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Hanhua Financial Holding Co., Ltd.*

瀚華金控股份有限公司

(於中華人民共和國註冊成立的股份有限公司)

(股份代號：3903)

截至二零一六年十二月三十一日止年度之業績公佈

瀚華金控股份有限公司（「本公司」）董事會（「董事會」）謹此發佈本公司及其附屬公司（合稱「本集團」）截至二零一六年十二月三十一日止之經審核年度業績，連同上年度截至二零一五年十二月三十一日止的比較數字。於本年度業績公佈列示的本集團截至二零一六年十二月三十一日止之年度財務資料乃根據香港會計師公會頒佈的《香港財務報告準則》以及香港《公司條例》的披露要求而擬備、並經畢馬威會計師事務所審核的合併財務報表。董事會審計委員會已審閱本年度業績。

有關於本公司二零一六年股東年會（「二零一六年股東年會」）待審議並酌情批准的議題、H股暫停過戶日期、股息支付記錄日期及二零一六年股東年會的日期，請見本公司將適時發出的二零一六年股東年會通函。

本公告分別刊登在香港聯合交易所有限公司（「聯交所」）網站(www.hkexnews.hk)和本公司網站(www.hanhua.com)。印刷版二零一六年度報告將適時派發給本公司股東並分別在聯交所和本公司網站刊登。

承董事會命
瀚華金控股份有限公司
董事會主席
張國祥

中國北京，二零一七年三月二十七日

於本公告日期，本公司執行董事為張國祥先生、王大勇先生及崔巍嵐先生；本公司非執行董事為涂建華先生、段曉華先生、劉驕楊女士、劉廷榮女士、王芳霏女士、馮永祥先生及劉博霖先生；及本公司獨立非執行董事為白欽先先生、鄧昭雨先生、錢世政先生、吳亮星先生及袁小彬先生。

* 僅供識別

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Corporate Profile

公司簡介

Hanhua Financial Holding Co., Ltd. (“**Hanhua Financial**”, “**Hanhua**” or the “**Company**”, together with its subsidiaries named as the “**Group**”, “**we**”, “**our**” or “**us**”) (Stock Code: 3903) is the first inclusive financial institution in the People’s Republic of China (the “**PRC**” or “**China**”) listed in Hong Kong that has integrated two major businesses of credit guarantee and small and medium-sized enterprise (“**SME**”) lending.

Hanhua currently holds licenses in areas of banking, internet loan, leasing, guarantee, factoring, investment, financial exchange and others. Based on our 12-year operating experience, professional team, well-established risk control technology and abundant funds, we provide one-stop integrated financial services to SMEs and individuals.

Our business segment of corporate financial services includes guarantee, leasing, factoring, bills and investment, which provide full life-cycle investment and financing services to SMEs throughout the country. Our strategic partners include well-known enterprises such as China Construction Bank (中國建設銀行), Postal Savings Bank of China (中國郵儲銀行), The People’s Insurance Company (Group) of China Limited, China Merchants Bank (招商銀行), Bank of Tianjin (天津銀行), Haier (海爾), NetEase (網易) and Kingdee (金蝶). Our financial services for individuals include consumer finance, operating finance, wealth management, investment and wealth management, internet insurance, internet small loan and insurance.

With the vision of “Establishing a Chinese model for inclusive finance in the world” and through the strategies of “Partnership finance, Platform finance, Eco-finance”, we are committed to build a symbiotic credit subject based on traditional mainstream financial form of “Bank + Securities + Insurance”. Besides, by virtue of a “Double-aspect financial services group” serving both SMEs and individuals, we are dedicated to form an eco-finance services model with coordinated development for three platforms of “Equity + Debt + Transaction”. We have endeavored to promote the in-depth integration between financial capital and industrial capital in order to achieve synchronous upgrade in economic ecology, social ecology and natural ecology.

瀚華金控股份有限公司(「**瀚華金控**」·「**瀚華**」或「**本公司**」·連同其附屬公司「**本集團**」或「**我們**」)(股份代號:3903)是中華人民共和國(「**中國**」)首家整合信用擔保和中小企業貸款兩大業務在香港上市的普惠金融機構。

瀚華目前已擁有銀行、互聯網貸款、租賃、擔保、保理、投資、金融交易所等牌照,以12年運營經驗、專業團隊、完善風控技術和雄厚資金,向中小企業及個人提供一站式綜合金融服務。

瀚華企業金融服務板塊包括擔保、租賃、保理、票據及投資,於全國範圍內為中小企業提供全生命週期投融資服務。其戰略合作夥伴包括中國建設銀行、中國郵儲銀行、中國人民保險公司、招商銀行、天津銀行以及海爾、網易、金蝶等知名企業。瀚華個人金融服務包括消費金融、經營金融、財富管理、投資理財、互聯網保險、互聯網小貸和保險銷售等。

瀚華以「打造世界普惠金融的中國樣本」為願景,以「夥伴金融、平台金融、生態金融」為戰略理念,致力於構築以「銀行+證券+保險」傳統主流金融形態為共生信用主體,以服務於中小企業和個人的「雙金服集團」為兩翼,由此形成「股權+債權+交易」三大平台協同發展的生態金融服務模式,促進金融資本與產業資本深度融合,實現經濟生態、社會生態與自然生態的同步升級。

EXECUTIVE DIRECTORS

Mr. Zhang Guoxiang (Chairman)
Mr. Wang Dayong (Vice Chairman)
(Appointed on 13 March 2016)
Mr. Cui Weilan

NON-EXECUTIVE DIRECTORS

Mr. Tu Jianhua
Mr. Duan Xiaohua
Ms. Liu Jiaoyang
Ms. Liu Tingrong
Ms. Wang Fangfei
Mr. Feng Yongxiang
Mr. Zhou Xinyu (Retired on 12 March 2016)
Mr. Liu Bolin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Bai Qinxian
Mr. Deng Zhaoyu
Mr. Qian Shizheng
Mr. Ng Leung Sing
Mr. Yuan Xiaobin

SUPERVISORS

Mr. Li Ruping
Ms. Qin Yong (Appointed on 13 March 2016)
Mr. Zhou Daoxue (Retired on 12 March 2016)
Mr. Chen Zhonghua

AUDIT COMMITTEE

Mr. Qian Shizheng (Independent Non-executive Director) (Head)
Ms. Liu Jiaoyang (Non-executive Director)
Mr. Yuan Xiaobin (Independent Non-executive Director)

NOMINATION AND REMUNERATION COMMITTEE

Mr. Deng Zhaoyu (Independent Non-executive Director) (Head)
Mr. Zhang Guoxiang (Executive Director)
Mr. Bai Qinxian (Independent Non-executive Director)

執行董事

張國祥先生 (董事長)
王大勇先生 (副董事長)
(於2016年3月13日委任)
崔巍嵐先生

非執行董事

涂建華先生
段曉華先生
劉驕楊女士
劉廷榮女士
王芳霏女士
馮永祥先生
周新宇先生 (於2016年3月12日退任)
劉博霖先生

獨立非執行董事

白欽先先生
鄧昭雨先生
錢世政先生
吳亮星先生
袁小彬先生

監事

李如平先生
秦湧女士 (於2016年3月13日委任)
周道學先生 (於2016年3月12日退任)
陳中華先生

審計委員會

錢世政先生 (獨立非執行董事) (主任)
劉驕楊女士 (非執行董事)
袁小彬先生 (獨立非執行董事)

提名與薪酬委員會

鄧昭雨先生 (獨立非執行董事) (主任)
張國祥先生 (執行董事)
白欽先先生 (獨立非執行董事)

Corporate Information

公司資料

STRATEGIC INVESTMENT COMMITTEE

Mr. Zhang Guoxiang (Executive Director) (Head)
Mr. Wang Dayong (Executive Director)
(Appointed on 13 March 2016)
Mr. Tu Jianhua (Non-executive Director)
Mr. Zhou Xinyu (Non-executive Director)
(Retired on 12 March 2016)

RISK MANAGEMENT COMMITTEE

Mr. Zhang Guoxiang (Executive Director) (Head)
Mr. Cui Weilan (Executive Director)
Mr. Duan Xiaohua (Non-executive Director)

JOINT COMPANY SECRETARIES

Mr. Ren Weidong
Ms. Lai Siu Kuen (FCIS, FCS)

AUTHORIZED REPRESENTATIVES

Mr. Zhang Guoxiang (Chairman and Executive Director)
Ms. Lai Siu Kuen (Joint Company Secretary)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

6-9, Building 2, 11 East Honghu Road
Yubei District
Chongqing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

36/F, Tower Two
Times Square, 1 Matheson Street
Causeway Bay
Hong Kong

戰略投資委員會

張國祥先生(執行董事)(主任)
王大勇先生(執行董事)
(於2016年3月13日委任)
涂建華先生(非執行董事)
周新宇先生(非執行董事)
(於2016年3月12日退任)

風險管理委員會

張國祥先生(執行董事)(主任)
崔巍嵐先生(執行董事)
段曉華先生(非執行董事)

聯席公司秘書

任為棟先生
黎少娟女士(FCIS、FCS)

授權代表

張國祥先生(董事長及執行董事)
黎少娟女士(聯席公司秘書)

註冊辦事處及中國主要營業地點

中國
重慶市
渝北區
洪湖東路11號2幢6-9

香港主要營業地點

香港
銅鑼灣
勿地臣街1號
時代廣場二座36樓

HEAD OFFICES IN THE PRC

1st Floor, Building A, No. 2 Fortune Tower
No. 15 Caifu Avenue
Chongqing
PRC

and

13th Floor, East Tower, World Financial Center
No. 1 East Third Ring Middle Road
Chaoyang District
Beijing
PRC

H SHARE REGISTRAR

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

PRINCIPAL BANKERS

China Construction Bank Corporation (Headquarters)
No. 25 Financial Street
Xicheng District
Beijing
PRC

中國總辦事處

中國
重慶市
財富大道15號
重慶高科財富二號A棟1樓

及

中國
北京市
朝陽區
東三環中路1號
環球金融中心東塔13層

H股證券登記處

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

主要往來銀行

中國建設銀行股份有限公司(總部)
中國
北京市
西城區
金融大街25號

Corporate Information

公司資料

China Merchants Bank Co., Ltd. (Headquarters)
No. 7088 Shennan Boulevard
Futian District
Shenzhen
Guangdong Province
PRC

招商銀行股份有限公司(總部)
中國
廣東省
深圳市
福田區
深南大道7088號

Postal Savings Bank of China Co., Ltd. (Headquarters)
No. 3 Financial Street
Xicheng District
Beijing
PRC

中國郵政儲蓄銀行股份有限公司(總部)
中國
北京市
西城區
金融大街3號

China CITIC Bank Co., Ltd. (Headquarters)
Building C, Fuhua Plaza, No. 8 Chaoyangmen North Street
Dongcheng District
Beijing
PRC

中信銀行股份有限公司(總部)
中國
北京市
東城區
朝陽門北大街8號富華大廈C座

AUDITOR

KPMG
Certified Public Accountants

核數師

畢馬威會計師事務所
執業會計師

LEGAL ADVISOR TO THE COMPANY (AS TO HONG KONG AND UNITED STATES LAW)

Jones Day

本公司法律顧問(香港及美國法律)

眾達國際法律事務所

COMPANY'S WEBSITE

www.hanhua.com

公司網站

www.hanhua.com

STOCK CODE

3903

股份代號

3903

Summary of Accounting Data and Financial Indicators

會計數據和財務指標概要

(Expressed in RMB million, unless otherwise stated) • (除另有註明外，以人民幣百萬元列示)

				% Increase/ (decrease) of the current year compared with the same period			
		2016	2015	last year 本年比上年 增(減)%	2014	2013	2012
		2016年	2015年	增(減)%	2014年	2013年	2012年
Operating results	經營業績						
Operating income	營業收入	1,479.8	1,752.0	(15.5)	2,000.8	1,576.7	1,143.3
- Net guarantee and consulting fee income	- 擔保及諮詢費淨收入	755.4	765.0	(1.3)	958.3	913.1	784.5
- Net interest and handling fee income	- 利息及手續費淨收入	724.4	987.0	(26.6)	1,042.5	663.6	358.8
(Reversal)/Provisions for guarantee losses	擔保業務(轉回)/ 提取擔保賠償準備金	(39.7)	(110.9)	(64.2)	72.1	149.0	51.7
Impairment losses	資產減值損失	372.9	515.5	(27.7)	431.7	294.4	130.1
Operating expenses	營運支出	802.7	893.4	(10.2)	851.2	703.9	356.4
Net profit	淨利潤	283.5	352.1	(19.5)	507.4	356.7	517.8
- Net profit attributable to shareholders of the Company	- 歸屬於本公司股東的 淨利潤	241.7	303.0	(20.2)	432.0	279.7	199.3
Profitability indicators	盈利能力指標						
Return on average total assets ⁽¹⁾	平均總資產回報率 ⁽¹⁾	1.8%	2.7%	(0.9%)	4.9%	5.2%	10.8%
Return on average shareholder equity ⁽²⁾	平均股東權益回報率 ⁽²⁾	3.8%	4.7%	(0.9%)	7.8%	9.0%	22.9%
Cost to income ratio ⁽³⁾	成本收入比 ⁽³⁾	52.1%	46.3%	5.8%	37.7%	39.8%	26.2%
Scale indicators	規模指標						
Total assets	資產總額	17,082.7	13,961.0	22.4	11,938.3	8,628.0	4,967.9
- Total cash and cash equivalents	- 貨幣資金總額	3,512.0	2,803.9	25.3	2,531.1	940.5	254.4
- Total restricted bank deposits	- 存出保證金總額	1,051.9	1,400.1	(24.9)	2,124.5	2,293.2	2,207.2
- Gross loans and advances to customers	- 發放貸款及墊款總額	8,014.7	7,470.1	7.3	6,286.0	4,777.4	2,045.6
Total liabilities	負債總額	9,603.6	6,515.5	47.4	4,361.9	3,169.6	2,459.9
Owner's Equity	所有者權益	7,479.1	7,445.5	0.5	7,576.4	5,458.4	2,508.0

Notes:

註釋：

(1) Net profit divided by average balance of total assets as at the beginning and end of the year.

(1) 淨利潤除以年初及年末的平均總資產餘額。

(2) Net profit divided by average balance of total equity as at the beginning and end of the year.

(2) 淨利潤除以年初及年末的平均股東權益餘額。

(3) Operating expenses after deducting tax and surcharges divided by operating income.

(3) 扣除「税金及附加」的營運支出，除以營業收入。

(4) To facilitate comparison, some historical figures are restated on new calculation basis or logic.

(4) 為方便比較，部份歷史數據已按照新的計算口徑或邏輯進行重新列示。

Financial Highlights

財務概要

The financial information set out in this annual report was prepared on a consolidated basis according to the Hong Kong Financial Reporting Standards (“HKFRSs”). Unless otherwise stated, the financial information of the Group is expressed in RMB million.

本年度報告所載財務資料乃以合併基準按照香港財務報告準則（「香港財務報告準則」）編製。除另有註明外，本集團的財務資料以人民幣百萬元列示。

		For the year ended 31 December			
		截至12月31日止年度			
		2016		2015	
		2016年		2015年	
		<i>% of net</i>		<i>% of net</i>	
		<i>fee and</i>		<i>fee and</i>	
		<i>interest</i>		<i>interest</i>	
		<i>income</i>		<i>income</i>	
		<i>佔淨手續費</i>		<i>佔淨手續費</i>	
		<i>及利息收入</i>		<i>及利息收入</i>	
		<i>%</i>		<i>%</i>	
(Expressed in RMB million, unless otherwise stated)		<i>Amount</i>		<i>Amount</i>	
(除另有註明外，以人民幣百萬元列示)		<i>金額</i>		<i>金額</i>	
Operating results	經營業績				
Net guarantee and consulting fee income	擔保及諮詢費淨收入	755.4	51.0	765.0	43.7
Net interest and handling fee income	利息及手續費淨收入	724.4	49.0	987.0	56.3
Net fee and interest income	淨手續費及利息收入	1,479.8	100.0	1,752.0	100.0
Other revenue	其他收入	34.7	2.3	34.0	1.9
Reversal for guarantee losses	轉回擔保賠償準備金	39.7	2.7	110.9	6.3
Impairment losses	資產減值損失	(372.9)	(25.1)	(515.5)	(29.3)
Operating expenses	營運支出	(802.7)	(54.2)	(893.4)	(51.0)
Net foreign exchange gain	匯兌淨收益	1.1	0.1	–	–
Other net expenses	其他支出淨額	(2.5)	(0.2)	(1.7)	(0.1)
Share of profits of associate	聯營企業投資收益	0.6	–	–	–
Profit before taxation	稅前利潤	377.8	25.6	486.3	27.8
Income tax	所得稅	(94.3)	(6.4)	(134.2)	(7.7)
Net profit	淨利潤	283.5	19.2	352.1	20.1

Although the Group made less provision for impairment of its asset portfolio and business and management fees relating to its daily operations were decreasing, both its net profit and net profit margin (net profit/net fee and interest income) were on a downward trend in 2016 due to the decreasing net fee and interest income.

儘管針對本集團資產組合所提取的資產減值準備減少，以及與日常經營相關的業務及管理費呈下降趨勢，但由於淨手續費及利息收入呈下降趨勢，使得本集團2016年的淨利潤及淨利潤率（淨利潤／淨手續費及利息收入）均呈下降趨勢。

For the year ended 31 December 2016, the net profit of the Group was RMB283.5 million, representing a decrease of RMB68.6 million or 19.5% compared with RMB352.1 million for the year ended 31 December 2015. For the year ended 31 December 2016, the net profit margin of the Group was 19.2%, 0.9 percentage points lower than 20.1% for the year ended 31 December 2015.

For the year ended 31 December 2016, the net fee and interest income of the Group was RMB1,479.8 million in total, down by 15.5% as compared with RMB1,752.0 million for the year 2015. The decrease was mainly because of the 1.3% decrease in net guarantee and consulting fee income in the credit guarantee business and 26.6% decrease in net interest and handling fee income in SME lending business. Among others:

- In 2016, the net guarantee and consulting fee income in the credit guarantee business was RMB755.4 million in total, decreased RMB9.6 million or 1.3%, as compared with that amount of RMB765.0 million for the year 2015. Since 2015, downward pressure on the macro-economy intensified and the credit default risk of some SME customers increased. In view of this, the Group proactively made adjustments to its business exploration model and the structure of its credit guarantee business, during the period of which the Group gradually and proactively withdrew from the business customers with comparatively high risks so as to reduce payment amounts due to default. The Group also progressively changed its model to expand customer base and business coverage, initiatively marketed core customers with relatively high credit qualifications, and developed standardized products to cater for the financing needs from both upstream and downstream enterprises, especially its core customers, thereby vigorously developed the supply chain business model. Meanwhile, the Group appropriately employed other business tools such as entrusted loans, transfer of accounts receivable and bill discount to meet the financing needs of numerous SMEs. As no significant income was forthwith derived from new customers, the aforesaid business adjustments resulted in a declining trend for outstanding balance of the traditional financing guarantee business and net guarantee and consulting fee income. The balance for traditional financing guarantee (including bank financing guarantee and other non-bank financing guarantee) declined by RMB2,793.9 million or 23.8% from RMB11,719.0 million as at 31 December 2015 to RMB8,925.1 million as at 31 December 2016, accounting for 22.0% of the guaranteed amount.

截至2016年12月31日止年度，本集團淨利潤為人民幣283.5百萬元，較截至2015年12月31日止年度淨利潤人民幣352.1百萬元，下降人民幣68.6百萬元，降幅19.5%；截至2016年12月31日止年度，本集團淨利潤率為19.2%，較截至2015年12月31日止年度淨利潤率20.1%下降0.9個百分點。

截至2016年12月31日止年度，本集團淨手續費及利息收入為人民幣1,479.8百萬元，較2015年淨手續費及利息收入總額人民幣1,752.0百萬元，減少15.5%，主要是因為信用擔保業務產生的擔保及諮詢費淨收入較2015年同比減少1.3%，以及中小企業貸款業務產生的利息及手續費淨收入較2015年同比減少26.6%共同影響所致。其中：

- 於2016年，本集團信用擔保業務產生的擔保及諮詢費淨收入為人民幣755.4百萬元，較2015年的人民幣765.0百萬元，下降人民幣9.6百萬元，降幅1.3%；自2015年開始，宏觀經濟下行壓力逐步加大，中小企業信用違約風險增加。對此，本集團主動調整業務拓展模式和信用擔保業務結構。在此過程中，本集團逐步主動從風險相對較高的客戶業務中退出，以減少違約付款金額；逐步改變客戶及業務拓展模式，主動營銷信用資質較高的核心企業，通過開發標準化產品，滿足以核心企業為中心的上下游企業的融資需求，大力發展供應鏈業務模式；同時，本集團合理利用其它業務工具，比如委託貸款、應收賬款轉讓、票據貼現等方式滿足廣大中小企業的融資需求。由於新增客戶尚未及時產生有效收入，上述業務調整使得傳統融資擔保類業務餘額、擔保及諮詢費淨收入均呈下降趨勢；傳統融資擔保業務在保餘額（包括銀行類融資擔保和其他非銀行機構類融資擔保）從2015年12月31日人民幣11,719.0百萬元，下降至2016年12月31日的人民幣8,925.1百萬元，減少人民幣2,793.9百萬元，降幅達23.8%，佔在保餘額的比例為22.0%。

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On the other hand, the Group continuously enhanced promotion on bond guarantee business with lower credit risks to offset the decrease in income from the traditional financing guarantee business, thereby facilitating the credit guarantee business to achieve a smooth transformation. With such adjustments in the structure of the business, the outstanding bond guarantee business increased by 299.8% from RMB5,065.0 million as at 31 December 2015 to RMB20,250.0 million as at 31 December 2016, accounting for 49.8% of the guaranteed amount.

- In 2016, the net interest and handling fee income of the Group was RMB724.4 million, representing a decrease of RMB262.6 million or 26.6% as compared with RMB987.0 million in 2015. The decrease in net interest and handling fee income was mainly because of the decrease of RMB99.7 million in interest and handling fee income and an increase of RMB162.9 million in interest and commission expense.

另一方面，本集團持續加大信用風險相對較低的債券擔保業務的營銷力度，以彌補傳統融資擔保業務收入下降的影響，以實現信用擔保業務板塊的平穩轉型。上述業務結構調整使得債券擔保業務餘額從2015年12月31日的人民幣5,065.0百萬元，增加至2016年12月31日的人民幣20,250.0百萬元，增幅達299.8%，佔在保餘額的比例為49.8%；

- 於2016年，本集團利息及手續費淨收入為人民幣724.4百萬元，較2015年的人民幣987.0百萬元，下降人民幣262.6百萬元，降幅26.6%。利息及手續費淨收入的下降主要是因為利息及手續費收入減少人民幣99.7百萬元以及利息及手續費支出增加人民幣162.9百萬元共同影響所致。

In order to further secure customers with high credit ratings, the Group has progressively made minor downward adjustments to its pricing since 2015. As a result, the average rate of return for SME loan business declined from 17.7% in 2015 to 15.0% in 2016. At the same time, the Group continuously promoted the issue of loans and increased relevant issue size. The SME loans increased by RMB544.6 million or 7.3% from RMB7,470.1 million as at 31 December 2015 to RMB8,014.7 million as at 31 December 2016. The Group proactively made strategic transformation and adjustment in 2016 with “Diversifying model, upgrading and transformation” as overall business strategy and explored consumer finance and platform finance business when upgrading traditional micro and small business. Through online and offline cross-field integration, the Group established standard, concentrated and diversified business model, further expanded customer access channel and provided comprehensive financial service for small and micro-enterprises and individual clients. Following such adjustment to our business model and the transformation and upgrading, the traditional outstanding balance of the Group’s traditional micro and small loan business recorded a gradually decline since the beginning of 2016, while new business segments were still at the cultivation stage in the first half of 2016, and thus generated only insignificant revenue until the second half of 2016 when rapid growth was recorded. Such “Rise after decline” business deployment model resulted in the increase in the monthly average outstanding balance of SME loan assets (including “Micro and small loans” and “Entrusted loans”, the same hereinafter) of RMB103.2 million or 1.6% from RMB6,321.0 million in 2015 to RMB6,424.2 million in 2016. Since the decline in the average rate of returns for the SME loan business has exceeded the growth of the average balance of loan business, the total interest and handling fee income of the loan assets in 2016 was RMB962.6 million, with a decrease by RMB155.3 million or 13.9% as compared with RMB1,117.9 million in 2015.

自2015年開始，為進一步獲取信用資質較好的客戶，本集團定價策略呈逐步小幅下降趨勢，使得中小企業貸款業務平均收益率由2015年的17.7%下降至2016年的15.0%。與此同時，本集團持續推廣並擴大貸款發放規模。截至2016年12月31日，中小企業貸款業務規模為人民幣8,014.7百萬元，較2015年12月31日中小企業貸款業務規模人民幣7,470.1百萬元，增加人民幣544.6百萬元，增幅7.3%；本集團2016年以「豐富模式、轉型升級」為業務總體策略積極進行戰略轉型調整，在轉型升級傳統小微業務的同時，積極拓展消費金融和平台金融業務，通過線上線下跨界融合，構建標準化、集中化、多元化的業務模式，進一步拓寬獲客渠道，為小微企業和個人客戶提供綜合金融服務。業務模式的調整和轉型升級使得本集團傳統小微貸款業務餘額從2016年初開始逐步下降，但是新的業務板塊在2016年上半年尚處於培育期，發生額較小，2016年下半年才開始快速發展，這種「前低後高」的業務投放模式使得中小企業貸款類資產（包括「小微貸款」和「委託貸款」，以下同）月平均餘額從2015年人民幣6,321.0百萬元增長至2016年人民幣6,424.2百萬元，增加人民幣103.2百萬元，增幅為1.6%；由於中小企業貸款業務平均收益率的下降幅度超過貸款業務平均餘額的增長幅度，使得貸款類資產產生的利息及手續費收入總額由2015年的人民幣1,117.9百萬元下降至2016年的人民幣962.6百萬元，減少人民幣155.3百萬元，降幅為13.9%。

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In 2016, the growth of the Group's factoring business and finance leasing business led to a significant increase in the relevant interest and handling fee income. The interest and handling fee income of the Group in the factoring business and finance lease business was RMB70.1 million in total, increase by RMB54.2 million or 340.9% as compared with RMB15.9 million in 2015.

In 2016, the interest and commission expense of the Group was RMB388.7 million, which increased by RMB162.9 million or 72.1% as compared with RMB225.8 million in 2015. As financial institutions including banks gradually tightened their direct lending to SMEs, the Group progressively increased funds acquired from other channels, and utilized the same to carry out business in the form of provision of loans to SMEs, aiming at catering for the financing needs of SMEs which met the conditions set for credit extension. Expenditures associated with interest on bonds, interest on borrowings from banks and non-bank institutions as well as commission paid to agents gradually increased due to the timing mismatch between the consumption of funds for business development and one-off borrowings from external parties.

2016年，本集團保理業務和融資租賃業務的發展使得相關利息及手續費收入呈大幅增加態勢。保理業務和融資租賃業務產生的利息及手續費收入為人民幣70.1百萬元，較2015年保理業務和融資租賃業務利息及手續費收入人民幣15.9百萬元，增長人民幣54.2百萬元，增幅340.9%。

於2016年，本集團利息及手續費支出總額為人民幣388.7百萬元，較2015年利息及手續費支出225.8百萬元增加人民幣162.9百萬元，增幅72.1%。由於銀行等金融機構逐步減少對中小企業的直接放款，本集團逐步擴大從其他渠道獲取批量資金，隨後再向中小企業提供借款的方式開展業務，以滿足符合授信資格的中小企業的融資需求。由於業務投放對資金的消耗與對外一次性融入資金之間的時間錯配，使得債券利息支出、銀行及非銀行機構借款利息支出和手續費及佣金支出逐步增長。

- Impairment losses for receivables for default payments and other credit assets decreased from RMB515.5 million in 2015 to RMB372.9 million in 2016, representing a decrease of RMB142.6 million or 27.7%. Since the beginning of 2015, the Group has proactively optimized its business structure, comprehensively adjusted its credit-granting policy, and fully enhanced its marketing management and post-guarantee management, with increased frequency and efforts in post-guarantee management. As for defaulting customers, the Group stepped up management on collaterals. Meanwhile, the Group further raised all staff's awareness of risk management by fully implementing the administrative rules for distribution of performance-based bonus after the "Discharge of risk responsibility". Given the short term (mainly within 18 months) of loans and credit guarantees provided by the Group to its customers, the aforesaid measures led to gradually reduced credit risk exposure of the Group's overall asset portfolio, and relevant effectiveness was fully achieved in 2015 and 2016, as evidenced by the declining provision for impairment of its assets.
- Excluding the impact of "Share-based payment" and "Taxes and surcharges", the total "Operating expenses" used in daily operation and management in 2016 would be RMB714.1 million, representing a decrease of RMB16.4 million or 2.2% as compared with RMB730.5 million in 2015. In 2016, the Group continuously strengthened cost control and optimized resource allocation, resulting in a continuous decrease in operating expenses.
- 有關應收代償款以及其他信用資產的資產減值損失從2015年的人民幣515.5百萬元減少至2016年的人民幣372.9百萬元，減少人民幣142.6百萬元，降幅27.7%。自2015年初開始，本集團主動調整業務結構，全面調整授信政策，全面強化營銷管理和保後管理，並增加保後管理的頻率和力度，對於違約客戶則加強了抵質押物管理力度。同時，在所有業務人員中，全面推行「風險責任解除」後發放績效獎金的管理辦法，進一步強化全體員工的風險管理意識。由於本集團向客戶提供的貸款及信用擔保業務的期限較短（主要集中在18個月以內），上述措施使得本集團整體資產組合的信用風險敞口逐步下降，並在2015年、2016年得到完全釋放，使得資產減值準備逐步下降。
- 剔除「股份支付」以及「稅金及附加」的影響，2016年，本集團用於日常經營管理的「營運支出」總額為人民幣714.1百萬元，較2015年的營運支出總額人民幣730.5百萬元，減少人民幣16.4百萬元，降幅2.2%。2016年，本集團持續強化成本管理，並優化資源配置，使得營運支出持續下降。

Chairman's Statement

董事長致辭

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of Hanhua Financial, I am pleased to present the annual report of the Company from 1 January 2016 up to 31 December 2016.

