



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: 8199

Annual Report
2017 年報



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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This annual report, for which the Directors (the “Directors”) of China Wan Tong Yuan (Holdings) Limited 中國萬桐園(控股)有限公司 (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this annual report is accurate and complete in all material respects and no misleading; (2) there are no other matters the omission of which would make any statement in this annual report misleading or deceptive; and (3) all opinions expressed in this annual report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The report will be available on the Company’s website <http://www.lfwt.com> and will remain on the “Latest Company Announcements” page on the GEM website at <http://www.hkgem.com> for least 7 days from the date of its posting.

香港聯合交易所有限公司(「聯交所」)GEM之特色

GEM之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之中小型公司提供上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。

由於在GEM上市之公司一般為中小型公司，在GEM買賣之證券可能會較於主板買賣之證券承受更大之市場波動風險，同時無法保證在GEM買賣之證券會有高流通量之市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本年報之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本年報全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本年報包括之資料乃遵照香港聯合交易所有限公司《GEM證券上市規則》(「GEM上市規則」)之規定而提供有關China Wan Tong Yuan (Holdings) Limited中國萬桐園(控股)有限公司(「本公司」)之資料。本公司之各董事(「董事」)願就本年報共同及個別承擔全部責任，並在作出一切合理查詢後確認，就彼等所知及所信：(1)本年報所載之資料在各重大方面均屬準確完整，且無誤導成份；(2)本年報並無遺漏其他事實致使本年報所載任何內容產生誤導或欺詐；及(3)本年報所表達之一切意見乃經審慎周詳考慮後始行發表，並以公平合理之基準及假設為依據。

本報告將於本公司網站<http://www.lfwt.com>，並將由刊登日期起計最少7天保留於GEM網站<http://www.hkgem.com>「最新公司公告」網頁。

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CORPORATE INFORMATION

公司資料

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)

COMPANY SECRETARY

Mr. Lam Koon Fai (CPA, ACCA)

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 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)

公司秘書

林冠輝先生(CPA、ACCA)

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 Road, P.O. Box 10338

Grand Cayman KY1-1003

Cayman Islands

CORPORATE INFORMATION 公司資料

HEADQUARTERS IN CHINA

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

36/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
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.lfwtv.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

GEM STOCK CODE

8199

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
銅鑼灣勿地臣街1號
時代廣場2座36樓

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.lfwtv.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

GEM股份代號

8199

FINANCIAL SUMMARY

財務概要

Result

業績

		Year ended 31 December 截至12月31日止年度		
		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	38,617	31,179	24,409
Profit before taxation	除稅前溢利	13,895	20,716	17,909
Income tax expense	所得稅開支	(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	7,123	16,193	14,331

Assets and Liabilities

資產及負債

		As of 31 December 於12月31日		
		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	176,060	135,808	189,191
Total liabilities	總負債	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	88,427	55,148	38,955

Financial Statistics

財務統計

		2017 2017年	2016 2016年	2015 2015年
Current Ratio ¹	流動比率 ¹	2.4	1.7	1.1
Gearing ratio (%) ²	資產負債比率(%) ²	49.8	59.4	79.4
Return on total assets (%) ³	總資產回報(%) ³	4.1	11.9	7.6
Return on sales (%) ⁴	銷售回報率(%) ⁴	18.5	51.9	58.7

FINANCIAL SUMMARY

財務概要

Key Financial Data

主要財務數據

		2017 2017年 RMB 人民幣	2016 2016年 RMB 人民幣	2015 2015年 RMB 人民幣
Earnings per shares — basic ⁵	每股盈利—基本 ⁵	0.009	0.022	0.019
Net assets value per shares ⁶	每股資產淨值 ⁶	0.108	0.074	0.052

Notes:

1. Current ratio is calculated by dividing current assets by current liabilities.
2. Gearing ratio to total assets 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. Return on sales 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. 銷售回報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 Year, the Group was principally engaged in the sale of burial plots, provision of other burial-related services and provision of cemetery maintenance services.

各位尊敬的股東：

於該年內，本集團主要從事銷售墓地、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,

I am pleased to present, on behalf of the Board of Directors (the “**Board**”) 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 2017.

2017 was a significant milestone to our Group. On 27 September 2017, the Company has been successfully listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The successful listing was a proof that the Company’s philosophy in respect of the diversified burial business has been supported and recognized by various sectors of the community. Along with the enhanced reputation by the listing, we believe that the confidence of our clients and suppliers will be boosted, and hence the Group will be fostered further in vigorous growth and development.

We have grown substantially since our inception in 2007. In 2017, the operating income of the Group amounted to RMB38.6 million, representing a growth reaching 23.9% (2016: RMB31.2 million) compared to 2016. Profit attributable to the shareholders of the Groups had decreased from RMB16.2 million in 2016 to RMB7.1 million in 2017, whereas the decrease in the profit attributable to the shareholders was mainly due to the one-off listing expenses of RMB14.0 million (2016: RMB1.4 million) incurred in 2017. Without taking into account of the non-recurring expenses, the profits of the Group amounted to RMB21.1 million (2016: RMB17.6 million).

親愛的各位股東：

本人謹代表中國萬桐園(控股)有限公司(「**本公司**」)董事會(「**董事會**」)欣然提呈本公司及其附屬公司(統稱「**本集團**」)截至2017年12月31日止年度的經審核綜合財務報表。

2017年是本集團一個重要的里程碑。於2017年9月27日，本公司成功在香港聯合交易所有限公司(「**聯交所**」)GEM掛牌上市。上市成功證明本公司對於殯葬業多元化的經營理念得到社會各界的支持和認可。隨著上市帶來的聲譽提升，我們相信我們的客戶及供應商的信心將得到提高，帶動本集團進一步茁壯成長。

自2007年創辦以來我們發展迅猛。2017年本集團營業收入為人民幣38.6百萬元，較2016年增長達23.9% (2016年：人民幣31.2百萬元)。本集團股東應佔溢利由2016的人民幣16.2百萬元減少至2017年的人民幣7.1百萬元，股東應佔溢利減少主要由於2017年產生一次性上市開支人民幣14.0百萬元(2016年：人民幣1.4百萬元)。不計上述非經常開支，本集團溢利為人民幣21.1百萬元(2016年：人民幣17.6百萬元)。

CHAIRMAN'S STATEMENT 主席報告書

We operate our burial plot in Langfang under the brand 萬桐園 (Wan Tong Yuan), derived from “萬古長青·鳳棲梧桐 (garden with phoenixes perching on everlasting plane trees)”, which symbolizes a treasured land that preserves the spirits of the departed. Langfang, one of the most fast-growing cities in Hebei province, has experienced a relatively stronger growth in its economy and burial services market, compared with the general situations in Hebei province. Conveniently located in Langfang, our cemetery is approximately 40 kilometers and 60 kilometers from downtown Beijing and Tianjin, respectively, offering a sought-after burial site for local residents as well as customers from surrounding areas and neighboring cities. We expect to further broaden our customer base as the integration of the Jing-Jin-Ji megalopolis deepens. In Jing-Jin-Ji megalopolis, we explore suitable acquisition targets of burial plots as well as the upstream and downstream burial industries for business expansion. We strive for joint ventures by funeral parlors across multiple regions. We eagerly seek for strategic alliances and acquisition opportunities along the whole burial industry chain. Meanwhile, we endeavor to develop the funeral services in Langfang and related regions to form a diversified development system and line up more resources. Also, we attract more professional in investments and merger and acquisition talents, thereby quickly boosting the development of Company into a stronger one.

To fully leverage our competitive strengths, we will further expand our business scope and provide diversified and personalized ritual services. Meanwhile, our carefully-designed cemetery provides comfort and tranquility for our visitors. On the basis of our committed, experienced and stable management team, we would involve more professional management personnel in specific work. Through accumulating valuable knowledge about the local customs and preferences in terms of burial practices, enhancing the integration with the burial cultures of overseas and other regions, we closely tracking the market trends and customer preferences. Given our experience and market reputation, we are also supported by the available land parcels within our cemetery and the broadened customer base, we believe we could understand customers' needs more comprehensively. Besides, through establishing new cemeteries together with various funeral ceremony services provided, we shall continue to grow our burial business.

我們於廊坊經營「萬桐園」公墓，源於「萬古長青·鳳棲梧桐」，意寓保存亡靈之福地。廊坊為河北省發展最快的城市之一，與河北省的整體狀況相比，其經濟及殯葬服務市場增長較為強勁。我們的基地位於廊坊，交通便利，與北京及天津市中心分別相距約40千米及60千米。我們的基地受當地居民及周邊地區及鄰市客戶追捧。隨著京津冀都市圈一體化加深，我們預期將進一步擴大客戶群。在京津冀都市圈物色適合的公墓以及殯葬上下游產業的收購目標進行業務擴張，爭取多地區的殯儀館合作聯營，爭取殯葬全產業鏈的戰略聯盟及收購機會，同時著力發展廊坊以及相關地區的殯儀服務，形成多元化發展體系，對接更多資源，引進更多專業投資併購人才，使公司快速發展壯大。

為了充分利用我們的競爭優勢，我們將進一步擴大業務範疇，提供多元化和個性化的儀式服務，同時精心設計的墓園為來訪者提供舒適恬靜的環境。在我們敬業、經驗豐富且穩定的管理團隊基礎上，增加更多專業管理人員參與具體工作，通過積累寶貴的本地習俗及偏好等墓葬習俗知識，增加同外埠其他區域殯葬文化的貫通，密切掌控市場趨勢及客戶偏好，憑藉我們的經驗、市場聲譽，及得益於墓園可用地塊與日益壯大的客戶群，相信我們可更全面瞭解客戶需求，並通過新增墓地及所提供多種禮儀服務持續發展我們的殯葬業務。

CHAIRMAN'S STATEMENT 主席報告書

After the listing of the Company in 2017, it will provide the Group with more available resources for its the development of the existing businesses and further expansion of service scopes.

On behalf of the Board, I would like to take this opportunity to thank our shareholders, clients, business partners and suppliers for their trust and continued support in our Group; I would also like to express my sincere gratitude to the management and staff for their dedications and contribution over the years.

Chairman: Zhao Ying

21 March 2018, Hong Kong

本公司於2017年上市，將為本集團提供更多發展現有業務及進一步擴大服務範圍的可利用資源。

本人謹藉此機會代表董事會鳴謝各位股東、客戶、業務夥伴及供應商對本集團的信任及不懈支持；同時本人謹此對管理層及員工多年以來的付出及貢獻深表感謝。

主席：趙穎

2018年3月21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, provision of other burial-related services and provision of cemetery maintenance services in Langfang.

Sales of burial plots and provision of other burial-related services

Burial services were the largest component of our revenue, representing 92.1% of our revenue for year ended 31 December 2017 (2016: 91.5%).

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 allows 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 the sign the sales contracts to purchase the burial plots. Our revenue from cemetery maintenance services was RMB3.1 million for the year ended 31 December 2017 (2016:RMB2.6 million).

業務回顧

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

出售墓地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2017年12月31日止年度我們收益的92.1%（2016年：91.5%）。

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2017年12月31日止年度，我們自墓地維護服務的收益為人民幣3.1百萬元（2016年：人民幣2.6百萬元）。

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, we believe we are able to continue to grow our business by making additional burial plots based on customer demand. Subject to strict regulatory restrictions and government zoning policies, the provision of burial services may encounter significant entry barriers, and therefore, we believe our well-established operations represent a considerable first-mover advantage over potential competitors seeking to penetrate the burial services market in Langfang and the Jing-Jin-Ji megalopolis at large.

Comprehensive burial services to satisfy diversified customer needs

Instead of basic burial services with limited scope for unique designs or customization, we offer diversified burial services to customers of 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 come increasingly sparse.

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 services providers in Langfang which refer customers to us. We believe 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 of our employees, with a strong focus on cultivating the 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.

Committed, experienced and stable management team

We believe that our committed, experienced and stable management team enables us to form a vision of long-term development, closely track the market trends and customer preferences with industry insights to adjust our business strategies and execute our business initiatives on a consistent basis.

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、本地知識及市場聲譽，及得益於墓園可用地塊與日益壯大的客戶群，我們相信我們可基於客戶需求通過新增墓地持續發展業務。受限於嚴格的監管限制及政府劃地政策，提供殯葬服務或會面臨重大准入門檻，因此，我們相信完善的運營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。

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，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。

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地寬慰精神處於極度悲痛的客戶。我們亦自日常營運中掌握市場變動及客戶需求。

敬業、經驗豐富及穩定的管理團隊

我們相信敬業、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。

Outlook

We aspire to strengthen our market position in Langfang and expand our business in the Jing-Jin-Ji megalopolis and beyond through the following strategies.

Strengthen our market position in Langfang

We plan to strengthen our market position in Langfang by further developing the undeveloped area within our cemetery, upgrading our facilities, diversifying our burial-related services, and enhancing our marketing efforts, such as Further develop the undeveloped area, upgrade our facilities, diversify our burial-related services as well as enhance our marketing efforts.

Expand our business scope to provide funeral services

We generated substantially all of our revenues from burial services during the current and prior years. We have forged stable business relationship with a number of local funeral services providers which refer customers to us. We believe, however, that one-stop-shop services that integrate funeral and burial services are able to confer a significant competitive advantage, as bereaved families generally prefer dealing with fewer service providers to ensure a seamless and smooth experience at each stage of the process.

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

Leveraging our strategic location in Langfang and proximity to regional hubs in the Jing-Jin-Ji megalopolis, we plan to tap further into the burial services market in this region, especially in Beijing, where affordable burial sites have become increasingly sparse and local residents become increasingly mobile with the construction of a web of high-speed intercity transportation infrastructure. We plan to devote more marketing resources to serving the neighboring cities and develop further cooperation with local funeral service providers as our business partners. We target to set up one funeral service shop in each of 2018 and 2019 in Beijing to promote our burial services locally.

展望

我們追求通過採取以下策略鞏固於廊坊的市場地位並擴大我們於京津冀都市圈及其他地區的業務。

鞏固我們於廊坊的市場地位

我們計劃通過進一步開發墓園的未開發區域、升級我們的設施、殯葬相關服務多元化及加大宣傳力度，例如進一步開發未開發區域、升級我們的設施、墓地相關服務多元化及加大宣傳力度等措施，從而鞏固我們於廊坊的市場地位。

擴大我們的業務範圍，提供殯儀服務

於今個及過往年度，我們的絕大部分收益來自殯葬服務。我們與若干當地殯儀服務供應商建立穩定業務合作關係，彼等向我們推介客戶。然而，我們相信，整合殯儀及殯葬服務的一站式服務能夠帶來明顯的競爭優勢，原因為逝者家屬通常不願與過多服務供應商交涉以確保整個流程中各階段萬無一失。

深入發掘京津冀都市圈的殯葬服務市場

我們擬憑藉廊坊鄰近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。我們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，將其作為我們的業務夥伴。我們計劃於2018年及2019年在北京各設一間殯儀服務商舖，推廣我們的地方殯葬服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pursue strategic alliance and acquisition opportunities

We have built our business so far primarily through organic growth. Going forward, we intend to selectively acquire, invest in or enter into strategic partnerships with other death care services providers, including funeral service providers and cemetery operators. We base our selection criteria on, among other things, brand name, location, land cost, land reserves and profitability. We generally favor cemeteries located in wealthy and densely populated provinces, where there is a higher demand for death care services in high-quality. In particular, we seek to prioritize business expansion opportunities with death care services providers in the Jing-Jin-Ji megalopolis and bring synergy to our current operations. Save for above disclosed, there were no plan authorised by the Board for other material investments or additions of capital assets at the date of this annual report.

Financial Review

Revenue

Our revenue for the year ended 31 December 2017 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) 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; (iii) cemetery maintenance services. The table below sets forth a breakdown of our revenue:

尋求戰略聯盟及併購機會

我們一直主要透過內部增長建立業務。展望未來，我們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。我們的甄選標準基於(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，故我們一般偏好該等省份的墓地。具體而言，我們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。除上文所披露者外，截至本年報日期，董事會並無授權作出其他重大投資或添置資本資產的計劃。

財務回顧

收益

我們截至2017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)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(iii)墓園維護服務。下表載列我們的收益明細：

		Year ended December 31 截至12月31日止年度			
		2017 2017年		2016 2016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 %
Sale of burial plots and provision of other burial-related services	銷售墓地及提供其他殯葬相關服務	35,566	92.1%	28,531	91.5%
Cemetery maintenance services	墓園維護服務	3,051	7.9%	2,648	8.5%
		38,617	100.0%	31,179	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Benefiting from the regional economic growth, we have grown substantially since our inception in 2007. Our revenue for 2016 and 2017 was RMB31.2 million and RMB38.6 million, respectively, representing a year-on-year growth rate of 23.9%. The increase was primarily due to (1) an increase in the total number of burial plots sold and recognized as revenue, and (2) an increase in the average selling price of burial plots sold and recognized as revenue.

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 increased by RMB1.5 million, or 26.2%, from RMB5.5 million for 2016 to RMB7.0 million for 2017.

