



活出精彩

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Annual Report **2017** 年報



SINO-LIFE GROUP LIMITED
中國生命集團有限公司

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



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

香港聯合交易所有限公司(「聯交所」) GEM 的特色

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本報告的資料乃遵照聯交所的GEM證券上市規則(「GEM上市規則」)而刊載，旨在提供有關中國生命集團有限公司(「本公司」)的資料。本公司的董事(「董事」)願就本報告的資料共同及個別地承擔全部責任。

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

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

以下為本公司於本報告日期的公司資料：

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Jianchun (*Chairman*)
Mr. Liu Tien-Tsai

Independent non-executive Directors

Mr. Chai Chung Wai
Mr. Sun Fei
Mr. Lee Koon Hung

COMPANY SECRETARY

Mr. Li Wing Sum Steven *CPA, FCCA*

AUTHORIZED REPRESENTATIVES

Mr. Liu Tien-Tsai
Mr. Li Wing Sum Steven *CPA, FCCA*

COMPLIANCE OFFICER

Mr. Liu Tien-Tsai

AUDIT COMMITTEE

Mr. Sun Fei (*Chairman*)
Mr. Chai Chung Wai
Mr. Lee Koon Hung

REMUNERATION COMMITTEE

Mr. Chai Chung Wai (*Chairman*)
Mr. Sun Fei
Mr. Lee Koon Hung

NOMINATION COMMITTEE

Mr. Lee Koon Hung (*Chairman*)
Mr. Chai Chung Wai
Mr. Sun Fei

AUDITOR

Crowe Horwath (HK) CPA Limited

董事會

執行董事

許建春先生(*主席*)
劉添財先生

獨立非執行董事

齊忠偉先生
孫飛先生
李冠洪先生

公司秘書

李永森先生*CPA, FCCA*

授權代表

劉添財先生
李永森先生*CPA, FCCA*

監察主任

劉添財先生

審核委員會

孫飛先生(*主席*)
齊忠偉先生
李冠洪先生

薪酬委員會

齊忠偉先生(*主席*)
孫飛先生
李冠洪先生

提名委員會

李冠洪先生(*主席*)
齊忠偉先生
孫飛先生

核數師

國富浩華(香港)會計師事務所有限公司

Corporate Information

公司資料

PRINCIPAL BANKER

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

REGISTERED OFFICE

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

PLACE OF BUSINESS

Unit 1303, 13/F., Austin Tower,
22-26 Austin Avenue,
Tsim Sha Tsui,
Kowloon, Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office
SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road
P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Island

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong

STOCK CODE

8296

WEBSITE

www.sinolifegroup.com

主要往來銀行

永豐銀行
第一商業銀行
香港上海滙豐銀行有限公司
招商銀行

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Oleander Way
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P.O. Box 32052
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Cayman Islands

營業地點

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股份過戶登記處

主要股份過戶登記處
SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
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Grand Cayman, KY1-1110
Cayman Island

香港股份過戶登記分處

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香港
皇后大道東183號
合和中心22樓

股份代號

8296

網站

www.sinolifegroup.com

Chairman's Statement 主席報告



REVIEW

I am pleased to present the results of Sino-Life Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2017 ("Year 2017") on behalf of the Board of Directors (the "Board").

In Year 2017, the Group recorded an increase in revenue of approximately 5.9% over the previous year. In particular, a large part of our revenue was derived from the PRC market while the Taiwan, Hong Kong and Vietnam markets constituted a marginal share. The increase in revenue is mainly due to growth experienced by the Group's funeral services business in Chongqing offsetting the slide in businesses outside the PRC. As provision for impairment on inventories and development and formation costs decreased substantially by RMB7,068,000, overall gross profit margin increased substantially from 38.7% in the previous year to 50.4%. In addition, sales, administrative and other operating expenses experienced slight swings, while other income fell by approximately RMB6,019,000 over the previous year. There was no impairment loss on goodwill during the year, while impairment of RMB15,129,000 was recorded for the previous year. As a result of the foregoing, loss attributable to shareholders for Year 2017 was RMB19,334,000, a drop of RMB12,186,000 over the previous year.

PROSPECTS

The economy of the PRC market continues to grow and general consumption continues to rise, and as such remains considered by the Group to be the focus of future business development. The Group's management will continue to effectively apply its professional and unique business model to divisions in different regions, and at the same time actively expand our market and seek other regions that have potential and massive business opportunity to extend our business reach and increase market share.

回顧

本人謹代表董事會(「董事會」)欣然提呈中國生命集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度(「二零一七年度」)之業績。

在二零一七年度，本集團的收益比對往年上升約5.9%。其中大部份來自中國大陸市場，而來自台灣、香港及越南市場只佔輕微比重。收益增加的主要原因由於本集團於中國重慶的殯儀服務業務錄得增長，抵消於中國大陸境外之業務下跌。由於本年度之存貨減值撥備和開發及成立成本比往年大幅減少約人民幣7,068,000元，整體毛利率由去年之38.7%大幅上升至約50.4%。此外，在銷售、行政和其他經營開支方面略有增減，而其他收入則比去年減少約人民幣6,019,000元。本年度的商譽並無減值虧損而往年則錄得人民幣15,129,000元的減值。基於上述原因，二零一七年度股東應佔虧損約為人民幣19,334,000元，比去年減少約人民幣12,186,000元。

展望

中國大陸市場經濟持續增長，整體民生消費不斷上升，故本集團仍視為未來業務的發展重點。本集團管理層將繼續以其專業而獨特的業務模式有效地套用於不同地區分部，同時亦積極擴充市場和尋找其他具備潛力及擁有龐大商機的地區，藉此擴展業務範圍及增加市場份額。

Chairman's Statement

主席報告

The Group's businesses are relatively concentrated in the PRC market, where the industry of its businesses is rather stable. It is believed that with the rising trend in population aging and mortality rate in the PRC, it is anticipated that there will be growing demand for funeral parlour and funeral services, while there will also be increasingly keen demand for quality funeral related services and dedicated service providers. Accordingly, the Board expects that there is still room for growth for the Group's business in 2018, although the relentless increase in the number of funeral service providers will also put pressure on the Group's performance.

On behalf of the Board of Directors, I would like to thank our management and staff for their efforts over the past year and their contribution to the Group's success in our business operations. I would also like to take this opportunity to express heartfelt thanks to the Company's shareholders and business partners for their support and trust.

Chairman
Xu Jianchun

26 March 2018

集團業務較為集中於中國大陸市場，所處行業業務較為穩定。相信隨著中國人口老化及死亡率的上升趨勢，預計中國殯儀館及殯儀服務的潛在需求將日益增加，同時對優質殯儀相關服務及更為專業的服務供應商的需求亦將日趨殷切。故此，董事預期本集團之業務於二零一八年度仍有上升空間，惟殯儀服務供應商的數目不斷增多，對本集團業績亦會帶來一定壓力。

本人謹代表董事會向感謝管理層及員工於過去一年的辛勤努力及為本集團業務作出的寶貴貢獻。我們亦藉此機會向本公司股東及業務合作夥伴長期的支持及信賴致以衷心感謝。

主席
許建春

二零一八年三月二十六日

Management Discussion and Analysis

管理層討論及分析



BUSINESS REVIEW

In Year 2017, the Group benefited from the growing economy and increasing consumption in the PRC and experienced growth in its business in the PRC over last year. In addition, the performance of markets in other regions varied. Except for the Hong Kong market which achieved favorable growth, the markets in Taiwan and Vietnam recorded a decline. The development of the elderly care services established recently in Taiwan was slower than expected. At the same time, the business in Vietnam was impacted by their funerary customs and did not achieve expected results.

The revenue and performance of the Group's segments for the Year 2017 are as follows:

The PRC—Funeral services

Funeral business in the PRC continues to be the driving force of the Group's operations. Revenue derived from funeral business in the PRC market was approximately RMB56,933,000 (2016: RMB53,195,000), representing an increase of approximately 7.0% compared to last year and accounted for approximately 93.8% of the Group's total revenue.

Hong Kong—Funeral services

The funeral services in the Hong Kong market generated an approximate revenue of RMB1,012,000 (2016: RMB741,000), representing an increase of approximately 36.6% compared to last year and accounted for approximately 1.7% of the Group's total revenue.

Taiwan—Funeral services

The funeral services in the Taiwan market generated an approximate revenue of RMB2,175,000 (2016: RMB1,985,000), representing an increase of approximately 9.6% compared to last year and accounted for approximately 3.6% of the Group's total revenue.

Vietnam—Funeral services

Revenue derived from the sales of cemeteries in Vietnam was approximately RMB462,000 (2016: RMB516,000), representing a decrease of approximately 10.5% and accounted for approximately 0.8% of the Group's total revenue.

業務回顧

於二零一七年度，受惠於中國大陸經濟增長及消費上升，本集團於中國大陸之業務比較上年錄得增長。此外，位於其他地區的市場表現不一，除香港市場升幅理想外，台灣及越南市場均錄得倒退。近年於台灣設立之護老服務發展比預期緩慢，同時越南業務亦因當地殯儀習俗影響發展未達預期。

於二零一七年度，本集團各分部的收益及表現如下：

中國大陸—殯儀服務

中國之殯儀業務仍為本集團業務之主要推動力。來自中國市場殯儀業務之收益約為人民幣56,933,000元(二零一六年：人民幣53,195,000元)，較去年增加約7.0%，並佔本集團總收益約93.8%。

香港—殯儀服務

於香港市場之殯儀業務產生收益約人民幣1,012,000元(二零一六年：人民幣741,000元)，較去年上升約36.6%，佔本集團總收益約1.7%。

台灣—殯儀服務

來自台灣市場之殯儀業務收益約為人民幣2,175,000元(二零一六年：人民幣1,985,000元)，較去年增加約9.6%，佔本集團總收益約3.6%。

越南—殯儀服務

來自越南銷售墓園之收益約為人民幣462,000元(二零一六年：人民幣516,000元)，較去年下降約10.5%，佔本集團總收益約0.8%。

Management Discussion and Analysis

管理層討論及分析

Taiwan—Elderly care and related consultancy services

The Group's revenue derived from the elderly care and related consultancy services in Taiwan was approximately RMB127,000 (2016: RMB905,000), representing a decrease of approximately 86.0% and accounted for approximately 0.2% of the Group's total revenue.

FINANCIAL REVIEW

Revenue

The Group's total revenue arising from principal activities for the year ended 31 December 2017 was approximately RMB60,709,000 (2016: RMB57,342,000), representing an increase of approximately RMB3,367,000 or approximately 5.9% as compared to 2016. The revenue generated from the funeral services and cremation services provided in the funeral parlour and funeral service centres managed by the Group was approximately RMB55,641,000 (2016: RMB52,386,000), representing an increase of approximately 6.2%. The aggregate revenue generated from funeral arrangement services and funeral related consultancy services was approximately RMB4,479,000 (2016: RMB3,535,000), representing an increase of approximately 26.7%. The revenue increase of the two services described above was mainly due to the increase in the number funeral services provided for the year from 2,027 to 2,183. At the same time, the average spending per service increased from approximately RMB19,319 to approximately RMB19,721 in 2017. The number of additional cremation services provided slightly increased from 9,077 to 9,298 in 2017, while the average spending per service slightly decreased from approximately RMB1,457 to approximately RMB1,354. Under the funeral parlour management agreement and funeral service centre management agreements, the Group is entitled to all income and is responsible for all liabilities and all expenses incurred in the funeral parlour and funeral service centres under the Group's management.

The revenue generated from sales of burial plots and tombstones was approximately RMB462,000 (2016: RMB515,000), representing a decrease of approximately 10.3%. The revenue generated from elderly care and related consultancy services was approximately RMB127,000 (2016: RMB905,000), representing a decrease of approximately 86.0%, which was due to the development not achieving expected results.

台灣—護老及相關諮詢服務

本集團來自台灣護老及相關諮詢服務之收益約為人民幣127,000元(二零一六年:人民幣905,000元),較去年減少約86.0%,佔本集團總收益約0.2%。

財務回顧

收益

截至二零一七年十二月三十一日止年度,本集團來自主要業務之總收益約為人民幣60,709,000元(二零一六年:人民幣57,342,000元),較二零一六年增加約人民幣3,367,000元或約5.9%。於本集團管理的殯儀館及殯儀服務中心提供之殯儀服務及火化服務所產生的收益約人民幣55,641,000元(二零一六年:人民幣52,386,000元),增加約6.2%。殯儀安排服務及殯儀相關諮詢服務合計為約人民幣4,479,000元(二零一六年:人民幣3,535,000元),增加約26.7%。上述兩類服務收益增加原因由於本年度所提供之殯儀服務由2,027宗增加至2,183宗。同時,每宗服務的平均花費於二零一七年度由約人民幣19,319元增加至約人民幣19,721元。另提供的火化服務及每宗服務的平均花費於二零一七年度分別由9,077宗輕微增加至9,298宗,由約人民幣1,457元輕微減少至約人民幣1,354元。根據殯儀館管理協議及殯儀服務中心管理協議,本集團可取得本集團管理的殯儀館及殯儀服務中心的所有收入及須承擔其產生的所有負債及所有開支。

墓地及墓碑銷售的收益約為人民幣462,000元(二零一六年:人民幣515,000元),減少約10.3%。由於發展未及預期理想,在護老及相關諮詢服務所產生的收益約人民幣127,000元(二零一六年:人民幣905,000元),減少約86.0%。

Management Discussion and Analysis

管理層討論及分析



Gross Profit and Gross Profit Margin

Gross profit for the year was approximately RMB30,598,000 (2016: RMB22,193,000), and gross profit margin increased approximately 11.7% to approximately 50.4% (2016: 38.7%). The increase in gross profit margin was mainly due to increase in revenue and decrease in cost of sales. Inventories written-down of approximately RMB245,000 (2016: RMB1,129,000) and the development and formation costs of RMB1,702,000 (2016: RMB7,886,000) decreased significantly over last year, resulting in a significant drop in cost of sales from RMB35,149,000 last year to RMB30,111,000, representing a 14.3% decrease.

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

Selling and Administrative Expenses

Selling expenses for the year was approximately RMB6,770,000 (2016: RMB5,841,000), representing an increase of approximately 15.9%, which was mainly due to the increase in commission expenses as a result of the increase of revenue. The proportion of selling expenses to revenue was approximately 11.2% (2016: 10.2%). Administrative expenses was approximately RMB29,016,000 (2016: RMB30,230,000), accounting for approximately 47.8% (2016: 52.7%) of revenue. Administrative expenses decreased by approximately 4% over last year, as a result of continuing the efforts in expense control.

毛利及毛利率

本年度毛利約人民幣30,598,000元(二零一六年: 人民幣22,193,000元), 毛利率上升約11.7%至約50.4%(二零一六年: 38.7%)。毛利率上升主要由於收益增加及銷售成本下降所致。由於本年度存貨減值約人民幣245,000元(二零一六年: 人民幣1,129,000元)以及開發及成立成本的減值約人民幣1,702,000元(二零一六年: 人民幣7,886,000元)均比往年大幅減少, 銷售成本由去年人民幣35,149,000元減少14.3%至約人民幣30,111,000元。

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

銷售及行政開支

本年度銷售開支約人民幣6,770,000元(二零一六年: 人民幣5,841,000元), 增加約15.9%。主要由於收益上升以致佣金開支增加, 銷售開支佔收益的比例約為11.2%(二零一六年: 10.2%)。行政開支約人民幣29,016,000元(二零一六年: 人民幣30,230,000元), 佔收益的比例約為47.8%(二零一六年: 52.7%)。行政開支比往年減少約4%, 乃因持續控制開支的成果。

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Due to the slight increase in impairment and provision, other operating expenses was approximately RMB14,874,000 (2016: RMB10,468,000), representing an increase of approximately 42.1%. Finance costs slightly increased to approximately RMB197,000 (2016: RMB184,000). Income tax expense was mainly incurred by operations in the PRC, which was approximately RMB1,513,000 (2016: RMB1,727,000) for the year parallel to our increased revenue, representing a decrease of approximately RMB214,000 or approximately 12.4%.

Impairment of Goodwill

In 2016, the Group completed the acquisition of Bu Lao Lin Limited, a company which provides elderly care services in Taiwan, and provided nursing care services and consultancy services to other service providers in the elderly care market by developing business into the market on the golden-ager through business combination. In accordance with the original plan, the Group has established one day-care centre; however, the result was far lower than what was expected. Moreover, the Group has not completed the process of negotiation for the hire of day-care centres or elderly homes and related acquisition plans. For the above reasons, the management considers the business development in the Taiwan market unsatisfactory. After referencing the business valuation performed by an independent valuer, an approximate RMB15,129,000 impairment allowance was made.

With the impairment allowance made in the 2016 financial year, the carrying amount of goodwill has been significantly lowered. According to the results of business revaluation performed by independent valuers, the Directors are of the opinion that no provision for impairment is necessary for the year.

Loss for the year

Loss attributable to owners of the Company for the Year 2017 was approximately RMB19,334,000 (2016: RMB31,520,000). The decrease in loss was mainly due to (i) increase in revenue; (ii) increase in gross profit; and (iii) the absence of impairment on goodwill for the year.

由於減值及撥備稍為增加，其他經營開支為約人民幣14,874,000元(二零一六年：人民幣10,468,000元)，上升約42.1%。融資成本略為增加至約人民幣197,000元(二零一六年：人民幣184,000元)。所得稅開支主要為中國大陸業務所產生，對應收益上升本年度計提約人民幣1,513,000元(二零一六年：人民幣1,727,000元)，減少約人民幣214,000元或約12.4%。

商譽減值

於二零一六年，本集團完成收購在台灣從事提供護老服務的不老林股份有限公司。透過業務合併開發銀髮族業務，向長者提供看護服務及護老市場其他服務提供商提供諮詢服務。根據原定計劃，本集團已開設一間日間護理中心，惟業績遠低於預期。此外，本集團預期之租用日間護理中心或安老院之磋商及相關收購等計劃皆未能達成。基於上述原因，管理層認為發展台灣市場業務情況未如理想，經參照獨立估值師所進行之業務估值後，作出之減值準備約人民幣15,129,000元。

經過二零一六年財政年度計提的減值準備後，商譽的賬面值已大幅降低。經過獨立估值師重新進行業務估值後所得結果，董事認為本年度的商譽並無減值需要。

年度虧損

於二零一七年度，本公司擁有人應佔虧損約為人民幣19,334,000元(二零一六年：人民幣31,520,000元)。虧損減少主要因為(i)收益增加；(ii)毛利上升；及(iii)本年度並無商譽減值所致。

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LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintains a stable financial position. As at 31 December 2017, the Group had cash and bank balances of approximately RMB98,186,000 (2016: RMB98,550,000), while short and long term bank borrowings were approximately RMB1,059,000 and approximately RMB9,071,000 respectively (2016: RMB1,023,000 and RMB9,959,000). All bank loans were denominated in New Taiwan Dollars, at prevailing market interest. During the year, the Group did not use any financial instruments for hedging purposes. As at 31 December 2017, the gearing ratio representing the ratio of total borrowing to the total assets of the Group remained to be 4.4% (2016: 4.3%), a number reflecting that the Group did not solely depend on loans and borrowings to maintain its operations, thus the Group's lending risk was very low.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

During the year, the Group's major operations were geographically based in the PRC, and diversified across Taiwan, Hong Kong and Vietnam. The revenue derived from Taiwan, Hong Kong and Vietnam only accounted for 6.2% (2016: approximately 7.2%) of the total revenue. The Group's financial statements are denominated in Renminbi, except for certain incomes and expenses which are denominated in United States Dollar, New Taiwan Dollar, Hong Kong Dollar and Vietnamese Dong. It is possible that the value of Renminbi may fluctuate against that of United States Dollar, New Taiwan Dollar, Hong Kong Dollar and Vietnamese Dong. The Group's operating results and financial position may be affected by changes in the exchange rates of Renminbi against United States Dollar, New Taiwan Dollar, Hong Kong Dollar and Vietnamese Dong, in which the Group's revenue and expenses are denominated. As at 31 December 2017, the Group did not have any bank liabilities, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group is not exposed to any material interest and exchange risks.

SIGNIFICANT ACQUISITIONS AND DISPOSAL OF INVESTMENTS

The Group did not have any significant acquisition or disposal of investment for the Year 2017.

流動資金、財務資源及資本結構

本集團維持穩健的財務狀況。於二零一七年十二月三十一日，本集團擁有約人民幣98,186,000元(二零一六年：人民幣98,550,000元)的現金及銀行結餘，而短期及長期的銀行借貸分別約人民幣1,059,000元及約人民幣9,071,000元(二零一六年：人民幣1,023,000元及人民幣9,959,000元)。所有銀行貸款以新台幣計值並按現行市場利率計息。年內，本集團並未使用任何財務工具作對沖用途。於二零一七年十二月三十一日，資產負債比率(即本集團借貸總額對資產總值的比率)維持為4.4%(二零一六年：4.3%)，數據顯示本集團並非依靠借貸維持經營，且向本集團借貸之風險甚低。

匯率波動風險

年內，本集團之主要經營業務在地理上主要位於中國大陸，並分佈於台灣、香港及越南。來自台灣、香港及越南的收益僅佔總收益約6.2%(二零一六年：約7.2%)。本集團之財務報表以人民幣呈列，惟當中有部份收益及開支以美元、新台幣、港元及越南盾計值。人民幣兌美元、新台幣、港元及越南盾的價值可能出現價值波動。本集團之經營業績及財務狀況可能受人民幣(本集團收益及開支的計值貨幣)兌美元、新台幣、港元及越南盾的匯率變動影響。於二零一七年十二月三十一日，本集團並無任何銀行負債、外匯合約、利率或貨幣掉期或其他作對沖用途的金融衍生工具。因此，本集團概無面臨任何重大利率及外匯風險。

收購及出售重大投資

本集團於二零一七年度概無收購或出售任何重大投資。

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THE NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2017, the Group employed approximately 209 employees (2016: 221 employees). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on regular basis.

CHARGE ON GROUP ASSETS

As at 31 December 2017, the carrying amount of property, plant and equipment pledged as security for the Group's bank borrowings was approximately RMB18,877,000 (2016: RMB18,472,000).

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any contingent liabilities (2016: Nil).

CAPITAL EXPENDITURE

For the year ended 31 December 2017, capital expenditure of the Group for property, plant and equipment amounted to approximately RMB1,325,000 (2016: approximately RMB4,996,000).

CAPITAL COMMITMENTS

As at 31 December 2017, the Group had capital expenditure contracted for but not provided for in the financial statements amounting to approximately RMB6,523,000 (2016: approximately RMB6,524,000).

僱員數目及薪酬

於二零一七年十二月三十一日，本集團僱用約209名僱員(二零一六年：221名僱員)。本集團根據現行市場薪酬基準、個人資歷及表現釐定員工薪酬。包括表現花紅及獲得購股權的資格在內的薪酬組合會被定期審閱。

抵押本集團資產

於二零一七年十二月三十一日，作為本集團銀行借貸的擔保而被抵押的物業、廠房及設備的賬面值約為人民幣18,877,000元(二零一六年：人民幣18,472,000元)。

或然負債

於二零一七年十二月三十一日，本集團概無任何或然負債(二零一六年：無)。

資本開支

截至二零一七年十二月三十一日止年度，本集團的物業、廠房及設備資本開支約為人民幣1,325,000元(二零一六年：約人民幣4,996,000元)。

資本承擔

於二零一七年十二月三十一日，本集團已訂約但未有於財務報表中撥備的資本開支金額約人民幣6,523,000元(二零一六年：約人民幣6,524,000元)。

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PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

The financial risk management policies and practices of the Group are shown in note 32 to the financial statements.

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

ENVIRONMENTAL POLICY AND PERFORMANCE

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

主要風險及不確定因素

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

本集團所面對的主要業務及營運風險概列如下：

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

本集團的財務風險管理政策及慣例載於財務報表附註32。

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

環境保護政策及表現

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

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LAWS AND REGULATIONS OF OUR BUSINESS

As far as the Board of Directors and management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During Year 2017, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

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

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

During Year 2017, there were no material and significant dispute between the Group and its employees, suppliers and/or customers.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as stated in the Prospectus and the announcement (the "Announcement") by the Company on 8 December 2015 with the Group's actual business progress for the period from 9 September 2009 (the "Listing Date") to 31 December 2017 is set out below:

與我們業務有關的法例及規例

就董事會及管理層所知，本集團已於各重大方面遵守對本集團業務及營運有重大影響之相關法律及規例。截至二零一七年十二月三十一日止年度內，本集團並無重大違反或未有遵守適用法律及規例。

與僱員、客戶及供應商的關係

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

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

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

截至二零一七年十二月三十一日止年度內，本集團與僱員、供應商及／或客戶之間並無重大及主要分歧。

業務目標與實際業務發展比較

招股章程及本公司於二零一五年十二月八日之公告(「該公告」)所述業務目標與本集團自二零零九年九月九日(「上市日期」)起至二零一七年十二月三十一日止期間實際業務發展比較的分析載於下文：

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Business objectives for the period from the Listing Date to 31 December 2017 as stated in the Prospectus and the Announcement 招股章程及該公告所述上市日期至二零一七年十二月三十一日期間的業務目標

Actual business progress up to 30 June 2017 截至二零一七年十二月三十日的實際業務發展

Expand funeral services network in other major cities by entering into funeral-services agreement
透過訂立殯儀服務協議，擴大其他主要城市的殯儀服務網絡

The Group has implemented two of the memoranda of understanding (the “MOU”) disclosed in the “Future Plan and Prospects” section of the Prospectus.
本集團實行招股章程「未來計劃及前景」一節所披露的其中兩份諒解備忘錄（「諒解備忘錄」）。

The Group is in the process of negotiating the terms with the owners of remaining funeral parlours and new funeral service centres.
本集團正與其餘殯儀館及新殯儀服務中心擁有人磋商條款。

The Group has also signed other two new subcontracting agreements during 2010.
本集團亦已於二零一零年訂立其他兩份新承包協議。

The Group has commenced business in Vietnam during 2013.
本集團已於二零一三年開始越南之業務。

Purchase of funeral service equipment and facilities
購買殯儀服務設備及設施

The Group has completed the purchase of advanced equipment and facilities designated for funeral.
本集團已完成購置為殯儀而設的先進設備及設施。

As disclosed in the Announcement, the Board resolved to change the application of the remaining net proceeds of the Placing as points 5 and 6 below.
誠如該公告所披露，董事會議決以下列第5項及第6項所述之方式更改配售申請所得淨款餘額的用途。

Refurbishment of new and existing service centres
裝修新及現有的服務中心

The Group has completed the decoration and improvement of funeral parlour and services centres.
本集團已開始裝修及改善殯儀館及服務中心。

Expansion of marketing network
拓展市場推廣網絡

The Group has completed the establishment of the website and organized and sponsored a forum and research on the funeral industry.
本集團已開始建立網站以及舉辦及贊助有關殯儀業之論壇及研究。

Consideration for the Acquisition
收購之代價

The Group has completed the Acquisition on 31 March 2016.
本集團已於二零一六年三月三十一日完成收購。

Expansion of the business into the market on the golden-ager and elderly care
拓展銀髮族及老人看護業務之市場

The Group has started the acquisition of related property, plant and equipment. However, due to the business development not achieving expected results, resource allocation is deferred.
本集團開始購置相關物業、廠房及設備。惟因業務發展未達預期，資源投放延後。

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Pursuant to the movements in the use of proceeds disclosed in the Announcement and the Interim results issued on 1 August 2017, all remaining net proceeds from issuance of new shares of the Group have been used as stated in the Prospectus and the disclosure initiative in the Announcement, except for the remaining approximate RMB7,370,000 out of the approximate RMB11,721,000 planned to be used for the expansion of the business into the market on the golden-ager and elderly care.

The Directors will further review the market performance of the nursing care businesses of golden-agers and the elderly and the development of other businesses of the Group, in order to use the remaining proceeds flexibly. As at 31 December 2017, all remaining proceeds have been placed as interest bearing deposits in banks.

根據該公告所披露有關變更所得款項用途及於二零一七年八月一日刊發之中期業績，本公司發行新股所得款項淨額，除計劃動用於拓展銀髮族及老人看護業務之市場約人民幣11,721,000元剩餘人民幣7,370,000元尚未動用外，其餘所得款項已按照招股章程及該公告披露之計劃完全動用。

董事將進一步審閱銀髮族及老人看護業務之市場情況及本集團其他業務發展，以靈活動用餘下所得款項。於二零一七年十二月三十一日，所有餘下所得款項均存入銀行作為計息存款。

Corporate Governance Report

企業管治報告



CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. The principles adopted by the Company emphasize a quality board, transparency and accountability to shareholders. In the opinion of the Board, the Company has complied with the Code for the year ended 31 December 2017, with the exception for the following deviations:

Code A.2.1 provides that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company for the year ended 31 December 2017 are both currently carried on by Mr. Liu Tien-Tsai, until Mr. Liu's resignation as Chairman of the Board on 22 December 2017. Although the Board considers that the Group's size is still relatively small and thus not justified in separating the role of Chairman and CEO, the Group has internal control system in place to perform the check and balance function, the Group has the same person to perform the roles of both Chairman and CEO will provide the Group with strong and consistent leadership and that, operating in this manner will allow the Group with more effective and efficient overall strategic planning; as Mr. Xu Jianchun joined the Board and became the Chairman on 22 December 2017, the positions of Chairman and CEO are no longer performed by the same individual, and Group has complied with Code A.2.1 since then.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with such code of conduct throughout the year ended 31 December 2017.

企業管治常規

本公司之企業管治常規乃基於GEM上市規則附錄十五之企業管治常規守則所載原則及守則條文(「守則」)。本公司所採納之原則著重高質素之董事會及對股東之透明度及問責性。董事會認為，於截至二零一七年十二月三十一日止年度內，本公司一直遵守守則，惟以下背離除外：

根據守則第A.2.1條規定，主席及行政總裁角色應有區分且不應由同一人士兼任。於截至二零一七年十二月三十一日止年度內本公司之董事會主席及行政總裁(「行政總裁」)之職務均由劉添財先生擔任，直至二零一七年十二月二十二日劉先生辭任董事會主席。縱然董事會認為，本集團之規模仍然較小，分開主席及行政總裁之角色並不合理，本集團現行內部監控制度可發揮制衡作用，由同一人兼任主席及行政總裁兩職可為本集團提供強勢一致之領導，而以此方式運作亦可令本集團整體策略規劃更具效益及效率；但隨著許建春先生於二零一七年十二月二十二日加入董事會並成為主席，主席及行政總裁已不再由同一人士兼任，守則第A.2.1條規定亦隨即遵守。

董事進行證券交易之行為守則

本公司採納有關董事進行證券交易之行為守則，其條款與GEM上市規則第5.48至5.67條所規定的交易標準同樣嚴謹。已向所有董事作出特定查詢，董事確認，彼等於截至二零一七年十二月三十一日止年度內一直遵守該等行為守則。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

A) Board Composition

For the year ended 31 December 2017 and until the date of this report, the Board comprises members as follows:

Executive Directors

Mr. Xu Jianchun

(Appointed on 22 December 2017)

Mr. Liu Tien-Tsai

Mr. Kim Eun Back

(Resigned on 22 December 2017)

Independent non-executive Directors

Mr. Chai Chung Wai

Mr. Lee Koon Hung

Mr. Sun Fei

(Appointed on 23 January 2018)

Mr. Ching Clement Yat-biu

(Resigned on 23 January 2018)

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. Pursuant to the Code Provision, the Board adopted a board diversity policy (the "Board Diversity Policy"). The Company recognises and embraces the benefits of diversity of Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The biographical details of the Directors and the relationship among the members of the Board are set out in the "Directors and Senior Management" on pages from 32 to 35 of this annual report.

董事會

A) 董事會成員

於截至二零一七年十二月三十一日止年度及直至本報告日期，董事會成員如下：

執行董事

許建春先生

(於二零一七年十二月二十二日
獲委任)

劉添財先生

金彥博先生

(於二零一七年十二月二十二日
辭任)

獨立非執行董事

齊忠偉先生

李冠洪先生

孫飛先生

(於二零一八年一月二十三日獲
委任)

程一彪先生

(於二零一八年一月二十三日辭任)

董事會的成員各有所長，而每名董事對於本集團所從事業務均具備充分行業知識、豐富的企業及策略規劃經驗及／或專才。根據守則條文，董事會採納董事會成員多元化政策（「董事會成員多元化政策」）。本公司肯定及接受董事會成員多元化的益處。在董事會所有任命將繼續奉行任人唯才的原則的同時，本公司將確保董事會在切合本公司業務所需的技能、經驗、不同觀點方面取得平衡。挑選候選人將基於多種不同觀點，包括但不限於性別、年齡、文化及教育背景、專業或其他經驗、技術及知識。於截至二零一七年十二月三十一日止年度及直至本報告日期，董事會成員的變動如以上所披露。董事會成員董事的履歷資料及董事會成員間關係（如有）載於本報告第32至35頁之「董事及高級管理層」。

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B) Role and Function

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

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

B) 角色及職能

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

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

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The Board normally should schedule four meetings a year at quarterly intervals and meets as and when required to discuss the overall business, development strategy, operations and financial reporting of the Company. For the year ended 31 December 2017, the Board held four meetings. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association (the "Articles of Association"). The Directors will receive agenda and details of items for decision in advance of each board meeting. The following table shows the attendance of individual Directors at the meetings held during the year:

董事會一般應每年安排四次例會，每季舉行一次，以討論本公司的整體業務、發展策略、營運及財務申報事宜。截至二零一七年十二月三十一日止年度，董事會共舉行四次會議。董事可親自或透過本公司組織章程細則（「組織章程細則」）所容許之其他電子通訊方式出席會議。董事在各董事會會議舉行前將會收到議程及議事項目詳情。下表載列個別董事年內出席董事會會議及股東大會之情況：

		Board meeting 董事會會議	General meeting 股東大會
Executive Directors	執行董事		
Mr. Xu Jianchun (<i>Chairman</i>) ^{Note 1}	許建春(主席) ^{註1}	0/0	0/0
Mr. Liu Tien-Tsai	劉添財先生	4/4	4/4
Mr. Kim Eun Back ^{Note 2}	金彥博先生 ^{註2}	4/4	3/4
Independent non-executive Directors	獨立非執行董事		
Mr. Chai Chung Wai	齊忠偉先生	4/4	4/4
Mr. Sun Fei ^{Note 3}	孫飛先生 ^{註3}	0/0	0/0
Mr. Lee Koon Hung	李冠洪先生	4/4	4/4
Mr. Ching Clement Yat-biu ^{Note 4}	程一彪先生 ^{註4}	4/4	4/4

CHAIRMAN AND CHIEF EXECUTIVE OFFICER 主席及行政總裁

Pursuant to the Code A.2.1, the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

根據守則條文第A.2.1條，主席與行政總裁的角色應有區分，不應由一人同時兼任。主席與行政總裁之間職責的分工應清楚界定並以書面列載。

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Code A.2.1 provides that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The positions of Chairman of the Board and Chief Executive Officer (“CEO”) of the Company for the year ended 31 December 2017 are both currently carried on by Mr. Liu Tien-Tsai, until Mr. Liu’s resignation as Chairman of the Board on 22 December 2017. Although the Board considers that the Group’s size is still relatively small and thus not justified in separating the role of Chairman and CEO, the Group has internal control system in place to perform the check and balance function, the Group has the same person to perform the roles of both Chairman and CEO will provide the Group with strong and consistent leadership and that, operating in this manner will allow the Group with more effective and efficient overall strategic planning; as Mr. Xu Jianchun joined the Board and became the Chairman on 22 December 2017, the positions of Chairman and CEO are no longer performed by the same individual, and Group has complied with Code A.2.1 since then.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS’ TRAINING

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

During the year and up to the date of this report, all Directors have participated in continuous professional development by attending training course or reading relevant materials on the topics related to roles, functions and duties of a listed company director.

根據守則第A.2.1條規定，主席及行政總裁角色應有區分且不應由同一人士兼任。於截至二零一七年十二月三十一日止年度內本公司之董事會主席及行政總裁（「行政總裁」）之職務均由劉添財先生擔任，直至二零一七年十二月二十二日劉先生辭任董事會主席。縱然董事會認為，本集團之規模仍然較小，分開主席及行政總裁之角色並不合理，本集團現行內部監控制度可發揮制衡作用，由同一人兼任主席及行政總裁兩職可為本集團提供強勢一致之領導，而以此方式運作亦可令本集團整體策略規劃更具效益及效率；但隨著許建春先生於二零一七年十二月二十二日加入董事會並成為主席，主席及行政總裁已不再由同一人士兼任，守則第A.2.1條規定亦隨即遵守。

獨立非執行董事

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

董事培訓

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

於年內及截至本報告日期，所有董事均通過參加培訓課程或閱讀有關上市公司董事的角色、職能及職務的資料進行持續專業發展。

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BOARD COMMITTEES

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

- Audit Committee
- Remuneration Committee
- Nomination Committee

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

A) Audit Committee

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules which consists of three independent non-executive Directors.

Composition and Meeting Record of the Audit Committee

For the year ended 31 December 2017, four meetings were held. The following table shows the attendance of individual Directors at the meetings held during the year:

Mr. Sun Fei^{Note 3} (Chairman)
Mr. Chai Chung Wai
Mr. Lee Koon Hung
Mr. Ching Clement Yat-biu^{Note 4}

Role and Function

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

- making recommendation to the Board on the appointment, reappointment and removal of external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;

董事委員會

董事會亦成立下列委員會，並界定其職權範圍：

- 審核委員會
- 薪酬委員會
- 提名委員會

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

A) 審核委員會

本公司已成立審核委員會(「審核委員會」)並根據GEM上市規則第5.28至5.33條制訂其書面職權範圍，其由三名獨立非執行董事組成。

審核委員會成員及會議記錄

截至二零一七年十二月三十一日止年度，已舉行四次會議。下表載列個別董事於年內出席會議之情況：

孫飛先生 ^{註3} (主席)	0/0
齊忠偉先生	4/4
李冠洪先生	4/4
程一彪先生 ^{註4}	4/4

角色及職能

審核委員會之主要職責包括(其中包括)以下各項：

- 就外聘核數師之委任、重新委任及罷免向董事會提供推薦意見；
- 根據適用標準檢討及監察外聘核數師的獨立性及客觀性及核數程序的有效性；

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- iii. monitoring the integrity of the Group's financial statements, annual reports and accounts, half-yearly report and, quarterly reports;
- iv. liaising with the Board and the senior management and to meet with the auditor;
- v. overseeing the Group's financial controls, internal control and risk management systems; and
- vi. reviewing the financial and accounting policies and practices of the Group.

During the year, the Audit Committee has reviewed the quarterly, half-yearly and annual reports before submission to the Board. The Audit Committee focused not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the GEM Listing Rules and the legal requirements in the review of the Group's quarterly, half-yearly and annual reports.

B) Remuneration Committee

The Company has established a remuneration committee (the "Remuneration Committee") according to the relevant provision of the GEM Listing Rules with written terms of reference which consists of three independent non-executive Directors.

Composition and Meeting Record of the Remuneration Committee

For the year ended 31 December 2017, one meeting was held. The following table shows the attendance of individual Directors at the meeting held during the year:

Mr. Chai Chung Wai (Chairman)
 Mr. Sun Fei^{Note 3}
 Mr. Lee Koon Hung
 Mr. Ching Clement Yat-biu^{Note 4}

Role and Function

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

- i. making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management;

- iii. 監察本集團之財務報表、年度報告及賬目、半年度報告及季度報告之完整性；
- iv. 與董事會及高級管理層聯絡及與核數師會面；
- v. 監督本集團之財務控制、內部控制及風險管理系統；及
- vi. 檢討本集團之財務及會計政策以及慣例。

於年內，審核委員會已於季度、半年度及年度報告提呈董事會前負責有關審閱工作。審核委員會在審閱本集團的季度、半年度及年度報告方面不僅關注會計政策及慣例變動造成的影響，亦關注有關會計準則、GEM上市規則及法律規定的合規情況。

B) 薪酬委員會

本公司已成立薪酬委員會（「薪酬委員會」）並根據GEM上市規則相關條例制訂其書面職權範圍，其由三名獨立非執行董事組成。

薪酬委員會成員及會議記錄

截至二零一七年十二月三十一日止年度，已舉行一次會議。下表載列個別董事年內出席會議之情況：

齊忠偉先生(主席)	1/1
孫飛先生 ^{註3}	0/0
李冠洪先生	1/1
程一彪先生 ^{註4}	1/1

角色及職能

薪酬委員會之主要職責包括(其中包括)以下各項：

- i. 就本公司有關董事及高級管理層之所有薪酬政策及架構向董事會提供推薦意見；

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|--|---|
| <p>ii. determining the specific remuneration packages of all executive directors and senior management;</p> <p>iii. reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; and</p> <p>iv. reviewing and approving the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.</p> | <p>ii. 釐定所有執行董事及高級管理層之特別薪酬組合；</p> <p>iii. 經參照董事會不時議決之公司目標及指標檢討及批准以表現為基礎之酬金；及</p> <p>iv. 審閱及批准就有關喪失或終止職務或委任而須向執行董事及高級管理層作出的賠償，以確保該賠償符合有關合約條款且賠償款項對本公司而言屬公平及不會產生過高費用。</p> |
|--|---|

During the year, the Remuneration Committee has reviewed the remuneration package of the Board members and the senior management of the Company.

於年內，薪酬委員會已審閱本公司之董事會成員及高級管理層之薪酬組合。

C) Nomination Committee

The Company has established a nomination committee (the "Nomination Committee") in August 2009 with written terms of reference in accordance with requirements of the Stock Exchange which consists of three independent non-executive Directors.