In 2016, the government aggressively promoted the structural reform of supply side against the backdrop of China’s “new normal” economy. By active withdrawal from industries with excess production capacity, adjustment of organizational structure, product mix and marketing channels, Hanhua Financial substantially improved its business scale, assets quality, risk control capability and competitive strength. We hope this will facilitate the rebound of our operating results in 2017.

Apart from making effective improvement on business layout and assets quality, we have made the following major achievements in 2016:

1. Substantial breakthrough in financial license strategy. In 2016, Hanhua Financial achieved unprecedented breakthrough in its financial license strategy by obtaining the first major license for mainstream financial service as the establishment of Chongqing Fumin Bank Co., Ltd (“Fumin Bank”) was approved. The jointly operated securities company, which was established by Hanhua Financial as the promotor, has filed an application with the China Securities Regulatory Commission. The Company intended to enhance its comprehensive business capability exploring new business and profit drivers through the jointly operated securities company in collaboration with its existing financial business resources. The financial license strategy of Hanhua Financial can greatly enhance its market creditability, lower its financing costs and boost its capability in integrated financial services.

尊敬的各位股東：

本人欣然代表瀚華金控董事（「**董事**」）會（「**董事會**」），呈報本公司自2016年1月1日截至2016年12月31日年度報告。

2016年，在我國「新常態」的經濟背景下，政府大力推進供給側結構性改革。瀚華金控主動退出產能過剩行業，調整組織結構、產品結構以及銷售方式，使瀚華的業務規模、資產質量、風險管控能力及競爭力均得到顯著提升。我們希望這能夠奠定瀚華在2017年實現業績反轉回升的良好基礎。

除有效改善業務佈局及資產質量外，我們在2016年完成以下重要工作：

1. 金融牌照戰略取得重要突破。2016年，瀚華金控的金融牌照戰略獲得歷史性突破，重慶富民銀行股份有限公司（以下簡稱「富民銀行」）獲批成立，瀚華取得了邁向主流金融的第一張重要牌照；由瀚華金控發起設立的合營證券公司已向中國證券監督管理委員會提交申請，擬透過合資證券公司，協同現有金融業務資源拓展新的業務與盈利增長點，進一步提升公司的綜合經營實力。金融牌照戰略能夠有效提升瀚華市場信用、降低瀚華資金成本、提升瀚華綜合金融服務能力。

2. Improved asset quality. According to our review and research, Hanhua Financial made the right decision to deliberately withdraw from industries with excess production capacity and certain poorly-managed traditional enterprises. In hindsight, the Group has avoided “landmines” through proactive, prudent and flexible risk management, as projects from which we exited faced huge challenges afterwards. After two years of efforts, Hanhua has basically completed its risk management and assets reorganization for the current cycle, creating sufficient space for the next stage of development.
3. Significantly optimized business structure. A year of hard work in 2016 has paid off for the partnership cluster segment, being one of Hanhua's two major segments, which comprises guarantee, leasing and factoring businesses and has accomplished the transformation of its business model from “passive” to “active” and from “subordinated” to “dominant”. The change of business model not only revolutionized the traditional sales and cooperation modes, but also sharply reduced reliance on banking channels. As a result, fund guarantee, bond guarantee and other capital market businesses became the new sources of growth. Meanwhile, the credit segment focusing on micro and small loan business has vigorously promoted the standardization of products and procedures, leading to substantially improved per capita efficiency.

Looking into 2017, we are of the view that the domestic economy will continue to be under pressure, with possibly slower growth, but still within the reasonable range, in GDP for the whole year. More proactive and effective fiscal policy and a moderate monetary policy are expected to be in place, and liquidity is expected to be more subsided as compared with 2016. Hanhua will continue to push forward its financial license strategy, optimization asset strategy and other established strategies, thereby laying down a solid foundation for its future rapid and healthy development.

2. 優化資產質量。我們的復盤研究顯示，瀚華此前主動退出產能過剩行業以及部分經營不佳的傳統企業的決定是正確的，當時退出的項目後期經營困難情況非常突出，瀚華通過主動、謹慎、靈活的風險管理，成功避開了雷區。經過兩年努力，瀚華已經基本完成本週期的風險處置與資產重組，為下一步發展留出了充足空間。
3. 業務結構優化明顯。通過2016年一年的努力，瀚華旗下的兩大板塊中，由擔保、租賃、保理等業務組成的夥伴集群板塊成功實現了從被動到主動、從從屬到主導的業務模式轉型，不僅在傳統業務上改變了銷售和合作模式，大幅降低了對銀行渠道的依賴，基金擔保、債券擔保等資本市場業務也成為新的增長亮點。以小微貸款業務為主的信貸板塊則大力推進產品和流程的標準化，人均效能顯著提升。

展望2017年，我們認為，國內經濟將繼續承壓，全年GDP增速可能繼續下行，但仍在合理區間範圍；財政政策將更加積極有效、貨幣政策偏於中性，流動性將較2016年有所收斂。瀚華會繼續推進金融牌照、優化資產等既定戰略，為未來快速、健康發展奠定堅實的基礎。

Management Discussion and Analysis

管理層討論與分析

BUSINESS OVERVIEW

業務綜述

CREDIT GUARANTEE BUSINESS

信用擔保業務

Business expansion and product development strategies

業務拓展及產品開發策略

The following table sets forth the crucial business indicators of the guarantee business of the Group for the years indicated:

下表載列於所示年度本集團各項信用擔保業務的關鍵業務指標：

		For the year ended 31 December 於12月31日		
		2016 2016年 Amount 金額	2015 2015年 Amount 金額	Change 變動 %
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)				
Guarantee and consulting fee income	擔保及諮詢費收入	755.4	765.0	(1.3)
Product distribution of guarantee balances	擔保餘額按產品分佈：			
Traditional financing guarantee	傳統融資擔保	8,925.1	11,719.0	(23.8)
Bond guarantee	債券擔保	20,250.0	5,065.0	299.8
Financing guarantee balance subtotal	融資擔保餘額小計	29,175.1	16,784.0	73.8
Re-guarantee	再擔保業務分出	10,000.0	–	–
Outstanding traditional financing guarantee liability	傳統融資擔保責任餘額	8,875.1	11,719.0	(24.3)
Outstanding bond guarantee liability	債券擔保責任餘額	10,300.0	5,065.0	103.4
Financing guarantee liability	融資擔保責任餘額	19,175.1	16,784.0	14.2
Non-financing guarantees	非融資擔保	11,455.8	9,198.8	24.5
– Guarantee of capital preservation funds	– 保本基金擔保	8,255.2	7,375.7	11.9
Guaranteed balance total	在保責任餘額合計	30,630.9	25,982.8	17.9

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In terms of the development of the guarantee business, the Group adhered to the principles of compliant operations and “protection and suppression”, and effectively integrated the macroeconomic control policies and industry policies of the government to develop the guarantee business in a prudent, steady and appropriate manner. In 2016, the guarantee and consulting fee income from credit guarantee business was RMB755.4 million, remaining stable as compared with that in 2015. As at 31 December 2016, the Group’s outstanding credit guarantee balance (excluding the amount of RMB10.00 billion which was transferred out from the re-guarantee business) was RMB30,630.9 million, representing an increase of RMB4,648.1 million or 17.9% as compared with RMB25,982.8 million as at 31 December 2015. This was mainly due to the rapid development of the bond guarantee business.

The Group kept improving product portfolio based on the macroeconomic environment, market conditions and the demands for business development in the future, to provide more diversified product support for business marketing. At the same time, the Group revised and optimized some of the existing products to meet market changes, and continuously improved product popularity and competitiveness. In addition, the Group will continue with product innovation. Such strategies will promote constant improvement in the Group’s business product portfolio. The Group’s guarantee products include providing guarantee for direct financing and sale under repurchase agreement transactions through bank and other financing channels; providing guarantees for bonds issued on the stock exchange market, inter-bank markets and other channels; providing performance guarantee for capital preservation fund products managed by mutual fund management companies, and other forms of non-financing guarantees such as engineering contract guarantee and attachment guarantee.

本集團堅持依法合規經營，堅持「有保有壓」的原則，有效結合國家宏觀調控政策和產業政策，審慎、穩健、適度的發展擔保業務。2016年，信用擔保業務產生的擔保及諮詢費收入為人民幣755.4百萬元，與2015年擔保及諮詢費收入相比，保持穩定態勢。於2016年12月31日，本集團信用擔保業務在保責任餘額（剔除再擔保業務轉出金額人民幣100.0億元）為人民幣30,630.9百萬元，較2015年12月31日在保餘額人民幣25,982.8百萬元增加人民幣4,648.1百萬元，增幅達17.9%，其增長主要來源於債券擔保業務的大幅增加。

本集團根據宏觀經濟環境和市場狀況，結合未來業務發展需要，不斷完善產品體系，為業務營銷提供更加多元化的產品支撐。同時本集團根據市場變化修改完善已有部份產品，不斷提高產品使用度和競爭力。此外，本集團還將持續進行產品創新，這一系列工作將促進本集團業務產品體系的持續完善。本集團擔保業務產品主要包括：為客戶通過銀行以及其他資金渠道的直接融資、賣出回購交易提供擔保；為客戶通過交易所市場、銀行間市場以及其他渠道發行債券提供擔保；為公募基金管理公司管理的保本基金提供履約擔保、以及其他形式的工程保證擔保、保全擔保等非融資擔保。

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- Traditional financing guarantee business

The Group always remains committed to its mission of “Serving SMEs and individuals”. The Group strives to provide services to SMEs which meet relevant credit qualifications. Since 2015, downward pressure on the domestic economy intensified and the credit default risk of SME customers generally increased. Therefore, since 2015, the Group has gradually eliminated some high-risk customers in an active manner to reduce default payments. Further, the Group also progressively changed its model in expanding customer base and business coverage and introduced initiative marketing measures targeting at core customers with relatively high credit qualifications. Moreover, the Group based on “Core enterprises” to design integrated financial service solutions for the upstream and downstream enterprises of such core enterprises by capitalizing on their marketing networks and financing channels and whereby developed standardized credit guarantee products to cater for the financing needs from both upstream and downstream enterprises, especially its core customers, thereby vigorously developing the supply chain business model. As at 31 December 2016, the Group has entered into strategic cooperation agreements with more than 30 core enterprises to provide integrated financial service solutions for their upstream and downstream enterprises. Meanwhile, the Group developed customized products for the enterprises with special recruitment demands in special industry in line with their industrial characteristics. For example, we developed short-term credit products and engineering construction guarantee products for construction enterprises in construction industry which intend to participate into a tender. As such, the Group’s business model has been gradually changed from that targeting at “Single customer” to the present “Supply chain finance” model.

- 傳統融資擔保業務

本集團始終堅持以「服務中小企業及個人」為使命，努力向符合信用資質的中小企業提供服務。自2015年開始，宏觀經濟下行壓力逐步加大，中小企業信用違約風險增加。因此，自2015年開始，本集團逐步主動退出風險相對較高的客戶，以減少違約付款金額；逐步改變客戶及業務拓展模式，主動營銷信用資質較高的核心企業，以「核心企業」為依托，依托核心企業的銷售網絡和資金渠道網絡，針對核心企業的上下游企業設計綜合性金融服務方案，並據此開發標準化的信用擔保產品，滿足以核心企業為中心的上下游企業的融資需求，大力發展供應鏈業務模式。截至2016年12月31日，本集團已經與30多家核心企業簽訂戰略合作協議，為其上下游企業提供綜合性金融服務方案。同時，本集團針對特定行業、特定用工季節的企業設定符合其行業經營特點的產品，如為建築領域的施工企業參與投標而開發的短期信貸產品、工程施工保函類產品。這使得本集團從過去針對「單一客戶」的經營模式向「供應鏈金融」模式逐步轉變。

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Although the aforesaid business achieved rapid development in the second half of 2016, from the overall perspective, the nurturing of new customer base and the promotion of new business model still posed lagged effect on the contribution to guarantee and consulting fee income. Meanwhile, the Group catered for the financing needs of numerous SMEs by reasonably employing other business tools such as entrusted loans, transfer of accounts receivables, bill discount. As at 31 December 2016, the balance of the Group's traditional financing guarantee business (including bank financing guarantee and other non-bank financing guarantee) was RMB8,925.1 million, representing a decrease of RMB2,793.9 million or 23.8% as compared with RMB11,719.0 million as at 31 December 2015.

儘管上述業務在2016年下半年獲得迅猛發展，但整體來講新客戶群體的培育、新業務模式的推廣對於擔保及諮詢費收入的貢獻仍然存在一定的滯後因素。同時，本集團合理利用其它業務工具，比如委託貸款、應收賬款轉讓、票據貼現等方式滿足廣大中小企業的融資需求。於2016年12月31日，本集團傳統融資擔保業務（包括銀行類融資擔保和其他非銀行機構類融資擔保）餘額為人民幣8,925.1百萬元，較2015年12月31日餘額人民幣11,719.0百萬元，下降人民幣2,793.9百萬元，降幅23.8%。

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- Bond guarantee

The Central People's Government made it clear in the 2015 Government Work Report "to vigorously develop inclusive finance to enable all market players to share the benefits of financial services", followed by the publication of the "Plans for Promoting the Development of Inclusive Finance (2016-2020)" by the Central People's Government in January 2016. Meanwhile, efforts would be made to accelerate the establishment of a multi-level capital market to make investment a theme of steady growth in the future. Against this backdrop, the Group further pushed for transformation and upgrading of the business model and continued its business development strategy that focused on "Asset quality as the core, customer demand as the centre, partnership finance as the concept and product innovation as the carrier" for creating a symbiotic eco-financial service circle. The Group teamed up with industrial clusters to set up "A guarantee fund, a debt fund, an investment and buyout fund and an industrial development fund" for linking up all connectable resources and integrating various aspects of the industry chain to achieve a winwin situation by means of "structured finance and closed operation". On this basis, by continuously enhancing its capital strength as well as its brand and creditability on the capital market, the Group provided credit guarantees for "special yield bonds and support bonds for small and micro enterprises" issued by local governments and financing platforms. The Group took this as an opportunity to deliver comprehensive financial service solutions to the SMEs on its chain that utilized funds for investment, thereby enabling the Group to switch from the role as a traditional "Credit market" service provider to the role as a "Capital + Credit" market comprehensive service provider.

- 債券擔保業務

中央人民政府2015年《政府工作報告》明確指出，「要大力發展普惠金融，讓所有市場主體都能分享金融服務的雨露甘霖」，且中央人民政府於2016年1月印發《推進普惠金融發展規劃（2016-2020年）》。同時，加快推進建設多層次資本市場，投資成為未來穩增長的主題。在此大背景下，本集團深入推進業務模式轉型升級，堅持「以資產質量為核心、以客戶需求為中心、以夥伴金融為理念、以產品創新為載體」的業務發展策略，建設共生金融生態服務圈。本集團聯合各產業集群，設立「擔保基金、債權基金、投資&併購基金、產業發展基金」，連接一切可以連接的資源，整合產業鏈條上的各個環節，通過「結構融資、封閉運行」的方式，實現多方共贏。在此基礎上，本集團通過不斷提升的資本實力及在資本市場的品牌及信用能力，為地方政府及融資平台發行的「專項收益債、小微企業扶持債」提供信用擔保，並以此為契機為其資金投資使用鏈條中的中小企業提供綜合性的金融服務解決方案，借此從傳統的「信貸市場」服務商向「資本+信貸」市場綜合服務商進行轉變。

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In 2016, Hanhua Guarantee Corporation Limited, mainly engaged in financing guarantee services of the Group, received an “AA+” long-term corporate rating with positive outlook from Dagong Global Credit Rating Co., Ltd., and from Pengyuan Credit Rating Co., Ltd. and Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. respectively.

According to the regulatory requirements set by the relevant regulatory authorities, the risk multiplier of the financing guarantee business is capped at 10 times of the net assets amounts. For a long time, the risk multiplier of the Group’s financing guarantee business ranges from 4.5 to 5.0, far below the cap set by the relevant regulatory authorities. Therefore, in 2016, the Group provided guarantee services to bonds issued by financing entities with good credit history in open markets by appropriately drawing upon long idle business resources and capitalizing on the influence of Group’s brand in the capital market. Despite the relatively low fee rate of such business, the overall scale is large and the guarantee expenses for the next few years can be received on a one-off basis upon successful issue of bonds. The increased revenue generated from such business largely offset the decreased revenue from our traditional financing guarantee business, providing support to the smooth transition and transformation of the Group’s business. In 2016, the Group provided guarantees to a total of bonds of RMB20.25 billion issued by 24 customers. At the same time, the Group collaborated with third-party re-guarantee companies in transferring out a total of bond guarantee projects in value of RMB9.95 billion for re-guarantee purpose to diversify relevant risks. As at 31 December 2016, Outstanding bond guarantee liability of the Group was RMB10,300.0 million, representing an increase of RMB5.23 billion or 103.4% as compared with RMB5.07 billion as at 31 December 2015.

於2016年，本集團主要從事融資擔保服務的「瀚華擔保股份有限公司」分別獲大公國際資信評估有限公司及獲鵬元資信評估有限公司、上海新世紀資信評估投資服務有限公司出具的具有正面前景的「AA+」長期企業評級。

根據監管機構設定的相關監管規定，融資擔保業務的風險放大倍數上限為淨資產規模的10倍。長期以來，本集團信用擔保業務的槓桿放大倍數徘徊於4.5-5.0之間，大大低於監管機構設定的控制目標。所以，本集團於2016年合理利用長期空閒的業務空間，並利用本集團在資本市場的品牌影響力，向市場優質融資主體在公開市場發行的債券提供擔保服務。儘管該類業務費率相對較低，但整體規模較大且能夠在債券發行成功時一次性收取未來幾年的擔保費。該項業務收入的增加，很大程度上抵消傳統融資擔保業務收入的下降，助力本集團業務實現平穩過渡和轉型。於2016年，本集團累計為24個客戶發行的共計人民幣202.5億元債券提供擔保。同時，本集團與第三方再擔保公司進行合作，共計將人民幣99.5億元的債券擔保項目進行再擔保轉出，以分散風險。於2016年12月31日，本集團債券擔保責任餘額為人民幣103.0億元，較2015年12月31日餘額人民幣50.7億元增加人民幣52.3億元，增幅103.4%。

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• Non-financing Guarantee

The Group offers non-financing guarantees in the Group's credit guarantee business whereby the Group act as guarantor to promise to pay one party (i.e. the obligor) a certain amount if another party, (i.e. the principal), fails to meet certain obligations, (such as fulfilling the terms of a contract). To reduce the Group's credit risks, the Group requires business owners or controlling persons of the principal to provide counter-guarantees, which make them jointly and severally liable together with the principal when the Group incurs a loss. The non-financing guarantee products mainly include capital preservation fund guarantee, engineering contract guarantee and litigation guarantee.

The Group considers the provision of non-financing guarantees can enhance the efficiency of capital utilization as such business is not subject to any net asset leverage ratio requirements in our financing guarantee business.

The Group began to engage in guarantee business for capital preservation funds in 2014. As at 31 December 2016, the Group provided services to 9 fund products managed by 5 fund management companies, with outstanding guarantee liability of RMB8.26 billion.

Capital preservation public funds are fund products offered for public subscription which guarantee the return of principal at the maturity date and are managed through various capital preservation investment strategies. Under this new guarantee product, the Group typically guarantees the payment of any shortfall between the net asset value of a particular capital preservation public fund at its maturity date and its principal value when initially launched. Capital preservation funds utilize interest or an extremely small proportion of assets to conduct high risk investments, while the majority of assets are used for fixed return investments, which means the value of the fund will not be lower than its guaranteed price regardless of the market decline in which the fund is invested, thereby achieving capital preservation (i.e. the Constant Proportion Portfolio Insurance (CPPI) investment strategy). In terms of the entire capital preservation fund market, there is not a single fund that was unable to preserve its capital at the maturity date.

• 非融資擔保

本集團也就信用擔保業務提供非融資擔保，據此本集團擔任擔保人，並承諾倘其中一方（即委託人）無法履行若干責任（例如滿足合約條款），則向另一方（即債權人）支付若干金額。為減低本集團信用風險，本集團要求經營者或委託人的控制人士提供反擔保，他們於本集團蒙受損失時須與委託人共同及各自承擔連帶責任，非融資擔保產品主要包括保本基金擔保、工程保證擔保、訴訟擔保。

本集團認為提供非融資擔保可以提高資本使用效率，原因是有關業務不受融資擔保業務的任何資產淨值槓桿比率規定所限制。

本集團於2014年開始提供保本基金擔保業務。於2016年12月31日，本集團共為5家基金管理公司的9只基金產品提供服務，其在保責任餘額為人民幣82.6億元。

保本基金是提呈公眾認購，於到期日獲得保證本金回報，並透過多種保本投資策略管理的基金產品。根據此新擔保產品，本集團通常擔保支付特定保本基金於到期日的資產淨值與當初推出的本金值之間的任何差額。保本基金利用利息或是極小比例的資產從事高風險投資，而將大部份的資產從事固定收益投資，使得基金投資的市場不論如何下跌時，絕對不會低於其所擔保的價格，而達到「保本」作用（即CPPI投資策略）。從整個保本基金市場看，保本基金目前並無任何一隻發生到期未保本情況。

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In the meantime, the Group assisted a number of construction and engineering construction enterprises which met certain qualifications in their business expansion by issuing “Bid bonds, performance bonds and prepayment bonds” to them. As at 31 December 2016, the balance of these non-financing guarantee businesses were RMB2,691.9 million, representing an increase of RMB1,482.6 million or 122.6% as compared with RMB1,209.3 million as at 31 December 2015.

此外，本集團為符合一定資質要求的建築、工程施工企業開立「投標保函、履約保函、預付款保函」，協助其業務拓展。截至2016年12月31日，該類非融資擔保業務餘額為人民幣2,691.9百萬元，較2015年12月31日餘額人民幣1,209.3百萬元，增加人民幣1,482.6百萬元，增幅122.6%。

Risk management strategies

The following table sets forth the major asset quality indicators of the SME lending business of the Group as at the years indicated:

風險管理策略

下表載列所示年度本集團信用擔保業務各項關鍵風險質量指標：

		For the year ended 31 December 截至12月31日止年度		
		2016 2016年 Amount 金額	2015 2015年 Amount 金額	Change 變動 %
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)				
Default rate⁽¹⁾	代償率⁽¹⁾	1.6%	1.9%	(0.3)
Default payments	違約付款	386.0	489.5	(21.1)
Guarantees released	獲解除擔保	23,467.7	25,685.3	(8.6)
Provision rate⁽²⁾	撥備率⁽²⁾	1.1%	1.5%	(0.4)
Provisions for guarantee losses	擔保賠償準備金	350.6	390.3	(10.2)
Total outstanding guarantees balance	總擔保餘額	30,630.9	25,982.8	17.9
Loss ratio⁽³⁾	損失率⁽³⁾	0.9%	1.5%	(0.6)
Impairment losses for receivables for default payments	應收代償款的資產減值損失	213.7	376.2	(43.2)
Guarantees released	獲解除擔保	23,467.7	25,685.3	(8.6)
Recovery rate⁽⁴⁾	回收比率⁽⁴⁾	40.4%	16.5%	23.9
Recovered amount	回收金額	156.0	81.0	92.6
Default payments	違約付款	386.0	489.5	(21.1)
Leverage ratio⁽⁵⁾	槓桿放大倍數⁽⁵⁾	4.8	4.4	0.4
Financing guarantee liability	融資擔保責任餘額	19,175.1	16,784.0	14.2
Net assets of the credit guarantee business	信用擔保業務淨資產	4,035.2	3,841.5	5.0

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Notes:

- (1) Default payments made on default borrower's behalf divided by guarantee released.
- (2) Provisions for guarantee losses divided by the balance of the outstanding guarantees. The provision rate indicates the level of reserve we set aside for our guarantee portfolio.
- (3) Impairment losses for receivables for default payments divided by guarantee released.
- (4) Recovered amount divided by default payments made on default borrower's behalf.
- (5) The outstanding balance of financing guarantees divided by net assets of our credit guarantee business.

Since 2015, the Group has been conforming to the trend in economic development and population concentration, following the national strategy-oriented approach for regional development and improving the plan for the differential distribution of regional assets. The Group always continues to apply the general principles of risk management that aim to "Focus on quality and seek progress while maintaining stability; adjust the structure and enhance quality and efficiency; manage by classification and engage in bottom-line thinking; and optimize models and carry out transformation and upgrading".

- **Focus on quality and seek progress while maintaining stability:** We conduct thorough investigation and evaluation of existing customers, strengthen post-guarantee management, increase the frequency and strength of post-guarantee management, guard against and mitigate risk at earlier stage, enhance support to customers who performed their obligations, in order to reduce the default risk of customers to the greatest extent. For new customers, in the market survey phase, we raise the threshold of credits for customers, and strengthen the extent of on-site investigation and management of uncertain risks. Meanwhile, the Group further raised all staff's awareness of risk management by fully implementing the administrative rules for distribution of performance-based bonus after the "discharge of guarantee liabilities".

註釋：

- (1) 代違約借款人歸還借款額除以總體獲解除擔保金額。
- (2) 擔保賠償準備金除以擔保餘額。撥備率顯示本集團就擔保組合的儲備水平。
- (3) 應收代償款的資產減值損失除以總體解除擔保金額。
- (4) 回收金額除以代違約借款人歸還借款額。
- (5) 融資擔保業務餘額除以信用擔保業務淨資產。

自2015年開始，本集團順應經濟發展和人口聚集趨勢，緊跟國家區域發展戰略導向，完善區域資產差異化佈局，始終堅持「質量為本、穩中求進；調整結構、提質增效；分類管理、底線思維；模式優化、轉型升級」的風險管理總體原則。

- **質量為本、穩中求進：**對存量客戶進行全面排查和梳理，全面強化保後管理，增加保後管理的頻率和力度，提前防範並化解風險，並對履約良好的客戶加強扶持，以最大力度降低客戶的違約風險。對於新增客戶，在市場調研階段，提高客戶的准入標準，加強對客戶不確定性風險的現場調研和管理力度。同時，在所有業務人員中，全面推行「擔保責任解除」後發放績效獎金的管理辦法，進一步強化全體員工的風險管理意識。

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- **Adjust the structure and enhance quality and efficiency:** We preferred to select the consumer industry that has a nature of certain growth and the manufacturing of clear emerging market spaces. Meanwhile, the Group are determined to withdraw from the surplus industry with relatively high inventory pressure as well as the industry with low efficiency of resource allocation. We vigorously developed new product offerings in various fields covering the capital market, property finance, construction finance and supply chain finance as well as loans to rural areas (美麗鄉村貸). In 2015 and 2016, the Group withdrew its investment from a total of 4,700 customers and progressively exited from the real estate industry, the metal smelting industry and other high-risk industries.
- **Manage by classification and engage in bottom-line thinking:** Based on new and existing inventories, we controlled the differences in the number of old and new financial institutions, and set up portfolio quota control by customer, product, industry and other dimensions, and continued to strengthen whole-process management based on the principles of authenticity.
- **Optimize models and carry out transformation and upgrading:** We converted the single-customer credit risk assessment and credit policy into a supply chain financial model based on “core enterprises and core products”; executed guidance programmes for specific businesses; continued to implement the scheme on “one policy for one place and differentiated management”; and advanced risk management policies, guidelines and initiatives forward to product design, customer selection and process management.
- **調整結構、提質增效：**優先選擇具備一定成長性的消費產業以及具有明確新興市場空間的製造業，同時本集團堅決退出去庫存壓力比較大的過剩行業以及資源配置效率低下的行業。大力發展資本市場、地產金融、建設金融、供應鏈金融、美麗鄉村貸等新產品。2015年以及2016年，本集團累計退出4,700戶，逐步退出房地產、金屬冶煉等高危行業。
- **分類管理、底線思維：**按新增與存量，對新老機構進行差別數量控制，並按客戶、產品、行業等維度設定組合限額控制；堅持真實性原則，強化全流程管理。
- **模式優化、轉型升級：**化單一客戶信用風險評估及授信政策為以「核心企業、核心產品」為依托的供應鏈金融模式，落實具體業務指導方案，堅持「一地一策、差別管理」方案，風險管理政策、方針、手段前移至產品設計、客戶選擇及流程管理中。

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The total amount of default payments paid on behalf of default customers of the Group was RMB386.0 million in 2016, representing a decrease of RMB103.5 million or 21.1% as compared with RMB489.5 million in 2015. The overall default rate of the Group shows the quality of the Group's guarantee portfolio. In 2016, the Group's default rate was 1.6%, representing a decrease of 0.3 percentage points as compared with 1.9% in 2015. The decrease was mainly because that the Group conducted a comprehensive screening review of existing customers and enhanced post-guarantee management as well as the corresponding management frequency and efforts. Meanwhile, the Group further raised all staff's awareness of risk management by fully implementing the administrative rules for distribution of performance-based bonus after the "discharge of guarantee liabilities". Given the short term (mainly within 18 months) of loans and credit guarantees provided by the Group to its customers, the aforesaid measures led to gradually reduced credit risk exposure of the Group's overall asset portfolio, and relevant effectiveness was fully achieved in 2015 and 2016, as evidenced by the declining provision for impairment of its assets.