得益於地區經濟增長，我們自2007年創辦以來發展迅猛。我們2016年及2017年的收益分別為人民幣31.2百萬元及人民幣38.6百萬元，年增長率為23.9%。增加主要是由於(1)所售並確認為收益的墓地總數增加，及(2)所售並確認為收益的墓地平均售價增加。

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。我們的銷售及服務成本增加人民幣1.5百萬元或26.2%，由2016年的人人民幣5.5百萬元增加至2017年的人人民幣7.0百萬元。

Year ended December 31 截至12月31日止年度

		2017 2017年		2016 2016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	6,379	91.1%	5,127	92.5%
Cemetery maintenance	墓園維護	621	8.9%	418	7.5%
		7,000	100.0%	5,545	100.0%

The increases were mainly due to our business growth in burial services. Our cost of sales and services include the headstone cost, which represented the cost of the headstones used for burial plots; land acquisition cost, which represented the cost to acquire land for development into our cemetery; cemetery maintenance cost, which represented the cost for the ongoing landscaping and maintenance of our cemetery; burial-related cost, which represented cost for designs, headstone engraving, props and offerings for interment rituals, labor and other expenses incidental to the provision of burial service; and others, which represented land development and depreciation and amortization expenses relating to burial facilities.

增加主要是由於我們的殯葬服務業務有所增長。我們的銷售及服務成本包括墓碑成本，指墓地所用墓碑的成本；土地收購成本，指收購土地以開發墓園的成本；墓園維護成本，指墓園持續景觀美化及維護成本；殯葬相關成本，指設計、墓碑雕刻、安葬儀式道具及祭品、勞工成本及提供殯葬服務的其他雜項開支；及其他，指土地開發成本及與墓地設施有關的折舊及攤銷開支。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales and services. Our gross profit for 2017 and 2016 was RMB31.6 million and RMB25.6 million, respectively.

毛利及毛利率

毛利即收益減銷售及服務成本。我們2017年及2016年的毛利分別為人民幣31.6百萬元及人民幣25.6百萬元。

		Year ended December 31 截至12月31日止年度			
		2017 2017年		2016 2016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	29,187	82.1%	23,404	82.0%
Cemetery maintenance	墓園維護	2,430	79.7%	2,230	84.2%
		31,617	81.9%	25,634	82.2%

Our overall gross profit margin for 2017 and 2016 was 81.9% and 82.2%, respectively. Our relatively high gross profit margins and net profit margins during the year were primarily due to (1) the relatively high gross profit margins and net profit margins in the burial industry, (2) our ability to provide high-quality burial services, and (3) the relatively low land acquisition cost for our cemetery.

我們2017年及2016年的整體毛利率分別為81.9%及82.2%。我們的年內毛利率及淨利潤率相對較高，主要是由於(1)殯葬行業的毛利率及淨利潤率相對較高；(2)我們能夠提供優質殯葬服務；及(3)我們墓園的土地收購成本較低。

Other income

Our other income decreased by 42.0% from RMB7.6 million for 2016 to RMB4.4 million for 2017. This decrease was primarily due to a decrease in interest income on loan receivables in 2017 following the repayment of certain loans by an independent third party.

其他收入

我們的其他收入由2016年的人民幣7.6百萬元減少42.0%至2017年的人民幣4.4百萬元，減少主要是由於獨立第三方償還若干貸款後，2017年應收貸款的利息收入減少。

Distribution and selling expenses

Our distribution and selling expenses increased by 24.0% from RMB3.7 million for 2016 to RMB4.6 million for 2017. This increase was primarily due to an increase in commission paid to partnered funeral service providers and salary and staff costs.

分銷及銷售開支

我們的分銷及銷售開支由2016年的人民幣3.7百萬元增加24.0%至2017年的人民幣4.6百萬元，增長主要是由於支付殯葬服務供應商夥伴的佣金增加及薪金及員工成本增加。

Administrative expenses

Our administrative expenses increased by 18.1% from RMB2.7 million for 2016 to RMB3.2 million for 2017. This increase was primarily due to our business expansion and an increase in salary and staff costs.

行政開支

我們的行政開支由2016年的人民幣2.7百萬元增加18.1%至2017年的人民幣3.2百萬元，增長主要是由於我們的業務擴張及薪金及員工成本增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Initial public offering expenses

Our initial public offering expenses increase by 879.5% from RMB1.4 million for 2016 to RMB14.0 million for 2017, primarily due to fees and expenses we incurred from professional advisers in connection with the preparation of the Listing.

Finance Costs

Finance costs represented interest expense on bank loans. Our finance costs decreased from RMB4.8 million for 2016 to nil for 2017. This decrease was primarily due to the full repayment of certain bank loans in 2016.

Profit before taxation

Our profit before taxation decreased by 32.9% from RMB20.7 million for 2016 to RMB13.9 million for 2017.

Income tax expense

Our income tax expense increased by 49.7% from RMB4.5 million for 2016 to RMB6.8 million for 2017, 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 56.0% from RMB16.2 million for 2016 to RMB7.1 million for 2017. Our net profit margin decreased from 51.9% for 2016 to 18.4% for 2017, primarily due to the fees and expenses incurred from professional advisers in connection with the preparation of the Listing in 2017.

Earnings Per Share

The basic earnings per share for the year ended 31 December 2017 calculated based on the weighted average number of ordinary shares of 815,753,425 was RMB0.009 (basic earnings per share for the year ended 31 December 2016: RMB0.022).

首次公開發售開支

我們的首次公開發售開支由2016年的人民幣1.4百萬元增加879.5%至2017年的人民幣14.0百萬元，主要是由於我們因籌備上市而產生有關專業顧問費用及開支。

融資成本

融資成本指銀行貸款的利息開支。我們的融資成本由2016年的人民幣4.8百萬元減少至2017年的零，減少主要是由於2016年悉數償還若干銀行貸款。

除稅前溢利

除稅前溢利由2016年的人民幣20.7百萬元減少32.9%至2017年的人民幣13.9百萬元。

所得稅開支

我們的所得稅開支由2016年的人民幣4.5百萬元增加49.7%至2017年的人民幣6.8百萬元，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2016年的人民幣16.2百萬元減少56.0%至2017年的人民幣7.1百萬元。我們的淨利潤率由2016年的51.9%減少至2017年的18.4%，主要是由於2017年因籌備上市而產生有關專業顧問費用及開支。

每股盈利

基於截至2017年12月31日止年度加權平均普通股數目815,753,425股計算的每股基本盈利為人民幣0.009元(截至2016年12月31日止年度每股基本盈利：人民幣0.022元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cash Flow

Our cash and cash equivalents increased by RMB24.6 million to RMB81.7 million as of 31 December 2017 from RMB57.1 million as of 31 December 2016, principally attributable to: (i) the net cash inflow of RMB1.6 million from our operating activities; (ii) the net cash outflow of RMB12.0 million from investing activities; (iii) the net cash inflow of RMB35.0 million from financing activities which was primarily due to issue of share capital of the Company of RMB59.3 million as well as repayment of advance to related parties of RMB54.7 million relating primarily to an interest-free loan to a related party.

Pledge of assets

There was no charge on the Group's assets as at 31 December 2017 and 2016.

Inventories

Our inventories primarily consist of burial plots, headstones and others. The related carrying amounts of the cemetery assets attributable to the burial plots 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 recognized 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 decreased by 35.7% from RMB5.5 million as of 31 December 2016 to RMB3.5 million as of 31 December 2017, primarily due to the decrease in the number of headstones contracted and ready for sale but yet to be transferred to the customers.

現金流量

我們的現金及現金等價物增加人民幣24.6百萬元，由2016年12月31日的人民幣57.1百萬元增加至2017年12月31日的人民幣81.7百萬元，主要是由於：(i)我們經營活動所得現金流入淨額人民幣1.6百萬元；(ii)投資活動所得現金流出淨額人民幣12.0百萬元；(iii)發行本公司股本人民幣59.3百萬元加上主要與關聯方免息貸款有關的關聯方墊款還款人民幣54.7百萬元導致融資活動所得現金流入淨額人民幣35.0百萬元。

資產抵押

於2017年及2016年12月31日，本集團並無任何資產抵押。

存貨

我們的存貨主要包括墓地、墓碑及其他。墓地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2016年12月31日的人民幣5.5百萬元減少35.7%至2017年12月31日的人民幣3.5百萬元，主要是由於已訂約待售但未轉予客戶的墓碑數量減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Prepayments and other receivables

Our prepayments and other receivables decreased by 94.6% from RMB5.7 million as of 31 December 2016 to RMB0.3 million as of 31 December 2017, primarily due to the settlement of staff loan receivables.

Trade and other payables

Our trade and other payables decreased by 31.5% from RMB30.9 million as of 31 December 2016 to RMB21.2 million as of 31 December 2017, primarily due to the decrease of advances from customer. Advance from customers represented the amount of payment made by our customers when they sign the sales contracts but before the right to use the burial plots is transferred. Our advance from customers decreased during the 2017, primarily due to the occurrence of interment for certain customers during the relevant periods and the supplemental agreements signed following our adoption of the new sales policy in December 2016.

Deferred income

Deferred income represented the portion of the payment received in connection with the provision of cemetery maintenance that has not been recognized as revenue in accordance with the revenue recognition policy and the nature of the business. Our deferred income increased by 22.4% from RMB42.3 million as of 31 December 2016 to RMB51.7 million as of 31 December 2017, generally consistent with the increase in burial services sold during the relevant years.

Capital Structure

On 23 May 2017, the authorized share capital of the Company was increased to US\$30,000,000 by the creation of an additional 2,999,950,000 ordinary shares with a par value of US\$0.01.

On 27 September 2017, pursuant to the Global Offering, new shares including a public offer of 125,000,000 shares of the Company and international placing of 125,000,000 new shares of the Company have been issued on 27 September 2017 at the offer price of HK\$0.28 per share.

On 27 September 2017, 749,990,000 shares under Capitalization Issue were allotted and issued by capitalizing US\$7,499,900.

預付款項及其他應收款項

預付款項及其他應收款項由2016年12月31日的人民幣5.7百萬元減少94.6%至2017年12月31日的人民幣0.3百萬元，主要是由於結清應收員工貸款。

貿易及其他應付款項

我們的貿易及其他應付款項由2016年12月31日的人民幣30.9百萬元減少31.5%至2017年12月31日的人民幣21.2百萬元，主要是由於客戶墊款減少。客戶墊款指客戶於簽訂銷售合約但獲轉交墓地使用權前支付的款項。我們的客戶墊款於2017年減少主要是由於有關期間部分客戶舉行安葬儀式及我們於2016年12月採納新銷售政策後訂立補充協議所致。

遞延收入

遞延收入指提供墓園維護所收取但根據收益確認政策及業務性質尚未確認作收益的部分款項。我們的遞延收入由2016年12月31日的人民幣42.3百萬元增加22.4%至2017年12月31日的人民幣51.7百萬元，與相關年度已售殯葬服務增長基本一致。

資本結構

於2017年5月23日，本公司透過增設額外2,999,950,000股每股面值0.01美元的普通股，將法定股本增至30,000,000美元。

於2017年9月27日，根據全球發售，包括公開發售本公司的125,000,000股的新股份，以及國際配售本公司的125,000,000股新股份，已於2017年9月27日按每股0.28港元的發售價發行。

於2017年9月27日，通過將7,499,900美元撥充資本，已作出資本化發行配發及發行749,990,000股股份。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and financial resources

As at 31 December 2017, we had bank balances and cash of approximately RMB81.7 million (2016: RMB57.1 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 cash generated from our operations, the net proceeds from the Global Offering and bank 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 2017, the gearing ratio of the Group, being total liabilities to total assets, was 49.8% (2016: 59.4%), which indicates the Group's healthy liquidity position.

Employee Remuneration and Relations

As at 31 December 2017, the Group had a total of 64 employees (2016: 54 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.

Commitment

As at 31 December 2017, the Group had operating lease commitments in respect of rented office of approximately RMB0.6 million (2016: RMB0.8 million). As at 31 December 2017, the Group had capital commitments in respect of purchased equipment of approximately RMB0.5 million (2016: Nil).

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2017 (2016: Nil).

Significant Investments, Acquisitions and Disposals

During 2017 and 2016, the Group did not make any material acquisition or disposal of subsidiaries and associated companies and significant investments.

流動資金及財務資源

於2017年12月31日，我們的銀行結餘及現金約為人民幣81.7百萬元（2016年：人民幣57.1百萬元）。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，我們預期透過經營所得現金、全球發售所得款項淨額以及銀行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。作為此檢討之一部份，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2017年12月31日之資產負債比率（即總負債與總資產之比率）為49.8%（2016年：59.4%），表示本集團流動資金穩健。

僱員薪酬及關係

於2017年12月31日，本集團共有64名僱員（2016年：54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。

承擔

於2017年12月31日，本集團就租用辦公室的經營租賃承擔約為人民幣0.6百萬元（2016年：人民幣0.8百萬元）。於2017年12月31日，本集團就購買設備的經營租賃承擔約為人民幣0.5百萬元（2016年：零）。

或然負債

於2017年12月31日，本集團並無重大或然負債（2016年：零）。

重大投資、收購事項及出售事項

於2017年及2016年，本集團並無進行附屬公司及聯營公司的任何重大收購或出售事項，亦無作出重大投資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Foreign currency risk

The Group's business is principally denominated in Renminbi. As certain bank deposits 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.

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幣計值，因此，本集團承受外匯風險。本集團在年內概無進行外幣對沖安排。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 2017.

Corporate Governance Practices

The Company is committed to establish and maintain good corporate governance practices and procedures. For the year ended 31 December 2017, 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 15 to the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”). The Directors of the Company 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 of the Company 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”).

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 2017 and up to the date of this report was as follows:

Name of Director 董事姓名	Position 職位
Zhao Ying (appointed on 25 January 2017) 趙穎 (於2017年1月25日獲委任)	Non-executive Director and Chairman 非執行董事兼主席
Li Xingying (appointed on 21 March 2017) 李興穎 (於2017年3月21日獲委任)	Executive Director 執行董事
Huang Guangming (appointed on 21 March 2017) 黃廣明 (於2017年3月21日獲委任)	Executive Director 執行董事
Cheung Ying Kwan (appointed on 7 September 2017) 張應坤 (於2017年9月7日獲委任)	Independent non-executive Director 獨立非執行董事
Wong Wing Kuen, Albert (appointed on 7 September 2017) 王永權 (於2017年9月7日獲委任)	Independent non-executive Director 獨立非執行董事
Choi Hon Keung, Simon (appointed on 7 September 2017) 蔡漢強 (於2017年9月7日獲委任)	Independent non-executive Director 獨立非執行董事

董事會欣然提呈本公司截至2017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2017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GEM證券上市規則（「GEM上市規則」）附錄十五所載企業管治守則（「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。

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2017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 32 to 37 of this annual report.

During the Year, the Board has at all times met the requirements of the GEM 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 GEM 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 5.09 of the GEM 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 periodically 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32至37頁「董事及高級管理層履歷」一節。

年內，董事會一直遵守GEM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GEM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GEM上市規則第5.09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.

Directors' Securities Transactions

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM 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 is held by Mr. Yu Minghua. The Chairman provides leadership for the Board and ensures its effectiveness in all aspects. The Chief Executive 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.

Independent Non-executive Directors

In compliance with the GEM Listing Rules, the Company has appointed three Independent Non-executive Directors 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 Independent Non-executive Directors are primarily to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts at board meetings.

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。

董事的證券交易

本公司已根據GEM上市規則第5.48條至5.67條，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。

獨立非執行董事

為遵守GEM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。

Confirmation of Independence

Each of Independent Non-executive Directors has made an annual confirmation of independence by reference to Rule 5.09 of the GEM 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.

確認獨立性

各獨立非執行董事已根據GEM上市規則第5.09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 GEM Listing Rules and relevant regulatory requirements. During the year ended December 31, 2017, 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
Non-executive Director and Chairman	非執行董事兼主席					
Zhao Ying (appointed on 25 January 2017)	趙穎 (於2017年1月25日獲委任)	5/6	—	—	1/1	—
Executive Directors	執行董事					
Li Xingying (appointed on 21 March 2017)	李興穎 (於2017年3月21日獲委任)	6/6	—	—	—	—
Huang Guangming (appointed on 21 March 2017)	黃廣明 (於2017年3月21日獲委任)	6/6	—	—	—	—
Independent Non-executive Directors	獨立非執行董事					
Cheung Ying Kwan (appointed on 7 September 2017)	張應坤 (於2017年9月7日獲委任)	3/6	1/1	1/1	1/1	—
Wong Wing Kuen, Albert (appointed on 7 September 2017)	王永權 (於2017年9月7日獲委任)	3/6	1/1	1/1	—	—
Choi Hon Keung, Simon (appointed on 7 September 2017)	蔡漢強 (於2017年9月7日獲委任)	2/6	0/1	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GEM上市規則及有關監管規定的職責及責任。截至2017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 5.28 of the GEM Listing Rules and paragraph C3.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM 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 2017, the Audit Committee held 1 meeting to review and discuss of the relevant draft quarterly financial statements and 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 5.34 of the GEM Listing Rules and paragraph B1.1 of the Corporate Governance Code as set out in Appendix 15 to the GEM 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GEM上市規則第5.28條及GEM上市規則附錄十五所載企業管治守則C3.3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2017年度，審核委員會舉行了一次會議，以審閱及討論本集團季度財務報表、業績公告及報告的相關初稿。

薪酬委員會

本公司已遵照GEM上市規則第5.34條及GEM上市規則附錄十五所載企業管治守則B1.1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 2017, the Remuneration Committee meet one time to review the remuneration policies and remuneration packages of the Directors of the Company.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference. 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 2017, 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.

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 GEM 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2017年年度，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2017年年度，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。

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GEM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 2017 amounted to RMB870,000.