C) 提名委員會

本公司已於二零零九年八月成立提名委員會（「提名委員會」）並根據聯交所規定制訂其書面職權範圍，其由三名獨立非執行董事組成。

Composition and Meeting Record of the Nomination Committee

For the year ended 31 December 2017, one meeting was held. The following table shows the attendance of individual Directors at the meeting held during the year:

Mr. Lee Koon Hung (*Chairman*)
 Mr. Chai Chung Wai
 Mr. Sun Fei^{Note 3}
 Mr. Ching Clement Yat-biu^{Note 4}

提名委員會成員及會議記錄

截至二零一七年十二月三十一日止年度，已舉行一次會議。下表載列個別董事於年內出席會議之情況：

李冠洪先生(主席)	1/1
齊忠偉先生	1/1
孫飛先生 ^{註3}	0/0
程一彪先生 ^{註4}	1/1

Role and Function

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

- i. reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes;

角色及職能

提名委員會之主要職責包括(其中包括)以下各項：

- i. 定期檢討董事會的架構、人數及組成(包括董事的技能、知識及經驗)，並就任何建議變動向董事會提出推薦意見；

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- | | |
|---|---|
| ii. identifying individuals suitably qualified to become Board members and making recommendations to the Board on the selection of individuals nominated for directorships; | ii. 物色合適的合資格人士成為董事會成員，並就甄選人士提名為董事向董事會提出建議意見； |
| iii. assessing the independence of independent non-executive Directors; | iii. 評估獨立非執行董事的獨立性； |
| iv. making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer; | iv. 就有關委任或重新委任董事及董事(尤其是主席及行政總裁)的繼任計劃向董事會提出推薦意見； |
| v. making recommendations to the Board on the policy concerning the diversity of Board members; and | v. 向董事會建議董事會成員多元化的政策；及 |
| vi. giving full consideration to the Board's policy concerning diversity of Board members adopted from time to time. | vi. 對董事會不時採納的董事會成員多元化政策給予充份考慮。 |

The Board adopted on 26 August 2013 a board diversity policy (the "Board Diversity Policy") and delegated certain duties under the Policy to the Nomination Committee. The Nomination Committee and the Board had also reviewed on 24 March 2015 the structure of the Board and is of the opinion the Board consisted of members with different gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, which met the requirements under the terms of the Board Diversity Policy.

During the year, the Nomination Committee has reviewed the re-appointment of the Board members of the Company.

- Notes:
1. Mr. Xu Jianchun was appointed on 22 December 2017
 2. Mr. Kim Eun Back resigned on 22 December 2017
 3. Mr. Sun Fei was appointed on 23 January 2018
 4. Mr. Ching Clement Yat-biu resigned on 23 January 2018

董事會於二零一三年八月二十六日採納董事會多元化政策(「董事會多元化政策」)並將政策項下的若干職責委託給提名委員會。提名委員會及董事會亦於二零一五年三月二十四日檢討董事會之架構，並認為董事會由不同性別、年齡、文化及教育背景、種族、專業經驗、技能及知識之成員組成，已符合董事會多元化政策條文之規定。

於年內，提名委員會已審閱本公司董事會成員之重新委任。

- 註：
1. 許建春先生於二零一七年十二月二十二日獲委任
 2. 金彥博先生於二零一七年十二月二十二日辭任
 3. 孫飛先生於二零一八年一月二十三日獲委任
 4. 程一彪先生於二零一八年一月二十三日辭任

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APPOINTMENT, RE-ELECTION AND REMOVAL

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

According to the requirements of article 16.18 of the Articles of Association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years. The Directors to retire every year shall be those appointed by the Board during the year and those who have been longest in office since their last re-election.

AUDITOR'S REMUNERATION

For the year ended 31 December 2017, the remuneration paid to the auditor, Crowe Horwath (HK) CPA Limited in respect of audit services amounted to approximately RMB1,040,000 (2016: approximately RMB857,000).

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

委任、重選及罷免

根據守則條文第A.4.1條，所有非執行董事的委任應有指定任期，並須接受重新選舉。目前，各獨立非執行董事齊忠偉先生、孫飛先生及李冠洪先生以固定年期獲委任，為期三年。

根據組織章程細則第16.18條之規定，三分之一董事須於各股東週年大會退任，而各董事亦須至少每三年輪席退任一次。每年退任之董事須為董事會年內委任而且自最近獲選或重選以來任職最長之董事。

核數師酬金

截至二零一七年十二月三十一日止年度，支付予核數師國富浩華(香港)會計師事務所有限公司有關審核工作的酬金為約人民幣1,040,000元(二零一六年：約人民幣857,000元)。

董事及核數師就財務報表之責任

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

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COMPANY SECRETARY

Mr. Mok Yu Ting (莫裕庭先生) resigned as the Company Secretary on 3 January 2018.

Mr. Li Wing Sum Steven is the current Company Secretary. His current primary contact person with the Company is Mr. Xu Jianchun, the chairman and an executive Director. According to Rule 5.15 of the GEM Listing Rules, Mr. Li has taken no less than 15 hours of relevant professional training.

RISK MANAGEMENT AND INTERNAL CONTROL

- (a) the process used to identify, evaluate and manage significant risks;

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

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

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

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

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

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

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

公司秘書

前公司秘書莫裕庭先生已於二零一八年一月三日辭任。

李永森先生現為公司秘書。彼目前於本公司的主要聯絡人為主席兼執行董事許建春先生。根據GEM上市規則第5.15條，李先生已接受不少於15個小時之相關專業培訓。

風險管理及內部監控

- (a) 用於辨認、評估及管理重大風險的程序；

本集團用於辨認、評估及管理重大風險的程序概述如下：

風險識別－識別可能對本集團業務及營運構成潛在影響之風險。

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

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

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

- (b) 風險管理及內部監控系統的主要特點

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

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

The Board is responsible for the risk management and internal control systems of the Company and reviewing their effectiveness. The Board oversees the overall risk management of the Group and endeavours to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

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

The Company has engaged Elite Partners Risk Advisory Services Limited as its risk management and internal control review adviser (“the Adviser”) to conduct the annual review of the risk management and internal control systems for the year ended 31 December 2017. Such review is conducted annually and cycles reviewed are under rotation basis. The scope of review was previously determined and approved by the Board. The Adviser has reported findings and areas for improvement to the Audit Committee and management. The Board/Audit Committee are of the view that there are no material internal control defeats noted. All recommendations from the Adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

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

董事會負責本公司之風險管理及內部監控系統，並檢討其成效。董事會監督本集團整體之風險管理及致力識別風險、控制已識別之風險及促進配合實行減輕風險的措施。本公司之風險管理及內部監控制度旨在管理而非消除為達致業務目標之風險，且僅能對於重大誤報或虧損提供合理而非絕對之保障。

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

本公司已委任鉅銘風險諮詢服務有限公司擔任其風險管理及內部監控檢討顧問（「顧問」）以對截至二零一七年十二月三十一日止年度之風險管理及內部監控系統進行年度檢討。該項檢討每年進行並依環節輪流審核。檢討範圍早前已由董事會制訂及審批。顧問向審核委員會及董事會匯報結果及需改進之範疇。董事會／顧問認為，並無發現重大內部監控缺失。本集團將適當跟進顧問的全部建議，並確保於合理時間內落實執行。因此，董事會認為，風險管理及內部監控系統有效且足夠。

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

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

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

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

- (e) 用於處理及傳播內幕消息之程序及內部監控

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

股東權利

召開股東特別大會

根據組織章程細則第12.3條，本公司之股東特別大會（「股東特別大會」）亦須由兩名或多名於遞呈要求當日持有不少於本公司有權於股東大會上投票之繳足股本十分之一的股東要求時召開。該項要求須以書面形式向董事或公司秘書提呈，以要求董事會就該項要求所指定之任何業務交易召開股東特別大會。該大會須於該項要求遞呈後三個月內舉行。倘於有關遞呈後二十一日內，董事未有召開該大會，則遞呈要求人士可以相同方式召開大會，而本公司須向遞呈要求人士償付所有由遞呈要求人士因董事會未能召開大會而產生之所有合理開支。

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Putting enquiries to the Board

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

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

Putting forward proposals at Shareholders' meeting

The number of Shareholders necessary for a requisition for putting forward a proposal at a Shareholders' meeting shall be any number of Shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the requisition.

Shareholders or investors can enquire by putting their proposals with the Company through the following means:

By post: Unit 1303, 13/F., Austin Tower,
22-26 Austin Avenue,
Tsim Sha Tsui,
Kowloon, Hong Kong

向董事會提出查詢

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

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

於股東大會上提呈議案

要求於股東大會上提呈議案所需股東人數為任何於遞呈要求當日持有不少於本公司有權於股東大會上投票之繳足股本十分之一的股東人數。

股東或投資者可透過以下方式向本公司查詢及提出意見：

郵遞：香港九龍
尖沙咀
柯士甸路22-26號
好兆年行13樓1303室

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DIRECTORS AND OFFICERS INSURANCE

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

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2017.

VOTING BY POLL

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

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company has established a range of communication channels between itself and its shareholders, and investors. These include the publication of annual, half-yearly and quarterly reports, notices, announcements and circulars, the Company's website at www.sinolifegroup.com and meetings with investors and analysts.

董事及高級人員責任保險

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

憲章文件

截至二零一七年十二月三十一日止年度，本公司的憲章文件並無變動。

以投票方式表決

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

投資者關係及與股東之溝通

本公司已就其與股東及投資者之間設立多個溝通渠道。當中包括發佈年度、半年度及季度報告、通告、公佈及通函、本公司網站www.sinolifegroup.com以及與投資者及分析員會面。

Directors and Senior Management 董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Xu Jiachun (許建春), aged 39, was appointed on 22 December 2017 as the Chairman of the Board. Mr. Xu holds a doctorate degree in economics from Renmin University of China. Mr. Xu has many years of investment experience in the biotechnology sector. He has extensive experience in the biotechnology investment and operation field.

Mr. Liu Tien-Tsai (劉添財), aged 60, was appointed on 24 February 2005. Mr. Liu is a director of all subsidiaries of the Group (including Bau Shan Life Science Technology Co., Ltd (寶山生命科技股份有限公司) (“Bau Shan”). Mr. Liu is responsible for the overall corporate strategies, planning, overall operational management and business development of the Group. Mr. Liu founded Bau Shan and became its controlling shareholder in 1998, and has since then been continuously expanding its management team. Mr. Liu is also the team head of the funeral services deed team. Since the Group’s establishment, Mr. Liu has played an active role in training its team. Mr. Liu obtained certificates in Non-Profit Making Organisation Management and Mortuary Science and Funeral Service Management from Nanhua University (南華大學) in 2000 and 2001 respectively. Having over 10 years of managerial, corporate and business experience, Mr. Liu began his career in funeral business since 1998. Mr. Liu has been a member of Japan Environmental Zhai Yuan Association (日本環境齋苑協會), the National Funeral Director Association of the United States and the FIAT-IFTA of Holland, and a council member of Society of Chinese Funeral Education (中華民國殯葬教育學會) and Chinese Society of Life and Death Studies (中華生死學會). Mr. Liu had also been a lecturer holding seminars on the skills of being a ceremonial master and cosmetology at the Continuing Education Centre, Ling Tung College (嶺東技術學院進修暨推廣教育中心) in Taiwan. Mr. Liu is currently an honorary member of the China Funeral Association (中國殯葬協會) in the PRC.

Note: Kim Eun Back (金彥博) resigned as executive Director on 22 December 2017. For the biography of Kim Eun Back, please refer to “Directors and Senior Management” of 2016 Annual Report.

執行董事

許建春先生，39歲，於二零一七年十二月二十二日獲委任，並為董事會主席。許先生持有中國人民大學經濟學博士學位。許先生擁有多年生命科技領域投資經驗，彼於生命科技領域投資運營具備豐富經驗。

劉添財先生，60歲，於二零零五年二月二十四日獲委任。劉先生負責本集團之整體企業策略、規劃、整體營運管理及業務發展。彼為本公司所有附屬公司(包括寶山生命科技股份有限公司(「寶山」))之董事。劉先生創立寶山，並於一九九八年成為其控股股東，並自此一直擴充其管理團隊。劉先生亦為殯儀服務契約團隊的主管。自本集團成立以來，劉先生一直於培訓團隊方面擔當積極的角色。劉先生分別於二零零零年及二零零一年取得南華大學非營利事業管理及殯葬學及殯儀館服務管理證書。劉先生自一九九八年起開展其殯儀事業，彼擁有逾十年管理層、企業及業務經驗。劉先生曾為日本環境齋苑協會、美國國家殯儀業董事協會及荷蘭FIAT-IFTA成員，並為中華民國殯葬教育學會及中華生死學會協會成員。劉先生亦於台灣嶺東技術學院進修暨推廣教育中心擔任成為禮儀師及美容技能課堂講師。劉先生目前為中國殯葬協會名譽會員。

註： 前執行董事金彥博已於二零一七年十二月二十二日辭任，有關金彥博的簡歷，請參閱二零一六年年報「董事及高級管理層」一節。

Directors and Senior Management 董事及高級管理層



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chai Chung Wai (齊忠偉), aged 51, was appointed on 16 February 2009. Mr. Chai obtained his master degree of Accounting from Jinan University on 6 January 2004 and of business administration from the University of Manchester in December 2006. Mr. Chai is a fellow member of the Association of Chartered Certified Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants, an associate of the Institute of Chartered Accountants in England and Wales and a Fellow of The Hong Kong Institute of Directors. Mr. Chai has extensive experience of over 20 years in the accounting and financial field. Mr. Chai has been the company secretary of Ping Shan Tea Group Limited.

Mr. Lee Koon Hung (李冠洪), aged 55, was appointed on 30 September 2012. Mr. Lee obtained a higher diploma from Hong Kong Polytechnic (now known as "The Hong Kong Polytechnic University"). Mr. Lee is presently the director of Long Rich Investment Consultants Limited. Mr. Lee has extensive experience in investment. Mr. Lee is presently a member of the North District Council of the Hong Kong Special Administrative Region, and is also the chairman of Sha Tau Kok District Rural Committee, N.T., the Ex-officio Executive Councillor of Heung Yee Kuk N.T. and Village Indigenous Inhabitant Representative of Wu Kau Tang of Sha Tau Kok District Rural Committee, N.T.. Mr. Lee is also the honorary president of Border District Junior Police Call of Hong Kong, a member of the school management committee of New Territories Heung Yee Kuk Tai Po District Secondary School and a member of the school management committee of Sha Tau Kok Central Primary School.

Mr. Sun Fei (孫飛), aged 38, was appointed on 23 January 2018. Mr. Sun obtained a Bachelor of Science degree in biophysics from the Department for Intensive Instruction of Science and Arts of Nanjing University in 2001, and obtained a doctorate degree in biophysics from the School of Medicine, Tsinghua University in 2006. Since 2006, he has been a researcher at the Institute of Biophysics of the Chinese Academy of Sciences, conducting an independent research on biophysics and structural biology. Since 2012, he has served as the director of the Center for Biological Imaging of the Institute of Biophysics of the Chinese Academy of Sciences, leading the establishment and operation of the international-class Center for Biological Imaging. Since 2015, he has been appointed as professor at the University of Chinese Academy of Sciences, teaching graduate and undergraduate students. He has extensive research experience in biophysical technology, cryo-

獨立非執行董事

齊忠偉先生，51歲，於二零零九年二月十六日獲委任。齊先生於二零零四年一月六日在暨南大學取得會計碩士學位及於二零零六年十二月在曼徹斯特大學取得工商管理碩士學位。齊先生為特許公認會計師公會資深會員、香港會計師公會資深會員、英格蘭及威爾斯特許會計師公會會員及香港董事學會資深會員。齊先生於會計及金融領域擁有逾20年的豐富經驗。齊先生曾任聯交所上市之公司坪山茶業集團有限公司之公司秘書。

李冠洪先生，55歲，於二零一二年九月三十日獲委任。李先生持有香港理工學院(現稱「香港理工大學」)之高級文憑。李先生現為翔富投資發展顧問有限公司之董事。李先生在投資方面擁有豐富經驗。李先生現為香港特別行政區北區之區議員，並為新界沙頭角區鄉事委員會主席、新界鄉議局當然執行委員及新界沙頭角烏蛟騰村原居民村代表。李先生亦擔任香港邊界警區少年警訊名譽會長、新界鄉議局大埔區中學校董及新界沙頭角中心小學校董。

孫飛先生，38歲，於二零一八年一月二十三日獲委任。孫先生於二零零一年本科畢業於南京大學基礎教學強化部，獲生物物理學理學學士學位，二零零六年研究生畢業於清華大學醫學院，獲生物物理學理學博士學位。二零零六年至今任中國科學院生物物理研究所研究員，獨立開展生物物理與結構生物學研究。二零一二年至今擔任中國科學院生物物理研究所生物成像中心主任，領導建設和運行國際一流生物成像研究平台。二零一五年至今被聘為中國科學院大學崗位教授，開展研究生和本科生的教學工作。彼於生物物理技術、冷凍電子顯微成像技術、生物大分子構造、生物影像處理等方面擁有豐富的研究經驗，並在研究平台運行維護方面擁有豐富的管

Directors and Senior Management

董事及高級管理層

electron microscopy, biological macromolecular structure and biological imaging, and has extensive management experience in the operation and maintenance of research platforms. In 2009, Mr. Sun was awarded the Shizhang Bei Prize in Biophysics. In 2013, he was chosen to participate as a teenage talent in the National Special Support Program for High-Level Talents, the "Ten Thousand Talent Program". In 2017, Mr. Sun was awarded the Outstanding Contribution Award for his contributions to cryo-electron microscopy in China. In 2017, he was elected as the managing director of the Biophysical Society of China and the vice-chairman of the Cryo-electron Microscopy Branch of the Biophysical Society of China.

Note: Ching Clement Yat-biu (程一彪) resigned as independent non-executive Director on 23 January 2018. For the biography of Ching Clement Yat-biu, please refer to "Directors and Senior Management" of 2016 Annual Report.

SENIOR MANAGEMENT

Ms. Chang Hui-Lan (張慧蘭), aged 51, graduated from the National Sun Yat-sen University (國立中山大學), Taiwan with a master degree of Executive MBA program in 2012 and joined the Group in 2012 as Department Head of Head Management Office. Ms. Chang also serves as a director of Jing Run Limited. Ms. Chang has also obtained the certificate of IPMA Level D, Certificated Project Management Associate issued by Taiwan Project Management Association in 2009. As head of the Department Head of Head Management Office and also the general manager of Chongqing Xibao and Chongqing Xizhou, Ms. Chang is responsible for the implementation of the Group's objectives and business development, in particular overseeing of personnel, business analysis and internal audit function of all funeral parlours and funeral service centres in the PRC and the Group. Ms. Chang is also the team head of the internal compliance team. She also has over 9 years of experience in management in respect of the business and operation in funeral industry.

Mr. Shih Chih-Jen (施智仁), aged 48, joined the Group in July 2010 as the deputy general manager of the Group's Hong Kong division. He obtained the certificate of ceremonial master from Nanhua University (南華大學), Taiwan in September 2002 and also was employed by Continuing Education Center, Ling Tung College (嶺東技術學院進修暨推廣教育中心) as the lecturer of Funeral service in 2002. As the sales manager of the Group's Vietnam operation, Mr. Shih is responsible for the

理經驗。於二零零九年榮獲貝時璋青年生物物理學家獎。於二零一三年入選國家高層次人才特殊支持計劃「萬人計劃」青年拔尖人才。於二零一七年榮獲中國冷凍電鏡傑出貢獻獎。於二零一七年當選中國生物物理學會常務理事及中國生物物理學會冷凍電鏡分會副理事長。

註： 前獨立非執行董事程一彪已於二零一八年一月二十三日辭任，有關程一彪的簡歷，請參閱二零一六年年報「董事及高級管理層」一節。

高級管理層

張慧蘭女士，51歲，於二零一二年畢業於台灣國立中山大學，獲工商管理碩士學位，彼於二零一二年作為總管理處處長加入本集團。彼亦出任京潤有限公司之董事。張女士於二零零九年獲台灣專案管理學會頒發的IPMA (認證的國際助理專案經理) D級證書。作為總管理處處長兼重慶錫寶及重慶錫周總經理，張女士負責本集團目標及業務發展之實施，尤其負責監管中國所有殯儀館及殯儀服務中心及本集團人事運作、商業分析及內部審核環節。張女士亦為內部監控團隊主管。彼於殯儀業商業運營方面有逾九年之管理經驗。

施智仁先生，48歲，於二零一零年七月作為本集團香港分部副總經理加入本集團。彼於二零零二年九月取得台灣南華大學之司儀證書，另於二零零二年獲嶺東技術學院進修暨推廣教育中心聘任為殯儀服務業課程講師。作為本集團越南營運之銷售經理，施先生負責越南分部之銷售、市場推廣及整體業務發展。施先生於殯儀服務

Directors and Senior Management 董事及高級管理層



sales, marketing and overall business development of Vietnam segment. Mr. Shih has over 14 years of management experience in the funeral services industry and acquired the requisite management capability to manage the funeral services business of the Group to its benefit.

Ms. Pan Hsiu-Ying (潘秀盈), aged 40, graduated from the Ming Chuan University (銘傳大學) with a bachelor degree of Management in 2001 and joined the Group in June 2001 as an administrative assistant. Ms. Pan Hsiu-Ying has since served the Group to the present in various capacities. Ms. Pan also serves as a director of Jing Run Limited and Baoshan. Ms. Pan has a thorough knowledge and understanding of the Group's business and operations, and has developed a high level of proficiency and management ability with respect to her work with the Group. As head of the funeral services deed department, Ms. Pan is responsible for marketing and attaining the sale of funeral services deeds. Ms. Pan has over 15 years of experience in management in respect of the Group's business and operation.

Mr. Li Wing Sum Steven (李永森), aged 61, joined our Company in January 2018 as company secretary. He is a fellow member of The Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, the Taxation Institute of Hong Kong, and is also a member of the Hong Kong Institute of Directors. Having over 35 years of experience in auditing, accounting, taxation, and in the company secretarial and financial management fields, Mr. Li has worked in an international accounting firm and served as the executive director of a company listed on the Main Board in Hong Kong and the financial controller of various companies. At present, he is the independent non-executive director of Xinjiang Xinmin Mining Industry Co., Ltd. and Wang On Properties Limited, and the company secretary of Shanghai Fudan Microelectronics Group Co., Ltd. and China National Culture Group Limited, all these companies are listed on the Main Board of the Stock Exchange.

Note: Mok Yu Ting (莫裕庭) resigned as the Company Secretary on 3 January 2018. For the biography of Mok Yu Ting, please refer to "Directors and Senior Management" of 2016 Annual Report.

業擁有逾十四年之管理經驗，並勝任管理本集團之殯儀服務業務及為本集團帶來貢獻。

潘秀盈女士，40歲，於二零零一年畢業於銘傳大學，獲頒管理學士學位，並於二零零一年六月加入本集團出任行政助理。潘秀盈女士自此一直為本集團服務，並曾出任不同職務。彼亦出任京潤有限公司及寶山之董事。潘女士對本集團之業務及營運有深入認識及了解，並就彼在本集團之職務而言取得高水平之技能及管理 ability。作為殯儀服務契約部門之主管，潘女士負責殯儀服務契約之市場推廣及取得銷售之工作。潘女士就管理本集團之業務及營運擁有超過十五年經驗。

李永森先生，61歲，於二零一八年一月加入本公司，為本公司之公司秘書。彼為英國特許公認會計師公會、香港會計師公會及香港稅務學會之資深會員，亦為香港董事學會會員。彼在審計、會計、稅務、公司秘書及財務管理方面積逾三十五年經驗，曾任職於國際會計師事務所，香港的主板上市公司擔任執行董事及多間企業擔任財務總監。現為聯交所主板上市公司新疆新鑫礦業股份有限公司及宏安地產有限公司之獨立非執行董事，上海復旦微電子集團股份有限公司及中國國家文化產業有限公司之公司秘書。

*註：*前公司秘書莫裕庭已於二零一八年一月三日辭任，有關莫裕庭的簡歷，請參閱二零一六年年報「董事及高級管理層」一節。

Directors' Report

董事會報告

The Board is here to present the annual report and the audited consolidated financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 37 to the consolidated financial statements. There were no significant changes in nature of Group's principal activities during the year.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the group's business, can be found in the Management Discussion and Analysis set out on pages 7 to 16 of this Annual Report. This discussion forms part of this directors' report.

RESULTS AND APPROPRIATIONS

The Group's loss for the year ended 31 December 2017 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 59 to 211.

The Board does not recommend the payment of any dividend for the year ended 31 December 2017.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares at the time of its listing on GEM of Stock Exchange in September 2009, after deduction of related issuance expenses, amounted to approximately RMB82.3 million.

On 8 December 2015, the Board has resolved to change the use of the remaining net proceeds of approximately RMB29.9 million, representing approximately 39.5% of the net proceeds. Details of movements in use of proceeds during the year are set out on pages from 14 to 16 of this annual report.

董事會謹此提呈其年度報告及截至二零一七年十二月三十一日止年度的經審核綜合財務報表。

主要活動及業務回顧

本公司的主要活動為投資控股而其附屬公司的活動載於綜合財務報表附註37。本集團主要活動的性質於年內並無重大變化。

香港公司條例附表5所要求對該等活動作出的進一步討論及分析載於本年報第7至16頁的管理層討論及分析，當中包括本集團所面對的主要風險及不確定因素的討論，以及本集團業務可能進行的未來發展指標。本討論為董事會報告的一部份。

業績及撥付

本集團截至二零一七年十二月三十一日止年度的虧損及本集團於該日的財務狀況載於綜合財務報表第59頁至第211頁。

董事會並不建議就截至二零一七年十二月三十一日止年度支付任何股息。

本公司首次公開發售所得款項用途

本公司於二零零九年九月在聯交所GEM掛牌上市時發行新股份所得款項經扣除相關發行費用後約為人民幣82,300,000元。

於二零一五年十二月八日，董事會決議變更配售所得淨款項餘額約人民幣29,900,000元(佔配售所得淨款項約39.5%)之用途。本年度所得款項用途之變動詳情載列於本年度報告第14至第16頁。



MAJOR CUSTOMERS AND SUPPLIERS

Since the Group is principally engaged in the provision of funeral services, none of its customers accounted for more than 10% of its total turnover during the year. Purchases from the Group's five largest suppliers accounted for 18.0% of the total purchases for the year and purchases from the largest supplier included therein amounted to 6.9%.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any material beneficial interest in the Group's five largest customers and suppliers.

SEGMENT REPORTING

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

PROPERTY, PLANT AND EQUIPMENT

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

INVESTMENT PROPERTY

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

SHARE CAPITAL

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 30 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

主要客戶及供應商

本集團主要從事供應殯儀服務，於年內，概無其客戶佔超過本集團總營業額的10%。向本集團五大供應商作出的購買佔年度總購買額的18.0%，而向其中最大供應商作出的購買佔6.9%。

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

分部報告

分部報告詳情載於綜合財務報表附註4。

物業、廠房及設備

本集團的物業、廠房及設備於年內的變動詳情載於綜合財務報表附註14。

投資物業

本集團投資物業於年內的變動詳情載於綜合財務報表附註16。

股本

本公司的法定或已發行股本於年內並無變動。

儲備

本公司及本集團的儲備於年內的變動詳情分別載於綜合財務報表附註30及綜合權益變動表。

Directors' Report

董事會報告

DISTRIBUTABLE RESERVES

At 31 December 2017, the Company's reserves available for distribution to owners comprising share premium account less accumulated losses, amounted to approximately RMB38,001,000.

DONATIONS

No charitable donations was made by the Group during the year (2016: approximately RMB3,000).

DIRECTORS

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

Executive Directors

Mr. Xu Jianchun
(Appointed on 22 December 2017)
Mr. Liu Tien-Tsai
Mr. Kim Eun Back
(Resigned on 22 December 2017)

Independent non-executive Directors

Mr. Chai Chung Wai
Mr. Lee Koon Hung
Mr. Sun Fei
(Appointed on 23 January 2018)
Mr. Ching Clement Yat-biu
(Resigned on 23 January 2018)

According to the requirements of article 16.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. In accordance with article 16.2 of the Articles of Association, as Mr. Xu Jianchun and Mr. Sun Fei were appointed after the last general meeting of the Company, they shall be subject to election by shareholders at the first general meeting, being the AGM, after their appointments.

可分派儲備

於二零一七年十二月三十一日，本公司可供分派予擁有人的儲備(包括股份溢價賬減累積虧損)約人民幣38,001,000元。

捐款

本集團於年內概無作出慈善捐款(二零一六年：約人民幣3,000元)。

董事

年內及直至本報告日期的董事為：

執行董事

許建春先生(於二零一七年十二月二十二日獲委任)
劉添財先生
金彥博先生(於二零一七年十二月二十二日辭任)

獨立非執行董事

齊忠偉先生
李冠洪先生
孫飛先生(於二零一八年一月二十三日獲委任)
程一彪先生(於二零一八年一月二十三日辭任)

根據組織章程細則第16.2條之規定，董事會有權不時及隨時委任任何人士為董事，以填補董事會臨時空缺或增加董事會成員的名額。任何以此方式獲委任的董事任期僅至其委任後的本公司下屆股東週年大會為止，此等董事屆時有資格在該大會上膺選連任。根據組織章程細則第16.2條，由於董事許建春先生及孫飛先生於本公司上屆股東大會後獲委任，彼等須於接受委任後的首次股東大會上即股東週年大會接受股東選舉。

Directors' Report

董事會報告



According to the requirements of article 16.18 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Mr. Lee Koon Hung will retire by rotation in accordance with article 16.18 of the Article of Association, and, being eligible, offer himself for re-election in the forthcoming Annual General Meeting.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical information of the Directors and senior management of the Group are set out on pages from 32 to 35 of this annual report.

DIRECTORS' SERVICE AGREEMENT

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

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

Independent non-executive Director Mr. Chai Chung Wai has re-entered into a letter of appointment with the Company for a term of three years from 9 September 2015 to 8 September 2018, which can be terminated by either party giving not less than one month's notice in writing to the other party.

Independent non-executive Director Mr. Lee Koon Hung has entered into a letter of appointment with the Company for a term of three years from 30 September 2015 to 29 September 2018, which can be terminated by either party giving not less than one month's notice in writing to the other party.

Independent non-executive Director Mr. Sun Fei has entered into a letter of appointment with the Company for a term of three years from 23 January 2018 which can be terminated by either party giving not less than one month's notice in writing to the other party.

根據組織章程細則第16.18條之規定，在每屆股東週年大會上，當時在任董事會之三分之一成員（或如果董事數目並非三之倍數，則為最接近三分之一而不少於三分之一之數目）必須輪席退任，而每名董事須最少每三年於股東週年大會輪席退任一次。李冠洪先生將根據組織章程細則第16.18條輪席退任，且彼符合資格於下屆股東週年大會膺選連任。

董事會及高級管理層

本集團董事及高級管理層的履歷資料載於本年報第32頁至第35頁。

董事的服務協議

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

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

獨立非執行董事齊忠偉先生已與本公司重新訂立委任函件，自二零一五年九月九日至二零一八年九月八日止為期三年，其可由任何一方向另一方發出不少於一個月的書面通知終止。

獨立非執行董事李冠洪先生已與本公司訂立委任函件，自二零一五年九月三十日至二零一八年九月二十九日止為期三年，其可由任何一方向另一方發出不少於一個月的書面通知終止。

獨立非執行董事孫飛先生已與本公司訂立委任函件，自二零一八年一月二十三日為期三年，其可由任何一方向另一方發出不少於一個月的書面通知終止。

Directors' Report

董事會報告

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

EMOLUMENT POLICY

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

The Company has adopted a share option scheme as incentive to Directors and eligible employees, details of the scheme are set out in the section headed "Share Option Scheme" below.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

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

薪酬政策

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

本公司已採納購股權計劃作為對董事及合資格職員的激勵，計劃詳情載於下文「購股權計劃」一節。

董事及五位最高薪酬人士的酬金

董事及五位最高薪酬人士酬金的詳情載於綜合財務報表附註8及附註9。



Directors' Report 董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2017, the relevant interests and short positions of the Directors or chief executive in the shares (the "Shares"), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) ("SFO")), which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of SFO) or required pursuant to section 352 of SFO, to be entered in the register referred to therein or required, pursuant to rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Aggregate long positions in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本的概約百分比
董事姓名	權益性質	所持股份數目	
Liu Tien-Tsai 劉添財	Beneficial 實益擁有	107,709,000	14.51

董事於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一七年十二月三十一日，董事或最高行政人員於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)(第571章)第XV部)之股份(「股份」)、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之相關權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或被視為擁有之權益或淡倉)、或須根據證券及期貨條例第352條列入該條例所指之登記冊之相關權益及淡倉；或須根據GEM上市規則第5.46條至5.68條有關董事進行證券交易之規定知會本公司及聯交所之相關權益及淡倉如下：

於本公司股份之好倉

Directors' Report

董事會報告

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

主要股東於股份及相關股份之權益及淡倉

Aggregate long positions in the Shares

於本公司股份之好倉

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本的概約百分比
股東名稱	權益性質	所持股份數目	
Hong Kong Gaoqi Biological Technology Company Limited 香港高崎生物科技有限公司	Beneficial 實益擁有	200,475,000	27.00

Note: Mr. Xu Jianchun is a director and holds 25% interest of issued share capital of Hong Kong Gaoqi Biological Technology Company Limited.

註：許建春先生為香港高崎生物科技有限公司之董事，並持有該公司已發行股本中之25%權益。

Save as disclosed above and the Directors' interests as disclosed in "Directors' Interests in and Short Positions Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation", no person had interests in shares or short positions in the shares of the Company or underlying shares which are required to be recorded in the register to be kept by the Company pursuant to section 336 of the Securities and Futures Ordinance as at 31 December 2017.

除以上所述及於「董事於本公司或任何聯法團之股份、相關股份及債權證之權益及淡倉」披露的董事的權益外，於二零一七年十二月三十一日，概無任何人士於本公司之股份中及相關股份中擁有任何根據證券及期貨條例第336條須予備存的登記冊所記錄之權益或淡倉。

DIRECTORS' INTERESTS IN CONTRACTS

董事於合約中的權益

Save as disclosed in note 33 to the consolidated financial statements, no Director had a material interest in, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

除綜合財務報表附註33中所披露者外，概無董事於對本集團業務屬重大的合約(本公司或其任何附屬公司於年內為該合約的訂約方)中直接或間接擁有任何重大權益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

CONTINUING CONNECTED TRANSACTIONS

Exempted Continuing Connected Transactions *Trademark License Agreement I*

On 1 January 2012, the Company has entered into the Trademark Licence Agreement (the "Trademark Agreement I") with Mr. Liu Tien-Tsai ("Mr. Liu"). Pursuant to the Trademark Agreement I, Mr. Liu has agreed to grant to the Group on an exclusive basis a licence to use a number of trademarks and service marks in connection with the Group's funeral services business at a consideration of HK\$1,000 per year.

Trademark License Agreement II

On 1 April 2016, BLL has entered into the Trademark Licence Agreement (the "Trademark Agreement II") with Mr. Liu Ting Hsuan ("Mr. TH Liu"), son of Mr. Liu. Pursuant to the Trademark Agreement II, Mr. TH Liu has agreed to grant to the Group on an exclusive basis a licence to use a number of trademarks and service marks in connection with the Group's elderly care services business at a consideration of maximum HK\$1,000 per year.

Signing of Deed of Trust

On 14 March 2003, a deed of trust (the "Niao Song Deed") was entered into between Bau Shan Life Science Technology Co., Ltd (寶山生命科技股份有限公司) ("Bau Shan"), a subsidiary of the Company and Ms. Li Pi Hsia ("Ms. Li") (李碧霞), spouse of Mr. Liu, in relation to the land property situated in Taiwan at No. 943 in Section Linnei, Niao Song Township, Kaohsiung County (高雄縣烏松鄉林內段943地號) (the "Niao Song Property"). Under the Niao Song Deed, Bau Shan agreed that the Niao Song Property, which is owned by Bau Shan, shall be registered under the name of and held on trust by Ms. Li

董事認購股份或債權證的權利

除上文「董事於本公司或任何相聯法團的股份、相關股份及債權證中的權益及淡倉」一節所披露的詳情外，於年內任何時間概無任何以收購本公司股份或債權證方式獲得利益的權利授予董事或彼等各自的配偶或未滿18歲子女，或由彼等行使有關權利；或本公司及其任何附屬公司概不為任何令董事或彼等各自的配偶或未滿18歲子女獲得任何其他實體法團有關權利的安排的訂約方。

持續關連交易

獲豁免持續關連交易 *商標許可協議 I*

於二零一二年一月一日，本公司與劉添財先生（「劉先生」）訂立商標許可協議（「商標協議 I」）。根據商標協議 I，劉先生同意向本集團授出獨家許可權以使用與本集團殯儀服務業務有關之若干商標及服務標記，代價為每年1,000港元。

商標許可協議 II

於二零一六年四月一日，不老林與劉先生之子劉庭軒先生訂立商標許可協議 II（「商標協議 II」）。據此商標協議 II，劉庭軒先生同意向本集團授出獨家許可權以使用與本集團護老服務業務有關之若干商標及服務標記，代價為每年1,000港元。

簽訂信託契據

於二零零三年三月十四日，寶山生命科技股份有限公司（「寶山」，本公司之附屬公司）與李碧霞女士（「李女士」，劉先生之配偶）就位於台灣高雄縣烏松鄉林內段943地號之土地物業（「烏松物業」）訂立一份信託契據（「烏松契據」）。根據烏松契據，寶山同意由寶山擁有之烏松物業將以李女士之名

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董事會報告

for Bau Shan for a term of ten years commencing on 14 March 2003. Ms. Li has agreed that she shall act in the interest of Bau Shan in relation to the Niao Song Property during the term of the Niao Song Deed. On 15 March 2013, a renewal of Niao Song Deed was entered into for a term of ten years commencing on 15 March 2013.

The Group entered into a trust arrangement instead of transferring the Niao Song Property to the Group because, as advised by the Taiwan legal adviser to the Group, the Niao Song Property is a piece of agricultural land and the Law of Agriculture Development of Taiwan does not allow Bau Shan being a private corporate body, to be registered as an owner of a piece of agricultural land. Therefore, the Niao Song Property is held on trust by Ms. Li for Bau Shan. The Taiwan legal adviser to the Group has advised that the Niao Song Deed complies with the Trust Act and other relevant laws and regulations in Taiwan.

Neimen Deed

On 25 March 2016, a deed of trust (the "Neimen Deed") was entered into between BLL and Mr. Liu in relation to a land property situated in Taiwan at No.0300-00001 in Section Laizikeng, Neimen District, Kaohsiung County, Taiwan (the "Neimen Property"). Under the Neimen Deed, BLL agreed that the Neimen Property, which is owned by BLL, shall be registered under the name of and held on trust by Mr. Liu for BLL. Mr. Liu has agreed that he shall act in the interest of BLL in relation to the Neimen Property.

Licensing of the use of a property in the PRC to Chongqing Xibao by Mr. Liu

Mr. Liu signed a confirmation letter agreeing the licensee, 重慶錫寶殯儀科技有限公司, a subsidiary of the Company, to lawfully use the property situated at Unit 1404 on Level 14, Zhongxing Garden, No. 1 Heping Road, Chongqing City, the PRC (the "Licensed Property") as the registered office without the payment of rent or licence fee. The signed confirmation from Mr. Liu authorizing Chongqing Xibao to use the Licensed Property as its registered office does not limit Mr. Liu's personal use, rental and mortgage of the Licensed Property. There was no revenue or profit contributed by the Licensed Property during the year as there had been no occupancy of the Licensed Property during the year.

The property licensing arrangement with Mr. Liu will last until 30 January 2052.

義註冊，並以信託形式為寶山持有，由二零零三年三月十四日起計為期十年。李女士同意於鳥松契據年期內，其將就鳥松物業以寶山之利益行事。於二零一三年三月十五日，鳥松契據由二零一三年三月十五日開始，獲續期十年。

本集團已訂立信託安排，而並無向本集團轉讓鳥松物業，此乃由於本集團之台灣法律顧問認為，鳥松物業為一幅農地，而台灣農業發展法例並不准許寶山作為一私人法團登記作為農地之擁有人。因此，鳥松物業由李女士代表寶山以信託形式持有。本集團之台灣法律顧問指出，鳥松契據符合信託法及台灣其他相關法例及法規。

內門契據

於二零一六年三月二十五日，不老林與劉先生就位於台灣高雄市內門區萊子坑段0300-00001地號之土地物業（「內門物業」）訂立一份重續信託契據（「內門契據」）。根據內門契據，不老林同意由不老林擁有之內門物業將以劉先生之名義註冊並以信託形式為不老林持有。劉先生同意就內門物業以不老林之利益行事。

劉先生向重慶錫寶授出使用中國物業之許可

劉先生已簽訂確認書，同意許可權承授人重慶錫寶殯儀科技有限公司（本公司之附屬公司）可合法使用位於中國重慶市和平路1號中興花園14樓1404室之物業（「許可物業」）作為註冊辦事處，不用支付任何租金或許可費。劉先生簽訂的確認書，授權重慶錫寶使用許可物業作為註冊辦公室，但並無規限劉先生對該許可物業作為自用、租賃及抵押用途。由於年內概無佔用該許可物業，故許可物業於年內概無帶來收益或溢利。

與劉先生訂立之物業許可安排將維持至二零五二年一月三十日止。

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Licensing of the use of a property in the PRC to Chongqing Xizhou by Mr. Liu

Mr. Liu signed a tenancy agreement agreeing the Group to lawfully use the property situated at unit 1404 on Level 14, Zhongxing Garden, No. 1 Heping Road, Chongqing City, the PRC (the "Leased Property") as the staff dormitory at a monthly rent of RMB4,000 starting from 1 January 2017 and the monthly rent is determined annually.

