年但不超過兩年	—	4,441
More than two years	超過兩年	—	53,751
		<b>2,437</b>	<b>63,442</b>



## 5. REVENUE AND OPERATING SEGMENTS

(continued)

- (iii) Transaction price allocated to the remaining performance obligation for contracts with customers (continued)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 and the expected timing of recognising revenue are as follows:

		Sales of burial plots 銷售基地 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元
Within one year/on demand	於一年內／按要求	4,037	5,059
More than one year but not more than two years	超過一年但不超過兩年	—	3,801
More than two years	超過兩年	—	48,896
		4,037	57,756

### Operating segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision makers, including Ms. Li Xingying, the general manager of Langfang Wantong Cemetery Co., Ltd. ("Langfang Wantong"), Mr. Huang Guangming and Mr. Yu Minghua, the deputy general managers of Langfang Wantong (collectively, the "CODM"), that are used to make strategic decisions. Information reported to the CODM is based on the products and services delivered or provided by the Group.

The Group's operating and reporting segments are (i) sales of burial plots, columbarium units and provision of other burial-related services; and (ii) provision of cemetery maintenance services in the PRC.

## 5. 收益及經營分部(續)

- (iii) 分配至客戶合約剩餘履約責任的交易價格(續)

於2018年12月31日，分配至剩餘履約責任(未履行或部分履行)的交易價格及確認收益的預期時間如下：

### 經營分部

本集團根據主要經營決策者(包括廊坊市萬桐公墓有限公司(「廊坊萬桐」)總經理李興穎女士以及廊坊萬桐副總經理黃廣明先生及余明華先生(統稱「主要經營決策者」))所審核用於作出戰略決策的報告釐定經營分部。呈報予主要經營決策者的資料基於本集團所交付或提供的產品及服務作出。

本集團的經營及呈報分部是在中國(i)銷售墓地、骨灰廊及提供其他墓地相關服務；及(ii)提供墓園維護服務。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 5. REVENUE AND OPERATING SEGMENTS

(continued)

Operating segments (continued)

Segment revenue and results

Year ended 31 December 2019

### 5. 收益及經營分部 (續)

經營分部 (續)

分部收益及業績

截至2019年12月31日止年度

		<b>Sales of burial plots, columbarium units and provision of other burial-related services</b> 銷售墓地、 骨灰廊及提供 其他墓地 相關服務 <b>RMB'000</b> 人民幣千元	<b>Provision of cemetery maintenance services</b> 提供墓園 維護服務 <b>RMB'000</b> 人民幣千元	<b>Total</b> 總計 <b>RMB'000</b> 人民幣千元
Segment revenue	分部收益	<b>59,586</b>	<b>3,791</b>	<b>63,377</b>
Segment results	分部業績	<b>47,436</b>	<b>3,178</b>	<b>50,614</b>
Other income	其他收入			<b>4,906</b>
Other gains	其他收益			<b>1,061</b>
Loss on fair value changes of financial assets at FVTPL	按公平值計入損益的金融 資產公平值變動虧損			<b>(245)</b>
Gain on fair value changes of investment properties	投資物業公平值變動 收益			<b>350</b>
Distribution and selling expenses	分銷及銷售開支			<b>(6,631)</b>
Administrative expenses	行政開支			<b>(16,739)</b>
Profit before tax	除稅前溢利			<b>33,316</b>



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 5. REVENUE AND OPERATING SEGMENTS

(continued)

Operating segments (continued)

Segment revenue and results (continued)

Year ended 31 December 2018

### 5. 收益及經營分部(續)

經營分部(續)

分部收益及業績(續)

截至2018年12月31日止年度

		Sales of burial plots, columbarium units and provision of other burial-related services 銷售墓地、 骨灰廊及提供 其他墓地 相關服務 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元	Total  總計 RMB'000 人民幣千元
Segment revenue	分部收益	40,006	3,379	43,385
Segment results	分部業績	33,421	3,010	36,431
Other income	其他收入			10,328
Other gains	其他收益			2,461
Loss on fair value changes of financial assets at FVTPL	按公平值計入損益的金融 資產公平值變動虧損			(2,796)
Gain on fair value changes of investment properties	投資物業公平值變動 收益			250
Distribution and selling expenses	分銷及銷售開支			(5,648)
Administrative expenses	行政開支			(5,726)
Profit before tax	除稅前溢利			35,300

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the gross profit attributable to each segment without allocation of other income, other gains, loss on fair value changes of financial assets at FVTPL, gain on fair value changes of investment properties, distribution and selling expenses, and administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. There were no inter-segment revenue during the current and prior years. No analysis of segment assets and liabilities is presented as it is not regularly reviewed by the CODM.

經營分部的會計政策與附註3所載本集團的會計政策相同。分部業績指各分部產生的毛利，並無分配其他收入、其他收益、按公平值計入損益的金融資產公平值變動虧損、投資物業公平值變動收益、分銷及銷售開支及行政開支。此為向本集團主要經營決策者呈報以作資源分配及業績評估的計量基準。本年度及過往年度並無分部間收益。由於本集團主要經營決策者並無定期審閱，故並無呈列有關分部資產及負債的分析。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 5. REVENUE AND OPERATING SEGMENTS

(continued)

Operating segments (continued)

Information about major customers

Revenue from sales of columbarium units amounting to RMB24,886,000 from a customer accounted for over 10% of the Group's revenue for 2019 (2018: nil).

### 6. OTHER INCOME

### 5. 收益及經營分部 (續)

經營分部 (續)

主要客戶資料

來自一名客戶銷售骨灰廊的收益為人民幣24,886,000元，佔本集團2019年收益的10%以上(2018年：無)。

### 6. 其他收入

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款利息收入	1,916	950
Dividend income from financial assets at FVTPL	按公平值計入損益之金融資產的股息收入	800	6,104
Government grants	政府補助	2,000	3,084
Rental income	租金收入	190	190
		<b>4,906</b>	10,328

### 7. OTHER GAINS

### 7. 其他收益

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Foreign exchange gains, net	外匯收益淨額	1,061	2,461



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 8. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

### 8. 除稅前溢利

除稅前溢利經扣除以下各項：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Auditors' remuneration	核數師酬金	1,180	930
Professional service fees for listing transfer from GEM to Main Board of the Stock Exchange	由GEM轉至聯交所 主板上市的專業 服務費用	10,041	—
Depreciation of property, plant and equipment	物業、廠房及設備 折舊	784	677
Amortisation of cemetery assets (included in cost of sales and services)	墓園資產攤銷(包括銷 售及服務成本)	384	356
Total depreciation and amortisation	折舊及攤銷總額	1,168	1,033
Cost of inventories recognised as an expense	確認為開支的存貨 成本	9,327	5,462
Expense relating to short-term leases	與短期租賃有關的 開支	493	131
Staff costs, including Directors' and chief executive's remuneration (note 9):	員工成本，包括董事及 最高行政人員 酬金(附註9)：		
Salaries, wages and other benefits	薪金、工資及其他 福利	6,134	4,751
Retirement benefit scheme contributions	退休福利計劃供款	427	318
Total staff costs	總員工成本	6,561	5,069



## 9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEE'S EMOLUMENTS

### (a) Directors' and chief executive's emoluments

The emoluments paid or payable to the Directors and chief executive by entities comprising the Group during the current and last year are as follows:

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Directors' and chief executive's emoluments	董事及最高行政人員薪酬		
— Fees	— 費用	264	252
— Salaries and other benefits	— 薪金及其他福利	705	678
— Discretionary performance-related bonus*	— 酌情表現相關花紅*	421	408
— Retirement benefit scheme contributions	— 退休福利計劃供款	51	47
<b>Total emoluments</b>	<b>薪酬總額</b>	<b>1,441</b>	<b>1,385</b>

\* Directors and chief executive are entitled to bonus payments which are determined based on the duties and responsibilities of the Directors and chief executive as well as the operating results of the Group.