During the year ended 31 December 2017, 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	Fees paid/payable 已付／應付費用
Statutory audit services 法定審核服務	RMB870,000 人民幣870,000元
Non-statutory audit services as reporting accountant for listing of the Shares of the Company on the GEM of the Stock Exchange 作為申報會計師有關本公司股份於聯交所GEM上市的非法定審核服務	RMB2,400,000 人民幣2,400,000元
Non-audit services 非審核服務	RMB359,000 人民幣359,000元

Remuneration of Senior Management

For the year ended 31 December 2017, the remuneration of the members of the senior management is set out by band as follows:

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2017年12月31日止年度審核服務已付／應付本公司核數師費用總額為人民幣870,000元。

於截至2017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2017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：

	Number of employees 僱員人數	
	2017 2017年	2016 2016年
Nil to HK\$1,000,000 零至1,000,000港元	3	4

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 ("Mr. Lam") was appointed as the company secretary of the Company on 6 March 2017. The biographical details of Mr. Lam are set out under the section headed "Biographies of the Directors and Senior Management". For the year ended 31 December 2017, Mr. Lam has taken no less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

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（「林先生」）於2017年3月6日獲委任為本公司公司秘書。林先生的履歷載於「董事及高級管理層履歷」一節。截至2017年12月31日止年度，林先生根據GEM上市規則第5.15條已接受不少於15小時的相關專業培訓。

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.

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 Secretary 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 requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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 requisitionist(s) and deposited to the Board or the company secretary of the Company at the Company's principal place of business in Hong Kong of the Company 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.

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。

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。

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@lfwty.com
By post: 36/F, Tower Two, Times Square,
1 Matheson Street,
Causeway Bay, Hong Kong
Attention: Public Relationship

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. 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 2017, the Board do not aware of any significant changes in the Company's constitutional documents during the year.

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@lfwty.com
郵遞地址： 香港銅鑼灣
勿地臣街1號
時代廣場2座36樓
致： 公共關係

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。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2017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 47, joined our Group in January 2017 and was further designated as a non-executive Director in March 2017. Ms. Zhao serves 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 August 2014.

LI Xingying (李興穎)

Executive Director

Ms. LI Xingying (李興穎), aged 38, was appointed as an executive Director in March 2017. Ms. Li has 15 years of experience in burial services industry. Ms. Li joined our Group in November 2007. Before joining our 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，47歲，於2017年1月加入本集團，後於2017年3月獲委任為非執行董事。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，自2014年8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

李興穎女士，38歲，於2017年3月獲委任為執行董事。李女士具備15年殯葬服務業經驗，於2007年11月加入本集團。加入本集團前，彼於1999年3月至2000年9月任萬桐園服務員兼收銀員，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、法定代表人及總經理。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), aged 43, was appointed as an executive Director in March 2017. Mr. Huang has more than six years of experience in burial services industry. Mr. Huang rejoined our 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), aged 58, 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) from March 2013, (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 and 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. Mr. Cheung has been an independent non-executive director of the following companies listed on the Stock Exchange, including 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, Gold-Finance Holdings Limited (金誠控股有限公司) (a company listed on the Stock Exchange with stock code 1462) since February 2016, ZACD Group Ltd (a company listed on the Stock Exchange with stock code 8313) since December 2017. Mr. Cheung

黃廣明

執行董事

黃廣明先生，43歲，於2017年3月獲委任為執行董事。黃先生有逾六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，58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2013年3月起擔任中國金屬資源利用有限公司(一間自2014年2月起在聯交所上市的公司，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及於2015年3月至2018年3月任北京市春立正達醫療器械股份有限公司(一間於聯交所上市的公司，股份代號：1858)的獨立非執行董事。張先生為下列聯交所上市公司的獨立非執行董事，包括：自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)、自2016年2月起任職聯交所上市公司金誠控股有限公司(股份代號：1462)、自2017年12月起任職聯交所上市公司杰地集團(股份代號：8313)。張先生自2000年

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

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), aged 66, 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 23 years of experience in accounting. Dr. Wong has a broad range of experience serving as directors of various listed companies, including as an independent nonexecutive 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 August 2014, an independent nonexecutive director of 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, an independent nonexecutive director of 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, an independent nonexecutive director of 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, an independent nonexecutive 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 8239) since 1st January, 2018, a principal consultant of KND & Co. CPA Limited (冠達會計師事務所有限公司) since April 1994 to 31st December, 2017. Dr. Wong was appointed a principal consultant of KND Associates CPA Limited, Hong Kong (冠泓會計師行有限公司) since 2nd 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 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 and Investment 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 Practicing Accountants.

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，66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23年的會計經驗。王博士有任職多間上市公司董事的廣泛經驗，包括自2014年8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)獨立非執行董事、自2004年7月起擔任聯交所上市公司亞太資源有限公司(股份代號：1104)獨立非執行董事、自2008年1月起擔任聯交所上市公司陽光能源控股有限公司(股份代號：757)獨立非執行董事、自2012年6月起擔任聯交所上市公司招商局置地有限公司(股份代號：978)獨立非執行董事、自2018年1月1日起擔任聯交所上市公司首都金融控股有限公司(股份代號：8239)獨立非執行董事及由1994年4月至2017年12月31日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2日起獲委任為冠泓會計師行有限公司總顧問。

王博士自2010年12月起持有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

CHOI Hon Keung, Simon (蔡漢強)

Independent non-executive Director

Mr. CHOI Hon Keung, Simon, aged 57, was appointed as an independent non-executive director in September, 2017. Mr. Choi has more than six 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 0464) 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 0434) 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), aged 39, joined our Group in February 2016. Mr. Yu is currently the chief executive officer of our Company and a deputy general manager of Langfang Wantong, being responsible for product development and business expansion of our Group. Mr. Yu has more than three years of experience in burial and funeral services industry. Prior to joining our 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 March 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，57歲，於2017年9月獲委任為獨立非執行董事。蔡先生擁有逾六年企業管治經驗，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：0464)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：0434)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，39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。余先生擁有逾三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3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), aged 36, joined our Group in November 2007. Mr. Liu is currently the general administration vice president of our Company and a deputy general manager of Langfang Wantong, being responsible for the daily operation and general management of our Group. Mr. Liu has more than 14 years of experience in logistical support and corporate administration. After joining our Group, Mr. Liu has been serving as the head of security in Langfang Wantong since November 2007, 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 our 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), aged 46, joined our Group in November 2007. Mr. Chu is currently the financial controller of our Company, being responsible for the overall management of financial reporting and cost management of our Group. Mr. Chu has been the financial controller at Langfang Wantong since he joined our Group. Mr. Chu has nine years of experience in corporate finance. Mr. Chu attended correspondence courses (函授) and received his associate (大專) degree 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), aged 35, joined our Group in November 2007 and has more than 14 years of experience in customers' services and marketing. Ms. Gao is currently the marketing vice president of our Company and has been the marketing manager of Langfang Wantong since its establishment, being responsible for the overall management of the marketing department of our Group. Prior to joining our Group, Ms. Gao served as the sales executive of Wantongyuan 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. Ms. Gao attended correspondence courses (函授) and obtained her associate (大專) degree in Physical Education from Hebei Institute of Physical Education (河北體育學院) in July 2003.

劉鳳學

劉鳳學先生，36歲，於2007年11月加入本集團，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14年後勤支援及企業管理經驗。加入本集團後，劉先生自2007年11月起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，46歲，於2007年11月加入本集團，現任本公司財務主管，負責財務報告的整體管理及本集團成本控制。褚先生自加入本集團以來一直任廊坊萬桐的財務主管。褚先生擁有九年企業融資經驗。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，35歲，於2007年11月加入本集團，擁有逾14年客服及營銷經驗，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。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。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。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

LAM Koon Fai (林冠輝)

Mr. LAM Koon Fai (林冠輝), aged 49, was appointed as the chief financial officer and company secretary of our Company in March 2017, being responsible for the overall financial management of our Group and advising the Board on corporate governance matters. Mr. Lam has numerous years of auditing and accounting experience, including serving as chief financial officer of GINSMS Inc., a company listed on the TSX Venture Exchange (stock code: GOK) from May 2009 to October 2013.

林冠輝

林冠輝先生，49歲，於2017年3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。林先生擁有多年審計及會計經驗，包括自2009年5月至2013年10月擔任多倫多創業交易所上市公司GINSMS Inc. (股份代號：GOK)的財務總監。

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 2017.

Corporate Reorganisation

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 25 January 2017.

In preparing for the listing of the Company's shares on the GEM Board of the Stock Exchange (the "Listing"), the Group underwent the Corporate Reorganisation (as defined under note 2 to the consolidated financial statements) and the Company became the holding company of the companies comprising the Group upon the completion of the Corporate Reorganisation on 14 March 2017.

Details of the Corporate Reorganisation are set out in note 2 to the consolidated financial statements. The shares of the Company were listed on GEM of the Stock Exchange with effect from 27 September 2017.

Principal Activities and Analysis of Operations

The Company is an investment holding company. The Group was principally engaged in the sale of burial plots, 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 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 59.

Dividends

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil). The Company is not aware of any arrangements under which a shareholder has waived or agreed to waive any dividends.

董事會欣然提呈其報告及截至2017年12月31日止年度本公司及本集團之經審核財務報表。

企業重組

本公司於2017年1月25日於開曼群島註冊成立為獲豁免有限公司。

為籌備本公司股份於聯交所GEM上市(「上市」)，本公司進行企業重組(定義見綜合財務報表附註2)，且本公司於2017年3月14日完成企業重組後成為本集團旗下多間公司的控股公司。

企業重組詳情載於綜合財務報表附註2。本公司股份自2017年9月27日起於聯交所GEM上市。

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、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2017年12月31日止年度之業績載於第59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2017年12月31日止年度之末期股息(2016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。

Financial Summary

The summary of the results and of the assets and liabilities of the Group is set out on page 5 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.

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.

財務概要

本集團業績以及資產及負債概要載於本年報第5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。

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例規定的條件。

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 GEM Board of The Stock Exchange of Hong Kong Limited. 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 2017.

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 14 to the consolidated financial statements.

Investment Properties

Details of the movements in investment properties of the Group are set out in note 15 to the consolidated financial statements.

Property Interests

We valued certain material property interests as at 30 June 2017 at approximately RMB120.6 million as disclosed in the Prospectus. Those assets were not stated at the valuation in our financial statements according to the accounting rules and principles. If those assets has been stated at the valuation at 30 June 2017, an additional depreciation/amortization of approximately RMB1.7 million would be charged against the income statements for the year ended 31 December 2017.

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GEM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2017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14。

投資物業

本集團投資物業變動之詳情載於合併財務報表附註15。

物業權益

如招股章程所披露，我們已就若干物業權益進行估值，其於2017年6月30日約為人民幣120.6百萬元。根據會計規則及原則，該等資產於估值時並未於我們的財務報表列賬。倘該等資產於2017年6月30日估值時已獲列賬，須於截至2017年12月31日止年度的收益表列支額外折舊／攤銷約人民幣1.7百萬元。

Share Capital

Movements in the share capital of the Company during the year under review and as at 31 December 2017 are set out in note 25 to the consolidated financial statements.

Share Premium and Reserves

Movements in the share premium and reserves of the Group and the Company during the year under review are set out on page 62 in the consolidated statement of changes in equity and in note 26 to the consolidated financial statements.

Distributable Reserves

The Company's total distributable reserves as at 31 December 2017 amounted to RMB2,531,000.

Charitable Donations

During the year ended 31 December 2017, the Group made approximately RMB563,000 charitable donations. (2016: Nil)

Major Suppliers and Customers

During the year ended 31 December 2017, there are no single customer accounted for 10% or more of the Group revenue. (2016: Nil). Purchases from the Group's five largest suppliers accounted for approximately 90.5% (2016: 99.8%) of the total purchase for the year and purchase from the single largest supplier 56.3% (2016: 89.0%) of the Group's total purchases.

During the year ended 31 December 2017, 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 2017, the Group had a total of 64 employees (31 December 2016: 54 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 31 to the consolidated financial statements.

股本

本公司股本於回顧年度及截至2017年12月31日止之變動載於合併財務報表附註25。

股本溢價及儲備

於回顧年度內，本集團及本公司股本溢價及儲備之變動載於第62頁之合併權益變動表及合併財務報表附註26。

可供分派儲備

於2017年12月31日，本公司可供分派儲備總額為人民幣2,531,000元。

慈善捐款

截至2017年12月31日止年度，本集團作出慈善捐款約人民幣563,000元(2016年：零)。

主要供應商及客戶

截至2017年12月31日止年度，並無單一客戶佔本集團收益10%或以上(2016年：零)。本集團五大供應商之採購額佔該年度總採購額約90.5%(2016年：99.8%)，而單一最大供應商之採購額佔本集團總採購額56.3%(2016年：89.0%)。

截至2017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2017年12月31日，本集團合共有64名僱員(2016年12月31日：54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31。

DIRECTORS' REPORT

董事會報告

Directors

The directors of the Company during the year ended 31 December 2017 and up to the date of this report were:

董事

截至2017年12月31日止年度及截至本報告日期，本公司之董事名單如下：

Name of Director 董事姓名	Position 職位
Zhao Ying (appointed on 25 January 2017) 趙穎(於2017年1月25日獲委任)	Non-executive Director and Chairman 非執行董事兼主席
Li Xingying (appointed on 21 March 2017) 李興穎(於2017年3月21日獲委任)	Executive Director 執行董事
Huang Guangming (appointed on 21 March 2017) 黃廣明(於2017年3月21日獲委任)	Executive Director 執行董事
Cheung Ying Kwan (appointed on 7 September 2017) 張應坤(於2017年9月7日獲委任)	Independent Non-executive Director 獨立非執行董事
Wong Wing Kuen, Albert (appointed on 7 September 2017) 王永權(於2017年9月7日獲委任)	Independent Non-executive Director 獨立非執行董事
Choi Hon Keung, Simon (appointed on 7 September 2017) 蔡漢強(於2017年9月7日獲委任)	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 32 to 37.

董事及高級管理層之履歷概要載於第32至37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 Rule 17.50A(1) of GEM Listing Rules from the Listing Date to the date of this annual report:

During 2017, Mr. Choi Hon Keung, Simon has 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) on 12 September 2017.

董事資料變動

下列為自上市日期起至本年報日期根據GEM上市規則第17.50A(1)條須披露的董事資料變動：

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

DIRECTORS' REPORT 董事會報告

Subsequent to the year ended 31 December 2017, Mr. Cheung Ying Kwan has resigned as 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) which shares listed on the Stock Exchange with stock code 1858, on 16 March 2018.

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 32 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 or its fellow subsidiaries was a party and in which any Director 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.

截至2017年12月31日止年度隨後，張應坤先生已經於2018年3月16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)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32所披露者外，於本財政年度底或回顧財政年度任何時間，概無本公司董事或控股股東於與本集團業務有關，而本公司、其任何附屬公司或同系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 Executives' Interests in Shares

As at 31 December 2017, the interests and short positions of each of the Directors and chief executive and their associates 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 rules 5.46 to 5.67 of the GEM 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	750,000,000(L) (Note 1)	75% (Note 3)
趙穎女士(附註2)	全權信託創始人，可影響受託人行使其酌情權之方式	750,000,000(L) (附註1)	75% (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 on the trusts 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 750,000,000 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 2017.

Save as disclosed above, as at 31 December 2017, 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

董事及行政總裁於股份之權益

於2017年12月31日，董事及行政總裁及彼等之聯繫人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GEM上市規則第5.46至5.67條須知會本公司及聯交所之權益及淡倉如下：

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750,000,000股股份中擁有權益。
- 百分比按於2017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2017年12月31日，概無本公司董事及行政總裁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)，或根據證券及期貨條例

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 rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 December 2017, 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 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.

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GEM上市規則第5.46至5.67條須知會本公司及聯交所之權益或淡倉。

主要股東於本公司股份及相關股份之權益及淡倉

於2017年12月31日，就董事所知，以下人士/實體（本公司董事或行政總裁除外）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)	750,000,000 (L)	75%
泰盛國際投資有限公司	實益擁有人(附註2)	750,000,000 (L)	75%
Lily Charm Holding Limited	Interest in a controlled Corporation (Notes 2, 3)	750,000,000 (L)	75%
Lily Charm Holding Limited	受控法團權益(附註2、3)	750,000,000 (L)	75%
TMF (Cayman) Ltd.	Trustee (Notes 2, 3, 4)	750,000,000 (L)	75%
TMF (Cayman) Ltd.	受託人(附註2、3、4)	750,000,000 (L)	75%

Notes:

- (1) The letter "L" denotes the entity/person's long position in the Shares.
- (2) Tai Shing International Investment Company Limited directly holds 750,000,000 Shares of the Company.
- (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 750,000,000 Shares of the Company.

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750,000,000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750,000,000股本公司股份中擁有權益。

DIRECTORS' REPORT

董事會報告

- (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 750,000,000 Shares of the Company.
- (5) The percentage is calculated on the basis of 1,000,000,000 Shares in issue as at 31 December 2017.