Operating lease commitment of the Group as lessee at 31 December 2017 amounted to RMB48,000.

A new property licensing arrangement was signed between Chongqing Xizhou and Mr. Liu with the same terms and for the same purpose, which valid from 1 January 2018 to 31 December 2018.

All the transactions fall within Rule 20.74 of the GEM Listing Rules and each constitutes a *de minimis* continuing connected transaction which is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Save as disclosed above, the related party transactions are set out in note 33 to the consolidated financial statements. All the related party transactions did not constitute connected transactions or continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES

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

MANAGEMENT CONTRACTS

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

劉先生向重慶錫周授出使用中國物業之許可

劉先生已簽訂租賃協議，同意本集團可合法使用位於中國重慶市和平路1號中興花園14樓1404室之物業（「租賃物業」）作為員工宿舍，每月租金為人民幣4,000元由二零一七年一月一日起開始，而每月租金於每年釐定。

本集團於二零一七年十二月三十一日作為承租人的經營租賃承諾達人民幣48,000元。

重慶錫周與劉先生簽訂了一項新的房產許可安排，其條款與目的相同，有效期為二零一八年一月一日起至二零一八年十二月三十一日止。

所有該等交易屬GEM上市規則第20.74條之範圍，各自符合最低豁免水平的持續關連交易，獲豁免遵守GEM上市規則第二十章有關申報、公佈及取得獨立股東批准之規定。

除上文所披露者外，關連方交易載於綜合財務報表附註33。根據GEM上市規則第二十章，所有關連方交易均不構成須遵守GEM上市規則項下的申報、公佈或獨立股東批准規定的本公司的關連交易或持續關連交易。

購買、出售及贖回上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

管理合約

年內，就本公司整體或任何重大部分業務方面概無訂立或存在管理及行政合約。

Directors' Report

董事會報告

DIRECTORS' INTEREST IN A COMPETING BUSINESS

During Year 2017, none of the Directors, or any person who was (or group of persons who together were) entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and which was (or were) able, as a practical matter, to direct or influence the management of the Company or any of their respective associates (as defined under the GEM Listing Rules) had any interest in a business, which competed or might compete with the business of the Group.

BANK BORROWINGS

Particulars of bank borrowings of the Group as at 31 December 2017 are set out in note 26 to the consolidated financial statements.

RETIREMENT SCHEMES

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

CONFIRMATION OF INDEPENDENCE

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

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.68 of the GEM Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct throughout the year ended 31 December 2017.

董事於競爭性業務的權益

於二零一七年度，概無董事或任何於本公司股東大會上有權行使或控制行使5%或以上表決權，及實質上可指示或影響本公司管理層之人士(或多名人士)，或彼等各自之任何聯繫人(定義見GEM上市規則)於足以或可能對本集團業務構成競爭之業務中擁有權益。

銀行貸款

本集團於二零一七年十二月三十一日的銀行借貸的詳情載於綜合財務報表附註26。

退休計劃

本集團退休計劃的詳情載於綜合財務報表附註13。

獨立性確認

本公司已收到各獨立非執行董事根據GEM上市規則第5.09條所作的年度獨立性確認書，並對所有獨立非執行董事的獨立性認同。

有關董事進行證券交易之行為守則

本公司已採納有關董事進行證券交易之行為守則，其條款與GEM上市規則第5.48至5.68條所規定的交易標準同樣嚴謹。本公司經向所有董事作出特定查詢，確認彼等於截至二零一七年十二月三十一日止年度內一直遵守該等行為守則。



SHARE OPTION SCHEME

Pursuant to the written resolutions of the shareholders of the Company dated 24 August 2009, a share option scheme ("Share Option Scheme") was approved and adopted. The major terms of the Share Option Scheme are summarised as follows:

- (a) The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants who have contributed or may contribute to the Group as incentive or rewards for their contributions to the Group.
- (b) The participants include (i) any employee or proposed employee of the Company and/or any of its subsidiaries or any entity ("Invested Entity") in which the Group holds an equity interest, including any executive directors and any non-executive directors (including independent non-executive directors) of the Company, any of such subsidiaries or any Invested Entity; and (ii) any consultants, advisers, agents, partners or joint-venture partners of the Company and/or any of its subsidiaries.
- (c) The exercise price of a share option under the Share Option Scheme will not be less than the highest of (i) the closing price of the shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (ii) the average of the closing prices of the shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (iii) the nominal value of a share on the offer date of the particular option.
- (d) The total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes must not in aggregate exceed 10% of the shares in issue on the day on which trading of the Company's shares commenced on GEM ("General Scheme Limit").

The total number of shares available for issue under the Share Option Scheme is 74,250,000 representing 10% of the issued shares of the Company as at the year end date.

購股權計劃

根據二零零九年八月二十四日的本公司股東書面決議案，已批准及採納購股權計劃（「購股權計劃」）。購股權計劃的主要條款概述如下：

- (a) 購股權計劃之目的是讓本公司向曾經或可能會對本集團作出貢獻的合資格參與者授出購股權，作為彼等對本集團作出貢獻的鼓勵或獎勵。
- (b) 參與者包括(i)本公司及／或其任何附屬公司或本集團持有股本權益的任何實體（「投資實體」）的任何僱員或候任僱員，包括本公司、其任何附屬公司或任何投資實體的任何執行董事及任何非執行董事（包括獨立非執行董事）；及(ii)本公司及／或其任何附屬公司的任何諮詢人、顧問、代理、合夥人或合營夥伴。
- (c) 購股權計劃項下購股權的行使價將不會少於下列最高者：(i)於特定購股權的要約日期（必須為營業日）股份在聯交所每日報價表上顯示在聯交所的收市價；(ii)緊接該特定購股權的要約日期前五個營業日股份於聯交所每日報價表上顯示的平均收市價；及(iii)股份於特定購股權要約日期的面值。
- (d) 根據購股權計劃及任何其他購股權計劃將予授出的全部購股權獲行使後可能發行的股份總數合共不得超過本公司股份開始於GEM買賣當日已發行股份的10%（「一般計劃限額」）。

根據購股權計劃可予發行的股份總數為74,250,000股，相當於本公司於年結日已發行股份的10%。

Directors' Report

董事會報告

- (e) Unless approved by the Company's shareholders, the total number of shares issued and to be issued upon exercise of the options granted to any participants in any twelve-month period must not exceed 1% of the shares in issue at the date of the grant of the options.
- (f) An offer shall be made to eligible participants in writing and shall remain open for acceptance by the eligible participants concerned for a period of 30 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the scheme. An offer shall be deemed to have been accepted by the eligible participant concerned in respect of all shares which are offered to such participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant, together with a non-refundable remittance in favour of the Company of HK\$10 by way of consideration for the grant thereof is received by the Company, within such time as may be specified in the offer.
- (g) The exercisable period should be determined by the board of directors upon grant of the share option but in any event should not exceed 10 years from the date of grant of the share option.
- (h) An option shall be exercisable in whole or in part in the circumstances by giving notice in writing to the Company stating that the option is thereby exercised and the number of shares in respect of which it is so exercised. Each such notice must be accompanied by a non-refundable remittance for the full amount of the subscription price for shares in respect of which the notice is given.
- (e) 除非獲本公司股東批准，否則於任何十二個月期間內因行使授予任何參與者的購股權已發行及將予發行的股份總數，不得超逾授出購股權當日已發行股份的1%。
- (f) 要約須以書面形式向合資格參與者作出，並須於作出當日起三十日期間內可供有關的合資格參與者選擇接納，惟於採納購股權計劃當日的十週年後或該計劃終止後不得再提供要約以供接納。當本公司於要約內列明的時間內接獲包含由合資格參與者正式簽署的要約接納書之函件之副本，連同付予本公司之不可退還股款10港元作為接納授出的代價，則提呈給該名合資格參與者的全部股份的要約，即視為已由有關參與者接納。
- (g) 可予行使期間應該由董事會於授出購股權之時釐定，惟無論如何不得超過授出購股權日期起計10年。
- (h) 於向本公司發出書面通知，並於當中註明將據此行使購股權及所行使購股權所涉及的股份數目後，將可行使全部或部份購股權。各有關通知必須夾附就所發出的通知中所涉及股份的整筆認購價的不可退還股款。

Details of the share options granted and remaining outstanding as at 31 December 2017 are as follows:

於二零一七年十二月三十一日已授出但尚未行使之購股權詳情如下：

Name/category of participants	Date of grant	Exercise price per share 每股行使價	Exercisable period 行使期間	Number of share options 購股權數目	
				At 1 January 2017 於二零一七年一月一日	At 31 December 2017 於二零一七年十二月三十一日
Directors of the Company 本公司董事					
Mr. Kim Eun Back (Resigned on 22 December 2017)	16 January 2012	HK\$0.60	16 January 2013 to 15 January 2017	2,000,000	(2,000,000)
金彥博先生 (已於二零一七年十二月二十二日辭任)	二零一二年一月十六日	0.60港元	二零一三年一月十六日至二零一七年一月十五日		

Directors' Report

董事會報告



Name/category of participants 參與者姓名／類別	Date of grant 授出日期	Exercise price per share 每股行使價	Exercisable period 行使期間	Number of share options 購股權數目		
				At 1 January 2017 於二零一七年一月一日	Lapsed 已失效	At 31 December 2017 於二零一七年十二月三十一日
Directors of subsidiaries 附屬公司董事						
Ms. Pan Hsiu-Ying 潘秀盈女士	16 January 2012 二零一二年一月十六日	HK\$0.60 0.60港元	16 January 2013 to 15 January 2017 二零一三年一月十六日至二零一七年一月十五日	1,000,000	(1,000,000)	-
Ms. Chang Hui-Lan 張慧蘭女士	16 January 2012 二零一二年一月十六日	HK\$0.60 0.60港元	16 January 2013 to 15 January 2017 二零一三年一月十六日至二零一七年一月十五日	1,000,000	(1,000,000)	-
Continuous contract employees 連續合約僱員						
	11 February 2010 二零一零年二月十一日	HK\$1.18 1.18港元	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	8,348,000	(320,000)	8,028,000
	16 January 2012 二零一二年一月十六日	HK\$0.60 0.60港元	16 January 2013 to 15 January 2017 二零一三年一月十六日至二零一七年一月十五日	3,560,000	(3,560,000)	-
Consultants 顧問						
	11 February 2010 二零一零年二月十一日	HK\$1.18 1.18港元	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	41,900,000	-	41,900,000
				57,808,000	(7,880,000)	49,928,000

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

For the options granted in 2012, they are exercisable starting one year from the grant date. The exercisable period is 5 years from the date of grant of the share option.

Save as disclosed above, as at 31 December 2017, none of the Directors, chief executives or substantial shareholders of the Company or their respective associates have been granted share options under the Share Option Scheme.

SUFFICIENCY OF PUBLIC FLOAT

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

PRE-EMPTIVE RIGHTS

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

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

就於二零一二年授出之購股權而言，彼等可於授出日期起計一年後開始行使，行使期間為授出購股權日期起計5年。

除以上所披露者外，於二零一七年十二月三十一日，概無本公司董事、最高行政人員或主要股東或彼等各自的聯繫人根據購股權計劃獲授購股權。

公眾持股量的充足性

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

優先權

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

Directors' Report

董事會報告

CORPORATE GOVERNANCE

Save and except the deviation from the Code A.2.1 as contained in Appendix 15 to the GEM Listing Rules, the Company had, during the year, complied with the Code.

The Group's compliance with the Code is set out in the Corporate Governance Report from pages 17 to 31 of this annual report.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1) (a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

AUDITOR

Crowe Horwath (HK) CPA Limited shall retire in the forthcoming Annual General Meeting and, being eligible, will offer themselves for reappointment. A resolution for the reappointment of Crowe Horwath (HK) CPA Limited as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Xu Jianchun
Chairman and Executive Director

26 March 2018

企業管治

本公司於年內一直遵守GEM上市規則附錄15所載守則，惟偏離守則第A.2.1條之情況除外。

本集團遵守守則的詳情載於本年報企業管治報告第17至第31頁。

獲准許的彌償條文

本公司已就其董事及高級管理人員可能面對因企業活動產生之法律訴訟，為董事及行政人員之職責作適當之投保安排。基於董事利益的獲准許彌償條文根據公司條例(香港法例第622章)第470條的規定於董事編製之董事會報告根據公司條例(香港法例第622章)第391(1)(a)條獲通過時生效。

核數師

國富浩華(香港)會計師事務所有限公司將於下屆股東週年大會退任，並合資格及願意重獲聘任。重新聘任國富浩華(香港)會計師事務所有限公司為本公司核數師的決議案將於下屆股東週年大會上提呈。

代表董事會

許建春
主席兼執行董事

二零一八年三月二十六日

Independent Auditor's Report 獨立核數師報告



國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SINO-LIFE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Sino-Life Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 59 to 211, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致中國生命集團有限公司股東 之獨立核數師報告

(於開曼群島註冊成立之有限公司)

意見

本核數師已審計第59至211頁所載中國生命集團有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及該等財務報表的附註，包括主要會計政策概要。

本核數師認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)所頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況，以及其於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

意見基準

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

關鍵審計事項

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



Independent Auditor's Report 獨立核數師報告

Valuation of development and formation costs of cemetery assets and inventories (completed burial plots)

墓園資產的開發及成立成本及存貨(已竣工墓地)的估值

Refer to note 2(j) and 2(k) to the accounting policy and financial disclosure in notes 20 and 21 to the financial statements

請參閱附註2(j)及2(k)的會計政策及財務報表附註20及21的財務資料披露

The key audit matter 關鍵審計事項

The Group held burial plots under development and completed burial plots for sale of RMB5,055,000 and RMB655,000 respectively as at 31 December 2017. These assets are carried at the lower of cost and net realisable value ("NRV"). The cost of these assets may not be recoverable if these assets are aged and damaged, if they have become obsolete, or if their selling prices have declined. For the year ended 31 December 2017, the Group has written down development and formation costs of cemetery assets and inventories (completed burial plots) of RMB1,702,000 and RMB245,000 respectively. 貴集團於二零一七年十二月三十一日持有開發中墓地及已完工待售墓地分別約人民幣5,055,000元及人民幣655,000元。資產乃按成本與可變現淨值(「可變現淨值」)之較低者列賬。倘資產已經陳舊、損壞、過時或售價下跌，則可能無法收回資產成本。截至二零一七年十二月三十一日止年度，貴集團分別撇銷墓園資產開發及成立成本及存貨(已竣工墓地)人民幣1,702,000元及人民幣245,000元。

Management determines the lower of cost and NRV of these assets by considering the ageing profile, obsolescence and estimated selling price of individual items taking into account the estimated time of realisation.

管理層釐定該等資產的成本及可變現淨值之較低者時，會考慮個別項目的庫齡、是否過時和個別項目的預測售價並計入預計變現時間。

Management calculates the NRV at each period end based on the estimated selling price less selling expenses, which requires significant judgements and assumptions to be made to determine the estimated selling price of individual product, including historical experience of selling products of similar nature and expectation of future sales based on current market conditions.

管理層以其預測售價減去出售開支來計算各期末的可變現淨值，在釐定個別產品之預測售價時須作出重大判斷及假設，包括考慮以往出售類似性質產品的經驗以及按現有市況對未來銷售作出之預測。

We focused on this area due to the estimation of NRV of these assets involves significant judgement and various uncertainties as a result of changing customer demand and competitors actions.

本核數師關注此範疇是鑑於對該等資產的可變現淨值估計涉及重大判斷，以及客戶需求及競爭者之行為導致多種不明朗因素。

How the matter was addressed in our audit 審計中處理有關事項的方法

Audit approach:
審計方法：

- understood and validated the control procedures performed by management, including its procedures in estimating the NRV of the development and formation costs of cemetery assets and inventories
- 理解和驗證管理層執行的監控程序，包括其估計墓園資產開發及成立成本的可變現淨值及存貨的程序
- tested on a sample basis, the NRV of selected items, by comparing the selling price subsequent to the year end, against the carrying values of these individual items
- 以抽樣方式測試選定之可變現淨值，在測試中將個別項目於年末後的售價與其賬面值作一比較
- evaluated the Group's sales plan on the realisation of the development and formation costs of cemetery assets and inventories which takes into account costs to completion based on historical results and prevailing market conditions
- 評估貴集團將墓園資產的開發及成立成本及存貨變現的銷售計劃，當中已計及根據過往業績及當前市況得出的完工成本
- assessed the reasonableness of the sales forecasts used in the Group's estimation model by considering actual performance against budget
- 透過將實際表現與預算進行比對，評估貴集團估計模型所使用的銷售預測數字

Independent Auditor's Report

獨立核數師報告

Impairment of prepayment for purchase of goods 購買貨物預付款項的減值

Refer to note 2(m) to the accounting policy and financial disclosure in note 22 to the financial statements
請參閱附註2(m)的會計政策及財務報表附註22的財務資料披露

The key audit matter 關鍵審計事項

The Group prepaid to its supplier for purchase of marble stones prior to the delivery of the goods. As at 31 December 2017, the Group had a prepayment for purchase of marble stones of RMB12,080,000, which is carried at cost less impairment. The prepayment is non-refundable and thus may not be recoverable. For the year ended 31 December 2017, the Group has further recorded an impairment loss of RMB2,793,000 for this prepayment.

貴集團就購買大理石於收到貨物前預先向供應商支付的款項。截至二零一七年十二月三十一日止年度，本集團擁有用於購買大理石的預付款項人民幣12,080,000元，乃按成本扣除減值入賬。該預付款項為不可退款款項，因此可能無法收回。截至二零一七年十二月三十一日止年度，本集團就該預付款項進一步錄得人民幣2,793,000元之減值虧損。

In determining whether non-refundable prepayments are recoverable, the Group must make judgements over the likely future sales of the tombstones or consider to dispose the goods at the prevailing market prices taking into account the cost of disposal. Where insufficient sales are forecasted by the Group or the fair value less cost of disposal is lower than the carrying amount, an impairment is recorded.

於釐定不可退款之預付款項是否可收回時，貴集團必須就墓碑的可能未來銷售額作出判斷，或於計及出售成本後考慮以當前市價出售貨品。倘貴集團所預測的銷售額不足，或公平值減出售成本低於賬面值，則記錄一項減值。

This is a significant risk area as there is inherent uncertainty regarding the future sales of tombstones and estimation of the recoverable amount.

重大風險範疇為墓碑的未來銷售及可收回金額的估算存在固有的不確定因素。

How the matter was addressed in our audit 審計中處理有關事項的方法

Audit approach:
審計方法：

- evaluated the supplier's capability of providing the goods to the Group
已評估供應商向貴集團提供貨品的能力
- challenged the assumptions underlying the forecasts for future sales by analysing the accuracy of historical estimates of recoverability, and comparing forecasts made in prior periods to actual outcomes
已透過分析過往就可收回性所作估計的準確性，以及將過往期間所作預測與實際結果進行比對，對未來預測的相關假設提出質疑
- evaluated the appropriateness of the resale values estimated by the management based on market information obtained by the Group
已根據貴集團可取得的市場資料，評估管理層所估計的轉售價值是否恰當

Independent Auditor's Report

獨立核數師報告



INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

綜合財務報表及就其發出的核數師報告以外的資料

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

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

就綜合財務報表的審計而言，本核數師的責任為閱讀其他資料，並在過程中考慮其他資料與綜合財務報表或本核數師於審計過程中所瞭解的情況是否有重大抵觸，或是否可能有重大錯誤陳述。

基於本核數師已執行的工作，倘本核數師認為其他資料存在重大錯誤陳述，本核數師需要報告有關事實。就此而言，本核數師並無任何報告。

核數師對綜合財務報表的審計責任

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

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

董事在審核委員會協助下履行彼等監督貴集團財務報告流程的職責。

Independent Auditor's Report

獨立核數師報告

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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師對綜合財務報表的審計責任

本核數師的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有本核數師意見的核數師報告。本核數師僅向閣下整體報告本核數師的意見，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理核證是高水平的核證，但並不保證按照《香港審計準則》進行的審計總能發現已存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期有關錯誤陳述（個別或共同）會影響使用者根據綜合財務報表所作出的經濟決定，則有關錯誤陳述被視為重大錯誤陳述。

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

- 識別和評估綜合財務報表因欺詐或錯誤而存在重大錯誤陳述的風險，因應該等風險設計及執行審計程序，以及獲取充足和適當的審計憑證為本核數師的意見提供基礎。由於欺詐可能涉及串謀、偽造、故意遺漏、失實陳述，或凌駕內部控制，因此，與未能發現因錯誤而導致的重大錯誤陳述相比，未能發現因欺詐而導致的重大錯誤陳述的風險較高。
- 瞭解與審核有關的內部控制，以設計適用於有關情況的審核程序，但並非旨在對貴集團內部控制的成效發表意見。
- 評估董事所採用會計政策是否恰當，以及董事所作出的會計估計及相關披露是否合理。

Independent Auditor's Report

獨立核數師報告



- 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.
- 就董事採用持續經營基礎的會計法是否恰當作出結論，並根據已獲取的審計憑證，就是否有對 貴集團繼續以持續基準經營的能力構成重大疑問的事件或情況的相關重大不確定因素作出結論。倘本核數師的結論為存在重大不確定因素，則本核數師需要於核數師報告中提出須注意綜合財務報表內的相關資料披露，或倘有關披露資料不足，則需要修訂本核數師的意見。本核數師的結論以截至核數師報告日期所獲得的審計憑證為基礎。然而， 貴集團可能因未來事件或情況而不再持續經營。
- 評估綜合財務報表的整體呈列方式、架構及內容(包括披露資料)，以及綜合財務報表是否以達致公平呈列反映相關交易及事件。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的合適審計憑證，以就綜合財務報表發表意見。本核數師須負責指導、監督及執行集團的審計工作。本核數師須為所作出的審計意見承擔全部責任。

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

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

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

本核數師亦向審核委員會提交聲明，說明本核數師已遵守有關獨立性的道德要求，並就所有被合理認為可能影響本核數師獨立性的關係及其他事宜及(如適用)相關防範措施，與負責管治的人員進行溝通。

Independent Auditor's Report

獨立核數師報告

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

The engagement director on the audit resulting in this independent auditor's report is Alvin Yeung Sik Hung.

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

本獨立核數師報告的審計項目總監為楊錫鴻。

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 26 March 2018

Alvin Yeung Sik Hung
Practising Certificate Number P05206

國富浩華(香港)會計師事務所有限公司
執業會計師
香港，二零一八年三月二十六日

楊錫鴻
執業證書編號 P05206

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	營業額	4(a)	60,709	57,342
Cost of sales	銷售成本		(30,111)	(35,149)
Gross profit	毛利		30,598	22,193
Valuation gains on investment property	重估投資物業收益	16	237	-
Other income	其他收入	5	741	6,760
Selling expenses	銷售開支		(6,770)	(5,841)
Administrative expenses	行政開支		(29,016)	(30,230)
Other operating expenses	其他經營開支		(14,874)	(10,468)
Impairment of goodwill	商譽減值	6(c)	-	(15,129)
Loss from operations	經營虧損		(19,084)	(32,715)
Finance costs	融資成本	6(a)	(197)	(184)
Loss before taxation	除稅前虧損	6	(19,281)	(32,899)
Income tax	所得稅	7	(1,513)	(1,727)
Loss for the year	年度虧損		(20,794)	(34,626)
Other comprehensive income for the year	年度其他全面收益			
Item that will not be reclassified to profit or loss:	不會重新分類至損益的項目：			
Surplus on revaluation of land and buildings held for own use	持作自用土地及樓宇之重估盈餘		243	153
Item that may be reclassified subsequently to profit or loss:	其後可能會重新分類至損益的項目：			
Exchange differences on translation of financial statements of operations outside the People's Republic of China ("non-PRC operations"):	換算中華人民共和國以外業務(「非中國業務」)之財務報表所產生之匯兌差額：			
Exchange differences arising during the year	年度匯兌差額		26	3,008
Other comprehensive income for the year, net of income tax	年度其他全面收益(扣除所得稅)	10	269	3,161
Total comprehensive loss for the year, net of income tax	年度全面虧損總額(扣除所得稅)		(20,525)	(31,465)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註		
Loss attributable to:	以下人士應佔虧損：			
Owners of the Company	本公司擁有人	11	(19,334)	(31,520)
Non-controlling interests	非控股權益		(1,460)	(3,106)
			(20,794)	(34,626)
Total comprehensive loss attributable to:	以下人士應佔全面虧損總額：			
Owners of the Company	本公司擁有人		(19,009)	(28,429)
Non-controlling interests	非控股權益		(1,516)	(3,036)
			(20,525)	(31,465)
Loss per share	每股虧損	11		
Basic and diluted	基本及攤薄		RMB(2.60) cents 人民幣(2.60)分	RMB(4.25) cents 人民幣(4.25)分

The notes on pages 67 to 211 form part of these financial statements.

第67頁至211頁之附註為該等綜合財務報表之一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	34,670	38,592
Investment property	投資物業	16	6,162	4,812
Prepaid lease payments	預付租賃付款	15	2,804	3,507
Intangible assets	無形資產	17	499	1,237
Deposits for hire of funeral parlours and funeral services centres	租用殯儀館及殯儀服務中心之按金	22	1,000	1,700
Other rental deposit	其他租賃按金	22	-	22
Goodwill	商譽	19	2,869	2,821
			48,004	52,691
CURRENT ASSETS	流動資產			
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益之財務資產	18	37,098	38,640
Development and formation costs	開發及成立成本	20	5,055	7,406
Inventories	存貨	21	1,112	1,526
Tax recoverable	可收回稅項	27(a)	10	11
Deposits for hire of funeral parlours and funeral services centres	租用殯儀館及殯儀服務中心之按金	22	700	-
Trade and other receivables	貿易及其他應收款項	22	42,099	53,664
Prepaid lease payments	預付租賃付款	15	67	82
Cash and cash equivalents	現金及現金等價物	23	98,186	98,550
			184,327	199,879
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	24	10,447	8,696
Receipts in advance	預收款項	25	92,432	93,911
Current portion of bank borrowings	銀行借貸之即期部分	26	1,059	1,023
Current taxation	即期稅項	27(a)	4,184	3,394
Provisions	撥備	28	2,900	2,851
			(111,022)	(109,875)
NON-CURRENT LIABILITIES	非流動負債			
Receipts in advance	預收款項	25	149	118
Bank borrowings	銀行借貸	26	9,071	9,959
			(9,220)	(10,077)
NET ASSETS	資產淨值		112,089	132,618

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註		
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	29	69,218	69,218
Reserves	儲備	30	45,335	64,652
			114,553	133,870
Non-controlling interests	非控股權益		(2,464)	(1,252)
TOTAL EQUITY	權益總額		112,089	132,618

Approved and authorised for issue by the board of directors on 26 March 2018.

由董事會於二零一八年三月二十六日批准及授權發佈。

Xu Jianchun

Chairman and Executive Director

許建春

主席兼執行董事

Liu Tien-Tsai

Executive Director

劉添財

執行董事

The notes on pages 67 to 211 form part of these financial statements.

第67頁至211頁之附註為該等綜合財務報表之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

		Share capital	Share premium	Merger reserve	Statutory reserve	Statutory surplus reserve	Properties revaluation reserve	Foreign currency translation reserve	Share-based compensation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	合併儲備	法定儲備	儲備	儲備	儲備	之補償儲備	累計虧損	總額	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	69,218	220,633	(16,261)	786	1,550	1,954	(20,795)	7,753	(102,539)	162,299	1,784	164,083
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(31,520)	(31,520)	(3,106)	(34,626)
Surplus on revaluation of land and buildings held for own use	持作自用土地及樓宇之重估盈餘	-	-	-	-	-	153	-	-	-	153	-	153
Exchange differences on translation of financial statements of non-PRC operations	換算非中國業務之財務報表時之匯兌差額	-	-	-	-	-	-	2,938	-	-	2,938	70	3,008
Other comprehensive income	其他全面收益	-	-	-	-	-	153	2,938	-	-	3,091	70	3,161
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	153	2,938	-	(31,520)	(28,429)	(3,036)	(31,465)
Transfer to statutory reserve	轉撥至法定盈餘	-	-	-	4	-	-	-	-	(4)	-	-	-
Lapse of share options granted	已授出購股權失效	-	-	-	-	-	-	-	(77)	77	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	69,218	220,633	(16,261)	790	1,550	2,107	(17,857)	7,676	(133,986)	133,870	(1,252)	132,618
At 1 January 2017	於二零一七年一月一日	69,218	220,633	(16,261)	790	1,550	2,107	(17,857)	7,676	(133,986)	133,870	(1,252)	132,618
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(19,334)	(19,334)	(1,460)	(20,794)
Surplus on revaluation of land and buildings held for own use	持作自用土地及樓宇之重估盈餘	-	-	-	-	-	243	-	-	-	243	-	243
Exchange differences on translation of financial statements of non-PRC operations	換算非中國業務之財務報表時之匯兌差額	-	-	-	-	-	-	82	-	-	82	(56)	26
Other comprehensive income/(loss)	其他全面收益/(虧損)	-	-	-	-	-	243	82	-	-	325	(56)	269
Total comprehensive income/(loss) for the year	本年度全面收益/(虧損)總額	-	-	-	-	-	243	82	-	(19,334)	(19,009)	(1,516)	(20,525)
Lapse of share options granted	已授出購股權失效	-	-	-	-	-	-	-	(331)	331	-	-	-
Acquisition of additional interests in a non-wholly-owned subsidiary (note 37(c))	收購一間非全資擁有附屬公司的額外權益(附註37(c))	-	-	-	-	-	-	-	-	(308)	(308)	304	(4)
At 31 December 2017	於二零一七年十二月三十一日	69,218	220,633	(16,261)	790	1,550	2,350	(17,775)	7,345	(153,297)	114,553	(2,464)	112,089

The notes on pages 67 to 211 form part of these financial statements.

第67頁至211頁之附註為該等綜合財務報表之一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
OPERATING ACTIVITIES	經營業務		
Loss before taxation	除稅前虧損	(19,281)	(32,899)
Adjustments for:	調整：		
Amortisation of prepaid lease payments	預付租賃付款攤銷	67	82
Amortisation of intangible assets	無形資產攤銷	760	505
Impairment loss on other receivables	其他應收款項減值虧損	4,359	-
Impairment loss on prepayments	預付款項減值虧損	2,793	5,052
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	401	-
Write-down of inventories	存貨撇銷	245	1,129
Impairment loss on goodwill	商譽減值虧損	-	15,129
Write-down of development and formation costs	開發及成立成本撇銷	1,702	7,886
Prepayments written off	預付款項撇銷	7,220	4,265
Finance costs	融資成本	197	184
Deficit/(surplus) on revaluation of land and buildings held for own use	持作自用之土地及樓宇重估虧絀／(盈餘)	275	(338)
Valuation gains on investment property	重估投資物業收益	(237)	-
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	(3)
Depreciation	折舊	4,911	4,717
Interest income	利息收入	(686)	(914)
Net realised and unrealised gain on financial assets designated as at fair value through profit or loss	指定為按公平值計入損益之財務資產已變現及未變現收益	(697)	(1,577)
Net exchange loss/(gain)	外匯虧損／(收益)淨額	824	(3,476)
Provisions for future costs of delivering funeral services under funeral service deeds	根據殯儀服務契約提供殯儀服務之未來成本撥備	-	1,107
		22,134	33,748
		2,853	849
CHANGES IN WORKING CAPITAL	營運資金變動		
Decrease in inventories	存貨減少	119	93
Increase in trade and other receivables	貿易及其他應收款項增加	(3,283)	(147)
Decrease in financial assets designated as at fair value through profit or loss	指定為按公平值計入損益之財務資產減少	2,923	691
Decrease/(increase) in development and formation costs	開發及成立成本減少／(增加)	297	(570)
Increase in trade and other payables	貿易及其他應付款項增加	1,878	1,999
Decrease in receipts in advance	預收款項減少	(2,855)	(2,241)
		(921)	(175)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
CASH GENERATED FROM OPERATIONS	經營所得現金	1,932	674
Income taxes (paid)/refunded The People's Republic of China ("PRC")	已(支付)/退回所得稅 中華人民共和國 (「中國」)	(723)	(1,302)
Taiwan	台灣	1	(11)
		(722)	(1,313)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	經營業務所得/(所用)現金淨額	1,210	(639)
INVESTING ACTIVITIES	投資活動		
Decrease in available-for-sale investments	可供出售投資減少	-	(1,500)
Payment for the purchase of property, plant and equipment	就收購物業、廠房及設備之付款	(1,325)	(4,996)
Payment for the purchase of intangible assets	就收購無形資產之付款	-	(1,698)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	4	4
Acquisition of subsidiary, net of cash acquired	收購附屬公司(扣除所收購之現金)	-	(2,390)
Interest received	已收利息	686	914
		39	
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(635)	(6,666)
FINANCING ACTIVITIES	融資活動		
Proceeds from new bank borrowings	新造銀行借貸之所得款項	-	3,511
Repayment of bank borrowings	償還銀行借貸	(1,051)	(854)
Interest on bank borrowings	銀行借貸利息	(197)	(184)
Payment for acquisition of additional interests in a non-wholly-owned subsidiary	收購一間非全資擁有附屬公司的額外權益所支付的款項	(4)	-
		37(c)	

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)/所得現金淨額	(1,252)	2,473
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(677)	(4,832)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等價物	98,550	98,712
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	外幣匯率變動之影響	313	4,670
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之現金及現金等價物	98,186	98,550
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash at bank and on hand	銀行及手頭現金	23	98,550

The notes on pages 67 to 211 form part of these financial statements.

第67頁至211頁之附註為該等綜合財務報表之一部分。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. GENERAL INFORMATION

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

The Company is principally engaged in investment holding. The subsidiaries are mainly engaged in the provision of funeral and related services in the People’s Republic of China (the “PRC”), Taiwan and Hong Kong, sale of burial plots and tombstones and provision of cemetery maintenance services in Vietnam and provision of elderly care and related consultancy services in Taiwan. The Company and its subsidiaries are herein collectively referred to as the “Group”. The address of the Company’s registered office and principal place of business are The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands and Unit 1303, 13/F., Austin Tower, 22–26 Austin Avenue, Tsimshatsui, Kowloon, Hong Kong respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

1. 一般資料

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

本公司主要從事投資控股。其附屬公司主要業務為於中華人民共和國(「中國」)、台灣及香港提供殯儀及相關服務、於越南銷售墓地及墓碑及提供墓園修繕服務，以及於台灣提供護老及相關諮詢服務。本公司及其附屬公司於下文統稱為「本集團」。本公司註冊辦事處及主要營業地點之地址分別為The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands及香港九龍尖沙咀柯士甸路22–26號好兆年行13樓1303室。

2. 主要會計政策

(a) 遵例聲明

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

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(a) Statement of compliance (Continued)

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries.

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

(a) 遵例聲明(續)

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則(於本集團之本會計期間首次生效或可提早應用)。附註3提供首次應用此等新訂及經修訂準則之所導致之會計政策之任何變動之資料，以於該等財務報表中反映現行及過往會計期間與本集團相關者為限。

(b) 編製財務報表之基準

截至二零一七年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

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

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

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

- investment properties (see note 2(e));
- freehold land and buildings (see note 2(f)); and
- financial assets designated as at fair value through profit or loss (see note 2(h)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 41.

(b) 編製財務報表之基準(續)

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

- 投資物業（見附註2(e)）；
- 永久業權土地及樓宇（見附註2(f)）及；
- 指定為按公平值計入損益之財務資產（見附註2(h)）。

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

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

管理層於應用香港財務報告準則所作出而對財務報表有重大影響之判斷及估計不確定性之主要來源於附註41討論。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(c) Subsidiaries and non-controlling interests

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

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

(c) 附屬公司及非控股權益

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

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

非控股權益指並非由本公司直接或間接擁有之附屬公司權益，而本集團未有就此與該等權益持有人達成任何附加條款，致令本集團整體上對該等權益產生符合財務負債定義之合約義務。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

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

(c) 附屬公司及非控股權益(續)

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

本集團於現有附屬公司之擁有權權益變動

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

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(c) **Subsidiaries and non-controlling interests (Continued)**
Changes in the Group's ownership interests in existing subsidiaries (Continued)

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(m)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) **Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

(c) **附屬公司及非控股權益 (續)**
本集團於現有附屬公司之擁有權權益變動(續)

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

於本公司財務狀況報表中，於附屬公司之投資按成本減減值虧損(見附註2(m))列賬，惟投資分類為持作出售(或計入分類為持作出售之出售組別)。

(d) **業務合併**

收購業務採用收購法入賬。業務合併所轉讓的代價按公平值計量，而計算方法為本集團所轉讓的資產、本集團向被收購方原擁有人產生的負債及本集團於交換被收購方的控制權發行的權益於收購日之公平值總額。有關收購的成本一般於產生時在損益賬中確認。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(d) Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Incomes Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

(d) 業務合併(續)

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的負債或資產分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份支付安排或本集團訂立以股份支付安排取代被收購方以股份支付安排有關的負債或股本工具，於收購日期根據香港財務報告準則第2號「以股份支付款項」計量；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售的資產(或出售組合)根據該項準則計量。

商譽乃以所轉讓的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股份權益(如有)公平值的總和超出所收購可識別資產及所承擔負債於收購日期的淨值的部分計量。倘經過重新評估後，所收購可識別資產及所承擔負債於收購日期的淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股份權益(如有)公平值的總和，則超出部分即時於損益賬內確認為議價收購收益。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(d) Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

(d) 業務合併(續)

屬現時所有權權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值的非控股權益，初步按公平值或非控股權益應佔被收購方可識別資產淨值按面值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別的非控股權益乃按其公平值。

倘本集團於業務合併時轉讓的代價包含因或然代價安排而產生的資產或負債時，有關的或然代價將按收購日的公平值計量，並被視為業務合併時所轉讓代價的一部分。符合作為計量期間調整的或然代價的公平值變動，需以追溯方式進行調整，並需於商譽內進行相應的調整。計量期間調整是指於「計量期間」，取得與收購日已存在的事實或情況相關的額外資訊而產生的調整。

不符合作為計量期間調整的或然代價的其後會計處理，取決於或然代價如何分類。分類為權益的或然代價於其後報告日期不會重新計量，其後結算於權益內進行入賬處理。分類為資產或負債的或然代價於其後報告日期按公平值重新計量，而相應收益或虧損乃於損益中確認。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(d) Business combinations (Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

(d) 業務合併(續)

倘業務合併分階段達成，本集團以往所持的被收購方股本權益於收購日期(即本集團取得控制權當日)按公平值重新計量，所產生的盈虧(如有)在損益賬中確認。倘出售於被收購方權益，則以往在其他全面收益中確認的從該等於被收購方的權益於收購日期前產生的金額重新分類至損益(如此處理方法合適)。

倘業務合併的初步會計處理於合併產生的報告期末仍未完成，則本集團會就仍未完成會計處理的項目呈報暫定金額。該等暫定金額於計量期間內作出調整(見上文)，以及確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況的新資料，而倘知悉該等資料，將會影響於當日確認的金額。

因收購業務產生之商譽按收購業務當日確立的成本減累計減值虧損(如有)列賬。

為進行減值測試，商譽乃分配至預期將從合併所帶來的協同效益中受惠的本集團各個現金產生單位或現金產生單位組合，而該單位或單位組合指就內部管理目的監控商譽的最低水平且不超過經營分類。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(d) Business combinations (Continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within group of cash-generating units in which the Group monitors goodwill).

(e) Investment property

Investment property is land and/or building which are owned or held under a leasehold interest (see note 2(g)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment property is stated in the statement of financial position at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment property is accounted for as described in note 2(r)(v).

(d) 業務合併(續)

獲得商譽分配的現金產生單位(或現金產生單位組合)每年進行減值測試及每當有跡象顯示該單位可能出現減值時更為頻繁地進行減值測試。就於某一報告期間收購產生的商譽而言，獲得商譽分配的現金產生單位(或現金產生單位組合)於該報告期間結束前進行減值測試。倘可收回金額低於該單位的賬面值，則首先分配減值虧損以減低任何商譽的賬面值，然後按該單位內各項資產的賬面值所佔比例分配至該單位(或現金產生單位組合)的其他資產。

於出售相關現金產生單位後，商譽的應佔金額應計入出售損益金額(或本集團監督商譽之現金產生單位組別中的任何現金產生單位)。

(e) 投資物業

投資物業是指為賺取租金收入及／或為資本增值而以租賃權益(見附註2(g))擁有或持有的土地及／或建築物，當中包括就尚未確定未來用途持有的土地以及現正建造或發展以供未來用作投資物業之物業。

投資物業按公平值記入財務狀況表中，除非於報告期末，投資物業仍然正在建造或發展及不能可靠地確定公平值。投資物業公平值的變動，或報廢或出售投資物業所產生的任何收益或虧損均損益內確認。投資物業的租金收入乃按照附註2(r)(v)所述方式入賬。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



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

(e) Investment property (Continued)

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(g)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(g).

(f) Property, plant and equipment

The freehold land and buildings held for own use are stated in the statement of financial position at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation.

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

The other property, plant and equipment, other than construction in progress, are stated in the statement of financial position at cost less accumulated depreciation and any accumulated impairment losses (see note 2(m)).