## 9. 董事、最高行政人員及僱員薪酬

### (a) 董事及最高行政人員薪酬

於本年度及上一年度，按本集團旗下實體劃分，已付或應付董事及最高行政人員的薪酬如下：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Directors' and chief executive's emoluments	董事及最高行政人員薪酬		
— Fees	— 費用	264	252
— Salaries and other benefits	— 薪金及其他福利	705	678
— Discretionary performance-related bonus*	— 酌情表現相關花紅*	421	408
— Retirement benefit scheme contributions	— 退休福利計劃供款	51	47
<b>Total emoluments</b>	<b>薪酬總額</b>	<b>1,441</b>	<b>1,385</b>

\* 董事及最高行政人員可獲得花紅，金額根據董事及最高行政人員職責及本集團經營業績釐定。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEE'S EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments (continued)

Year ended 31 December 2019

		Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance-related bonus	Total
		費用	薪金及其他福利	退休福利計劃供款	酌情表現相關花紅	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
<b>Executive directors:</b>	<b>執行董事：</b>					
Ms. Li Xingying	李興穎女士	—	145	17	85	247
Mr. Huang Guangming	黃廣明先生	—	286	34	168	488
<b>Non-executive director:</b>	<b>非執行董事：</b>					
Ms. Zhao Ying (note 2)	趙穎女士(附註2)	—	—	—	—	—
<b>Independent non-executive directors:</b>	<b>獨立非執行董事：</b>					
Mr. Choi Hon Keung, Simon	蔡漢強先生	88	—	—	—	88
Dr. Wong Wing Kuen, Albert	王永權博士	88	—	—	—	88
Mr. Cheung Ying Kwan	張應坤先生	88	—	—	—	88
<b>Chief executive:</b>	<b>最高行政人員：</b>					
Mr. Yu Minghua	余明華先生	—	274	—	168	442
<b>Total</b>	<b>總計</b>	<b>264</b>	<b>705</b>	<b>51</b>	<b>421</b>	<b>1,441</b>

### 9. 董事、最高行政人員及僱員薪酬(續)

(a) 董事及最高行政人員薪酬(續)

截至2019年12月31日止年度

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance-related bonus	Total
	費用	薪金及其他福利	退休福利計劃供款	酌情表現相關花紅	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
<b>Executive directors:</b>					
Ms. Li Xingying	—	145	17	85	247
Mr. Huang Guangming	—	286	34	168	488
<b>Non-executive director:</b>					
Ms. Zhao Ying (note 2)	—	—	—	—	—
<b>Independent non-executive directors:</b>					
Mr. Choi Hon Keung, Simon	88	—	—	—	88
Dr. Wong Wing Kuen, Albert	88	—	—	—	88
Mr. Cheung Ying Kwan	88	—	—	—	88
<b>Chief executive:</b>					
Mr. Yu Minghua	—	274	—	168	442
<b>Total</b>	<b>264</b>	<b>705</b>	<b>51</b>	<b>421</b>	<b>1,441</b>





## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEE'S EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments (continued)

Year ended 31 December 2018

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance-related bonus	Total
	費用	薪金及其他福利	退休福利計劃供款	酌情表現相關花紅	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
<b>Executive directors:</b>					
Ms. Li Xingying	—	121	8	72	201
Mr. Huang Guangming	—	286	39	168	493
<b>Non-executive director:</b>					
Ms. Zhao Ying (note 2)	—	—	—	—	—
<b>Independent non-executive directors:</b>					
Mr. Choi Hon Keung, Simon	84	—	—	—	84
Dr. Wong Wing Kuen, Albert	84	—	—	—	84
Mr. Cheung Ying Kwan	84	—	—	—	84
<b>Chief executive:</b>					
Mr. Yu Minghua	—	271	—	168	439
<b>Total</b>	<b>252</b>	<b>678</b>	<b>47</b>	<b>408</b>	<b>1,385</b>

Notes:

- The directors' and chief executive's emoluments shown above were for their services in connection with the management of the affairs of the Group.
- During the years ended 31 December 2018 and 2019, Ms. Zhao Ying received her emoluments from a fellow subsidiary of the Group, part of which was in respect of her services rendered as an employee to Langfang Wantong and as a director of the Company. No apportionment has been made as the Directors consider that it is impracticable to apportion these amounts between her services to Langfang Wantong and as a director of the Company and her services to the fellow subsidiary of the Group.

### 9. 董事、最高行政人員及僱員薪酬(續)

(a) 董事及最高行政人員薪酬(續)

截至2018年12月31日止年度

附註：

- 上述董事及最高行政人員薪酬乃償付管理本集團事務的服務。
- 截至2018年及2019年12月31日止年度，趙穎女士收到本集團同系附屬公司所付酬金，其中部分與彼效力於廊坊萬桐及本公司董事有關。由於董事認為按彼於廊坊萬桐及本公司董事及本集團同系附屬公司服務的時間比例分配上述款項不切實際，故並無作出分配。



## 9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEE'S EMOLUMENTS (continued)

### (b) Employee's emoluments

The five highest paid individuals of the Group during the year included two directors whose payment was below Hong Kong Dollar ("HK\$") 1,000,000 for the year ended 31 December 2019 (2018: two directors whose payment was below HK\$1,000,000), details of whose emoluments are set out above. The emoluments of the remaining three (2018: three) highest paid employees who are not the Directors are as follows:

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他津貼	865	750
Retirement benefit scheme contributions	退休福利計劃供款	53	21
		<b>918</b>	771

The number of the highest paid employees who are not the Directors whose emoluments fell within the following band is as follows:

		Number of employees 僱員數目	
		2019 2019年	2018 2018年
Nil to HK\$1,000,000	零至1,000,000港元	3	3

During the year, no emoluments were paid by the Group to the Directors, chief executive or the non-director highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2018: nil). In addition, none of the Directors, chief executive nor the non-director highest paid employees waived any emoluments during the year (2018: nil).