Save as disclosed above, as at 31 December 2017, 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 2017, 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750,000,000股本公司股份中擁有權益。
- (5) 百分比按於2017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2017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（本公司董事及行政總裁除外）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2017年12月31日，就董事所知，以下人士/實體（本公司董事或行政總裁除外）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) 持有股份數目 (附註1)	Percentage of shareholding (Note 3) 持股百分比 (附註3)
股東姓名／名稱	身份／權益性質		
Fairich Trading Limited 飛富貿易有限公司	Beneficial owner 實益擁有人	99,000,000(L) 99,000,000(L)	9.9% 9.9%
Ms. Xing Junying 邢軍英女士	Interest in a controlled corporation (Note 2) 受控法團權益(附註2)	99,000,000(L) 99,000,000(L)	9.9% 9.9%

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 2017.

Save as disclosed above, as at 31 December 2017, 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 of the Company nor any of their respective associates (as defined in the GEM 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 2017.

Connected Transactions and Related Party Transactions

Details of related party transactions of the Group during the year ended 31 December 2017 are set out in note 32 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 GEM 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.

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.

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2017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2017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、行政總裁及主要股東除外）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2017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GEM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。

關連交易及關連方交易

本集團截至2017年12月31日止年度之關連方交易載於合併財務報表附註32。概無該等關連方交易根據GEM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。

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。

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 2017.

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 GEM 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 GEM Listing Rules.

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2017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GEM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GEM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。

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the listing date to 31 December 2017 is set out below:

業務目標與實際業務進展的比較

招股章程所載業務目標與本集團自上市日期至2017年12月31日期間的實際業務進展比較之分析載列如下：

Objects 目標	Implementation plan up to 31 December 2017 截至2017年12月31日的實施計劃	Actual business progress up to 31 December 2017 截至2017年12月31日的實際業務進展
Strengthening our market position in Langfang 鞏固於廊坊的市場地位	Upgrading the main entrance area and western internal road of our cemetery 升級墓園主入口區及西面通道	Upgrade for the main entrance of the cemetery is underway, while that of the western internal road is completed 墓園主入口升級在進行中，西面通道已經完成
	Purchasing and upgrading our current facilities and machineries (such as waste incinerators and lawn mowers) for gardening and interment rituals 為園藝及安葬儀式添置及升級廢物焚化爐及割草機等現有設施及機器	Purchased lawn mowers and watering cart; purchased and installed incinerators 已經購置割草機、澆水車；並已經購買及安裝焚燒爐
	Commencing the development of the "Rose" Garden 開始開發「月季園」	Not developed yet 暫未開發
	Designing family graves 設計家庭墓	Designed family graves and other types of graves 已經設計家庭墓及其他墓型
	Maintaining and expanding our cooperation with local funeral services providers and promoting our brand awareness with new advertisement boards. 維持及加強與當地殯儀服務供應商的合作及利用新廣告板宣傳品牌	Expanded our cooperation with local funeral services providers with three new advertisement boards in stores 已經增強與當地殯儀服務供應商的合作，利用新門店廣告板三個

Objects	Implementation plan up to 31 December 2017 截至2017年 12月31日的實施計劃	Actual business progress up to 31 December 2017 截至2017年 12月31日的實際業務進展
目標		
Expanding our business scope to provide funeral services 擴大業務範疇，提供殯儀服務	Locating, leasing, designing and decorating premises for the operation of funeral services 物色、租用、設計及裝修用作經營殯儀服務的場地	Plans to lease premises related to Langfang Funeral Home, cooperates with the funeral home in commencing related funeral services, and at the same time seeks for premises for the construction of 「Wantong Funeral Hall」, providing full range services for the funeral market in Langfang 籌劃租賃廊坊市殯儀館的相關場地，與殯儀館合作開展相關殯儀服務，同時也在尋找場地建設《萬桐生命會館》全方位服務廊坊殯儀市場。
	Commencing the business of our funeral services 開始提供殯儀服務	Completed the construction of funeral hall, and is currently improving the interment ritual services 墓園禮儀廳建設完成，並正在提升安葬禮儀服務
	Purchasing funeral vehicles 購買殯葬車輛	Has applied for vehicles and is waiting for approval 車輛已經申請，正在審批當中
	Recruiting and training ten funeral services staff 招聘及培訓十名殯儀服務人員	Manager of the funeral service centre has taken up the post in April, and we are recruiting for the other staff 殯儀服務中心經理已在4月份入職，其它人員正在招募當中

Objects 目標	Implementation plan up to 31 December 2017 截至2017年12月31日的實施計劃	Actual business progress up to 31 December 2017 截至2017年12月31日的實際業務進展
<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</p>	<p>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</p>	<p>The marketing director has taken up the post, and we have recruited a dedicated staff specialized in the market channel of Beijing. Active promotion is in progress to build sales and promotion system. We will recruit three additional staff dedicated to serve the funeral service distributors in the market channel of Beijing 營銷總監入職，並招聘了1名專業做北京渠道市場的專職人員，正在進行積極推廣，搭建銷售推廣體系，後續還會增加3名專業人員，服務北京殯儀服務渠道商</p>
	<p>On-site promotion in Beijing 在北京進行實地宣傳</p>	<p>Four shops are confirmed to cooperate, and we are negotiating with various parties 確定與四家店舖合作，另有多個合作方在溝通中</p>
	<p>Preliminary site visiting and investigating several potential targets for acquisition, if there would be any suitable ones 對多個合適收購目標進行現場參觀及調查(如有合適目標)</p>	<p>Conducted site visits to projects in various regions like Beijing, Tianjin, Hebei, etc. One to three projects are selected for the further investigations 對北京、天津、河北等多個地區項目進行考察談判以及現場參觀等，優選了1到3個項目準備進行下一步調查工作</p>

Use of Proceeds from the Global Offering

Since the date of Listing and up to 31 December 2017, the net proceeds has not been applied to any uses according to the Prospectus. After the reporting period and up to the date of this report, the Company has performed the preliminary site visiting and research for some potential acquisition opportunities for the purpose of pursuing strategic alliance and acquisition opportunities according to the future plans under the Prospectus, and it is in a preliminary stage that no agreement has been entered yet.

全球發售所得款項用途

由上市日期至2017年12月31日，所得款項淨額並未用於招股章程所述任何用途。報告期後及截至本報告日期，本公司已就若干潛在收購機會進行初步實地視察及研究，旨在根據招股章程內之未來計劃爭取戰略聯盟及收購機會，現正處於初步階段及尚未訂立任何協議。

An analysis of the utilization of the net proceeds from the listing date up to 31 December 2017 is set out below:

上市日期直至2017年12月31日動用所得款項淨額之分析載列如下：

		Planned use of net proceeds as stated in the Prospectus up to December 2017 截至2017年12月31日 按招股章程所述 所得款項淨額之 擬定用途 RMB 人民幣	Actual use of net proceeds up to December 2017 截至2017年12月31日 所得款項淨額之 實際用途 RMB 人民幣
Strengthening our market position in Langfang	鞏固於廊坊的市場地位	3.8 million 3.8百萬元	3.8 million 3.8百萬元
Expanding our business scope to provide funeral services	擴大業務範疇，提供殯儀服務	4.0 million 4.0百萬元	0.07 million 0.07百萬元
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	0.4 million 0.4百萬元	0.12 million 0.12百萬元

Interests of the Compliance Adviser

In accordance with Rule 6A.19 of the GEM Listing Rules, 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 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.

合規顧問的權益

根據GEM上市規則第6A.19條，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GEM上市規則第6A.32條須知會本公司之任何權益。

DIRECTORS' REPORT 董事會報告

Auditors

The consolidated financial statements for the year ended 31 December 2017 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for reappointment, at the forthcoming AGM.

Events occurred since the end of the financial year

There was no other significant events that might affect the Group since the end of the Year 31 December 2017.

By order of the Board

Li Xingying

Executive Director

Hong Kong, 21 March 2018

核數師

截至2017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。

財政年度終結後發生的事件

自財政年度終結後並無發生可能影響本集團的其他重大事件。

承董事會命

執行董事

李興穎

香港，2018年3月21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 59 to 124, which comprise the consolidated statement of financial position as at 31 December 2017, 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 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

意見

吾等已完成審計列載於第59頁至第124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二零一七年十二月三十一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國際財務報告準則(「國際財務報告準則」)真實而公平地反映了貴集團於二零一七年十二月三十一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等事項，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 Matters (continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 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 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 6 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6。

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：

- Evaluating design and implementation of internal control relevant to the sale of burial plot.
- 評估有關墓地銷售的內部控制的設計及實行。
- Selecting burial plot sales transactions on a sample basis and:
- 抽樣選取墓地銷售交易及：
 - reading the signed sales and purchase agreements to understand the relevant terms in determining when the right to use burial plots has passed to customers.
 - 閱覽已簽訂的買賣協議，以了解有關釐定墓地使用權於何時轉交客戶的條款。
 - obtaining 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。
 - reconciling the amounts of recorded transactions and related receipts to the signed sales and purchase agreements of sales 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。

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.

其他信息

貴公司董事須對其他信息承擔責任。其他信息包括載於年報的信息，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信息，而吾等不會對其他信息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，從而考慮其他信息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信息出現重大錯誤陳述，吾等須報告有關事實。吾等毋須就此作出報告。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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)

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。

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。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

**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)

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.
- 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.

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)

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，以及獲取充足和適當的審計證據，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和相關披露的合理性。
- 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和事項。
- 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、監督和執行。吾等僅對審計意見承擔責任。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

**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)

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.

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 Yam Siu Man.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
21 March 2018

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)

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)。

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任紹文。

德勤•關黃陳方會計師行
執業會計師
香港
2018年3月21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 2017 截至2017年12月31日止年度

		Year ended 31 December 截至12月31日止年度		
		NOTES 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收益	6	38,617	31,179
Cost of sales and services	銷售及服務成本		(7,000)	(5,545)
Gross profit	毛利		31,617	25,634
Other income	其他收入	7	4,418	7,620
Other losses	其他虧損	7A	(395)	—
Gain on fair value change of investment properties	投資物業公平值變動 收益	15	140	140
Distribution and selling expenses	分銷及銷售開支		(4,641)	(3,744)
Administrative expenses	行政開支		(3,247)	(2,749)
Initial public offering expenses	首次公開發售開支		(13,997)	(1,429)
Finance costs	融資成本	8	—	(4,756)
Profit before taxation	除稅前溢利	9	13,895	20,716
Income tax expense	所得稅開支	11	(6,772)	(4,523)
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年 內溢利及全面收入 總額		7,123	16,193
Earnings per share Basic (RMB)	每股盈利 基本(人民幣)	12	0.009	0.022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

合併財務狀況表

At 31 December 2017 於2017年12月31日

		At 31 December 於12月31日		
		NOTES 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property and equipment	物業及設備	14	2,631	2,438
Investment properties	投資物業	15	5,410	5,270
Cemetery assets	墓園資產	16	9,092	6,761
Available-for-sale investments	可供出售投資	17	71,300	53,000
			88,433	67,469
CURRENT ASSETS	流動資產			
Inventories	存貨	19	3,537	5,501
Prepayments and other receivables	預付款項及其他應收款項	20	312	5,747
Amounts due from related parties	應收關聯方款項	32(a)	2,058	—
Bank balances and cash	銀行結餘及現金	21	81,720	57,091
			87,627	68,339
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	22	21,185	30,909
Amount due to a related party	應付關聯方款項	32(b)	752	—
Deferred income	遞延收入	23	3,220	2,962
Income tax payable	應付所得稅		11,679	7,419
			36,836	41,290
NET CURRENT ASSETS	流動資產淨值		50,791	27,049
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		139,224	94,518

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 合併財務狀況表

At 31 December 2017 於2017年12月31日

		At 31 December 於12月31日		
		NOTES 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Deferred income	遞延收入	23	48,487	39,295
Deferred tax liabilities	遞延稅項負債	18	2,310	75
			50,797	39,370
NET ASSETS	資產淨值		88,427	55,148
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	25	66,192	32,000
Reserves	儲備	26	22,235	23,148
Equity attributable to owners of the Company	本公司擁有人應佔權益		88,427	55,148
TOTAL EQUITY	權益總額		88,427	55,148

The consolidated financial statements on pages 59 to 124 were approved and authorised for issue by the board of directors on 21 March 2018 and signed on its behalf by:

由第59頁至124頁的合併財務報表已於2018年3月21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 2017 截至2017年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Statutory surplus reserve 法定盈餘儲備	Other reserves	Retained earnings	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	2016年1月1日	32,000	—	696	—	6,259	38,955
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	—	—	16,193	16,193
Transfer to reserves	轉至儲備	—	—	1,619	—	(1,619)	—
At 31 December 2016	2016年12月31日	32,000	—	2,315	—	20,833	55,148
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	—	—	7,123	7,123
Issue of share capital of the Company (note 25)	發行本公司股本(附註25)	1	—	—	—	—	1
Issue of new shares to the public (note 25)	向公眾發行新股份(附註25)	16,548	42,760	—	—	—	59,308
Transaction costs attributable to issue of new ordinary shares	發行新普通股應佔交易成本	—	(7,485)	—	—	—	(7,485)
Capitalisation issue of shares (note 25)	資本化發行股份(附註25)	49,643	(35,275)	—	(5,023)	(9,345)	—
Transfer to reserves	轉至儲備	—	—	1,728	—	(1,728)	—
Deemed distribution (note a)	視作分派(附註a)	(32,000)	—	—	(23,500)	—	(55,500)
Wavier of debt owed to Mr. Wang Jingjun (note b)	豁免結欠王建軍先生債項(附註b)	—	—	—	32,500	—	32,500
Tax charge on the wavier from Mr. Wang Jianjun (note b)	來自王建軍先生豁免的稅項支出(附註b)	—	—	—	(8,125)	—	(8,125)
Wavier of debt owed to Ms. Zhao Ying (note b)	豁免結欠趙穎女士債項(附註b)	—	—	—	5,457	—	5,457
At 31 December 2017	2017年12月31日	66,192	—	4,043	1,309	16,883	88,427

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 合併權益變動表

For the year ended 31 December 2017 截至2017年12月31日止年度

Notes:

- (a) During the year ended 31 December 2017, as part of the Reorganisation (as defined in note 2), Langfang Wantongyuan Corporation Management Co., Ltd. ("Wantongyuan Management", a subsidiary of China Wan Tong Yuan (Holdings) Limited (the "Company")) entered into an acquisition agreement to acquire the entire equity interest in Langfang Wantong Cemetery Co., Ltd. ("Langfang Wantong") from the original shareholders of Langfang Wantong for a cash consideration of RMB55,500,000 which was accounted for as a deemed distribution.
- (b) On 30 August 2017, Mr. Wang Jianjun, the husband of Ms. Zhao Ying who is the ultimate controlling shareholder of the Company (see note 1), agreed to waive an amount of RMB32,500,000 payable to him by the Company and its subsidiaries (the "Group") which was accounted for as a deemed contribution to the Group. This deemed contribution is subject to a tax charge of approximately RMB8,125,000. On 7 September 2017, Ms. Zhao Ying agreed to waive the amounts of RMB5,023,000 and RMB434,000 payable to her by the Company and Wantong (HK) Company Limited ("Wantong HK", a subsidiary of the Company) respectively, which were accounted for as deemed contributions to the Group. As the Company is incorporated in the Cayman Islands and Wantong HK is incorporated in Hong Kong, the Group is not subject to tax on the waiver of the aforesaid payable to Ms. Zhao Ying.

附註：

- (a) 截至2017年12月31日止年度，作為重組(定義見附註2)的一部分，廊坊萬桐園企業管理有限公司(「萬桐園管理」，中國萬桐園(控股)有限公司(「本公司」)的附屬公司)訂立收購協議，以現金代價人民幣55,500,000元(列作視作分派)向廊坊市萬桐公墓有限公司(「廊坊萬桐」)原股東收購廊坊萬桐的全部股權。
- (b) 於2017年8月30日，本公司最終控股股東(見附註1)趙穎女士的丈夫王建軍先生同意豁免本公司及其附屬公司(「本集團」)應付予彼之款項人民幣32,500,000元，並被列作視作注資於本集團。須就此視作注資繳付稅項費用約人民幣8,125,000元。於2017年9月7日，趙穎女士同意豁免本公司及萬桐(香港)有限公司(本公司之附屬公司「萬桐(香港)」)分別應付予彼的款項人民幣5,023,000元及人民幣434,000元，並被列作視作注資於本集團。由於本公司於開曼群島註冊成立，而萬桐(香港)於香港註冊成立，本集團毋須就上述豁免應付趙穎女士款項繳稅。

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

For the year ended 31 December 2017 截至2017年12月31日止年度

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		NOTES 附註	
OPERATING ACTIVITIES			
Profit before taxation	經營活動 除稅前溢利		13,895
Adjustments for:	就以下各項作出調整：		
Interest income	利息收入	7	(628)
Dividend income from available-for-sale investments	可供出售投資的股息收入	7	(3,600)
Depreciation of property and equipment	物業及設備折舊	14	402
Amortisation of cemetery assets	墓園資產攤銷	16	250
Gain on fair value change of investment properties	投資物業公平值變動收益	15	(140)
Finance costs	融資成本	8	—
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量		10,179
Increase in cemetery assets	墓園資產增加		(2,581)
Decrease in inventories	存貨減少		1,964
Decrease (increase) in prepayments and other receivables	預付款項及其他應收款項減少／(增加)		751
Decrease in advance from customers	客戶墊款減少		(11,862)
Increase in trade and other payables	貿易及其他應付款項增加		2,138
Increase in deferred income	遞延收入增加		9,450
Cash generated from operations	經營所得現金		10,039
Income tax paid	已付所得稅		(8,402)
Net cash generated from operating activities	經營活動所得現金淨額		1,637
			20,716
			(4,790)
			(2,640)
			349
			215
			(140)
			4,756
			18,466
			(227)
			630
			(577)
			(2,946)
			1,048
			5,196
			21,590
			(397)
			21,193

CONSOLIDATED STATEMENT OF CASH FLOWS 合併現金流量表

For the year ended 31 December 2017 截至2017年12月31日止年度

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		NOTES 附註	
INVESTING ACTIVITIES	投資活動		
Purchase of property and equipment	購買物業及設備	(595)	(101)
Loan receivables, staff loan and other receivables made	應收貸款、員工貸款及其他應收款項	—	(52,271)
Repayment of loan receivables, staff loan and other receivables	償還應收貸款、員工貸款及其他應收款項	4,684	141,479
Interest received	已收利息	628	4,790
Dividend income received from available-for-sale investments	可供出售投資的股息收入	3,600	2,640
Addition to available-for-sale investments	購入可供出售投資	(18,300)	—
Repayment from related parties	關聯方還款	—	9,761
Advance to a related party	墊款予關聯方	(2,057)	—
Net cash (used in) generated from investing activities	投資活動(所用)所得現金淨額	(12,040)	106,298
FINANCING ACTIVITIES	融資活動		
Advance from related parties	關聯方墊款	54,711	—
Repayment to related parties	還款予關聯方	(16,002)	—
Issue of share capital of the Company	發行本公司股本	59,308	—
Arising from Reorganisation	來自重組	(55,500)	—
Payment on transaction costs attributable to issue of new shares	發行新股份應佔交易成本付款	(7,485)	—
Repayment of bank borrowings	償還銀行借款	—	(77,000)
Interest paid	已付利息	—	(4,756)
Net cash generated from (used in) financing activities	融資活動所得(所用)現金淨額	35,032	(81,756)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	24,629	45,735
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	57,091	11,356
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	81,720	57,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

1. GENERAL

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 have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 27 September 2017. 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, 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, provision of other burial-related services and provision of cemetery maintenance services.