(e) 投資物業(續)

如果本集團以經營租賃持有物業權益以賺取租金收入及／或為資本增值，有關的權益會按每項物業的基準劃歸為投資物業。劃歸為投資物業的任何物業權益的入賬方式與以融資租賃(見附註2(g))持有的權益一樣，而其適用的會計政策也跟以融資租賃出租的其他投資物業相同。租賃付款的入賬方式載列於附註2(g)。

(f) 物業、廠房及設備

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

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

其他物業、廠房及設備(在建工程除外)按成本減累計折舊及累計減值虧損於財務狀況表列賬(見附註2(m))。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(f) Property, plant and equipment (Continued)

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

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

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

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

(f) 物業、廠房及設備(續)

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

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

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

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



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(f) Property, plant and equipment (Continued)

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

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

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

(f) 物業、廠房及設備(續)

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

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

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

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(f) Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss during the reporting period in which they are incurred.

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

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

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

(f) 物業、廠房及設備(續)

其後成本乃僅當與項目有關之未來經濟利益可能流入本集團且項目成本能可靠計量時，方會計入資產之賬面值或確認為獨立資產(視適用情況而定)。任何當作獨立資產入賬的部分之賬面值乃於其被取替時取消確認。所有其他維修及保養均於產生之財政期間內在損益內確認。

倘資產之賬面值高於其估計可收回金額，則資產之賬面值即時撇減至其可收回金額。

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

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

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(f) Property, plant and equipment (Continued)

The Group transfers a property from property, plant and equipment to investment property when there is a change in use to hold the property to earn rentals or land for capital appreciation rather than for own use in the ordinary course of business, which is evidenced by the commencement of an operation lease to another party. The Group accounts for such property in accordance with the policy stated under "Property, plant and equipment" up to the date of change in use.

(g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) *Classification of assets leased to the Group*

Assets held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as an investment property, is accounted for as if held under a finance lease (see note 2(e)); and

(f) 物業、廠房及設備(續)

倘物業用途出現變更，以保留該物業以賺取租金或該土地用作資本增值，而非在正常業務中自用，並有證據顯示轉讓至他方的租賃生效，則本集團將該物業從物業、廠房及設備重新分類到投資物業。直至物業用途變更日期為止，本集團按照「物業、廠房及設備」所載的基準處理該物業。

(g) 租賃資產

本集團確定安排具有在協定期限內通過支付一筆或一系列款項而使用某一特定資產或多項資產之權利，則該安排(由一宗交易或一系列交易組成)為租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而無論該安排是否具備租賃之法律形式。

(i) 本集團租賃資產之分類

對於本集團以租賃持有之資產，如果租賃使所有權之絕大部分風險和回報轉移至本集團，有關的資產便會劃歸為以融資租賃持有；如果租賃不會使所有權的絕大部分風險和回報轉移至本集團，則劃歸為經營租賃，惟以下情況除外：

- 以經營租賃持有之以其他方式符合一項投資物業之物業乃按逐項物業基準分類為投資物業，及倘若被分類為投資物業，則入賬為猶如以融資租賃持有(見附註2(e))；及

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(Continued)

(g) Leased assets (Continued)

(i) Classification of assets leased to the Group (Continued)

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged as expenses in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(e)).

(g) 租賃資產(續)

(i) 本集團租賃資產之分類(續)

- 以經營租賃持有作自用之土地，而其公平值於租賃開始時不可與其上座落之樓宇之公平值分開計量，則入賬為以融資租賃持有，除非該樓宇亦清楚地以經營租賃持有，則另當別論。就此而言，租賃開始時為本集團首次訂立租約或從前承租人接管時。

(ii) 經營租賃費用

如屬本集團根據經營租賃使用資產之情況，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額分期方式計入損益中；惟如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。已收取之租賃獎勵在損益中確認為總租賃付款淨額的一部分。或然租金將於產生之會計期間計入為開支。

根據經營租賃所持有土地之收購成本於租賃期內以直線法攤銷，惟該物業分類為投資物業除外(見附註2(e))。

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

(g) Leased assets (Continued)

(iii) Leasehold land for own use

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lumpsum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment property under the fair value model. When the lease payments cannot be allocated reliably between the leasehold land and the building elements, the entire property is generally classified as if the leasehold land is under finance lease.

(g) 租賃資產(續)

(iii) 自用租賃土地

當本集團為一份包括租賃土地及樓宇部分的物業權益付款，本集團根據對附於各部分所有權的絕大部分風險及回報是否已轉移本集團之評估，分別將各部分的分類評定為融資或經營租賃。除非土地及樓宇部分均明確為經營租賃，於此情況下整項物業以經營租賃入賬。具體而言，整筆代價(包括任何一筆過預付款項)於最初確認時按租賃土地部分及樓宇部分中的租賃權益相對公允值比例於租賃土地與樓宇部分間分配。

倘相關付款可作出可靠分配，則除分類為採用公平價值模型計算並以此入賬之投資物業外，於租賃土地之權益乃以經營租賃入賬並於綜合財務狀況表呈列為「預付租賃付款」，且按直線法於租賃期內攤銷。倘租賃付款無法可靠分配至租賃土地及樓宇部分之間，整個物業則一般會當作融資租賃項下持有的租賃土地分類。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(h) Financial instruments

Financial assets and financial liabilities are recognised when the 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 and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" ("FVTPL"), "loans and receivables". 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 trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the 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.

(h) 財務工具

當本集團實體成為工具合約條文之一方時，則確認財務資產及財務負債。

財務資產及財務負債初步按公平值計量。收購或發行財務資產及財務負債(按公平值計入損益之財務資產及財務負債除外)直接應佔之交易成本乃於初步確認時加至或扣自財務資產或財務負債之公平值(如適用)。收購按公平值計入損益之財務資產或財務負債直接應佔之交易成本，即時於損益內確認。

財務資產

財務資產分類為以下特定類別：「按公平值計入損益」(「按公平值計入損益」)之財務資產、「貸款及應收賬款」。分類取決於財務資產之性質及用途，並於初步確認時釐定。所有正常購買或出售之財務資產按交易日之基準確認及解除確認。正常購買或出售是指按照市場規定或慣例須在一段期限內進行資產交付之財務資產買賣。

實際利率法

實際利率法乃計算債務投資之攤銷成本及分配有關期間利息收入之方法。實際利率乃按債務工具之預計年期或(如適用)較短期間，準確折讓估計未來現金收入(包括構成實際利率不可或缺部分之一切已付或已收利率差價費用、交易成本及其他溢價或折讓)至初步確認時賬面淨值之利率。



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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(h) Financial instruments (Continued)

Effective interest method (Continued)

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

(h) 財務工具(續)

實際利率法(續)

債務工具之利息收入乃按實際利率基準確認，惟分類為按公平值計入損益之財務資產除外。

按公平值計入損益之財務資產

當財務資產為持作買賣或其為指定按公平值計入損益時，財務資產分類為按公平值計入損益。

倘財務資產屬下列情況，則歸類為持作買賣：

- 主要為於短期出售而收購；或
- 於初步確認時，其構成本集團綜合管理之已識別財務工具之組成部分，且近期出現實際短期獲利模式；或
- 屬於未被指定之衍生工具，並可有效作為對沖工具。

於下列情況，財務資產(持作買賣財務資產除外)可於初步確認後指定按公平值計入損益：

- 有關指定對銷或大幅減少可能出現不一致之計量或確認歧異；或
- 根據本集團既定風險管理或投資策略管理組成一組財務資產或財務負債或兩者其中部分的財務資產，並按公平值基準評估其表現，且有關分類的資料乃按該基準由內部提供；或

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財務報表附註

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

(h) Financial instruments (Continued) *Financial assets at FVTPL (Continued)*

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the "other net gain/(loss)" line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 18.

AFS financial assets are non-derivatives 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 FVTPL. The Group designated certain items as AFS financial assets on initial recognition of financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

(h) 財務工具(續) *按公平值計入損益之財務資產(續)*

- 財務資產組成包含一項或以上嵌入式衍生工具之合約其中部分，且香港會計準則第39號*財務工具：確認及計量*准許整份合併合約指定按公平值計入損益。

按公平值計入損益之財務資產乃按公平值計量，自重估產生之任何收益或虧損於綜合損益及其他全面收益表內「其他收益／(虧損)淨額」項目中確認。公平值乃按附註18所述方式釐定。

可供出售財務資產為並無指定為可供出售或未有分類為(a)貸款及應收款項；(b)持至到期投資；或(c)按公平值計入損益之財務資產之非衍生工具。本集團於初始確認按公平值計入損益之財務資產時已指定若干項目為可供出售財務資產。

本集團所持分類為可供出售財務資產，且在活躍市場中買賣之股本及債務證券於各報告期末按公平值計量。與按實際利率法計算利息收入相關之可供出售貨幣性財務資產之賬面值變動及可供出售股本投資之股息，乃於損益中確認。可供出售財務資產賬面值之其他變動於其他全面收益中確認，並於投資重估儲備下累計。當投資出售或被釐定為減值時，過於投資重估儲備內累計之累計收益或虧損重新分類至損益。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



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

(h) Financial instruments (Continued) *Financial assets at FVTPL (Continued)*

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

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less any impairment.

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

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(h) 財務工具(續) *按公平值計入損益之財務資產(續)*

可供出售股本工具之股息於本集團收取股息之權利獲確立時在損益中確認。

於各報告期末，並無活躍市場報價，且公平值不能可靠地計量之可供出售股本工具，以及與該等並無報價股本投資掛鈎且必須以交付有關工具方式結算之衍生工具，均以成本減任何已識別減值虧損計量。

貸款及應收賬款

貸款及應收賬款為有固定或待定期額而並無在活躍市場報價之非衍生財務資產。貸款及應收賬款(包括貿易及其他應收款項、現金及銀行結餘)按攤銷成本以實際利率法減去任何減值入賬，惟倘若應收賬款為給予關連人士之無固定還款期之免息貸款，或貼現影響並不重大者則除外。於該等情況下，應收賬款乃按成本減任何減值列賬。

利息收入透過採用實際利率確認，如短期應收款項之利息確認金額不大則另作處理。

財務負債及股本工具

分類為負債或股本集團實體所發行之債務及股本工具乃按照合約安排之內容及財務負債與股本工具之定義分類為財務負債或股本。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(h) Financial instruments (Continued)

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.

Other financial liabilities

Other financial liabilities including trade and other payables, bank borrowings and other loan are subsequently measured at amortised cost using the effective interest method.

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 other than financial liabilities classified as at FVTPL.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

(h) 財務工具(續)

股本工具

股本工具乃證明實體資產經扣除其所有負債後仍有餘下權益之任何合約。本集團所發行之股本工具以扣減直接發行成本後所收之所得款項確認入賬。

其他財務負債

其他財務負債(包括貿易及其他應付款項、銀行借貸及其他貸款)其後使用實際利率法按攤銷成本計量。

實際利率法

實際利率法乃計算財務負債之攤銷成本及分配有關期間利息開支之方法。實際利率乃按財務負債之預計年期或(倘適用)較短期間，準確折讓估計未來現金付款(包括已支付或已收取的構成實際利率之組成部分之所有費用及代價、交易成本及其他溢價或折讓)至初步確認時之賬面淨值之利率。

利息開支乃按實際利率基準確認，惟分類為按公平值計入損益之財務負債除外。

財務擔保合約

財務擔保合約為合約發行者根據某項債務工具之條款，因某特定債務人於到期日未能償還款項而須支付特定款項以補償合約持有者招致之損失的一項合約。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



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

(h) Financial instruments (Continued)

Financial guarantee contracts (Continued)

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(h) 財務工具(續)

財務擔保合約(續)

本集團所發行之財務擔保合約初步按公平值計量及倘並非指定為按公平值計入損益則隨後按下列各項之較高者計量：

- 根據香港會計準則第37號撥備、或然負債及或然資產釐定合約項下責任之金額；及
- 初步確認金額減(如適用)根據收入確認政策確認之累計攤銷。

取消確認

本集團僅於自資產獲取現金流之合約權利到期時，或本集團將財務資產及資產所有權之絕大部分風險及回報轉讓予另一實體時取消確認財務資產。倘本集團未轉讓亦無保留資產所有權之絕大部分風險及回報，而是繼續控制已轉讓資產，則本集團繼續以其持續參與為限確認該資產並確認相關負債。倘本集團保留已轉讓財務資產所有權之絕大部分風險及回報，則本集團繼續確認該財務資產，亦會就已收取之所得款項確認擔保借貸。

全面取消確認財務資產時，資產賬面值與已收及應收代價以及累計盈虧(已於其他全面收益確認並於權益累計)總和間之差額，於損益確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(h) Financial instruments (Continued)

Derecognition (Continued)

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(i) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses (see note 2(m)). Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(h) 財務工具(續)

取消確認(續)

除全面取消確認外，於取消確認財務資產時，本集團將財務資產之過往賬面值在其仍確認及不再確認之部分之間，按照該兩者於轉讓日期之相關公平值作出分配。不再確認部分獲分配之賬面值與該部分已收代價及其已於其他全面收益確認獲分配之任何累計收益或虧損之總和間的差額，乃於損益內確認。已於其他全面收益確認之累計收益或虧損乃按繼續確認部分及不再確認部分之相關公平值在該兩者間作出分配。

本集團在及僅在本集團責任獲得解除、取消或屆滿時，方會取消確認財務負債。獲取消確認之財務負債之賬面值與已付及應付代價間差額會於損益確認。

(i) 無形資產

獨立收購之可使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損(見附註2(m))列賬。攤銷無形資產乃按其估計可使用年期以直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，估計變動之影響按相應基準入賬。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(i) Intangible assets (Continued)

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

- trademark	5 to 10 years
- computer system	2 to 2.5 years

Derecognition of intangible assets

An intangible asset is derecognition on disposal, or when no future economic benefits are expected from use or disposal.

Gains and losses arising from derecognised of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(j) Development and formation costs

The development and formation costs represent development costs incurred for a cemetery site which will be completed for sale and are stated at the lower of cost and net realisable value.

The development costs comprise specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(t)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the burial plots.

(i) 無形資產(續)

以下可使用年期有限之無形資產乃自可使用日期起按以下估計可使用年期攤銷：

- 商標	5至10年
- 電腦系統	2至2.5年

取消確認無形資產

無形資產於出售，或預計不會自使用或出售產生未來經濟利益時取消確認。

因取消確認無形資產而產生的盈虧，乃按出售所得款項淨額與該項資產賬面值之間的差額計量，並於有關資產取消確認時在損益內確認。

(j) 開發及成立成本

開發及成立成本指於將完成待出售之墓園產生之開發成本並按成本及可變現淨值兩者中之較低者列賬。

開發成本包括特別指定成本，包括收購土地成本、開發、材料及供應之成本總額、工資及其他直接開支、適當比例之間接費用及撥充資本之借貸成本(見附註2(t))。可變現淨值指估計銷售價格減估計完成成本及銷售墓地所產生之成本。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost of merchandises for resale and marble stones is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of burial plots developed for sale is determined by an apportionment of the total development costs (see note 2(j)) attributable to completed but unsold units.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(k) 存貨

存貨乃以成本與可變現淨值兩者中之較低者列賬。

轉售貨品及大理石之成本以加權平均成本法計算，並包括所有採購成本、兌換成本及將存貨運至現址及變成現狀之其他成本。

發展墓地以供銷售之成本釐定為已落成惟未售出單位應佔總發展成本(見附註2(j))之份額。

可變現淨值乃按正常業務過程中之估計售價減估計完成成本及估計銷售所需之成本。

存貨出售時，該等存貨之賬面值於確認有關收益之期間確認為開支。任何存貨撇減至可變現淨值之金額及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何存貨撇減撥回之金額，在作出撥回期間確認為減少已確認為開支之存貨金額。

(l) 現金及現金等價物

現金及現金等價物指銀行及手頭現金、存於銀行及其他金融機構之活期存款，以及可隨時轉換為已知金額現金且沒有重大價值變動風險之短期及高流通量投資，而於購入後三個月內到期。就綜合現金流量表而言，按要求償還及構成本集團現金管理一個不可或缺部分之銀行透支亦列入現金及現金等價物部分。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(m) Impairment of assets

(i) *Impairment of other receivables*

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

(m) 資產減值

(i) *其他應收款項之減值*

按成本或攤銷成本列賬之股本證券投資及其他流動及非流動應收款項會於各報告期末進行檢討，以釐定有否存在客觀減值證據。減值之客觀證據包括本集團發覺到之有關以下之一項或以上虧損事件之可觀察數據：

- 債務人出現重大財務困難；
- 違反合約，如欠交或拖欠利息或本金付款；
- 債務人可能破產或進行其他財務重組；及
- 技術、市場、經濟或法律環境發生對債務人有不利影響之重大變動。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(m) Impairment of assets (Continued)

(i) Impairment of other receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade receivables and other receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (that is the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

(m) 資產減值(續)

(i) 其他應收款項之減值(續)

倘出現任何有關證據，則按下文所述之方式釐定及確認任何減值虧損：

- 就應收貿易賬款及其他應收款項及按攤銷成本列賬之其他財務資產而言，減值虧損按資產賬面值與估計未來現金流量之現值(倘貼現影響重大，按財務資產原來實際利率(即在初始確認該等資產時計算之實際利率)貼現)之間差額計量。倘該等財務資產具有類似風險特點，例如類似過期狀況等，且並無個別評估為減值，則集中評估。集中評估減值之財務資產未來現金流量，乃根據與集中組別信貸風險特點類似之資產過往虧損經驗作出。

倘若減值虧損之數額於隨後期間下降，而有關減少可與確認減值虧損後發生之事件客觀相關，則減值虧損經由損益撥回。減值虧損之撥回不得導致資產之賬面值超出如過往年度沒有確認減值虧損而釐定之金額。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(m) Impairment of assets (Continued)

(i) *Impairment of other receivables (Continued)*

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables and other receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(m) 資產減值(續)

(i) *其他應收款項之減值(續)*

減值虧損應從相應之資產中直接撇銷，惟計入貿易及其他應收款項中、可收回性被視為可疑但並非微乎其微之應收貿易賬款及其他應收款項之已確認減值虧損除外。在該情況下，呆賬之減值虧損以撥備賬記錄。倘本集團信納能收回應收款項之機會甚微，則被視為不可收回之金額會從應收貿易賬款及其他應收款項中直接撇銷，而在撥備賬中持有有關該債務之任何金額會被撥回。倘過往計入撥備賬之款項在其後收回，則相關撥備會被撥回。撥備賬之其他變動及過往直接撇銷而其後收回之款項，均直接在損益中確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(m) Impairment of assets (Continued)

(ii) *Impairment of other assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- prepaid lease payments;
- intangible assets;
- goodwill;
- deposits and prepayments; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

(m) 資產減值(續)

(ii) *其他資產減值*

於每個呈報期末審閱內部及外部資料來源，以識別是否有跡象顯示以下資產可能出現減值，或先前確認之減值虧損不再存在或可能已減少：

- 物業、廠房及設備（按經重估金額列賬之物業除外）；
- 預付租賃付款；
- 無形資產；
- 商譽；
- 按金及預付款項；及
- 載於本公司財務狀況表之附屬公司投資。

如出現任何上述跡象，則估計資產可收回金額。此外，就商譽、未可供使用的無形資產及具有不確定限期可用限期的無形資產而言，其可收回金額會每年進行評估（無論是否存在任何減值跡象）。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(m) Impairment of assets (Continued)

(ii) *Impairment of other assets (Continued)*

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (that is a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

(m) 資產減值(續)

(ii) 其他資產減值(續)

- 可收回金額之計算

資產的可收回金額乃其公平值減銷售成本與其使用價值兩者中之較高者。在評估使用價值時，估計未來現金流量會按可以反映當時市場對貨幣時間價值及資產特定風險的評估之稅前貼現率，貼現至其現值。倘資產並不產生基本上獨立於其他資產之現金流入，則就能獨立產生現金流入之最小資產組別(即現金產生單位)釐定可收回金額。

- 減值虧損之確認

倘資產或其所屬現金產生單位之賬面值超過其可收回金額，則於損益中確認減值虧損。就現金產生單位確認之減值虧損，會首先分配以按比例減少該單位(或該單位組別)內其他資產之賬面值，惟資產之賬面金額不會減至低於其本身之公平值減去出售成本(如可計量)或使用價值(如能確定)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(m) Impairment of assets (Continued)

(ii) *Impairment of other assets (Continued)*

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) *Interim financial reporting and impairment*

Under the GEM Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim Financial Reporting*, every three months. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(m)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(m) 資產減值(續)

(ii) 其他資產減值(續)

– 減值虧損之撥回

就除商譽以外的資產而言，倘用作釐定可收回金額之估算出現正面的變化，有關減值虧損便會撥回。有關商譽之減值損失將不予撥回。

撥回減值虧損以過往年度並未確認減值虧損而釐定的資產之賬面值為限。所撥回之減值虧損在確認撥回之年度計入損益內。

(iii) 中期財務報告及減值

根據創業板上市規則，本集團須遵照香港會計準則第34號*中期財務報告*，每三個月編製中期財務報告。於中期期間末，本集團應用與於財政年度末相同之減值測試、確認及撥回標準(見附註2(m)(i)及(ii))。

於中期內就商譽確認之減值虧損並不於其後期間撥回。倘於中期相關之財政年度完結時方評估減值，此時即使不用確認虧損或確認較少虧損時，亦不會撥回減值虧損。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



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

(n) Employee benefits

(i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(o) Share-based payments

(i) *Share options granted to employees*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share-based compensation reserve within equity. The fair value is measured at grant date using the Binomial Option Pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

(n) 僱員福利

(i) *短期僱員福利及界定供款退休計劃之供款*

薪金、年度獎金、有薪年假、界定供款退休計劃之供款及非貨幣福利成本於僱員提供相關服務的年度內累計。倘若延遲付款或結算會造成重大的影響，則該等數額會以現值列賬。

(ii) *終止福利*

終止僱用福利於本集團無法再收回該等福利及其確認涉及支付終止福利之重組成本時(以較早者為準)確認。

(o) 以股份為基礎之付款

(i) *授予僱員之購股權*

授予僱員之購股權按公平值確認為僱員成本，而權益中之以股份支付補償儲備亦會相應增加。公平值乃於授予日以二項式期權定價模型計量，並考慮購股權授予條款及條件。倘僱員須符合歸屬條件方能無條件地享有購股權，於計及購股權會否歸屬之可能性後，便會將購股權之估計公平值總額於歸屬期內分開確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(o) Share-based payments (Continued)

(i) *Share options granted to employees (Continued)*

During the vesting period, the number of share options expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to accumulated losses).

(ii) *Share options granted to consultants*

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share-based compensation reserve), when the counterparties render services, unless the services qualify for recognition as assets.

(o) 以股份為基礎之付款(續)

(i) 授予僱員之購股權(續)

本集團會於歸屬期內審閱預期歸屬之購股權數目。所導致之已於以往年度確認之累計公平值之任何調整會於審閱年度之損益中列支/計入，除非原來之僱員支出符合確認為資產之價格，便會對以股份支付補償儲備作出相應之調整。已確認為支出之數額會於歸屬日作出調整，以反映所歸屬購股權之實際數目(同時對以股份支付補償儲備作出相應之調整)；但只會於無法符合與本公司股份市價相關之生效條件時方會沒收。權益數額於以股份支付補償儲備中確認，直至購股權獲行使(當轉入股份溢價賬時)或購股權到期(當直接撥入累計虧損時)時為止。

(ii) 授予顧問之購股權

就換取服務而發行之購股權按所獲取服務之公平值計量，除非公平值不能可靠計量，在此情況下，所獲取服務乃參考所授出購股權之公平值計量。所獲取服務之公平值於對手方提供服務時確認為開支，並相應增加權益(以股份為基礎之薪酬儲備)，惟該服務符合資格確認為資產則作別論。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

(p) 所得稅

本年度所得稅包括即期稅項和遞延稅項資產及負債的變動。即期稅項和遞延稅項資產及負債的變動均在損益中確認，倘與於其他全面收益或直接於權益中確認的項目相關，在此情況下，其相關稅項金額分別在其他全面收益或直接於權益中確認。

即期稅項是按本年度應課稅收入，根據在報告期末已生效或實質上已生效的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產及負債在就財務申報而言的賬面值與彼等的稅基的差異。遞延稅項資產亦可以由未利用稅項虧損和未利用稅項抵減產生。

除了某些有限的例外情況外，所有遞延稅項負債和所有遞延稅項資產(只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅溢利)均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅溢利包括因撥回目前存在的應課稅暫時差異而產生的數額；但這些撥回的差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回的同一年或遞延稅項資產所產生稅項虧損可向後期或向前期結轉的期間內撥回。在決定目前存在的應課稅暫時差異是否足以支持確認由未利用稅項虧損和抵減所產生的遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠使用未利用稅項虧損或抵減撥回的同一年內轉回。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(p) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(e), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

(p) 所得稅(續)

確認遞延稅項資產和負債之暫時差異之有限例外情況為因不可扣稅之商譽而產生之該等暫時差異；初步確認既不影響會計亦不影響應課稅溢利之資產或負債(惟屬業務合併之一部分則除外)；及與於附屬公司之投資有關之暫時差異(惟如屬應課稅差異，只限於本集團可以控制撥回之時間，且在可預見之將來不大可能轉回之暫時差異；或如屬可扣稅差異，則只限於很可能在將來轉回之差異)。

當投資物業根據附註2(e)所載會計政策按公平值列賬確認遞延稅項的金額按該物業於報告日期假設以賬面值出售該等資產的稅率計算，除非該物業須折舊的及以一項商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之重大經濟利益。在其他情況下，遞延稅額是按照資產與負債賬面值的預期實現或結算方式，根據在報告期末已生效或實質上已生效的稅率計量。遞延稅項資產與負債均不貼現計算。

本集團會在每個報告期末審閱遞延稅項資產的賬面值並於不再可能獲得足夠的應課稅溢利以抵扣相關的稅務利益時調低賬面值。惟倘若日後有可能獲得足夠的應課稅溢利，有關減額便會撥回。

來自分派股息的額外所得稅於確認派付有關股息之責任時予以確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



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

(p) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

(p) 所得稅(續)

即期稅項結餘和遞延稅項結餘及其變動額會分開列示，並且不予抵銷。即期稅項資產和遞延稅項資產會在本公司或本集團有法定行使權以即期稅項資產抵銷即期稅項負債，並且符合以下附帶條件的情況下可以分別抵銷即期稅項負債和遞延稅項負債：

- 即期稅項資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或
- 遞延稅項資產與負債：此等資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。此等實體計劃在日後每個預計有大額遞延稅項負債需要結算或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產和結算即期稅項負債，或同時變現該等資產和結算該等負債。

(q) 撥備及或然負債

倘過去事項導致本集團或本公司須承擔法定或既定責任，而履行有關責任可能須撥付經濟利益，且能可靠地作估計，則就時間或數額未肯定之負債確認撥備。倘貨幣之時間值屬重大，則撥備將以預計結清責任所須開支之現值列賬。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(q) Provisions and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Provision of services

Revenue from the provision of cremation services, cemetery services, funeral arrangement services, funeral services in funeral parlours and funeral service centres under the Group's management, elderly care services and consultancy services is recognised when the services are rendered.

(ii) Sale of goods including tombstone

Revenue is recognised when goods are delivered to the customers which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and returns.

(q) 撥備及或然負債(續)

倘須撥付經濟利益之可能性不大，或無法可靠地估計其金額時，除非須撥付經濟利益之機會極微，否則有關責任將作為或然負債予以披露。至於僅在日後是否出現一項或以上事件時方可確定之有關責任，除非須撥付經濟利益之機會極微，否則亦將披露為或然負債。

(r) 收益確認

收益按已收或應收代價之公平值計量。當經濟利益很可能流入本集團，而收益及成本(倘適用)能可靠地計算時，收益會於損益中確認如下：

(i) 提供服務

本集團管理之殯儀館及殯儀服務中心提供的火化服務、墓園服務、殯儀安排服務及殯儀服務、護老服務及諮詢服務的收益，於提供服務時確認。

(ii) 銷售貨品(包括墓碑)

收益在貨品送達客戶，而且客戶接納貨品及其擁有權相關的風險及回報時確認。收益不包括增值稅或其他銷售稅，並已扣除任何貿易折扣及回扣。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



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

(r) Revenue recognition (Continued)

(iii) Sales of burial plots

Revenue from sales of burial plots is recognised when the contract is signed by the buyer, a significant amount of deposits of the contracted value received and the relevant identified burial plots are delivered to the buyers. Deposits and instalments received from buyers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under "receipts in advance".

(iv) Cemetery maintenance services

Revenue from the provision of cemetery maintenance services is deferred and amortised on a straight-line basis over the remaining estimated service period.

(v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(r) 收益確認(續)

(iii) 銷售墓地

來自銷售墓地的收益於買方簽署合約、收到合約金額的大部分按金及有關已識別墓地交付予買家時確認。於符合上述確認收入的條件前向買方收取的按金及分期付款，計入綜合財務狀況表「預收款項」。

(iv) 墓園維護服務

提供墓園維護服務的收入予以遞延，並按直線基準於餘下估計服務期內進行攤銷。

(v) 來自經營租賃之租金收入

經營租賃項下之應收租金收入於租賃年期期間以等額分期於損益中確認，惟倘其他基準能更有效列示產生自使用租賃資產之盈利模式則除外。已授予之租賃優惠乃列為總計應收租賃款項淨額之一部分，並於損益中確認。或然租金於賺取租金之會計期間確認為收入。

(vi) 利息收入

利息收入採用實際利率法於產生時確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(r) Revenue recognition (Continued) (vii) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

(r) 收益確認(續) (vii) 股息收入

非上市投資之股息收入在確立股東有權收取付款時確認。上市投資之股息收入在投資股價轉為除息股價時確認。

(s) 外幣換算

年內之外幣交易按交易日之匯率換算。以外幣計值的貨幣資產及負債則結算日之匯率換算。匯兌收益及虧損均於損益確認，惟用以對沖外國業務淨投資的外幣借貸所產生者則在其他全面收益內確認。

以外幣歷史成本計量的非貨幣資產及負債按交易當日的匯率換算。以外幣公平值列賬的非貨幣資產及負債按計量公平值當日的匯率換算。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(s) Translation of foreign currencies (Continued)

The results of operations outside PRC (“non-PRC operations”) are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2015, are translated into RMB at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the foreign currency translation reserve.

On the disposal of a non-PRC operation (that is a disposal of the Group’s entire interest in a non-PRC operation, or a disposal involving loss of control over a subsidiary that includes a non-PRC operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes non-PRC operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and is not recognised in profit or loss.

(s) 外幣換算(續)

中國以外業務(「非中國業務」)之業績按與交易日匯率相若之匯率換算為人民幣。財務狀況表之項目(包括合併於二零一五年一月一日或以後收購之外國業務所產生商譽)則按結算日之匯率換算為人民幣。所產生之匯兌差異於其他全面收益確認，以及於權益中之匯兌儲備累計。

於出售非中國業務(即出售本集團於該非中國業務之全部權益，或涉及失去包含非中國業務之附屬公司之控制權之出售)時，就本公司擁有人應佔之業務於權益累計之所有匯兌差異重新列入損益。

此外，就部分出售一間包含非中國業務的附屬公司，但並無令本集團失去對該附屬公司的控制權而言，則按比例分佔之累計匯兌差額重新撥歸非控股權益，且不會於損益中確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(u) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(t) 借貸成本

因收購、興建或生產需經一段長時期準備方可作擬定用途或出售之資產直接產生之借貸成本，會資本化作為有關資產之部分成本。其他借貸成本於產生期間列作開支。

借貸成本乃於資產開支產生、借貸成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為合資格資產之部分成本。當所有有關籌備合資格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫時終止或停止資本化借貸成本。

(u) 關連人士

(a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司的主要管理層成員。

(b) 倘符合下列任何條件，即實體與本集團有關連：

- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(u) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies: (Continued)

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(u) 關連人士(續)

(b) 倘符合下列任何條件，即實體與本集團有關連：
(續)

- (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方的合營企業。
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職後福利計劃。
- (vi) 實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

(u) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies: (Continued)

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Company's Executive directors (the chief operating decision maker) for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(u) 關連人士(續)

(b) 倘符合下列任何條件，即實體與本集團有關連：
(續)

(viii) 向本集團或本集團之母公司提供主要管理人員服務之實體或有關實體所屬集團之任何成員公司。

一名人士之近親家庭成員指預期可於有關人士與有關實體交往時對其發揮影響力或受其影響之家庭成員。

(v) 分部報告

財務報表所報告之經營分部及各分部項目之金額乃自為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本公司執行董事(主要經營決策者)提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產工序性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部分此等準則，則該等經營分部可能會被合併。



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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

None of these impact on the accounting policies of the Group. However, additional disclosure has been included in note 23 to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Disclosure Initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本集團已於本年度應用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則：

香港會計準則第7號修訂本	披露計劃
香港會計準則第12號修訂本	就未實現虧損確認遞延稅項資產
香港財務報告準則第12號修訂本	作為香港財務報告準則二零一四年至二零一六年週期的年度改進之一部分

該等轉變對本集團的會計政策並無影響。然而，額外披露已包括在附註23以符合香港會計準則第7號修訂本「披露計劃」引入的新披露要求，即實體須提供披露以使財務報表使用者能夠評估融資活動所得負債之變動，包括產生自現金流及非現金流之變動。

本集團並未採納任何並未於本會計期間生效之新訂準則或詮釋。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. REVENUE AND SEGMENT INFORMATION 4. 營業額及分部資料

(a) Revenue

Revenue represents the fair value of consideration received and receivable for the services rendered to customers and goods sold to customers. The amount of each significant category of revenue during the year is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Funeral services and cremation services provided in funeral parlours and funeral service centres under the Group's management	本集團管理之殯儀館及殯儀服務中心提供之殯儀服務及火化服務	55,641	52,386
Funeral arrangement services	殯儀安排服務	3,187	2,643
Funeral related consultancy services	殯儀相關諮詢服務	1,292	892
Sale of burial plots	銷售墓地	334	425
Sale of tombstones	墓碑銷售	128	90
Cemetery maintenance services	墓園修繕服務	-	1
Elderly care and related consultancy services	護老及相關諮詢服務	127	905
		60,709	57,342

(b) Segment information

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Company's executive directors (the "Executive Directors"), the chief operating decision maker, for the purposes of resources allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

(a) 營業額

營業額指因向客戶提供服務及向客戶出售貨品而已收及應收之代價之公平值。年內各主要營業額類別之金額如下：

(b) 分部資料

本集團按分部管理其業務，而分部乃按業務種類(產品及服務)及地區劃分管理。本集團以與就資源分配及評估表現而向本公司執行董事(「執行董事」)(即主要營運決策者)呈報內部資料一致之方式呈列以下五個可報告分部。概無彙集經營分部以組成以下可報告分部。

Notes to the Financial Statements

財務報表附註

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4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 營業額及分部資料(續)

(b) Segment information (Continued)

(i) *Funeral services – Taiwan*

Provision of funeral arrangement services to funeral services deed holders and related consultancy services in Taiwan.

(ii) *Funeral services – Hong Kong*

Provision of funeral arrangement services to both funeral services deed holders and non-funeral services deed holders in Hong Kong.

(iii) *Funeral services – the PRC*

Provision of funeral and cremation services in funeral parlours and funeral service centres in the PRC under the Group's management, pursuant to the respective management agreements entered into with the owners of funeral parlours and funeral service centres, and other related consultancy services.

(iv) *Funeral services – Vietnam*

Sale of burial plots and tombstones and provision of cemetery maintenance services in Vietnam.

(v) *Elderly care and related consultancy services – Taiwan*

Provision of elderly care and related consultancy services in Taiwan.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Executive Directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of corporate assets. Segment liabilities include trade and other payables, receipts in advance, provisions and current tax liabilities attributable to the activities of the individual segments and borrowings managed directly by the segments.

(b) 分部資料(續)

(i) 殯儀服務 – 台灣

於台灣向殯儀服務契約持有人提供殯儀安排服務及相關諮詢服務。

(ii) 殯儀服務 – 香港

於香港向殯儀服務契約持有人及非殯儀服務契約持有人提供殯儀安排服務。

(iii) 殯儀服務 – 中國

根據與殯儀館及殯儀服務中心擁有人訂立的各份管理協議，在位於中國由本集團管理的殯儀館及殯儀服務中心提供殯儀及火化服務，以及其他相關諮詢服務。

(iv) 殯儀服務 – 越南

於越南銷售墓地及墓碑及提供墓園修繕服務。

(v) 護老及相關諮詢服務 – 台灣

於台灣提供護老及相關諮詢服務。

分部業績、資產及負債

就評估分部表現及於分部間分配資源而言，執行董事按下列基準監察各可報告分部應佔之業績、資產及負債：

分部資產包括除公司資產外之所有有形資產、無形資產及流動資產。分部負債包括各個別分部活動應佔之貿易及其他應付款項、預收款項、撥備及即期稅項負債以及分部直接管理之借貸。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 營業額及分部資料(續)

(b) Segment information (Continued) *Segment results, assets and liabilities (Continued)*

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment results represent the earnings and loss of each segment without allocation of valuation gain/loss on investment property, other income, central administration costs, finance costs and income tax. This is the measure reported to the Executive Directors for the purposes of resource allocation and assessment of segment performance.

In addition to receiving segment information concerning segment results, the Executive Directors are provided with segment information concerning revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation and amortisation, loss/gain on disposal of property, plant and equipment, write down of development and formation costs and inventories, impairment loss on goodwill, impairment loss on prepayments, impairment loss on property, plant and equipment, impairment loss on other receivables, prepayments written off, provision for future costs of delivering funeral services under funeral services deeds, net realised and unrealised gain/loss on financial assets designated as at fair value through profit or loss, income tax expenses, and additions to non-current segment assets used by the segments in their operations.

(b) 分部資料(續) *分部業績、資產及負債(續)*

營業額及開支乃參考該等分部產生之銷售及該等分部產生之開支或按照該等分部應佔資產折舊或攤銷所產生之其他開支而分配至可報告分部。

分部業績指各分部所產生之盈利及虧損，但未分配投資物業之估值收益／虧損、其他收入、中央行政成本、融資成本及所得稅。此乃就資源分配及評估分部表現向執行董事匯報之方式。

除獲得有關分部業績之分部資料外，執行董事亦獲提供有關營業額、來自各分部直接管理之現金結餘及借貸之利息收入及開支、折舊及攤銷、出售物業、廠房及設備之虧損／收益、撇減開發及成立成本及存貨、商譽減值虧損、預付款項減值虧損、物業、廠房及設備之減值虧損其他應收款項之減值虧損、預付款項撇銷、根據殯儀服務契約提供殯儀服務之未來成本撥備、指定為按公平值計入損益之財務資產之已變現及未變現收益／虧損淨額、所得稅開支及各分部用於其營運之非流動分部資產添置之分部資料。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 營業額及分部資料(續)

(b) Segment information (Continued) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Executive Directors for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2017 and 2016 is set out below:

(b) 分部資料(續) 分部業績、資產及負債 (續)

有關就截至二零一七年及二零一六年十二月三十一日止年度之資源分配及評估分部表現向執行董事提供之可報告分部之資料載列如下：

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度						
		Funeral services 殯儀服務			Elderly care and related consultancy services 護老及相關諮詢服務			
		Taiwan 台灣	Hong Kong 香港	PRC 中國	Vietnam 越南	Taiwan 台灣	Total 總計	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Reportable segment revenue - Revenue from external customers	可報告分部營業額 - 來自外界客戶營業額	2,175	1,012	56,933	462	127	60,709	
Reportable segment (loss)/profit	可報告分部(虧損)/溢利	(8,808)	(102)	4,602	(6,876)	(1,846)	(13,030)	
Interest income	利息收入	37	-	648	-	-	685	
Interest expenses	利息開支	197	-	-	-	-	197	
Depreciation and amortisation for the year	本年度折舊及攤銷	208	6	3,996	242	1,234	5,686	
Write down of development and formation costs and inventories	撇減開發及成立成本及存貨	-	-	-	1,947	-	1,947	
Impairment loss on property, plant and equipment	物業、廠房及設備之減值	-	-	-	401	-	401	
Impairment loss on prepayments	預付款項減值虧損	-	-	-	2,793	-	2,793	
Impairment loss on other receivables	其他應收款項減值虧損	-	-	4,359	-	-	4,359	
Prepayments written off	預付款項撇銷	7,220	-	-	-	-	7,220	
Net realised and unrealised gain on financial assets designated as at fair value through profit or loss	指定為按公平值計入損益之財務資產之已變現及未變現收益淨額	697	-	-	-	-	697	
Income tax expenses	所得稅開支	-	-	1,513	-	-	1,513	
Reportable segment assets	可報告分部資產	140,421	696	35,506	18,815	8,515	203,953	
Additions to non-current segment assets during the year	於年內添置非流動分部資產	71	-	968	-	286	1,325	
Reportable segment liabilities	可報告分部負債	103,958	754	10,560	2,632	772	118,676	

There are no inter-segment sales during the year (2016: Nil).