## 9. 董事、最高行政人員及僱員薪酬 (續)

### (b) 僱員薪酬

本年度本集團五名最高薪酬人士包括截至2019年12月31日止年度薪酬低於1,000,000港元(「港元」)的兩名董事(2018年:兩名董事薪酬低於1,000,000港元),其薪酬詳請載於上文。餘下三名非董事最高薪酬僱員(2018年:三名)的薪酬載列如下:

非董事最高薪酬僱員的薪酬介乎以下範圍:

於本年度,本集團並無向董事、最高行政人員或非董事最高薪酬僱員支付薪酬以吸引其加入本集團或作為加入獎金或離職補償(2018年:無)。此外,董事、最高行政人員及非董事最高薪酬僱員於本年度概無放棄任何酬金(2018年:無)。



## 10. INCOME TAX EXPENSE

## 10. 所得稅開支

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current enterprise income tax	即期企業所得稅	9,739	11,363
Deferred tax (note 17)	遞延稅項(附註17)	26	(4,310)
		<b>9,765</b>	7,053

The tax charge for the year can be reconciled to the profit before tax as follows:

年度稅項開支與除稅前溢利對賬如下：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	33,316	35,300
Tax at the applicable tax rate of 25%	按適用稅率25%計算的稅項	8,329	8,825
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	2,103	416
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(648)	(2,221)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	—	33
Utilisation of tax losses previously not recognised	動用先前未確認稅務虧損	(19)	—
Tax charge	稅項開支	<b>9,765</b>	7,053



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 10. INCOME TAX EXPENSE (continued)

Note:

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

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 had been made in the consolidated financial statements as the Group's subsidiaries had no assessable profit subject to Hong Kong Profits Tax.

### 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Earnings:	盈利：		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	用以計算每股基本盈利的盈利 (本公司擁有人應佔年內溢利)	23,551	28,247
Numbers of shares:	股份數目：		
Weighted average numbers of ordinary shares for the purpose of calculating basic earnings per share	用以計算每股基本盈利的普通股加權平均數目	1,000,000,000	1,000,000,000

No diluted earnings per share for both 2019 and 2018 were presented as there were no potential ordinary shares in issue for both 2019 and 2018.

### 12. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2019 (2018: nil).

### 10. 所得稅開支(續)

附註：

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司的稅率為25%。

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「草案」)，引入利得稅兩級制。該草案於2018年3月28日簽署成為法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體首2百萬港元溢利將按8.25%繳稅，而2百萬港元以上之溢利將按16.5%繳稅。不符合資格根據利得稅兩級制計稅的集團實體的溢利將繼續按單一稅率16.5%繳稅。

由於本集團的附屬公司並無須繳納香港利得稅的應課稅溢利，故合併財務報表中並無作出香港利得稅撥備。

### 11. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

於2019年及2018年概無潛在已發行普通股，故於2019年及2018年並未呈列每股攤薄盈利。

### 12. 股息

於2019年，本公司概無支付或建議支付股息予其普通股股東(2018年：無)。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Furniture, fixtures and equipment 傢俬、裝置及設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本					
At 1 January 2018	2018年1月1日	6,599	318	830	913	8,660
Additions	添置	210	—	361	974	1,545
At 31 December 2018	2018年12月31日	6,809	318	1,191	1,887	10,205
Additions	添置	—	—	—	395	395
At 31 December 2019	2019年12月31日	<b>6,809</b>	<b>318</b>	<b>1,191</b>	<b>2,282</b>	<b>10,600</b>
Depreciation	折舊					
At 1 January 2018	2018年1月1日	(4,949)	(31)	(597)	(452)	(6,029)
Provided for the year	年內撥備	(291)	(15)	(116)	(255)	(677)
At 31 December 2018	2018年12月31日	(5,240)	(46)	(713)	(707)	(6,706)
Provided for the year	年內撥備	(294)	(15)	(150)	(325)	(784)
At 31 December 2019	2019年12月31日	<b>(5,534)</b>	<b>(61)</b>	<b>(863)</b>	<b>(1,032)</b>	<b>(7,490)</b>
Carrying amount	賬面值					
At 31 December 2019	2019年12月31日	<b>1,275</b>	<b>257</b>	<b>328</b>	<b>1,250</b>	<b>3,110</b>
At 31 December 2018	2018年12月31日	1,569	272	478	1,180	3,499

The above items of property, plant and equipment are depreciated on a straight-line basis, taking into account their residual values, at the following rates per annum:

上述物業、廠房及設備項目計及剩餘價值以直線法按以下年率折舊：

Buildings 樓宇	Over the shorter of the remaining lease term of land and useful life of buildings of 20 years 按土地剩餘租期與樓宇可使用年期20年的較短者
Leasehold improvements 租賃物業裝修	20.00%
Motor vehicles 汽車	24.25%
Furniture, fixtures and equipment 傢俬、裝置及設備	19.40%–32.33%



## 14. INVESTMENT PROPERTIES

## 14. 投資物業

		RMB'000 人民幣千元
<b>Fair value</b>	<b>公平值</b>	
At 1 January 2018	2018年1月1日	5,410
Gain on fair value changes of investment properties	投資物業公平值變動收益	250
At 31 December 2018	2018年12月31日	5,660
Gain on fair value changes of investment properties	投資物業公平值變動收益	350
At 31 December 2019	2019年12月31日	<b>6,010</b>

The Group's property interests held under operating leases to earn rentals are measured using fair value model and is classified and accounted for as investment properties.

本集團以經營租賃持有用作獲取租金的物業權益按公平值模式計量，分類及列作投資物業。

The fair values of the Group's investment properties as at 31 December 2018 and 2019 have been arrived at based on a valuation carried out by Vigers Appraisal & Consulting Limited (a member of the Hong Kong Institute of Surveyors), an independent qualified professional valuer not connected with the Group.

於2018年及2019年12月31日，本集團投資物業的公平值按與本集團並無關連的獨立合資格專業估值師威格斯資產評估顧問有限公司（香港測量師學會會員）的估值達致。

The Group engaged the third party qualified valuer to perform the valuation. The Directors work closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model.

本集團委聘第三方合資格估值師進行估值。董事與合資格外部估值師密切合作，為上述模式建立適當的估值技術及數據。

The fair value of investment properties are derived using the direct comparison method. Direct comparison method is by reference to market comparable with adjustments to reflect the additions and locations of the subject properties.

投資物業的公平值透過直接比較法而得。直接比較法參考市場可比較物業並作出調整，以反映標的物業的附加部分及位置。

In measuring the fair value of the properties, the highest and best use of the properties is their current use.

計量物業的公平值時，物業的最高及最佳用途為現時用途。

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements is observable.