The ultimate holding company and immediate holding company of the Company is Tai Shing International Investment Company Limited (“Tai Shing International”), a company which was incorporated in the British Virgin Islands (the “BVI”) and is 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

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，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銷售、提供其他殯葬相關服務及墓園維護服務。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

2. BASIS OF PRESENTATION

The Reorganisation

Historically, during the current and prior years and before and after the group reorganisation (the “Reorganisation”), Langfang Wantong, the operating subsidiary of the Group, is controlled by the Ultimate Controlling Shareholder.

In preparation for the listing of the Company’s shares on the GEM of the Stock Exchange (the “Listing”), the companies now comprising the Group underwent the Reorganisation as described below.

- (i) On 18 January 2017, Wantong HK was incorporated in Hong Kong. One share was allotted and issued to the initial subscriber, an independent third party, and then transferred to the Ultimate Controlling Shareholder on 25 January 2017.
- (ii) On 25 January 2017, the Company was incorporated in the Cayman Islands with an authorised share capital of United States Dollar (“US\$”)500, consisting of 50,000 ordinary shares of US\$0.01 each. One share was allotted and issued to the initial subscriber, an independent third party, and then transferred to Tai Shing International on 1 February 2017. On 1 February 2017, the Company issued and allotted an additional 9,999 ordinary shares, credited as fully paid, to Tai Shing International at par value.
- (iii) On 27 January 2017, Shing Sheng International Limited (“Shing Sheng International”) was incorporated in the BVI as a wholly owned subsidiary of the Company. On 2 February 2017, Ms. Zhao Ying transferred her entire equity interests in Wantong HK to Shing Sheng International at consideration of Hong Kong Dollar (“HK\$”)1. Accordingly, Wantong HK became the wholly owned subsidiary of Shing Sheng International on 2 February 2017.
- (iv) On 1 February 2017, Tai Shing International was incorporated by Ms. Zhao Ying in the BVI.
- (v) On 2 March 2017, Wantongyuan Management was established as a wholly owned subsidiary of Wantong HK.

2. 呈列基準

重組

過往，於本年度及過往年度以及本集團重組（「重組」）前後，本集團營運附屬公司廊坊萬桐由最終控股股東控制。

為籌備本公司股份於聯交所GEM上市（「上市」），本集團目前旗下公司進行下述重組。

- (i) 2017年1月18日，萬桐（香港）在香港註冊成立。一股股份配發及發行予獨立第三方初始認購人，後於2017年1月25日轉讓予最終控股股東。
- (ii) 2017年1月25日，本公司在開曼群島註冊成立，法定股本為500美元（「美元」），分為50,000股每股面值0.01美元的普通股。一股股份配發及發行予獨立第三方初始認購人，後於2017年2月1日轉讓予泰盛國際。於2017年2月1日，本公司按面值向泰盛國際額外發行及配發9,999股入賬列作繳足的普通股。
- (iii) 2017年1月27日，興盛國際有限公司（「興盛國際」）在英屬處女群島註冊成立為本公司的全資附屬公司。2017年2月2日，趙穎女士以代價1港元（「港元」）向興盛國際轉讓所持萬桐（香港）全部股權。因此，萬桐（香港）於2017年2月2日成為興盛國際的全資附屬公司。
- (iv) 2017年2月1日，趙穎女士於英屬處女群島註冊成立泰盛國際。
- (v) 2017年3月2日，成立萬桐園管理作為萬桐（香港）的全資附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

2. BASIS OF PRESENTATION (continued)

The Reorganisation (continued)

- (vi) On 14 March 2017, Wantongyuan Management acquired the entire equity interest in Langfang Wantong from its equity shareholders with an aggregated cash consideration of RMB55,500,000. Accordingly, Langfang Wantong became the wholly owned subsidiary of Wantongyuan Management.
- (vii) On 18 August 2017, Mr. Wang Jianjun, the husband of Ms. Zhao Ying, provided a loan amounting to RMB46,835,000 to the Group to settle the consideration payable for the acquisition of Langfang Wantong.
- (viii) On 21 August 2017 and on 28 August 2017, Wantongyuan Management repaid an aggregate amount of RMB55,500,000 to the previous equity shareholders of Langfang Wantong to fully settle the outstanding consideration for the acquisition of Langfang Wantong.
- (ix) On 30 August 2017, Mr. Wang Jianjun agreed to waive an amount of RMB32,500,000 payable to him by the Group which was accounted for as a deemed contribution to the Group.

Upon the completion of the Reorganisation on 14 March 2017, the Company became the holding company of the subsidiaries now comprising the Group.

As detailed above, the Reorganisation involves interspersing shell companies (including the Company, Shing Sheng International, Wantong HK and Wantongyuan Management) between Langfang Wantong, the Group's operating subsidiary, and its shareholders. Accordingly, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years of 2016 and 2017 include the companies now comprising the Group as if the current group structure had been in existence and remained unchanged throughout the years of 2016 and 2017 or since their respective dates of incorporation or establishment where there is a shorter period. The consolidated statement of financial position of the Group as at 31 December 2016 has been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure had been in existence at that date taking into account the respective dates of incorporation or establishment, where applicable.

2. 呈列基準(續)

重組(續)

- (vi) 2017年3月14日，萬桐園管理以現金代價總額人民幣55,500,000元向股東收購廊坊萬桐的全部股權。因此，廊坊萬桐成為萬桐園管理的全資附屬公司。
- (vii) 2017年8月18日，趙穎女士的丈夫王建軍先生向本集團提供貸款人民幣46,835,000元以結算收購廊坊萬桐應付的代價。
- (viii) 2017年8月21日及2017年8月28日，萬桐園管理向廊坊萬桐原股東償還合共人民幣55,500,000元，以結清收購廊坊萬桐所欠代價。
- (ix) 2017年8月30日，王建軍先生同意豁免入賬列為視作向本集團注資的本集團應付彼之款項人民幣32,500,000元。

2017年3月14日重組完成後，本公司成為本集團目前旗下附屬公司的控股公司。

按上文所詳述，重組涉及於本集團營運附屬公司廊坊萬桐與其股東之間插入空殼公司(包括本公司、興盛國際、萬桐(香港)及萬桐園管理)。因此，2016年及2017年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包括本集團現時旗下公司，猶如現時集團架構於2016年及2017年，或各自註冊成立或成立日期起(以較短期間為準)一直存續及維持不變。本集團於2016年12月31日的合併財務狀況表已經編製以呈列本集團現時旗下公司的資產及負債，猶如現時集團架構於該日期(計及各自的註冊成立或成立日期(如適用))一直存續。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

Amendments to IFRSs that are mandatorily effective for the current year

The Group has consistently applied International Accounting Standards (“IASs”), IFRSs, amendments and interpretations issued by the International Accounting Standards Board (“IASB”) which are effective for the Group’s financial year beginning on 1 January 2017 for both current and prior years.

New and revised IFRSs in issue but not yet effective

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

IFRS 9	<i>Financial Instruments¹</i>
IFRS 15	<i>Revenue from Contracts with Customers and the related Amendments¹</i>
IFRS 16	<i>Leases²</i>
IFRS 17	<i>Insurance Contracts⁴</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration¹</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments²</i>
Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions¹</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts¹</i>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement²</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures²</i>
Amendments to IAS 28	<i>As part of the Annual Improvements to IFRS Standards 2014-2016 Cycle¹</i>
Amendments to IAS 40	<i>Transfers of Investment Property¹</i>
Amendments to IFRSs	<i>Annual Improvements to IFRS Standards 2015-2017 Cycle²</i>

3. 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經修訂國際財務報告準則

本集團於本年度及過往年度均貫徹採納自2017年1月1日起財政年度生效的國際會計準則理事會頒佈的國際會計準則(「國際會計準則」)、國際財務報告準則、修訂及詮釋。

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9號	金融工具 ¹
國際財務報告準則第15號	客戶合約收益及相關修訂 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告準則第17號	保險合約 ⁴
國際財務報告詮釋委員會第22號	外幣交易及預付代價 ¹
國際財務報告詮釋委員會第23號	所得稅處理之不確定性 ²
國際財務報告準則第2號(修訂本)	以股份為基礎付款交易之分類及計量 ¹
國際財務報告準則第4號(修訂本)	應用國際財務報告準則第9號金融工具與國際財務報告準則第4號保險合約 ¹
國際財務報告準則第9號(修訂本)	具有負補償之提前還款特性 ²
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間出售或注入資產 ³
國際會計準則第19號(修訂本)	計劃修正、縮減或清償 ²
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利益 ²
國際會計準則第28號(修訂本)	作為國際財務報告準則年度改進(2014年至2016年週期)之一部分 ¹
國際會計準則第40號(修訂本)	轉讓投資物業 ¹
國際財務報告準則(修訂本)	國際財務報告準則年度改進(2015年至2017年週期) ²

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

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

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 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 2021

Except for the new IFRSs mentioned below, the directors of the Company (the “Directors”) anticipate that the application of all other new and amendments to IFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 9 *Financial Instruments*

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of IFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

3. 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2018年1月1日或之後開始之年度生效
- 2 於2019年1月1日或之後開始之年度生效
- 3 於待定日期或之後開始之年度生效
- 4 於2021年1月1日或之後開始之年度生效

除下文所提及的新訂國際財務報告準則外，本公司董事(「董事」)預期應用所有其他新訂及經修訂國際財務報告準則及詮釋對本集團於可見未來發布的合併財務報表不會有重大影響。

國際財務報告準則第9號金融工具

國際財務報告準則第9號引入有關金融資產、金融負債、一般對沖會計法的分類和計量新規定及金融資產的減值規定。

國際財務報告準則第9號中與本集團有關的主要規定：

- 所有屬國際財務報告準則第9號範圍內的已確認金融資產其後均須按攤銷成本或公平值計量。具體而言，目的是收取合約現金流量的業務模式內持有的債務投資和合約現金流量僅為償還本金及尚未償還本金利息的債務投資，一般於其後會計期間結算日按攤銷成本計量。目的皆以收取合約現金流量及銷售金融資產而達成且按其業務模式內持有的債務工具和在其合約條款中於指定日期而產生的現金流量僅為支付尚未償還欠款的本金和利息的債務工具，一般按公平值計量且其變動計入其他全面收益(「按公平值計入其他全面收益」)。所有其他金融資產均於其後會計期末按公平值計量。此外，根據國際財務報告準則第9號，實體可作出不可撤回的選擇，以於其他全面收益呈列權益投資(並非持作買賣者)公平值的其後變動，僅股息收入一般於損益確認。

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For the year ended 31 December 2017 截至2017年12月31日止年度

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 9 *Financial Instruments* (continued)

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 December 2017, the Directors anticipate the following potential impact on initial application of IFRS 9:

Classification and measurement

- Equity securities classified as available-for-sale investments carried at cost less impairment as disclosed in note 17: these securities qualified for designation as measured at FVTOCI under IFRS 9, however, the Group plans not to elect the option for designating these securities to be measured at FVTOCI and will measure these securities at fair value with subsequent fair value gains or losses to be recognised in profit or loss. Upon initial application of IFRS 9, fair value gains related to these securities, representing the differences between cost less impairment and fair value would be adjusted to retained earnings as at 1 January 2018 and deferred tax liabilities at 1 January 2018 would be increased with a corresponding deferred tax charged to retained earnings as at 1 January 2018.
- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under IAS 39.

3. 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)

國際財務報告準則第9號金融工具(續)

- 對於金融資產減值，國際財務報告準則第9號規定按預期信貸虧損模型，而非根據國際會計準則第39號按已發生的信貸虧損模型。該預期信貸虧損模型規定實體須計算其預期信貸虧損及在各報告期末的預期信貸虧損的變動以反映自初始確認時所產生的信貸風險變動。換言之，確認信貸虧損前不再需要信貸事件已發生。

根據本集團之金融工具及於2017年12月31日之風險管理政策，董事預期首次應用國際財務報告準則第9號時或產生以下影響：

分類及計量

- 誠如附註17所披露，分類為可供出售投資的股本證券按成本減減值計量：根據國際財務報告準則第9號，此等證券符合按公平值計入其他綜合收益。然而，本集團不打算將此等證券計量為按公平值計入其他綜合收益，而將按公平值計量此等證券，其後公平值收益或損失計入損益確認。首次應用國際財務報告準則第9號後，此等證券所產生之公平值收益，按成本減減值計量及公平值之差額將於2018年1月1日被調整為保留盈利，而2018年1月1日的遞延稅項負債將會增加，相應的遞延稅項將會與2018年1月1日的保留盈利支銷。
- 所有其他金融資產及金融負債將繼續按照根據國際會計準則第39號目前所採納的相同基準計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 9 *Financial Instruments* (continued)

Impairment

In general, the Directors anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS 9 by the Group.

Based on the assessment by the Directors, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would remain unchanged as compared to the accumulated amount recognised under IAS 39.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

3. 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)

國際財務報告準則第9號 *金融工具* (續)

減值

一般而言，董事預期應用國際財務報告準則第9號的預期信貸虧損模型將導致提前為信貸損失撥備，該等信貸損失尚未因本集團按攤銷成本及其他項目而產生，並待本集團應用國際財務報告準則第9號後，將因應減值撥備而調整。

根據董事評估，倘本集團應用預期信貸虧損模型，本集團於2018年1月1日確認之累計減值虧損，將與按國際會計準則第39號確認之累計金額維持不變。

國際財務報告準則第15號 *客戶合約收益*

國際財務報告準則第15號已頒佈並建立單一的綜合模型，以便實體將客戶合約收益入賬。國際財務報告準則第15號生效時，將取代目前的收益確認指引，包括國際會計準則第18號 *收益*、國際會計準則第11號 *建築合約* 及相關詮釋。

國際財務報告準則第15號的核心原則是實體應確認收益以體現向客戶轉讓承諾貨品或服務的數額，並反映實體預期交換該等貨品或服務而應得的代價。具體而言，該準則引入五步法確認收益：

- 第1步：確定與客戶的合約
- 第2步：確定合約內的履約責任
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合約內的履約責任
- 第5步：當實體符合履約責任時確認收益

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

IFRS 15 *Revenue from Contracts with Customers*
(continued)

Under IFRS 15, an entity 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. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In 2016, the IASB issued Clarification to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Directors anticipate that the application of IFRS 15 in the future may result in more disclosures, however, the Directors do not anticipate that the application of IFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

4. 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 GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair values at the end of the reporting period.

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

3. 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)

國際財務報告準則第15號客戶合約收益(續)

根據國際財務報告準則第15號，當實體符合履約責任時確認收益，即特定履約責任相關貨品或服務的「控制權」轉至客戶時。國際財務報告準則第15號已加入更為規範的指引以處理特別情況。此外，國際財務報告準則第15號亦要求較廣泛的披露。

2016年，國際會計準則理事會頒佈國際財務報告準則第15號之澄清，內容有關對履約責任的識別、主事人與代理人代價和牌照申請指引。

董事預計日後應用國際財務報告準則第15號可能導致須作出更多披露，惟董事預計應用國際財務報告準則第15號不會對在有關報告期間確認收益的時間及金額產生重大影響。

4. 重大會計政策

合併財務報表符合國際會計準則理事會頒佈的國際財務報告準則編製。此外，合併財務報表包括聯交所GEM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，惟投資物業按報告期末的公平值計量。

歷史成本一般按貨品及服務交易時所提供的代價的公平值作為基準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17 *Leases*, 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*.

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.