As at 31 December 2016, the original amount of the Group's receivables for default payments was RMB1,373.1 million, corresponding to the balance of impairment provisions at RMB743.8 million. As at 31 December 2016, the provision rate (allowance for default payment receivables/receivable for default payments) was 54.2%, representing a downward trend as compared with 57.1% as at 31 December 2015. The Group made evaluation on withdrawal possibility of receivables for default payments mainly based on the reverse mortgage provided by borrowers, and compared possible withdrawal amount with the amount of default payments to incorporate the balance into the impairment losses of the current period.

本集團2016年為違約客戶支付的代償款項總額為人民幣386.0百萬元，與2015年代償款項總額人民幣489.5百萬元相比，共減少人民幣103.5百萬元，降幅21.1%。本集團整體代償率顯示本集團擔保組合質量，2016年本集團代償率為1.6%，較2015年度代償率1.9%下降0.3個百分點。2016年代償率的下降，主要是本集團全面強化保後管理，增加保後管理的頻率和力度；同時，在所有業務人員中，全面推行「擔保責任解除」後發放績效獎金的管理辦法，進一步強化全員的風險管理意識。由於本集團向客戶提供的貸款及信用擔保業務的期限較短（主要集中在18個月以內），上述措施使得本集團整體資產組合的信用風險敞口逐步下降，並在2015年、2016年得到完全釋放。

於2016年12月31日，本集團應收代償款原值為人民幣1,373.1百萬元，對應的減值準備餘額為人民幣743.8百萬元，撥備率（應收代償款減值準備／應收代償款原值）為54.2%，該撥備率與2015年12月31日撥備率57.1%相比，呈小幅下降趨勢。本集團對應收代償款潛在的回收可能進行逐筆評估，主要依據借款人提供的反抵押情況進行，並將可能回收金額的現值與代償款金額進行比較，將差額計入當期資產減值損失。

Management Discussion and Analysis

管理層討論與分析

For customers that defaulted, the Group stepped up management on collateral and appropriation of non-performing assets so as to rapidly recoup funds. In 2016, the Group recovered RMB156.0 million from defaulting customers; thanks to the Group's effective management, the recovery rate of credit guarantee business improved from 16.5% in 2015 to 40.4% in 2016.

The provision rate of the Group's credit guarantee business is used to calculate the provision for potential losses based on our total guaranteed balance. Given the increasing downward pressure on the domestic economy, the Group still adopted prudent accounting estimate strategy. As at 31 December 2016, the provision rate of the Group's credit guarantee business was 1.1%, representing a decline of 0.4 percentage points as compared with 1.5% as at 31 December 2015. The decrease was mainly because the proportion of bond guarantee and guarantee for capital preservation funds whose credit risks are relatively low to the total product portfolio rose from 47.9% as at 31 December 2015 to 60.6% as at 31 December 2016, which made potential risk of credit guarantee portfolios have changed.

As at 31 December 2016, net assets of credit guarantee business was RMB4,035.2 million, representing an increase of RMB193.7 million or 5.0% as compared with RMB3,841.5 million as at 31 December 2015. As at 31 December 2016, the Group's financing guarantee balance was RMB19,175.1 million, representing an increase of RMB2,391.1 million or 14.2% as compared with RMB16,784.0 million as at 31 December 2015. Therefore, the leverage ratio was 4.8 as at 31 December 2016 (as at 31 December 2015: 4.4).

對於違約客戶，本集團加強抵質押物管理和不良資產處置力度，以期快速回籠資金。於2016年，本集團從違約客戶處累計回收人民幣156.0百萬元。由於本集團有效管理，使得信用擔保業務代償之後的回收率從2015年的16.5%提高至2016年的40.4%。

本集團信用擔保業務的撥備率，用以計算根據本集團總體承擔的擔保責任餘額，就潛在虧損所作出的儲備水準。由於國內經濟運行下行壓力持續加大，本集團仍然採用審慎的會計估計策略。於2016年12月31日，本集團信用擔保業務的撥備率為1.1%，較2015年12月31日的1.5%下降0.4個百分點，主要是因為信用風險相對較低的債券擔保及保本基金擔保在整個產品組合中的佔比由2015年12月31日的47.9%上升至2016年12月31日的60.6%，使得信用擔保業務組合的潛在風險發生變化。

於2016年12月31日，信用擔保業務的淨資產為人民幣4,035.2百萬元，較2015年12月31日的淨資產人民幣3,841.5百萬元，增加人民幣193.7百萬元，增幅5.0%。於2016年12月31日，本集團融資擔保餘額為人民幣19,175.1百萬元，較2015年12月31日的融資擔保餘額人民幣16,784.0百萬元，增長人民幣2,391.1百萬元，增幅14.2%。因此，於2016年12月31日，槓桿比率為4.8(於2015年12月31日：4.4)。

Management Discussion and Analysis

管理層討論與分析

Distribution of collateral for guarantee business

The following table sets forth the distribution of the collateral of the Group's outstanding guarantee business (excluding capital preservation fund guarantees) as at the dates indicated:

擔保業務的抵質押物分佈

下表載列於所示日期扣除保本基金擔保的擔保業務獲取的抵質押物分佈情況：

		As at 31 December 於12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Unsecured guarantee	無抵押擔保	11,061.8	49.4	8,562.1	46.0
Secured guarantee	有抵押擔保	11,313.9	50.6	10,045.0	54.0
– Land and buildings	– 土地及樓宇	6,515.7	29.2	5,944.9	31.9
– Accounts receivable and equity interests	– 應收賬款及股權	4,798.2	21.4	4,100.1	22.1
Total	合計	22,375.7	100.0	18,607.1	100.0

As there was greater downward pressure on macro-economy, the Group proactively adjusted the structure of our guarantee business and curtailed and exited from the high-risk sectors such as real estate industry in an orderly manner. In respect of traditional financing guarantee business, we continuously enhanced the management of guarantees and increased the proportion of guarantees in the overall credit granted, thereby reducing our credit risk exposure in single customers. However, for the supply-chain integrated financial service solution which is based on the “Cash flow, information stream” and targets at “Core enterprises”, the Group was still adherent to operating principle of “Trust, Simplicity, Happiness” to serve customers with higher efficiency. For the bond guarantee business and capital preservation fund business with lower credit risks, their proportions in the whole product portfolios increased to 60.6% as at 31 December 2016 from 47.9% as at 31 December 2015, which led to changes in the potential risks of the credit guarantee portfolio, thereby reducing the credit guarantee risk. The unsecured guarantee projects are mainly related to capital preservation fund guarantees and supply-chain finance guarantees..

由於宏觀經濟下行壓力較大使得中小企業的經營狀況深受影響，本集團主動調整擔保業務結構，有序壓縮退出房地產等高危行業；對於傳統的融資擔保業務，不斷加強擔保物的管理，提升擔保物佔整體授信金額的比重，以此降低單一客戶的信用風險敞口；但對於以「現金流、信息流」為基礎並緊緊圍繞「核心企業」開展的供應鏈綜合金融服務方案，本集團仍然堅持「信用•簡單•快樂」的經營理念，以更加高效率地為客戶服務。信用風險相對較低的債券擔保及保本基金擔保在整個產品組合中的佔比由2015年12月31日的47.9%上升至2016年12月31日的60.6%，使得信用擔保業務組合的潛在風險發生變化，擔保項目風險得以降低。無抵押擔保項目主要是保本基金類項目以及供應鏈金融類擔保。

Management Discussion and Analysis

管理層討論與分析

Industry distribution of the guarantee business

擔保業務的行業分佈

The following table sets forth the industry distribution of the guarantee business as at the dates indicated:

下表載列於所示日期擔保業務行業分佈情況：

		As at 31 December 於12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Capital preservation fund guarantees	保本基金擔保	8,255.2	27.0	7,375.7	28.4
Construction industry	建築業	7,353.7	24.0	6,254.4	24.0
Household goods	綜合	3,872.9	12.6	2,007.9	7.7
Commercial services	商貿	3,370.6	11.0	3,637.8	14.0
Public facilities investment and management	公共設施投資與管理	3,230.0	10.5	925.0	3.6
Manufacturing and processing industry	製作及加工業	2,938.7	9.6	3,797.1	14.7
Others	其他	1,609.8	5.3	1,984.9	7.6
Total	合計	30,630.9	100.0%	25,982.8	100.0

We persisted with the concept of “Industry diversification” to avoid over reliance on a single industry. Also, in order to effectively diversify risk, our credit guarantee business focused on the principle of “Catering to the livelihood of people and providing concrete services to SMEs”, to provide active support for the development of SMEs. In 2016, the guarantees business mainly concentrated in the capital preservation fund guarantee, construction industry, the household goods, commercial services, public facilities investment and management, manufacturing and processing industry and other industries, which accounted for 27.0%, 24.0%, 12.6%, 11.0%, 10.5%, 9.6% and 5.3% of the guarantee business of the Group respectively. There was no over-reliance on a single industry and the situation remained relatively stable.

本集團始終堅持「行業分散」的理念，避免對單一行業的過度依賴，同時為了有效分散風險，本集團信用擔保業務緊緊圍繞「貼近民生、貼近實業、服務中小企業」的理念，積極主動的支持中小企業的發展。2016年擔保業務主要集中在保本基金擔保、建築業、綜合、商貿、公共設施投資與管理、製造及加工業及其他行業，分別佔本集團擔保業務的27.0%、24.0%、12.6%、11.0%、10.5%、9.6%、5.3%。對單一行業的依賴程度不高，且保持相對穩定狀態。

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管理層討論與分析

Distribution of guarantees by risk exposure

The following table sets forth the distribution of outstanding guarantee balances by risk exposure as at the dates indicated:

按風險敞口劃分的擔保業務分佈

下表載列於所示日期按風險敞口劃分的擔保責任餘額分佈：

		As at 31 December 於12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Up to RMB3 million	0至人民幣3百萬元	2,435.5	8.0	2,278.5	8.8
Over RMB3 million to RMB5 million	人民幣3百萬元以上 至人民幣5百萬元	1,669.5	5.5	2,434.3	9.4
Over RMB5 million to RMB10 million	人民幣5百萬元以上 至人民幣10百萬元	2,200.6	7.2	2,989.8	11.5
Over RMB10 million to RMB30 million	人民幣10百萬元以上 至人民幣30百萬元	2,714.8	8.9	3,130.7	12.0
Over RMB30 million	人民幣30百萬元以上	21,610.5	70.4	15,149.5	58.3
Total	合計	30,630.9	100.0	25,982.8	100.0

As the Group continued to focus on the cooperation with quality SME customers, it also enhanced cooperation with quality companies such as “Top 100 Companies”, industry leading companies and government institutions. As at 31 December 2016, outstanding balance for SME customers with a guaranteed amount below RMB10 million was RMB6,305.6 million, accounting for 20.7% of the outstanding guarantee balance, representing a decline of 9.0 percentage points as compared with the proportion as at 31 December 2015. The decrease was mainly because the growing of new customer group and the promotion of new business model lag behind in the transformation and upgrading of business model. For single projects with amounts exceeding RMB10 million, 76.3% were guarantees provided for bonds issue and capital preservation funds.

本集團在繼續致力於與優質中小企業客戶合作的同時，加強與「百強企業」等優質企業、行業龍頭企業和優質上市公司的合作。於2016年12月31日，本集團擔保責任餘額在人民幣1,000萬元以下的中小企業客戶擔保餘額為人民幣6,305.6百萬元，擔保餘額佔比20.7%，該比例較2015年12月31日小幅下降9.0個百分點。該比例下降主要是業務模式轉型升級過程中，新客戶群體的培育、新業務模式的推廣存在一定的滯後因素。在單筆金額高於人民幣1,000萬元的項目中，76.3%的項目是本集團針對債券發行和保本基金提供的擔保。

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管理層討論與分析

The following table sets forth the distribution of the remaining maturity of the guarantee business as at the dates indicated:

下表載列於所示日期擔保業務剩餘到期時間分佈情況：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within six months	6個月以內	5,429.2	17.7	6,190.3	23.8
Due over six months up to 12 months	6個月以上至1年	7,645.0	25.0	10,140.2	39.0
Due over one year up to two years	1年以上至2年	5,966.9	19.5	4,449.3	17.2
Due over two years up to three years	2年以上至3年	837.1	2.7	656.9	2.5
Due over three years	3年以上	10,752.7	35.1	4,546.1	17.5
Total	合計	30,630.9	100.0	25,982.8	100.0

The Group focuses on providing short-term guarantees to minimize our risk exposure. As at 31 December 2016, the percentage of outstanding guarantee liabilities with a period of over 1 year increased significantly as compared with that as at 31 December 2015 mainly due to the increase in the percentage of outstanding bond guarantee liability. Among the projects with a guarantee period of over 1 year, 84.3% of the projects are the guarantee provided by the Group for bonds issue and capital preservation funds. The bond guarantee projects fall due in a term of not more than 7 years, for most of them, issuers began to settle the principal in batches from the third year. In the terms of individual bond balance, the outstanding guarantee liabilities will demonstrate a dropping trend.

本集團專注提供短期擔保，以減少風險敞口。於2016年12月31日，一年以上擔保責任餘額佔比較2015年12月31日該比例大幅上升，主要是因為債券擔保責任餘額佔比上升。擔保期限一年以上的項目中，84.3%的項目是本集團針對債券和保本基金提供的擔保。債券擔保項目最長為7年，大部分項目自第三年開始由發行人逐步償還本金，就單筆債券餘額而言，其債券擔保責任餘額將呈逐步下降趨勢。

Management Discussion and Analysis

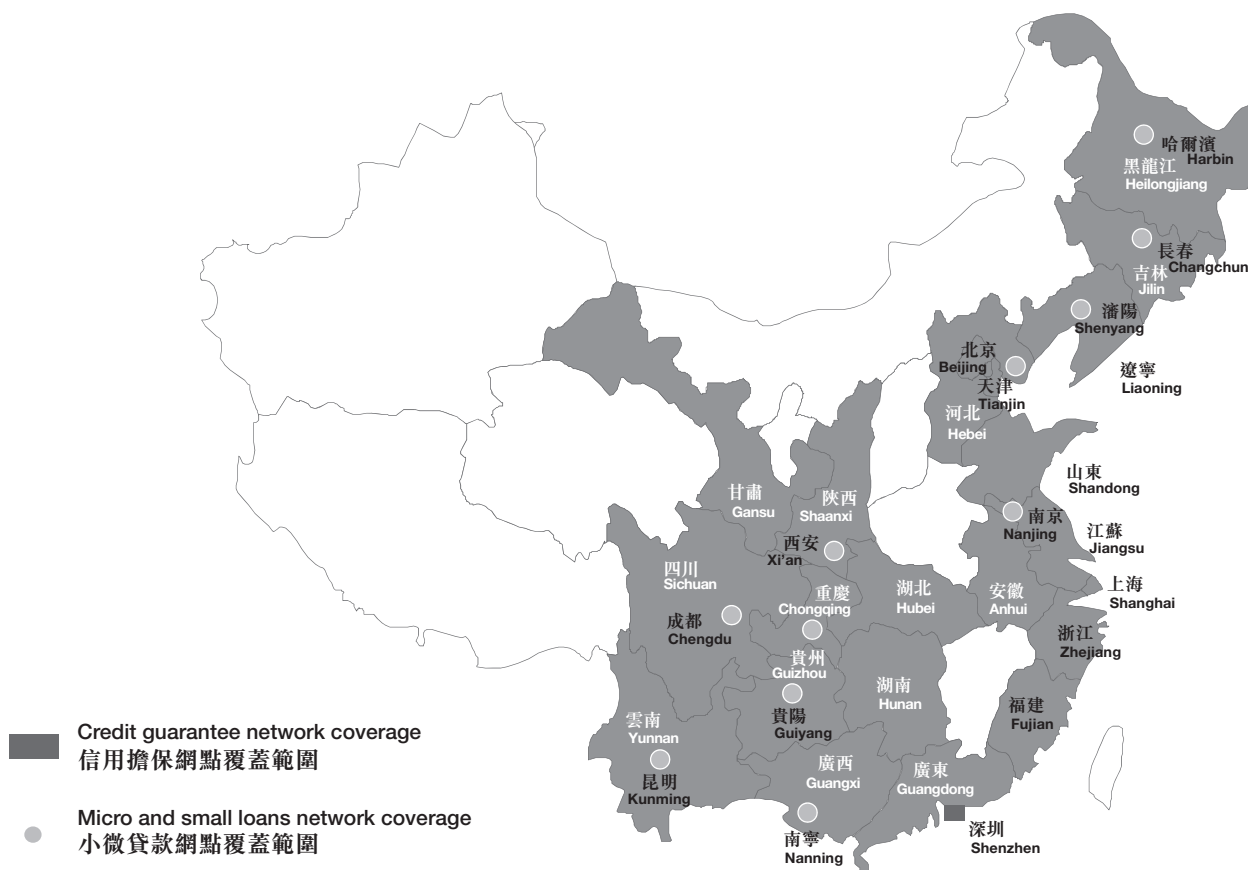
管理層討論與分析

Channel establishment

The Group continued to reinforce the establishment of cooperation channels with various financial institutions and have entered into Strategic Cooperation Agreements with various banks and financial service companies for broader development of guarantee business. In 2016, the Group kept strengthening liquidity management, maintained good solvency and won support from many financial institutions. As at 31 December 2016, the Group has cooperated with 60 banks and was granted over RMB40.0 billion of credit. The Group has also cooperated with more than 40 non-bank financial institutions, and was granted over RMB20 billion of credit. Of which, 7 new institutions were newly added in 2016, acquiring new credit up to RMB2.3 billion.

渠道建設

本集團持續加強同各類金融機構的合作渠道建設，與多家銀行及金融服務公司簽署了《戰略合作協議》，開展更廣泛的擔保業務合作。2016年，本集團持續加強流動性管理並保持良好的償付能力，贏得眾多金融機構的首肯。於2016年12月31日，本集團已與60多家銀行進行合作，獲得超過人民幣400.0億元的授信額度；同時與40多家非銀行金融機構進行合作，獲得超過人民幣200.0億元的授信額度。其中2016年新增合作機構7家，新增授信額度達人民幣23.0億元。



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管理層討論與分析

The following table sets forth the top ten credit granting banks:

下表載列前十位授信銀行：

Item 序號	Cooperating bank 合作銀行	Credit granting method 授信方式	Amount of credit granted 授信額度
1	China Construction Bank 建設銀行	Total credit 總體授信	RMB4.0 billion 授信人民幣40億
2	Chongqing Rural Commercial Bank 重慶農村商業銀行	Independent credit 獨立授信	RMB4.0 billion 授信人民幣40億
3	Postal Savings Bank of China 中國郵儲銀行	Total credit 總體授信	RMB2.4 billion 授信人民幣24億
4	Bank of Tianjin 天津銀行	Total credit 總體授信	RMB2.0 billion 授信人民幣20億
5	Bank of Ningxia 寧夏銀行	Independent credit 獨立授信	RMB1.5 billion 授信人民幣15億
6	Bank of Chongqing 重慶銀行	Total credit 總體授信	RMB1.0 billion 授信人民幣10億
7	Shanghai Pudong Development Bank 浦發銀行	Total credit 總體授信	RMB1.0 billion 授信人民幣10億
8	Shenyang Rural Commercial bank 瀋陽農村商業銀行	Independent credit 獨立授信	RMB1.0 billion 授信人民幣10億
9	Xi'an bank 西安銀行	Independent credit 獨立授信	RMB1.0 billion 授信人民幣10億
10	Nanjing bank 南京銀行	Independent credit 獨立授信	RMB0.7 billion 授信人民幣7億

By constantly expanding cooperation channels, the Group recorded a stable development of the guarantee business, providing favorable conditions for the growth of the scale of the guarantee business of the Group.

不斷拓寬的合作渠道，使得擔保業務得以穩健開展，也為本集團擔保業務規模的增加創造了有利條件。

Management Discussion and Analysis

管理層討論與分析

Market coverage

The Group's credit guarantee network, consisting of 4 credit guarantee subsidiaries and 26 credit guarantee branch offices, has provided credit guarantee business in 22 regions/provinces across China, including Chongqing, Sichuan, Yunnan, Hubei, Shaanxi, Gansu, Heilongjiang, Jilin, Liaoning, Beijing, Tianjin, Hebei, Shandong, Jiangsu, Shanghai, Anhui, Hunan, Guizhou, Guangxi, Guangdong, Fujian and Zhejiang.

The following table sets forth the Group's guarantee amounts by geographical regions as for the dates indicated:

市場覆蓋

本集團通過4家信用擔保附屬公司及26家信用擔保分支機構組成的信用擔保網點於中國22個地區／省份提供信用擔保業務，包括重慶、四川、雲南、湖北、陝西、甘肅、黑龍江、吉林、遼寧、北京、天津、河北、山東、江蘇、上海、安徽、湖南、貴州、廣西、廣東、福建和浙江。

下表載列於所示日期，本集團按所屬地域劃分擔保金額：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		<i>Amount</i> 金額	<i>% of total</i> 佔總額%	<i>Amount</i> 金額	<i>% of total</i> 佔總額%
Beijing	北京	8,323.9	27.2	9,364.9	36.0
Chongqing	重慶	4,122.4	13.5	6,845.2	26.4
Jiangsu	江蘇	3,951.7	12.9	3,565.1	13.7
Liaoning	四川	3,004.3	9.8	2,190.2	8.4
Hunan	湖南	2,048.8	6.7	365.4	1.4
Liaoning	遼寧	1,718.7	5.6	1,611.5	6.2
Others	其他	7,461.1	24.3	2,040.5	7.9
Total	合計	30,630.9	100.0	25,982.8	100.0

With our gradual brand building in the domestic capital market, we began to vigorously develop guarantee business in the bond market. In 2016, we began to conduct debt guarantee business in areas including Suzhou, Sichuan and Hunan where our outstanding guarantee liabilities experienced growth.

隨著本集團在國內資本市場品牌的逐步樹立，本集團開始大力發展債券市場擔保業務。2016年在江蘇、四川、湖南等地開展債項擔保業務，以上地區的擔保責任餘額均有所增長。

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管理層討論與分析

MICRO AND SMALL LOANS BUSINESS

Micro and small loan business products

At present, the Group provides services to the customers through subsidiaries established in Chongqing, Chengdu, Tianjin, Shenyang, Nanning, Changchun, Xi'an, Kunming, Guiyang, Nanjing, Harbin and Shenzhen. The small loan companies in Chongqing, Sichuan, Shenyang and Harbin have acquired the qualification for internet lending. This has broken the previous regional restriction. The Group now has the qualification for lending in all regions across the mainland China, which is beneficial to the further expansion of credit loan business of the Group.

Since 2015, due to the growing downward pressure on Chinese economy and complicated economic conditions, the credit default risk of some SME customers increased. Under such circumstances, in 2016, the Group proactively made strategic transformation and adjustment under the overall business strategy of “diversifying model, upgrading and transformation” and explored consumer finance and platform finance business when upgrading traditional micro and small business. Through online and off-line cross-field integration, the Group established standard, concentrated and diversified business model, further expanded customer access channel and provided comprehensive financial service for small and micro- enterprises and individual clients. As at 31 December 2016, the platform finance platform and the consumer finance platform business of the Group amounted to approximately RMB1.67 billion, representing 31.0% of the total outstanding balance of loans, delivering initial success of the adjusted business model.

小微貸款業務

小微貸款業務產品

目前，本集團通過設立於重慶、成都、天津、瀋陽、南寧、長春、西安、昆明、貴陽、南京、哈爾濱及深圳的附屬公司向客戶提供服務。其中，位於重慶、四川、瀋陽、哈爾濱的小額貸款公司已經獲得「互聯網放貸」的資格，此舉打破以往存在的地域限制，本集團至此擁有在中國大陸地區進行全轄範圍的放款資格，有利於本集團信貸業務的進一步擴張。

自2015年開始，國內經濟下行壓力逐步加大，經濟形勢複雜，中小企業信用違約風險持續上升且融資需求呈下降態勢。在此環境下，本集團2016年以「豐富模式、轉型升級」為業務總體策略積極進行戰略轉型調整，在轉型升級傳統小微業務的同時，積極拓展消費金融和平台金融業務，通過線上線下跨界融合，構建標準化、集中化、多元化的業務模式，進一步拓寬獲客渠道，為小微企業和個人客戶提供綜合金融服務。截至2016年12月31日，本集團平台金融及消費金融平台業務餘額約人民幣16.7億元，佔總貸款餘額31.0%，業務模式調整初見成效。

Management Discussion and Analysis

管理層討論與分析

Following the adjustment of the business model and its transformation and upgrading, the outstanding balance of the Group's traditional micro and small loan business recorded a gradually decline trend, through the cultivation and market development in the first half of 2016, new business segments entered into a rapid development trend in the second half of 2016, which led to an increase trend in the outstanding balance of SME lending. As at 31 December 2016, the outstanding balance of the micro and small loans was RMB5,375.2 million, representing an increase of RMB997.7 million, or 22.8%, as compared with RMB4,377.5 million as at 31 December 2015. Therefore, the gearing ratio of the micro and small loan business as at 31 December 2016 (outstanding balance of the micro and small loans/paid-in capital of the micro and small loan business) was 1.6 (as at 31 December 2015:1.4).