下表載列有關釐定該等投資物業公平值的方法的資料（特別是所採用的估值方法及輸入數據）及根據公平值計量的輸入數據的可觀察程度將公平值計量分類的公平值層級。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 14. INVESTMENT PROPERTIES (continued)

At 31 December 2019

### 14. 投資物業 (續)

於2019年12月31日

Investment properties held by the Group	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
本集團所持投資物業	公平值層級	估值方法及主要輸入數據	重大不可觀察輸入數據	不可觀察輸入數據與公平值的關係
Investment properties (Carrying amount: RMB6,010,000)	Level 3	Direct comparison method The key input is: Site unit rate	Site unit rate, using direct market comparable and taking into account of time, location and individual factors such as size and quantum of properties, of RMB586/sq.m.	An increase in the site unit rate used would result in a same percentage increase in the fair value measurement of the investment properties and vice versa.
投資物業 (賬面值： 人民幣6,010,000元)	第三級	直接比較法 主要輸入數據為： 場地單位比率	場地單位比率，採用直接市場可比較項目並計及時間、地點及其他個別因素，例如物業規模及質量，為人民幣586元/平方米。	所使用場地單位比率上升會導致投資物業公平值計量上升相同比例，反之亦然。



## 14. INVESTMENT PROPERTIES (continued)

At 31 December 2018

Investment properties held by the Group	Fair value hierarchy	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值的關係
本集團所持投資物業	公平值層級			
Investment properties (Carrying amount: RMB5,660,000)	Level 3	Direct comparison method The key input is: Site unit rate	Site unit rate, using direct market comparable and taking into account of time, location and individual factors such as size and quantum of properties, of RMB552/sq.m.	An increase in the site unit rate used would result in a same percentage increase in the fair value measurement of the investment properties and vice versa.
投資物業 (賬面值： 人民幣5,660,000元)	第三級	直接比較法 主要輸入數據為： 場地單位比率	場地單位比率，採用直接市場可比較項目並計及時間、地點及其他個別因素，例如物業規模及質量，為人民幣552元/平方米。	所使用場地單位比率上升會導致投資物業公平值計量上升相同比例，反之亦然。

There were no transfers into and out of Level 3 in both years.

### Fair value measurements and valuation processes

In estimating the fair value of the Group's investment properties, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuation of the Group's investment properties. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs.

## 14. 投資物業 (續)

於2018年12月31日

Investment properties held by the Group	Fair value hierarchy	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值的關係
本集團所持投資物業	公平值層級			
Investment properties (Carrying amount: RMB5,660,000)	Level 3	Direct comparison method The key input is: Site unit rate	Site unit rate, using direct market comparable and taking into account of time, location and individual factors such as size and quantum of properties, of RMB552/sq.m.	An increase in the site unit rate used would result in a same percentage increase in the fair value measurement of the investment properties and vice versa.
投資物業 (賬面值： 人民幣5,660,000元)	第三級	直接比較法 主要輸入數據為： 場地單位比率	場地單位比率，採用直接市場可比較項目並計及時間、地點及其他個別因素，例如物業規模及質量，為人民幣552元/平方米。	所使用場地單位比率上升會導致投資物業公平值計量上升相同比例，反之亦然。

兩個年度概無轉入及轉出第三級之情況。

### 公平值計量及估值過程

估計本集團投資物業的公平值時，本集團會使用已有的市場可觀察數據。倘並無第一級的輸入數據，本集團會委聘第三方合資格估值師為本集團的投資物業估值。本集團會首先考慮及採用第二級輸入數據，即有關輸入數據可自活躍市場的可觀察報價獲得。倘並無第二級的輸入數據，本集團則會採用包括第三級輸入數據的估值技術。





## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 15. CEMETERY ASSETS

### 15. 墓園資產

		Land costs 土地成本 RMB'000 人民幣千元	Landscape facilities 景觀設施 RMB'000 人民幣千元	Development costs 發展成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本				
At 1 January 2018	於2018年1月1日	8,557	3,197	830	12,584
Additions	添置	—	345	—	345
At 31 December 2018	於2018年12月31日	8,557	3,542	830	12,929
Additions	添置	—	1,121	—	1,121
Transfer to inventories	轉撥至存貨	(1,353)	(641)	(131)	(2,125)
At 31 December 2019	於2019年12月31日	<b>7,204</b>	<b>4,022</b>	<b>699</b>	<b>11,925</b>
Amortisation	攤銷				
At 1 January 2018	於2018年1月1日	(3,094)	(97)	(301)	(3,492)
Provided for the year	年內撥備	(171)	(168)	(17)	(356)
At 31 December 2018	於2018年12月31日	(3,265)	(265)	(318)	(3,848)
Provided for the year	年內撥備	(171)	(196)	(17)	(384)
Eliminated on transfer	轉撥時撇銷	532	56	52	640
At 31 December 2019	於2019年12月31日	<b>(2,904)</b>	<b>(405)</b>	<b>(283)</b>	<b>(3,592)</b>
Carrying amount	賬面值				
At 31 December 2019	於2019年12月31日	<b>4,300</b>	<b>3,617</b>	<b>416</b>	<b>8,333</b>
At 31 December 2018	於2018年12月31日	5,292	3,277	512	9,081

Effective from 1 January 2019, the carrying amount of leasehold lands is measured under IFRS 16 at cost less any accumulated depreciation and any impairment losses. The land costs are amortised on a straight-line basis over the lease term of 50 years.

自2019年1月1日起，租賃土地的賬面值根據國際財務報告準則第16號以成本減任何累計折舊及任何減值虧損計量。土地成本以直線法於50年租期內攤銷。

Landscape facilities represent the construction cost of arbors and bridges in the mausoleum. Amortisation for landscape facilities is provided on a straight-line basis over the shorter of the remaining lease term of land and estimated useful life of 20 years.

景觀設施指陵墓中涼亭及橋樑的建設成本。景觀設施以直線法於土地剩餘租期及估計可使用年期20年的較短者計提攤銷。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 15. CEMETERY ASSETS (continued)

Development costs represent the costs paid for the foundation work and putting the land into the condition ready for development of cemetery business. Amortisation for development costs is provided on a straight-line basis over the estimated useful life (same as land costs over the lease term).

Upon commencement of development of an area within the cemetery, the proportionate cemetery assets are transferred to inventories.

### 16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 15. 墓園資產 (續)

發展成本指就地基工程及為使土地符合發展墓園業務的條件而支付的成本。發展成本以直線法於估計可使用年期(與租期內的土地成本相同)內計提攤銷。

墓園內某地區開始發展後，墓園資產按比例轉撥至存貨。

### 16. 按公平值計入損益的金融資產

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Unlisted investment: — equity securities	非上市投資： — 股本證券	8,600	8,845

At 31 December 2018 and 2019, the Group had 10% equity interests in Huimin Town Bank Co., Ltd of Anci District, Langfang City (廊坊市安次區惠民村鎮銀行股份有限公司), which was classified as financial assets at FVTPL upon initial application of IFRS 9 on 1 January 2018.

At 1 January 2018, the Group has 5.78% equity interests in Suburban Rural Credit Cooperatives of Langfang City (廊坊市城郊農村信用合作聯社). On 24 August 2018, the Group entered into an agreement to dispose of its entire equity interests in Suburban Rural Credit Cooperatives of Langfang City to a third party at a consideration of RMB76,000,000.

During the year ended 31 December 2019, the amount of loss on fair value changes of financial assets at FVTPL of RMB245,000 (2018: RMB2,796,000) was charged to profit or loss.

Details of the valuation of the financial assets at FVTPL are set out in note 27(c).