本年度概無分部間銷售(二零一六年：無)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. REVENUE AND SEGMENT INFORMATION 4. 營業額及分部資料(續) (Continued)

(b) Segment information (Continued)
Segment results, assets and liabilities
(Continued)

(b) 分部資料(續)
分部業績、資產及負債
(續)

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度					
		Funeral services 殯儀服務				Elderly care and related consultancy services 護老及相關 諮詢服務	Total
		Taiwan 台灣 RMB'000 人民幣千元	Hong Kong 香港 RMB'000 人民幣千元	PRC 中國 RMB'000 人民幣千元	Vietnam 越南 RMB'000 人民幣千元	Taiwan 台灣 RMB'000 人民幣千元	RMB'000 人民幣千元
Reportable segment revenue	可報告分部營業額						
- Revenue from external customers	- 來自外界客戶營業額	1,985	741	53,195	516	905	57,342
Reportable segment (loss)/profit	可報告分部(虧損)/溢利	(6,795)	(402)	8,086	(15,122)	(15,862)	(30,095)
Interest income	利息收入	40	-	867	1	-	908
Interest expenses	利息開支	184	-	-	-	-	184
Depreciation and amortisation for the year	本年度折舊及攤銷	193	2	4,071	374	488	5,128
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之 收益	-	-	3	-	-	3
Write down of development and formation costs and inventories	撇減開發及成立成本及 存貨	-	-	-	9,015	-	9,015
Impairment loss on goodwill	商譽減值虧損	-	-	-	-	15,129	15,129
Impairment loss on prepayments	預付款項減值虧損	-	-	-	5,052	-	5,052
Prepayments written off	預付款項撇銷	4,171	94	-	-	-	4,265
Provision for future costs of delivering funeral services under funeral services deeds	根據殯儀服務契約提供殯 儀服務之未來成本撥備	1,107	-	-	-	-	1,107
Net realised and unrealised gain on financial assets designated as at fair value through profit or loss	指定為按公平值計入損益 之財務資產之已變現及 未變現收益淨額	1,577	-	-	-	-	1,577
Income tax expenses	所得稅開支	-	-	1,727	-	-	1,727
Reportable segment assets	可報告分部資產	164,837	591	49,832	26,123	9,335	250,718
Additions to non-current segment assets during the year	於年內添置非流動分部 資產	-	33	2,669	49	22,683	25,434
Reportable segment liabilities	可報告分部負債	105,511	815	8,694	2,635	671	118,326

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 營業額及分部資料(續)

(b) Segment information (Continued)

Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other items

(b) 分部資料(續)

可報告分部營業額、損益、資產、負債及其他項目之對賬

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	營業額		
Total reportable segment revenue and consolidated revenue	可報告分部營業額總額及綜合營業額	60,709	57,342
Profit or loss	損益		
Total reportable segment loss derived from Group's external customers	本集團外部客戶產生之可報告分部虧損總額	(13,030)	(30,095)
Valuation gains on investment property	重估投資物業收益	237	-
Other income	其他收入	741	6,760
Finance costs	融資成本	(197)	(184)
Unallocated head office and corporate expenses	未分配總部及公司開支		
- Depreciation and amortisation	- 折舊及攤銷	(52)	(176)
- Auditors' remuneration	- 核數師酬金	(1,040)	(857)
- Legal and professional fee	- 法律及專業費用	(721)	(575)
- Staff cost (including directors' remuneration)	- 員工成本(包括董事酬金)	(4,639)	(7,136)
- Operating lease charges: minimum lease payments	- 經營租賃支出: 最低租賃付款額	(270)	(49)
- Others	- 其他	(310)	(587)
Consolidated loss before taxation	綜合除稅前虧損	(19,281)	(32,899)
Assets	資產		
Total reportable segment assets	可報告分部資產總值	203,953	250,718
Unallocated head office and corporate assets	未分配總部及公司資產		
- Cash and cash equivalents	- 現金及現金等價物	28,281	1,556
- Other deposits and prepayments	- 其他按金及預付款項	96	225
- Property, plant and equipment	- 物業、廠房及設備	-	53
- Others	- 其他	1	18
Consolidated total assets	綜合資產總值	232,331	252,570

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. REVENUE AND SEGMENT INFORMATION 4. 營業額及分部資料(續) (Continued)

(b) Segment information (Continued)

Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other items (Continued)

(b) 分部資料(續)

可報告分部營業額、損益、資產、負債及其他項目之對賬(續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Liabilities	負債		
Total reportable segment liabilities	可報告分部負債總額	118,676	118,326
Unallocated head office and corporate liabilities	未分配總部及公司負債	1,566	1,626
Consolidated total liabilities	綜合負債總額	120,242	119,952
Other items	其他項目		
Interest income	利息收入		
Reportable segment total	可報告分部總額	685	908
Unallocated head office and corporate total	未分配總部及公司總額	1	6
Consolidated total	綜合總額	686	914
Depreciation and amortisation	折舊及攤銷		
Reportable segment total	可報告分部總額	5,686	5,128
Unallocated head office and corporate total	未分配總部及公司總額	52	176
Consolidated total	綜合總額	5,738	5,304

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued) 4. 營業額及分部資料(續)

(b) Segment information (Continued)

Geographical information

The following is an analysis of geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, investment property, prepaid lease payments, intangible assets, goodwill, deposits for hire of funeral parlours and funeral services centres and other rental deposit. The geographical location of customers refers to the location at which the services were provided or the goods delivered. The geographical locations of property, plant and equipment, investment property, prepaid lease payments, deposits for hire of funeral parlours and funeral services centres and other rental deposit are based on the physical location of the assets under consideration. In the case of intangible assets and goodwill, it is based on the location of the operation to these intangible assets are allocated.

(b) 分部資料(續)

地區資料

以下乃有關(i)本集團來自外界客戶之營業額；及(ii)本集團之物業、廠房及設備、投資物業、預付租賃款項、無形資產、商譽、租用殯儀館及殯儀服務中心之按金及其他租賃按金之地區資料分析。客戶之所在地區乃指提供服務或送交貨品之地區。物業、廠房及設備、投資物業、預付租賃款項、租用殯儀館及殯儀服務中心之按金及其他租賃按金之所在地區以相關資產所處實際位置為基準。倘為無形資產及商譽，則以獲分配該等無形資產之業務所在地為基準。

		Revenue from external customers		Non-current assets	
		來自外界客戶營業額		非流動資產	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		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
The PRC (place of domicile)	中國(註冊地點)	56,933	53,195	11,935	15,452
Taiwan	台灣	2,302	2,890	36,064	36,274
Hong Kong	香港	1,012	741	5	86
Vietnam	越南	462	516	-	879
		3,776	4,147	36,069	37,239
		60,709	57,342	48,004	52,691

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. REVENUE AND SEGMENT INFORMATION 4. 營業額及分部資料(續) (Continued)

(b) Segment information (Continued)

Revenue from major products and services

(b) 分部資料(續)

主要產品及服務營業額

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Funeral services and cremation services provided in funeral parlours and funeral service centres under the Group's management	本集團管理之殯儀館及殯儀服務中心提供之殯儀服務火化服務	55,641	52,386
Funeral arrangement services	殯儀安排服務	3,187	2,643
Funeral related consultancy services	殯儀相關諮詢服務	1,292	892
Sale of burial plots	銷售墓地	334	425
Sale of tombstones	銷售墓碑	128	90
Cemetery maintenance services	墓園修繕服務	-	1
Elderly care and related consultancy services	護老及相關諮詢服務	127	905
		60,709	57,342

Information about major customers

For the years ended 31 December 2017 and 2016, revenue from any single external customer does not amount to 10% or more of the Group's revenue.

主要客戶資料

截至二零一七年及二零一六年十二月三十一日止年度，概無來自任何單一外部客戶之營業額佔本集團營業額10%或以上。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



5. OTHER INCOME

5. 其他收入

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款之利息收入	686	914
Total interest income on financial assets not at fair value through profit or loss	並非按公平值計入損益之金融資產之利息收入總額	686	914
Sundry income	雜項收入	82	210
Rental income from investment property	投資物業之租金收入	320	225
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	3
(Deficit)/surplus on revaluation of land and buildings held for own use	持作自用之土地及樓宇之重估(虧損)/盈餘	(275)	338
Net exchange (loss)/gain	匯兌(虧損)/收益淨額	(824)	3,476
Net gain on terminated and lapsed funeral services deeds	已終止及失效之殯儀服務契約收益淨額	55	17
Net realised and unrealised gain on financial assets designated as at fair value through profit or loss	指定為按公平值計入損益之財務資產之已變現及未變現收益淨額	697	1,577
		741	6,760

6. LOSS BEFORE TAXATION

6. 除稅前虧損

Loss before taxation is arrived at after charging/(crediting) the followings:

除稅前虧損乃經扣除/(計入)下列項目後釐定:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
(a) Finance costs	(a) 融資成本		
Interest on bank borrowings	銀行借貸之利息	197	184
Total interest expenses on financial liabilities not at fair value through profit or loss	並非以公平值計入損益之金融負債利息開支總額	197	184
(b) Staff costs (including directors' emoluments)	(b) 員工成本(包括董事薪酬)		
Salaries, wages and other benefits	薪金、工資及其他福利	17,155	18,509
Contributions to defined contribution retirement plans	定額供款退休計劃供款	2,333	2,256
		19,488	20,765

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. LOSS BEFORE TAXATION (Continued) 6. 除稅前虧損(續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
(c) Other items	(c) 其他項目		
Amortisation of intangible assets	無形資產攤銷	760	505
Amortisation of prepaid lease payments	預付租賃款項攤銷	67	82
Auditors' remuneration – audit services	核數師酬金 – 審計服務	1,040	857
Cost of inventories (note (i))	存貨成本 (附註(i))	10,629	16,687
Gross rental income from investment property less direct outgoing of RMB nil (2016: RMB nil)	投資物業租金收入總額減直接開支人民幣零元 (二零一六年: 人民幣零元)	(320)	(225)
Depreciation	折舊	4,911	4,717
Operating lease charges for property, plant and equipment: minimum lease payments	物業、廠房及設備經營租賃支出: 最低租賃付款額		
– rented premises	– 租用物業	408	350
– hire of equipment	– 租用設備	7	21
– hire of funeral parlours and funeral service centres	– 租用殯儀館及殯儀服務中心	8,046	7,938
Operating lease charges: contingent rents	經營租賃支出: 或然租金		
– hire of funeral parlours and funeral service centres	– 租用殯儀館及殯儀服務中心	616	550
Impairment loss on other receivables*	其他應收款減值虧損*	4,359	–
Impairment loss on property, plant and equipment*	物業、廠房及設備之減值虧損*	401	–
Impairment loss on goodwill	商譽減值虧損	–	15,129
Impairment loss on prepayments*	預付款項減值虧損*	2,793	5,052
Prepayments written off (note (ii))*	預付款項撇銷 (附註(ii))*	7,220	4,265
Provision for future costs of delivering funeral services under funeral service deeds*	根據殯儀服務契約提供殯儀服務之未來成本撥備*	–	1,107

* Included in "other operating expense" of the consolidated statement of profit or loss and other comprehensive income.

* 包括在綜合損益表及其他全面收益表中的「其他經營開支」。

Note (i):

附註(i):

Included in the cost of inventories there is a write-down of development and formation costs and inventories of RMB1,702,000 (2016: RMB7,886,000) and RMB245,000 (2016: RMB1,129,000), respectively.

存貨成本中包括撇減開發及成立成本及存貨分別人民幣1,702,000元(二零一六年: 人民幣7,886,000元)及人民幣245,000元(二零一六年: 人民幣1,129,000元)。

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. LOSS BEFORE TAXATION (Continued)

Note (ii):

During the year ended 31 December 2017, prepaid commission to agents of the Group amounting to approximately RMB7,220,000 (2016: RMB4,265,000) were written off because the agents went into bankruptcy or the Group lost the contact of the agents and accordingly the Group can no longer enjoy the agency services nor have the refund from the agents.

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

6. 除稅前虧損(續)

附註(ii):

截至二零一七年十二月三十一日止年度，約人民幣7,220,000元(二零一六年：人民幣4,265,000元)之本集團預付中介佣金已撇銷。原因為該中介已破產或本集團與代理商失去聯絡而本集團因此無法再享有中介服務亦無法從中介取得退款。

7. 綜合損益表之所得稅

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax (note (c))	中國企業所得稅 (附註(c))		
Current period	本期間	1,513	1,727
Total	總計	1,513	1,727

Notes:

- (a) No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for both years.
- (b) The Group is not subject to any taxation under the jurisdiction of the Cayman Islands, Samoa and the British Virgin Islands ("BVI") for both years.
- (c) The subsidiaries operating in the PRC are subject to Enterprise Income Tax rate at 25% (2016: 25%) in accordance with the Law of the People's Republic of China on Enterprises Income Tax (中華人民共和國企業所得稅法) except that Chongqing Xizhou Funeral Service Company Limited ("Chongqing Xizhou"), an indirect wholly-owned subsidiary of the Company, is entitled to a preferential tax rate of 15% (2016: 15%) in accordance with 西部大開發企業所得稅優惠, which is applied to Chongqing Xizhou since January 2011 and, provided that the conditions precedent to entitlement of preferential tax rate are fulfilled by Chongqing Xizhou in each of subsequent years, the preferential tax rate can be applied to Chongqing Xizhou up to December 2020. For the year ended 31 December 2017, Chongqing Xizhou is subject to enterprise income tax rate at 15% (2016: 15%).

附註：

- (a) 由於本集團於兩個年度概無在香港產生任何應課稅溢利，故並無作出香港利得稅撥備。
- (b) 本集團於兩個年度均毋須繳納開曼群島、薩摩亞及英屬處女群島(「英屬處女群島」)司法權區之任何稅項。
- (c) 於中國經營之附屬公司須根據中華人民共和國企業所得稅法按25%(二零一六年：25%)之企業所得稅率納稅，惟本公司之間接全資附屬公司重慶錫周殯葬服務有限公司(「重慶錫周」)可根據西部大開發企業所得稅優惠按15%(二零一六年：15%)之優惠稅率納稅，而有關優惠稅率自二零一一年一月起適用於重慶錫周，而倘重慶錫周於其後各年度達成享有優惠稅率之先決條件，則重慶錫周可一直應用優惠稅率至二零二零年十二月。於截至二零一七年十二月三十一日止年度，重慶錫周須按15%(二零一六年：15%)之企業所得稅率納稅。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

7. 綜合損益表之所得稅(續)

Notes: (Continued)

附註：(續)

- (d) Bau Shan Life Science Technology Co., Ltd. ("Bau Shan"), a direct subsidiary of the Company, Bao De Life Enterprise Co., Ltd. ("Bau De") and Bu Lao Lin Limited ("BLL"), both of which are indirect subsidiaries of the Company, are subject to Taiwan Enterprise Income Tax at 17% (2016: 17%) on taxable profits determined in accordance with the Income Tax Act and other relevant laws in Taiwan. No provision for Taiwan Enterprise Income Tax has been made as Bau Shan has accumulated tax losses brought forward which exceed the estimated assessable profits for the year, and Bau De and BLL have no assessable profits for both years.
- (e) Bao Son Life Company Limited ("Bao Son Life") and Hoan Loc Viet Duc Hoa Corporation ("HLV Duc Hoa"), indirect non-wholly-owned subsidiaries of the Company, are subject to Vietnam Corporate Income Tax at 20% (2016: 20%) on taxable profits determined in accordance with the relevant laws and regulations in Vietnam. No provision for Vietnam Corporate Income Tax has been made as Bao Son Life and HLV Duc Hoa have no assessable profits for both years.

- (d) 本公司直接附屬公司寶山生命科技股份有限公司(「寶山」)及本公司兩間間接附屬公司寶德生命事業股份有限公司(「寶德」)及不老林有限公司(「不老林」)須根據台灣所得稅法及其他相關法律，按應課稅溢利的17%(二零一六年：17%)繳納台灣企業所得稅。由於寶山兩個年度承前的累計稅項虧損超逾預計應課稅溢利，且寶德及不老林於本年度均無應課稅溢利，故並無為台灣企業所得稅作出撥備。
- (e) 本公司之間接非全資擁有附屬公司寶山生命責任有限公司(「寶山生命」)及Hoan Loc Viet Duc Hoa Corporation(「HLV Duc Hoa」)須就根據越南相關法律及法規釐定之應課稅溢利按20%(二零一六年：20%)之稅率繳納越南企業所得稅。由於寶山生命及HLV Duc Hoa於兩個年度均無應課稅溢利，故概無就越南企業所得稅作出撥備。

Reconciliation between tax expense and accounting loss at applicable tax rates:

按適用稅率計算之稅務開支及會計虧損之對賬：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Loss before taxation	除稅前虧損	(19,281)	(32,899)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the tax jurisdictions concerned	按相關稅務司法權區適用稅率就除稅前虧損計算之理論稅項	(3,464)	(5,923)
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	8,189	4,164
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(3,693)	(3,828)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	731	10,865
Tax effect of utilisation of unused tax losses not recognised in prior years	動用過往年度未確認未動用之稅項虧損之稅務影響	(198)	(770)
Tax effect on temporary difference not recognised	未確認臨時差額之稅務影響	-	(2,800)
Others	其他	(52)	19
Actual tax expense	實際稅項開支	1,513	1,727

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

8. 董事薪酬

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部規定須予披露之董事薪酬如下：

Name of directors	董事姓名	Notes 附註	2017 二零一七年				Total 總計 RMB'000 人民幣千元
			Fees 袍金 RMB'000 人民幣千元	Salaries and allowances 薪金及津貼 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	
<i>Executive directors</i>							
	<i>執行董事</i>						
Mr. Liu Tien-Tsai	劉添財先生		1,653	1,034	15	-	2,702
Mr. Kim Eun Back	金彥博先生	(ii)	150	116	23	-	289
Mr. Xu Jianchun	許建春先生	(i)	36	-	-	-	36
<i>Independent non-executive directors</i>							
	<i>獨立非執行董事</i>						
Mr. Chai Chung Wai	齊忠偉先生		61	-	-	-	61
Mr. Ching Clement Yat-biu	程一彪先生	(iii)	61	-	-	-	61
Mr. Lee Koon Hung	李冠洪先生		61	-	-	-	61
Mr. Sun Fei	孫飛先生	(iv)	-	-	-	-	-
			2,022	1,150	38	-	3,210

Name of directors	董事姓名	Fees	2016 二零一六年				Total 總計 RMB'000 人民幣千元
			Salaries and allowances 薪金及津貼 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元		
<i>Executive directors</i>							
	<i>執行董事</i>						
Mr. Liu Tien-Tsai	劉添財先生	1,029	4,120	24	-	5,173	
Mr. Kim Eun Back	金彥博先生	203	55	12	-	270	
<i>Independent non-executive directors</i>							
	<i>獨立非執行董事</i>						
Mr. Chai Chung Wai	齊忠偉先生	60	-	-	-	60	
Mr. Ching Clement Yat-biu	程一彪先生	60	-	-	-	60	
Mr. Lee Koon Hung	李冠洪先生	60	-	-	-	60	
		1,412	4,175	36	-	5,623	

Notes:

- (i) Appointed on 22 December 2017
- (ii) Resigned on 22 December 2017
- (iii) Resigned on 23 January 2018
- (iv) Appointed on 23 January 2018

附註：

- (i) 於2017年12月22日獲委任
- (ii) 於2017年12月22日辭職
- (iii) 於2018年1月23日辭職
- (iv) 於2018年1月23日獲委任

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS (Continued) 8. 董事薪酬(續)

No directors of the Company waived any emoluments and no emoluments were paid or payable by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

於兩個年度，本公司概無董事放棄任何薪酬，本集團亦概無向任何董事支付或應付薪酬作為加入或於加入本集團時之獎勵，或作為離職賠償。

As at 31 December 2017 and 2016, the director held share options under the Company's share option scheme. The details of the share options are disclosed in note 38.

於二零一七年及二零一六年十二月三十一日，董事持有本公司購股權計劃項下的購股權。購股權之詳情於附註38披露。

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS 9. 最高薪人士

Of the five individuals with the highest emoluments, two (2016: two) are directors of the Company whose emoluments are disclosed in note 8. The aggregate of the emoluments of the remaining three (2016: three) individuals are as follows:

五名最高薪人士包括兩名(二零一六年：兩名)本公司董事，其薪酬於附註8披露。其餘三名(二零一六年：三名)最高薪人士之薪酬總額如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries, allowances and other benefits	薪金、津貼及其他福利	1,465	1,329
Discretionary bonuses	酌情花紅	92	62
Contributions to retirement benefit scheme	退休福利計劃供款	30	27
		1,587	1,418

The emoluments of the three (2016: three) individuals with the highest emoluments are within the following band:

三名(二零一六年：三名)最高薪人士之薪酬介乎下列範圍：

		2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
Nil to HK\$1,000,000 (equivalent to RMB866,700 (2016: RMB857,400))	零至1,000,000港元(相當於人民幣866,700元(二零一六年：人民幣857,400元))	3	3

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

No emoluments were paid or payable by the Group to any of the three (2016: three) highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

10. OTHER COMPREHENSIVE INCOME

There was no tax effect on each component of the other comprehensive income for both years.

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of RMB19,334,000 (2016: RMB31,520,000) and the weighted average number of 742,500,000 ordinary shares (2016: 742,500,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2017 and 2016 as the impact of the share options had anti-dilutive effect on the basic loss per share amounts presented. Therefore, the calculation of the diluted loss per share is based on the loss attributable to owners of the Company of RMB19,334,000 (2016: RMB31,520,000) and the weighted average number of 742,500,000 ordinary shares (2016: 742,500,000 ordinary shares) in issue during the year.

12. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2017 (2016: RMB Nil).

9. 最高薪人士(續)

於兩個年度內，本集團概無向任何三名(二零一六年：三名)最高薪人士支付或須向彼等支付薪酬作為加入或於加入本集團時之獎勵，或作為離職賠償。

10. 其他全面收入

於兩個年度內，各分部並無因其他全面收益受到稅務影響。

11. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司擁有人應佔虧損人民幣19,334,000元(二零一六年：人民幣31,520,000元)及年內已發行普通股加權平均數742,500,000股(二零一六年：742,500,000股普通股)計算。

(b) 每股攤薄虧損

截至二零一七年及二零一六年十二月三十一日止年度，所呈列之每股基本虧損金額並無作出調整，因為購股權之影響對所呈列之每股基本虧損金額具反攤薄效應。因此，每股攤薄虧損乃根據本公司擁有人應佔虧損人民幣19,334,000元(二零一六年：人民幣31,520,000元)及年內已發行普通股加權平均數742,500,000股(二零一六年：742,500,000股普通股)計算。

12. 股息

董事不建議就截至二零一七年十二月三十一日止年度派付任何股息(二零一六年：無)。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

13. RETIREMENT BENEFITS SCHEMES

Employees of the Group's PRC and Vietnam subsidiaries are required to participate in a defined contribution retirement benefit scheme administrated and operated by the local municipal government. The Group's PRC and Vietnam subsidiaries are required to make contributions to scheme based on certain percentage of the relevant portion of the payroll of all qualifying employees in accordance with the relevant regulations in the PRC and Vietnam respectively. The contributions are charged to the consolidated statement of profit or loss.

The Group is also required to participate in defined contribution retirement benefit schemes administered and operated by Bureau of Labour Insurance of Taiwan for employees employed in Taiwan. Under the scheme, the employers are required to make contributions to the scheme at 6% of the employees' relevant income. Contributions to the schemes vest immediately.

The Group has arranged its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan managed by independent trustees. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' earning as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary. Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of retirement benefits associated with the retirement benefit schemes beyond the contribution described above.

13. 退休福利計劃

本集團中國及越南附屬公司之僱員須參與由地方市政府管理及經營之定額供款退休福利計劃。本集團之中國及越南附屬公司須分別根據中國及越南相關條例，按全部合資格僱員薪酬相關部分之若干百分比對計劃作出供款。該等供款從綜合損益表中扣除。

本集團亦須就於台灣僱用之僱員參與由台灣勞工保險局管理及經營之定額供款退休福利計劃。根據計劃，僱主須按僱員相關收入之6%向計劃作出供款。計劃供款即時歸屬。

本集團已按照香港僱傭條例之司法權限根據香港強制性公積金計劃條例安排其所僱用之香港僱員加入強制性公積金計劃(「強積金計劃」)。強積金計劃為定額供款退休計劃，由獨立信託人管理。根據強積金計劃，強制性公積金計劃條例規定本集團(僱主)及其僱員每月須各自按僱員收入之5%向該計劃作出供款。僱主及僱員每月供款以1,500港元為上限，另可作自願供款。計劃供款即時歸屬。

除上述供款外，本集團並無任何其他與上述退休福利計劃相關之退休福利付款之重大責任。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

(a)

(a)

		Land and buildings held for own use carried at fair value 持作自用並按公平值列賬之土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost or valuation	成本或估值						
At 1 January 2016	於二零一六年一月一日	22,732	10,532	10,961	5,400	2,065	51,690
Effect of foreign currency exchange differences	外幣匯兌差異之影響	1,877	169	162	115	49	2,372
Additions	添置	-	1,027	389	-	-	1,416
Acquisition through business combination (Note 39)	通過業務合併收購(附註39)	1,468	-	196	-	323	1,987
Construction expenditure capitalised	撥作資本之工程開支	-	-	-	-	3,580	3,580
Transfers	轉撥	-	2,840	591	-	(3,431)	-
Disposals	出售	-	(11)	-	(48)	-	(59)
Surplus on revaluation	重估盈餘	491	-	-	-	-	491
Less: Elimination of accumulated depreciation	減: 累計折舊對銷	(191)	-	-	-	-	(191)
At 31 December 2016	於二零一六年十二月三十一日	26,377	14,557	12,299	5,467	2,586	61,286
Representing:	即:						
Cost	成本	-	14,557	12,299	5,467	2,586	34,909
Valuation - 2016	二零一六年估值	26,377	-	-	-	-	26,377
		26,377	14,557	12,299	5,467	2,586	61,286
At 1 January 2017	於二零一七年一月一日	26,377	14,557	12,299	5,467	2,586	61,286
Effect of foreign currency exchange differences	外幣匯兌差異之影響	415	26	(66)	(115)	14	274
Additions	添置	-	124	760	71	-	955
Construction expenditure capitalised	撥作資本之工程開支	-	-	-	-	370	370
Transfers	轉撥	-	1,045	1,625	-	(2,670)	-
Transfer to investment property (Note 16)	轉讓至投資物業(附註16)	(380)	-	-	-	-	(380)
Disposals	出售	-	-	(1)	(48)	-	(49)
Deficit on revaluation	重估虧絀	(32)	-	-	-	-	(32)
Less: Elimination of accumulated depreciation	減: 累計折舊對銷	(191)	-	-	-	-	(191)
At 31 December 2017	於二零一七年十二月三十一日	26,189	15,752	14,617	5,375	300	62,233
Representing:	即:						
Cost	成本	-	15,752	14,617	5,375	300	36,044
Valuation - 2017	二零一七年估值	26,189	-	-	-	-	26,189
		26,189	15,752	14,617	5,375	300	62,233

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備(續) (Continued)

(a) (Continued)

(a) (續)

		Land and buildings held for own use carried at fair value 持作自用並按公平值列賬之土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Accumulated depreciation and impairment loss	累計折舊及減值虧損						
At 1 January 2016	於二零一六年一月一日	-	7,990	6,567	3,382	-	17,939
Effect of foreign currency exchange differences	外幣匯兌差異之影響	7	99	106	75	-	287
Charge for the year	年內支出	184	1,739	2,056	738	-	4,717
Elimination on disposals	出售時對銷	-	(11)	-	(47)	-	(58)
Elimination on revaluation	重估時對銷	(191)	-	-	-	-	(191)
At 31 December 2016	於二零一六年十二月三十一日	-	9,817	8,729	4,148	-	22,694
At 1 January 2017	於二零一七年一月一日	-	9,817	8,729	4,148	-	22,694
Effect of foreign currency exchange differences	外幣匯兌差異之影響	(2)	(24)	(73)	(108)	-	(207)
Charge for the year	年內支出	193	2,065	2,132	521	-	4,911
Impairment loss	減值虧損	-	-	117	284	-	401
Elimination on disposals	出售時對銷	-	-	(1)	(44)	-	(45)
Elimination on revaluation	重估時對銷	(191)	-	-	-	-	(191)
At 31 December 2017	於二零一七年十二月三十一日	-	11,858	10,904	4,801	-	27,563
Carrying amounts	賬面值						
At 31 December 2017	於二零一七年十二月三十一日	26,189	3,894	3,713	574	300	34,670
At 31 December 2016	於二零一六年十二月三十一日	26,377	4,740	3,570	1,319	2,586	38,592

(b) Had the revalued land and buildings held for own use been carried at cost less accumulated depreciation, the carrying amounts would have been:

(b) 倘持作自用之經重估土地及樓宇乃以成本減累計折舊列賬，賬面值將如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Land and buildings	土地及樓宇	21,949	22,027

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT (Continued) 14. 物業、廠房及設備(續)

(c) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs, that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

(c) 物業之公平值計量

(i) 公平值層級

下表呈列於報告期末按經常性基準計量的本集團物業的公平值，歸類為香港財務報告準則第13號公平值計量定義的三級公平值層級。公平值計量歸類的層級經參考估值技術中使用的輸入值的可觀察性及重要性釐定如下：

- 第一層估值：只以第一層輸入值計量公平值，即相同資產或負債於計量日在活躍市場的未調整報價
- 第二層估值：以第二層輸入值(而非重要之不可觀察輸入值)計量公平值，即其輸入值之可觀察性並未如第一層輸入值。不可觀察輸入值為並無市場數據可作參考之輸入值

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備(續) (Continued)

(c) Fair value measurement of properties
(Continued)

(i) Fair value hierarchy (Continued)

- Level 3 valuations: Fair value measured using significant unobservable inputs

(c) 物業之公平值計量(續)

(i) 公平值層級(續)

- 第三層估值：以重要的不可觀察輸入值計量公平值

		Fair value at	Fair value measurements as at		
		31 December	Level 1	Level 2	Level 3
		2017	31 December 2017 categorised into		
		於二零一七年	於二零一七年十二月三十一日		
		十二月三十一日	之公平值計量歸類為		
		之公平值	第一層	第二層	第三層
		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
Recurring fair value measurement	經常性公平值計量				
Freehold land and buildings – Taiwan	永久業權土地及樓宇 – 台灣	24,780	-	-	24,780
Buildings – The PRC	樓宇 – 中國	1,409	-	-	1,409
		26,189	-	-	26,189

		Fair value at	Fair value measurements as at		
		31 December	Level 1	Level 2	Level 3
		2016	31 December 2016 categorised into		
		於二零一六年	於二零一六年十二月三十一日		
		十二月三十一日	之公平值計量歸類為		
		之公平值	第一層	第二層	第三層
		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
Recurring fair value measurement	經常性公平值計量				
Freehold land and buildings – Taiwan	永久業權土地及樓宇 – 台灣	24,277	-	-	24,277
Buildings – The PRC	樓宇 – 中國	2,100	-	-	2,100
		26,377	-	-	26,377

During the years ended 31 December 2017 and 2016, there were no transfers between Level 1 and Level 2, and Level 3. The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of event or change in circumstances that caused the transfer.

於截至二零一七年及二零一六年十二月三十一日止年度，第一層、第二層及第三層之間並無轉換。本集團之政策為於事件日期或導致轉換發生之情況出現變動時，確認公平值層級的轉入及轉出。



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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT (Continued) 14. 物業、廠房及設備(續)

(c) Fair value measurement of properties (Continued)

(i) Fair value hierarchy (Continued)

All of the Group's freehold land and buildings held for own use were revalued as at 31 December 2017. The valuations were carried out by APAC Asset Valuation and Consulting Limited, for the years ended 31 December 2017 and 2016, an independent firm of chartered surveyors with recent experience in the location and category of properties being valued. The Group's directors have discussed with the surveyors on the valuation assumptions and valuation results when the valuation are performed at each interim and annual reporting date.

(c) 物業之公平值計量(續)

(i) 公平值層級(續)

於二零一七年十二月三十一日，所有本集團持作自用之永久業權土地及樓宇均已重估。於截至二零一七年及二零一六年十二月三十一日止年度，估值由對上述估物業所在地及物業類別有近期估值經驗獨立特許測量師亞太資產評估顧問有限公司進行，在各個中期及年度報告日期進行估值時，本集團董事已與測量師討論估值假設及估值結果。

	Valuation techniques 估值技術	Unobservable input 不可觀察輸入值	Range 範圍 2017 二零一七年	Range 範圍 2016 二零一六年
Freehold land and buildings – Taiwan 永久業權土地及樓宇 – 台灣	Direct comparison approach 直接比較法	Property-specific adjusting rate 物業指定調整率	(20%) to 24% (20%)至24%	(20%) to 20% (20%)至20%
Buildings – The PRC 樓宇 – 中國	Direct comparison approach 直接比較法	Property-specific adjusting rate 物業指定調整率	(5%) to 10% (5%)至10%	(5%) to 10% (5%)至10%

The fair value of properties held for own use located in Taiwan and the PRC is determined using direct comparison approach by reference to the market price of comparable properties and adjusted for building quality, location of the properties and timing of the reference transactions.

於台灣及中國持作自用之物業之公平值乃使用直接比較法釐定，已參考可供比較物業之市價，並就參考交易之樓宇質量、物業地點及時間作出調整。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT 14. 物業、廠房及設備(續) (Continued)

(c) Fair value measurement of properties
(Continued)

(ii) Information about Level 3 fair value
measurements (Continued)

The movements during the period in the balances of these Level 3 fair value measurements are as follows:

(c) 物業之公平值計量(續)

(ii) 有關第三層公平值計量
之資料(續)

期內，上述第三層公平值計量結餘變動如下：

		Freehold land and buildings – Taiwan 永久業權 土地及樓宇 – 台灣 RMB'000 人民幣千元	Buildings – The PRC 樓宇 – 中國 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	20,931	1,801	22,732
Acquisition through business combination	通過業務合併收購	1,468	–	1,468
Depreciation charge for the year	本年度折舊開支	(145)	(39)	(184)
Effect of foreign currency exchange differences	外幣匯兌差異的影響	1,870	–	1,870
Surplus on revaluation	重估盈餘			
– recognised in other comprehensive income included in “properties revaluation reserve”	– 於其他全面收益確認， 計入「物業重估儲備」	153	–	153
– recognised in profit or loss included in “other income”	– 於損益確認	–	338	338
At 31 December 2016	於二零一六年十二月三十一日	24,277	2,100	26,377
At 1 January 2017	於二零一七年一月一日	24,277	2,100	26,377
Transfer to investment property	轉撥至投資物業	–	(380)	(380)
Depreciation charge for the year	本年度折舊開支	(157)	(36)	(193)
Effect of foreign currency exchange differences	外幣匯兌差異的影響	417	–	417
Surplus/(deficit) on revaluation	重估盈餘/(虧損)			
– recognised in other comprehensive income, included in “properties revaluation reserve”	– 於其他全面收益確認， 計入「物業重估儲備」	243	–	243
– recognised in profit or loss, included in “other income”	– 於損益確認， 計入「其他收益」	–	(275)	(275)
At 31 December 2017	於二零一七年十二月三十一日	24,780	1,409	26,189

Effect of foreign currency exchange differences of properties held for own use are recognised in other comprehensive income in “foreign currency translation reserve”.

持作自用的物業之外幣匯兌差異的影響於「匯兌儲備」下之其他全面收益確認。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT (Continued) 14. 物業、廠房及設備(續)

- (d) The carrying amount of freehold land and buildings pledged as security for the Group's bank borrowings were RMB18,877,000 (2016: RMB18,472,000) (note 26) as at 31 December 2017.
- (d) 於二零一七年十二月三十一日，已抵押作為本集團銀行借貸抵押品之永久業權土地及樓宇的賬面值為人民幣18,877,000元(二零一六年：人民幣18,472,000元)(附註26)。
- (e) **Impairment loss**
During the year ended 31 December 2017, the directors of the Company conducted a review of the Group's property, plant and equipment and determined that certain of the Group's furniture, fixtures and office equipment and motor vehicles are specially identified to be impaired because the segments for which these assets are used, mainly the Funeral Service – Vietnam, sustained continuing loss and in the opinion of the directors of the Company, these items have no or little commercial value. Accordingly, an impairment loss of RMB401,000 in respect of these furniture, fixtures and office equipment and motor vehicles have been recognised during the year.
- (e) **減值虧損**
截至二零一七年十二月三十一日止年度，本公司董事對本集團之物業、廠房及設備進行審閱，並釐定本集團若干租賃物業裝修、傢俬、裝置、辦公室設備及汽車特別指定為減值，原因為使用該等資產的分部(主要為殯儀服務 – 越南)持續出現虧損，而本公司董事認為，該等租賃物業裝修、傢俬、裝置及辦公室設備項目並無或僅有少量商業價值。因此，於年內已確認有關該等租賃物業裝修、傢俬裝置、辦公室設備及汽車的減值虧損為人民幣401,000元。
- (f) During the year, the Group's freehold land amounting to RMB1,602,000 (2016: RMB1,575,000) was under trust arrangements.
- (f) 於本年度，本集團根據信託安排持有之永久業權土地為人民幣1,602,000元(二零一六年：人民幣1,575,000元)。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

15. PREPAID LEASE PAYMENTS

15. 預付租賃付款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	3,589	3,671
Amortisation charge for the year	本年度攤銷費用	(67)	(82)
Transfer to investment property (note 16)	轉撥至投資物業 (附註16)	(651)	-
At 31 December	於十二月三十一日	2,871	3,589
Analysed for reporting purposes as:	就呈報目的分析為：		
Current assets	流動資產	67	82
Non-current assets	非流動資產	2,804	3,507
		2,871	3,589

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss.

本年度攤銷費用於綜合損益表計入「行政開支」。

16. INVESTMENT PROPERTY

16. 投資物業

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At fair value	按公平值		
At 1 January	於一月一日	4,812	4,438
Transfer from property, plant and equipment (note 14)*	轉撥自物業、廠房及設備(附註14)*	380	-
Transfer from prepaid lease payment (note 15)*	轉撥自預付租賃付款(附註15)*	651	-
Effect of foreign currency exchange differences, included in "foreign currency translation reserve"	外幣匯兌差異的影響 (計入「匯兌儲備」)	82	374
Fair value adjustment to profit or loss	計入損益之公平值調整	237	-
At 31 December	於十二月三十一日	6,162	4,812

* For the year ended 31 December 2017, a property originally held for own use has changed the use to lease out for rental income and for capital appreciation. Consequently, the related portions of property, plant and equipment and prepaid lease payment were transferred to investment property, at the fair value of such property which is approximated to the carrying amounts at the date of change in use.

* 截至二零一七年十二月三十一日止年度，一項本來持作自用的物業的用途已變更為用於出租賺取租金收入及增加資本。因此，物業、廠房及設備以及預付租賃款項的有關部分已轉撥到投資物業，按該物業的公平值(與用途變更日期的賬面值相若)入賬。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

16. INVESTMENT PROPERTY (Continued)

16. 投資物業(續)

Fair value measurement of investment property

投資物業之公平值計量

(i) Fair value hierarchy

(i) 公平值層級

The investment property is measured at Level 3 valuation.

投資物業按第三層估值計量。

During the year ended 31 December 2017, there were no transfers between Level 1, Level 2 and Level 3.

於截至二零一七年十二月三十一日止年度，第一層、第二層及第三層之間並無轉換。

The Group's investment property was revalued as at 31 December 2017. The valuations for the year ended 31 December 2017 and 2016 were carried out by an independent firm of surveyors, APAC Asset Valuation and Consulting Limited, an independent firm of chartered surveyors with recent experience in the location and category of property being valued. The Group's directors have discussed with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

本集團之投資物業於二零一七年十二月三十一日進行重估。於截至二零一七年及二零一六年十二月三十一日止年度，估值由獨立特許測量師亞太資產評估顧問有限公司進行，其對上述估值物業所在地及物業類別有近期估值經驗。在各個中期及年度報告日期進行估值時，本集團董事已與測量師討論估值假設及估值結果。

(ii) Information about Level 3 fair value measurements

(ii) 有關第三層公平值計量之資料

	Valuation techniques 估值技術	Unobservable input 不可觀察輸入值	Range 範圍	
			2017 二零一七年	2016 二零一六年
Freehold land – Taiwan 永久業權土地 – 台灣	Direct comparison approach 直接比較法	Property-specific adjusting rate 物業指定調整率	(20%) to 24% (20%)至24%	(20%) to 20% (20%)至20%
Land and buildings – The PRC 土地及樓宇 – 中國	Direct comparison approach 直接比較法	Property-specific adjusting rate 物業指定調整率	(10%) to (5%) (10%)至(5%)	N/A 不適用

The fair value of investment property is determined using direct comparison approach by reference to the market price of comparable properties and adjusted for location and size of the properties.

投資物業之公平值乃使用直接比較法釐定，已參考可供比較物業之市價，並就物業之所在地及面積作出調整。

(iii) During the year, the Group's investment property amounting to RMB4,895,000 (2016: RMB4,812,000) was held under trust arrangements.

(iii) 於年內，本集團根據信託安排持有之投資物業為人民幣4,895,000元(二零一六年：人民幣4,812,000元)。

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17. INTANGIBLE ASSETS

17. 無形資產

		Trademark 商標 RMB'000 人民幣千元	Computer system 電腦系統 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本			
At 1 January 2016	於二零一六年一月一日	19	–	19
Additions	添置	–	1,698	1,698
Effect of foreign currency exchange differences	外幣匯兌差額之影響	–	52	52
At 31 December 2016 and 1 January 2017	於二零一六年 十二月三十一日及 二零一七年一月一日	19	1,750	1,769
Effect of foreign currency exchange differences	外幣匯兌差額之影響	–	21	21
At 31 December 2017	於二零一七年 十二月三十一日	19	1,771	1,790
Accumulated amortisation	累計攤銷			
At 1 January 2016	於二零一六年一月一日	17	–	17
Charge for the year	本年度攤銷	–	505	505
Effect of foreign currency exchange differences	外幣匯兌差額之影響	–	10	10
At 31 December 2016 and 1 January 2017	於二零一六年 十二月三十一日及 二零一七年一月一日	17	515	532
Charge for the year	本年度攤銷	–	760	760
Effect of foreign currency exchange differences	外幣匯兌差額之影響	–	(1)	(1)
At 31 December 2017	於二零一七年 十二月三十一日	17	1,274	1,291
Carrying value	賬面值			
At 31 December 2017	於二零一七年 十二月三十一日	2	497	499
At 31 December 2016	於二零一六年 十二月三十一日	2	1,235	1,237

The amortisation charge for the year is included in “cost of sales” in the consolidated statement of profit or loss.