The Group offers various micro and small loan products with different and flexible terms that suit different customers. In 2016, the Group's principal micro and small loan products newly launched include the following:

- **Fangjie Loan:** it is a secured small loan product. Its target customer is the individual that provide real estate as mortgage. Principal of this loan product ranges between RMB0.1 million and RMB3.0 million, and the expiry date is between 1 and 36 months;
- **Lexiang Jin:** it is an unsecured micro loan product. Its target customers are official employees of national administrative organizations or units, public schools or hospitals and listed companies, and those individuals that have housing mortgage, social security, retirement fund and fixed salary in banking card. Principal of this loan product generally ranges between RMB10,000 and RMB500,000, and its expiry date is 1 to 36 months;

業務模式的調整及轉型升級使得本集團傳統小微貸款業務餘額在2016年上半年呈逐步下降態勢，經過2016年上半年的培育和市場拓展，新的業務板塊在2016年下半年進入快速發展期，中小企業貸款餘額呈穩步增長態勢。於2016年12月31日，小微貸款餘額為人民幣5,375.2百萬元，較2015年12月31日餘額人民幣4,377.5百萬元，增加人民幣997.7百萬元，增幅22.8%。因此，於2016年12月31日的小微貸款業務槓桿比率（小微貸款餘額／小微貸款業務的實收資本）為1.6（於2015年12月31日：1.4）。

本集團提供不同類型的小微貸款產品，有關產品的條款不一且靈活，以滿足不同客戶的需要。2016年，本集團新推出的主要小微貸款產品包括：

- **房捷貸：**為有抵押小額貸款產品，服務對象為能夠提供房地產作為抵押的個人。此貸款產品本金一般介乎人民幣0.1百萬元及人民幣3.0百萬元，到期日介乎1至36個月；
- **樂享金：**為無抵押微型貸款產品，服務對象為國家行政或事業單位、公立學校或醫院、上市企業等公司的正式員工，以及有按揭房、社保、公積金、固定打卡工資的人群。此貸款產品本金一般介乎人民幣1.0萬元到人民幣50.0萬元，到期日介乎1到36個月；

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- **Yun Car Loan:** it is a small secured loan product. Its target customers are individuals who have intention to buy new and used cars. Principal of such product generally ranges between RMB0.03 million to RMB0.8 million. Its expiry date is 12 to 36 months;
- **Pingtai Loan:** it is a small loan product. Its target customers are the small and micro companies or individual consumers. Pingtai Loan will usually involve external partners. Participation method includes the external partners assisting us on marketing, providing historical operation and consumption records of customers and assist in controlling of risk. Principal of such loan product generally ranges between RMB0.001 million to RMB0.3 million. Its expiry date is 0.4 to 36 months;
- **Loan on Fast Moving Consumer Goods:** it is a small loan product. Its target customers are the national agents of famous fast moving consumer goods brand. Principal of such loan product generally ranges between RMB0.06 million to RMB2.0 million. Its expiry date is 1 to 12 months.
- **雲車車貸:** 為有抵押小額貸款產品。服務對象為採購新車、二手車的個人。此款產品本金一般介於人民幣3.0萬元至人民幣80.0萬元，到期日介於12到36個月；
- **平台貸:** 為小額貸款產品，服務對象為小微企業或個人消費者。平台貸一般都有外部合作夥伴的參與，參與方式包括由外部合作夥伴輔助本集團進行營銷、提供客戶歷史經營和消費記錄、協助控制風險等。此貸款產品本金一般介乎人民幣0.1萬元到人民幣30.0萬元，到期日介乎0.4到36個月；
- **快消貸:** 為小額貸款產品，服務對象為知名快消品牌旗下全國代理商。此貸款產品本金一般介乎人民幣6.0萬元到人民幣200.0萬元，到期日介乎1到12個月。

The following table sets forth the capital base and outstanding balances of the micro and small loan business as at the dates indicated:

下表載列於所示日期小微貸款業務的資本基礎及餘額情況：

		As at 31 December	
		12月31日	
(Expressed in RMB million, unless otherwise stated)		2016	2015
(除另有註明外，以人民幣百萬元列示)		2016年	2015年
Paid-in capital of the micro and small loan business	小微貸款業務的實收資本	3,450.0	3,150.0
Outstanding balance of micro and small loans	小微貸款餘額	5,375.2	4,377.5
Leverage ratio	槓桿比率	1.6	1.4

As at 31 December 2016, the capital base of the Group's micro and small loans business was RMB3.45 billion, representing an increase of RMB0.3 billion or 9.5% as compared with RMB3.15 billion as at 31 December 2015.

於2016年12月31日，本集團小微貸款業務的資本基礎為人民幣34.5億元，較2015年12月31日資本基礎人民幣31.5億元增加人民幣3.0億元，增幅9.5%。

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The following table sets forth the average interest and handling fee rate of the micro and small loan business as for the periods indicated:

下表載列於所示年度小微貸款業務的平均利息及手續費率：

		For the year ended 31 December 截至12月31日止年度		
		2016 2016年 Amount 金額	2015 2015年 Amount 金額	Change 變動 %
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)				
Micro and small loans	小微貸款			
Interest and handling fee income	利息及手續費收入	597.3	685.5	(12.9)
Average outstanding balance of micro and small loans	小微貸款月均餘額	4,057.2	4,171.6	(2.7)
Average interest and handling fee rate	平均利息及手續費率	14.7%	16.4%	(1.7)

In 2016, the interest and handling fee rate of the Group's micro and small loan business was RMB597.3 million, representing a decrease of RMB88.2 million or 12.9% as compared with RMB685.5 million in 2015. The decrease in interest and handling fee income was mainly due to the decrease in both average interest and handling fee rate of micro and small loans and its monthly average outstanding balance.

2016年，本集團小微貸款業務利息及手續費收入為人民幣597.3百萬元，較2015年利息及手續費收入人民幣685.5百萬元相比，減少人民幣88.2百萬元，降幅12.9%。利息及手續費收入下降的主要原因在於小微貸款業務平均利息及手續費率和月平均餘額共同下降所致。

The interest and handling fee rates of the Group's micro and small loans depend on various factors, including credit and category of the borrower, whether the loan is secured, and the quality of the collateral and the maturity date of the loan. In response to the call from the government to practically alleviate the problem of expensive financing facing SMEs, the Group under the circumstance of continuous declining in external financing cost lowered fee rates of the micro and small loan business. Meanwhile, the Group proactively adjusted the type of micro and small loan business, expand the consumer loan business, commercial paper pledge loan business and commercial bill discount business with relatively lower credit risks and fee rates. In 2016, the interest and handling fee rate of the Group's micro and small loan business ranged from 11.0% to 21.6%, which showed a slight decline of around 5% in pricing strategy in 2015. The aforesaid measures led to 14.7% of the average interest and handling fee rate of the micro and small loan business, which showed a declined trend as compared with 16.4% in 2015.

本集團就小微貸款收取的利息及手續費率取決於多項因素，包括借款人的信用等級、貸款是否有抵押、抵押品的質量及貸款的期限等。為了響應政府號召並切實減輕中小企業「融資貴」的難題，本集團在對外融資成本持續下降的情況下，主動降低小微貸款業務的收費率。同時，2016年本集團主動調整小微貸款業務的業務種類，增加對違約風險相對較低的消費貸、商業票據貼現和商業票據質押貸款業務。2016年，本集團小微貸款業務的利息及手續費率區間為11.0%至21.6%，其定價策略較2015年小幅下降5%左右。上述措施使得本集團2016年小微貸款業務的平均利息及手續費率為14.7%，與2015年平均利息及手續費率16.4%相比，呈下降態勢。

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In 2016, the Group's average outstanding balance of micro and small loans was 4,057.2 million, which showed a slight decline trend as compared with RMB4,171.6 million in 2015. The decrease of the average balance of the micro and small loan business was mainly because the Group proactively made strategic transformation and adjustment in 2016 with "Diversifying model, upgrading and transformation" as overall business strategy and explored consumer finance and platform finance business when upgrading traditional micro and small business. Through online and off-line cross-field integration, the Group established standard, concentrated and diversified business model, further expanded customer access channel and provided comprehensive financial service for small and micro- enterprises and individual clients. Following such adjustment to the business model and the transformation and upgrading, the outstanding balance of the Group's traditional micro and small loan business recorded a gradually declined trend since the beginning of 2016, while new business segments were still at the cultivation stage in the first half of 2016, and thus generated only insignificant revenue until the second half of 2016 when rapid growth thereof commenced. As a result of such "Rise after decline" business deployment model, the monthly average balance of the micro and small loan assets amounted to RMB4,057.2 million in 2016, representing a slight decrease as compared with that of 2015.

The following table sets forth the distribution of guarantee methods of the micro and small loan business as for the dates indicated:

2016年，本集團小微貸款月均餘額為人民幣4,057.2百萬元，較2015年的人人民幣4,171.6百萬元呈小幅下降態勢。小微貸款業務月平均餘額下降主要是因為本集團2016年以「豐富模式、轉型升級」為業務總體策略積極進行戰略轉型調整，在轉型升級傳統小微業務的同時，積極拓展消費金融和平台金融業務，通過線上線下跨界融合，構建標準化、集中化、多元化的業務模式，進一步拓寬獲客渠道，為小微企業和個人客戶提供綜合金融服務。業務模式的調整及轉型升級使得本集團傳統小微貸款業務餘額自2016年初開始呈逐步下降態勢，但是新的業務板塊在2016年上半年尚處於培育期，發生額較小，2016年下半年才開始進入快速發展態勢，這種「前低後高」的業務投放模式使得2016年小微貸款類資產月平均餘額為人民幣4,057.2百萬元，較2015年月平均餘額呈小幅下降態勢；

下表載列於所示日期小微貸款業務保證方式分佈情況：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Credit loan	信用貸款	1,840.9	34.2	1,442.6	33.0
Guaranteed loans	保證貸款	3,015.5	56.1	2,513.2	57.4
– Guaranteed by intra-group Guarantors	– 由集團內公司間的擔保人擔保	851.6	15.8	972.8	22.2
– Guaranteed by non-related Parties	– 由獨立第三方擔保人擔保	2,163.9	40.3	1,540.4	35.2
Secured loans	有抵押貸款	518.8	9.7	421.7	9.6
Total	合計	5,375.2	100.0	4,377.5	100.0

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Due to healthy business policies, as at 31 December 2016, the distribution of guarantee methods of the micro and small loan business remained stable as compared with that as at 31 December 2015.

Structure of the micro and small loans business

The micro and small loans business developed moderately. As at 31 December 2016, balance of the micro and small loans business reached RMB5,375.2 million, representing an increase of RMB997.7 million or 22.8% as compared with RMB4,377.5 million as at 31 December 2015.

The following table sets forth the industry distribution of the micro and small loans business as for the dates indicated:

鑒於穩健的業務政策，於2016年12月31日，小微貸款業務的保證方式分佈情況與2015年12月31日相比保持穩定。

小微貸款業務結構

小微貸款業務投放適度。於2016年12月31日，小微貸款業務餘額達到人民幣5,375.2百萬元，較2015年12月31日餘額人民幣4,377.5百萬元增加人民幣997.7百萬元，增幅22.8%。

下表呈列，於所示日期小微貸款業務行業分佈情況：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		<i>Amount</i> 金額	<i>% of total</i> 佔總額%	<i>Amount</i> 金額	<i>% of total</i> 佔總額%
Personal consumption loans	個人消費貸款	1,668.7	31.0	–	–
Wholesale and retail	批發及零售	1,898.0	35.3	2,336.7	53.4
Manufacturing and processing	製造及加工業	739.1	13.8	910.1	20.8
Construction	建築業	519.0	9.7	518.2	11.8
Household goods	綜合	109.2	2.0	69.5	1.6
Others	其他	441.2	8.2	543.0	12.4
	合計	5,375.2	100.0	4,377.5	100.0

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In terms of industry structure of the micro and small loans business, the Group focused on the principle of “catering to the livelihoods of people and providing concrete services to SME” to provide active support for the financing needs of SMEs and individual customers. In 2016, the Group proactively made strategic transformation and adjustment with “Diversifying model through upgrading and transformation” as overall business strategy and explored consumer finance and platform finance business when upgrading traditional micro and small business. Through online and off-line cross-field integration, the Group established standard, concentrated and diversified business model, further expanded customer access channel and provided comprehensive financial service for small and micro- enterprises and individual clients. As at 31 December 2016, the platform finance platform and the consumer finance platform business of the Group amounted to approximately RMB1.67 billion, representing 31.0% of the total outstanding balance of loans, delivering initial success of the adjusted business model. Excluding the consumer loan business. Except the personal consumption loans, the traditional micro and small loans business was mainly concentrated on the wholesale and retail, manufacturing and processing, construction, household goods and other industries, which account for 35.3%, 13.8%, 9.7%, 2.0% and 8.2% respectively of the micro and small loans business of the Group.

在小微貸款業務的行業結構上，本集團緊緊圍繞「貼近民生，貼近實業」的理念，積極主動的支持中小企業及廣大個人客戶的用款需求。本集團2016年以「豐富模式、轉型升級」為業務總體策略積極進行戰略轉型調整，在轉型升級傳統小微業務的同時，積極拓展消費金融和平台金融業務，通過線上線下跨界融合，構建標準化、集中化、多元化的業務模式，進一步拓寬獲客渠道，為小微企業和個人客戶提供綜合金融服務。截至2016年12月31日，本集團平台金融及消費金融平台業務餘額約人民幣16.7億元，佔總貸款餘額31.0%，業務模式調整初見成效。除去消費信貸業務，傳統小微貸款業務行業分佈主要包括批發及零售、製造及加工業、建築業、綜合及其他行業，分別佔集團小微貸款業務的35.3%、13.8%、9.7%、2.0%及8.2%。

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The following table sets forth the distribution of the business exposure of micro and small loans as for the dates indicated:

下表載列於所示日期小微貸款業務敞口分佈情況：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Up to RMB100,000	0至人民幣10萬元	1,505.1	28.0	174.6	4.0
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	1,020.5	19.0	1,216.5	27.8
Over RMB500,000 to RMB1 million	人民幣50萬元以上至 人民幣1百萬元	897.4	16.7	787.6	18.0
Over RMB1 million to RMB3 million	人民幣1百萬元以上至 人民幣3百萬元	804.5	15.0	1,156.5	26.4
Over RMB3 million	人民幣3百萬元以上	1,147.7	21.3	1,042.3	23.8
合計		5,375.2	100.0	4,377.5	100.0

The Group devoted its efforts to serving quality SME and vast individual customers. As at 31 December 2016, the Group's outstanding balance of micro and small loans of customers with loans under RMB3 million was RMB4,227.5 million, accounting for 78.7% of the outstanding balance, representing a slight increase of 2.5 percentage points as compared with 76.2% as at 31 December 2015. As at 31 December 2016, the Group's outstanding balance of micro and small loans of customers with loans under RMB0.1 million was RMB1,505.1 million, accounting for 28.0% of the outstanding balance, representing a substantial growth of 24.0 percentage points as compared with 4.0% as at 31 December 2015. The additions of outstanding balance of such loans were mainly derived from the collaboration between the Group and internet finance and consumer finance platforms in 2016, through which the Group provided individual customers with individually insignificant loans in its consumer credit business by taking advantage of the consumer scenarios they provided.

本集團致力於服務優質中小企業及廣大個人客戶，於2016年12月31日，本集團貸款餘額在人民幣300萬以下的小微貸款客戶餘額為人民幣4,227.5百萬元，佔比78.7%，較2015年12月31日佔比76.2%小幅增加2.5個百分點。於2016年12月31日，本集團貸款餘額在人民幣10萬元以下的小微貸款客戶餘額為人民幣1,505.1百萬元，餘額佔比28.0%，較2015年12月31日餘額佔比4.0%大幅增長24.0個百分點，該類貸款餘額新增主要來源於本集團2016年與互聯網金融及消費金融平台展開合作，利用他們提供的消費場景向個人客戶提供單筆金額較小的消費信貸業務。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the distribution of the outstanding balance of micro and small loans by geographical region as for the dates indicated:

下表載列於所示日期按地區劃分的小微貸款餘額分佈：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		<i>Amount</i> 金額	<i>% of total</i> 佔總額%	<i>Amount</i> 金額	<i>% of total</i> 佔總額%
Chongqing	重慶	2,010.8	37.4	1,788.2	40.9
Chengdu	成都	1,181.4	22.0	748.8	17.2
Harbin	哈爾濱	936.8	17.4	123.4	2.8
Shenyang	瀋陽	376.8	7.0	320.2	7.3
Nanning	南寧	294.0	5.5	305.5	7.0
Tianjin	天津	213.6	4.0	264.7	6.0
Shenzhen	深圳	147.6	2.7	–	–
Nanjing	南京	133.6	2.5	167.4	3.8
Guiyang	貴陽	74.4	1.4	153.1	3.5
Xi'an	西安	4.9	0.1	260.3	5.9
Kunming	昆明	0.5	–	194.4	4.4
Changchun	長春	0.8	–	51.5	1.2
Total	合計	5,375.2	100.0	4,377.5	100.0

The small loan companies in Chongqing, Sichuan, Shenyang and Harbin have acquired the qualification for internet lending. Therefore, the scale of the small loan business of above mentioned regions has a substantial increase. As the business operations of the aforesaid four small loan companies have broken through geographical constraints, the Group planned to de-register the three small loan companies located in Xi'an, Kunming and Changchun, respectively, aiming at utilizing the existing capital in a rational manner.

位於重慶、四川、瀋陽、哈爾濱的小額貸款公司已經獲得「互聯網放貸」的資格，因此以上地區的小微貸款業務規模均有較大幅度的增長。由於上述四家小額貸款公司的業務經營突破地域限制，本集團計劃將位於西安、昆明、長春的三家小額貸款公司進行註銷，以合理利用現有資本。

Management Discussion and Analysis

管理層討論與分析

Customer base

In 2016, the Group cooperated with a total of 12 internet finance and consumer finance platforms to carry out consumer loan business. The number of customers served was around 270,000, and the outstanding balance of loans was approximately RMB1.67 billion. On this basis, the per capita outstanding balance of loans amounted to approximately RMB5,000.0. Excluding the consumer credit business, the Group served a total of approximately 10,000 small and micro loan customers.

Maturity of business

The following table indicates remaining maturity of the outstanding balance of micro and small loans as at the dates indicated:

客戶基礎

於2016年，本集團共計與12個互聯網金融及消費金融平台合作開展消費信貸業務，服務客戶數量約為27萬名，貸款餘額約人民幣16.7億元，人均貸款餘額約為人民幣5,000.0元。除去消費信貸業務，本集團共服務小微貸款客戶數目約為1萬名。

業務剩餘到期日

下表載列於所示日期小微貸款餘額剩餘到期日情況：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within three months	3個月內到期	1,742.2	32.4	1,665.0	38.0
Due between three months and six months	3至6個月到期	1,553.1	28.9	1,309.1	29.9
Due between six months and one year	6個月至1年到期	1,390.3	25.9	1,363.9	31.2
Due after than a year	1年後到期	689.6	12.8	39.5	0.9
合計		5,375.2	100.0	4,377.5	100.0

The Group focuses on providing short-term loans to minimize the Group's risk exposure and accelerate liquidity and, as a result, substantially all of the Group's loans have a maturity of within one year. The additions of loans with a maturity of over one year were mainly consumer loans, including loans for consumption of second-hand vehicles, household appliances, education and learning and tourism.

本集團專注提供短期貸款，以減少風險敞口和加速資金流動。因此，本集團授予客戶的絕大部份貸款額的到期日在一年以內。新增一年以上貸款主要為消費類貸款，包括二手車消費、家用電器、教育學習、旅遊類等。

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管理層討論與分析

Entrusted loans

We also provide entrusted loans to fulfill the demands of customers of receiving short-term financing and relatively large amount loans (mainly small-to-medium loans between RMB0.5 million to RMB50.0 million) within a short period of time.

In the entrusted loan business, the Group's guarantee subsidiary and asset management company use their own funds to commence business of transfer and repurchase of loan benefit rights and reinvesting in the entrusted loan business. The entrusted loan business is also one of the Group's liquidity management measures, whereby the Group is able to actively adjust the size of entrusted loan portfolio and manage the funds available.

The Group acts as the principal in entrusted loan arrangements and deposit capital in intermediary banks, which will lend the relevant amounts to the ultimate borrowers. After receiving the principal and interest of the loan, the intermediary bank will return the relevant amounts to the Group.

The following table sets forth the main operating data of the entrusted loan business of the Company as for the periods indicated:

委託貸款

本集團也提供委託貸款以滿足客戶需要短時間內獲得短期融資及取得相對較大金額貸款（主要介於人民幣0.5百萬元至人民幣50.0百萬元的中小型貸款）的需求。

委託貸款業務指通過本集團擔保附屬公司利用其自有資金、以及資產管理公司利用其自有資金並開展貸款收益權轉讓回購業務融入資金並再次投資於委託貸款業務的資金業務。委託貸款業務也是本集團流動性管理措施之一，藉此本集團能夠通過主動調整委託貸款組合的規模管理其可供使用資金。

本集團出任委託貸款安排中的委託人，本集團向中介銀行存入資金，再由中介銀行將有關款項轉借予最終借款人。於收到貸款本金及利息後，中介銀行再將有關資金返還給本集團。

下表載列於所示年度本公司委託貸款業務的主要營運數據：

		For the year ended 31 December		
		截至12月31日止年度		
		2016	2015	Change
		2016年	2015年	變動
		Amount	Amount	%
		金額	金額	%
(Expressed in RMB million, unless otherwise stated)				
(除另有註明外，以人民幣百萬元列示)				
Entrusted loans	委託貸款			
Interest and handling fee income	利息及手續費收入	365.3	432.4	(15.5)
Monthly average balance of entrusted loans	委託貸款月平均餘額	2,367.0	2,149.4	10.1
Average interest and handling fee rate	平均利息及手續費率	15.4%	20.1%	(4.7)
Outstanding balance	未償還餘額	2,639.5	3,092.6	(14.7)

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In 2016, the interest and handling fee income generated by the Group's entrusted loan business was RMB365.3 million, representing a decrease of 15.5% or RMB67.1 million as compared with that of 2015. The decrease was mainly because the decline rate of average interest and handling fee rate of entrusted loan business is larger than the growth rate of average balance. The average entrusted loans balance increased from RMB2,149.4 million in 2015 to RMB2,367.0 million in 2016, representing a growth of 10.1%. However in 2016, the average interest and handling fee rate of the Group's entrusted loan was 15.4%, showed a downward trend as compared with 20.1% in 2015. The decrease was mainly because we enhanced the credit review standard for new customers in the credit phase, raised the access standards for customers, selected customers with lower risks and higher quality, the price strategy of the Group fell accordingly.

As at 31 December 2016, the Group's entrusted loans balance was RMB2,639.5 million, representing a decrease of 14.7% or RMB453.1 million as compared with the balance of RMB3,092.6 million as at 31 December 2015. This decrease was mainly due to under the increasing downward pressure on the economy, the Group proactively adjusted its business structure by investing capital into receivables for factoring business which has lower risk and relatively considerable returns.

2016年，本集團委託貸款業務產生的利息及手續費收入為人民幣365.3百萬元，較2015年減少人民幣67.1百萬元，降幅15.5%，該減少主要是由委託貸款業務的平均利息及手續費率的下降幅度大於平均餘額的增長幅度所致。委託貸款平均餘額從2015年人民幣2,149.4百萬元增長至人民幣2,367.0百萬元，增幅10.1%；但本集團委託貸款業務於2016年的平均利息及手續費率為15.4%，較2015年的20.1%呈下降態勢，主要是對於新增客戶在授信階段增強授信審查標準，提高客戶的准入標準，選擇風險更低、質量更高的客戶，本集團定價策略也隨之下降所致。

於2016年12月31日，本集團委託貸款餘額為人民幣2,639.5百萬元，較2015年12月31日餘額人民幣3,092.6百萬元減少人民幣453.1百萬元，降幅14.7%，主要是因為在經濟下行壓力持續加大的形勢下，本集團主動對業務結構進行調整，將資金投放於風險更低、收益相對可觀的應收賬款保理業務中。

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管理層討論與分析

Distribution of the scale of entrusted loans

委託貸款規模分佈

The following table sets forth the distribution of business exposure as at the dates indicated:

下表載列於所示日期不同業務敞口分佈情況：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		<i>Amount</i> 金額	<i>% of total</i> 佔總額%	<i>Amount</i> 金額	<i>% of total</i> 佔總額%
Up to RMB5 million	人民幣0至 人民幣500萬元	153.7	5.8	256.1	8.3
Over RMB5 million to RMB10 million	人民幣500萬元以上至 人民幣1,000萬元	186.3	7.1	346.6	11.2
Over RMB10 million to RMB30 million	人民幣1,000萬元以上至 人民幣3,000萬元	827.1	31.3	1,056.8	34.2
Over RMB30 million to RMB50 million	人民幣3,000萬元以上至 人民幣5,000萬元	587.4	22.3	811.5	26.2
Over RMB50 million	人民幣5,000萬元以上	885.0	33.5	621.6	20.1
Total	合計	2,639.5	100.0	3,092.6	100.0

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管理層討論與分析

The following table sets forth the remaining maturity of entrusted loans as at the dates indicated:

下表載列於所示日期委託貸款的剩餘到期日情況：

		As at 31 December 12月31日			
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within three months	3個月內到期	1,032.3	39.1	785.7	25.3
Due between three months and six months	3至6個月到期	314.2	11.9	889.2	28.8
Due between six months and one year	6個月至1年到期	1,088.0	41.2	1,028.3	33.3
Due after one year	1年後到期	205.0	7.8	389.4	12.6
Total	合計	2,639.5	100.0	3,092.6	100.0

The Group focuses on providing short-term entrusted loans to minimize the risk exposure and, as a result, majority of the Group's entrusted loans has a maturity of less than one year.

本集團專注於提供短期委託貸款，以減低本集團風險，因此，本集團大部份所提供的委託貸款的到期日少於一年。

Provisions for loan losses

For the SME lending business, the Group adopted a risk categorization method for loans according to the Guideline for Loan Credit Risk Classification promulgated by the China Banking Regulatory Commission to monitor the risk of the loans and advances portfolio. Loans and advances are classified into five categories: normal, special concern, substandard, doubtful and loss according to the risk, of which the last three categories are deemed as impaired loans and advances. When one or more events have occurred proving the existence of objective impairment evidence, and that a loss may be incurred, the loan and advance is classified as impaired loans and advances. Provisions for impairment losses of impaired loans and advances will be assessed as part of a portfolio or individually according to circumstances.

貸款損失準備

對於中小企業貸款業務，本集團參照中國銀行業監督管理委員會頒布的《貸款風險分類指引》並採用貸款風險分類方法監控貸款及墊款組合風險狀況。貸款及墊款按風險程度分為正常、關注、次級、可疑及損失五類，其中後三類被視為已減值貸款及墊款。當一項或多項事件發生證明客觀減值證據存在，並可能出現損失時，該貸款及墊款被界定為已減值貸款及墊款。已減值貸款及墊款的減值損失準備將視情況以組合或個別方式評估。

Management Discussion and Analysis

管理層討論與分析

The core definitions of each loan category are as follows:

Normal: The borrower can fulfill the terms of the loan, and there is insufficient reason to doubt the principal and interest of the loan cannot be repaid in full on time.

Special concern: Although the borrower is currently able to repay the principal and interest of the loan, there exist some factors which may have an adverse effect on the repayment.

Substandard: There is an apparent problem in the repayment ability of the borrower who is unable to repay the principal and interest of the loan in full with its normal income. Some losses may be incurred even if the guarantee is exercised.

Doubtful: The borrower is unable to repay the principal and interest of the loan in full. Relatively big losses will be incurred even if the guarantee is exercised.

Loss: After taking all possible measures or all necessary legal proceedings by us, the interest and principal cannot be recovered or only an extremely small portion can be recovered.

The Group regularly review the quality of individual significant financial assets. For assets for which an allowance for impairment loss is provided individually, the amount is determined after assessing the incurred loss at the balance sheet date on a case-by-case basis. In making such assessments, the Group considers the value of collateral held and expected future cash flows from the asset.

各級貸款分類的核心定義如下：

正常類： 借款人可履行貸款的條款，且沒有足夠理由懷疑貸款本息不能按時足額償還。

關注類： 儘管借款人目前有能力償還貸款本息，但存在一些可能對償還產生不利影響的因素。

次級類： 借款人的還款能力出現明顯問題，完全依靠其正常收入無法足額償還貸款本息，即使執行擔保，也可能會造成一定損失。

可疑類： 借款人無法足額償還貸款本息，即使執行擔保，也肯定要造成較大損失。

損失類： 在採取所有可能措施或一切必要的法律程序之後，本息仍然無法收回，或只能收回極少部份。

本集團對單筆金額重大的金融資產的資產質量進行定期審閱。對單項計提準備金的資產，本集團在資產負債表日逐筆評估其損失情況以確定準備金的計提金額。在評估過程中，本集團通常會考慮抵質押物價值及未來現金流的狀況。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the major asset quality indicators of the SME lending business as at the dates indicated:

下表載列於所示日期本公司中小企業貸款業務的主要資產質量指標：

		As at 31 December	
		於12月31日	
(Expressed in RMB million, unless otherwise stated)		2016	2015
(除另有註明外，以人民幣百萬元列示)		2016年	2015年
Impaired loan ratio	減值貸款比率	3.3%	3.0%
– Micro and small loans	– 小微貸款	3.0%	3.7%
– Entrusted loans	– 委託貸款	3.7%	2.2%
Outstanding balance of impaired loans	減值貸款餘額	260.9	227.5
– Micro and small loans	– 小微貸款	163.6	159.8
– Entrusted loans	– 委託貸款	97.3	67.7
Outstanding balance of loans	貸款餘額	8,014.7	7,470.1
– Micro and small loans	– 小微貸款	5,375.2	4,377.5
– Entrusted loans	– 委託貸款	2,639.5	3,092.6
Provision coverage rate	撥備覆蓋率	149.2%	146.1%
– Micro and small loans	– 小微貸款	173.5%	150.9%
– Entrusted loans	– 委託貸款	108.4%	134.7%
Allowance for impairment losses	貸款減值準備	389.3	332.3
– Micro and small loans	– 小微貸款	283.8	241.1
– Entrusted loans	– 委託貸款	105.5	91.2
Outstanding balance of impaired loans	減值貸款餘額	260.9	227.5
– Micro and small loans	– 小微貸款	163.6	159.8
– Entrusted loans	– 委託貸款	97.3	67.7
Provision rate	撥備率	4.9%	4.4%
– Micro and small loans	– 小微貸款	5.3%	5.5%
– Entrusted loans	– 委託貸款	4.0%	2.9%

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管理層討論與分析

Although the downward pressure on the domestic economy intensified, the Group improved slightly the quality of our credit assets by easing pressures of the non-performing assets through enhanced disposal of non-performing loans and other measures such as write-off. In 2016, the Group wrote off loans totaling RMB106.6 million (2015: RMB65.7 million).