於2018年及2019年12月31日，本集團持有廊坊市安次區惠民村鎮銀行股份有限公司10%股權，其於2018年1月1日首次應用國際財務報告準則第9號時分類為以公平值計入損益的金融資產。

於2018年1月1日，本集團持有廊坊市城郊農村信用合作聯社5.78%股權。於2018年8月24日，本集團訂立協議向第三方出售其於廊坊市城郊農村信用合作聯社的全部股權，代價為人民幣76,000,000元。

於截至2019年12月31日止年度，按公平值計入損益的金融資產公平值變動虧損人民幣245,000元(2018年：人民幣2,796,000元)於損益扣除。

有關按公平值計入損益的金融資產的估值詳情載於附註27(c)。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 17. DEFERRED TAX

The deferred tax liabilities recognised by the Group and movements thereon during the current and prior years are as follows:

### 17. 遞延稅項

本集團於本年度及過往年度確認的遞延稅項負債及其變動如下：

		Withholding tax on dividend declared by a PRC subsidiary but not yet paid 中國附屬公司 宣派但尚未 支付的股息 的預扣稅 RMB'000 人民幣千元	Fair value change on investment properties 投資物業 的公平值變動 RMB'000 人民幣千元	Fair value change on financial assets at FVTPL 按公平值計入 損益的金融 資產公平值變動 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	2018年1月1日	2,200	110	4,085	6,395
Charge/(credit) to profit or loss (note 10)	於損益扣除/(計入損益) (附註10)	—	63	(4,373)	(4,310)
At 31 December 2018	2018年12月31日	2,200	173	(288)	2,085
Charge/(credit) to profit or loss (note 10)	於損益扣除/(計入損益) (附註10)	—	88	(62)	26
At 31 December 2019	2019年12月31日	<b>2,200</b>	<b>261</b>	<b>(350)</b>	<b>2,111</b>

As at 31 December 2019, the Group had unused tax losses of RMB85,000 (2018: RMB160,000) available for offset against future profits. As at 31 December 2019, unused tax loss of RMB85,000 (2018: RMB160,000) had not been recognised due to the unpredictability of future profit streams.

於2019年12月31日，本集團未動用稅項虧損為人民幣85,000元（2018年：人民幣160,000元），可用以抵銷未來溢利。於2019年12月31日，由於無法預測未來溢利流，故並無確認未動用稅項虧損人民幣85,000元（2018年：人民幣160,000元）。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 17. DEFERRED TAX (continued)

The following unrecognised PRC income tax losses has fixed expiry date, which will be expired in the following year:

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
31 December 2022	2022年12月31日	—	29
31 December 2023	2023年12月31日	85	131
Total	總計	85	160

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounted to RMB78,113,000 (2018: RMB50,990,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. The corresponding unrecognised deferred tax liabilities as at 31 December 2019 was RMB7,811,000 (2018: RMB5,099,000).

### 18. INVENTORIES

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Burial plots	墓地	1,911	675
Tombstones	墓碑	638	1,066
Columbarium units	骨灰廊	16,724	260
		19,273	2,001

### 17. 遞延稅項 (續)

下列有固定到期日的未確認中國所得稅虧損將於以下年度到期：

根據中國企業所得稅法，自2008年1月1日起，中國附屬公司就其賺取的溢利宣派的股息須繳付預扣稅。由於本集團能控制臨時差額撥回的時機，且該臨時差額於可見未來可能不能撥回，故未有就中國附屬公司累計溢利應佔臨時差額人民幣78,113,000元（2018年：人民幣50,990,000元）於合併財務報表作出遞延稅項撥備。於2019年12月31日，有關未確認遞延稅項負債為人民幣7,811,000元（2018年：人民幣5,099,000元）。

### 18. 存貨



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 19. PREPAYMENTS AND OTHER RECEIVABLES 19. 預付款項及其他應收款項

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Staff advance	員工墊款	30	30
Prepayments	預付款項	471	106
Others	其他	237	329
		<b>738</b>	465

### 20. BANK BALANCES AND CASH

Bank balances carried interest at market interest rates ranging from 0.30% to 0.35% per annum as at 31 December 2019 (2018: 0.30% to 0.35% per annum). RMB is not a freely convertible currency in the international market. The exchange rate of RMB is determined by the government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

The Group's bank balances and cash are denominated in the following currencies:

### 20. 銀行結餘及現金

2019年12月31日，銀行結餘每年按介乎0.30%至0.35%的市場利率計息(2018年：每年介乎0.30%至0.35%)。人民幣是不可於國際市場自由轉換的貨幣。人民幣的匯率由中國政府釐定，將該等款項匯出中國受中國政府施加的匯兌限制規限。

本集團銀行結餘及現金以下列貨幣計值：

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Denominated in RMB	以人民幣計值	142,052	138,340
Denominated in HK\$	以港元計值	47,228	53,072
		<b>189,280</b>	191,412



Notes to the Consolidated Financial Statements  
 合併財務報表附註

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

## 21. TRADE AND OTHER PAYABLES

## 21. 貿易及其他應付款項

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade payables	貿易應付款項	2,180	1,043
Accrued expenses	應計開支	11,229	8,427
		<b>13,409</b>	<b>9,470</b>

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

以下為各報告期末按發票日期呈列的貿易應付款項的賬齡分析：

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Less than 1 year	1年內	2,041	922
1 to 2 years	1至2年	51	25
Over 3 years	3年以上	88	96
		<b>2,180</b>	<b>1,043</b>



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 22. CONTRACT LIABILITIES

Contract liabilities represent the obligations to transfer burial plots and cemetery maintenance services in accordance with the revenue recognition policy and the nature of the business.

### 22. 合約負債

合約負債指根據收益確認政策及業務性質轉讓墓地及墓園維護服務的義務。

		<b>At 31 December 2019</b>	At 31 December 2018
		<b>於2019年 12月31日</b>	於2018年 12月31日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Sales of burial plots	銷售墓地	<b>2,437</b>	4,037
Provision of cemetery maintenance services	提供墓園維護服務	<b>63,442</b>	57,756
		<b>65,879</b>	61,793
Current	流動	<b>7,687</b>	9,096
Non-current	非流動	<b>58,192</b>	52,697
		<b>65,879</b>	61,793

As at 1 January 2018, contract liabilities amounted to RMB60,848,000.

於2018年1月1日，合約負債為人民幣60,848,000元。

Customers who purchase burial services are required to make advance payments for maintenance fees, relating to the on-going cemetery maintenance services of their burial plots and memorials over 20 years, and such amounts are generally paid together with the purchase of burial plots.

購買殯葬服務的客戶須就持續維護墓地及墓碑服務預先支付20年的維護費，該等款項一般於購買墓地時一併支付。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 22. CONTRACT LIABILITIES (continued)

The following table presented the amounts of revenue recognised in the profit or loss which were included in contract liabilities carried forward from prior periods.

Year ended 31 December 2019

		Sales of burial plots 銷售基地 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the year	於年初計入合約負債結餘的已確認收益	1,600	3,635

Year ended 31 December 2018

		Sales of burial plots 銷售基地 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the year	於年初計入合約負債結餘的已確認收益	3,169	3,252

The Group receives all the contract amounts when signing the contracts with customers on sales of burial plots and provision of cemetery maintenance services. Transaction price is allocated between sales of burial plots and the maintenance services on a relative standalone selling price basis. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction. The Group considers the advance payment schemes does not contain significant financing component and accordingly the amount of consideration is not adjusted for the effects of the time value of money taking into consideration that the payment terms were not structured primarily for the provision of finance to the Group.