本年度攤銷費於綜合損益表內計入「銷售成本」。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

18. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

18. 指定為按公平值計入損益之財務資產

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Mutual funds/unit trusts, at fair value Established in Taiwan (note (i))	互惠基金／單位信託之 公平值 於台灣成立(附註(i))	37,098	38,640

(i) According to the Mortuary Service Administration Act (殯葬管理條例) in Taiwan, which was first promulgated on 17 July 2002 and further amended on 1 July 2003 and 4 July 2007, the Group has to deposit 75% of the gross receipt of each funeral services deed entered into after 31 July 2003 in financial institutions in Taiwan as trust monies.

The trust monies have been invested, in mutual funds and unit trusts in Taiwan, which were managed by fund managers of these financial institutions in Taiwan. The mutual funds and unit trusts comprise a basket of financial assets including local and foreign currencies bank deposits, bonds and equity securities listed in Taiwan and other foreign stock markets.

Financial assets designated as at FVTPL are presented within "operating activities" as part of changes in working capital in the consolidated statement of cash flows. The Group has obtained a net realised and unrealised gain of RMB697,000 for the year ended 31 December 2017 (2016: gain of RMB1,577,000). The net realised and unrealised gain of the above financial assets are recorded in "other income" in the consolidated statement of profit or loss.

The financial assets above offer the Group the opportunity for return through fair value gain. They have no fixed maturity and coupon rate.

The fair value of the above financial assets is based on their current bid prices in an active market.

(i) 根據於二零零二年七月十七日首次頒佈並於二零零三年七月一日及二零零七年七月四日進一步修訂之台灣殯葬管理條例，本集團須於台灣金融機構存放於二零零三年七月三十一日後訂立之各項殯儀服務契約收入總額之75%作為信託金。

信託金已投資於台灣的互惠基金及單位信託有關基金及信託電該等台灣金融機構之基金經理管理。互惠基金與信託單位由一籃子財務資產組成，包括本地及外國貨幣銀行存款、在台灣及其他外國股市上市之債券及股本證券。

指定為按公平值計入損益之財務資產於綜合現金流量表「經營業務」內呈列，作為營運資金變動一部分。截至二零一七年十二月三十一日止年度，本集團獲得人民幣697,000元之已變現及未變現淨收益(二零一六年：收益人民幣1,577,000元)。上述財務資產的已變現及未變現淨收益於綜合損益表的「其他收益」列賬。

上述財務資產為本集團提供透過公平值收益獲取回報之機會。該等財務資產並無固定到期日及票面利率。

上述金融資產的公平值乃基於其於活躍市場的買入價而定。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. GOODWILL

19. 商譽

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost:	成本		
At 1 January	於一月一日	18,051	-
Acquisition of a subsidiary (note 39)	收購一間附屬公司 (附註39)	-	16,731
Effect of foreign currency exchange difference	外幣匯兌差異之影響	207	1,320
At 31 December	於十二月三十一日	18,258	18,051
Accumulated impairment losses:	累計減值虧損：		
At 1 January	於一月一日	15,230	-
Impairment loss	減值虧損	-	15,129
Effect of foreign currency exchange difference	外幣匯兌差異之影響	159	101
At 31 December	於十二月三十一日	15,389	15,230
Carrying amount at 31 December	於十二月三十一日之賬面值	2,869	2,821

As refer to note 39, the Group obtained control of BLL through the acquisition of 100% equity voting interest in BLL which is engaged in provision of elderly care and related consultancy services. The primary reason for the business combination is to enable the Group to develop the business for the golden-ager and further penetrate the elderly care market through (a) provision of nursery services to the elderly and (b) consultancy services to other service providers in the elderly care market by means of:

- (i) establishment and/or hire of day-care centres; and
- (ii) establishment and/or hire of elderly homes; and
- (iii) provision of on-site nursery service at elderly's premises.

誠如附註39所述，本集團透過收購取得從事提供護老及相關諮詢服務的不老林之控制權。進行有關業務合併的主要理由是通過(a)向長者提供看護服務及(b)向護老市場其他服務提供商提供諮詢服務讓本集團開發銀髮族業務，以及透過下列方式進一步進入護老業務市場：

- (i) 設立及／或租用日間護理中心；及
- (ii) 設立及／或租用安老院；及
- (iii) 於長者護理院舍提供在場服務。

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. GOODWILL (Continued)

According to the plan, a day-care centre was completed and started operation in June 2016. However, the Group only generated consulting services income of approximately RMB127,000 (2016: RMB905,000) during the year ended 31 December 2017, and which is far beyond the Group's expectation. On the other hand, the Group has started the negotiation with various owners of elderly home and day-care centres. However, the negotiation was still in progress and the Group foresees that longer time is required to conclude the negotiation and to enter into the service contracts, and such timing is still uncertain.

Due to the unexpectedly low income generated from day-care centre and delay in the time required for the establishment and/or hire of elderly home, the management revised the business plan and forecast which led to the impairment.

Impairment tests for cash-generating units containing goodwill

The carrying amount of goodwill was allocated to a cash-generating unit ("CGU") as follows:

Provision of elderly care and related consultancy services	提供護老及相關諮詢服務			
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The key assumptions, long-term growth rate and discount rate used in the value-in-use calculations for the business of providing elderly care and related consultancy services are as follows:

		2017 二零一七年		2016 二零一六年
- Gross margin	- 毛利率	from 46% to 52%		from 47% to 63%
		46%至52%		47%至63%
- Long term growth rate	- 長期增長率	3%		3%
- Pre-tax discount rate	- 除稅前貼現率	17.4%		17.8%

19. 商譽(續)

根據上述計劃，本集團已於二零一六年六月建成並開設一間日間護理中心。惟截至二零一七年十二月三十一日止年度僅錄得約人民幣127,000元(二零一六年:人民幣905,000元)之收入，遠低於預期。另一方面，本集團已與不同安老院及日間護理中心擁有者展開磋商。然而由於溢利分攤及租用費用未能達成一致而仍處於磋商階段。本集團預計，完成磋商及訂立服務合約需時更長。

由於日間護理中心所產生收入低於預期，及設立及／或租用安老院需時延長，管理層已修訂導致減值之計劃及預測。

包含商譽之現金產生單位的減值測試

商譽之賬面值金額分配至以下現金產生單位：

	2017 二零一七年		2016 二零一六年
	RMB'000		RMB'000
	人民幣千元		人民幣千元

	2,869		2,821
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計算提供護老及相關諮詢服務之業務的使用價值所用之主要假設、長期增長率及貼現率如下：

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. GOODWILL (Continued)

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and the expected market development. The long term growth rates used are consistent with the industry growth rates. The discount rates used are pre-tax and reflect specific risks relating to the business.

At 31 December 2017, the recoverable amount of the CGU was as follows.

Recoverable amount	可收回金額
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The recoverable amount of the elderly care and related consultancy services business CGU was based on its value in use and was determined with the assistance of APAC Asset Valuation and Consulting Limited, an independent professional qualified valuer not connected with the Group. Both the management and the valuer observe and refer to HKAS 36 Impairment of Assets when estimating the value in use of the CGU involves estimating the future cash inflows and outflows to be derived from continuing use of the CGU in its current condition and applying the appropriate discount rate to those future cash flows. Accordingly, the management and the valuer consider the future cash flows from the provision of consultancy services to other service providers only for the purpose of impairment assessment.

The value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

During the year ended 31 December 2017, the Group recognised an impairment loss of RMB Nil (2016: RMB15,129,000) for the goodwill allocated to the segment of elderly care and related consultancy services.

19. 商譽(續)

用於釐定分配予預算毛利率的價值所採用之基準為接預算年度前一年內所實現的平均毛利率，由於預期的效率提升及預期的市場發展而有所提升。所採用的長期增長率與行業增長率一致。所採用的貼現率為扣除稅項，並反映有關業務的特定風險。

於二零一七年十二月三十一日，現金產生單位之可收回金額如下：

2017	2016
二零一七年	二零一六年
RMB'000	RMB'000
人民幣千元	人民幣千元
7,024	6,991

護老及相關諮詢服務業務現金產生單位之可收回款項乃根據其使用價值計算，並在與本集團無關連之獨立專業合資格估值師亞太資產評估及顧問有限公司協助下釐定。管理層及估計師在估計現金產生單位的使用價值時均遵照及參考香港會計準則第36號資產減值，當中涉及估計現金產生單位以其現狀持續使用所產生的未來現金流入及流出，並且對該等未來現金流量應用適當的貼現率。據此，管理層及估計師於減值評估時僅考慮向其他護老業服務提供者提供諮詢服務產生之未來現金流。

該等使用價值計算方法使用基於管理層批准涵蓋五年期間的財務預算的稅前現金流量預測。超過五年期間的現金流量乃使用下文所列估計增長率推測。增長率不超過現金產生單位所經營業務的平均長期增長率。

截至二零一七年十二月三十一日止年度，本集團就分配至護老及相關諮詢服務分部的商譽確認人民幣零元(二零一六年：人民幣15,129,000元)的減值虧損撥備。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



20. DEVELOPMENT AND FORMATION COSTS 20. 開發及成立成本

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Development and formation costs	開發及成立成本		
– burial plots under development for sale	– 以供銷售之在建墓地	5,055	7,406

The development and formation costs represent development costs incurred for burial plots construction in a cemetery site which will be completed for sale by burial plot and are stated at the lower of cost and net realisable value.

The write down of development and formation costs recognised as an expense and included in “cost of sales” in the consolidated statement of profit or loss amounted to RMB1,702,000 (2016: RMB7,886,000), as the costs of the burial plots under development for sale were higher than their net realisable value.

開發及成立成本指將於一處墓園中完成待出售之墓地之開發成本，並按成本或可變現淨值兩者中之較低者列賬。

確認為開支並包含在綜合損益表「銷售成本」內之撇銷開發及成立成本為人民幣1,702,000元(二零一六年：人民幣7,886,000元)，因開發待售墓地之成本已高於其可變現淨值。

21. INVENTORIES

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Merchandises for resale	轉售貨品	385	466
Completed burial plots	已完工墓地	655	984
Marble stones	大理石	72	76
		1,112	1,526

The carrying amount of inventories sold and write down of inventories (mainly the completed burial plots) recognised as an expense and included in “cost of sales” in the consolidated statement of profit or loss amounted to RMB8,682,000 (2016: RMB7,672,000) and RMB245,000 (2016: RMB1,129,000) respectively. The write down of inventories is due to the costs of the completed burial plots were higher than their net realisable value.

確認為開支並包含在綜合損益表「銷售成本」內之已售存貨及存貨撇銷(主要為已完工墓地)賬面值分別為人民幣8,682,000元(二零一六年：人民幣7,672,000元)及人民幣245,000元(二零一六年：人民幣1,129,000元)。撇銷存貨主要由於已完工墓地之成本已高於其可變現淨值。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables (note (c) and (g))	貿易應收款項(附註(c)及(g))	251	250
Other receivables (note (d))	其他應收款項(附註(d))	7,429	4,588
Less: allowance for impairment loss (note (e))	減: 減值虧損撥備(附註(e))	(4,650)	(291)
		2,779	4,297
Loans and receivables	貸款及應收款項	3,030	4,547
Deposits and prepayments (note (f))	按金及預付款項(附註(f))	40,769	50,839
		43,799	55,386
Representing:	指:		
Current	即期	42,799	53,664
Non-current	非即期	1,000	1,722
		43,799	55,386

Note:

附註:

- (a) All of the loans and receivables are expected to be recovered within one year and prepayments are expected to be recognised as expense within one year or in its normal operating cycle.
- (b) The carrying amounts of loans and receivables approximate to their fair values.
- (c) No allowance for doubtful debts was recorded for both years. Trade receivables with the following aging analysis by age presented based on the invoice date as at the end of the reporting period:

- (a) 所有貸款及應收款項預期於一年內收回，而預付款項預期於一年內或於正常營運週期確認為開支。
- (b) 貸款及應收款項之賬面值與其公平值相若。
- (c) 於兩個年度均無錄得呆賬撥備。以下為於報告期末貿易應收款項按發票日期呈列之賬齡分析：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
0 to 180 days	0至180日	126	136
181 to 365 days	181至365日	7	10
1 year to 2 years	1年至2年	118	104
		251	250



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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES (Continued) 22. 貿易及其他應收款項(續)

Notes: (Continued)

附註：(續)

(c) (Continued)

(c) (續)

The average credit period for funeral arrangement services granted to non-funeral services deed customers is 45 days (2016: 45 days).

就殯儀安排服務，向非殯儀服務契約之客戶授出之平均信貸期為45日(二零一六年：45日)。

For sale of burial plots, the customers can elect to make payment on a lump sum basis or settle the contract sum by up to a maximum of 48 monthly instalments. The instalment receivables will be discounted at an appropriate effective interest rate.

就銷售墓地而言，客戶可選擇一次性支付或以按月分期付款方式於最多48個月內清償合約金額。應收分期付款將按適當實際利率貼現。

There is no credit period granted to customers for the other service rendered by the Group.

本集團並無就所提供之其他服務向客戶授出信貸期。

Management believes that no impairment allowance is necessary as the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

由於該等結餘仍被視為可悉數收回，故管理層認為毋須就該等結餘作出任何減值撥備。本集團並無就該等結餘持有任何抵押品。

Further details on the Group's credit policy are set out in note 32(a).

有關本集團信貸政策的進一步詳情載於附註32(a)。

(d) Other receivables that were neither past due nor impaired as it relates to a wide range of debtors for whom there was no recent history of default. Management believes that no impairment allowance is necessary in respect of the non-impaired balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(d) 概無逾期或減值之其他應收款項乃與並無近期拖欠記錄之各類債務人有關。管理層認為毋需就該等未減值結餘作出減值撥備，原因為信貸質素並無重大變動，而該等結餘仍被視為可悉數收回。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES (Continued) 22. 貿易及其他應收款項(續)

Notes: (Continued)

附註：(續)

(e) Impairment loss of other receivables

(e) 其他應收款項之減值虧損

Impairment loss of other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment losses are written off against other receivables directly.

其他應收款項之減值虧損乃使用撥備賬記賬，惟倘本集團信納該款項之可收回性極微則除外，於此情況下，減值虧損會直接自其他應收款項撇銷。

Movements in the allowance for impairment loss

減值虧損撥備變動

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	291	1,009
Impairment loss recognised	已確認減值虧損	4,359	-
Uncollectible amount written off	撇銷不可收回金額	-	(718)
At 31 December	於十二月三十一日	4,650	291

During the year ended 31 December 2017, other receivables of the Group amounting to RMB4,359,000 (2016: RMB nil) were individually determined to be impaired. As at 31 December 2017, the individually impaired receivables were due from other debtors with financial difficulties. Accordingly, specific allowances for impairment loss of RMB4,650,000 (2016: RMB291,000) were recognised.

於截至二零一七年十二月三十一日止年度，本集團之其他應收款項人民幣4,359,000元(二零一六年：人民幣零元)個別釐定出現減值。於二零一七年十二月三十一日，出現個別減值之其他應收款項乃由存在財務困難之債務人欠負。因此，已確認指定減值虧損撥備人民幣4,650,000元(二零一六年：人民幣291,000元)。

(f) Included in deposits and prepayments are deposits paid for funeral parlours and funeral services centres, prepaid hire charge of funeral parlours and funeral services centres, prepaid agency commission for funeral services and prepayment for purchase of marble stones of RMB1,700,000 (2016: RMB1,700,000), RMB8,003,000 (2016: RMB7,846,000), RMB15,977,000 (2016: RMB23,669,000) and RMB12,080,000 (2016: RMB15,707,000) respectively.

(f) 計入按金及預付款項為分別向殯儀館及殯儀服務中心支付之按金、殯儀館及殯儀服務中心之預付租用支出以及有關殯儀服務之預付代理佣金及預付購買大理石之賬款人民幣1,700,000元(二零一六年：人民幣1,700,000元)、人民幣8,003,000元(二零一六年：人民幣7,846,000元)、人民幣15,977,000元(二零一六年：人民幣23,669,000元)及人民幣12,080,000元(二零一六年：人民幣15,707,000元)。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

22. TRADE AND OTHER RECEIVABLES (Continued) 22. 貿易及其他應收款項(續)

Notes: (Continued)

附註：(續)

(f) (Continued)

(f) (續)

A commission is paid to the agents when the service deeds amounts were received by the Group. The commission is fully refundable according to the agency agreements if the Group are not required to perform the funeral.

本集團收取服務契約款項時將向代理支付佣金，倘本集團無需提供殯儀服務，相關佣金可根據代理協議全額退還。

Impairment loss on prepayments of RMB2,793,000 (2016: RMB5,052,000) was made to the prepayment for purchase of marble stones as the Group considered the recoverable amount of RMB12,080,000 (2016: RMB15,707,000) determined by value in use calculations, is lower than the cost of the prepayment.

就購買大理石預付款項減值人民幣2,793,000元(二零一六年：人民幣5,052,000元)，原因為本集團認為根據使用價值計算法確定之可收回款項為人民幣12,080,000元(二零一六年：人民幣15,707,000元)低於預付款項成本。

(g) Trade receivables that are not impaired

(g) 並無減值之應收貿易賬款

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

並無個別或共同視為已減值之應收貿易賬款之賬齡分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	27	72
Past due but not impaired	逾期但未減值		
Less than 1 month past due	逾期少於一個月	89	54
1 to 3 months past due	逾期一個月至三個月	4	4
Over 3 months past due	逾期超過三個月	131	120
		224	178
		251	250

Receivables that were neither past due nor impaired relate to various customers for whom there was no recent history of default.

並無逾期或減值之應收款項與並無近期拖欠記錄之多個客戶有關。

Receivables that were past due but not impaired relate to independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

逾期但並未減值之應收款項與獨立客戶有關，該等客戶與本集團有良好的往績記錄。根據過往經驗，管理層認為毋須就該等結餘作出減值撥備，原因為信貸質素並無重大變動，而該等結餘仍被視為可悉數收回。本集團並無就該等結餘持有任何抵押品。

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23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION 23. 現金及現金等價物及其他現金流資料

(a) Cash and cash equivalents comprise:

(a) 現金及現金等價物包括：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	98,186	98,550
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	綜合財務狀況表及綜合現金流量表內之現金及現金等價物	98,186	98,550

Cash at bank earns interest at floating rates based on daily bank deposit rates.

銀行現金按根據每日銀行存款利率計算之浮動利率計息。

At 31 December 2017, cash at bank and on hand of the Group of RMB11,112,000 (2016: RMB22,163,000) were denominated in RMB and placed with banks in the PRC. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零一七年十二月三十一日，本集團之銀行及手頭現金為人民幣11,112,000元(二零一六年：人民幣22,163,000元)，以人民幣計值並存放於中國之銀行。人民幣兌換外幣須根據中國外匯管制條例及結匯、售匯及付匯管理規定進行。

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23. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

23. 現金及現金等價物及其他現金流資料(續)

(a) (Continued)

The carrying amounts of the Group's cash at bank and on hand are denominated in the following currencies:

(a) (續)

本集團之銀行及手頭現金之賬面值以下列貨幣計值：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
US\$	美元	283	295
HK\$	港元	28,510	1,608
RMB	人民幣	11,187	22,300
NTD	新台幣	58,118	74,184
VND	越南盾	88	163
		98,186	98,550

(b) Reconciliation of liabilities arising from financing activities

(b) 融資活動所得負債對賬

		Bank borrowings 銀行貸款 RMB'000 人民幣千元 (Note 26) (附註26)
At 1 January 2017	於二零一七年一月一日	10,982
Changes from financing cash flows	融資現金流變動	
Repayment of bank loans	償還銀行貸款	(1,051)
Total changes from financing cash flows	融資現金流變動總額	(1,051)
Exchange adjustments	匯率調整	199
At 31 December 2017	於二零一七年十二月三十一日	10,130

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24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables (note (c))	貿易應付款項(附註(c))	1,267	1,261
Accruals and other payables	應計款項及其他應付款項	9,180	7,435
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債	10,447	8,696

Notes:

- (a) All of the trade and other payables are expected to be settled within one year or are repayable on demand.
- (b) The carrying amounts of trade and other payables approximate to their fair values.
- (c) The following is an ageing analysis of trade payables, based on the invoice date, at the end of the reporting period:

附註：

- (a) 貿易及其他應付款項之賬面值與其公平值相若。
- (b) 以下為於報告期末貿易應付款項按發票日期呈列之賬齡分析。
- (c) 以下為於報告期末貿易應付款項按發票日期之賬齡分析：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
0 to 30 days	0至30日	690	740
31 days to 90 days	31日至90日	139	94
Over 90 days	90日以上	438	427
		1,267	1,261

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25. RECEIPTS IN ADVANCE

25. 預收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Advance payments from customers for:	客戶就下列各項之預付款項：		
- funeral service deeds (note (a))	- 殯儀服務契約 (附註(a))	90,302	91,783
- burial plots under development and tombstones (note (b))	- 開發中墓地及墓碑 (附註(b))	2,128	2,128
- deferred maintenance income	- 遞延保養服務收入	151	118
		92,581	94,029
Analysed as:	即：		
Current	即期	92,432	93,911
Non-current	非即期	149	118
		92,581	94,029

Notes:

(a) Bau Shan and Sino-Life (Hong Kong) Limited ("Sino-Life (HK)"), subsidiaries of the Company, sold funeral services deeds to customers ("Deed Holders"). The funeral services deeds are prepaid funeral services packages which mainly comprise particular types of funeral services at the choice of the customers to be arranged in future. The Deed Holders can elect to make payment on a lump sum basis or settle the outstanding amount of the funeral services deeds by up to a maximum of 120 monthly instalments. The Group determines the pricing of the funeral services deeds by adding a margin to the estimated costs of delivering these services, after having taking into account of major factors including the timing of the instruction of the Deed Holders. Amounts received from funeral services deeds sold are recorded as receipts in advance. When the Deed Holders have defaulted payment for two months and do not pay back the defaulted amounts after the Group's not less than 30-day's demand notice, the funeral services deeds would be regarded as lapsed and a minimum of 20% of the total sum of the funeral services deeds or the instalments paid, whichever is lower, will be forfeited as income. The Deed Holders can request for funeral services or terminate the funeral services deeds at any time after the funeral services deeds are sold. Accordingly, receipts in advance is classified as current liabilities in the consolidated statement of financial position.

附註：

(a) 本公司之附屬公司寶山及中國生命(香港)有限公司(「中國生命(香港)」)向客戶(「契約持有人」)出售殯儀服務契約。殯儀服務契約為預付殯儀服務組合，主要包括由客戶選擇就未來安排特定種類之殯儀服務。契約持有人可選擇一筆過支付款項或按最多120個月分期支付未償付之殯儀服務契約款項。本集團經考慮主要因素(包括契約持有人之指示時間)後，透過對提供該等服務之估計成本加上邊際利潤，從而釐定殯儀服務契約之價格。就已售出殯儀服務契約所收取之款項以預收款項入賬。倘契約持有人已拖欠付款兩個月，且於本集團發出不少於30日的付款通知書後未能繳回拖欠款項，則殯儀服務契約將被視作失效，並將沒收殯儀服務契約總額最少20%或已付分期付款(以金額較低者為準)作為收入。契約持有人可於售出殯儀服務契約後任何時間，要求殯儀服務或終止殯儀服務契約。因此，預收款項在綜合財務狀況表中分類為流動負債。

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25. RECEIPTS IN ADVANCE (Continued)

Note: (Continued)

(a) (Continued)

According to the Mortuary Service Administration Act (殯葬管理條例) in Taiwan, which was first promulgated on 17 July 2002 and further amended on 1 July 2003 and 4 July 2007, the Group has to deposit 75% of the gross receipt of each funeral services deed entered into after 31 July 2003 in financial institutions in Taiwan as trust monies. As at 31 December 2017, the Group has deposited RMB31,650,000 (2016: RMB33,998,000) in three financial institutions in Taiwan.

The Group recognised a net gain on termination/lapse of funeral services deeds of RMB55,000 (2016: RMB17,000) in "other income" in the consolidated statement of profit or loss for the year ended 31 December 2017.

(b) It is principally arising from the sales of burial plots and tombstones under instalment plans and such amount will be recognised as revenue when the relevant revenue recognition criteria are met (note 2(r)).

25. 預收款項(續)

附註：(續)

(a) (續)

根據於二零零二年七月十七日首度頒佈，並於二零零三年七月一日及二零零七年七月四日進一步修訂之台灣殯葬管理條例，本集團須將就於二零零三年七月三十一日後訂立之各份殯儀服務契約所收取收入總額之75%存款於台灣之金融機構作為信託金。於二零一七年十二月三十一日，本集團已於該等三間台灣金融機構存放人民幣31,650,000元(二零一六年：人民幣33,998,000元)。

本集團於截至二零一七年十二月三十一日止年度之綜合損益表中「其他收入」一項就殯儀服務契約終止／失效確認收益淨額人民幣55,000元(二零一六年：人民幣17,000元)。

(b) 該款項主要產生自分期付款計劃下的墓地及墓碑銷售，而該項金額將在符合相關收益確認條件時確認為收益(附註2(r))。

26. BANK BORROWINGS

26. 銀行借貸

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bank borrowings, secured	銀行借貸，已抵押		
Current liabilities	流動負債		
– Portion of term loan from bank due for repayment within 1 year	– 於一年內到期償還的銀行定期貸款部分	1,059	1,023
Non-current liabilities	非流動負債		
– Portion of term loan from bank due for repayment after 1 year	– 於一年後到期償還的銀行定期貸款部分	9,071	9,959
Total	總計	10,130	10,982

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26. BANK BORROWINGS (Continued)

26. 銀行借貸(續)

At 31 December 2017, bank borrowings were due for repayment, which are based on the scheduled repayment dates as stipulated in the respective loan agreements, as follows:

於二零一七年十二月三十一日，銀行借貸須於下列期間(其乃按各自貸款協議內所訂明的預定償還日期計算)償還：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	1,059	1,023
After 1 year but within 2 years	於一年後但於兩年內	1,079	1,393
After 2 years but within 5 years	於兩年後但於五年內	3,359	3,267
After 5 years	於五年後	4,633	5,299
		9,071	9,959
		10,130	10,982

All of the banking facilities are subject to the fulfilment of covenants. If the Group were in breach of the covenants, the drawn down facilities would become repayable on demand.

所有銀行信貸額受履行契諾所規限。倘本集團違反契諾，已動用的信貸額須於要求時償還。

The Group regularly monitors its compliance with these covenants and is up to date with the scheduled repayments of the term loans. Further details of the Group's liquidity risk are set out in note 32(b). As at 31 December 2017, none of the covenants relating to drawn down facilities had been breached (2016: nil).

本集團定期監察是否遵守該等契諾，及時按預定的日期償還定期貸款。本集團流動資金風險的進一步詳情載於附註32(b)。於二零一七年十二月三十一日，本集團並無違反有關動用信貸額的契諾(二零一六年：無)。

All of the bank borrowings are carried at amortised cost.

所有銀行借貸按攤銷成本列值。

None of the bank borrowings due for repayment after one year contain a repayment on demand clause and hence these balances are not expected to be settled within one year and are classified as a non-current liability.

於一年後到期償還的銀行借貸概無載有按要償還條款，因此，該等結餘預期於一年內將未結清，並分類為非流動負債。

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26. BANK BORROWINGS (Continued)

At 31 December 2017, the banking facilities of the Group are secured by a personal guarantee to the extent of RMB32,567,000 (equivalent to US\$5,000,000) (2016: RMB34,878,000 (equivalent to US\$5,000,000)) from Mr. Liu Tien-Tsai ("Mr. Liu"), a director of the Company. Such banking facilities were not utilized for both years.

As at 31 December 2017 and 2016, the effective interest rates of the bank borrowings were as follows:

		2017 二零一七年	2016 二零一六年
Variable-rate	浮動利率	1.62-2.29%	1.62-2.29%

Bank borrowings of RMB10,130,000 (2016: RMB10,982,000) denominated in NTD were secured by the freehold land and buildings in Taiwan with total carrying amount of RMB18,877,000 (2016: RMB18,472,000) (note 14(d)). Of the total bank borrowings, RMB3,168,000 (2016: RMB3,450,000) is guaranteed by Mr. Liu.

26. 銀行借貸(續)

於二零一七年十二月三十一日，本集團之銀行融資之抵押品為本公司董事劉添財先生(「劉先生」)提供之上限為人民幣32,567,000元(相當於5,000,000美元)之個人擔保(二零一六年：人民幣34,878,000元(相當於5,000,000美元))。該等銀行融資於兩個年度均並未動用。

於二零一七年及二零一六年十二月三十一日，銀行借貸之實際利率如下：

銀行借貸人民幣10,130,000元(二零一六年：人民幣10,982,000元)乃以新台幣計值，並以於台灣之永久業權土地及樓宇賬面總值為人民幣18,877,000元(二零一六年：人民幣18,472,000元)作抵押(附註14(d))，人民幣3,168,000元(二零一六年：人民幣3,450,000元)由劉先生擔保。

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27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION 27. 綜合財務狀況表內之所得稅

(a) Current taxation in the consolidated statement of financial position represents:

(a) 綜合財務狀況表內之即期稅項指：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	3,383	2,962
Acquisition through business combination (note 39)	通過業務合併收購 (附註39)	-	7
Provision for the year	年度撥備		
- PRC Enterprise Income Tax	- 中國企業所得稅	1,513	1,727
Income tax paid during the year	年內已付所得稅	(723)	(1,313)
Income tax refunded during the year	年內已退回所得稅	1	-
At 31 December		4,174	3,383
Representing:	指：		
Tax recoverable	可收回稅項	(10)	(11)
Tax payable	應付稅項	4,184	3,394
		4,174	3,383

(b) Deferred tax liabilities not recognised

Under the Enterprise Income Tax Law of PRC with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding income tax at the rate up to 10% on various types of passive income such as dividends derived from sources in the PRC. For investors incorporated in Hong Kong, a preferential rate of 5% is applied. On 22 February 2008, the State Administration of Taxation approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained earnings of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax.

(b) 未經確認遞延稅項負債

由二零零八年一月一日起，根據中國企業所得稅法，並非在中國成立或設有營業地點或在中國成立或設有營業地點但有關收入並非實際與在中國成立或設有營業地點有關之非居民企業，須就各項被動收入（例如源自中國之股息）按高達10%之稅率繳納預扣稅。就於香港註冊成立之投資者，所採用之優惠利率為5%。國家稅務總局於二零零八年二月二十二日批准財稅(2008)第1號，據此，外資企業從二零零七年十二月三十一日前之保留盈利作出股息分派，將獲豁免支付預扣所得稅。

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27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax liabilities not recognised (Continued)

As all of the Group's foreign-invested enterprises in the PRC are directly and wholly owned by Hong Kong incorporated subsidiaries, a rate of 5% is applicable to the calculation of this withholding tax. Deferred taxation has not been provided for in the consolidated financial statements in respect of the tax that would be payable on the distribution of the retained profits of RMB5,731,000 (2016: RMB3,373,000) as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

In Taiwan, under Article 42 of the Income Tax Act of Republic of China, the net dividend or net surplus earning received by a profit-seeking enterprise organised as a company from its investment in another domestic profit-seeking enterprise shall not be included in its taxable income. Such exemption is not applicable for investment in foreign profit-seeking enterprise, which is subject to income tax at the rate of 17%.

As one of the Group's subsidiaries, being a foreign profit-seeking enterprise, is directly and wholly owned by a subsidiary incorporated in Taiwan, a rate of 17% is applicable to the calculation of the income tax. Deferred taxation has not been provided for in the consolidated financial statements in respect of the tax that would be payable on the distribution of the retained profits of RMB13,352,000 (2016: RMB14,307,000) as the Company controls the dividend policy of this subsidiary and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

27. 綜合財務狀況表內之所得稅 (續)

(b) 未經確認遞延稅項負債 (續)

鑒於本集團於中國之所有外資企業均由在香港註冊成立的附屬公司直接全資擁有，計算其預扣稅之適用稅率為5%。由於本公司控制該等附屬公司之股息政策，並已推斷該等溢利不大可能於可見未來分派，故並未於綜合財務報表就分派保留溢利時須予支付之遞延稅項人民幣5,731,000元(二零一六年：人民幣3,373,000元)作出撥備。

在台灣，根據中華民國所得稅法令第42條，以公司形式籌組的牟利企業因投資於當地另一間牟利企業而獲得的股息淨額或盈餘盈利淨額，毋須計入應課稅收入。有關豁免並不適用於在外資牟利企業的投資，該等投資的所得稅稅率為17%。

由於本集團其中一間附屬公司為外資牟利企業，並由一間在台灣註冊成立的附屬公司直接全資擁有，計算所得稅的適用稅率為17%。由於本公司控制該附屬公司之股息政策，並已推斷該等溢利不大可能於可見未來分派，故並未於綜合財務報表就分派保留溢利時須予支付之遞延稅項人民幣13,352,000元(二零一六年：人民幣14,307,000元)作出撥備。

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27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax liabilities not recognised (Continued)

In Taiwan, under Article 4 of Standards of Withholding Rates for Various Incomes issued by Ministry of Finance of Republic of China, the net dividends or profit distributed to a profit seeking enterprise having its head office outside the territory of the Republic of China from investment in an enterprise within the territory of the Republic of China shall be withheld at a rate of 20% of the amount distributed.

As one of the Group's subsidiary operates within the territory of the Republic of China having its head office outside the territory of the Republic of China, a rate of 20% is applicable to the calculation of this withholding tax. Deferred taxation has not been provided for in the consolidated financial statements for the year ended 31 December 2017 and 2016 as the subsidiary has no retained profit that can be distributed.

(c) Deferred tax assets not recognised

As at 31 December 2017, the Group has unused tax losses of RMB22,731,000 (2016: RMB27,689,000) available for offset against future profits. Other than tax losses amounting to RMB14,943,000 (2016: RMB19,387,000) that would be expiring from 5 years to 10 years pursuant to the relevant rules and regulations in the PRC, Vietnam and Taiwan, the remainder at the end of the reporting period can be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

27. 綜合財務狀況表內之所得稅 (續)

(b) 未經確認遞延稅項負債 (續)

在台灣，根據中華民國財政部頒佈的各類所得扣繳率標準第4條，凡總辦事處設於中華民國境外的牟利企業因投資於中華民國境內的企業而獲得的股息或溢利淨額，均須按所分派款額的20%作出預扣。

由於本集團其中一間附屬公司在中華民國境內營業但總辦事處設於中華民國境外，計算是項預扣稅的適用稅率為20%。由於截至二零一七年及二零一六年十二月三十一日止年度，附屬公司並無可供分派的保留溢利，故並未於綜合財務報表就遞延稅項作出撥備。

(c) 未經確認遞延稅項資產

於二零一七年十二月三十一日，本集團之未動用稅項虧損人民幣22,731,000元(二零一六年：人民幣27,689,000元)可用以抵銷未來溢利。除根據中國、越南及台灣的規則及規定將於5至10年到期的稅項虧損人民幣14,943,000元(二零一六年：人民幣19,387,000元)外，於報告期末之剩餘部分可無限期結轉。由於未來溢利之來源不可預見，故概無就稅項虧損而確認遞延稅項資產。

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28. PROVISIONS

28. 撥備

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Provision for future costs of delivering funeral services	提供殯儀服務之未來成本撥備		
At 1 January	於一月一日	2,851	1,562
Additional provisions made	作出額外撥備	-	1,107
Exchange adjustment	匯兌調整	49	182
At 31 December	於十二月三十一日	2,900	2,851

The Group determines the pricing of the funeral services deeds by adding a margin to the estimated cost of delivering funeral services in future, after taking into account of major factors including the timing of the instruction of the Deed Holders.

This estimate is based on the sub-contracting fee payable to the sub-contractor for each funeral service deed performed, the current market conditions and the price of deeds. Management reassesses these estimates at the end of each reporting period to estimate if the receipts in advance for funeral service deeds can cover the estimated future costs of delivering funeral services and determine the need of making a provision in the consolidated financial statements.

本集團經考慮主要因素(包括契約持有人之指示時間)後，透過對於未來提供殯儀服務之估計成本加上邊際利潤，從而釐定殯儀服務契約之價格。

該等估計乃基於就各項已履行的殯儀服務契約應付分包商之分包費用、現時市場狀況及契約價格進行。管理層於各報告期末重新評估該等估計，以評估該等殯儀服務契約預收款項是否足以支付提供殯儀服務之未來估計成本，並釐定是否須於綜合財務報表中作出撥備。

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29. SHARE CAPITAL

29. 股本

		No. of shares 股份數目	Amount 金額 RMB'000 人民幣千元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
At 1 January 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日、二零一六年十二月三十一日及二零一七年十二月三十一日	10,000,000,000	881,541
Ordinary shares, issued and fully paid:	已發行及繳足普通股：		
At 1 January 2016, 31 December 2016 and 31 December 2017	於二零一六年一月一日、二零一六年十二月三十一日及二零一七年十二月三十一日	742,500,000	69,218

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股擁有人有權不時保留所宣派之股息及有權於本公司股東大會上就每股投一票進行表決。所有普通股就本公司之餘下資產而言均享有同等權利。

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30. RESERVES

(a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of reserves between the beginning and the end of the year are set out below:

30. 儲備

(a) 本集團綜合權益之各部分年初與年末結餘之對賬載於綜合權益變動表。本公司儲備各部分之年初與年末之變動詳情載列如下：

		Share premium	Foreign currency translation reserve	Share-based compensation reserve	Accumulated losses	Total
		股份溢價	匯兌儲備	以股份為基礎之補償儲備	累計虧損	總計
		RMB'000 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	於二零一六年一月一日	220,633	(20,294)	7,753	(129,398)	78,694
Loss for the year	本年度虧損	-	-	-	(30,167)	(30,167)
Exchange differences on translation of financial statements	換算財務報表產生之匯兌差異	-	7,734	-	-	7,734
Total comprehensive loss for the year	本年度全面虧損總額	-	7,734	-	(30,167)	(22,433)
Lapse of share options granted	已授出購股權失效	-	-	(77)	77	-
At 31 December 2016	於二零一六年十二月三十一日	220,633	(12,560)	7,676	(159,488)	56,261
At 1 January 2017	於二零一七年一月一日	220,633	(12,560)	7,676	(159,488)	56,261
Loss for the year	本年度虧損	-	-	-	(23,475)	(23,475)
Exchange differences on translation of financial statements	換算財務報表產生之匯兌差異	-	(7,480)	-	-	(7,480)
Total comprehensive loss for the year	本年度全面虧損總額	-	(7,480)	-	(23,475)	(30,955)
Lapse of share options granted	已授出購股權失效	-	-	(331)	331	-
At 31 December 2017	於二零一七年十二月三十一日	220,633	(20,040)	7,345	(182,632)	25,306

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30. RESERVES (Continued)

30. 儲備(續)

(b) Nature and purpose of reserves

(i) *Share premium*

Under the Companies Law of the Cayman Islands, the funds in the Company's share premium account are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) *Merger reserve*

Merger reserve arose from the business combination under common control in relation to the acquisition of Bau Shan during the group reorganisation in 2007. The merger reserve of the Group represents the difference between aggregate net asset value of Bau Shan acquired and the consideration paid for the acquisition of Bau Shan pursuant to the group reorganisation.

(iii) *Statutory reserve*

According to the applicable laws and regulations in Taiwan, the Group's Taiwan subsidiaries are required to transfer 10% of their net profits after taxation, as determined under the relevant accounting principles and financial regulations applicable to companies established in Taiwan, to a non-distributable reserve fund until the reserve balance reaches the registered capital of the respective enterprises. The transfer to this reserve must be made before the distribution of a dividend to owners but after offset the previous years' losses, if any.

(b) 儲備性質及用途

(i) *股份溢價*

根據開曼群島公司法，本公司之股份溢價賬中資金可分派予股東，惟緊隨建議派付股息日期後本公司須有能力於債項在其日常業務過程中到期時支付其債項。

(ii) *合併儲備*

合併儲備乃於二零零七年進行集團重組期間就收購寶山有關而共同控制項下之業務合併而產生。本集團的合併儲備指所收購之寶山之資產淨值合計與根據集團重組就收購寶山已付代價之差額。

(iii) *法定儲備*

根據台灣的適用法律及規例，本集團之台灣附屬公司須按適用於在台灣成立之公司之有關會計原則及財務規定，轉撥其除稅後純利之10%至不可分派儲備金，直至儲備結餘達至相關企業之註冊資本為止。對此儲備作出之轉撥必須於向擁有人分派股息前，但於抵銷過往年度虧損(如有)後作出。

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30. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iv) *Statutory surplus reserve*

Pursuant to applicable PRC regulations, PRC subsidiaries in the Group are required to appropriate at least 10% of their profit after tax, as determined under the relevant accounting principles and financial regulations applicable to companies established in the PRC, to a non-distributable reserve fund until such reserve reaches 50% of the registered capital of the respective enterprises. The transfer to this reserve must be made before the distribution of dividends to owners. The non-distributable reserve fund can be used to offset the previous years' losses, if any, expand the existing operations or convert into additional capital of the subsidiaries, provided that the balance after such issue is not less than 25% of its registered capital. The non-distributable reserve fund is non-distributable other than upon liquidation.