At the same time, the Group proactively adjusted the type of micro and small loan business, expanded its consumer loan business, commercial bill discount business and commercial paper pledged loan business with relatively low risks, leading to a slight improvement in the quality of the Group's credit assets as at 31 December 2016 as compared with that as at 31 December 2015. The impaired loans ratio of the Group's small and micro loans dropped from 3.7% as at 31 December 2015 to 3.0% as at 31 December 2016. In 2016, the Group conducted a comprehensive screening review on existing customers and enhanced the management of collaterals. The Group also strengthened safeguards in respect of customers default. As for new customers, the Group enhanced its approval standards in granting credits and raised the threshold of credits for customers so as to strengthen on-site investigation of customers' risk of uncertainties. With the above-mentioned risk control measures in place, the assets quality of the new entrusted loans in 2016 improved significantly as compared with the previous years. The drop of the impaired loans ratio of small and micro loans and the increase in the impaired loans ratio of entrusted loans have jointly led to the increase of the impaired loans ratio of SME lending from 3.0% as at 31 December 2015 to 3.3% as at 31 December 2016.

In 2016, the Group continued to adopt prudent accounting estimates and considered the changes in loan quality. Overall provision coverage rate went up from 146.1% as at 31 December 2015 to 149.2% as at 31 December 2016, and the provision rate went up from 4.4% as at 31 December 2015 to 4.9% as at 31 December 2016.

雖然國內經濟下行壓力持續增大，但是由於本集團加大不良小微貸款的處置力度，通過核銷等手段，減輕不良資產壓力。2016年，本集團共計核銷貸款人民幣106.6百萬元（2015年：人民幣65.7百萬元）。

同時本集團主動調整小微貸款業務的業務種類，增加風險相對較低的消費貸、商業票據貼現業務和商業票據質押貸款業務，使得本集團2016年12月31日的小微貸款資產質量較2015年12月31日相比有小幅提升。本集團小微貸款已減值貸款比例從2015年12月31日的3.7%減少至2016年12月31日的3.0%。2016年本集團對於存量客戶，進行全面排查和梳理，並重點加強抵質押物管理，增強客戶違約後的保障措施。對於新增客戶，在授信階段，增強授信審查標準，提高客戶的准入標準，加強對客戶不確定性風險的現場調研。隨著以上風險控制措施的實施，2016年新增委託貸款的資產質量較以前年度已經有較大幅度的提升。小微貸款已減值貸款比例的下降和委託貸款資產已減值貸款比例的上升綜合導致了中小與企業貸款已減值貸款比例從2015年12月31日的3.0%上升至2016年12月31日的3.3%。

2016年，本集團仍然採用審慎的會計估計，結合貸款質量的變化，使得整體撥備覆蓋率從2015年12月31日的146.1%上升至2016年12月31日的149.2%，撥備率從2015年12月31日的4.4%上升至2016年12月31日的4.9%。

Management Discussion and Analysis

管理層討論與分析

Internet Financial Services

At the beginning of 2015, the Group established an internet financial group. Our internet financial business and our traditional financial business complemented each other and developed together as an integrated group. Currently, we provide services to clients through “Hanhua Yun”, our asset information services platform.

“Hanhua Yun”, our asset information services platform

“Hanhua Yun” platform (www.hanhuayun.com) is the first financial asset information services platform with a focus on inclusive finance in the PRC developed and independently operated by a wholly-owned subsidiary of the Company. “Hanhua Yun” provides open, transparent, safe and highly effective financial asset information services for financial service institutions with strong overall competitiveness. By utilizing professional division of labor and the principle of complimentary advantages, “Hanhua Yun” platform can increase information sharing and information flow among financial institutions, bringing a positive effect to the enhancement of the value and expansion of inclusive financial services and reconstruction of the value chain of inclusive finance transactions.

“Hanhua Yun” leverages on the credit technology and risk control system developed through our 10-year dedication to developing inclusive finance and a nationwide offline service network. The platform conducts stringent assessment on the financial service institution partners and select institutions with competitive strength, standardized operations and sound management capabilities. All financial institutions can conveniently, efficiently and continuously issue or receive various types of quality asset information and professional value-added services. On “Hanhua Yun” platform, financiers can continuously and steadily receive capital at a reasonable cost from various financing channels. Investors can obtain safer and better investment opportunities. The problem of asymmetric information exists between financial institutions and between financiers and investors can then be minimized by “Hanhua Yun” while the platform can effectively lower the borrowing risk and financing cost, and enhance the efficiency of internet investment and financing, ultimately benefitting financiers and investors.

互聯網金融

2015年初，本集團成立互聯網金融集團。互聯網金融業務與本集團傳統金融業務互為依托、互相協同、一體化推進。目前，主要通過「瀚華雲」資產信息服務平台向客戶提供服務。

「瀚華雲」資產信息服務平台

「瀚華雲」平台(www.hanhuayun.com)是由本公司旗下全資附屬公司自主開發、獨立運營的國內首家專注服務普惠金融的資產信息服務平台，平台致力於面向綜合實力較強的金融服務機構提供開放、透明、安全、高效的金融資產信息服務。運用專業化分工和優勢互補原則，「瀚華雲」平台可有效增進金融服務機構之間的資源共享與信息互通，為推動普惠金融服務內涵與外延提升及交易價值鏈重構發揮積極作用。

依托本集團十年潛心發展普惠金融的積澱而成的信貸技術和風控體系以及覆蓋全國的線下服務網點，「瀚華雲」平台對合作的金融服務機構進行嚴格的調查評審，遴選實力雄厚、運營規範、管理能力較強的機構入駐，各金融服務機構可便捷、高效、持續地發佈或獲得各類優質資產信息及各類專業增值服務。借助「瀚華雲」平台，融資者可以從多種融資渠道持續、穩定地獲得成本合理的資金；投資者則可以獲得更多安全、優質的投資機會。「瀚華雲」平台能夠減少金融服務機構之間、融資者和投資者之間的信息不對稱，能夠有效降低借貸風險和融資成本，提升互聯網投融資的效率，最終惠及參與各方。

Management Discussion and Analysis

管理層討論與分析

Currently, the core services that “Hanhua Yun” provides include account management, asset information management and asset information matching services. We will develop value-added services such as asset evaluation and rating, supporting services to product design and asset-backed securities products in the future. Currently, we provide matching services for transactions through our dedicated channel. We will develop various types of services such as online bids and online auction.

“Hanhua Yun” platform was launched on 28 December 2014. As at 31 December 2016, “Hanhua Yun” platform had 85 institutional partners. In 2016, the aggregate amount of matched transactions was RMB17.2 billion.

Insurance Sales

Zhongli Insurance Sales Limited* (中利保險銷售有限公司) (“**Zhongli Insurance**”), a nationwide institution approved by the China Insurance Regulatory Commission to specialize in insurance sales, is qualified to act as an agent of insurance products sales and engaging in internet insurance sales across China. In 2015, the Company completed the acquisition of Zhongli Insurance through its wholly owned subsidiary Hanhua Internet Finance Service (Shenzhen) Limited* (瀚華互聯網金融服務(深圳)有限公司). As at 31 December 2016, Zhongli Insurance established business relationship with over 50 property and life insurance companies both at home and abroad, and it reached cooperation intention with over 60 internet platforms to explore project development.

「瀚華雲」目前提供的基本服務有：賬戶管理、資產信息管理、資產信息撮合服務等，未來還將開發資產評估評級、產品設計支持、資產證券化支持等增值服務。現階段主要通過定向推送的方式進行交易撮合，未來還將開發競拍、搶拍等多樣化的服務方式。

「瀚華雲」平台於2014年12月28日上線運營，於2016年12月31日，「瀚華雲」平台簽約合作機構85家。2016年，瀚華雲累計撮合交易金額約人民幣172.0億元。

保險銷售

中利保險銷售有限公司(「**中利保險**」)是經中國保監會批准設立的全國性專業保險銷售機構，中利保險具有在全國範圍內代理銷售保險產品及互聯網保險的銷售資質。2015年，本公司通過全資附屬公司瀚華互聯網金融服務(深圳)有限公司完成對中利保險的收購。截至2016年12月31日，中利保險已與國內外50餘家產壽險保險公司建立了業務合作關係，並與60多家互聯網平台達成合作意向並開展項目對接。

Management Discussion and Analysis

管理層討論與分析

“Zhangzhongbao 360”, an internet insurance brand of Hanhua Financial, is being operated by Zhongli Insurance. Upholding the operating philosophy of “easy insurance and happy life”, “Zhangzhongbao 360”, as a platform that is fully backed by Hanhua Financial’s advantages in terms of comprehensive inclusive financial service resources, makes breakthroughs in insurance service concept, service mode and service medium. The platform is committed to providing micro-and-small enterprises and their associated groups, as well as entrepreneurs and their families, with inclusive insurance services that focus on venture support and improvement of people’s livelihood. The platform meticulously designs elaborate and professional insurance products to take care of customers’ every need, and it features a case-by-case, customized and mobile service mode, which brings more transparent, simplified, practical and convenient services to customers.

In 2016, Zhongli Insurance has accumulatively accepted 9,559 policies and covered 9,559 customers.

Financial Factoring

Chongqing Changjiang Financial Factoring Co., Ltd. (“**Changjiang Factoring**”) is the first professional company engaging in financial factoring business with approval from financial regulatory authorities in China. It provides integrated services of financial factoring, bill factoring, commercial factoring, re-factoring, lease factoring and international factoring on internet platform.

Changjiang Factoring provides financial solutions to the existing clients. Meanwhile, it strives to promote collaboration and consolidation of the industrial chain and facilitate orderly development of corporations with innovative and comprehensive financial solutions.

「掌中保360」是瀚華金控旗下互聯網保險品牌，由中利保險運營。平台以「簡單保險、快樂生活」為運營理念，充分借助瀚華金控普惠金融綜合服務優勢資源，創新保險服務理念、服務模式和服務平台，專注為小微企業及其關聯人群、創業人士及其家庭成員提供以創業支持、民生保障為核心的普惠保險金融服務。平台緊貼用戶需求精心打造各類小而美、專而精的保險精品，並以場景化、個性化、移動化的全方位服務模式讓保險服務更透明、更簡單、更實用、更便捷。

於2016年，中利保險累計承保保單9,559單，累計承保客戶9,559人。

金融保理

重慶長江金融保理有限公司（「**長江保理**」）作為全國首家經金融監管機構批准成立獲准經營金融保理業務的專業化公司，集金融保理、票據保理、商業保理、再保理、租賃保理、國際保理為一體，以互聯網平台為依托提供綜合金融服務。

長江保理在為具體客戶提供金融解決方案的同時更致力於促進產業鏈的協作與整合，運用創新型的金融產品綜合解決方案模式助推企業有序的發展。

Management Discussion and Analysis

管理層討論與分析

In 2016, Changjiang Factoring has realized aggregated transactions of RMB6.96 billion. As at 31 December 2016, Changjiang Factoring has a balance of receivables for factoring business of RMB0.6 billion and 245 existing projects, and achieved profit before taxation of RMB30.5 million.

Capital Investment and Management

In early 2015, the Group started to engage in capital investment and management business. The Group worked together with external organizations that serve SMEs to raise capital by way of funds. We provide small capital investment services to leading SMEs in their respective industries with stable operating and management teams and positive growth prospect.

In 2016, the Group have successfully established 6 funds with raised funds of RMB700.0 million in total, by cooperating with other external investors.

Finance leasing

In the second half of 2015, the Group established the leasing business group in Tianjin, mainly serving fields encouraged by the state such as automobile, healthcare, energy saving and environment protection, education, people's livelihood and high-end manufacturing, through flexible service modes including leaseback, direct leasing, vendor leasing and operating lease.

於2016年，長江保理累計發生業務人民幣69.6億元。於2016年12月31日，長江保理應收保理資產餘額人民幣6.0億元，存量項目245個，實現稅前利潤人民幣30.5百萬元。

資本投資及管理

2015年初，本集團開始涉足資本投資及管理業務。本集團與有志於服務中小企業的外部機構合作，以基金的形式募集資金，主要向現有客戶群體中那些在自身所處行業中處於前茅、具有穩定的經營管理團隊、行業及自身成長性較好的中小企業提供小額的資本投資服務。

2016年，本集團已成功與外部投資者合作成立了六隻基金，合計募集資金共計人民幣7.0億元。

融資租賃

2015年下半年本集團在天津成立了租賃業務集團，主要通過售後回租、直接租賃、廠商租賃和經營性租賃等多樣靈活的服務方式，服務於汽車、醫療、節能環保、教育、社會民生及高端製造等國家鼓勵發展的領域。

Management Discussion and Analysis

管理層討論與分析

Since commencement of the leasing business in November 2015, the leasing group has made various innovation and breakthrough in the investment projects in the leasing industry, and will continue to provide to clients the solutions for capacity expansion and upgrading and asset-liability structure optimization in a specialized and characteristic way. Meanwhile, it will assist its partners to achieve long-term sustainable development.

In 2016, the finance leasing business of the Group has outstanding advances of RMB330.0 million in total.

INFORMATION TECHNOLOGY

The Company persisted with the principle of integrating information technology with business strategies information technology and formulated the informatization planning of the Group, optimized the management structure of information technology, established information technology infrastructure and important information systems according to the business strategies of the Company, ensuring the stable operations of information systems and providing strong support for the control and business innovation of the Group.

Information Technology Management

An informatization establishment leadership team has been set up among senior management to coordinate and monitor major decisions and projects, creating a normalized decision making mechanism for informatization establishment.

自2015年11月實現放款以來，租賃業務集團在租賃行業內實現投放項目的多個創新與突破，並將繼續以專業化、特色化的方式為客戶提供設備擴張升級、優化企業資產負債結構的解決之道，同時協助合作夥伴的長期可持續經營發展。

於2016年，本集團融資租賃業務已經累計放款人民幣3.3億元。

信息科技

本公司繼續堅持信息科技與業務戰略緊密融合的理念，圍繞公司業務戰略，制定集團信息化規劃，完善信息科技治理架構，推進信息科技基礎設施和重要信息系統建設，確保信息系統安全穩定運行，為加強本集團管控、促進業務創新提供有力支撐。

信息科技治理

在高級管理層設立信息化建設領導小組，發揮重大決策、重要項目立項、協調和監督作用，形成常態化的信息化建設決策機制。

Management Discussion and Analysis

管理層討論與分析

Informatization Planning

Based on the existing informatization plans, the Group will push forward the formulation of a dynamic plan which clearly defines that the focus for 2016 to 2017 should be placed on the establishment of platforms including credit and consumption finance business platform, partnership cluster business platform, data analysis and management platform, private cloud infrastructure platform, with the view to supporting strategic implementation and reinforcing control and operating efficiency of the Company.

The brand new credit business platform will provide more flexible product allocation and optimization to business loans granted to micro and small enterprises, leading to improving efficiency and shortened business cycle. The innovative consumption financial system will, through collaboration with various internet platforms, provide loans to cater for different consumers and consumer demands. The partnership cluster business platform will be developed into a comprehensive unified platform with fully integrated numerous business models such as guarantees, leasing and factoring. The data analysis and management platform will be established based on data warehouse and data market, and will carry out comprehensive analysis and multi-dimensional mining of information resources by employing in-memory BI analysis tools. The Company's optimization and construction of various systems will set higher requirements for IT infrastructure and environment, and the private cloud infrastructure platform will share the computing resource pool, network resource pool and storage resource pool using virtual technology, thereby providing fundamental resources to various system platforms in a more flexible, safer and more efficient manner.

A number of risk control platforms including security access system, data security system, basic environment and application monitoring system will be introduced to optimize our risk monitoring and prevention mechanisms, so as to improve information security of relevant systems.

信息化規劃

在既有信息化規劃基礎上，推進規劃工作的滾動編製，明確2016年至2017年重點推動信貸及消費金融業務平台、夥伴集群業務平台、數據分析與管理平台、私有雲基礎架構平台等平台建設，支持本公司戰略執行，加強本公司管控與運營效率。

全新的信貸業務平台將為小微企業經營性貸款提供更為靈活的產品配置和優化，提升效率縮短業務週期。創新的消費金融系統將與各類互聯網平台合作來為不同的消費者和消費需求提供貸款。夥伴集群業務平台將全面整合擔保、租賃、保理等業務模式，形成大一統的業務平台。數據分析與管理平台將以數據倉庫和數據市集的建立為基礎，利用內存式BI分析工具實現對信息資源的全面分析和多角度挖掘。公司各類系統的優化建設對IT基礎環境結構提出更高的要求，私有雲基礎架構平台將利用虛擬化技術實現計算資源池、網絡資源池、存儲資源池的共享，以更靈活、安全、高效的方式為系統平台提供基礎資源。

引入安全准入系統、數據安全系統、基礎環境及應用監控系統等風險管控平台，優化風險監控和防範機制，提升系統信息安全保障力度。

Management Discussion and Analysis

管理層討論與分析

Establishment of Information Systems

In 2016, the Company has stepped up the building of the information system in accordance with the needs of the Group's management activities, business development and innovation.

In order to be in line with the development strategy of finance business of our partners, we actively cooperated with technology companies in the financial industry, guided the re-engineering of the partnership cluster business platform of the Company based on the best industrial practice of such technology companies, and set our goal of upgrading our business system from a single business of financing guarantee to a system platform integrating the guarantee, leasing and factoring businesses by conducting analysis according to the overall demands.

In order to be in line with the development strategy of our credit business, an established market system and management philosophy were introduced to build a brand new credit business platform and consumption finance platform. Meanwhile, the Company established a business docking system according to the internet finance environment to promote the business collaboration and automation with business partners. Specifically, the Company and 12 business partners have jointly established an internet credit cooperative economic circle, laying down a solid foundation for the rapid development of its business partner base and expansion of business channels.

The SAS data analysis platform was introduced to improve the Company's business data analysis capability so as to provide accurate basis in a quick manner for decision-making of the Company's business strategy, and serves as a powerful tool for subsequent data mining. In addition, ESB enterprise data bus was introduced to formulate management and monitoring mechanisms for the data transmission between systems within the Company and those between the Company and its business partners, and the relevant data interface specification was established as a basis for subsequent construction and management of data interface.

信息系統建設

2016年，本公司根據集團管控、業務發展和創新需要，加快推進各信息系統的建設工作。

為配合公司夥伴金融的發展戰略，積極與金融行業科技公司合作，根據科技公司的行業最佳實踐指導公司夥伴集群業務平台的再造，通過整體需求分析制定將原有以單一的擔保業務為主體的業務系統升級為整合擔保、租賃、保理業務的系統平台的建設目標。

為配合公司信貸業務的發展戰略，引入市場成熟的系統和管理理念，搭建全新的信貸業務平台和消費金融業務平台，同時針對互聯網金融環境搭建了業務對接系統，促進與業務合作夥伴的業務協同自動化，與12家合作夥伴共同建立互聯網信貸合作經濟圈，為公司快速發展業務合作夥伴、擴大業務渠道打下堅實的基礎。

通過引入SAS數據分析平台，提升業務數據分析的能力，為公司業務戰略決策提供快捷、準確的依據，並為後續的數據挖掘提供強有力的工具。通過引入ESB企業數據總線，對公司內各系統間以及公司與合作夥伴的系統間的數據傳輸建立了管理和監控機制，並確立數據接口規範作為後續數據接口建設和管理的基礎。

Management Discussion and Analysis

管理層討論與分析

Establishment of Information Technology Infrastructure

In 2016, the infrastructure platform was optimized to supplement new servers, network equipment and storage resources, and expand the resources such as the memory and storage of the existing infrastructure platform equipment, catering for the development need of the Company's business platform. While strengthening the risk control over its hardware including jumpserver equipment, anti-spam gateway and Security audit equipment, we further optimized our network resources and security assurance mechanism to improve the efficiency and security of information transmission. In addition, with the feasibility analysis of establishing a private cloud infrastructure platform completed, the relevant construction work has been initiated.

Information Technology Management Capabilities

In 2016, based on the theory of software development lifecycle, we refined the process of the approval, requirement, design, development, testing and control during operation and maintenance of IT projects, supplemented relevant operating rules, and improved the management practice for software system variations and configuration, thereby enhancing the quality and efficiency of system implementation, operation and maintenance and effectively reducing the unnecessary cost of waste.

The approving workflow platform was employed to optimize our IT resource approval process including account opening, network port opening and permission assignment, so that proper basis is maintained for each application of IT resources and thus relevant non-compliant operation is avoided.

信息科技基礎設施建設

2016年，對公司基礎架構平台進行擴展優化，補充新的服務器、網絡設備、存儲資源，同時擴展現有基礎平台設備內存、存儲等資源，滿足公司業務平台發展需求。在完善堡壘機設備、反垃圾網管、安全審計設備等硬件風險管控的基礎上，進一步優化網絡資源和安全保障機制，提升信息傳輸的效率和安全性。完成私有雲基礎架構平台的可行性分析，啟動私有雲基礎架構平台建設工作。

信息科技管理能力

2016年，基於軟件開發生命週期理論對信息化項目的立項、需求、設計、開發、測試、運維階段的管控流程進行了細化，補充了相關的作業規範，同時完善了軟件系統的變更與配置管理規範，進而提升系統實施及運維的品質和效率，有效減少了不必要的成本浪費。

利用審批流平台優化包括賬號開通、網絡端口開通、權限分配等IT資源審批流程，讓所有IT資源的應用有據可循，避免違規操作。

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Overall management work of human resources

Talents are the most valuable assets of Hanhua Financial, and serve as the inexhaustible driving force to the flourishing development of Hanhua. For the year ended 31 December 2016, the total number of employees of the Group was 1874, all of whom served in Mainland China and Hong Kong.

The Company attaches great importance to the construction, publicity and implementation of its corporate culture and cares for employees' physical and mental health, and a corporate culture focusing on the theme of "trust, simplicity and Share" has hence been established with its constant development and long-term accumulation. For the year ended 31 December 2016, the Company planned and organized a series of staff caring, cultural and health-related activities including the aromatherapy lecture made on Women's Day, Liver Protection Day activities, micro-health (微健康), essay contest in celebration of the Company's 12th anniversary of establishment and photography contest in celebration of the Chung Yeung Festival, which improved the corporate image and enhanced the sense of happiness of the employees.

In terms of employees' career development, we completed the construction of our "Dual channel" (being professional sequence and management sequence) during the year, which clearly sets out the talent standards for each rank and position in the professional sequence and helps employees to develop a clear understanding of their personal development direction. Meanwhile, through diversification of our talent reserve, Hanhua's talent pool has been established to improve our echeloned building of talents.

In terms of compensation performance, following the introduction of the performance and competency assessment indicators last year, we implemented the whole-process performance management this year. With the three working procedures in place, namely goal setting, mid-term review and annual assessment, which cover activities throughout the year, the Company's goals, strategies and work priorities for the year are divided and assigned to each post, thereby enhancing the correlation and alignment between organizational goals and individual goals.

人力資源管理工作整體情況

「人才」是瀚華金控最寶貴的財富，是瀚華事業蓬勃發展的不竭動力。截至2016年12月31日止年度，本集團在崗員工總數為1874人，於中國內地及香港任職。

本公司高度重視企業文化的建設和宣貫，關心員工身心健康，隨著公司的不斷發展和文化沉澱，確立了「信用、簡單、共享」的企業文化建設核心主題。截至2016年12月31日止年度，策劃並組織實施了三八婦女節芳香療法講座、護肝日活動、微健康、公司成立12週年慶徵文比賽、九九重陽節攝影比賽等一系列員工關懷和文化健康活動，提升了企業的品牌形象，並增強員工的幸福感。

在員工職業發展方面，本年度完成了專業序列和管理序列「雙通道」的打造，明確各崗位序列中各個職級的人才標準，幫助員工明晰個人發展方向；同時通過豐富人才儲備，建立了瀚華人才蓄水池，完善了人才梯隊建設。

在薪酬績效方面，繼去年引入業績和能力兩類考核指標後，本年度推行了全流程績效管理。通過目標設定、期中回顧、年度考核三個貫穿全年的工作程序，把公司的目標、策略和年度重點工作分解到每個崗位，增強組織目標和個人目標的關聯度和一致性。

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Meanwhile, by establishing the “Dual channel” career development path and implementing dynamic assessment on “people, post and pay”, we ensure the conferring of employees’ positions and ranks is matched with their personal performance and contribution, and we help employees to develop a clear understanding of the individual qualifications and goals required by the organizational development and recognize that the Company’s better performance and their remuneration increment can be achieved with their own improved performance.

In terms of staff development, the Company strengthened the popularity of business knowledge and skills upgrading, and increased training and development of middle-to-senior employees, optimized the management training framework and courses, introduced E-learning system to develop a “mixed learning” model through a combination of face-to-face teaching, online learning, mobile learning and other means, thereby creating a benevolent culture and atmosphere which respects knowledge and talent and attaches importance to the growth and development of employees.

At the same time, the Company continuously optimized the human resources informatization system, and launched the employee self-service platform while improving its established data and workflow systems, allowing employees to access their personal information, leave and attendance records, breakdown of remuneration and benefits and other functions through self-service inquiry. The information sharing platform was used to facilitate timely, accurate and easy information sharing and exchanges between the Company and its employees, thus reducing communication costs and improving employee satisfaction.

Relevant basic data

As at 31 December 2016, the total number of employees of the Group was 1,874.

According to academic qualification: undergraduate and above: 1,532, accounting for 81.8%; post-secondary education and below: 342, accounting for 18.2%.

同時，通過建立「雙通道」職業發展路徑，實施「人、崗、薪」的動態評估，確保員工的職務職級評定與個人績效貢獻相匹配，員工能清楚瞭解到組織發展對個體的要求和目標，並認識到通過自身工作表現贏得績效、薪酬的提升。

在員工發展方面，本公司強化了業務知識普及與技能提升，並加大了對中高職級員工的培訓和發展力度，完善管理層員工培訓體系和課程設計，引入E-learning在線學習系統，綜合運用面授、在線學習、行動學習等「混合式學習」營造尊重知識、重視人才的關注員工成長髮展的良好文化氛圍。

同時，對人力資源信息化系統進行了持續優化，在完善已建立的數據、流程體系基礎上，新推出了員工自助服務平台，實現了員工自助查詢個人信息、請休假及考勤備案、薪酬福利明細等功能，利用信息共享平台，幫助公司與員工之間實現及時、準確、便捷的信息互通與交流。降低了溝通成本，提升了員工滿意度。

相關基礎數據

於2016年12月31日，本集團在崗員工總數為1,874人。

按學歷劃分：本科及以上1,532人，佔比81.8%，大專及以下342人，佔比18.2%。

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FINANCIAL REVIEW

Operation analysis of segments

The contribution of our internet finance, capital investment and management, financial factoring and finance lease business to the operation of the Group was relatively small, therefore, the analysis on which is not included herein. For more information on the key operation data of these segments, please refer to pages 52 to 56 of this report.

The following table sets forth the segment information of credit guarantee and micro and small loan business for the year ended 31 December 2016:

財務回顧

分部經營情況分析

本集團的互聯網金融、資本投資及管理、金融保理及融資租賃業務對本集團的經營貢獻佔比較小，因此分部經營情況分析暫不涉及此類分部，有關此類分部的主要經營數據請參閱本報告第52頁至56頁所述內容。

下表載列本集團截至2016年12月31日止年度信用擔保及小微貸款業務分部信息：

		For the year ended 31 December 截至12月31日止年度			
		2016 2016年		2015 2015年	
			<i>% of net fee and interest income</i> 佔淨手續 費及利息 收入%		<i>% of net fee and interest income</i> 佔淨手續 費及利息 收入%
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		<i>Amount</i> 金額		<i>Amount</i> 金額	
Credit Guarantee	信用擔保				
Net guarantee and consulting fee income	擔保及諮詢費淨收入	755.4	51.0	765.0	43.7
Net interest and handling fee income	利息及手續費淨收入	316.1	21.4	374.1	21.4
Subtotal	小計	1,071.5	72.4	1,139.1	65.1
Micro and small loan	小微貸款				
Net interest and handling fee income	利息及手續費淨收入	459.9	31.1	605.6	34.6
Subtotal	小計	459.9	31.1	605.6	34.6

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The following table sets forth our profit and profit margin by business segments in 2016:

下表載列本集團於2016年按業務分部劃分的利潤及利潤率：

		For the year ended 31 December 截至12月31日止年度		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Segment profit	分部利潤			
Credit guarantee business	信用擔保業務	428.6	403.9	6.1
Micro and small loan business	小微貸款業務	232.2	334.6	(30.6)
Profit margin by segment	分部利潤率			
Credit guarantee business	信用擔保業務	40.0%	35.5%	4.5
Micro and small loan business	小微貸款業務	50.5%	55.3%	(4.8)

Credit Guarantee Business Segment:

For the year ended 31 December 2016, the income of credit guarantee segment of the Group was RMB1,071.5 million, which decreased by RMB67.6 million or 5.9% as compared to RMB1,139.1 million in 2015. The income of credit guarantee segment decreased due to falling net interest and handling fee income from entrusted loans released from credit guarantee business. Meanwhile, the Group greatly developed debt guarantee business, the rise of income from which has offset the fall of income from traditional financing guarantees.