### 22. 合約負債 (續)

下表呈列於損益確認的收益金額，該等收益已計入前期結轉的合約負債。

截至2019年12月31日止年度

		Sales of burial plots 銷售基地 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the year	於年初計入合約負債結餘的已確認收益	1,600	3,635

截至2018年12月31日止年度

		Sales of burial plots 銷售基地 RMB'000 人民幣千元	Provision of cemetery maintenance services 提供墓園 維護服務 RMB'000 人民幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the year	於年初計入合約負債結餘的已確認收益	3,169	3,252

本集團於就銷售墓地及提供墓園維護服務與客戶簽署合約時收取全部合約金額。交易價格按相對獨立的售價基準於銷售墓地與維護服務之間分配。分配至該等服務的交易價格於首次銷售交易時確認為合約負債。本集團認為，考慮到設立付款條款的主要目的並非向本集團提供資金，預付款項機制不包括重大融資部分，因此代價金額不會就貨幣時間價值做出調整。





## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 1 January 2018 於2018年 1月1日 RMB'000 人民幣千元	Financing cash flows 融資 現金流量 RMB'000 人民幣千元	Amounts waived by related parties 關聯方 免除款項 RMB'000 人民幣千元	At 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元
Amount due to a related party	752	(752)	—	—

### 23. 融資活動負債對賬

### 24. SHARE CAPITAL

		Number of shares 股份數目	RMB'000 人民幣千元
Ordinary shares of United States Dollar ("US\$") 0.01 each	每股0.01美元(「美元」) 的普通股		
Authorised:	法定：		
At beginning and end of 2018 and 2019	2018年及2019年年初及 年終	3,000,000,000	205,984
Issue and fully paid:	發行及繳足：		
At beginning and end of 2018 and 2019	2018年及2019年年初及 年終	1,000,000,000	66,192

### 24. 股本

### 25. RESERVES

#### Statutory surplus reserve

Pursuant to the relevant PRC rules and regulations, the subsidiaries of the Group incorporated in the PRC are required to transfer no less than 10% of their profits after taxation, after offsetting any prior years' loss as determined under the China Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before the distribution of a dividend to shareholders of the PRC subsidiaries. Statutory surplus reserve is non-distributable other than in liquidation and can be used to make good previous years' losses, if any, and may be converted into paid-in capital in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of the registered capital.

### 25. 儲備

#### 法定盈餘儲備

根據中國有關規例及法規，本集團於中國註冊成立的附屬公司須在扣除過往年度根據中國會計準則釐定的虧損後，將不少於10%的除稅後溢利轉撥至法定盈餘儲備，直至儲備結餘達到註冊資本的50%。須於向中國附屬公司股東分派股息之前轉撥至該儲備。除非有關附屬公司清盤，否則法定盈餘儲備不可予以分派。法定盈餘儲備可用於填補過往年度的虧損(如有)，或按股權擁有人現有權益的比例轉換成繳足資本，惟轉換後結餘不得少於註冊資本的25%。



## 26. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of borrowings, if any, net of cash and cash equivalents and total equity of the Group.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through raising of new capital, issue of new debt or the redemption of the existing debts.

## 27. FINANCIAL INSTRUMENTS

### a. Categories of financial instruments

## 26. 資本風險管理

本集團管理資本，確保本集團實體能夠繼續按持續基準經營，同時透過將債務及權益結餘最優化，給予股東最大回報。本集團的整體策略於過往一年保持不變。

本集團的資本結構包括借款(如有)經扣除現金及現金等價物以及本集團權益總額。

本集團管理層定期檢討資本結構。根據相關檢討，管理層考慮資本成本及與資本相關的風險。基於管理層的推薦建議，本集團會透過籌集新資本、發行新債務或贖回現有債務，平衡整體資本結構。

## 27. 金融工具

### a. 金融工具分類

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量的 金融資產	189,547	191,771
Financial assets at FVTPL	按公平值計入損益的 金融資產	8,600	8,845
Financial liabilities	金融負債		
Amortised cost	攤銷成本	12,481	8,639



## 27. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies

The Group's financial instruments consisted of financial assets at FVTPL, other receivables, bank balances and cash and trade and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and foreign currency risk), credit risk and liquidity risk.

The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### (i) Market risk

The Group's activities expose it primarily to the financial risks of interest rates.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from prior year.

#### *Interest rate risk management*

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits carried at prevailing market interest rates based on or by reference to the interest rate promulgated by the People's Bank of China.

The Group currently does not have interest rate hedging policy. However, management will consider hedging significant interest rate exposure should the need arise.

The sensitivity analysis is not presented as the management of the Group considered that the sensitivity of the Group's exposure towards the change in interest rate is not material to the consolidated financial statements.

## 27. 金融工具(續)

### b. 金融風險管理目標及政策

本集團的金融工具包括按公平值計入損益的金融資產、其他應收款項、銀行結餘及現金以及貿易及其他應付款項。金融工具的詳情於相關附註披露。與該等金融工具相關的風險包括市場風險(利率風險及外幣風險)、信貸風險及流動資金風險。

如何減輕該等風險的政策載於下文。本集團管理層管理及監察該等風險，確保及時有效實行適當措施。

#### (i) 市場風險

本集團經營活動主要面對利率金融風險。

過去一年，本集團面對的市場風險或管理及計量該等風險的方式並無變動。

#### *利率風險管理*

由於銀行存款按根據或參考中國人民銀行所頒佈利率計算的當時市場利率計算，因此本集團因當時市場利率波動而面對現金流量利率風險。

本集團目前並無利率對沖政策，但管理層會考慮於必要時對沖重大利率風險。

由於本集團管理層認為本集團對利率波動的敏感度對合併財務報表並無重大影響，故並無呈列敏感度分析。



## 27. FINANCIAL INSTRUMENTS (continued)

### b. Financial risk management objectives and policies (continued)

#### (i) Market risk (continued)

##### Foreign currency risk

The Group collects all of the revenue in RMB and incurs most of the expenditures as well as capital expenditures in RMB.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		At 31 December 於12月31日		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
HK\$	港元	47,570	53,251	934	37

#### Sensitivity analysis

The Group is mainly exposed to the fluctuation in HK\$ against RMB.

The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease in RMB against the relevant foreign currency. 5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates.

## 27. 金融工具 (續)

### b. 金融風險管理目標及政策(續)

#### (i) 市場風險(續)

##### 外幣風險

本集團所有收益均以人民幣收取，大部分開支及資本開支亦以人民幣計值。

本集團以外幣計值之貨幣資產及貨幣負債於報告期末之賬面值如下：

#### 敏感度分析

本集團主要面對港元兌人民幣匯率波動的風險。

下表詳列在所有其他變數維持不變的情況下，本集團對人民幣兌各種外幣匯率於5% (2018年：5%) 的合理範圍之潛在變動的敏感度。5% (2018年：5%) 為向公司內部重要管理人員匯報外幣風險時所使用的敏感度比率，並代表管理層對匯率合理範圍之潛在變動的評估。敏感度分析僅包括以外幣計價的未償還貨幣項目，並於報告期末對外幣匯率變動5%作出調整。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 27. FINANCIAL INSTRUMENTS (continued)

#### b. Financial risk management objectives and policies (continued)

##### (i) Market risk (continued)

*Foreign currency risk (continued)*

Sensitivity analysis (continued)

An analysis of sensitivity to currency risk for the Group is as follows:

Increase/(decrease) in post-tax profit for the year	年內除稅後溢利之增加／(減少)
— if RMB weakens against HK\$	— 假設人民幣兌港元走弱
— if RMB strengthens against HK\$	— 假設人民幣兌港元走強

##### (ii) Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's credit risk primarily relates to other receivables and bank balances. The credit risk on bank balances is limited because the bank balances are maintained with large commercial banks in the PRC and Hong Kong.