4. 重大會計政策 (續)

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。綜合財務報表中計量及／或披露用途的公平值按此基準釐定，惟國際會計準則第17號「租賃」內的租賃交易和與公平值相似但並非公平值的項目計量（例如國際會計準則第2號「存貨」的可變現淨值或國際會計準則第36號「資產減值」的使用價值）除外。

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。

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into 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.

Investment in a subsidiary

Investment in a subsidiary is included in the Company's statement of financial position at cost less any identified impairment losses.

4. 重大會計政策(續)

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和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，貴集團將重新評估是否對被投資方擁有控制權。

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。

投資附屬公司

投資附屬公司於本公司的財務狀況表按成本減任何已識別減值虧損列賬。

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts.

Revenue is recognised when the amount of revenue can be reliably measured, when it is probable that the future economic benefits will flow to the Group and when specific criteria have been met each of the Group's activities as described below.

The Group enters into contracts with its customers for the provision of burial services, which include the sale of burial plots and cemetery maintenance services.

Revenue from the sale of burial plots is recognised when the right to use burial plots has passed, at which time all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of the burial plots;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the burial plots sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of cemetery maintenance services is deferred and amortised on a straight-line basis over the remaining service period. The contract price for the cemetery maintenance services represents the fair value of such services.

4. 重大會計政策 (續)

收益確認

收益按已收或應收代價的公平值計量，指日常業務過程中所售貨品及所提供服務的應收款項(扣除折扣)。

當收益金額能可靠計量、未來經濟利益可能流入本集團，而下文所載本集團各項活動均符合具體條件時確認收益。

本集團與客戶就提供殯葬服務(包括墓地銷售及墓園維護服務)訂立合約。

銷售墓地所得收益於轉移墓地使用權時確認，屆時以下所有條件均已獲達成：

- 本集團已將基地的重大風險及回報轉移至買方；
- 本集團並無保留一般與所有權相關的持續管理參與權，亦無保留對已售基地的實際控制權；
- 收益金額能可靠計量；
- 與交易相關的經濟利益可能流入本集團；及
- 所產生或將產生的有關交易成本能可靠計量。

本集團遞延提供墓園維護服務的收益，並於餘下服務期內以直線法攤銷。墓園維護服務的合約價指該等服務的公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Leasing

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.

The Group as lessor

Rental income from operating leases is recognised in the 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.

4. 重大會計政策 (續)

收益確認 (續)

金融資產的利息收入乃參照未償還本金及適用實際利率按時間基準累計，實際利率乃將估計未來現金收入通過金融資產預期壽命準確折現為該資產於初步確認時的賬面淨值的利率。

投資股息收入在確定股東有權收取股息時確認，前提是經濟利益將可能流入本集團且收益金額能可靠計量。

租賃

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。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 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 taxation' as reported in the consolidated statement of profit or loss and 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 at the end of the reporting period.

4. 重大會計政策 (續)

借貸成本

收購合資格資產(指需要花費大量時間方能作擬定用途或出售的資產)直接應佔借貸成本計入該等資產的成本,直至該等資產大致可作其擬定用途或出售為止。

特定借款用於合資格資產的支出之前作為短暫投資所賺取的投資收入於合資格撥充資本的借貸成本中扣減。

所有其他借貸成本於產生期間在損益內確認。

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、年假和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和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。

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. 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.

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.

4. 重大會計政策(續)

稅項(續)

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。

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。

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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.

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.

Property and equipment

Property 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 accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property 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 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 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.

4. 重大會計政策 (續)

稅項 (續)

就採用公平價值模式計量的投資物業之遞延稅項，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。

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。

物業及設備

物業及設備（包括持作生產或供應貨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值之間的差額釐定，並於損益內確認。

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. 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 those 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.

When it is not possible to estimate the recoverable amount of an individual asset, 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 a 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.

4. 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。

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。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

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 prepaid lease payments, 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.

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.

4. 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(包括出於以上目的的在建物業)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

墓園資產包括預付租金、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。

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和骨灰甕。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。

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets 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.

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

4. 重大會計政策(續)

金融工具

金融資產及金融負債於集團實體成為工具訂約條文的一方時於合併財務狀況表確認。

金融資產及金融負債初步按公平值計量。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)。

金融資產

本集團的金融資產分類為貸款及應收款項和可供出售金融資產。分類視乎金融資產的性質及目的，並於初步確認時釐定。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。正常買賣是規定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。

實際利率法

實際利率法是計算債務工具攤銷成本及按有關期間分配利息收入的方法。實際利率是將估計日後現金收入(包括所付或所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)按債務工具的預期年期或(如適用)較短期間準確貼現至初步確認時賬面淨值的利率。

債務工具的利息收入按實際利率基準確認。貸款及應收款項

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan receivables, other receivables, amounts due from related parties and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for the investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value are stated at cost less any impairment losses (see accounting policy on impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

4. 重大會計政策 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項是有固定或可釐定付款但無活躍市場報價的非衍生金融資產。初步確認後，貸款及應收款項(包括應收貸款、其他應收款項、應收關聯方款項和銀行結餘及現金)使用實際利率法按已攤銷成本減任何已識別減值虧損計值(見下文金融資產減值的會計政策)。

利息收入採用實際利率確認，惟利息確認屬無關重要的短期應收款項則除外。

可供出售金融資產

可供出售金融資產是指定為可供出售或並非分類為(a)貸款及應收款項；(b)持至到期投資；或(c)按公平值計入損益的金融資產的非衍生金融資產。

倘可供出售股權投資並無活躍市場報價，而其公平值因(a)該項投資的公平值合理估計範圍的變化重大或(b)上述範圍內各種估計的機率難以合理評估及用於估計公平值而無法可靠計量時，該等投資會以成本減任何減值虧損列賬(請參閱下文金融資產減值虧損的會計政策)。

可供出售股權資產的股息於本集團確立其收取股息的權利時於損益中確認。

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial assets (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as loan receivables, other receivables, that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss is recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

4. 重大會計政策(續)

金融資產(續)

金融資產減值

於各報告期末評估金融資產有否減值跡象。倘有客觀證據顯示於初步確認金融資產後發生的一項或多項事件對金融資產的估計未來現金流量有影響，則金融資產視為減值。

就貸款及應收款項而言，減值的客觀證據可能包括：

- 發行人或交易方出現重大財政困難；或
- 違反合約行為(如拖欠或無力償還利息或本金)；或
- 借款人有可能面臨破產或財務重組。

就金融資產的若干類別(例如應收貸款及其他應收款項)而言，被評估為非個別出現減值的資產其後按共同基準進行減值評估。應收款項組合的減值客觀證據可能包括本集團收取款項的過往經驗、組合中遞延付款的數目增加及與應收款項違約相關的國家或地區經濟狀況的明顯變動。

就按攤銷成本列賬的金融資產而言，所確認的減值虧損金額為資產賬面值與按原實際利率貼現的估計未來現金流量現值之間的差額。

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loan receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

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.

4. 重大會計政策 (續)

金融資產 (續)

金融資產減值 (續)

就按成本列賬的金融資產而言，減值虧損金額按資產賬面值與按類似金融資產目前市場回報率貼現的估計未來現金流量現值之間的差額計量。有關減值虧損將不會於其後期間撥回。

所有金融資產的減值虧損會直接於金融資產的賬面值扣減，惟應收貸款及其他應收款項賬面值會透過撥備賬扣減。撥備賬內賬面值變動會於損益確認。當應收款項視為不可收回時，則於撥備賬內撇銷。其後撥回過往所撇銷的金額將計入損益。

就按攤銷成本計量的金融資產而言，倘於其後期間，減值虧損的金額減少，而有關減少能夠與減值虧損確認後發生的事件客觀地聯繫，則先前已確認的減值虧損透過損益撥回，惟以資產於減值撥回日期的賬面值不超過未確認減值時原應有的攤銷成本為限。

金融負債及權益工具

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

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

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For the year ended 31 December 2017 截至2017年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amount due to a related party and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition

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 in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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.

4. 重大會計政策(續)

金融負債及權益工具(續)

實際利率法

實際利率法是計算某項金融負債的攤銷成本及按有關期間分配利息開支的方法。實際利率指將金融負債於估計可用年期或(如適用)較短期間內準確貼現估計未來現金付款(包括屬於實際利率、交易成本及其他溢價或折扣不可缺少部分的全部已付或已收費用)至初步確認時的賬面淨值所用的利率。

利息開支按實際利率基準確認。

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、應付關聯方款項和銀行借款)其後以實際利率法按攤銷成本計量。

終止確認

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。

全面終止確認金融資產時，資產賬面值與已收及應收代價的差額於損益確認。

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。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, management is 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 key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Investment properties

Investment properties were stated at fair values based on the valuation performed by independent professional valuers. In determining the fair values, the valuers have 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 2017 was RMB5,410,000 (31 December 2016: RMB5,270,000). More details are set out in note 15.

5. 估計不確定因素的主要來源

應用附註4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。估值師基於涉及若干市況假設及估計的估值方法釐定公平值。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2017年12月31日，投資物業的賬面值為人民幣5,410,000元（2016年12月31日：人民幣5,270,000元）。詳情載於附註15。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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6. REVENUE AND SEGMENTAL INFORMATION

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, 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 and provision of other burial-related services; and (ii) provision of cemetery maintenance services in the PRC.

Segment revenue and results

Year ended 31 December 2017

		Sales of burial plots and provision of other burial-related services 銷售墓地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	35,566	3,051	38,617
Segment results	分部業績	29,187	2,430	31,617
Other income	其他收入			4,418
Other losses	其他虧損			(395)
Gain on fair value change of investment properties	投資物業公平值變動收益			140
Distribution and selling expenses	分銷及銷售開支			(4,641)
Administrative expenses	行政開支			(3,247)
Initial public offering expenses	首次公開發售開支			(13,997)
Profit before taxation	除稅前溢利			13,895

6. 收益及分部資料

本集團根據主要經營決策者(包括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和余明華先生)(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)銷售墓地及提供其他墓地相關服務；及(ii)提供墓園維護服務。

分部收益及業績

截至2017年12月31日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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6. REVENUE AND SEGMENTAL INFORMATION (continued)

Year ended 31 December 2016

		Sales of burial plots and provision of other burial-related services 銷售基地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	28,531	2,648	31,179
Segment results	分部業績	23,404	2,230	25,634
Other income	其他收入			7,620
Gain on fair value change of investment properties	投資物業 公平值變動收益			140
Distribution and selling expenses	分銷及銷售開支			(3,744)
Administrative expenses	行政開支			(2,749)
Initial public offering expenses	首次公開發售開支			(1,429)
Finance costs	融資成本			(4,756)
Profit before taxation	除稅前溢利			20,716

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment results represent the gross profit attributable to each segment. This is the measure reported to the Group's CODM for the purpose 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 Group's CODM.

Geographical information

All of the Group's revenue is generated from sale of burial plots and provision of other burial-related services, and provision of cemetery maintenance services 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.

6. 收益及分部資料 (續)

截至2016年12月31日止年度

		Sales of burial plots and provision of other burial-related services 銷售基地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
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Finance costs	融資成本			(4,756)
Profit before taxation	除稅前溢利			20,716

經營分部的會計政策與附註4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。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檢討，故並無呈列有關分部資產及負債的分析。

地區資料

本集團所有收益均來自於中國(在此出售商品或提供服務)出售基地和提供其他墓地相關服務及墓園維護服務，本集團絕大部分可識別資產及負債均位於中國。

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For the year ended 31 December 2017 截至2017年12月31日止年度

6. REVENUE AND SEGMENTAL INFORMATION (continued)

Information about major customers

No single customer accounted for 10% or more of the Group's revenue for 2017 (2016: nil).

The Group's revenue for the year was derived from various products and services provided by the Group. The details are as follows:

6. 收益及分部資料(續)

主要客戶資料

於2017年，概無單一客戶佔本集團收益的10%或以上(2016年：無)。

本集團於該等年度的收益源自本集團提供的多種產品及服務。詳情如下：

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Sale of burial plots	銷售墓地	32,170	25,994
Other burial-related services (note)	其他墓地相關服務 (附註)	3,396	2,537
Cemetery maintenance services	墓園維護服務	3,051	2,648
		38,617	31,179

Note: 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 derived from sales of burial plots is measured at the fair value of the consideration received or receivable, net of discount, and revenue derived from sales of the burial plots and provision of cemetery maintenance services are exempt from business tax and value added tax.

附註：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和額外雕刻費用。

墓地銷售產生的收益按已收或應收代價的公平值(扣除折扣)計量，墓地銷售及提供墓園維護服務產生的收益毋須繳納營業稅及增值稅。

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7. OTHER INCOME

7. 其他收入

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款利息收入	628	34
Interest income on loan receivables	應收貸款利息收入	—	4,756
Dividend income from available-for-sale investments	可供出售投資的股息收入	3,600	2,640
Rental income	租金收入	190	190
		4,418	7,620

7A. OTHER LOSSES

7A. 其他虧損

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Foreign exchange loss, net	外匯虧損淨額	(395)	—

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8. FINANCE COSTS

8. 融資成本

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interests on bank borrowings	銀行借款利息	—	4,756

9. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

9. 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	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Auditors' remuneration	核數師酬金	870	20
Depreciation of property and equipment	物業及設備折舊	402	349
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)	250	215
Total depreciation and amortisation	折舊及攤銷總額	652	564
Cost of inventories recognised as an expense	確認為開支的存貨成本	5,382	4,665
Staff costs, including Directors' remuneration (note 10):	員工成本，包括董事酬 金(附註10)：		
Salaries, wages and other benefits	薪金、工資及 其他福利	2,988	2,526
Retirement benefits scheme contributions	退休福利計劃供款	475	490
Total staff costs	總員工成本	3,463	3,016

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10. DIRECTORS' AND EMPLOYEE'S EMOLUMENTS

(a) Directors' emoluments

Ms. Li Xingying and Mr. Huang Guangming were appointed as Directors on 21 March 2017. Ms. Zhao Ying was appointed as a Director on 25 January 2017 and was designated as a non-executive director on 21 March 2017. Ms. Li Xingying is also the general manager of Langfang Wantong. Mr. Choi Hon Keung, Simon, Dr. Wong Wing Kuen, Albert and Mr. Cheung Ying Kwan were appointed as independent non-executive directors on 7 September 2017.

The emoluments paid or payable to the Directors (including emoluments for their services as employee/directors of subsidiaries prior to becoming the Directors) by entities comprising the Group during the current and last year are as follows:

10. 董事及僱員薪酬

(a) 董事薪酬

李興穎女士及黃廣明先生於2017年3月21日獲委任為董事，而趙穎女士於2017年1月25日獲委任為董事並於2017年3月21日獲指定為非執行董事。李興穎女士亦為廊坊萬桐的總經理。蔡漢強先生、王永權博士及張應坤先生於2017年9月7日獲委任為獨立非執行董事。

於本年度及上一年度，按本集團旗下實體劃分，已付或應付董事的薪酬(包括成為董事之前擔任附屬公司僱員／董事所提供服務的薪酬)如下：

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Directors' emoluments	董事薪酬		
— Salaries and other benefits	— 薪金及其他福利	208	50
— Discretionary performance – related bonus*	— 酌情績效獎金*	82	34
— Retirement benefits scheme contributions	— 退休福利計劃供款	13	10
Total emoluments	薪酬總額	303	94

* Directors are entitled to bonus payments which are determined based on the duties and responsibilities of the Directors as well as the operating results of the Group.

* 董事可獲得獎金，金額根據董事職責及本集團經營業績釐定。

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10. DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

Year ended 31 December 2017

		Salaries and other benefits 薪金及其他福利 RMB'000 人民幣千元	Contribution to retirement benefit scheme 退休福利計劃供款 RMB'000 人民幣千元	Discretionary performance – related bonus 酌情績效獎金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	執行董事：				
Ms. Li Xingying	李興穎女士	71	7	40	118
Mr. Huang Guangming (note 2)	黃廣明先生(附註2)	68	6	42	116
Non-executive director:	非執行董事：				
Ms. Zhao Ying (note 3)	趙穎女士(附註3)	—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
Mr. Choi Hon Keung, Simon	蔡漢強先生	23	—	—	23
Dr. Wong Wing Kuen, Albert	王永權博士	23	—	—	23
Mr. Cheung Ying Kwan	張應坤先生	23	—	—	23
Total	總計	208	13	82	303

Year ended 31 December 2016

		Salaries and other benefits 薪金及其他福利 RMB'000 人民幣千元	Contribution to retirement benefit scheme 退休福利計劃供款 RMB'000 人民幣千元	Discretionary performance – related bonus 酌情績效獎金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors:	執行董事：				
Ms. Li Xingying	李興穎女士	50	10	34	94
Mr. Huang Guangming (note 2)	黃廣明先生(附註2)	—	—	—	—
Non-executive director:	非執行董事：				
Ms. Zhao Ying (note 3)	趙穎女士(附註3)	—	—	—	—
Total	總計	50	10	34	94

10. 董事及僱員薪酬(續)

(a) 董事薪酬(續)

截至2017年12月31日止年度

截至2016年12月31日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

10. DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

Notes:

- (1) The directors' emoluments shown above were for their services in connection with the management of the affairs of the Group.
- (2) During the year ended 31 December 2016 and the period from 1 January 2017 to 30 September 2017, Mr. Huang Guangming received his emoluments from a fellow subsidiary of the Group, part of which was in respect of his services as employee to Langfang Wantong and director of the Company. No apportionment has been made as the Directors consider that it is impracticable to apportion these amounts between his services to Langfang Wantong and director of the Company and his services to the fellow subsidiary of the Group.