信用擔保業務分部：

截至2016年12月31日止年度，本集團信用擔保分部業務收入為人民幣1,071.5百萬元，較2015年收入人民幣1,139.1百萬元，減少人民幣67.6百萬元，降幅5.9%；信用擔保分部業務收入下降主要是因為信用擔保業務板塊發放的委託貸款業務產生的利息及手續費淨收入下降；與此同時，本集團大力發展債券擔保業務，該類收入的上升一定程度上抵消傳統融資擔保收入的下降。

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The interest and handling fee income of the entrusted loan business decreased is mainly because the decline rate of average interest and handling fee rate of entrusted loan business is larger than the growth rate of average balance. The average entrusted loans balance increased from RMB2,149.4 million in 2015 to RMB2,367.0 million in 2016, representing a growth of 10.1%. However in 2016, the average interest and handling fee rate of the Group's entrusted loan was 15.4%, showed a downward trend as compared with 20.1% in 2015. The decrease was mainly because we enhanced the credit review standard for new customers in the credit phase, raised the access standards for customers, selected customers with lower risks, the price strategy of the Group fell accordingly.

At the same time, the profit of credit guarantee business segment of the Group was RMB428.6 million, representing an increase of RMB24.7 million or 6.1% as compared with that of 2015. In 2016, the profit margin of credit guarantee business segment of the Group was 40.0%, representing an increase of 4.5 percentage point as compared with 35.5% in 2015. The profit of credit guarantee business segment showed an increase trend, which was mainly because of the decrease of impairment losses arising from the segment portfolio. Since the beginning of 2015, the Group has comprehensively adjusted its credit-granting policy, proactively optimized its business structure, fully enhanced its marketing management and post-guarantee management with increased frequency and efforts in post-guarantee management. As for defaulting customers, the Group stepped up management on collaterals. Meanwhile, the Group further raised all staff's awareness of risk management by fully implementing the administrative rules for distribution of performance-based bonus after the "discharge of guarantee liabilities". Given the short term (mainly within 18 months) of loans and credit guarantees provided by the Group to its customers, the aforesaid measures led to gradually reduced credit risk exposure of the Group's overall asset portfolio, and relevant effectiveness was fully achieved in 2015 and 2016, as evidenced by the declining provision for impairment of its assets. In 2016, impairment losses of the business segment were RMB297.3 million, representing a decrease of 31.1% or RMB134.5 million as compared with RMB431.8 million in 2015.

委託貸款業務利息及手續費淨收入下降減少主要是由委託貸款業務的平均利息及手續費率的下降幅度大於平均餘額增長的增長幅度所致。委託貸款平均餘額從2015年人民幣2,149.4百萬元增長至人民幣2,367.0百萬元，增幅10.1%；但2016年，本集團委託貸款業務的平均利息及手續費率為15.4%，較2015年的20.1%呈下降態勢，主要是對於新增客戶在授信階段增強授信審查標準，提高客戶的准入標準，選擇風險更低的客戶，本集團定價策略也隨之下降所致。

同時，本集團信用擔保業務分部產生的利潤為人民幣428.6百萬元，較2015年該分部利潤增加人民幣24.7百萬元，增幅6.1%。2016年，本集團信用擔保業務分部的利潤率為40.0%，與2015年該分部的利潤率35.5%相比，增長4.5個百分點。信用擔保業務分部利潤呈增長態勢，主要是該分部資產組合產生的減值準備下降所致。自2015年初開始，本集團全面調整授信政策，主動調整業務結構，全面強化營銷管理和保後管理，並增加保後管理的頻率和力度，對於違約客戶則加強了抵質押物管理力度。同時，在所有業務人員中，全面推行「擔保責任解除」後發放績效獎金的管理辦法，進一步強化全員的風險管理意識。由於本集團向客戶提供的貸款及信用擔保業務的期限較短（主要集中在18個月以內），上述措施使得本集團整體資產組合的信用風險敞口逐步下降，並在2015年、2016年得到完全釋放，使得資產減值準備逐步下降。2016年，該業務分部提取的資產減值損失合計人民幣297.3百萬元，較2015年資產減值損失人民幣431.8百萬元，下降人民幣134.5百萬元，降幅31.1%。

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For more details on the credit guarantee business of the Group, please refer to pages 16 to 34 of this report.

Micro and Small Loan Business Segment:

In 2016, net interest and handling fee income of the Group micro and small loan business was RMB459.9 million, representing a decrease of RMB145.7 million or 24.1% from RMB605.6 million in 2015. Also in 2016, the profit of the micro and small loan business segment of the Group was RMB232.2 million, representing a decrease of RMB102.4 million or 30.6% as compared with RMB334.6 million in 2015.

The decrease in revenue and profit of the micro and small loan business segment was mainly attributed to joint influence of decreased interest and handling fee income and increased interest and handling fee expenditure. The fall of interest and handling fee of micro and small loan business was caused by falling average yield rate and average balance. In 2016, the average interest and handling fee rate of micro and small loan business was 14.7%, 1.7 percentage points lower than 16.4% in 2015. In 2016, the monthly average balance of the micro and small loan business was RMB4,057.2 million, representing a decrease of RMB114.4 million or 2.7% as compared with RMB4,171.6 million in 2015. The decrease of the average balance of the micro and small loan business was mainly because the Group proactively made strategic transformation and adjustment in 2016 with “diversifying model, upgrading and transformation” as overall business strategy and explored consumer finance and platform finance business when upgrading traditional micro and small business. Through online and off-line cross-field integration, the Group established standard, concentrated and diversified business model, further expanded customer access channel and provided comprehensive financial service for small and micro-enterprises and individual clients. Following such adjustment to the business model and the transformation and upgrading, the outstanding balance of the Group’s traditional micro and small loan business recorded a gradually declined since the beginning of 2016, while new business segments were still at the cultivation stage in the first half of 2016, and entered into a rapid development trend in the second half of 2016, thus comprehensively generated slight decline in the average balance of the micro and small loan business in 2016.

有關本集團信用擔保業務詳情，請參閱本報告第16頁至34頁。

小微貸款業務分部：

2016年，本集團小微貸款業務分部業務利息及手續費淨收入為人民幣459.9百萬元，較2015年利息及手續費淨收入人民幣605.6百萬元，減少人民幣145.7百萬元，降幅24.1%；同時，2016年，本集團小微貸款業務分部利潤為人民幣232.2百萬元，較2015年分部利潤人民幣334.6百萬元，減少人民幣102.4百萬元，降幅30.6%。

小微貸款分部業務收入、分部利潤的減少主要是因為利息及手續費收入減少以及利息及手續費支出增加二者共同影響所致。小微貸款的利息及手續費下降由平均收益率下降和平均餘額的下降共同導致。於2016年，小微貸款業務的平均利息及手續費率為14.7%，較2015年的16.4%下降1.7個百分點。於2016年，小微貸款業務月平均餘額為人民幣4,057.2百萬元，較2015年月平均餘額人民幣4,171.6百萬元，減少人民幣114.4百萬元，降幅2.7%。小微貸款業務月平均餘額下降主要是因為本集團2016年以「豐富模式、轉型升級」為業務總體策略積極進行戰略轉型調整，在轉型升級傳統小微業務的同時，積極拓展消費金融和平台金融業務，通過線上線下跨界融合，構建標準化、集中化、多元化的業務模式，進一步拓寬獲客渠道，為小微企業和個人客戶提供綜合金融服務。業務模式的調整及轉型升級使得本集團傳統小微貸款業務餘額自2016年初開始呈逐步下降態勢，但是新的業務板塊在2016年上半年尚處於培育期，發生額較小，2016年下半年則進入快速發展態勢，因此綜合導致2016年小微貸款業務平均餘額的小幅下降。

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In response to the call from the government to practically alleviate the problem of “expensive financing” facing SMEs, the Group actively lowered fee rates of the micro and small loan business with the circumstances of continuous declining on external financing cost. At the same time, the Group proactively adjusted business species of its micro and small loan business in 2016, increasing consumer loans, commercial discounted bills and pledged loan business of commercial bills of which the default risks are relatively lower. In 2016, the range of the interest and handling fee rate of micro and small loan business was between 11.0% to 21.6%, which showed a slight decline of around 5% in price strategy in 2015. The above measures led to a declining trend in the average interest and handling fee rate of micro and small loan business from 16.4% in 2015 to 14.7% in 2016.

In 2016, the Group raised a total of RMB2.26 billion through external institutional investors, which was used to invest in qualified small and micro enterprises and individuals. These funds were drawn at one time and started to accrue interest, but the business was launched on the market gradually through some rules and progress, which made the efficiency of capital use not ideal and increased the interest expenditure. The increase of interest expenditure also has impact on the fall of net interest and handling fee income of micro and small loan business.

In 2016, the profit margin of micro and small loan business of the Group was 50.5%, representing a decline of 4.8 percentage points as compared with 55.3% in 2015.

For more details on the Group’s credit SME lending business segment, please refer to pages 35 to 51 of this report.

為了響應政府號召並切實減輕中小企業「融資貴」的難題，本集團在對外融資成本持續下降的情況下，主動降低小微貸款業務的收費率。同時，2016年本集團主動調整小微貸款業務的業務種類，增加對違約風險相對較低的消費貸、商業票據貼現和商業票據質押貸款業務。2016年，本集團小微貸款業務的利息及手續費率區間為11.0%至21.6%，其定價策略較2015年小幅下降5%左右。上述措施使得本集團2016年小微貸款業務的平均利息及手續費率為14.7%，與2015年平均利息及手續費率16.4%相比，呈下降態勢。

2016年，本集團通過外部機構投資者募集資金合計人民幣22.6億元，投放於符合一定資格的小微企業及個人。由於資金一次性提取並開始計息，但業務則通過一定的規則和進度，逐步投放市場，使得資金使用率不夠理想，從而增加利息支出。利息支出的增加，也對小微貸款業務分部淨利息及手續費收入的下降存在一定的影響。

2016年，本集團小微貸款業務的利潤率為50.5%，與2015年的利潤率55.3%相比下降4.8個百分點。

有關本集團中小企業貸款業務詳情，請參閱本報告第35頁至51頁。

Management Discussion and Analysis

管理層討論與分析

SELECTED ITEMS OF THE CONSOLIDATED INCOME STATEMENT

節選合併利潤表項目

Net guarantee and consulting fee income

擔保及諮詢費淨收入

The following table sets forth the guarantee and consulting fee income of the Group by products for 2016:

下表載列本集團於2016年按產品劃分的擔保及諮詢費收入：

		For the year ended 31 December 截至12月31日止年度		
		2016 2016年	2015 2015年	(%) Change 變動(%)
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)				
Guarantee and consulting fee income from	來自以下各項的擔保及諮詢費收入			
Traditional financing guarantee	傳統融資擔保	473.8	699.6	(32.3)
Bond guarantee	債券擔保	250.9	52.0	382.5
Financing guarantee business subtotal	融資擔保業務小計	724.7	751.6	(3.6)
Non-financing guarantee	非融資擔保	34.3	15.3	124.2
Guarantee and consulting fee income subtotal	擔保及諮詢費收入小計	759.0	766.9	(1.0)
Less: Re-guarantee expenses	減：再擔保費用	(3.6)	(1.9)	89.5
Net guarantee and consulting fee income	擔保及諮詢費淨收入	755.4	765.0	(1.3)

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In 2016, the net guarantee and consulting fee income of the Group was RMB755.4 million, which decreased by RMB9.6 million or 1.3% as compared with the RMB765.0 million in 2015, of which:

- In 2016, the guarantee and consulting fee income generated from our traditional financing guarantee business was RMB473.8 million, representing a decrease of RMB225.8 million or 32.3% as compared with that in 2015. The decrease was mainly attributable to the Group's active adjustment of business structure since 2015, due to intensifying downward pressure on macro-economy and increasing risks of defaults of SMEs. At the same time, the Group met the financing demands of SMEs through reasonable use of other business tools, including entrusted loans, transfer of trade receivables and bill discounting. Such move cut the guarantee and consulting fee income from financing guarantee business while interest income from factoring business such as bill discount and transfer of trade receivables experienced faster growth.
- In 2016, the guarantee and consulting fee income generated from the Group's bond guarantee business was RMB250.9 million, up by RMB198.9 million or 382.5% as compared with that in 2015. The increase was mainly attributable to the utilization of the Group's growing brand reputation and proactive adjustment of the Group's operating strategies to expand the Group's guarantee business for capital market bond issuances with relatively lower credit risk. In 2016, the Group provided guarantees for 24 bonds with amount of RMB20,250.0 million in total;
- In 2016, the income generated from the Group's non-financing guarantee businesses was RMB34.3 million, up by RMB19.0 million or 124.2% as compared with that in 2015. The increase was caused by the adjustment of the Group's operating strategies and stepped up marketing on capital preservation fund and other non-financing guarantee products with lower credit risks.

於2016年，本集團擔保及諮詢費淨收入為人民幣755.4百萬元，較2015年擔保及諮詢費淨收入人民幣765.0百萬元，下降人民幣9.6百萬元，降幅1.3%，其中：

- 於2016年，本集團傳統融資擔保業務產生的擔保及諮詢費收入為人民幣473.8百萬元，較2015年下降人民幣225.8百萬元，降幅32.3%，主要是因為自2015年開始，宏觀經濟下行壓力逐步加大，中小企業信用違約風險增加，本集團主動調整業務結構所致；同時，本集團合理利用其它業務工具，比如委託貸款、應收賬款轉讓、票據貼現等方式滿足廣大中小企業的融資需求。這一舉措使得融資擔保業務相關的擔保及諮詢費收入下降，而票據貼現、應收賬款轉讓等保理業務利息收入增長較快。
- 於2016年，本集團債券擔保業務產生的擔保及諮詢費收入為人民幣250.9百萬元，較2015年增長人民幣198.9百萬元，增幅382.5%，這主要得益於本集團利用日益擴大的品牌影響力以及本集團主動調整經營策略，增加對信用風險相對較低的資本市場債券發行擔保業務。2016年，本集團共為24只債券共計人民幣202.5億元提供擔保；
- 於2016年，本集團非融資擔保業務產生的收入為人民幣34.3百萬元，較2015年增加人民幣19.0百萬元，增幅124.2%，這主要得益於本集團調整經營策略，加大了對信用風險相對較低的保本基金以及其他非融資擔保的營銷力度。

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Net interest and handling fee income

The following table sets forth the Group's interest and handling fee income by products in 2016:

利息及手續費淨收入

下表載列本集團於2016年按產品分類的利息及手續費收入明細：

		For the year ended 31 December 截至12月31日止年度		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Interest and handling fee income from	來自以下各項的利息及手續費收入			
Loans and advances to customers	發放貸款及墊款類	962.6	1,117.9	(13.9)
— Micro and small loan business	— 小微貸款	597.3	685.5	(12.9)
— Entrusted Loans	— 委託貸款	365.3	432.4	(15.5)
Financial Factoring	金融保理	56.5	12.4	355.6
Cash at banks	銀行存款	50.7	49.3	2.8
Restricted bank deposits	存出擔保保證金	16.9	21.6	(21.8)
Finance lease	融資租賃	13.6	3.5	288.6
Internet finance	互聯網金融	12.8	8.1	58.0
Total interest and handling fee income	利息及手續費收入總額	1,113.1	1,212.8	(8.2)
Interest and commission expenses from	來自以下各項的利息及手續費支出			
Debts securities issued	應付債券	(190.7)	(61.3)	211.1
Financial assets sold under repurchase agreements	賣出回購金融資產	(80.0)	(104.5)	(23.4)
Borrowings from banks and non-bank institutions	銀行及非銀行機構借款	(75.7)	(38.1)	98.7
Commission paid to agents	手續費及佣金支出	(42.3)	(21.9)	93.2
Total interest and commission fee expenses	利息及手續費支出總額	(388.7)	(225.8)	72.1
Net interest and handling fee income	利息及手續費淨收入	724.4	987.0	(26.6)

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In 2016, the net interest and handling fee income of the Group was RMB724.4 million, down by RMB262.6 million or 26.6% from the RMB987.0 million of 2015. The decline was mainly attributable to the decrease in interest and handling fee income of micro and small loan and entrusted loans as well as the increase in interest and commission fee expenses, of which:

- In 2016, the interest and handling fee income from the Group's micro and small loan business was RMB597.3 million, down by RMB88.2 million or 12.9% compared with that in 2015. The decline was mainly due to the decrease in the average return of micro and small loan business as well as the decrease in the average balance. In 2016, the average interest and handling fee rate of micro and small loan business was 14.7% (2015: 16.4%). In 2016, the monthly average balance of micro and small loan business was RMB4,057.2 million, representing a decrease of RMB114.4 million or 2.7% compared to RMB4,171.6 million in 2015. The decrease of the average monthly balance of the micro and small loan business was mainly because the Group proactively made strategic transformation and adjustment in 2016 with "Diversifying model, upgrading and transformation" as overall business strategy and explored consumer finance and platform finance business when upgrading traditional micro and small loan business. Through online and off-line cross-field integration, the Group established standard, concentrated and diversified business model, further expanded customer access channel and provided comprehensive financial service for small and micro- enterprises and individual clients. Following such adjustment to the business model and the transformation and upgrading, the outstanding balance of the Group's traditional micro and small loan business recorded a gradually declining trend since the first half of 2016, while new business segments were still at the cultivation stage in the first half of 2016, and thus generated only insignificant revenue until the second half of 2016 when rapid growth was recorded. Such "rise after decline" business deployment model resulted in the slight decrease trend in the monthly average balance of the micro and small loan assets;

於2016年，本集團利息及手續費淨收入為人民幣724.4百萬元，較2015年利息及手續費淨收入人民幣987.0百萬元，減少人民幣262.6百萬元，降幅26.6%。該減少主要是小微貸款和委託貸款相關的利息及手續費收入下降以及利息及手續費支出增長共同影響所致。其中：

- 於2016年，本集團小微貸款利息及手續費收入為人民幣597.3百萬元，較2015年減少人民幣88.2百萬元，降幅12.9%，主要是因為小微貸款平均收益率下降與平均餘額的下降共同導致。於2016年，小微貸款業務的平均利息及手續費率為14.7%（2015年：16.4%）。於2016年，小微貸款業務月平均餘額為人民幣4,057.2百萬元，較2015年平均規模人民幣4,171.6百萬元，減少人民幣114.4百萬元，降幅2.7%。小微貸款業務月平均餘額下降主要是因為本集團2016年以「豐富模式、轉型升級」為業務總體策略積極進行戰略轉型調整，在轉型升級傳統小微業務的同時，積極拓展消費金融和平台金融業務，通過線上線下跨界融合，構建標準化、集中化、多元化的業務模式，進一步拓寬獲客渠道，為小微企業和個人客戶提供綜合金融服務。業務模式的調整及轉型升級使得本集團傳統小微貸款業務餘額在2016年上半年呈逐步下降態勢，但是新的業務板塊在2016年上半年尚處於培育期，發生額較小，直到2016年下半年才開始快速發展，這種「前低後高」的業務投放模式使得小微貸款資產月平均餘額呈小幅下降態勢；

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The decline in the average return of micro and small loan business is mainly because that, with declining external financing cost and in response to the call from the government to practically alleviate the problem of expensive financing facing SMEs, the Group actively lowered fee rates of the micro and small loan business. At the same time, the Group proactively adjusted business species of credit loan business in 2016, increasing consumer loans, commercial bill discount and pledged loan business of commercial bill whose default risks are relatively lower. The above measures led to a declining trend in the average interest and handling fee rate of micro and small loan business. In 2016, the range of the interest and handling fee rate of micro and small loan business was between 11.0% to 21.6%, which showed a slight declining of around 5% in price strategy in 2015;

- In 2016, the interest and handling fee income of the Group's entrusted loan business was RMB365.3 million, representing a decrease of RMB67.1 million or 15.5% as compared with that in 2015. The decrease is mainly because the decline rate of average interest and handling fee rate of entrusted loan business is larger than the growth rate of average balance. The average entrusted loans balance was RMB2,367.0 million in 2016, representing an increase of RMB217.6 million or 10.1% as compared with RMB2,149.4 million in 2015. In 2016, the average interest and handling fee rate of the Group's entrusted loan was 15.4%, showed a downward trend as compared with 20.1% in 2015. The decrease was mainly because under the increasing downward pressure on the economy, the Group enhanced the credit review standard for new customers in the credit phase, raised the access standards for customers, selected customers with lower risks, the price strategy of the Group fell accordingly;

小微貸款平均收益率的下降主要是因為在外部融資成本下降的情況下，為了響應政府號召並切實減輕中小企業融資貴的問題，本集團主動降低小微貸款業務的收費率；同時，2016年本集團主動調整了信貸業務種類，增加了違約風險相對較低的消費貸、商業票據貼現和商業票據質押貸款業務。上述措施使得小微貸款業務平均利息及手續費率下降，於2016年，本集團小微貸款業務的利息及手續費率區間為11.0%至21.6%，其定價策略較2015年小幅下降5%左右；

- 於2016年，本集團委託貸款利息及手續費收入為人民幣365.3百萬元，較2015年減少人民幣67.1百萬元，降幅15.5%，該減少主要是由委託貸款業務的平均利息及手續費率的下降幅度大於平均餘額增長幅度導致。委託貸款2016年平均餘額為人民幣2,367.0百萬元，較2015年平均餘額人民幣2,149.4百萬元增長人民幣217.6百萬元，增幅10.1%；2016年，本集團委託貸款業務的平均利息及手續費率為15.4%，較2015年的20.1%呈下降態勢，主要是在經濟下行壓力持續加大的形勢下，對於新增客戶，在授信階段，增強授信審查標準，提高客戶的准入標準，選擇更加優質風險更低的客戶所致，本集團定價策略也隨之下降所致；

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- In 2016, the interest income from the bank deposits of the Group and related interest income from the restricted bank deposits of the Group were RMB67.6 million, which has not been a significant change as compared with that in 2015. The Group continued to adopt of more flexible cash management strategies and investment in time deposits and capital preservation wealth management products with relatively higher returns on the prerequisite of maintaining sufficient liquidity, so as to improve the efficiency of the use of capitals;
 - In 2016, the interest and handling fee income in the financial factoring business of the Group was RMB56.5 million, which was mainly attributable to the factoring services income from the financial factoring business segments;
 - In 2016, the interest and handling fee income in the finance leasing business of the Group was RMB13.6 million, which was mainly attributable to the finance leasing income from the finance leasing business segments; and
 - In 2016, the handling fee and commission income in the internet financing business of the Group was RMB12.8 million, which was mainly generated from the Group's service of online information disclosure of capital and asset transactions and successful transaction matching;
 - In 2016, the interest and commission expense of the Group was RMB388.7 million, which increased by RMB162.9 million or 72.1% as compared with 2016, of which:
- 於2016年，本集團銀行存款及存出擔保保證金相關的利息收入為人民幣67.6百萬元，與2015年相比，無重大變動。本集團持續採取更加靈活的現金管理策略，在保持充分流動性的前提之下，投資於收益率相對較高的定期存款和保證本金型理財產品，以提升資金運用效益；
 - 於2016年，本集團金融保理業務產生的利息及手續費收入為人民幣56.5百萬元，主要是金融保理業務板塊提供保理服務收入所得；
 - 於2016年，本集團融資租賃業務產生的利息及手續費收入為人民幣13.6百萬元，主要是融資租賃業務板塊提供融資租賃收入所得；及
 - 於2016年，本集團互聯網金融業務產生的手續費及佣金收入為人民幣12.8百萬元，主要來源於本集團為資金、資產交易提供在線信息發佈、交易撮合成功服務所得；
 - 於2016年，本集團利息及手續費支出為人民幣388.7百萬元，較2015年增長人民幣162.9百萬元，增幅72.1%。其中：

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In 2016, the interest expense on the bonds of the Group was RMB190.7 million, representing an increase of RMB129.4 million or 211.1% as compared with RMB129.4 million in 2015. The increase was mainly due to the increase of the debt securities issued balance from RMB2,382.2 million as at 31 December 2015 to RMB3,655.3 million as at 31 December 2016. Thereinto, interest expenditure generated in 2015 from RMB2.4 billion worth of corporate bonds issued in June and November of 2015 by the Group was not for a full fiscal year, while that in 2016 was the interest expenditure for a full fiscal year.

In addition, the Group has transferred RMB1,460.0 million of micro loans to structured entities in 2016, and then the structured entities issued asset-backed securities (“the Products”) to investors. At the same time, the group held all the interests of subordinated tranches of the Products and provided guarantee for the senior tranches with priority sequence parts. As the group has retained nearly all the risks and rewards of these category of asset the relevant financial assets did not qualify for the derecognition of financial assets, thus the Group continued to recognise the above assets and listed the RMB1.26 billion of transfer fee received in the “asset-backed securities payable”, and incorporated the interest expenditure generated into the interest expenditure of the Group’s consolidated income statement.

In 2016, the borrowings interest expense from banks and non-bank institutions of the Group was RMB75.7 million, representing an increase of RMB37.6 million or 98.7% as compared with that in 2015, which was mainly due to the bank interest-bearing borrowings balance increased from RMB300.0 million as at 31 December 2015 to RMB1,205.9 million as at 31 December 2016. In August 2016, the Group’s subordinate small-loan company cooperated with institutional investors to have raised RMB1 billion of funds, which was specially invested in qualified small and micro enterprises and individuals. The above funds will be mature on 31 December 2020.

於2016年，本集團債券利息支出為人民幣190.7百萬元，較2015年增長人民幣129.4百萬元，增幅211.1%。主要是應付債券餘額由2015年12月31日的人民幣2,382.2百萬元增長至2016年12月31日的人民幣3,655.3百萬元。其中，本集團於2015年6月、11月發行的公司債券合計人民幣24.0億元在2015年產生的利息支出並不是一個完整會計年度，但2016年則承擔一個完整會計年度的利息支出。

此外，於2016年，本集團將人民幣14.6億元的小額貸款轉讓給結構化主體，再由結構化主體向投資者發行資產支持證券（「產品」），同時本集團持有該產品全部次級部分以及為所有優先順序部分提供擔保。由於本集團保留了該類資產的幾乎全部風險和報酬，相關金融資產不滿足終止確認的條件，因此本集團繼續在資產負債表中確認上述資產，並將收到的人民幣12.6億元轉讓款在「應付資產支持證券」中列示，由此產生的利息支出計入本集團合併利潤表中的「利息支出」。

於2016年，本集團銀行及非銀行機構借款利息支出為人民幣75.7百萬元，較2015年增長人民幣37.6百萬元，增幅98.7%，主要是因為計息借款餘額由2015年12月31日的人民幣300.0百萬元增長至2016年12月31日的人民幣1,205.9百萬元所致。於2016年8月，本集團下屬小額貸款公司與機構投資者合作，共募集人民幣10.0億元資金，專項投資於符合資格的中小微企業和個人，上述資金將於2020年12月31日到期。

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In 2016, the handling fee and commission of the Group was RMB42.3 million, representing an increase of RMB20.4 million or 93.2% as compared with that in 2015. The growth mainly came from expenses paid to the third-party settlement channels for carrying out various business.

於2016年，本集團手續費及佣金支出為人民幣42.3百萬元，較2015年增長人民幣20.4百萬元，增幅93.2%。增長主要來自於開展各類業務需要支付給第三方結算通道的費用支出。

Other revenue

其他收入

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

(Expressed in RMB million, unless otherwise stated)
(除另有註明外，以人民幣百萬元列示)

		2016 2016年	2015 2015年	(%) Change 變動(%)
Government subsidies and tax refund	政府補助及稅收返還	15.6	26.4	(40.9)
Investment income	投資收益	8.5	–	–
Rental income	房租收入	7.2	3.4	111.8
Others	其他	3.4	4.2	(19.0)
Total	合計	34.7	34.0	2.1

The following table sets forth our income from other businesses in 2016:

下表載列本集團於2016年的其他業務收入明細：

In 2016, income from other businesses of the Group was RMB34.7 million, mainly including government grants, tax returns, investment income and rental income, of which, investment income mainly came from dividend of investment projects of the Group's capital management business, and rental income mainly came from leasing the Group's debt-offsetting assets and idle housing properties to the third party.