According to the Vietnam Enterprise Law, Vietnam subsidiaries in the Group can set their reserve fund according to the respective Charter. Under the Charter of the Vietnam subsidiaries, they are required to transfer 5% to 15% of profit after tax to set up the reserve fund until such reserve reaches 10% of the registered capital of the respective enterprises.

30. 儲備(續)

(b) 儲備性質及用途(續)

(iv) 法定盈餘儲備

根據中國適用法律，本集團之中國附屬公司須將其根據適用於中國成立之公司之有關會計原則及財務規定釐定之除稅後溢利最少10%撥至不可分派儲備金，直至該儲備金達至相關企業之註冊資本50%為止。向該儲備金撥款必須於向擁有人分派股息前進行。不可分派儲備金可用於抵銷往年虧損(如有)，擴充現有業務或轉換作附屬公司之額外資本，惟前提為有關發行後之結餘不得低於其註冊資本之25%。除清盤外，不可分派儲備金不得分派。

根據越南公司法，本集團之越南附屬公司可根據各自的公司章程設立儲備金。根據越南附屬公司的公司章程，彼等須轉撥5%至15%之除稅後溢利建立儲備金，直至有關儲備金達相關企業之註冊資本10%為止。

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30. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(v) *Properties revaluation reserve*

The properties revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for freehold land and buildings held for own use in note 2(f) and is not distributable.

(vi) *Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of non-PRC operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(s).

(vii) *Share-based compensation reserve*

The share-based compensation reserve comprises the fair value of the actual or estimated number of unexercised share options granted to eligible participants of the Group recognised in accordance with accounting policy adopted for share-based payments in note 2(o).

30. 儲備(續)

(b) 儲備性質及用途(續)

(v) *物業重估儲備*

本公司已設立物業重估儲備，並根據於附註2(f)所載就永久業權土地及持作自用樓宇採納之會計政策處理且不可分派。

(vi) *匯兌儲備*

匯兌儲備包括所有因換算非中國業務財務報表所產生之匯兌差異。該儲備乃根據附註2(s)所載列之會計政策處理。

(vii) *以股份為基礎之薪酬儲備*

以股份為基礎之薪酬儲備由根據附註2(o)就以股份基礎付款採納之會計政策所確認之授予本集團合資格參與者之實際或估計未行使購股權數目公平值組成。

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30. RESERVES (Continued)

(c) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or sell assets to reduce debt.

Consistent with other companies in the industry, the Group monitors capital on the basis of the gearing ratio which is total liabilities divided by total assets. The Group aims to maintain the gearing ratio at a reasonable level. The gearing ratios as at 31 December 2017 and 2016 were as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Total liabilities	總負債	120,242	119,952
Total assets	總資產	232,331	252,570
Gearing ratio	資產負債比率	51.75%	47.49%

There were no changes in the Group's approach to capital management compared with previous years. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

30. 儲備(續)

(c) 資本管理

本集團管理資本之目標為確保本集團能夠持續經營，從而為擁有人帶來回報及為其他權益關涉者帶來利益，並維持理想資本結構以減少資本成本。

為維持或調整資本結構，本集團會調整向擁有人支付之股息金額、退還資本予擁有人、發行新股份或出售資產以減少債項。

和其他同業公司一樣，本集團以資產負債比率為監察資本的基準。資產負債比率按總負債除以總資產計算。本集團旨在將資產負債比率維持於合理水平。於二零一七年及二零一六年十二月三十一日之資產負債比率如下：

與過往年度比較，本集團對資本管理之方式並無變動。本公司或其任何附屬公司均不受外部實施之資本規定限制。

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31. FINANCIAL INSTRUMENTS BY CATEGORIES 31. 按類別劃分之財務工具

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets	財務資產		
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益之財務資產	37,098	38,640
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	101,216	103,097
Financial liabilities	財務負債		
Amortised cost	攤銷成本	20,577	19,678

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS 32. 財務風險管理及財務工具之公平值

The Group has exposure to the credit risk, liquidity risk and market risk arising from financial instruments. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risk are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

- (i) In respect of trade receivables from funeral services, the credit risk is relatively low as the receivable for each individual customer is not significant and the Group generally offer credit period of 45 days to customers. The Group does not obtain collateral in respect of its financial assets.

與本集團之財務工具有關之風險包括信貸風險、流動資金風險及市場風險。下文載述本集團所面臨風險及本集團就管理該等風險所採取之財務管理政策及措施。

(a) 信貸風險

信貸風險指交易對方將違反其合約責任而導致本集團出現財務損失之風險。本集團已採納一套僅與具信譽交易對方交易及獲得充足抵押品之政策(如適用)，作為減輕因違約帶來之財務損失風險。

- (i) 就殯儀服務之應收貿易賬款而言，由於應收各個別服務客戶之款項並不重大，且本集團一般向客戶提供45日之信貸期，故信貸風險相對較低。本集團並無就其財務資產獲得抵押品。

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(a) Credit risk (Continued)

- (ii) In respect of other receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. At the end of the reporting period, the Group had certain concentrations of credit risk as 40% (2016: 22%) and nil (2016: 27%) of the total loans and receivables (excluding cash and cash equivalents) are due from a funeral parlour and a representative of a funeral parlour respectively.

In order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Ongoing credit evaluation is performed on the financial condition of customers. These evaluations focus on the debtor's current ability to pay, and take into account information specific to the debtor as well as pertaining to the economic environment in which the debtor operates. The Group does not require collateral in respect of its financial assets.

- (iii) The majority of the Group's investments are financial assets designated as at FVTPL which include mutual funds and unit trusts established in Taiwan. Given the high credit standing of investment counterparties, management does not expect any investment counterparties to fail to meet their obligations.

(a) 信貸風險(續)

- (ii) 就其他應收賬款而言，本集團面對之信貸風險主要受各債務人之個別情況影響。於報告期末，本集團就貸款及應收款項總額(不包括現金及現金等價物)之40%(二零一六年：22%)及無(二零一六年：27%)分別為應收一間殯儀館及一名殯儀館代表款項，而具有若干集中信貸風險。

為盡量減低風險，管理層已制定信貸政策及所承受之該等信貸風險並持續監察。對客戶財務條件之信貸評估乃持續進行。該等評估集中債務人目前之還款能力，並兼顧債務人特定資料及債務人經營所處經濟環境之資料。本集團並無要求就其財務資產提供抵押品。

- (iii) 本集團大部分投資為指定為按公平值計入損益之財務資產，包括於台灣設立的互惠基金及單位信託基金。鑑於投資對手方具有高信貸評級，管理層並不預期有任何投資對手方會無法履行彼等之責任。



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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(a) Credit risk (Continued)

(iv) The credit risk on liquid funds is limited because the counterparties are banks with good credit rating.

(v) The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 22.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to parent company's board approval. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group is required to pay.

(a) 信貸風險(續)

(iv) 流動資金的信貸風險有限，因為對手方為信貸評級良好的銀行。

(v) 本集團並無提供任何擔保令本集團承受信貸風險。

有關本集團因貿易及其他應收款項而承受之信貸風險進一步數據披露載於附註22。

(b) 流動資金風險

本集團旗下個別營運實體負責其本身的現金管理事務，包括以現金盈餘進行短期投資，以及籌借貸款補足預計現金需求，須取得母公司董事會之批准。本集團採取之政策為定期監察其流動資金需求及其遵守借款契諾之情況，藉以確保其維持足夠之現金，以及向主要金融機構取得充裕之承諾信貸融資，以應付短期及長期流動資金需求。

下列表格載列於報告期末本集團非衍生財務負債之餘下合約到期日，有關非衍生財務負債乃根據合約未貼現現金流量(包括利用合約利率計算之利息款項，如為浮動利率，則按報告期末當日之利率)以及本集團須付款之最早日期計算。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(b) Liquidity risk (Continued)

The maturity analysis for the bank borrowings is prepared based on the scheduled repayment dates.

(b) 流動資金風險(續)

銀行借貸的到期日分析乃按預定的償還日期編製。

		2017 二零一七年						
		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flow	Carrying amount
		按要求	於一年內	但少於兩年	但少於五年	超過五年	合約未貼現現金	賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	流量總額	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities	非衍生財務負債							
Trade payables	應付貿易賬款	-	1,267	-	-	-	1,267	1,267
Accruals and other payables	應計款項及其他應付款項	9,180	-	-	-	-	9,180	9,180
Bank borrowings	銀行借貸	-	1,236	1,236	3,707	4,800	10,979	10,130
		9,180	2,503	1,236	3,707	4,800	21,426	20,577

		2016 二零一六年						
		On demand	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flow	Carrying amount
		按要求	於一年內	但少於兩年	但少於五年	超過五年	合約未貼現現金	賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	流量總額	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-derivative financial liabilities	非衍生財務負債							
Trade payables	應付貿易賬款	-	1,261	-	-	-	1,261	1,261
Accruals and other payables	應計款項及其他應付款項	7,435	-	-	-	-	7,435	7,435
Bank borrowings	銀行借貸	-	1,215	1,215	3,644	5,934	12,008	10,982
		7,435	2,476	1,215	3,644	5,934	20,704	19,678

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

倘浮動息率與於各報告期末釐定之估計利率不同，上述就非衍生財務負債浮息工具計入之金額會出現變動。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to borrowings at variable rates. The Group did not use derivative financial instruments to hedge its debt obligations.

The Group's cash flow interest rate risk mainly concentrates on fluctuation of market interest rate arise from the Group's borrowings.

Bank balances are carried at low interest rates and the interest income thereon is not significant.

(i) The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

(c) 利率風險

本集團須承受關於浮息借貸之現金流量利率風險。本集團並無使用衍生財務工具以對沖其償債責任。

本集團之現金流量利率風險主要集中在於本集團借款產生之市場息率波動。

銀行結餘按低利率計算，就此產生的利息收入並不重大。

(i) 下表詳載本集團於報告期末的借貸利率的情況。

		2017 二零一七年	2016 二零一六年
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
		Effective interest rate (%) 實際利率 (%)	Effective interest rate (%) 實際利率 (%)
Variable rate borrowings	浮息借貸		
		1.62% to 2.29%	1.62% to 2.29%
		1.62%至 2.29%	1.62%至 2.29%
Bank borrowings	銀行借貸	26 <u>10,130</u>	<u>10,982</u> 2.29%

(ii) Sensitivity analysis

The Executive Directors performed sensitivity analysis with estimation of a general increase/decrease of 100 basis points.

(ii) 敏感度分析

執行董事以估計通常增加／減少100個基點進行敏感度分析。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis (Continued)

At 31 December 2017, it is estimated that a general increase/decrease of 100 basis points in interest rates for variable-rate borrowings, with all other variables held constant, would have increased/decreased the Group's loss after tax and accumulated losses by approximately RMB84,000 (2016: RMB91,000). Other components of consolidated equity would not change in response to the general increase/decrease in interest rates.

The sensitivity analyses above have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2016: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The analysis is performed on the same basis for 2016.

(d) Currency risk

The Group currently does not have a foreign currency hedging policy. However, the Executive Directors monitor the Group's foreign currency exposures and will consider hedging significant foreign currency exposures should the need arises.

(i) Exposure to currency risk

The Group is exposed to currency risk primarily through bank deposit denominated in a foreign currency that is a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is USD, RMB and HK\$. The Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot values when necessary to address short-term imbalances.

(c) 利率風險(續)

(ii) 敏感度分析(續)

於二零一七年十二月三十一日，倘浮息借款之利率整體上升下降100個基點，而所有其他變數維持不變，則估計本集團之除稅後虧損將增加減少約人民幣84,000元(二零一六年：人民幣91,000元)。其他綜合權益部份不會因整體利率上升下降而出現變動。

上述敏感度分析乃根據報告期末所面對之利率風險釐定。編製分析時假設於報告期末未平倉之財務工具於整個年度均未平倉。於向主要管理人員內部報告利率風險時使用增減100個基點(二零一六年：100個基點)作出，其為管理層所評估利率可能出現之合理變動。於二零一六年乃使用相同基準進行分析。

(d) 貨幣風險

本集團目前並無外幣對沖政策。然而，執行董事監察本集團之外幣風險，並將於有需要時考慮對重大的外幣風險作出對沖。

(i) 所面對之貨幣風險

本集團承受的貨幣風險主要來自以外幣計值的銀行存款(即有關業務所涉及的功能貨幣以外的貨幣)。引致此項風險的貨幣為美元、人民幣及港元。本集團於需應對短期失衡時之政策為按現貨匯率買賣外幣，以確保將風險淨值維持在可接受的水平。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(d) Currency risk (Continued)

(i) *Exposure to currency risk (Continued)*

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date.

(d) 貨幣風險(續)

(i) *所面對之貨幣風險(續)*

下表詳列本集團於報告期末因以相關實體功能貨幣以外之貨幣計值之已確認資產或負債而產生之貨幣風險。就呈報而言，風險金額乃以人民幣列示，其乃按於年結日之即期匯率換算。

		Exposure to foreign currencies (expressed in RMB)					
		所面對之外匯風險(以人民幣列示)					
		2017			2016		
		二零一七年			二零一六年		
		US\$	RMB	HK\$	US\$	RMB	HK\$
		美元	人民幣	港元	美元	人民幣	港元
		'000	'000	'000	'000	'000	'000
		千元	千元	千元	千元	千元	千元
Cash and cash equivalents	現金及現金等價物	6	128	714	6	137	764
Trade and other payables	貿易及其他應付款項	-	-	(1,229)	-	-	(1,248)
Net exposure arising from recognised assets and liabilities	確認資產及負債所產生之風險淨額	6	128	(515)	6	137	(484)

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after taxation (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HK\$ and the US\$ would be materially unaffected by any changes in movement in value of the US\$ against other currencies.

(d) 貨幣風險(續)

(ii) 敏感度分析

下表列出在報告期末對本集團有重大影響之匯率於該日期出現變化時，在假設所有其他風險變數維持不變之情況下，本集團之除稅後虧損(及累計虧損)將會產生之即時變動。就此而言，已假設港元兌美元的聯繫匯率將不會因美元兌其他貨幣之任何價值變動而受到重大影響。

		2017 二零一七年			2016 二零一六年		
		Increase/ (decrease) in foreign exchange rates 匯率上升/ (下跌)	Decrease/ (increase) in loss after taxation 除稅後虧損 減少/(增加)	Decrease/ (increase) in accumulated losses 累計虧損 減少/(增加)	Increase/ (decrease) in foreign exchange rates 匯率上升/ (下跌)	Decrease/ (increase) in loss after taxation 除稅後虧損 減少/(增加)	Decrease/ (increase) in accumulated losses 累計虧損 減少/(增加)
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
US\$	美元	6.6% (6.6%)	- -	- -	6.2% (6.2%)	- -	- -
RMB	人民幣	6.6% (6.6%)	7 (7)	7 (7)	6.2% (6.2%)	7 (7)	7 (7)



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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' loss after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had been applied to re-measure these financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2016.

(e) Equity price

The Group is exposed to equity price changes arising from financial assets designated as at FVTPL.

The Group's mutual funds and unit trusts are established in Taiwan, which principal assets consist of local and foreign currencies bank deposits, bonds and equity securities listed in Taiwan and other foreign stock markets.

(d) 貨幣風險(續)

(ii) 敏感度分析(續)

上表呈列之分析結果指按照各集團實體功能貨幣計算(以報告期末通行之匯率兌換為人民幣)各集團實體稅後虧損及權益之即時綜合影響，僅供呈列用途。

釐定敏感度分析時，已假設外匯利率變動已被應用於重新計量本集團持有之該等財務工具，而該等財務工具使本集團於報告期末面對外幣風險。該分析按與二零一六年所用之相同基準進行。

(e) 權益價格

本集團承受之權益價格變動風險來自指定為按公平值計入損益之財務資產。

本集團之互惠基金及單位信託乃於台灣成立，主要資產包括於台灣及其他外國證券市場之當地及外幣銀行存款、債券及權益證券。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Equity price (Continued)

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the prices of the financial assets designated as at FVTPL had been 10% (2016: 10%) lower/higher, loss for the year and accumulated loss would increase by RMB3,495,000 (2016: RMB3,237,000) for the Group as a result of the changes in fair value of financial assets designated as at FVTPL.

Financial assets and liabilities measured at fair value

The Group has a team headed by the financial controller performing valuations for the financial instruments. The team reports directly to the Executive Directors and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the Executive Directors. Discussion of the valuation process and results with the Executive Directors and the audit committee is held quarterly, to coincide with the reporting dates.

32. 財務風險管理及財務工具之公平值(續)

(e) 權益價格(續)

敏感度分析

以下敏感度分析乃根據於報告期末所承受之權益價格風險而釐定。

倘指定按公平值計入損益之財務資產之價格減少/增加10% (二零一六年: 10%)，則本集團之年內虧損及累計虧損將增加人民幣3,495,000元(二零一六年: 人民幣3,237,000元)，此乃由於指定為按公平值計入損益之財務資產之公平值變動所致。

財務資產及負債之公平值計量

本集團有一隊由財務總監帶領的團隊，對財務工具進行估值。該團隊直接向執行董事及審核委員會報告。該團隊於各中期及年度報告日期編製估值報告，連同公平值計量變動之分析，將由執行董事審閱及批准。每季與執行董事及審核委員會商討估值程序及結果，時間上配合報告日期。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

32. 財務風險管理及財務工具之公平值(續)

(f) Fair value measurements

(f) 公平值計量

Asset	Fair value at 31 December 2017	Fair value measurements as at 31 December 2017 categorised into			Fair value at 31 December 2016	Fair value measurements as at 31 December 2016 categorised into		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets designated as at FVTPL	37,098	37,098	-	-	38,640	38,640	-	-

During the years ended 31 December 2017 and 2016, there were no transfer between instrument in Level 1 and Level 2 or transfers into or out of Level 3.

The Group's policy is to recognise transfers between Levels of fair value hierarchy as at the end of the reporting period in which they occur.

(g) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2017 and 2016.

於截至二零一七年及二零一六年十二月三十一日止年度，第一層與第二層工具之間並無轉換，亦無自第三層轉入或轉出。

本集團之政策為於發生轉換之報告期末確認公平值層級之轉換。

(g) 並非公平值列賬之財務工具之公平值

本集團按攤銷成本列賬之財務工具之賬面值與其於二零一七年及二零一六年十二月三十一日之公平值並無重大分別。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

33. MATERIAL RELATED PARTY TRANSACTIONS 33. 主要關連方交易

The Group has entered into the following material related party transactions:

本集團已訂立以下主要關連方交易：

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

(a) 主要管理人員酬金

本集團主要管理人員酬金包括支付予本公司董事(誠如附註8所披露)及若干最高薪僱員(誠如附註9所披露)之款項如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	5,195	7,464
Post-employment benefits	離職福利	31	30
		5,226	7,494

Total remuneration is included in "staff costs" (see note 6(b)).

薪酬總額計入「員工成本」(見附註6(b))。

(b) Remuneration for close family members of key management personnel

Remuneration for close family members of key management personnel of the Group is as follows:

(b) 主要管理人員近親之酬金

本集團主要管理人員近親之酬金如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	260	130
Post-employment benefits	離職福利	-	-
		260	130

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

33. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 33. 主要關連方交易(續)

(c) Other related parties transactions

- (i) On 1 January 2012, the Company has entered into the Trademark Licence Agreement (the "Trademark Agreement") with Mr. Liu Tien-Tsai ("Mr. Liu"). Pursuant to the Trademark Agreement, Mr. Liu has agreed to grant to the Group on an exclusive basis a licence to use a number of trademarks and service marks in connection with the Group's funeral services business at a consideration of HK\$1,000 per year.
- (ii) On 15 March 2013, a renewal deed of trust (the "Niao Song Deed") was entered into between Bau Shan and Ms. Li Pi Hsia ("Ms. Li"), spouse of Mr. Liu, in relation to the land property situated in Taiwan at No. 943 in Section Linnei, Niao Song Township, Kaohsiung County, Taiwan (the "Niao Song Property"). Under the Niao Song Deed, Bau Shan agreed that the Niao Song Property, which is owned by Bau Shan, shall be registered under the name of and held on trust by Ms. Li for Bau Shan for a term of ten years commencing on 15 March 2013. Ms. Li has agreed that she shall act in the interest of Bau Shan in relation to the Niao Song Property during the term of the Niao Song Deed.
- (iii) On 25 March 2016, a deed of trust (the "Neimen Deed") was entered into between BLL and Mr. Liu in relation to a land property situated in Taiwan at No.0300-00001 in Section Laizikeng, Neimen District, Kaohsiung County, Taiwan (the "Neimen Property"). Under the Neimen Deed, BLL agreed that the Neimen Property, which is owned by BLL, shall be registered under the name of and held on trust by Mr. Liu for BLL. Mr. Liu has agreed that he shall act in the interest of BLL in relation to the Neimen Property.

(c) 與其他關連方之交易

- (i) 於二零一二年一月一日，本公司已與劉添財先生(「劉先生」)訂立商標許可證協議(「商標協議」)。據此商標協議，劉先生同意向本集團授出獨家許可權以使用與本集團殯儀服務業務有關之若干商標及服務標記，代價為每年1,000港元。
- (ii) 於二零一三年三月十五日，寶山與李碧霞女士(「李女士」，劉先生之配偶)就位於台灣高雄縣烏松鄉林內段943地號之土地物業(「烏松物業」)訂立一份重續信託契據(「烏松契據」)。根據烏松契據，寶山同意由寶山擁有之烏松物業將以李女士之名義註冊，自二零一三年三月十五日起，以信託形式為寶山持有，為期十年。李女士同意於烏松契據年期內，其將就烏松物業以寶山之利益行事。
- (iii) 於二零一六年三月二十五日，不老林與劉先生就位於台灣高雄市內門區萊子坑段0300-00001地號之土地物業(「內門物業」)訂立一份重續信託契據(「內門契據」)。根據內門契據，不老林同意由不老林擁有之內門物業將以劉先生之名義註冊並以信託形式為不老林持有。劉先生同意就內門物業以不老林之利益行事。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

33. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 33. 主要關連方交易(續)

(c) Other related parties transactions (Continued)

- (iv) Mr. Liu signed a tenancy agreement agreeing the Group to lawfully use the property situated at unit 1404 on Level 14, Zhongxing Garden, No. 1 Heping Road, Chongqing City, the PRC (the "Leased Property") as the staff dormitory at a monthly rent of RMB4,000 (2016: nil) starting from 1 January 2017 and the monthly rent is determined annually.

Operating lease commitment of the Group as lessee at 31 December 2017 amounted to RMB48,000 (2016: nil) and as set out in note 34(a).

- (v) Guarantee for an amount of RMB32,567,000 (equivalent to US\$5,000,000) (2016: RMB34,878,000 (equivalent to US\$5,000,000)) is given by Mr. Liu to secure banking facilities granted to the Group during the years ended 31 December 2017 and 2016.

- (vi) On 1 April 2016, BLL was granted by Mr. Liu Ting-Husan, close family member of Mr. Liu, on an exclusive basis a licence to use a number of trademarks in connection with the elderly care and related consultancy services of BLL at a consideration of HK\$1,000 per year.

(c) 與其他關連方之交易(續)

- (iv) 劉先生已簽訂租賃協議，同意本集團可合法使用位於中國重慶市和平路1號中興花園14樓1404室之物業(「租賃物業」)作為員工宿舍，每月租金為人民幣4,000元(二零一六年：無租用)由二零一七年一月一日起開始，而每月租金於每年釐定。

本集團於二零一七年十二月三十一日作為承租人的經營租賃承諾達人民幣48,000元(二零一六年：零)，誠如附註34(a)所載。

- (v) 劉先生就人民幣32,567,000元(相當於5,000,000美元)(二零一六年：人民幣34,878,000元(相當於5,000,000美元))之款項提供擔保，作為截至二零一七年及二零一六年十二月三十一日止年度授予本集團及本公司之銀行融資之抵押。

- (vi) 於二零一六年四月一日，劉庭軒先生(劉先生的近親)向不老林授出獨家許可權以使用與不老林護老及相關諮詢服務業務有關之若干商標，代價為每年1,000港元。

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

33. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 33. 主要關連方交易(續)

(c) Other related parties transactions (Continued)

(vii) Guarantee for the Group's bank loan of RMB3,168,000 (2016: RMB3,450,000) is given by Mr. Liu during the year ended 31 December 2017.

(viii) Funeral related consultancy services were provided by the Group to a company which Mr. Liu is a member of the key management personnel, and the income from the service amounted to RMB500,000 (2016: RMB nil) for the year ended 31 December 2017.

(d) Amounts due from directors

Particular of the amounts due from directors, which are included in trade and other receivables, are disclosed as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Mr. Kim Eun Back	金彥博先生	-	-
Mr. Liu Tien-Tsai	劉添財先生	-	-

Maximum amount outstanding during the year is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Mr. Kim Eun Back	金彥博先生	20	20
Mr. Liu Tien-Tsai	劉添財先生	34,643	5,421

The amounts are unsecured, interest free and repayable on demand.

(c) 與其他關連方之交易(續)

(vii) 截至二零一七年十二月三十一日止年度，劉先生就人民幣3,168,000元(二零一六年：人民幣3,450,000元)之本集團銀行貸款提供擔保。

(viii) 殯儀相關諮詢業務乃由本集團提供予一間劉先生為主要管理人員的公司，截至二零一七年十二月三十一日止年度，該服務所得收入達人民幣500,000元(二零一六年：人民幣零元)。

(d) 應收董事款項

應收董事款項(計入貿易及其他應收款項)的詳情披露如下：

年內最高未償還金額的詳情如下：

金額乃無抵押、免息及須應要求償還。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

33. MATERIAL RELATED PARTY TRANSACTIONS (Continued) 33. 主要關連方交易(續)

(e) Amounts due from/(to) other related parties

Particular of amounts due from/(to) other related parties, which are included in trade and other receivables or in trade and other payables are disclosed as follows:

		Relationship	關係	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Ms. Chang Hui-Lan	張慧蘭女士	Key management personnel	主要管理人員	100	172
Mr. Liu Ting-Hsuan	劉庭軒先生	Close family member of key management personnel	主要管理人員近親	(104)	37

Maximum amount outstanding during the year is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Ms. Chang Hui-Lan	張慧蘭女士	273	284
Mr. Liu Ting-Hsuan	劉庭軒先生	185	103

The amounts are unsecured, interest free and repayable on demand.

年內最高未償還金額的詳情如下:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Ms. Chang Hui-Lan	張慧蘭女士	273	284
Mr. Liu Ting-Hsuan	劉庭軒先生	185	103

金額為無抵押、無息以及須按需要償還。

(f) Amount due to a director

Particular of amount due to a director, which is included in trade and other payables are disclosed as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Mr. Liu Tien-Tsai	劉添財先生	1,452	-

The amount is unsecured, interest free and repayable on demand.

(f) 應付一名董事款項

應付一名董事款項(計入貿易及其他應付款項)的詳情披露如下:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Mr. Liu Tien-Tsai	劉添財先生	1,452	-

金額為無抵押、無息以及須按需要償還。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



34. OPERATING LEASES

34. 經營租賃

(a) The Group as lessee

At 31 December 2017, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	8,351	8,222
After 1 year but within 5 years	一年後及五年內	32,012	31,649
After 5 years	五年後	27,344	34,654
		67,707	74,525

Operating lease payments represent rentals payable by the Group for certain of its sales offices and hire of funeral parlours and funeral service centres. Leases are negotiated for terms of 1 to 20 years (2016: 1 to 20 years) and certain leases include contingent rentals which are based on certain percentage of sales and the PRC consumer price index respectively.

(a) 本集團作為承租人

於二零一七年十二月三十一日，根據不可撤銷經營租賃而須承擔之未來最低租賃付款總額之到期情況如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	8,351	8,222
After 1 year but within 5 years	一年後及五年內	32,012	31,649
After 5 years	五年後	27,344	34,654
		67,707	74,525

經營租賃支出指本集團就其若干銷售辦公室及租用殯儀館及殯儀服務中心應付之租金。租約之年期已協定為一至二十年（二零一六年：一至二十年），且若干租約包括分別根據銷售收入某個百分比及中國消費價格指數計算之或然租金。

(b) The Group as lessor

At 31 December 2017, the Group had contracted with tenants in respect of part of its office and investment property for the following future minimum lease payments:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	369	15
After 1 year but within 5 years	一年後及五年內	227	-
		596	15

Operating lease receivables represent rentals receivable by the Group for certain of its office premises and investment property. Leases are negotiated for terms of 1 to 2 years (2016: 1 year). None of the lease includes contingent rentals.

(b) 本集團作為出租人

於二零一七年十二月三十一日，本集團就其部分辦公室及投資物業而與租戶訂約之未來最低租賃付款額如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	369	15
After 1 year but within 5 years	一年後及五年內	227	-
		596	15

應收經營租賃款項乃為本集團就若干辦公場所及投資物業應收的租金。租期經磋商定為1至2年（二零一六年：1年）。並無租約包括或然租金。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

35. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2017 not provided for in the financial statements are as follows:

35. 資本承擔

於財務報表內未撥備之於二零一七年十二月三十一日尚未履行之資本承擔如下：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Capital expenditure contracted but not provided for:		
– Property, plant and equipment	23	24
– Investment in a joint venture	6,500	6,500
	6,523	6,524

36. PLEDGE OF ASSETS

As at 31 December 2017, bank borrowings of the Group were secured by land and buildings with an aggregate carrying amount of RMB18,877,000 (2016: RMB18,472,000).

36. 抵押資產

於二零一七年十二月三十一日，本集團銀行借貸及其他貸款由賬面總值為人民幣18,877,000元(二零一六年：人民幣18,472,000元)之土地及樓宇作抵押。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度



37. SUBSIDIARIES

37. 附屬公司

(a) Details of the Company's subsidiaries, which are private companies or, if established/incorporated outside Hong Kong, have substantially the same characteristic as a Hong Kong private company, as at 31 December 2017 and 2016 are as follows:

(a) 於二零一七年及二零一六年十二月三十一日，本公司之附屬公司(為私人公司或(倘於香港境外成立/註冊成立)具有與香港私人公司大致相同之特點)之詳情如下：

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid-up share or registered capital 已發行及繳足股份 或註冊資本	Attributable equity interest			Principal activities/place of operation 主要業務/營運地點
			2017 二零一七年	2016 二零一六年		
Directly held 直接持有						
Bau Shan*	Taiwan 29 December 1998	Ordinary NTD70,452,000	100%	100%	Provision of funeral services, sale of funeral services deeds and investment holding/Taiwan	
寶山*	台灣 一九九八年十二月二十九日	普通 新台幣70,452,000元			提供殯儀服務、銷售殯儀服務契約及投資控股/台灣	
Full Spread (China) Limited**	Hong Kong 5 October 2007	HK\$1	100%	100%	Investment holding/Hong Kong	
弘揚(中國)有限公司**	香港 二零零七年十月五日	1港元			投資控股/香港	
Allied Smart Development Limited**	Hong Kong 1 April 2010	HK\$1	100%	100%	Investment holding/Hong Kong	
駿群發展有限公司**	香港 二零一零年四月一日	1港元			投資控股/香港	
Sino-Life (Hong Kong) Limited**	Hong Kong 9 August 2010	HK\$1	100%	100%	Provision of funeral services and sale of funeral services deeds/Hong Kong	
中國生命(香港)有限公司**	香港 二零一零年八月九日	1港元			提供殯儀服務及銷售殯儀服務契約/香港	
Dayrise Enterprises Limited**	BVI 13 September 2010	Ordinary US\$1	100%	100%	Investment holding/BVI	
日昇企業有限公司**	英屬處女群島 二零一零年九月十三日	普通 1美元			投資控股/英屬處女群島	
Jing Run Limited**	BVI 12 February 2010	Ordinary US\$1,000,000	55%	55%	Inactive/BVI	
京潤有限公司**	英屬處女群島 二零一零年二月十二日	普通 1,000,000美元			不活躍/英屬處女群島	
Timeless Surplus (Hong Kong) Limited**	Hong Kong 17 April 2012	HK\$1	100%	100%	Inactive/Hong Kong	
	香港 二零一二年四月十七日	1港元			不活躍/香港	
Bao De** (note (c))	Taiwan 6 November 2000	Ordinary NTD108,000,000	-	83.33%	Inactive/Taiwan	
寶德** (附註(c))	台灣 二零零零年十一月六日	普通 新台幣108,000,000元			不活躍/台灣	
Ban Shan Consulting Limited**	Samoa 14 November 2013	Ordinary US\$1	100%	100%	Inactive/Taiwan	
	薩摩亞 二零一三年十一月十四日	普通 1美元			不活躍/台灣	

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37. SUBSIDIARIES (Continued)

37. 附屬公司(續)

(a) (Continued)

(a) (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Issued and fully paid-up share or registered capital 已發行及繳足股份 或註冊資本 2017 二零一七年	Attributable equity interest		Principal activities/place of operation 主要業務/營運地點
			2017 二零一七年	2016 二零一六年	
Indirectly held 間接持有					
Chongqing Xibao* 重慶錫寶*	The PRC 19 March 2007 中國 二零一七年三月十九日	Registered capital US\$8,000,000 註冊資本 8,000,000美元	100%	100%	Provision of funeral services and investment holding/The PRC 提供殯儀服務及投資控股/中國
Chongqing Xizhou** 重慶錫周**	The PRC 25 October 2006 中國 二零一六年十月二十五日	Registered capital RMB300,000 註冊資本人民幣 300,000元	100%	100%	Provision of funeral services/The PRC 提供殯儀服務/中國
Sino-Life Eternities Limited** 中國新生命有限公司**	BVI 15 April 2010 英屬處女群島 二零一零年四月十五日	Ordinary US\$10,000 普通 10,000美元	78.75%	78.75%	Investment holding/BVI 投資控股/英屬處女群島
Sino-Life Eternities Services Limited** 中國新生命服務有限公司**	Hong Kong 20 April 2010 香港 二零一零年四月二十日	HK\$1 1港元	78.75%	78.75%	Not yet commenced business/ Hong Kong 尚未開業/香港
Jinhao Enterprises Limited** 金豪企業有限公司**	BVI 13 September 2010 英屬處女群島 二零一零年九月十三日	Ordinary US\$1 普通 1美元	100%	100%	Investment holding/BVI 投資控股/英屬處女群島
Sino-Departures Limited** 中國送行者有限公司**	Hong Kong 5 December 2011 香港 二零一一年十二月五日	HK\$5 5港元	100%	100%	Not yet commenced business/ Hong Kong 尚未開業/香港
Bao Son Life** 寶山生命**	Vietnam 20 June 2012 越南 二零一二年六月二十日	Paid up capital US\$200,000 繳足股本 200,000美元	80%	80%	Investment holding/Vietnam 投資控股/越南
HLV Duc Hoa** (note (b)) HLV Duc Hoa** (附註(b))	Vietnam 22 June 2012 越南 二零一二年六月二十二日	Paid up capital VND39,750,000,000 繳足股本越南盾 39,750,000,000元	-	-	Sale of burial plots and provision of cemetery maintenance services/Vietnam 銷售墓地及提供墓園維修服務/ 越南
BLL** 不老林	Taiwan 12 October 2015 台灣 二零一五年十月十二日	Ordinary NTD15,000,000 普通 新台幣15,000,000元	100%	100%	Provision of elderly care and related consultancy services/ Taiwan 提供護老及相關諮詢服務/台灣
Chongqing Shouen Elderly Care Services Limited** 重慶受恩養老服務有限公司**	The PRC 27 September 2016 中國 二零一六年九月二十七日	Registered capital RMB1,000,000 註冊資本 人民幣1,000,000元	100%	100%	Not yet commenced business/The PRC 仍未開始業務/中國
Chongqing Yongxinshuo Enterprises Management Consultancy Limited** 重慶永欣朔企業管理諮詢有限公司**	The PRC 17 January 2016 中國 二零一六年一月十七日	Registered capital RMB1,000,000 註冊資本 人民幣1,000,000元	100%	100%	Not yet commenced business/The PRC 仍未開始業務/中國

* A wholly-foreign-owned enterprise

** A limited liability company

* 外商獨資企業

** 有限責任公司

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37. SUBSIDIARIES (Continued)

37. 附屬公司(續)

- (b) The Group does not hold any ownership interests in the entity, HLV Duc Hoa. However, based on the terms of the contract under which HLV Duc Hoa was established and controlled by the Group, the Group receives substantially all of the variable returns related to the involvement in HLV Duc Hoa's operations and net assets and has the ability to direct HLV Duc Hoa's activities that most significantly affect those returns.
- (c) During the year, the Group further acquired 16.67% equity interests in Bao De, increasing its ownership interests to 100%. The consideration of NTD18,000 (equivalent to approximately RMB4,000) was paid in cash. An amount of RMB304,000 (being the proportionate share of the carrying amount of the net liabilities of Bao De) has been transferred from the non-controlling interests. The difference of RMB308,000 between the decrease in the non-controlling interests and the consideration paid has been debited to accumulated losses. After that, the Group implemented the merger of Bau Shan and Bao De in accordance with Article 19 of Business Mergers And Acquisitions Act under the law of Republic of China. As a result of the merger, all the assets and liabilities of Bao De were lawfully transferred to Bau Shan, followed by a dissolution of Bao De.
- (d) The following tables list out the information of the Group's subsidiaries which has material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.
- (b) 本集團並無持有HLV Duc Hoa之任何所有權權益。然而，根據本集團據以成立及控制HLV Duc Hoa之該合同之條款，本集團收取幾近全部關於參與HLV Duc Hoa業務之浮動回報及淨資產，以及有能力主導對該等回報有最大影響之HLV Duc Hoa業務。
- (c) 於本年度，本集團進一步購入寶德16.67%之權益，將其擁有權益增至100%。新台幣18,000元(約等同人民幣4,000元)之代價已以現金支付。一筆人民幣304,000元(寶德負債淨值按比例計算之賬面值)之款項已轉撥自非控股權益。非控股權益減少及已付代價之間人民幣308,000元的差額已計入累計虧損。其後，本集團根據中華民國法律企業併購法第19條實施寶山及寶德的合併。合併後，所有寶德的資產及負債已合法地轉移至寶山，隨後寶德被解散。
- (d) 下表載列本集團各附屬公司(擁有重大非控股權益)的資料。下文呈報之財務資料概要代表進行任何公司間對銷前之金額。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bao Son Life and its subsidiary, HLV Duc Hoa	寶山生命及其附屬公司 HLV Duc Hoa		
NCI percentage	非控股權益百分比	20%	20%
Current assets	流動資產	15,063	21,225
Non-current assets	非流動資產	-	879
Current liabilities	流動負債	(43,810)	(45,230)
Non-current liabilities	非流動負債	(149)	(118)
Net liabilities	負債淨額	(28,896)	(23,244)
Carrying amount of NCI	非控股權益賬面值	(5,779)	(4,649)
Revenue	營業額	462	516
Loss for the year	本年度虧損	(7,255)	(15,437)
Total comprehensive loss	全面虧損總額	(5,652)	(16,345)
Loss attributable to NCI	非控股權益應佔之虧損	(1,451)	(3,087)
Total comprehensive loss attributable to NCI	非控股權益應佔之 全面虧損總額	(1,130)	(3,269)
Net cash (outflows)/inflows from operating activities	經營活動現金(流出)/ 流入淨額	(1,678)	993
Net cash outflows from investing activities	投資活動現金流出淨額	-	(144)

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Pursuant to the written resolutions of the shareholders of the Company dated 24 August 2009, a share option scheme ("Share Option Scheme") was approved and adopted. The major terms of the Share Option Scheme are summarised as follows:

- (a) The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants who have contributed or may contribute to the Group as incentive or rewards for their contributions to the Group.
- (b) The eligible participants include (i) any employee or proposed employee of the Company and/or any of its subsidiaries or any entity ("Invested Entity") in which the Group holds an equity interest, including any executive directors and any non-executive directors (including independent non-executive directors) of the Company, any of such subsidiaries or any Invested Entity; and (ii) any consultants, advisers, agents, partners or joint-venture partners of the Company and/or any of its subsidiaries.
- (c) The exercise price of a share option under the Share Option Scheme will not be less than the highest of (i) the closing price of the shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (ii) the average of the closing prices of the shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (iii) the nominal value of a share on the offer date of the particular option.

38. 以股權結算股份為基礎之交易

根據本公司日期為二零零九年八月二十四日的股東書面決議案，已批准及採納購股權計劃（「購股權計劃」）。購股權計劃的主要條款概述如下：

- (a) 購股權計劃之目的是讓本公司向對本集團已作出或可能作出貢獻的合資格參與者授出購股權，作為彼等對本集團作出貢獻的鼓勵或獎勵。
- (b) 合資格參與者包括(i)本公司及／或其任何附屬公司或本集團持有股本權益的任何實體（「投資實體」）的任何僱員或候任僱員，包括本公司、其任何附屬公司或任何投資實體的任何執行董事及任何非執行董事（包括獨立非執行董事）；及(ii)本公司及／或其任何附屬公司的任何諮詢人、顧問、代理、合夥人或合營夥伴。
- (c) 購股權計劃項下購股權的行使價將不會少於下列最高者：(i)於特定購股權的要約日期（必須為營業日）股份於聯交所每日報價表上顯示在聯交所的收市價；(ii)緊接該特定購股權的要約日期前五個營業日股份於聯交所每日報價表上顯示的平均收市價；及(iii)股份於特定購股權要約日期的面值。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

- (d) The total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes must not in aggregate exceed 10% of the shares in issue (“General Scheme Limit”).