Mr. Huang Guangming received his emoluments from a subsidiary of the Group since 1 October 2017.

- (3) During the years ended 31 December 2016 and 2017, Ms. Zhao Ying received her emoluments from a fellow subsidiary of the Group, part of which was in respect of her services as employee to Langfang Wantong and 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 director of the Company and her services to the fellow subsidiary of the Group.

(b) Employee's emoluments

The five highest paid individuals of the Group during the year included two directors whose payment was below HK\$1,000,000 for the year ended 31 December 2017 (2016: one director whose payment was below HK\$1,000,000). Details of whose emoluments are set out above. The emoluments of the remaining three (2016: four) highest paid employees who are not the Directors are as follows:

10. 董事及僱員薪酬 (續)

(a) 董事薪酬 (續)

附註：

- (1) 上述董事薪酬乃償付管理本集團事務的服務。
- (2) 截至2016年12月31日止年度和2017年1月1日至2017年9月30日期間，黃廣明先生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。

黃廣明先生自2017年10月1日起收到本集團附屬公司所付酬金。

- (3) 截至2016年及2017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。

(b) 僱員薪酬

本年度本集團五名最高薪酬人士包括截至2017年12月31日止年度薪酬低於1,000,000港元的兩名董事(2016年：一名董事薪酬低於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(2016年：四名)的薪酬載列如下：

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他津貼	580	522
Retirement benefits scheme contributions	退休福利計劃供款	14	28
		594	550

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For the year ended 31 December 2017 截至2017年12月31日止年度

10. DIRECTORS' AND EMPLOYEE'S EMOLUMENTS (continued)

(b) Employee's emoluments (continued)

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	
		2017 2017年	2016 2016年
Nil to HK\$1,000,000	零至1,000,000港元	3	4

During the year, no emoluments were paid by the Group to the Directors or the non-director highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2016: nil). In addition, none of the Directors nor the non-director highest paid employees waived any emoluments during the year (2016: nil).

10. 董事及僱員薪酬(續)

(b) 僱員薪酬

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(2016年：零)。此外，董事及非董事最高薪酬僱員於本年度概無放棄任何酬金(2016年：零)。

11. INCOME TAX EXPENSE

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current enterprise income tax	即期企業所得稅	4,537	4,488
Deferred tax (note 18)	遞延稅項(附註18)	2,235	35
		6,772	4,523

11. 所得稅開支

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11. INCOME TAX EXPENSE (continued)

The tax charge for the year can be reconciled to the profit before taxation as follows:

11. 所得稅開支(續)

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	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	13,895	20,716
Tax at the applicable tax rate of 25%	按適用稅率25% 計算的稅項	3,474	5,179
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務 影響	1,991	4
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務 影響	(900)	(660)
Withholding tax on dividend declared by a PRC subsidiary (note b)	中國附屬公司宣派股 息的預扣稅(附註b)	2,200	—
Tax effect of tax loss not recognised	未確認稅項虧損的 稅務影響	7	—
Tax charge	稅項開支	6,772	4,523

Notes:

- (a) 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%.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit during the reporting period. 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.

- (b) In accordance with the PRC tax circular (Guoshuihan [2008] 112) effective from 1 January 2008, the PRC withholding income tax at the rate of 10% is applicable to dividends to "non-resident" investors who do not have an establishment or place of business in the PRC. The amount represents the withholding income tax provided on dividend declared but not yet paid by a PRC subsidiary amounting to RMB22,000,000.

附註：

- (a) 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%。

於報告期間，香港利得稅按估計應課稅溢利的16.5%計算。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。

- (b) 根據自2008年1月1日起生效的中國稅務通函(國稅函[2008]112號)，稅率為10%的中國預扣所得稅適用於派付予在中國並無處所或營業地點的「非居民」投資者的股息。該款項指中國附屬公司已宣派但尚未支付的股息的預扣稅撥備，共計人民幣22,000,000元。

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12. 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	
		2017 2017年 RMB'000 人民幣千元	2016 2016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)	7,123	16,193
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數目	815,753,425	750,000,000

The number of ordinary shares for the purpose of calculating basic earnings per share has been adjusted retrospectively for the effect of the Reorganisation (set out in note 2) and Capitalisation Issue (set out in note 25) as if the Reorganisation and Capitalisation Issue had been completed on 1 January 2016.

No diluted earnings per share for both 2017 and 2016 were presented as there were no potential ordinary shares in issue for both 2017 and 2016.

13. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2017 (2016: nil).

12. 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：

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016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)	7,123	16,193
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數目	815,753,425	750,000,000

用以計算每股基本盈利的普通股數目已就重組(載於附註2)及資本化發行(載於附註25)產生的影響作出調整，猶如重組及資本化發行已於2016年1月1日完成。

於2017年及2016年概無潛在已發行普通股，故於2017年及2016年並未呈列每股攤薄盈利。

13. 股息

於2017年，本公司概無支付或建議支付股息予其普通股股東(2016年：無)。

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14. PROPERTY AND EQUIPMENT

14. 物業及設備

		Buildings	Leasehold improvements	Motor vehicles	Furniture, fixtures and equipment	Total
		樓宇 RMB'000 人民幣千元	租賃物業裝修 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	傢俬、 裝置及設備 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Cost	成本					
At 1 January 2016	2016年1月1日	6,599	318	573	474	7,964
Additions	添置	—	—	84	17	101
At 31 December 2016	2016年12月31日	6,599	318	657	491	8,065
Additions	添置	—	—	173	422	595
At 31 December 2017	2017年12月31日	6,599	318	830	913	8,660
Depreciation	折舊					
At 1 January 2016	2016年1月1日	(4,381)	—	(540)	(357)	(5,278)
Provided for the year	年內撥備	(284)	(16)	(13)	(36)	(349)
At 31 December 2016	2016年12月31日	(4,665)	(16)	(553)	(393)	(5,627)
Provided for the year	年內撥備	(284)	(15)	(44)	(59)	(402)
At 31 December 2017	2017年12月31日	(4,949)	(31)	(597)	(452)	(6,029)
Carrying amount	賬面值					
At 31 December 2017	2017年12月31日	1,650	287	233	461	2,631
At 31 December 2016	2016年12月31日	1,934	302	104	98	2,438

The above items of property and equipment are depreciated on a straight-line basis, taking into account their residual values, at the following rates per annum:

上述物業及設備項目計及剩餘價值以直線法按以下年率折舊：

Buildings	Over the shorter of the remaining lease term of land and useful life of buildings of 20 years
樓宇	按土地剩餘租期與樓宇可使用年期20年的較短者
Leasehold improvements	20.00%
租賃物業裝修	
Motor vehicles	16.16%
汽車	
Furniture, fixtures and equipment	19.40%-32.33%
傢俬、裝置及設備	

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15. INVESTMENT PROPERTIES

15. 投資物業

		RMB'000 人民幣千元
Fair value	公平值	
At 1 January 2016	2016年1月1日	5,130
Gain on fair value change of investment properties	投資物業公平值變動收益	140
At 31 December 2016	2016年12月31日	5,270
Gain on fair value change of investment properties	投資物業公平值變動收益	140
At 31 December 2017	2017年12月31日	5,410

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 2016 and 2017 were arrived at on the basis of valuation carried out by Vigers Appraisal & Consulting Ltd (a member of the Hong Kong Institute of Surveyors), an independent qualified professional valuer not connected with the Group.

於2016年及2017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）和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。

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15. INVESTMENT PROPERTIES (continued)

At 31 December 2017

Investment properties held by the Group 本集團所持投資物業	Fair value hierarchy 公平值層級	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
Investment properties (Carrying amount: RMB5,410,000) 投資物業 (賬面值: 人民幣5,410,000元)	Level 3 第三層	Direct comparison method The key input is: (1) Site unit rate 直接比較法 主要輸入數據為: (1)場地單位比率	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 RMB528/sq.m. 場地單位比率, 採用直接市場可比較項目並計及時間、地點和其他個別因素, 例如物業規模及質量, 為人民幣528元/平方米。	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. 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。

At 31 December 2016

Investment properties held by the Group 本集團所持投資物業	Fair value hierarchy 公平值層級	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
Investment properties (Carrying amount: RMB5,270,000) 投資物業 (賬面值: 人民幣5,270,000元)	Level 3 第三層	Direct comparison method The key input is: (1) Site unit rate 直接比較法 主要輸入數據為: (1)場地單位比率	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 RMB514/sq.m. 場地單位比率, 採用直接市場可比較項目並計及時間、地點和其他個別因素, 例如物業規模及質量, 為人民幣514元/平方米。	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. 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.

15. 投資物業(續)

於2017年12月31日

於2016年12月31日

兩個年度概無轉入及轉出第三層之情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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15. INVESTMENT PROPERTIES (continued)

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.

16. CEMETERY ASSETS

15. 投資物業 (續)

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。倘並無第一層的輸入數據，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層輸入數據，即有關輸入數據可自活躍市場的可觀察報價獲得。倘並無第二層的輸入數據，本集團則會採用包括第三層輸入數據的估值技術。

16. 墓園資產

		Prepaid lease payments 預付租金 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 2016	2016年1月1日	8,557	389	830	9,776
Additions	添置	—	227	—	227
At 31 December 2016	2016年12月31日	8,557	616	830	10,003
Additions	添置	—	2,581	—	2,581
At 31 December 2017	2017年12月31日	8,557	3,197	830	12,584
Amortisation	攤銷				
At 1 January 2016	2016年1月1日	(2,752)	(8)	(267)	(3,027)
Provided for the year	年內撥備	(171)	(27)	(17)	(215)
At 31 December 2016	2016年12月31日	(2,923)	(35)	(284)	(3,242)
Provided for the year	年內撥備	(171)	(62)	(17)	(250)
At 31 December 2017	2017年12月31日	(3,094)	(97)	(301)	(3,492)
Carrying amount	賬面值				
At 31 December 2017	2017年12月31日	5,463	3,100	529	9,092
At 31 December 2016	2016年12月31日	5,634	581	546	6,761

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16. CEMETERY ASSETS (continued)

The prepaid lease payments have definite useful lives and amortised on a straight-line basis over the lease term of 50 years.

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 or useful life, which is 20 years.

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 prepaid lease payments over the lease term).

Upon commencement of development of an area within the cemetery, the proportionate cemetery assets are transferred to inventories.

16. 墓園資產 (續)

預付租金可使用年期有限，以直線法於50年租期內攤銷。

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或可使用年期20年的較短者計提攤銷。

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(與租期內的預付租金相同)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。

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17. AVAILABLE-FOR-SALE INVESTMENTS

17. 可供出售投資

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Unlisted investment: — equity securities	非上市投資： — 股本證券	71,300	53,000

During the year ended 31 December 2017, the Group further made cash contribution of RMB18,300,000 to Suburban Rural Credit Cooperatives of Langfang City (廊坊市城郊農村信用合作聯社). At 31 December 2017, the Group has 10% and 5.78% 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) and Suburban Rural Credit Cooperatives of Langfang City, respectively (31 December 2016: 10% and 5.78%, respectively). The Group is not able to assign any director to the board of directors of these investees to exercise significant influence over these investees. As such, these investments are classified as available-for-sale investments and measured at cost less impairment at the end of the reporting period because the ranges of reasonable fair value estimates are so significant that the Directors are of the opinion that the fair values cannot be reliably measured. The Group does not intend to dispose them in the near future.

截至2017年12月31日止年度，本集團向廊坊市城郊農村信用合作聯社注資現金人民幣18,300,000元。於2017年12月31日，本集團分別持有廊坊市安次區惠民村鎮銀行股份有限公司及廊坊市城郊農村信用合作聯社10%及5.78%股權(2016年12月31日：分別為10%及5.78%)。本集團不能向上述投資對象的董事會任命董事，以對該等投資對象行使重大影響力。因此，上述投資分類為可供出售投資，於各報告期末按成本減減值計量，乃由於合理公平值估計範圍太大，董事認為不能可靠計量公平值。本集團不擬於近期出售上述投資。

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For the year ended 31 December 2017 截至2017年12月31日止年度

18. DEFERRED TAXATION

The deferred tax liabilities recognised by the Group and movements thereon during the current and prior years are as follows:

		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	Total 總計 RMB'000 人民幣千元
At 1 January 2016	2016年1月1日	—	40	40
Charge to profit or loss (note 11)	於損益扣除 (附註11)	—	35	35
At 31 December 2016	2016年12月31日	—	75	75
Charge to profit or loss (note 11)	於損益扣除 (附註11)	2,200	35	2,235
At 31 December 2017	2017年12月31日	2,200	110	2,310

As at 31 December 2017, the Group had unused tax losses of RMB29,000 (31 December 2016: nil) available for offset against future profits. As at 31 December 2017, unused tax loss of RMB29,000 (31 December 2016: nil) had not been recognised due to the unpredictability of future profit streams.

18. 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	Total 總計 RMB'000 人民幣千元
At 1 January 2016	—	40	40
Charge to profit or loss (note 11)	—	35	35
At 31 December 2016	—	75	75
Charge to profit or loss (note 11)	2,200	35	2,235
At 31 December 2017	2,200	110	2,310

於2017年12月31日，本集團未動用稅項虧損為人民幣29,000元（2016年12月31日：零），可用以抵銷未來溢利。於2017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29,000元（2016年12月31日：零）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

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18. DEFERRED TAXATION (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	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
31 December 2022	2022年12月31日	29	—

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 taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB14,355,000 (31 December 2016: RMB20,833,000) 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 2017 was RMB1,436,000 (31 December 2016: RMB2,083,000).

19. INVENTORIES

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Burial plots	墓地	897	1,135
Tombstones	墓碑	1,963	3,408
Others	其他	677	958
		3,537	5,501

18. 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。由於本集團未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14,355,000元（2016年12月31日：人民幣20,833,000元）於合併財務報表作出遞延稅項撥備。於2017年12月31日，有關未確認遞延稅項負債為人民幣1,436,000元（2016年12月31日：人民幣2,083,000元）。

19. 存貨

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

20. PREPAYMENTS AND OTHER RECEIVABLES 20. 預付款項及其他應收款項

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Other receivables (note)	其他應收款項(附註)	—	4,684
Staff advance	員工墊款	40	190
Prepayments	預付款項	77	—
Deferred initial public offering expenses	延遲首次公開發售開支	—	476
Others	其他	195	397
		312	5,747

Note: Other receivables at 31 December 2016 represented receivables amounting to RMB4,684,000 from an independent third party, 廊坊市溥暢商貿有限公司 (Langfang Puchang Trading Co., Ltd.). The aforesaid receivables were non-trade in nature, interest-free, unsecured and were fully settled during the year.

附註：於2016年12月31日的其他應收款項指應收獨立第三方廊坊市溥暢商貿有限公司的款項人民幣4,684,000元。上述應收款項為非貿易性質、免息、無抵押，已於年內結清。

21. BANK BALANCES AND CASH

Bank balances carried interest at market interest rate ranging from 0.30% to 0.35% per annum as at 31 December 2017 (31 December 2016: 0.35% to 0.40% 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:

21. 銀行結餘及現金

2017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(2016年12月31日：每年介乎0.35%至0.40%)。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	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Denominated in RMB	以人民幣計值	30,624	57,091
Denominated in HK\$	以港元計值	51,096	—
		81,720	57,091

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22. TRADE AND OTHER PAYABLES

22. 貿易及其他應付款項

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Trade payables	貿易應付款項	2,353	945
Advances from customers	客戶墊款	9,141	21,003
Accrued expenses	應計開支	8,626	7,625
Accrued initial public offering expenses	應計首次公開發售開支	1,065	1,336
		21,185	30,909

Deposits from customers are in most cases received from customers before the delivery of cemetery and tombstones is made and provision of cemetery maintenance services. All sales and services are typically settled on a cash basis. No credit period is granted to customers for sale of burial plots and provision of cemetery maintenance services.

大多情況下，客戶按金於交付墓園及墓碑和提供墓園維護服務之前向客戶收取。所有銷售及服務通常以現金結算。並無就銷售墓地及提供墓園維護服務向客戶授出信用期。

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	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Less than 1 year	1年內	2,230	699
1 to 2 years	1至2年	27	42
2 to 3 years	2至3年	33	149
Over 3 years	3年以上	63	55
		2,353	945

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23. DEFERRED INCOME

Deferred income represents the portion of the revenue generated from the provision of cemetery maintenance services that has not been earned as revenue in accordance with the revenue recognition policy and the nature of the business.

23. 遞延收入

遞延收入指提供墓園維護服務所得收益中根據收益確認政策及業務性質並未作為收益賺取的部分。

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Carrying amount analysed as:	賬面值分析如下：		
Amounts shown under current liabilities	列為流動負債的金額	3,220	2,962
Amounts shown under non-current liabilities	列為非流動負債的金額	48,487	39,295
		51,707	42,257

The Group provides on-going cemetery maintenance services as part of the burial services to maintain the landscaped cemeteries and the large number of memorials that lie on the cemeteries.

本集團提供持續的墓園維護服務作為殯葬服務的一部分，以維持景觀墓園及墓園內的大量墓碑。

Customers who purchase burial services are required to make advance payments for maintenance fees, relating to the maintenance of their burial lots and memorials over 20 years, and such amounts are generally paid together with the purchase of our burial plots.