The other receivables are measured on 12m ECL basis. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. There is not past due of other receivables. In this regard, the Directors consider that the Group's credit risk is not significant increased.

### 27. 金融工具(續)

#### b. 金融風險管理目標及政策(續)

##### (i) 市場風險(續)

*外幣風險(續)*

敏感度分析(續)

本集團對貨幣風險的敏感度分析如下：

#### Year ended 31 December 截至12月31日止年度

2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
2,332	2,661
(2,332)	(2,661)

##### (ii) 信貸風險

於報告期末，本集團由於對方未履行責任所面對會招致本集團財務損失的最高信貸風險乃由合併財務狀況表所述有關已確認的金融資產的賬面值產生。

本集團的信貸風險主要與其他應收款項及銀行結餘有關。銀行結餘存放於中國及香港的大型商業銀行，因此有關銀行結餘的信貸風險不大。

其他應收款項按12個月預期信貸虧損基準計量。為進行內部風險管理，本集團利用逾期資料評估信貸風險自初步確認以來是否大幅增加。其他應收款項概無逾期。就此而言，董事認為本集團信貸風險並無大幅增加。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 27. FINANCIAL INSTRUMENTS (continued)

#### b. Financial risk management objectives and policies (continued)

##### (iii) Liquidity risk management

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on the interest rate outstanding at the end of the reporting period.

		Weighted average interest rate 加權平均利率 %	Less than 1 year 少於1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金流量總額 RMB'000 人民幣千元	Total carrying amount 賬面值總計 RMB'000 人民幣千元
At 31 December 2019	2019年 12月31日				
Non-derivative financial liabilities	非衍生金融負債				
Trade and other payables	貿易及其他應付款項	—	12,481	12,481	12,481
At 31 December 2018	2018年 12月31日				
Non-derivative financial liabilities	非衍生金融負債				
Trade and other payables	貿易及其他應付款項	—	8,639	8,639	8,639

#### c. Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of its financial assets and liabilities.

The fair value of financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

### 27. 金融工具 (續)

#### b. 金融風險管理目標及政策(續)

##### (iii) 流動資金風險管理

下表詳列本集團非衍生金融負債的剩餘合約到期日。該表根據本集團可能須付款的最早日期的金融負債未貼現現金流量編製。該表同時呈列利息及本金現金流量。若利息為浮息，則未貼現金額按報告期末的利率計算。

#### c. 金融工具的公平值計量

該附註提供有關本集團如何釐定其金融資產及負債之公平值的資料。

金融資產及負債的公平值根據公認定價模式按貼現現金流量分析釐定。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 27. FINANCIAL INSTRUMENTS (continued)

#### c. Fair value measurements of financial instruments (continued)

The management of the Group considers that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

The fair values of financial assets at FVTPL have been arrived at on the basis of valuation carried out by Vigers Appraisal & Consulting Limited (2018: Savills Valuation and Professional Services Ltd.), an independent qualified professional valuer not connected with the Group.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as at 31 December 2019 於2019年 12月31日 的公平值 RMB'000 人民幣千元	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input(s)
金融資產		公平值層級	估值技術及 主要輸入數據	重大不可觀察 輸入數據
Financial assets at FVTPL — unlisted equity investment 按公平值計入損益的 金融資產 — 非上市 股本投資	8,600	Level 3 第三級	Market approach: based on the target companies' financial performance and the multiples of comparable companies. The key inputs are: (1) Price to book ratio ("P/B ratio"); (2) Discount for lack of marketability ("DLOM") 市場法：基於目標公司財務表現及可資比較公司倍數。主要輸入數據為：(1)市賬率(「市賬率」)；(2)缺乏市場流通性折讓(「缺乏市場流通性折讓」)	P/B ratio: 0.84 (note) DLOM: 30% 市賬率：0.84(附註) 缺乏市場流通性折讓：30%

Note: An increase in the P/B ratio used in isolation would result in an increase in the fair value measurement of the financial assets at FVTPL, and vice versa. A 5% increase/decrease in the P/B ratio holding all other variables constant would increase/decrease the carrying amount of the investment by RMB430,000.

### 27. 金融工具(續)

#### c. 金融工具的公平值計量(續)

本集團管理層認為合併財務報表內按攤銷成本列賬的金融資產及負債的賬面值與其公平值相若。

按公平值計入損益的金融資產公平值乃基於與本集團並無關連的獨立合資格專業估值師威格斯資產評估顧問有限公司(2018年：第一太平戴維斯估值及專業顧問有限公司)所進行的估值計算。

下表顯示有關如何釐定金融資產公平值的資料(尤其是估值技術及所用的輸入數據)。

附註：單獨使用的市賬率增加將導致按公平值計入損益的金融資產公平值計量增加，反之亦然。倘所有其他變量不變，市賬率增加/減少5%將導致投資賬面值增加/減少人民幣430,000元。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 27. FINANCIAL INSTRUMENTS (continued)

- c. Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurements

		<b>Financial assets at FVTPL 按公平值計入 損益的金融資產 RMB 人民幣元</b>
At 1 January 2018	於2018年1月1日	87,641
Loss on fair value changes of financial assets at FVTPL	按公平值計入損益的金融 資產公平值變動虧損	(2,796)
Disposal	出售	(76,000)
At 31 December 2018	於2018年12月31日	8,845
Loss on fair value changes of financial assets at FVTPL	按公平值計入損益的金融 資產公平值變動虧損	(245)
At 31 December 2019	於2019年12月31日	<b>8,600</b>

### 28. OPERATING LEASE

The Group as lessor

As at 31 December 2019, the investment properties held by the Group for rental purpose have committed tenants for one year with fixed rental.

Minimum lease payments receivable on leases are as follows:

		<b>2019 2019年 RMB'000 人民幣千元</b>
Within one year	於一年內	<b>200</b>

### 27. 金融工具 (續)

- c. 金融工具的公平值計量(續)

第三級公平值計量的對賬

### 28. 經營租賃

本集團作為出租人

於2019年12月31日，本集團持作賺取租金的投資物業與租戶訂約於一年內租用，租金固定。

就租賃應收最低租賃付款如下：





## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 28. OPERATING LEASE (continued)

The Group as lessor (continued)

The Group had contracted with tenants for the following future minimum lease payments under non-cancellable operating leases:

		2018 2018年 RMB'000 人民幣千元
Within one year	於一年內	200
In the second to the fifth year, inclusive	第二年至第五年(包括首尾兩年)	200
		400

### 29. CAPITAL COMMITMENTS

### 28. 經營租賃(續)

本集團作為出租人(續)

本集團根據不可撤銷經營租約與客戶訂立以下未來最低租賃付款：

### 29. 資本承擔

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Contracted but not provided for in the consolidated financial statements:	已訂約但未於合併財務報表撥備：		
— Expenditure in respect of cemetery assets	— 墓園資產方面的開支	348	—

### 30. RETIREMENT BENEFIT SCHEME

The employees of the Group are members of a state-managed retirement benefit scheme operated by the PRC Government. The Group is required to contribute 20% of the total monthly basic salaries of its current employees to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to the consolidated statement of profit or loss and other comprehensive income of approximately RMB427,000 for the year ended 31 December 2019 (2018: RMB318,000), represented contributions paid and/or payable to the scheme by the Group for the reporting period.