於2016年，本集團其他業務收入為人民幣34.7百萬元，主要包括政府補助及稅收返還、投資收益和房租收入，其中投資收益主要來自於本集團資本投資管理業務板塊投資項目所獲取的股利分紅；房租收入則主要來自於本集團抵債資產、閒餘房產出租給第三方而獲取的租金收入。

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Reversal for guarantee losses

Provisions for guarantee losses are estimated mainly based on the growth of the Group's guarantee portfolio and past experience for enough provisions for credit guarantee business. In 2016, the reversal for guarantee losses of the Group was RMB39.7 million.

Provision rate reflects the Group's reserve level for possible compensation risks of its guarantee portfolios. Provision rate equals to provisions for guarantee losses divided by risk responsibility balance of guarantee business at the end of the period. As at 31 December 2016, the provision rate of the Group's credit guarantee business was 1.1% (1.5% at 31 December 2015). The decline of provision rate was mainly because the proportion of bond guarantee and guarantee for capital preservation funds whose credit risks are relatively low to the total product portfolio rose from 47.9% as at 31 December 2015 to 60.6% as at 31 December 2016, which changed potential risk of credit guarantee portfolios.

Impairment losses

The following table sets forth impairment losses in 2016:

(Expressed in RMB million, unless otherwise stated)
(除另有註明外，以人民幣百萬元列示)

		For the year ended 31 December 截至12月31日止年度		
		2016 2016年	2015 2015年	(%) Change 變動(%)
Impairment losses for receivables for default payments	應收代償款的 資產減值損失	213.7	376.2	(43.2)
Impairment losses for loans and advances to customers	發放貸款及墊款的 資產減值損失	149.1	138.9	7.3
Impairment losses for receivables for factoring business	應收保理款的資產 減值損失	7.3	0.4	1,725.0
Impairment losses for receivables for Finance lease business	應收融資租賃款的 減值損失	2.8	—	—
Total	合計	372.9	515.5	(27.7)

轉回擔保賠償

擔保賠償準備金主要根據本集團擔保組合增長及過往經驗，對信用擔保業務而言足夠的撥備水準的估計。於2016年，本集團轉回擔保賠償準備金人民幣39.7百萬元。

撥備率反映本集團就擔保組合未來發生代償風險的儲備水準。撥備率為擔保賠償準備金除以期末擔保業務風險責任餘額。於2016年12月31日，本集團信用擔保業務的撥備率分別為1.1%（2015年12月31日：1.5%）。撥備率下降主要是因為信用風險相對較低的債券擔保及保本基金擔保在整個產品組合中的佔比由2015年12月31日的47.9%提高至2016年12月31日的60.6%，使得信用擔保業務組合的潛在風險發生變化。

資產減值損失

下表載列本集團於2016年的資產減值損失明細：

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In 2016, the impairment losses of the Group were RMB372.9 million, representing a decrease of RMB142.6 million or 27.7% as compared with RMB515.5 million in 2015, of which:

Impairment losses for receivables for default payments decreased from RMB376.2 million in 2015 to RMB213.7 million in 2016, which is mainly because that the Group enhanced post-guarantee management as well as the corresponding management frequency and efforts, and stepped up collateral management for customers that defaulted. At the same time, the Group fully promoted the management method of paying performance bonuses after the guarantee liabilities are lifted among all business staff to further enhance risk management awareness of all staff. The period of the Group's loans and credit guarantee business to clients is short (mainly within 18 months), which made credit risk exposure of the Group's total asset portfolio gradually fall and totally released during the period of 2015 to 2016. In 2016, the Group paid RMB386.0 million on behalf of the customers for the actual defaults payments, representing a decrease of RMB103.5 million or 21.1% as compared with RMB489.5 million in 2015, which led to the downward trend of impairment provision for receivables for default payments. At 31 December 2016, the original amount of the Group's receivables for default payments was RMB1,373.1 million, corresponding to the balance of impairment provisions at RMB743.8 million. The provision rate (allowance for default payment receivables/receivable for default payment) fell slightly by 2.9 percentage points to 54.2%, compared with 57.1% at 31 December 2015, which may be relevant to the Group's sufficient mortgage from client default, raised mortgage rate and accelerated handling process. The Group made evaluation on withdrawal possibility of receivables for default payments mainly based on the reverse mortgage provided by borrowers, and compared possible withdrawal amount with the amount of default payments to incorporate the balance into the impairment losses of the current period.

於2016年，本集團資產減值損失為人民幣372.9百萬元，較2015年資產減值損失人民幣515.5百萬元，減少人民幣142.6百萬元，降幅27.7%，其中：

有關應收代償款的資產減值損失從2015年的人民幣376.2百萬元減少至2016年的人人民幣213.7百萬元，主要是本集團全面強化保後管理，增加保後管理的頻率和力度，對於違約客戶加強了抵質押物管理力度；同時，在所有業務人員中，全面推行「擔保責任解除」後發放績效獎金的管理辦法，進一步強化全員的風險管理意識。由於本集團向客戶提供的貸款及信用擔保業務的期限較短（主要集中在18個月以內），上述措施使得本集團整體資產組合的信用風險敞口逐步下降，並在2015年、2016年得到完全釋放。2016年，本集團為客戶實際代償金額為人民幣386.0百萬元，較2015年實際代償金額人民幣489.5百萬元，下降人民幣103.5百萬元，降幅21.1%，使得對應收代償款計提的資產減值準備呈下降態勢。於2016年12月31日，本集團應收代償款原值為人民幣1,373.1百萬元，對應的減值準備餘額為人民幣743.8百萬元，撥備率（應收代償款減值準備／應收代償款原值）為54.2%，該撥備率與2015年12月31日撥備率57.1%相比，小幅下降2.9個百分點，這與本集團從違約客戶處收取的抵押物充足，抵質押率提高，並加快處置進程相關；本集團對應收代償款潛在的回收可能進行逐筆評估，主要依據借款人提供的反抵押情況進行，並將可能回收金額的現值與代償款金額進行比較，將差額計入當期資產減值損失。

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- Impairment losses of the micro and small loans and entrusted loans increased from RMB138.9 million in 2015 to RMB149.1 million in 2016. During the year ended 31 December 2016, the impaired loans balance of the Group was RMB260.9 million, representing an increase of RMB33.4 million or 14.7% as compared with RMB227.5 million in 2015. In 2016, the Group continued to adopt prudent accounting estimates and considered the changes in loan quality, and increased provision ratio on impairment losses. As at 31 December 2016, the provision rate of SME lending was 4.9%, representing an increase of 0.5 percentage points as compared with 4.4% as at 31 December 2015. The risk resistance capabilities were further increased;
- In 2016, impairment losses for receivables for factoring business was RMB7.3 million, which is mainly due to the putting aside provisions based on portfolio benchmark for receivables for factoring business. During the year ended 31 December 2016, the balance of the receivables for factoring business of the Group was RMB594.6 million, representing an increase of RMB376.6 million or 172.8% as compared with RMB218.0 million as at 31 December 2015; and
- 有關小微貸款和委託貸款的資產減值損失從2015年的人民幣138.9百萬元增加至截至2016年的人民幣149.1百萬元。截至2016年12月31日，本集團已減值貸款餘額為人民幣260.9百萬元，較2015年12月31日已減值貸款餘額人民幣227.5百萬元，增加人民幣33.4百萬元，增幅14.7%。2016年，本集團仍然採用審慎的會計估計，結合貸款質量的變化，對資產減值損失增加了計提比率。於2016年12月31日，中小企業貸款業務整體撥備率為4.9%，較2015年12月31日撥備率4.4%上升0.5個百分點，整體抗風險能力進一步提升；
- 於2016年，應收保理款的資產減值損失為人民幣7.3百萬元，主要是對應收保理款項按照組合基準計提撥備所致；截至2016年12月31日，本集團應收保理款項餘額為人民幣594.6百萬元，較2015年12月31日應收保理款項餘額人民幣218.0百萬元，增加人民幣376.6百萬元，增幅172.8%；及

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- In 2016, impairment losses for finance lease receivables was RMB2.8 million, which is mainly due to the provision made for finance lease receivables on a collective basis. During the year ended 31 December 2016, the balance of the finance lease receivables of the Group was RMB279.2 million, representing an increase of RMB209.5 million or 300.6% as compared with RMB69.7 million as at 31 December 2015;

For details regarding the asset quality of the guarantee business and the micro and small loan business, please refer to the section pages 16 to 51 headed “Business Overview” in this report.

Operating expenses

The following table sets forth operating expenses in 2016:

- 於2016年，應收融資租賃款的資產減值損失為人民幣2.8百萬元，主要是對應收融資租賃款按照組合計提撥備所致。截至2016年12月31日，本集團應收融資租賃款項餘額為人民幣279.2百萬元，較2015年12月31日應收融資租賃款項餘額人民幣69.7百萬元，增加人民幣209.5百萬元，增幅300.6%；

有關信用擔保業務和小微貸款業務的資產質量，請參閱本報告「業務綜述」章節第16頁至51頁。

營運支出

下表載列本集團於2016年的營運支出：

For the year ended 31 December 截至12月31日止年度					
		2016 2016年		2015 2015年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		<i>Amount</i> 金額	<i>% of total</i> 佔比%	<i>Amount</i> 金額	<i>% of total</i> 佔比%
Staff costs	員工薪酬	425.7	53.0	451.5	50.5
– Non-cash share-based Payment	– 以權益結算的股份支付	56.4	7.0	81.1	9.1
Taxes and surcharges	稅金及附加	32.2	4.0	81.8	9.2
Operating lease charges in respect of buildings	房屋經營租賃費用	88.8	11.1	90.5	10.1
Depreciation and amortization expenses	折舊及攤銷開支	43.9	5.5	31.6	3.5
Others	其他	212.1	26.4	238.0	26.7
Total	合計	802.7	100.0	893.4	100.0

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In 2016, the operating expenses of the Group reached RMB802.7 million, representing a decrease of RMB90.7 million or 10.2% compared with RMB893.4 million in 2015. The increase was mainly because that the Group continued to adopt optimization management measures to control expenses which led to the small decrease of total operating expenses. Moreover, the proportion of varying items of expenses to total operating expenses remained stable without drastic fluctuations, of which:

1. Without considering employee compensation generated from equity-settled share-based payment. In 2016, total staff cost of the Group was RMB369.3 million, a slight decrease as compared with RMB370.4 million in 2015. In 2016, the Group constantly optimized its personnel structure to cope with continuously rising business demand. As at 31 December 2016, the number of staff of the Group was 1,874, representing a decrease of 21.6% as compared with 2,389 as at 31 December 2015; and
2. In 2016, without considering employee compensation, the other operating expense was RMB377.0 million, representing a decrease of RMB64.9 or 14.7% in 2015. The decrease was mainly because (i) policy of “to replace business tax with value-added tax” caused the fall of business tax and other surcharges. Moreover, falling taxable income including guarantee and consulting fee income, interest and handling fee income etc. also made contribution to the reduction of tax, as well as (ii) the decrease of business and entertainment expense, advertising expense and travelling expenses etc. by RMB10.3 million.

於2016年，本集團營運支出為人民幣802.7百萬元，較2015年人民幣893.4百萬元，減少人民幣90.7百萬元，降幅10.2%，主要是本集團持續採取成本優化管理措施，嚴控各項費用開支，使得營運支出總額小幅下降。此外，各項費用項目佔營運支出總額的比例保持相對穩定狀態，並無劇烈波動。其中：

- 1、在不考慮「以權益結算的股份支付」產生的員工薪酬的情況下，於2016年，本集團員工薪酬總額為人民幣369.3百萬元，較2015年員工薪酬總額人民幣370.4百萬元相比有小幅下降；2016年，本集團對人員結構進行持續優化，以應對不斷提升的業務需求。截至2016年12月31日，本集團員工人數合計為1,874名，較2015年12月31日員工人數2,389名，減少21.6%；及
- 2、於2016年，在不考慮員工薪酬的情況下，其他營運支出為人民幣377.0百萬元，較2015年減少人民幣64.9百萬元，降幅14.7%，減少主要由於(i)「營業稅」改征「增值稅」政策變化導致營業稅金及附加減少，此外擔保及諮詢費收入、利息及手續費收入等應稅收入減少也對稅金減少做出一定的貢獻；及(ii)業務及招待費、廣告費、差旅費等費用減少人民幣10.3百萬元。

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SELECTED ITEMS FOR THE CONSOLIDATED CASH FLOW STATEMENT

The following table sets forth the summary extracted from our consolidated cash flow statement in 2016:

(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		For the year ended 31 December 截至12月31日止年度		
		2016 2016年	2015 2015年	(%) Change 變動(%)
Net cash generated from/(used in) operating activities	經營活動所產生／(使用)的現金淨額	34.4	(793.2)	(104.3)
Net cash used in investing activities	投資活動所用的現金淨額	(1,252.9)	(166.6)	652.0
Net cash generated from financing activities	籌資活動所產生的現金淨額	1,925.5	1,232.6	56.2
Net increase in cash and cash equivalents	貨幣資金增加淨額	707.0	272.8	159.2
Cash and cash equivalents at the beginning of the year	年初貨幣資金餘額	2,803.9	2,531.1	10.8
Change in exchange rate	匯率變動	1.1	-	-
Cash and cash equivalents at the end of the year	年末貨幣資金餘額	3,512.0	2,803.9	25.3

節選合併現金流量表項目

下表載列本集團於2016年的合併現金流量表的摘選概要：

Net cash generated from/(used in) operating activities

In 2016, net cash generated from operating activities was RMB34.4 million, of which mainly include:

1. The Group's guarantee and consulting fee received from the credit guarantee business was RMB1,005.8 million;
2. The Group's interest and handling fee income received from the SME lending business was RMB896.9 million;
3. The increase of the Group's loans and advances to customers granted by the SME lending business was RMB643.1 million;
4. The Group's staff costs and related insurance and benefit expenses paid were RMB373.4 million; and
5. The Group's enterprise income tax, business tax and surcharges paid were RMB233.3 million.

經營活動所產生／(使用)的現金淨額

於2016年，本集團於經營活動中所產生的現金淨額為人民幣34.4百萬元，主要包括：

- 1、本集團信用擔保業務收取擔保費及諮詢費計人民幣1,005.8百萬元；
- 2、本集團中小企業貸款業務收取利息及手續費人民幣896.9百萬元；
- 3、本集團中小企業貸款業務發放貸款及墊款淨增加人民幣643.1百萬元；
- 4、本集團為員工支付的薪金及相關保險、福利支出人民幣373.4百萬元；及
- 5、本集團支付的企業所得稅、營業稅、增值稅及各項附加費人民幣233.3百萬元。

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Net cash used in investing activities

In 2016, net cash used in investing activities was RMB1,252.9 million, of which mainly include:

1. RMB74.7 million was used to purchase fixed assets and intangible assets;
2. RMB924.8 million was used to invest in affiliated enterprises;
3. RMB379.1 million was used to invest other activities;
4. RMB13.7 million was used to purchase minority equity interests; and
5. RMB130.0 million was received from investments.

Net cash generated from financing activities

In 2016, net cash generated from financing activities was RMB1,925.5 million, of which mainly include:

1. Net cash raised from corporate bond issuance in 2016 was RMB1,269.2 million;
2. There was a net increase of RMB685.7 million in funds raised from borrowings from banking financial institutions and other non-banking financial institutions;
3. RMB279.1 million of dividend was paid; and
4. RMB349.6 million of interest on borrowings was paid.

投資活動所用的現金淨額

於2016年，本集團於投資活動中所用的現金淨額為人民幣1,252.9百萬元，主要包括：

- 1、用於購買固定資產、無形資產等項目合計金額為人民幣74.7百萬元；
- 2、對聯營企業投資支付的現金合計金額為人民幣924.8百萬元；
- 3、其他投資活動支付的現金合計為人民幣379.1百萬元；
- 4、購買少數股東股權支付人民幣13.7百萬元；及
- 5、收回投資收到的現金為人民幣130.0百萬元。

籌資活動產生的現金淨額

於2016年，本集團於籌資活動中所募集的現金淨額為人民幣1,925.5百萬元，主要包括：

- 1、於2016年通過公開發行公司債券資金淨額共計人民幣1,269.2百萬元；
- 2、通過銀行類金融機構、以及與其他類型金融機構借款籌集資金淨增加額為人民幣685.7百萬元；
- 3、分配股利所支付的現金人民幣279.1百萬元；及
- 4、支付借款利息支出人民幣349.6百萬元。

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SELECTED ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

節選合併財務狀況表項目

The following table sets forth a summary of the Group's assets and liabilities as at the dates indicated:

下表載列本集團於所示日期的資產及負債概要：

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Assets	資產			
Cash and cash equivalents	貨幣資金	3,512.0	2,803.9	25.3
Restricted bank deposits	存出擔保保證金	1,051.9	1,400.1	(24.9)
Trade and other receivables	應收及其他應收款項	1,551.5	1,262.2	22.9
Receivables for factoring business	應收保理款	594.6	218.0	172.8
Loans and advances to customers	發放貸款及墊款	7,625.4	7,137.8	6.8
Finance lease receivables	應收融資租賃款	279.2	69.7	300.6
Available-for-sale financial assets	可供出售金融資產	333.5	106.9	212.0
Repossessed assets	抵債資產	248.5	94.8	162.1
Property, plant and equipment	物業、廠房及設備	434.5	432.7	0.4
Intangible assets	無形資產	6.2	4.2	47.6
Interest in associates	長期股權投資－聯營企業	985.5	60.0	1,542.5
Interest in joint ventures	長期股權投資－合營企業	20.0	10.0	100.0
Goodwill	商譽	11.2	11.2	–
Deferred tax assets	遞延所得稅資產	428.7	349.5	22.7
Total assets	總資產	17,082.7	13,961.0	22.4
Liabilities	負債			
Interest-bearing borrowings	計息借款	1,205.9	300.0	302.0
Financial assets sold under repurchase agreement	賣出回購金融資產	1,168.3	1,388.5	(15.9)
Deferred income	未到期責任準備金	639.4	385.8	65.7
Provisions for guarantee losses	擔保賠償準備金	350.6	390.3	(10.2)
Customer pledged deposits	存入保證金	17.2	27.1	(36.5)
Accruals and other payables	應計及其他應付款	2,381.3	1,498.1	59.0
Current tax liabilities	當期所得稅負債	185.6	143.5	29.3
Debt securities issued	應付債券	3,655.3	2,382.2	53.4
Total liabilities	總負債	9,603.6	6,515.5	47.4
Net assets	資產淨值	7,479.1	7,445.5	0.5

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Cash and cash equivalents

貨幣資金

The following table sets forth the Group's cash and cash equivalents as at the dates indicated:

下表載列本集團於所示日期的貨幣資金：

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Cash in hand	庫存現金	0.1	0.1	-
Cash at banks	銀行存款	3,511.9	2,803.8	25.3
Total	合計	3,512.0	2,803.9	25.3

Cash and cash equivalents include the Group's cash in hand and cash at banks. As at 31 December 2016, the balance of the Group's cash and cash equivalents was RMB3,512.0 million, representing an increase of RMB708.1 million or 25.3% as compared with RMB2,803.9 as at 31 December 2015. In 2016, the Group cooperated with other financial institutions for borrowings, issued asset securitization products to raise capitals. The Group also adopted flexible cash management strategies to fulfil the requirements of liquidity management. Both of these factors caused the balance of case and case equivalents to rise.

貨幣資金主要包括本集團庫存現金及銀行存款。於2016年12月31日，本集團貨幣資金餘額為人民幣3,512.0百萬元，較2015年12月31日餘額人民幣2,803.9百萬元，增長人民幣708.1百萬元，增幅25.3%。於2016年，本集團與其他金融機構合作開展合作取得借款、發行資產支持證券募集資金。同時本集團採取靈活多變的現金管理策略，以滿足流動性管理需求，二者共同影響使得貨幣資金餘額上升。

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Restricted bank deposits

The following table sets forth the Group's restricted bank deposits as at the dates indicated:

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Security deposit	保證金	786.0	840.0	(6.4)
Cash deposits or certificates of deposit for fully secured bank financing guarantees	悉數抵押的銀行融資擔保的現金存款或存款證	265.9	560.1	(52.5)
Total	合計	1,051.9	1,400.1	(24.9)

The Group strived to maintain positive relationships with cooperating financial institutions, and make security deposits according to a certain ratio of the actual guarantee amount (between 0 and 20%) as the basis of carrying out our obligation. Except for the security deposits required for bank financing guarantee services, the Group holds no liability to pay other cooperative organization with deposits.

存出擔保保證金

下表載列本集團於所示日期的存出擔保保證金的明細：

本集團一直致力於和合作金融機構保持良好的合作關係，並按照實際擔保餘額的一定比例（介於0至20%之間）存放保證金，作為履約的基礎。除提供銀行融資擔保服務需要向合作銀行繳存保證金外，本集團同其他合作機構的合作均無需繳納保證金。

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Trade and other receivables

The trade and other receivables of the Group mainly consist of default payment receivables of our credit guarantee business, various forms of prepayments and interest receivable. The following table sets forth the trade and other receivables of the Group as at the dates indicated:

應收及其他應收款項

本集團應收及其他應收款項主要包括本集團信用擔保業務的應收違約付款、多種形式的預付款項以及應收利息。下表載列本集團於所示日期的應收及其他應收款項的明細：

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Receivable for default payments	應收違約付款	1,373.1	1,143.0	20.1
Trade receivable	應收賬款	8.6	4.8	79.2
Less: allowance for default payment receivables	減：應收違約付款準備	(743.8)	(652.3)	14.0
Subtotal	小計	637.9	495.5	28.7
Interest receivables	應收利息	153.6	115.9	32.5
Other prepayments, deposits and other receivables	其他預付款項、押金及其他應收款項	760.0	650.8	16.8
Subtotal	小計	913.6	766.7	19.2
Total	總計	1,551.5	1,262.2	22.9

As at 31 December 2016, the default payment receivables was RMB1,373.1 million, representing an increase of 20.1% as compared with RMB1,143.0 million as at 31 December 2015. In 2016, the Group paid RMB386.0 million on behalf of defaulting customers, representing a decrease of RMB103.5 million or 21.1% as compared with RMB489.5 million in 2015.

於2016年12月31日，應收違約付款餘額為人民幣1,373.1百萬元，較2015年12月31日應收違約付款餘額人民幣1,143.0百萬元，增幅為20.1%。2016年，本集團共計為違約客戶累計代償金額合計為人民幣386.0百萬元，較2015年累計代償金額人民幣489.5百萬元減少103.5百萬元，降幅21.1%。

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In 2016, we continued to reinforce the measures and frequency of risk management measures targeting guarantee customers, strengthened management of guarantors before, during and after granting guarantees, and stepped up the management of counter guarantees and collaterals and the collection of default payments. In 2016, the accumulated cash collected from default customers was RMB156.0 million;

As at 31 December 2016, the outstanding balance of default payment receivables was RMB1,373.1 million, and the corresponding provisions was RMB743.8 million, overall provision rate was 54.2%, which fell slightly by 2.9 percentage points compared with the overall provision rate of 57.1% as at 31 December 2015. This was mainly attributable to the Group's receipt of sufficient collateral from defaulting customers, which raised the collateral rate and expedited the disposal process; we made evaluation on withdrawal possibility of receivables for default payments mainly based on the reverse mortgage provided by borrowers, and compared possible withdrawal amount with the amount of default payments to incorporate the balance into the impairment losses of the current period.

As at 31 December 2016, other prepayments, deposits and other receivables was RMB760.0 million, representing an increase of RMB109.2 million or 16.8% as compared with RMB650.8 million as at 31 December 2015. It was mainly attributable to the receivables of RMB98.0 million generated from the transfer of relevant creditor's right in 2016.

2016年，本集團持續加強針對擔保客戶的風險管理措施和頻率，從保前、保中、保後各個環節對擔保人加強管理，並加強反擔保物、抵質押物管理和代償款的回收工作。2016年，本集團累計從違約客戶處回收現金人民幣156.0百萬元；

於2016年12月31日，應收違約付款餘額為人民幣1,373.1百萬元，對應的準備金餘額為人民幣743.8百萬元，整體準備金率為54.2%，較2015年12月31日整體準備金率57.1%小幅下降2.9個百分點，主要是本集團從違約客戶處收取的抵押物充足，抵質押率提高，並加快處置進程所致；我們對應收代償款潛在的回收可能進行逐筆評估，主要依據借款人提供的反抵押情況進行，並將可能回收金額的現值與代償款金額進行比較，將差額計入當期資產減值損失。

於2016年12月31日，其他預付款項、押金及其他應收款項的餘額為人民幣760.0百萬元，較2015年12月31日餘額人民幣650.8百萬元，增長人民幣109.2百萬元，增幅16.8%，主要是由於2016年，本集團對相關債權進行轉讓後增加人民幣98.0百萬元應收款項。

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RECEIVABLES FOR FACTORING BUSINESS

The following table sets forth the Group's receivables for factoring business as at the dates indicated:

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Receivables for factoring business	應收保理款	594.6	218.0	172.8
Total	合計	594.6	218.0	172.8

Since 2015, traditional financial institutions generally lacked confidence in small and medium-sized enterprises and gradually lowered capital input in these enterprises. However, there is still financing demand of small and medium-sized enterprises which meet qualifications and with strong tolerance to credit risks in the market. The Group reasonably used the business tool of transfer of accounts receivable and discounted bills to meet financing demand of these enterprises. In 2016, accumulative receivables for factoring business amounted to RMB6.96 billion. As at 31 December 2016, receivables for factoring business for the factoring service the Group provided for the clients was RMB594.6 million, representing an increase of RMB376.6 million or 172.8% as compared with that in 2015.

應收保理款

下表載列本集團於所示日期的應收保理款：

自2015年開始，傳統金融機構對中小企業普遍缺乏信心，逐步降低對中小企業的資金投放。但市場上，符合資格、信用風險承擔能力較強的中小企業的融資需求仍然存在。本集團合理利用應收賬款轉讓、票據貼現這一業務工具，以滿足廣大中小企業的融資需求。於2016年，保理業務累計發生額為人民幣69.6億元。於2016年12月31日，本集團因向客戶提供應收賬款保理服務產生的應收保理款餘額為人民幣594.6百萬元，較2015年增長376.6百萬元，增幅172.8%。

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管理層討論與分析

Loans and advances to customers

The following table sets forth the Group's loans and advances to customer by product as at the dates indicated:

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Micro and small loans	小微貸款	5,375.2	4,377.5	22.8
Entrusted loans	委託貸款	2,639.5	3,092.6	(14.7)
Gross loans and advances to customers	發放貸款及墊款總額	8,014.7	7,470.1	7.3
Allowances for impairment losses	貸款減值準備	(389.3)	(332.3)	17.2
Net loans and advances to customers	發放貸款及墊款淨額	7,625.4	7,137.8	6.8

The Group's loans and advances to customers reflect in the total balance of our loan portfolio (including micro and small loans and entrusted loans). As at 31 December 2016, the Group's loans and advances granted to customers was RMB8,014.7 million, representing an increase of RMB544.6 million or 7.3% as compared with RMB7,470.1 million as at 31 December 2015. This was attributable to the Group's cooperation with other financial institutions for borrowings, issuance of asset securitization products to raise capitals and increase of the capital base. The Group also cooperated with internet finance and consumer finance platforms, to expand customer access channels.

The Group focused on providing short-term loans to minimize the risk exposure of the Group and, as a result, a majority of the Group's loans and advances to customers have a maturity of less than one year.

For more details regarding loans, please refer to "Business Overview" section of this report on pages 35 to 51.

發放貸款及墊款

下表載列本集團於所示日期按產品劃分的發放貸款及墊款：

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Micro and small loans	小微貸款	5,375.2	4,377.5	22.8
Entrusted loans	委託貸款	2,639.5	3,092.6	(14.7)
Gross loans and advances to customers	發放貸款及墊款總額	8,014.7	7,470.1	7.3
Allowances for impairment losses	貸款減值準備	(389.3)	(332.3)	17.2
Net loans and advances to customers	發放貸款及墊款淨額	7,625.4	7,137.8	6.8

本集團發放貸款及墊款反映本集團貸款組合（包括小微貸款及委託貸款）的結餘總額。於2016年12月31日，本集團發放貸款及墊款總額為人民幣8,014.7百萬元，較2015年12月31日餘額人民幣7,470.1百萬元，增長人民幣544.6百萬元，增幅7.3%，這得益於本集團與其他金融機構合作取得借款、發行資產支持證券募集資金，增加資本基礎。與此同時本集團與互聯網金融及消費金融平台展開合作，拓寬獲客渠道。

本集團專注提供短期貸款以減少本集團面臨的風險，因此本集團大部份的發放貸款及墊款的到期日少於一年。

有關貸款概況的詳情，請參閱本報告「業務綜述」章節第35頁至51頁。

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Finance lease receivables

The following table sets forth the Group's finance lease receivables as at the dates indicated:

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Finance lease receivables	應收融資租賃款	279.2	69.7	300.6
Total	合計	279.2	69.7	300.6

As at 31 December 2016, the finance lease receivable generated from the finance lease services we provided for our clients were RMB279.2 million, representing an increase of RMB209.5 million or 300.6% as compared with that in 2015.