購買殯葬服務的客戶須就維護墓地及墓碑預先支付20年的維護費，該等款項一般於購買我們的墓地時一併支付。

During the year ended 31 December 2017, the Group generated revenue from the provision of cemetery maintenance services in the amount of approximately RMB3,051,000 (2016: RMB2,648,000).

截至2017年12月31日止年度，本集團提供墓園維護服務所得收益約為人民幣3,051,000元（2016年：人民幣2,648,000元）。

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24. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	At 1 January 2017 於2017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 (note) 關聯方免除款項 (附註) RMB'000 人民幣千元	At 31 December 2017 於2017年12月31日 RMB'000 人民幣千元
Amounts due to related parties 應付關聯方款項	—	38,709	(37,957)	752

	At 1 January 2016 於2016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	Interest expenses 利息開支 RMB'000 人民幣千元	At 31 December 2016 於2016年12月31日 RMB'000 人民幣千元
Short term bank borrowings 短期銀行借款	77,000	(81,756)	4,756	—

Note: Amounts represented non-cash transactions.

融資活動負債對賬：

附註：款項指非現金交易。

25. SHARE CAPITAL

The share capital of the Group as at 31 December 2016 represented the share capital of Langfang Wantong. The issued share capital of the Group as at 31 December 2017 represented the share capital of the Company.

25. 股本

本集團於2016年12月31日的股本指廊坊萬桐的股本，於2017年12月31日的已發行股本指本公司股本。

		Number of shares 股份數目	RMB'000 人民幣千元
Ordinary shares of US\$0.01 each Authorised: At 25 January 2017 (upon incorporation) Increase on 23 May 2017 (note a)	每股0.01美元的普通股 法定： 於2017年1月25日 (註冊成立時) 於2017年5月23日增加 (附註a)	50,000 2,999,950,000	4 205,980
At 31 December 2017	於2017年12月31日	3,000,000,000	205,984
Issue and fully paid: At 25 January 2017 (note 2(ii))	發行及繳足： 於2017年1月25日 (附註2(ii))	1	—
Issue of shares on 1 February 2017 (note 2(ii))	於2017年2月1日發行 股份(附註2(ii))	9,999	1
Issue of shares on 27 September 2017 (note b)	於2017年9月27日發行 股份(附註b)	749,990,000	49,643
Issue of shares to the public on 27 September 2017 (note c)	於2017年9月27日發行 股份予公眾(附註c)	250,000,000	16,548
At 31 December 2017	於2017年12月31日	1,000,000,000	66,192

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25. SHARE CAPITAL (continued)

Notes:

- (a) On 23 May 2017, the authorised share capital of the Company was increased to US\$30,000,000 by the creation of an additional 2,999,950,000 ordinary shares with a par value of US\$0.01.
- (b) Pursuant to the resolutions in writing of the shareholders of the Company passed on 7 September 2017 and 26 September 2017, it is resolved that conditional on the other reserve account, retained earnings account and share premium account of the Company being credited as a result of the global offering (see note (c) below for further details), the Directors were authorised to capitalise an amount of US\$7,499,900 standing to the credit of the other reserve account, retained earnings account and share premium account of the Company by applying such sum to pay up in full at par 749,990,000 shares of the Company (the "Capitalisation Issue").
- (c) On 27 September 2017, the Company issued 250,000,000 ordinary shares to the public with a par value of US\$0.01 each at the price of HK\$0.28 per share by way of global offering. On the same date, the Company's shares were listed on the Stock Exchange.

26. RESERVES

Other reserve

Other reserve represented (1) the difference between the share capital of Langfang Wantong and the cash consideration paid for acquisition of Langfang Wantong pursuant to the Reorganisation; (2) an amount of RMB32,500,000 payable to Mr. Wang Jianjun by the Group which was waived by him and accounted for as a deemed contribution to the Group and subject to a tax charge of approximately RMB8,125,000; (3) an amount of RMB5,457,000 payable to Ms. Zhao Ying by the Group which was waived by her and accounted for as a deemed contribution to the Group; and (4) an amount of RMB5,023,000 capitalised into share capital pursuant to the Capitalisation Issue.

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. 股本(續)

附註：

- (a) 於2017年5月23日，本公司透過增設額外2,999,950,000股每股面值0.01美元的普通股，將法定股本增至30,000,000美元。
- (b) 根據本公司股東於2017年9月7日及2017年9月26日通過的書面決議案，待本公司的其他儲備賬，保留盈餘賬及股本溢價賬因全球發售而獲得進賬後(詳情見附註c)，授權董事通過將本公司的其他儲備賬，保留盈餘賬及股份溢價賬的進賬額7,499,900美元撥充資本，按面值繳足749,990,000股本公司之股份(「資本化發行」)。
- (c) 於2017年9月27日，本公司以全球發售的方式，以每股0.28港元向公眾發行每股面值0.01美元合共250,000,000股普通股。同日，本公司的股份已於聯交所上市。

26. 儲備

其他儲備

其他儲備指(1)廊坊萬桐的股本與根據重組收購廊坊萬桐所付現金代價的差額；(2)王建军先生同意豁免本集團入賬列為視作注資的應付款項人民幣32,500,000元，該視作注資須繳納稅項開支約人民幣8,125,000元；(3)趙穎女士同意豁免本集團入賬列為視作注資的應付款項人民幣5,457,000元；及(4)人民幣5,023,000元根據資本化發行撥充資本。

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%。

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27. 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.

28. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

27. 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。

28. 金融工具

a. 金融工具分類

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Financial assets	金融資產		
<i>Loans and receivables:</i>	<i>貸款及應收款項：</i>		
Other receivables	其他應收款項	235	5,271
Amounts due from related parties	應收關聯方款項	2,058	—
Bank balances and cash	銀行結餘及現金	81,720	57,091
		84,013	62,362
<i>Available-for-sale investments</i>	<i>可供出售投資</i>		
<i>Investments in unlisted entities</i>	<i>於未上市實體的投資</i>	71,300	53,000
Financial liabilities	金融負債		
<i>Liabilities at amortised cost:</i>	<i>按攤銷成本列賬的負債：</i>		
Trade and other payables	貿易及其他應付款項	11,226	9,211
Amount due to a related party	應付關聯方款項	752	—
		11,978	9,211

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For the year ended 31 December 2017 截至2017年12月31日止年度

28. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies

The Group's financial instruments consisted of available-for-sale investments, other receivables, amounts due from related parties, bank balances and cash, trade and other payables and amount due to a related party. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include interest rate 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.

28. 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可供出售投資、其他應收款項、應收關聯方款項、銀行結餘及現金、貿易及其他應付款項及應付關聯方款項。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利率風險、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。

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28. 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	
		2017 2017年 RMB'000 人民幣千元	2016 2016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
HK\$	港元	53,281	—	1,149	—

Sensitivity analysis

The Group is mainly exposed to the fluctuation in HK\$ against RMB.

The following table details the Group's sensitivity to a reasonably possible change of 5% in exchange rate of each foreign currency against RMB while all other variables are held constant. 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.

28. 金融工具 (續)

b. 金融風險管理目標及政策(續)

(i) 市場風險(續)

外匯風險

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，本集團對每種外幣兌人民幣匯率於5%的合理範圍之潛在變動的敏感度。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。

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28. FINANCIAL INSTRUMENTS (continued)

b. Financial risk management objectives and policies (continued)

(i) Market risk (continued)

Sensitivity analysis (continued)

An analysis of sensitivity to currency risk for the Group is as follows:

		Year ended 31 December 截至12月31日止年度	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
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	2,607	—
— if RMB strengthens against HK\$	— 假設人民幣兌港元走強	(2,607)	—

(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, amounts due from related parties 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.

(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.

28. 金融工具(續)

b. 金融風險管理目標及政策(續)

(i) 市場風險(續)

敏感度分析(續)

本集團對貨幣風險的敏感度分析如下：

(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本集團的應收貸款、其他應收款項、應收關聯方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。

(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。

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28. FINANCIAL INSTRUMENTS (continued)

- b. Financial risk management objectives and policies (continued)
(iii) Liquidity risk management (continued)

28. 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(續)

		Weighted average interest rate	Less than 1 year	Total undiscounted cash flows 未貼現 現金流量 總額	Total carrying amount 賬面值 總計
		加權平均利率 %	少於1年 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2017	2017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	—	11,226	11,226	11,226
Amount due to a related party	應付關聯方款項	—	752	752	752
Total	總計		11,978	11,978	11,978
At 31 December 2016	2016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	—	9,211	9,211	9,211

The fair value of financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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。

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.

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。

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29. OPERATING LEASE COMMITMENTS

The Group as lessor

The investment properties held by the Group for rental purpose have committed tenants for six years with fixed rental.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments under non-cancellable operating leases:

29. 經營租賃承諾

本集團作為出租人

本集團持作賺取租金的投資物業與租戶訂約於六年內租用，租金固定。

報告期末，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：

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within one year	一年內	200	200
In the second to the fifth year, inclusive	第二年至第五年 (包括首尾兩年)	400	600
		600	800

30. CAPITAL COMMITMENTS

30. 資本承諾

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016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 equipment	— 設備方面的開支	465	—

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31. RETIREMENT BENEFIT SCHEME

The employees of the Group are members of a state-managed retirement benefits 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 benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits 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 RMB475,000 for the year ended 31 December 2017 (2016: RMB490,000), represented contributions paid and/or payable to the scheme by the Group for the reporting period.

32. RELATED PARTY TRANSACTIONS

Balances as at the end of the reporting period with related parties:

(a) Amounts due from related parties

At the end of the reporting period, the Group has amounts receivable from the following related parties and the details are set out below:

31. 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2017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475,000元(2016年：人民幣490,000元)，是本集團於報告期內向該計劃已付及／或應付的供款。

32. 關聯方交易

於報告期末與關聯方之餘額：

(a) 應收關聯方款項

於報告期末，本集團應收以下關聯方之款項及詳情如下：

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Company controlled by Mr. Wang Jianjun (note): 中國宏泰產業市鎮發展有限公司 (China VAST Industrial Urban Development Co., Ltd.)	由王建軍先生控制之公司 (附註): 中國宏泰產業市鎮發展有限公司	2,057	—
Ultimate holding company: Tai Shing International	最終控股公司: 泰盛國際	1	—

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32. RELATED PARTY TRANSACTIONS (continued)

(a) Amounts due from related parties (continued)

All amounts due from related parties are non-trade nature and were denominated in RMB, unsecured, interest free and repayable on demand. The amounts have been fully received before the date of issuance of these consolidated financial statements. The following information is disclosed pursuant to section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Cap.622), which requires compliance with section 161B of the predecessor Hong Kong Companies Ordinance (Cap. 32):

32. 關聯方交易(續)

(a) 應收關聯方款項(續)

所有應收關聯方款項均屬非貿易性質及以人民幣計值，無抵押、免息且須按要求償還。有關款項已於此等合併財務報表公佈日期前悉數收取。以下資料按香港《公司條例》(第622章)第78條附表11所要求，遵循前香港《公司條例》(第32章)第161B條作出披露：

		Maximum amount outstanding At 31 December 最高未償還金額 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Mr. Wang Jianjun (note)	王建軍先生(附註)	—	9,600
Ms. Zhao Ying	趙穎女士	—	92
Company controlled by Mr. Wang Jianjun: 中國宏泰產業市鎮發展有限公司 (China VAST Industrial Urban Development Co., Ltd.)	由王建軍先生控制 之公司： 中國宏泰產業市鎮發展 有限公司	2,057	—
Fellow subsidiaries: 豐盛亞洲有限公司 (Fengsheng Asia Co., Ltd.)	同系附屬公司： 豐盛亞洲有限公司	—	59
廊坊豐盛企業管理諮詢有限公司 (Langfang Fengsheng Enterprise Management Consulting Co., Ltd.)	廊坊豐盛企業管理諮詢 有限公司	—	10
Ultimate holding company: Tai Shing International	最終控股公司： 泰盛國際	1	—

Note: Mr. Wang Jianjun is the husband of the Ultimate Controlling Shareholder.

附註：王建軍先生是最終控股股東的丈夫。

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32. RELATED PARTY TRANSACTIONS (continued)

(b) Amount due to a related party

		At 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Ultimate Controlling Shareholder: Ms. Zhao Ying	最終控股股東： 趙穎女士	752	—

The amount due to a related party is non-trade nature and was denominated in RMB, unsecured, interest free and repayable on demand. The amount has been fully paid before the date of issuance of these consolidated financial statements.

應付關聯方款項均屬非貿易性質、以人民幣計值、無抵押、免息且須按要求償還。有關款項已於此等合併財務報表公佈日期前悉數付清。

(c) Related party transaction

During the year, the Group entered into the following transaction with its related party:

(c) 關聯方交易

年內，本集團與關聯方進行以下交易：

		Year ended 31 December 截至12月31日止年度	
Nature of transaction 交易性質		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Fellow subsidiary: 同系附屬公司： 廊坊市城區房地產開發有限公司 (Langfang City Property Development Co., Ltd.)	Purchase of a motor vehicle 購買汽車	30	—

(d) During the year, the Group entered into an acquisition agreement to acquire the entire equity interest in Langfang Wantong from the original shareholders of Langfang Wantong for a cash consideration of RMB55,500,000. On 18 August 2017, Mr. Wang Jianjun provided a loan amounting to RMB46,835,000 to the Group to settle this consideration payable, and on 30 August 2017, he agreed to waive an amount of RMB32,500,000 payable to him by the Group which was accounted for as a deemed contribution to the Group.

(d) 年內，本集團訂立收購協議，自廊坊萬桐原股東收購廊坊萬桐全部股權，現金代價為人民幣55,500,000元。於2017年8月18日，王建軍先生向本集團提供貸款人民幣46,835,000元，以結清應付代價，而於2017年8月30日，彼同意豁免入賬列為視作向本集團注資的本集團應付彼之款項人民幣32,500,000元。

(e) Compensation of key management personnel

The remuneration of Directors, who are also key management, is disclosed in note 10.

(e) 主要管理人員薪酬

董事(同時為主要管理層)的薪酬於附註10披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

33. 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 of the Company as at 31 December 2017 and its reserves movements for the year then ended were as follows:

33. 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。有關本公司於2017年12月31日的財務狀況表及其於截至該日止年度的儲備變動的資料如下：

		At 31 December 2017 於2017年12月31日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產	
Investment in a subsidiary	投資附屬公司	—
CURRENT ASSETS	流動資產	
Dividend receivable	應收股息	19,800
Prepayments and other receivables	預付款項及其他應收款項	77
Amount due from a subsidiary	應收附屬公司款項	2
Amounts due from related parties	應收關聯方款項	2,058
Bank balances and cash	銀行結餘及現金	50,788
		72,725
CURRENT LIABILITIES	流動負債	
Other payables	其他應付款項	340
Amount due to a related party	應付關聯方款項	752
Amounts due to subsidiaries	應付附屬公司款項	2,910
		4,002
NET CURRENT ASSETS	流動資產	68,723
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	68,723
CAPITAL AND RESERVES	資本及儲備	
Share capital	股本	66,192
Reserves	儲備	2,531
TOTAL EQUITY	權益總額	68,723

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued) **33. 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

		Share premium	Other reserve	Retained earnings	Total
		股份溢價	其他儲備	保留盈利	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 25 January 2017	於2017年1月25日	—	—	—	—
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	11,876	11,876
Issue of new shares to the public	向公眾發行新股份	42,760	—	—	42,760
Transaction costs attributable to issue of new ordinary shares	發行新普通股應佔交易成本	(7,485)	—	—	(7,485)
Capitalisation issue of shares (note 25)	資本化發行股份(附註25)	(35,275)	(5,023)	(9,345)	(49,643)
Wavier of debt owed to Ms. Zhao Ying	豁免結欠趙穎女士債項	—	5,023	—	5,023
At 31 December 2017	於2017年12月31日	—	—	2,531	2,531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 合併財務報表附註

For the year ended 31 December 2017 截至2017年12月31日止年度

34. INTERESTS IN SUBSIDIARIES

As at the end of the reporting period, the Company has direct and indirect equity interests in the following subsidiaries:

34. 於附屬公司的權益

於報告期末，本公司持有以下附屬公司的直接及間接股權：

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
			2017 2017年	2016 2016年	
Langfang Wantong	PRC 26 November 2007	RMB32,000,000	100%	100%	Sales of burial plots, provision of other burial-related services and cemetery maintenance services
廊坊萬桐	中國 2007年11月26日	人民幣32,000,000元	100%	100%	銷售墓地和提供其他墓地 相關服務及墓園維護 服務
Wantong HK	HK 18 January 2017	HK\$1	100%	N/A	Investment holding
萬桐(香港)	香港 2017年1月18日	1港元	100%	不適用	投資控股
Shing Sheng International*	BVI 27 January 2017	US\$1	100%	N/A	Investment holding
興盛國際*	英屬處女群島 2017年1月27日	1美元	100%	不適用	投資控股
Wantongyuan Management	PRC 2 March 2017	US\$10,000,000	100%	N/A	Investment holding
萬桐園管理	中國 2017年3月2日	10,000,000美元	100%	不適用	投資控股
廊坊市萬桐殯葬服務有限公司 (Langfang City Wantong Funeral Services Co., Ltd.)**	PRC 23 March 2017	RMB500,000	100%	N/A	Provision of funeral service
廊坊市萬桐殯葬服務有限公司	中國 2017年3月23日	人民幣500,000元	100%	不適用	提供殯儀服務

Notes:

* Directly-held by the Company

** English name for identification only

附註：

* 由本公司直接持有



萬桐園

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