### 30. 退休福利計劃

本集團僱員是中國政府所運作國家管理退休福利計劃的成員。本集團須按現有僱員每月基本薪金總額的20%向退休福利計劃供款，為有關福利提供資金。就退休福利計劃而言，本集團的唯一責任是作出指定供款。

截至2019年12月31日止年度，於合併損益及其他全面收益表扣除的總成本約為人民幣427,000元(2018年：人民幣318,000元)，是本集團於報告期內向該計劃已付及／或應付的供款。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 31. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of Directors and chief executive, who are also key management, is disclosed in note 9.

### 32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

The Company was incorporated in the Cayman Islands on 25 January 2017 and became the holding company of the Group as at 14 March 2017. Information about the statement of financial position and movements in the reserves of the Company were as follows:

Statement of financial position

### 31. 關聯方交易

主要管理人員薪酬

董事及最高行政人員(同時為主要管理層)的薪酬於附註9披露。

### 32. 本公司財務狀況表及儲備

本公司於2017年1月25日在開曼群島註冊成立，並於2017年3月14日成為本集團控股公司。有關本公司財務狀況表及其儲備變動的資料如下：

財務狀況表

		At 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	42	48
Investment in a subsidiary	投資附屬公司	—	—
		42	48
CURRENT ASSETS	流動資產		
Dividend receivable	應收股息	19,800	19,800
Prepayments and other receivables	預付款項及其他應收款項	13	117
Amounts due from subsidiaries	應收附屬公司款項	23,074	—
Bank balances and cash	銀行結餘及現金	22,628	52,742
		65,515	72,659
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	918	28
Amounts due to subsidiaries	應付附屬公司款項	—	2,374
		918	2,402
NET CURRENT ASSETS	流動資產淨值	64,597	70,257
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	64,639	70,305
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	66,192	66,192
Reserves	儲備	(1,553)	4,113
TOTAL EQUITY	權益總額	64,639	70,305



Notes to the Consolidated Financial Statements  
合併財務報表附註

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

**32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY** (continued) **32. 本公司財務狀況表及儲備** (續)

Movements in the Company's reserves

本公司儲備變動

		<b>Retained earnings (accumulated loss)</b> 保留盈利 (累計虧損) <b>RMB'000</b> 人民幣千元
At 1 January 2018	於2018年1月1日	2,531
Profit and total comprehensive income for the year	年內溢利及全面收益總額	1,582
At 31 December 2018	於2018年12月31日	4,113
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(5,666)
At 31 December 2019	於2019年12月31日	<b>(1,553)</b>



## Notes to the Consolidated Financial Statements 合併財務報表附註

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

### 33. INTERESTS IN SUBSIDIARIES

As at the end of the reporting period, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiary 附屬公司名稱	Place and the date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid capital/ registered capital 已發行及繳足 資本/註冊資本	Shareholding/equity interests attributable to the Company At 31 December 於12月31日本公司 應佔持股比例/股權		Principal activities 主要業務
			2019 2019年	2018 2018年	
			Langfang Wantong (note a)	PRC 26 November 2007	
廊坊萬桐(附註a)	中國 2007年11月26日	人民幣32,000,000元	100%	100%	銷售墓地、骨灰廊、提供其他墓地相關服務及墓園維護服務
Wan Tong (HK) Company Limited 萬桐(香港)有限公司	HK 18 January 2017 香港 2017年1月18日	HK\$1 1港元	100%	100%	Investment holding 投資控股
Shing Sheng International Limited*	BVI 27 January 2017 英屬處女群島 2017年1月27日	US\$1 1美元	100%	100%	In-vestment holding 投資控股
Langfang Wantongyuan Corporation Investment Co., Ltd. (note b) 廊坊萬桐園企業投資有限公司 (附註b)	PRC 2 March 2017 中國 2017年3月2日	US\$30,000,000 30,000,000美元	100%	100%	Investment holding 投資控股
Langfang City Wantong Funeral Services Co., Ltd.** (note a) (Langfang City Wantong Funeral Services Co., Ltd.)**	PRC 23 March 2017 中國 2017年3月23日	RMB500,000 人民幣500,000元	100%	100%	Provision of funeral service 提供殯儀服務

#### Notes:

- (a) These companies are PRC limited liability companies.
- (b) Langfang Wantongyuan Corporation Investment Co., Ltd. is a wholly foreign owned company established in the PRC.
- \* Directly-held by the Company
- \*\* English name for identification only

The Group does not have any subsidiaries issuing debt securities during the year and at the end of the reporting period.

#### 附註:

- (a) 該等公司為中國有限公司。
- (b) 廊坊萬桐園企業投資有限公司為於中國成立的外資公司。
- \* 由本公司直接持有
- \*\* 英文名稱僅供識別

於年內及報告期末，本集團並無任何附屬公司發行債務證券。



### 34. EVENT AFTER THE REPORTING PERIOD

Since early 2020, the coronavirus epidemic (“the COVID-19 outbreak”) has spread across China, and it has to a certain extent impacted the economic activities of the Group. As a burial services provider in Langfang, Hebei Province, the Group’s revenue from burial services is expected to decrease as compared to the same period in 2019 due to the COVID-19 outbreak.

The management is still in the process of assessing the impacts of the COVID-19 outbreak on the financial performance and position of the Group and is currently unable to estimate the quantitative impacts to the Group up to the date of these consolidated financial statements, but will however closely monitor the development of the COVID-19 outbreak and perform further assessment of its financial impact.

### 34. 報告期後事項

自2020年初起，冠狀病毒疫情（「COVID-19爆發」）於中國蔓延，並在一定程度上影響本集團的經濟活動。作為河北省廊坊市的殯葬服務供應商，預期由於COVID-19爆發，本集團自殯葬服務的收入將較2019年同期下降。

管理層仍在評估COVID-19爆發對本集團財務業績及狀況的影響，目前無法估計直至該等合併財務報表日期對本集團的量化影響，惟將密切監察COVID-19爆發的發展，並進一步評估所帶來的財務影響。



# 萬桐園

Baganqu North, Economic and Technological  
Development Area Langfang, Hebei, PRC

中國河北省廊坊市  
經濟技術開發區八干渠北

Unit 3508, 35th Floor,  
West Tower,  
Shun Tak Centre,  
168–200 Connaught Road Central,  
Hong Kong

香港上環干諾道中168—200號  
信德中心西座  
35樓3508室

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