The total number of shares available for issue under the Share Option Scheme is 74,250,000 representing 10% of the issued shares of the Company as at the year end date.

- (e) Unless approved by the Company’s shareholders, the total number of shares issued and to be issued upon exercise of the options granted to any participants in any twelve-month period must not exceed 1% of the shares in issue at the date of the grant of the options.
- (f) An offer shall be made to eligible participants in writing and shall remain open for acceptance by the eligible participants concerned for a period of 30 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the scheme. An offer shall be deemed to have been accepted by the eligible participant concerned in respect of all shares which are offered to such participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant, together with a non-refundable remittance in favour of the Company of HK\$10 by way of consideration for the grant thereof is received by the Company, within such time as may be specified in the offer.

38. 以股權結算股份為基礎之交易(續)

- (d) 根據購股權計劃及任何其他購股權計劃將予授出的全部購股權獲行使後可能發行的股份總數合共不得超過本公司已發行股份的10% (「一般計劃限額」)。

根據購股權計劃可予發行的股份總數為74,250,000股，相當於本公司於年結日已發行股份的10%。

- (e) 除非獲本公司股東批准，否則於任何十二個月期間內因行使授予任何參與者的購股權已發行及將予發行的股份總數，不得超逾授出購股權當日已發行股份的1%。
- (f) 要約須以書面形式向合資格參與者作出，並須於作出當日起三十日期間內可供有關的合資格參與者選擇接納，惟於採納購股權計劃當日的十週年後或該計劃終止後不得再提供要約以供接納。當本公司於要約內列明的時間內接獲包含由合資格參與者正式簽署的要約接納書副本，連同付予本公司不可退還匯款10港元作為本公司接納授出的代價，則提呈給該名合資格參與者的全部股份的要約，即視為已由有關參與者接納。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

- (g) For the options granted in 2010, they are exercisable starting half year from the grant date. The exercisable period should be determined by the board of directors upon grant of the share option but in any event should not exceed 10 years from the date of grant of the share option.

For the options granted in 2012, they are exercisable starting one year from the grant date. The exercisable period should be determined by the board of directors upon grant of the share option but in any event should not exceed 5 years from the date of grant of the share option.

- (h) An option shall be exercisable in whole or in part in the circumstances by giving notice in writing to the Company stating that the option is thereby exercised and the number of shares in respect of which it is so exercised. Each such notice must be accompanied by a non-refundable remittance for the full amount of the subscription price for shares in respect of which the notice is given.

38. 以股權結算股份為基礎之交易(續)

- (g) 就於二零一零年授出之購股權而言，彼等於授出日期起計半年後開始行使。可予行使期間應該由董事會於授出購股權之時釐定，惟無論如何不得超過授出購股權日期起計10年。

就於二零一二年授出之購股權而言，彼等於授出日期起計一年後開始行使。可予行使期間應該由董事會於授出購股權之時釐定，惟無論如何不得超過授出購股權日期起計5年。

- (h) 承授人須於向本公司發出書面通知的情況下全部或部分行使購股權，該通知須註明購股權獲據此行使及行使購股權所涉及的股份數目。各有關通知必須夾附不可退還匯款，金額為發出的通知中所涉及的整筆股份認購價。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued) 38. 以股權結算股份為基礎之交易(續)

(i) The terms and conditions of the options granted are as follows:

(i) 已授出購股權之條款及條件如下：

	Number of shares issuable under options granted 就授出之購股權 可發行股份數目	Life of period 有效年期	Contractual life of options 購股權合約年期
Options granted in 2010: 於二零一零年授出之購股權：			
Options granted to directors: 授予董事之購股權：			
- on 11 February 2010 - 於二零一零年二月十一日	6,420,000	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	10 years 10年
Options granted to employees: 授予僱員之購股權：			
- on 11 February 2010 - 於二零一零年二月十一日	11,680,000	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	10 years 10年
Options granted to consultants: 授予顧問之購股權：			
- on 11 February 2010 - 於二零一零年二月十一日	41,900,000	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	10 years 10年
Total share options 購股權總數	60,000,000		
Options granted in 2012: 於二零一二年授出之購股權：			
Options granted to directors: 授予董事之購股權：			
- on 16 January 2012 - 於二零一二年一月十六日	2,000,000	16 January 2013 to 15 January 2017 二零一三年一月十六日至二零一七年一月十五日	5 years 5年
Options granted to employees: 授予僱員之購股權：			
- on 16 January 2012 - 於二零一二年一月十六日	14,920,000	16 January 2013 to 15 January 2017 二零一三年一月十六日至二零一七年一月十五日	5 years 5年
Total share options 購股權總數	16,920,000		

The method of settlement for the options granted are by equity. The closing price of the Company's shares immediately before 11 February 2010 and 16 January 2012, the dates on which the options were granted, were HK\$1.16 and HK\$0.24 respectively.

授出之購股權乃採用權益結算方式。本公司股份於緊接二零一零年二月十一日及二零一二年一月十六日(即購股權獲授出之日期)前之收市價分別為1.16港元及0.24港元。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued) 38. 以股權結算股份為基礎之交易(續)

(j) The particulars of outstanding options at the end of the reporting period as follows:

(j) 於報告期末之尚未行使購股權詳情如下：

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price 加權平均 行使價	Number of shares issuable under options granted 就授出之購股權 可發行股份數目	Weighted average exercise price 加權平均 行使價	Number of shares issuable under options granted 就授出之購股權 可發行股份數目
Outstanding at the beginning of the year	年初尚未行使	HK\$1.10 1.10港元	57,808,000	HK\$1.10 1.10港元	58,788,000
Lapsed during the year	年內已失效	HK\$0.62 0.62港元	(7,880,000)	HK\$0.85 0.85港元	(980,000)
Outstanding at the end of the year	年終尚未行使	HK\$1.18 1.18港元	49,928,000	HK\$1.10 1.10港元	57,808,000
Exercisable at the end of the year	年終可予行使	HK\$1.18 1.18港元	49,928,000	HK\$1.10 1.10港元	57,808,000

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued) 38. 以股權結算股份為基礎之交易(續)

(j) (Continued)

Terms of unexpired and unexercised share options at the end of the reporting period are as follows:

(j) (續)

於報告期末之尚未屆滿及尚未行使購股權期限如下：

31 December 2017 二零一七年十二月三十一日	Number of shares issuable under options granted 就授出之購股權 可發行股份數目	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價
Options granted to employees: 授予僱員之購股權：				
- on 11 February 2010 - 於二零一零年二月十一日	8,028,000	11 February 2010 to 10 August 2010 二零一零年二月十一日至二零一零年八月十日	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	HK\$1.18 1.18港元
Options granted to consultants: 授予顧問之購股權：				
- on 11 February 2010 - 於二零一零年二月十一日	41,900,000	11 February 2010 to 10 August 2010 二零一零年二月十一日至二零一零年八月十日	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	HK\$1.18 1.18港元
Total share options outstanding 尚未行使購股權總數	49,928,000			
31 December 2016 二零一六年十二月三十一日	Number of shares issuable under options granted 就授出之購股權 可發行股份數目	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價
Options granted to employees: 授予僱員之購股權：				
- on 11 February 2010 - 於二零一零年二月十一日	8,348,000	11 February 2010 to 10 August 2010 二零一零年二月十一日至二零一零年八月十日	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	HK\$1.18 1.18港元
Options granted to consultants: 授予顧問之購股權：				
- on 11 February 2010 - 於二零一零年二月十一日	41,900,000	11 February 2010 to 10 August 2010 二零一零年二月十一日至二零一零年八月十日	11 August 2010 to 11 February 2020 二零一零年八月十一日至二零二零年二月十一日	HK\$1.18 1.18港元
Options granted to director: 授予一名董事之購股權：				
- on 16 January 2012 - 於二零一二年一月十六日	2,000,000	16 January 2012 to 15 January 2013 二零一二年一月十六日至二零一三年一月十五日	16 January 2013 to 15 January 2017 二零一三年一月十六日至二零一七年一月十五日	HK\$0.60 0.60港元
Options granted to employees: 授予僱員之購股權：				
- on 16 January 2012 - 於二零一二年一月十六日	5,560,000	16 January 2012 to 15 January 2013 二零一二年一月十六日至二零一三年一月十五日	16 January 2013 to 15 January 2017 二零一三年一月十六日至二零一七年一月十五日	HK\$0.60 0.60港元
Total share options outstanding 尚未行使購股權總數	57,808,000			

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(j) (Continued)

The share options outstanding at 31 December 2017 had exercise price of HK\$1.18 (2016: from HK\$0.6 to HK\$1.18) and a weighted average remaining contractual life of 2.1 years (2016: 2.7 years).

The options granted on 11 February 2010 expire ten years from the date of grant. As at 31 December 2017, 428,000 of 49,928,000 options (2016: 748,000 of 50,248,000 options) were exercisable in the same year of the date of grant with 50% each of the options granted exercisable at six months and at the end of the year from the date of grant and 49,500,000 of 49,928,000 options (2016: 49,500,000 of 50,248,000 options) are exercisable over five years from the date of grant, with 20% each of the options granted exercisable at six months, and first calendar date of following four years from the date of grant.

The options granted on 16 January 2012 expire 5 years from the date of grant. As at 31 December 2017, all options granted on 16 January 2012 were expired and no option was outstanding (2016: 7,560,000 options exercisable).

38. 以股權結算股份為基礎之交易(續)

(j) (續)

於二零一七年十二月三十一日尚未行使之購股權之行使價為1.18港元(二零一六年: 0.6港元至1.18港元), 加權平均剩餘合約年限為2.1年(二零一六年: 2.7年)。

此等於二零一零年二月十一日授出之購股權自授出日期十年後屆滿。於二零一七年十二月三十一日, 49,928,000份購股權中之428,000份(二零一六年: 50,248,000份購股權中之748,000份)可於授出日期之同年行使, 自授出日期起計六個月及於年底可各行使50%之已授出購股權, 49,928,000份購股權中之49,500,000份(二零一六年: 50,248,000份購股權中之49,500,000份)可於授出日期起計五年間行使, 自授出日期起計六個月及於隨後四年首個曆日可各行使20%之已授出購股權。

於二零一二年一月十六日授出的購股權自授出日期五年後屆滿。於二零一七年十二月三十一日, 於二零一二年一月十六日授出的所有購股權已屆滿且無尚未行使購股權(二零一六年: 7,560,000份可予行使購股權)。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

38. 以股權結算股份為基礎之交易(續)

(k) Fair value of share options and assumptions

(k) 購股權之公平值及假設

(i) *Granted to director and employees*

(i) 授予董事及僱員

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model.

本集團以授出購股權而獲得之服務之公平值參考獲授購股權之公平值計量。獲授購股權之估計公平值按二項式期權定價模式計量。購股權之合約年期為本模式之一項輸入參數。

		2012 二零一二年
Fair value of share options at measurement date	於計量日期購股權之公平值	HK\$0.04 0.04港元
Share price	股價	HK\$0.24 0.24港元
Exercise price	行使價	HK\$0.60 0.60港元
Expected volatility (expressed as weighted average volatility used in the modelling under Binomial Option Pricing Model)	預期波幅(以二項式期權定價模式內採用的加權平均波幅)	50.23%
Option life (expressed as weighted average life used in the modelling under the Binomial Option Pricing Model)	購股權年期(以二項式期權定價模式內採用的加權平均年期)	5 years 5年
Expected dividends	預期股息	-
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率 (根據外匯基金票據)	0.85%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅乃根據歷史波幅(以購股權之加權平均剩餘年期計算)計算,再根據公眾所獲知的信息影響未來預期波幅之變動作出調整。預期股息乃根據過往股息釐定。所採用主觀假設之變動可能對公平值估計產生重大影響。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(k) Fair value of share options and assumptions (Continued)

(ii) *Granted to consultants*

The fair value for share options granted is measured using the market-based approach, by reference to the discounted cash flows to estimate the fair value of the professional fees that should have been paid. The value was developed by discounting future cash flows from the services to be provided by the consultants, taking into account the uniqueness of the services provided by the consultants, the historical monthly payments to similar services provided by the consultants and the service period, along with other out of pocket expenses.

Up to 31 December 2017, 41,900,000 share options under the Share Option Scheme are granted by the Company to the consultants of the Group which entitles the holder thereof to subscribe for an aggregate of 41,900,000 ordinary shares of HK\$0.1 each in the capital of the Company with an exercise price of HK\$1.18 per share during the exercisable period from 11 August 2010 to 11 February 2020.

39. BUSINESS COMBINATION

On 25 March 2016, the Group obtained control of BLL through the acquisition of 100% voting equity interest in BLL, a company engaged in provision of elderly care and related consultancy services, for a consideration of NTD92,000,000 (equivalent to approximately RMB18,505,000). The primary reason for the business combination is to enable the Group to develop the business for the golden-ager and further penetrate the elderly care business market which leads to a vertical expansion of the Group's existing business.

38. 以股權結算股份為基礎之交易(續)

(k) 購股權之公平值及假設(續)

(ii) *授予顧問*

所授出購股權之公平值乃使用市場基礎法計量，並經參考折現現金流量以估計應支付之專業費用之公平值。價值乃經參考顧問所提供服務之獨特性、顧問所提供類似服務之歷史每月付款及服務期限以及其他實際開支，由折現源自將由顧問提供之服務之未來現金流量得出。

截至二零一七年十二月三十一日，本公司已向本集團之顧問授出41,900,000份購股權計劃項下之購股權，該等購股權賦予其持有人權利，可自二零一零年八月十一日起至二零二零年二月十一日止行使期間，按行使價每股1.18港元認購合共41,900,000股本公司股本中每股面值0.1港元之普通股。

39. 業務合併

於二零一六年三月二十五日，本集團以新台幣92,000,000元(相等於約人民幣18,505,000元)之代價通過收購於不老林100%之投票權股本權益取得不老林(從事護老及相關諮詢服務之公司)之控制權。進行有關業務合併的主要理由是讓本集團開發銀髮族業務，以及進一步進入護老業務市場，引領本集團垂直拓展現有之業務。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

39. BUSINESS COMBINATION (Continued)

39. 業務合併(續)

From the date of acquisition to 31 December 2016, BLL contributed revenue and loss of RMB905,000 and RMB730,000 (before impairment of goodwill of RMB15,129,000), respectively, to the revenue and loss of the Group for the year ended 31 December 2016.

自收購日期起至二零一六年十二月三十一日止年度，不老林對本集團截至二零一六年十二月三十一日止年度的收入及虧損分別貢獻人民幣905,000元及人民幣730,000元(在商譽減值人民幣15,129,000元之前)之收入及虧損。

Had the business combination been effected at 1 January 2016, the revenue of the Group from continuing operations and loss for the year would have been RMB57,342,000 and RMB34,661,000 respectively. The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

倘業務合併於二零一六年一月一日生效，本集團於本年度持續經營業務之營業額及虧損乃分別為人民幣57,342,000元及人民幣34,661,000元。董事認為，該等「備考」數字為合併集團按年化基準計量的概約業績，並可作為與未來期間比較多參考業績。

Assets acquired and liabilities recognised at the date of acquisition:

於收購日期就所收購的資產及已確認負債如下：

		Fair value recognised on acquisition 就收購確認 之公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	1,987
Trade and other receivables	貿易及其他應收款項	289
Cash and cash equivalents	現金及現金等價物	24
Trade and other payables	貿易及其他應付款項	(519)
Tax payable	應付稅項	(7)
Total identifiable net assets at fair value	按公平值可識別資產淨值總額	1,774
Goodwill on acquisition (note 19)	收購產生之商譽(附註19)	16,731
Consideration, satisfied by cash	以現金支付之代價	18,505
Net cash outflow on acquisition of a subsidiary: Consideration	收購一間附屬公司之現金流出淨額：代價	18,505
Deposit paid for acquisition in prior year	於過往年度為收購已付按金	(15,920)
Effect of foreign exchange rates changes on deposit paid	已付按金外匯匯率變動之影響	(171)
Consideration paid in cash	已付現金代價	2,414
Less: Cash and cash equivalent balances acquired	減：已收購現金及現金等價物結餘	(24)
		2,390

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

39. BUSINESS COMBINATION (Continued)

Note:

Of the total consideration RMB15,920,000 was paid in the year ended 31 December 2015 as deposit for the acquisition which was used to settle part of the consideration of the acquisition.

Acquisition-related costs amounting to NTD180,000 (equivalent to approximately RMB36,000) have been excluded from the consideration transferred and have been recognised as an expense in the year ended 31 December 2016, within the administrative expenses line item in the consolidated statement of profit or loss.

The goodwill of RMB16,731,000 arising from the acquisition is attributable to synergy of potential customer base expected from combining the operations of the Group and BLL which help further promote the Group's funeral services in Taiwan market. None of the goodwill recognised is expected to be deductible for income tax purposes.

The receivables acquired (which principally comprised trade receivables) in this transaction with a fair value of RMB289,000 had gross contractual amount of RMB289,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected is RMB nil.

39. 業務合併(續)

附註：

於截至二零一五年十二月三十一日止年度作為收購按金已付之總代價人民幣15,920,000元，已用作支付收購之部分代價。

新台幣180,000元(相等於約人民幣36,000元)之收購相關成本已自轉讓代價中扣除，並於本年度綜合損益表行政開支中確認為二零一六年十二月三十一日止年度之損益。

收購所產生人民幣16,731,000元的商譽乃歸因於因合併本集團及不老林的業務有助於進一步推廣本集團於台灣市場之殯葬服務而對潛在客戶具有協同效應。預期並無已確認的商譽可扣減所得稅。

是項交易中收購之所得款項(主要包括貿易應收款項)公平值為人民幣289,000元，總合約金額為人民幣289,000元。於收購日期對預期不可收回的合約現金流量作出之最佳估算為人民幣零元。

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

40. STATEMENT OF FINANCIAL POSITION 40. 財務狀況表

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	72,048	96,028
Intangible assets	無形資產	2	2
		72,050	96,030
CURRENT ASSETS	流動資產		
Other receivables	其他應收賬款	45,345	53,558
Cash and cash equivalents	現金及現金等價物	368	962
		45,713	54,520
CURRENT LIABILITIES	流動負債		
Other payables	其他應付賬款	23,239	25,071
		(23,239)	(25,071)
NET ASSETS	淨資產	94,524	125,479
EQUITY	權益		
Share capital	股本	69,218	69,218
Reserves	儲備	25,306	56,261
	30		
TOTAL EQUITY	權益總額	94,524	125,479

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. ACCOUNTING JUDGEMENTS AND ESTIMATES 41. 會計判斷及估計

(a) Critical accounting judgements in applying the Group's accounting policies

(i) *Consolidation of an entity in which the Group does not hold any equity interests*

The Group does not hold any ownership interests in the entity, HLV Duc Hoa. However, based on the terms of the contract under which HLV Duc Hoa was established and controlled by the Group, the Group receives substantially all of the variable returns related to involvement in HLV Duc Hoa's operations and net assets and has the ability to direct HLV Duc Hoa's activities that most significantly affect those returns. The directors of the Company considered that the Group has maintained de facto control in HLV Duc Hoa and the Group continues to report it as a subsidiary.

(ii) *Revenue recognition for sale of burial plots under instalment plans*

The Group enters into contracts with its customers in Vietnam for sales of burial plots under which customers are allowed to settle the contract amount by interest-free instalments.

The Group recognises revenue from the sale of burial plots when risks and rewards of ownership of burial plots transferred, i.e. the contract is signed by the customers, the burial plots are delivered, and collectability of the contract sum is reasonably assured. Before a significant amount of the contract sum has been collected and the burial plots are delivered, the Group does not recognise it as revenue. At this stage, the Group records all payments received as "receipts in advance". When significant amount of the contract sum has been collected and the burial plots are delivered, the Group records the full contract sum as revenue and any unsettled contract sum is recognised as receivables.

(a) 應用本集團會計政策之重大會計判斷

(i) 合併本集團並無持有任何股權的實體

本集團並無持有實體HLV Duc Hoa之任何所有權權益。然而，根據本集團據以成立並控制HLV Duc Hoa之該合同之條款，本集團收取幾近全部關於參與HLV Duc Hoa業務之浮動回報及淨資產，以及有能力主導對該等回報有最大影響之HLV Duc Hoa業務。本公司董事認為本集團對HLV Duc Hoa維持實際控制，而本集團繼續將其列報為附屬公司。

(ii) 確認來自按分期付款計劃銷售墓地之營業額

本集團與越南客戶就墓地銷售訂立合約，根據合約，客戶可以免息分期付款形式結算合同金額。

於墓地擁有權之風險及回報轉移(即客戶已簽署合同、墓地已交付及可合理確定能收回該等合同金額)後，本集團方會確認來自墓地銷售之營業額。於收到合同金額之大部分數額及交付墓地之前，本集團不會確認營業額。在此階段，本集團會將所有收到的款項記錄為「預收款項」。倘收到合同金額之大部分數額及墓地已交付，本集團會將合同金額全數記錄為營業額，而所有未結算合同金額則會確認為應收款項。

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 41. 會計判斷及估計(續)

(a) Critical accounting judgements in applying the Group's accounting policies (Continued)

(ii) *Revenue recognition for sale of burial plots under instalment plans (Continued)*

The directors exercise significant judgement in evaluation whether revenue recognition criteria are met. In their evaluation, the possibility of terminating such transactions due to non-payment by customers, are taken into account after considering the local industry practice. The directors concluded that when 20% of the total contract sums in relation to sales of burial plots is received and the burial plots were delivered, the collectability of the remaining contract sum is reasonably assured, sales is recognised to profit or loss.

During the year ended 31 December 2017, the amounts of revenue recognised from the sale of burial plots amounted to RMB334,000 (2016: RMB425,000).

As at 31 December 2017, the receipts in advance in relation to sale of burial plots before sales are recognised as revenue amounted to RMB2,128,000 (2016: RMB2,128,000).

(a) 應用本集團會計政策之重大會計判斷(續)

(ii) *確認來自按分期付款計劃銷售墓地之營業額(續)*

董事採用重大判斷以評估是否符合收益確認標準。在彼等之評估中，經考慮當地業內慣例後，評估因素亦包括該等交易因客戶未能支付而終止的可能性。董事認為，倘有關墓地銷售之已收金額達合同總金額的20%及墓地已交付，則可合理預期能收回餘下合同金額，該等銷售亦可於損益中確認。

於截至二零一七年十二月三十一日止年度，產生自墓地銷售之已確認營業額為人民幣334,000元(二零一六年：人民幣425,000元)。

於二零一七年十二月三十一日，就墓地銷售而於出售前預收之款項為人民幣2,128,000元(二零一六年：人民幣2,128,000元)。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 41. 會計判斷及估計(續)

(b) Key sources of estimation uncertainty

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

(i) Impairment of non-financial assets (including property, plant and equipment, prepaid lease payments, intangible assets, goodwill, deposits and prepayments)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) 估計不明朗因素之主要來源
以下為涉及未來之若干主要假設以及於報告期末涉及重大風險可能導致下個財政年度之資產與負債之賬面值須作大幅調整之估計不明朗因素之其他主要來源。

(i) 非財務資產的減值(包括物業、廠房及設備、預付租賃款項、無形資產、商譽、按金及預付款項)

本集團於各報告期末評估所有非財務資產是否存在任何減值跡象。倘非財務資產賬面值有不可收回跡象，則對有關資產進行減值測試。資產或現金產生單位之賬面值超逾其可收回金額(即其公平值減出售成本與其使用價值中之較高者)時，即出現減值。公平值減出售成本乃按類似資產以公平交易方式從具法律約束力之銷售交易中可獲得數據、或可觀察市價減出售資產之增量成本計算。計算使用價值時，管理層必須估計資產或現金產生單位之預期未來現金流，並選擇合適的貼現率以計算該等現金流之現值。



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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 41. 會計判斷及估計(續)

(b) Key sources of estimation uncertainty (Continued)

(ii) *Estimated impairment of receivables*

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition, where applicable). Where the actual future cash flows are less than expected or being revised downward due to changes in facts and circumstances, a material impairment loss/further impairment loss may arise. As at 31 December 2017, the carrying amount of loans and receivables included in trade and other receivables are RMB3,030,000, (net of allowance for doubtful debts of RMB4,650,000 (2016: carrying amount of RMB4,547,000, net of allowance for doubtful debts of RMB291,000).

(b) 估計不明朗因素之主要來源(續)

(ii) *應收款項估計減值*

倘有客觀減值證據，本集團為考慮未來現金流估計。減值虧損金額按資產賬面值與按財務資產原訂實際利率(即於初步確認時計算之實際利率，倘適用)貼現的估計未來現金流(不包括尚未產生的未來信貸虧損)現值兩者間的差額計量。倘實際未來現金流入少於預期或因條件及環境變動修改而作出下調，則或會出現重大/進一步減值虧損。於二零一七年十二月三十一日，計入應收貿易賬款及其他應收款項之貸款及應收款項賬面值為人民幣3,030,000元(扣除呆賬撥備人民幣4,650,000元(二零一六年：賬面值人民幣4,547,000元，扣除呆賬撥備人民幣291,000元)。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 41. 會計判斷及估計(續)

(b) Key sources of estimation uncertainty (Continued)

(iii) *Net realisable value of inventories and development and formation costs of burial plots*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost to make the sale. These estimates are based on the current market conditions and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimates at the end of each reporting period.

The Group writes down development and formation costs of graves to net realisable value based on assessment of the realisability of the development and formation costs of burial plots which takes into account costs to completion based on management's experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease which may result in writing down development and formation costs of burial plots to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of development and formation costs of burial plots is adjusted in the period in which such estimate is changed.

(b) 估計不明朗因素之主要來源 (續)

(iii) *存貨及墓地開發及成立成本的可變現淨值*

存貨的可變現淨值為於日常業務過程中的估計售價扣除完成之估計成本及作出銷售估計成本。該等估計乃基於當時市況及銷售同類性質產品的過往經驗，其可能因客戶喜好改變及競爭對手因應嚴峻的行業週期而作出的行動而出現重大轉變。管理層於各報告期末重新評估該等估計。

本集團評估墓園發展及成立成本是否可能變現(當中根據管理層經驗計及完成成本及根據現行市況之銷售淨值)，據此撇減墓地發展及成立成本至其可變現淨值。倘完成成本增加，或銷售淨值減少，可變現淨值將下跌，或會導致墓地開發及成立成本撇減至其可變現淨值。於事態中有事項或變動顯示結餘可能無法變現時，撇減將予記錄。釐定撇減須作出判斷及估計。倘預期與原定估計有異，則墓地開發及成立成本之賬面值會於有關估計變動之期間調整。

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 41. 會計判斷及估計(續)

(b) Key sources of estimation uncertainty (Continued)

(iv) *Depreciation and amortisation*

The management reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation charge for the year.

This estimate is based on the historical experience of the actual useful lives of assets of similar nature and functions and taking into account anticipated technological changes. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

(v) *Income tax*

The subsidiaries of the Company are subject to income taxes in Hong Kong, the PRC, Vietnam and Taiwan. Significant judgement is required in determining the provision for income taxes. There are many transactions for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the financial period in which such determination is made.

(vi) *Provision on funeral services deeds*

The Group determines the pricing of the funeral services deeds by adding a margin to the estimated cost of delivering funeral services in future, after taking into account of major factors including the timing of the instruction of the Deed Holders.

(b) 估計不明朗因素之主要來源(續)

(iv) *折舊及攤銷*

管理層定期審閱資產的估計可使用年期以決定年度折舊金額及攤銷開支。

該估計乃基於性質及功能相近的資產的實際可使用年期的過往經驗，並經考慮預計的技術轉變。倘過往的估計出現重大改變，則未來期間的折舊及攤銷開支會作調整。

(v) *所得稅*

本公司的附屬公司須繳納香港、中國、越南及台灣所得稅。於決定所得稅撥備時須作出重大判斷。於日常業務過程中，存在許多最終稅務決定存在不確定因素的交易。倘該等事宜的最終稅務結果與最初入賬的金額不同，則該差異將影響作出該決定的財務期間的即期稅項及遞延稅項撥備。

(vi) *殯儀服務契約之條款*

本集團經參考包括契約持有人作出指示之時機等主要因素後，透過在日後交付殯儀服務之估計成本另加利潤之方式，釐定殯儀服務之價格。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued) 41. 會計判斷及估計(續)

(b) Key sources of estimation uncertainty (Continued)

(vi) *Provision on funeral services deeds (Continued)*

This estimate is based on the sub-contracting fee payable to the sub-contractor for each funeral service deed performed, the current market conditions and the price of deeds from sub-contractors. Management reassesses these estimates at the end of each reporting period to estimate if the receipts in advance for funeral service deeds can cover the estimated future costs of delivering funeral services and determine the need of making a provision in the consolidated financial statements.

(vii) *Fair value measurements and valuation processes*

Some of the Group's assets are measured at fair value for financial reporting purposes. The directors of the Company have to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available and appropriate valuation technique. Where market-observable data are not available, the Group may adopt unobservable inputs based on their best estimate. Management may also engages third party qualified valuers to perform the valuation. Management work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Group uses established the appropriate valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain assets. Note 14 and 16 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets.

(b) 估計不明朗因素之主要來源(續)

(vi) *殯儀服務契約之條款(續)*

該等估計乃基於應付各項契約殯儀服務分包商之款項、現時市場狀況及分包商之契約價格進行。管理層於各報告期末重新評估該等估計，以評估該等殯儀服務契約預收款項是否足以支付殯儀服務之未來估計成本，並釐定是否須於綜合財務報表中作出撥備。

(vii) *公平值計量及估值程序*

就財務報告而言，本集團之部分資產以公平值計量。本公司董事須確定適當的公平價值計量的估值技術和輸入值。本集團估計資產的公平值時採用可用之市場可觀察數據及適當估值技術。當市場可觀察數據不可用，本集團可採用基於其最佳估計基準的不可觀察輸入值。管理層亦可委聘第三方合資格估值師進行估值。管理層與合資格的外部估值師密切合作，建立適當的估值技術及針對模式的輸入值。就估計特定資產之公平值而言，本集團採用包含並非基於可觀察市場數據所得輸入值之已確立適當估值技術。用於確定各項資產公平價值的估值技術、輸入值及重要假設的信息於附註14及附註16中披露。

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財務報表附註



For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2017 and which have not been early adopted in these financial statements.

42. 於截至二零一七年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響

截至此等財務報表刊發之日，香港會計師公會已頒佈於截至二零一七年十二月三十一日止年度尚未生效且並未於此等財務報表內採納之修訂本及新準則，當中包括下列各項可能與本集團相關：

HKFRS 9	Financial instruments ¹	香港財務報告準則第9號	財務工具 ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹	香港財務報告準則第15號	客戶合約收益及相關修訂本 ¹
HKFRS 16	Leases ²	香港財務報告準則第16號	租賃 ²
HKFRS 17	Insurance Contracts ⁴	香港財務報告準則第17號	保險合約 ⁴
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹	香港財務報告準則第2號修訂本	以股份為基礎的支付交易之分類及計量 ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹	香港財務報告準則第4號修訂本	與香港財務報告準則第4號「保險合約」併應用香港財務報告準則第9號「財務工具」 ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²	香港財務報告準則第9號修訂本	具有負補償的提前還款特性 ²
Amendments to HKFRS 10 & HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³	香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合資企業之資產出售或投入 ³
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle ¹	香港會計準則第28號修訂本	作為香港財務報告準則二零一四年至二零一六年週期之年度改進的一部分 ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ²	香港財務報告準則修訂本	香港財務報告準則二零一五年至二零一七年週期之年度改進 ²
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²	香港會計準則第28號修訂本	於聯營公司及合營企業之長期權益 ²
Amendments to HKAS 40	Transfers of Investment Property ¹	香港會計準則第40號修訂本	轉讓投資物業 ¹
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹	香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及墊付代價 ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²	香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅務處理之不確定性 ²

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (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

Further information about those HKFRSs that are expected to be applicable to the Group is described below. Of those standards, HKFRS 9 and HKFRS 15 will be applicable for the Group's financial year ending 31 December 2018 and are expected to have impact upon adoption. Whilst management has performed a detailed assessment of the estimated impacts of these standards, that assessment is based on the information currently available to the Group. The actual impacts upon adoption could be different to those below, depending on additional reasonable and supportable information being made available to the Group at the time of applying the standards.

Except for the new and amendments to HKFRSs and Interpretations mentioned below, the directors anticipate that the application of all other new and amendments to HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

42. 於截至二零一七年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響(續)

- ¹ 於二零一八年一月一日或之後開始的年度期間生效
- ² 於二零一九年一月一日或之後開始的年度期間生效
- ³ 於有待決定之日期或之後開始的年度期間生效
- ⁴ 於二零二一年一月一日或之後開始的年度期間生效

預期適用於本集團的有關香港財務報告準則的更多資料詳述如下。於該等準則當中，香港財務報告準則第9號及香港財務報告準則第15號將適用於本集團截至二零一八年十二月三十一日止年度的財政年度，並預期將於採納後產生影響。雖然本集團已就該等準則的預期影響作出詳細評估，該評估僅基於本集團目前擁有的資料進行。倘於採納準則時，本集團擁有額外合理及可支持的資料，則採納準則後的實際影響與下述影響可能不同。

除下述新訂及經修訂的香港財務報告準則及詮釋，董事預期採納所有其他新訂及新修訂的香港財務報告準則及詮釋將於可預見將來對綜合財務報表並無重大影響。



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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 9 Financial Instruments

HKFRS 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 HKFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of HKFRS 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 HKFRS 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.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 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.

42. 於截至二零一七年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響(續)

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入有關分類及計量金融資產、金融負債、一般對沖會計及金融資產的減值要求的新要求。

香港財務報告準則第9號與本集團有關的重要要求為：

- 所有於香港財務報告準則第9號範圍內確認的金融資產其後須按攤銷成本或公平值計量。具體而言，倘於業務模型中持有的債務投資的目的為收取合約現金流，以及合約現金流僅用於支付本金及未償還本金的利息，該債務投資一般於其後會計期末按攤銷成本計量。倘於業務模型中持有的債務投資的目的由收取合約現金流及銷售金融資產達成，以及合約期會於指定日期產生僅用於支付本金及未償還本金的利息的現金流，則該債務投資一般於其他全面收益按公平值計量。所有其他金融資產均於其後會計期間按其公平值計量。此外，根據香港財務報告準則第9號，實體可不可撤回地選擇於其他全面收益呈列股本投資(非持作出售)公平值的其後變動，並僅將股息收入確認於損益。
- 就金融資產減值而言，香港財務報告準則第9號要求一項預期信貸虧損模型，而非香港會計準則第39號要求的所產生信貸虧損模型。該預期信貸虧損模型要求實體就各報告期末的預期信貸虧損變動記賬，以反映自初步確認起的信貸風險的變動。換言之，信貸事件毋須再於確認信貸虧損前發生。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 9 Financial Instruments (Continued)

Application of HKFRS 9 in the future will have an impact to the Group as the expected credit loss model will result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost. However, the directors of the Company consider the impact of early provision of credit losses (if any in future) will not be significantly affecting the financial performance and financial position of the Group based on analysis of the Group's existing business model.

HKFRS 15 Revenue from Contracts with Customers

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

The core principle of HKFRS 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

42. 於截至二零一七年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響(續)

香港財務報告準則第9號「金融工具」(續)

由於預期信貸虧損模型將導致提早按攤銷成本為與本集團金融資產有關而未產生的信貸虧損作出撥備，未來採納香港財務報告準則第9號將對本集團產生影響。然而，本公司董事基於本集團現有業務模型的分析，認為提早為信貸虧損作出撥備(於未來如有)將不會對本集團的財務表現及財務狀況產生重大影響。

香港財務報告準則第15號「來自客戶合約之收入」

香港財務報告準則第15號已獲發行，其訂立一個單一全面模式予實體計量來自客戶合約之收入之用。於其生效後，香港財務報告準則第15號將取代現有的收入確認指引，其中包括香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號的核心原則為，一個實體須確認收入以一筆可反映實體預期就該等商品或服務有權換取的代價的金額描述向客戶交付的承諾商品或服務。具體而言，該準則就收入確認引入一套分為五個步驟的方法：

- 第一步：確認客戶合約
- 第二步：確認合約規定的履約義務
- 第三步：釐定交易價格
- 第四步：將交易價格分配到合約規定的履約義務
- 第五步：當(或於)實體實行履約義務時確認收入



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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Under HKFRS 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 HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 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 HKFRS 15 in the future may have impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS15 until the Group completed the detailed review.

42. 於截至二零一七年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響(續)

香港財務報告準則第15號「來自客戶合約之收入」(續)

根據香港財務報告準則第15號，當(或於)履約義務獲實行時(即在與特定履約義務有關的產品或服務的「控制權」已轉嫁給客戶時)，實體須確認收入。香港財務報告準則第15號中增加了許多規範性指導以處理特定情況。此外，香港財務報告第15號要求作出廣泛披露。

二零一六年，香港會計師公會發佈香港財務報告準則第15號的澄清，該等澄清與確認履約義務、當事人與代理人的考慮以及牌照申請指引有關。

董事預期於未來採納香港財務報告準則第15號可能對本集團綜合財務報表所呈報及披露的金額產生重大影響。然而，直至本集團完成詳細審閱之前，就香港財務報告準則第15號的影響提供合理估計並不實際可行。

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財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 16 Leases

As disclosed in note 2(g), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

42. 於截至二零一七年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響(續)

香港財務報告準則第16號「租賃」誠如附註2(g)所披露，目前本集團將租賃分類為融資租賃及經營租賃，並視乎租賃所屬分類，用不同方法為租賃安排入賬。本集團作為出租人訂立若干租賃，並作為承租人訂立其他租賃。

預期香港財務報告第16號並不會如出租人根據租賃行使權利及義務般產生重大影響。然而，一旦香港財務報告準則第16號獲採納，承租人將無法再能夠分辨融資租賃及經營租賃。相反，根據實際可行的權宜之計，承租人將以目前融資租賃會計相若的方法為所有租賃入賬(即承租人將於租賃開始日期按最低未來租賃付款的現值確認及計量租賃負債，並將確認相關「使用權」資產)。於初步確認該資產及負債後，承租人將確認租賃負債未清償結餘所產生的利息開支，以及使用權資產的折舊，而非根據目前的規例於租期按有系統基準確認經營租賃所產生的租金開支。作為實際可行的權宜之計，承租人可選擇不就短期租賃(即租期為12個月或以下)及低價值資產採納該會計模型，於該等情況下，租金開支將繼續於租期按有系統基準獲確認。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 16 Leases (Continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 34, at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB67,707,000, the majority of which is payable either between 1 and 5 years after the reporting date or in more than 5 years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

42. 於截至二零一七年十二月三十一日止年度已頒佈但尚未生效之修訂、新準則及詮釋之可能影響(續)

香港財務報告準則第16號「租賃」(續)

香港財務報告準則第16號將主要影響本集團作為物業、廠房及設備租賃(目前分類為經營租賃)的出租人的會計。採納新的會計模型預期導致資產及負債的增長，以及影響於租期內確認於損益表的開支的時間。誠如附註34所披露，於二零一七年十二月三十一日，本集團在不可撤銷經營租賃下的未來最低租賃付款達人民幣67,707,000元，其中大部分須於報告期後1至5年內或多於5年內償付。因此，倘採納香港財務報告準則第16號後，若干金額及相關使用權資產須確認為租賃負債。本集團在考慮實際可行權宜之計的適用性並為現在與採納香港財務報告準則第16號之間期間訂立或終止的任何租賃作出調整以及貼現影響後，將須作出更詳細的分析，以釐定採納香港財務報告準則第16號後，經營租賃承擔所產生的新資產及負債的金額。

於本階段，本集團並不計劃於其生效日期前採納該準則。本集團計劃採納簡化過渡方法，以及並不會就初步採納前年度重申比較金額。

Five Year Financial Summary

五年財務資料概要

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

本集團於過往五個財政年度之業績、資產及負債的摘要載列如下：

Results

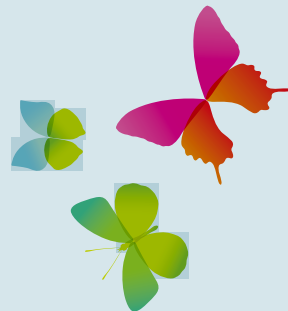
業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Restated) (重列)	(Restated) (重列)	(Restated) (重列)	(Restated) (重列)
Revenue	營業額	60,709	57,342	61,633	69,648	63,106
Gross profit	毛利	30,598	22,193	30,487	53,796	47,131
Loss for the year	年度虧損	(20,794)	(34,626)	(9,765)	(11,596)	(16,814)
Loss attributable to equity holders of the parent	母公司權益擁有人應佔虧損	(19,334)	(31,520)	(9,402)	(11,142)	(16,175)
Basic loss per share (RMB cents)	每股基本虧損(人民幣分)	(2.60)	(4.25)	(1.27)	(1.50)	(2.18)

Assets and liabilities

資產及負債

		As at 31 December 於十二月三十一日				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Non-current assets	非流動資產	48,004	52,691	59,400	49,013	65,433
Current assets	流動資產	184,327	199,879	211,691	234,082	236,955
Current liabilities	流動負債	(111,022)	(109,875)	(99,950)	(100,839)	(107,459)
Non-current liabilities	非流動負債	(9,220)	(10,077)	(7,058)	(7,499)	(8,309)
Net assets	資產淨值	112,089	132,618	164,083	174,757	186,620



SINO-LIFE GROUP LIMITED
中國生命集團有限公司