Available-for-sale financial assets

The following table sets forth the Group's available-for-sale financial assets as at the dates indicated:

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Unlisted equity investments	非上市股權投資	153.3	91.1	68.3
Listed equity investments	上市股權投資	145.1	–	–
Wealth management products	理財產品	35.1	15.8	122.2
Total	合計	333.5	106.9	212.0

The unlisted equity investments were made by the Group on non-listed entities (independent third party companies). As at 31 December 2016, the Group's new added listed equity investments were RMB145.1 million.

應收融資租賃款

下表載列本集團於所示日期的應收融資租賃款：

於2016年，本集團因向客戶提供融資租賃服務產生的應收融資租賃款餘額為人民幣279.2百萬元，較2015年增長人民幣209.5百萬元，增幅300.6%。

可供出售金融資產

下表載列本集團於所示日期的可供出售金融資產：

非上市股權投資是本集團投資的非上市公司（獨立第三方公司）。於2016年12月31日，本集團新增投資上市股權投資人民幣145.1百萬元。

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In 2016, the Group continued to enhance capital management, and invested a small amount of short-term idle capital in wealth management products of capital preservation issued by commercial banks on the prerequisite of fulfilling liquidity requirements to raise the utilization efficiency of capital.

於2016年，本集團持續加強資金管理，在滿足流動性需求的前提下，本集團將少量短期閒置資金投資於商業銀行發行的保本型理財產品，以提高資金使用效率。

Reposessed assets

抵債資產

The following table sets forth the reposessed assets of the Group as at the dates indicated:

下表載列本集團於所示日期的抵債資產：

		As at 31 December		
		於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016	2015	(%) Change
		2016年	2015年	變動(%)
House and buildings	房屋及建築物	220.4	94.8	132.5
Others	其他	28.1	–	–
Total	合計	248.5	94.8	162.1

The reposessed assets of the Group were all houses and buildings recovered from defaulting clients. In 2016, the balance of the reposessed assets was RMB248.5 million, representing an increase of RMB153.7 million or 162.1% as compared with RMB94.8 million in 2015. For customers that default, the Group formulated scientific recovery measures, and improved the team's enthusiasm for recovery through strict assessment management, which made the debt-offsetting assets withdrawn in 2016 rise sharply.

抵債資產主要為本集團從擔保違約客戶處回收的房屋及建築物。於2016年，抵債資產餘額為人民幣248.5百萬元，較2015年人民幣94.8百萬元，增長153.7百萬元，增幅為162.1%。對於違約客戶，本集團制定科學的清收措施，並通過嚴格考核管理，提高項目團隊的清收積極性，使得2016年收回的抵債資產大幅增加。

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Interest in associates

The following table sets forth the Group's interest in associates as at the dates indicated:

(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		As at 31 December 於12月31日		
		2016 2016年	2015 2015年	(%) Change 變動(%)
Interest in associates	長期股權投資－ 聯營企業	985.5	60.0	1,542.5
Total	合計	985.5	60.0	1,542.5

In 2016, the Group established Fumin Bank with 6 institutions. The Group injected RMB900.0 million into Fumin Bank, for an equity share of 30%. Upon completion of capital contribution, the Company became the largest shareholder of Chongqing Fumin Bank. Since the Group activity exerts great influence on Fumin Bank, the Group will incorporate Fumin Bank as an associate based on equity method. Fumin Bank has formally started business in August 2016.

長期股權投資－聯營企業

下表載列本集團於所示日期的長期股權投資－聯營企業：

於2016年，本集團與境內6家機構共同發起設立富民銀行，本公司以人民幣9.0億元對富民銀行進行出資，本公司在富民銀行的股權比例佔註冊資本的30%，完成出資後本公司為富民銀行的第一大股東。由於本集團對富民銀行能夠施加重大影響，本集團將對富民銀行作為聯營企業按照權益法進行核算。富民銀行已經於2016年8月開始營業。

Interest in joint ventures

The following table sets forth the Group's interest in joint venture as at the dates indicated:

(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		As at 31 December 於12月31日		
		2016 2016年	2015 2015年	(%) Change 變動(%)
Interest in joint ventures	長期股權投資－ 合營企業	20.0	10.0	100.0
Total	合計	20.0	10.0	100.0

長期股權投資－合營企業

下表載列本集團於所示日期的長期股權投資－合營企業：

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In 2016, the Group established joint ventures with another company with each member holding 50% of equity. Above joint venture operated particular projects in close end with capital as the linkage and business entry point.

於2016年，本集團與其他公司成立合營公司，股權比例各佔50%。上述合營企業主要基於以「資本」為紐帶，作為業務切入手段，實現對特定項目的封閉式運作。

Interest-bearing borrowings

As at 31 December 2016, total interest-bearing borrowings of the Group were RMB1,205.9 million. The following table sets forth the Group's interest-bearing borrowings as at the dates indicated:

計息借款

於2016年12月31日，本集團計息借款總額為人民幣1,205.9百萬元。下表載列本集團於所示日期的計息借款明細：

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Bank borrowings	銀行貸款			
– Secured by properties of the Group	– 以本集團物業作抵押	61.0	81.0	(24.7)
– Unsecured	– 無抵押	144.9	139.0	4.2
Subtotal	小計	205.9	220.0	(6.4)
Other borrowings	其他借款	1,000.0	80.0	1,150.0
Total	合計	1,205.9	300.0	302.0

The following table sets forth the maturities of the Group's interest-bearing borrowings as at the dates indicated:

下表載列本集團於所示日期計息借款的到期日：

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Within 1 year or on demand	實時償還或1年以內	61.0	219.0	(72.1)
After 1 year but within 2 years	1年至2年以內	2.0	81.0	(97.5)
After 2 years but within 5 years	2年至5年以內	1,142.9	–	–
		1,205.9	300.0	302.0

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As at 31 December 2016, bank borrowings in the amount of RMB61.0 million were secured by the Group's buildings held for own use. The aggregate carrying value of the secured properties amounted to RMB191.0 million (2015: RMB198.0 million) as at 31 December 2016.

In 2016, the Group's subordinate small-loan company cooperated with institutional investors to have raised RMB1.0 billion of funds, which was specially invested in qualified small and micro enterprises and individuals. The above funds will be mature on 31 December 2020.

As financing channel sources gradually expanded, our bank interest-bearing borrowings balance gradually decreased. In 2016, all the Group's interest-bearing borrowings have been repaid before the actual due dates, and there are no records of default. On 31 December 2016, the annual interest rate of our outstanding interest-bearing borrowings ranged between 2.09% and 6.5%.

For more detailed discussion on the interest rate risk of the Group, please refer to note 36(b) to the financial statements.

Financial assets sold under repurchase agreement

The following table sets forth the Group's financial assets sold under repurchase agreement as at the dates indicated:

		As at 31 December		
		於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Benefit rights of loans and advances to customers	發放貸款及墊款收益權	1,168.3	1,388.5	(15.9)
Total	合計	1,168.3	1,388.5	(15.9)

As at 31 December 2016, the balance of the Group's benefit rights of loans and advances to customers was RMB1,168.3 million, representing a decrease of RMB220.2 million or 15.9% as compared with that as at 31 December 2015. It was mainly attributed to the borrowings and asset-backed securities bond issuing that reduced the financial assets sold under repurchase agreement.

於2016年12月31日，金額為人民幣61.0百萬元之銀行借款以本集團持作自用物業作為抵押。於2016年12月31日，抵押物業的賬面總值為人民幣191.0百萬元（2015年：人民幣198.0百萬元）。

2016年，本集團下屬小額貸款公司與機構投資者合作，共募集人民幣10.0億元資金，專項投資於符合資格的中小微企業和個人，上述資金將於2020年12月31日到期。

由於融資渠道來源逐步拓寬，本集團銀行計息借款餘額逐步下降。於2016年，本集團所有的計息借款均於實際到期償還日期之前償還，並無任何違約記錄。於2016年12月31日，本集團未償還計息借款的年利率介於2.09%至6.5%之間。

有關本集團利率風險更詳盡的討論，請參閱財務報表附註36(b)。

賣出回購金融資產

下表載列本集團於所示日期的賣出回購金融資產：

於2016年12月31日，本集團賣出回購金融資產款餘額為人民幣1,168.3百萬元，較2015年12月31日下降人民幣220.2百萬元，降幅為15.9%，主要是本集團通過借款及發行資產證券化債券補充資金，減少了賣出回購金融資產融資。

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Provisions for guarantee losses

The following table sets forth the provisions for guarantee losses of the Group as at the dates indicated:

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Provisions for guarantee losses	擔保賠償準備金	350.6	390.3	(10.2)
Total	合計	350.6	390.3	(10.2)

On 31 December 2016, the Group's provisions for guarantee losses was RMB350.6 million, representing a decrease of RMB39.7 million or 10.2% as compared with that in 2015. Of which:

- As at 31 December 2016, the balance of the guarantee liabilities was RMB30,630.9 million, representing an increase of RMB4,648.1 million or 17.9% as compared with RMB25,982.8 million as at 31 December 2015. Although the balance of overall risk responsibility grew, the credit guarantee business risk portfolio showed a downward trend, mainly because the proportion of debt guarantee, guarantee for capital preservation funds and construction performance guarantee whose credit risks are relatively low to the balance of overall risk responsibility is growing.

As at 31 December 2016, the outstanding balance of bond guarantee business and capital preservation fund guarantee business was RMB18,555.2 million, representing an increase of RMB6,114.5 million or 49.1% as compared with that as at 31 December 2015. The proportion of bond guarantee business and capital preservation fund guarantee business to credit guaranteed balance had increased to 60.6% as at 31 December 2016 (As at 31 December 2015: 47.9%).

擔保賠償準備金

下表載列本集團於所示日期擔保賠償準備金的明細：

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Provisions for guarantee losses	擔保賠償準備金	350.6	390.3	(10.2)
Total	合計	350.6	390.3	(10.2)

於2016年12月31日，本集團擔保業務的擔保賠償準備金餘額為人民幣350.6百萬元，較2015年下降人民幣39.7百萬元，降幅10.2%。其中：

- 於2016年12月31日，擔保責任餘額為人民幣30,630.9百萬元，較2015年12月31日擔保業務規模人民幣25,982.8百萬元增加人民幣4,648.1百萬元，增幅為17.9%。儘管整體風險責任餘額呈增長態勢，但信用擔保業務風險組合呈下降態勢，主要是信用風險較低的債券擔保業務、保本基金擔保、工程履約擔保等業務佔整體風險責任餘額的比例在增加。

2016年12月31日，債券擔保業務和保本基金擔保業務的在保責任餘額為人民幣18,555.2百萬元，較2015年12月31日在保餘額增加人民幣6,114.5百萬元，增幅達49.1%，使得債券擔保業務和保本基金擔保業務在保責任餘額佔信用擔保業務在保責任餘額的比例上升至2016年12月31日的60.6%（2015年12月31日：47.9%）。

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The aggregate default payment made and default rates for default customers in 2016 declined as compared with that in 2015. Meanwhile, due to the change in the risks of guarantee business products portfolio, the provision rate had declined from 1.5% as at 31 December 2015 to 1.1% as at 31 December 2016.

Accruals and other payables

The following table sets forth the Group's accruals and other payables as at the dates indicated:

		As at 31 December		
		於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016	2015	(%) Change
		2016年	2015年	變動(%)
Accrued staff cost	應付職工薪酬	85.7	89.8	(4.6)
Interest payables	應付利息	75.6	82.6	(8.5)
Other interest-bearing liabilities	其他付息負債	1,763.6	914.2	92.9
Other payables	其他應付款	373.1	234.3	59.2
Subtotal	小計	2,298.0	1,320.9	74.0
Value-added tax and other surcharges payable	應付增值稅及其他附加費	4.7	19.1	(75.4)
Withholding individual income tax payable	應付扣繳個人所得稅	3.8	–	–
Receipts in advance	預收賬款	74.8	158.1	(52.7)
Total	合計	2,381.3	1,498.1	59.0

On 31 December 2016, the Group's accruals and other payables balance was RMB2,381.3 million, representing an increase of RMB883.2 million or 59.0% as compared with that on 31 December 2015. Of which: on 31 December 2016, other interest-bearing liabilities were RMB1,763.6 million, which increased by RMB849.4 million as compared with that on 31 December 2015. The increase was mainly attributable to the following reasons:

於2016年的擔保業務累計代償金額和代償率與2015年相比均有所下降，同時由於擔保業務產品組合面臨的風險發生變動，使得擔保業務整體撥備率從2015年12月31日的1.5%下降至2016年12月31日的1.1%。

應計及其他應付款

下表載列本集團於所示日期應計及其他應付款的明細：

於2016年12月31日，本集團應計及其他應付款餘額為人民幣2,381.3百萬元，較2015年12月31日增加人民幣883.2百萬元，增幅59.0%。其中：於2016年12月31日，其他付息負債餘額為人民幣1,763.6百萬元，較2015年12月31日增加人民幣849.4百萬元，增長主要來自於以下方面：

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- As at 31 December 2016, other payables of the Group included interests of limited liability partners of RMB640.0 million in the partnerships which were consolidated by the Group, representing an increase of RMB340.0 million as compared with RMB300.0 million as at 31 December 2015.
- The Group transferred parts of its assets to independent third parties in the form of benefit rights of assets, however, the Group has guaranteed the investors with certain principal and return, and therefore we consolidated this business and accounted it as “accruals and other payables”. As at 31 December 2016, the balance of these businesses was RMB1,120.0 million, representing an increase of RMB510.0 million as compared with RMB610.0 million as at 31 December 2015.
- 於2016年12月31日，本集團其他付息負債中包括合併的有限合夥人在合夥企業中享有的權益人民幣6.4億元較2015年12月31日人民幣3.0億元，增長人民幣3.4億元。
- 本集團向獨立第三方以資產收益權轉讓形式轉讓部份資產，但本集團向投資者提供保本保收益的承諾，因此將此部份業務納入合併層面，並在「應計及其他應付款」核算。於2016年12月31日此類業務餘額為人民幣11.2億元，較2015年12月31日該類業務餘額人民幣6.1億元，增長人民幣5.1億元。

Debts securities issued

The following table sets forth the Group's debts securities issued as at the dates indicated:

應付債券

下表載列本集團於所示日期應付債券的明細：

		As at 31 December 於12月31日		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2016 2016年	2015 2015年	(%) Change 變動(%)
Fixed rate corporate bonds maturing in June 2020	2020年6月到期的固定利率公司債券	1,491.4	1,489.1	0.2
Fixed rate corporate bonds maturing in November 2019	2019年11月到期的固定利率公司債券	894.7	893.1	0.2
Assets backed securities payable – senior tranches	資產支持證券 – 優先級	1,269.2	–	–
Total	合計	3,655.3	2,382.2	53.4

The Group issued bonds respectively in June 2015 and November 2015 for RMB1,500.0 million and RMB900.0 million. The coupon rates are 6.1% and 5.6%. The raised fund was mainly used for entrusted loans in subsidiaries, assisting the subsidiaries in debt repayment to other financial institutions and replenishment of working capital.

本集團於2015年6月及11月通過發行公司債券分別募集資金人民幣15億元及人民幣9億元，票面利率分別是6.1%及5.6%，資金主要用於對附屬公司的委託貸款，協助其償還其金融機構借款及補充其營運資金。

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管理層討論與分析

In 2016, the Group has transferred RMB1,460.00 million of micro loans to structured entities, and then the structured entities issued asset-backed securities (the “**Products**”) to investors. At the same time, the Group held all the interests of subordinated tranches of the Products and provided guarantee for the senior tranches with priority sequence parts. As the Group has retained nearly all the risks and rewards of these transferred micro loans, the relevant financial assets did not qualify for the derecognition of financial assets, thus the Group continued to recognise the above assets in the balance sheet and the transfer fee received amounted to RMB1.26 billion was presented under “asset-backed securities payable”.

Gearing ratio

As at 31 December 2016 and 31 December 2015, our gearing ratio (representing the total balance of interest-bearing borrowings and financial assets sold under repurchase agreement and debts securities issued, less cash and cash equivalents, divided by total equity attributable to shareholders of the Company (the “**Shareholder(s)**”) was 36.8% and 18.7% respectively. In 2016, the Group’s subordinate small-loan company raised an aggregate of RMB2.26 billion of funds from specific institutional investors through borrowing and asset securitization, which caused the increase of liabilities and gearing ratio.

Capital expenditures

The following table sets forth our capital expenditures for the dates indicated:

(Expressed in RMB million, unless otherwise stated)
(除另有註明外，以人民幣百萬元列示)

Capital expenditures 資本開支

The Group’s capital expenditures mainly consist of actual long-term rental paid in the process of business expansion and setting up new business outlets, and expenses incurred for the purchase of information technology equipment and systems and vehicles.

於2016年，本集團將人民幣14.6億元的小額貸款轉讓給結構化主體，再由結構化主體向投資者發行資產支持證券（「**產品**」），同時本集團持有該產品全部次級部分以及為所有優先順序部分提供擔保。由於本集團保留了轉讓小額貸款的幾乎全部風險和報酬，相關金融資產不滿足終止確認的條件，因此本集團繼續在資產負債表中確認上述資產，並將收到的人民幣12.6億元轉讓款在應付資產支持證券中列示。

資產負債率

於2016年12月31日及2015年12月31日，資產負債率（即計息借款、賣出回購金融資產及應付債券結餘總額減貨幣資金，除以本公司股東（「**股東**」）應佔權益總額）分別為36.8%及18.7%。於2016年，本集團下屬的小額貸款公司向特定機構投資人分別通過借款及資產證券化的形式募集資金合計人民幣22.6億元，導致負債餘額及資產負債率增加。

資本開支

下表載列於所示日期本集團資本開支：

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

	2016 2016年	2015 2015年	(%) Change 變動(%)
Capital expenditures 資本開支	74.7	77.0	(3.0)

本集團資本開支主要包括業務擴張及營業網點新設過程中實際支付的長期租金、購買的信息技術設備和系統、以及購買汽車的開支。

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管理層討論與分析

CAPITAL COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Capital commitments

The following table sets forth the Group's capital commitments for acquisition of fixed assets, mainly property, equipment and vehicles, as at the dates indicated:

(Expressed in RMB million, unless otherwise stated)
(除另有註明外，以人民幣百萬元列示)

Commitments in respect of purchase of fixed assets – contracted for

As at 31 December 2016, the Group's future business growth and expansion of sales network were basically completed, with the amount of capital commitment decreased.

Operating lease commitments

The Group leases a proportion of our office properties from third party guarantors under non-cancellable operating leases. The following table sets forth the Group's future minimum lease payments payable under non-cancellable operating leases as at the dates indicated:

(Expressed in RMB million, unless otherwise stated)
(除另有註明外，以人民幣百萬元列示)

Due within one year (including one year) 一年以內(包括一年)

Due after one year but within three years (including three years) 一年後但三年以內(包括三年)

Due after three years 三年以上

Total

合計

資本承擔及合約責任

資本承擔

下表載列於所示日期本集團就收購固定資產(主要為物業、設備及汽車)的資本承擔:

As at 31 December
於12月31日

	2016	2015	(%) Change
	2016年	2015年	變動(%)
Commitments in respect of purchase of fixed assets – contracted for	1.0	7.8	(87.2)

於2016年12月31日本集團未來的業務增長及營業網點的擴充基本完成，資本承擔金額減少。

經營租賃承擔

本集團根據不可撤銷經營租賃向第三方擔保人租賃部份辦公室物業。下表載列於所示日期本集團根據不可撤銷經營租賃應付的未來最低租賃付款額:

As at 31 December
於12月31日

	2016	2015	(%) Change
	2016年	2015年	變動(%)
Due within one year (including one year)	87.4	77.8	12.3
Due after one year but within three years (including three years)	66.1	118.0	(44.0)
Due after three years	2.5	9.8	(74.5)
Total	156.0	205.6	(24.1)

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On 31 December 2016, the decrease of the Group's operating lease commitments were mainly related to business sectors and operating network constantly employing management measures of cost optimization.

Intra-group liabilities

As at 31 December 2016, the Group's guaranteed the following liabilities of certain members of the Group:

1. an aggregate of RMB1,000.0 million of borrowings to specific institutions by our micro and small loan subsidiaries;
2. an aggregate of RMB1,269.1 million of issuing asset securitization products to specific institutions and accounted it as "debts securities issued" by our micro and small loan subsidiaries;
3. an aggregate of RMB676.9 million of selling the benefit rights of loans under repurchase agreements by the Group's micro and small loan, asset management subsidiaries and financial factoring company.

As at 31 December 2016, none of the liabilities of the Group's credit guarantee subsidiaries were guaranteed by other entities within the Group.

本集團於2016年12月31日的經營租賃承擔下降主要與業務板塊、經營網點持續採取成本優化管理措施相關。

集團內公司負債

於2016年12月31日，本集團若干成員公司的以下負債由本公司提供擔保：

- 1、本集團小微貸款附屬公司向特定機構的借款總額人民幣1,000.0百萬元；
- 2、本集團小微貸款附屬公司向特定機構發行的資產證券化產品並計入「應付債券」核算，總額人民幣1,269.1百萬元；
- 3、本集團小微貸款附屬公司、資產管理附屬公司、金融保理公司做出的貸款收益權賣出回購交易總額人民幣676.9百萬元。

於2016年12月31日，本集團信用擔保附屬公司的負債概無由本集團內其他實體做出擔保。

Management Discussion and Analysis

管理層討論與分析

As the credit guarantee subsidiaries did not raise any capital from other legal entities within the Group and since each of these credit guarantee subsidiaries is a limited liability company under the PRC laws, the Company is only liable for a credit guarantee subsidiary's debts to the extent of the Group's equity contribution. Accordingly, the Group's obligations under outstanding guarantees will not adversely affect the business and operations of other entities within the Group should any of the Group's credit guarantee subsidiaries fail to meet their contingent liabilities under outstanding guarantees.

As at 31 December 2016, the Group's credit guarantee subsidiaries provided guarantee liabilities at a balance of RMB851.6 million (31 December 2015: RMB972.8 million) for the micro and small loans granted by the Group's micro and small loan subsidiaries. In the consolidated financial statements of the Group, the Group accounted such loans granted by micro and small loan subsidiaries as loans and advances to customers in order to avoid double counting and exaggerating the overall amount of credit risk taken by the Group, and then did not include the above amounts into the calculation of the credit guarantee balance of the Group. In case of liquidation and bankruptcy of credit guarantee subsidiaries, such loan will no longer be guaranteed and those subsidiaries will bear much higher potential credit risks. As the amount for each case guaranteed by the Group's credit guarantee subsidiaries is relatively small and dispersed, the Group believes that it would not materially affect the business and operations of the Group's other subsidiaries if any of these micro and small loans are no longer be guaranteed by the Group's credit guarantee subsidiaries.

由於信用擔保附屬公司未向本集團內其他法律實體融入任何資金，而因信用擔保附屬公司均為中國法律項下的有限責任公司，因此本公司僅對一家信用擔保附屬公司的債務承擔責任（以本集團股權出資為限），倘若本集團任何信用擔保附屬公司為能履行其於未償還擔保項下的或有負債，本集團於未償還擔保項下的責任將不會對本集團旗下其他實體的業務及經營造成不良影響。

於2016年12月31日，本集團信用擔保附屬公司為本集團小微貸款附屬公司發放的小微貸款提供的擔保責任餘額為人民幣851.6百萬元（2015年12月31日：人民幣972.8百萬元）。在本集團合併財務報表中，本集團已將小微貸款附屬公司發放的該類小額貸款視作發放貸款及墊款類業務，為避免重複計算並誇大本集團整體信用風險承擔金額，並未將上述金額納入本集團信用擔保餘額統計中。倘若相關信用擔保附屬公司清盤或破產，該等貸款將不再獲擔保，而本集團小額貸款附屬公司將承受更大的潛在信用風險。由於本集團信用擔保附屬公司擔保的貸款額度單筆相對較小、比較分散，本集團認為倘任何該等小額貸款不再獲本集團信用擔保附屬公司擔保，將不會對其他附屬公司的業務及運營造成重大影響。

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管理層討論與分析

Off-balance sheet arrangements

The following table sets forth the outstanding guarantee liabilities of the Group's credit guarantee subsidiaries:

資產負債表外安排

下表列示本集團信用擔保附屬公司承擔的擔保責任餘額信息：

		As at 31 December 於12月31日		
		2016 2016年 Amount 金額	2015 2015年 Amount 金額	變動(%) (%) Change
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)				
Traditional financing guarantees	傳統融資擔保	8,925.1	11,719.0	(23.8)
Bond guarantees	債券擔保	20,250.0	5,065.0	299.8
Financing guarantee balance subtotal	融資擔保餘額小計	29,175.1	16,784.0	73.8
Re-guarantee	再擔保業務分出	(10,000.0)	–	–
Outstanding traditional financing guarantee liability	傳統融資擔保責任餘額	8,875.1	11,719.0	(24.3)
Outstanding bond guarantee liability	債券擔保責任餘額	10,300.0	5,065.0	103.4
Financing guarantee liability	融資擔保責任餘額	19,175.1	16,784.0	14.2
Non-financing guarantees	非融資擔保	11,455.8	9,198.8	24.5
– Guarantee of capital preservation funds	– 保本基金擔保	8,255.2	7,375.7	11.9
Guaranteed balance total	在保責任餘額合計	30,630.9	25,982.8	17.9

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CAPITAL FRAMEWORK, LIQUIDITY AND CAPITAL RESOURCES

Capital framework

As at 31 December 2016, the share capital of the Group was RMB4,600.0 million, comprised of 3,430,000,000 domestic shares (the “Domestic Share(s)”) and 1,170,000,000 H shares (the “H Share(s)”), with the face value per share of RMB1.00.

For more information about capital management policy, please refer to note 33 to the financial statements.

Liquidity and capital resources

The Group has funded our working capital and other capital requirements primarily by equity contribution from shareholders, bank borrowings, cash flows generated from operations and net proceeds from the IPO. The liquidity and capital requirements of the Group are primarily related to granting micro and small loans and entrusted loans, making default payments, maintaining security deposits at banks and other working capital requirements.

In 2016, the Group has transferred RMB1,460.00 million of micro loans to structured entities, and then the structured entities issued asset-backed securities (“the Products”) to investors. At the same time, the group held all the interests of subordinated tranches of the Products and provided guarantee for the senior tranches with priority sequence parts. As the group has retained nearly all the risks and rewards of these transferred micro loans, the relevant financial assets did not qualify for the derecognition of financial assets, thus the Group continued to recognise the above assets and received transfer fees of RMB1.26 billion which were mainly used to re-offer loans to qualified small and medium-sized enterprises and individuals.

As at 31 December 2016, the cash and cash equivalents of the Group were RMB3,512.0 million. During the year ended 31 December 2016, the Group did not use any financial instruments for hedging purpose.

資本架構、流動資金及財務資源

資本架構

於2016年12月31日，本集團股本為人民幣4,600.0百萬元，由3,430,000,000股內資股及1,170,000,000股H股組成，每股面值均為人民幣1.00元。

有關本集團的資本管理政策，請參閱財務報表附註33。

流動資金及財務資源

本集團主要以股東的股權出資、銀行借款、經營產生的現金流入及首次公開募股所得款項就營運資金及其他資本要求提供資金。本集團流動資金及資本要求主要與授出小微貸款及委託貸款、支付違約付款、維持於銀行存放保證金及其他營運資金需求有關。

於2016年，本集團將人民幣14.6億元的小額貸款轉讓給結構化主體。再由結構化主體向投資者發行資產支持證券（「產品」），同時本集團持有該產品全部次級部分以及為所有優先順序部分提供擔保。由於本集團保留了轉讓小額貸款的幾乎全部風險和報酬，相關金融資產不滿足終止確認的條件，因此本集團繼續在資產負債表中確認上述資產，並收到人民幣12.6億元轉讓款，資金主要用於再次向符合資格的中小企業及個人發放貸款。

於2016年12月31日，本集團貨幣資金為人民幣3,512.0百萬元。截至2016年12月31日止年度內，本集團並無利用任何金融工具作對沖用途。

Management Discussion and Analysis

管理層討論與分析

Exposure to foreign exchange risk

The Group conducts business transactions principally in RMB and is therefore not exposed to material foreign exchange risks.

Indebtedness

As at 31 December 2016, the total outstanding borrowings of the Group amounted to RMB6,029.5 million, among which the borrowings with fixed interest rate amounted to RMB5,825.6 million.

Major investment

In 2016, the Group co-established Fumin Bank with 6 other domestic institutions. The Company invested RMB900.0 million in the bank, with the equity ratio to registered capital at 30%. After the capital contribution, the Company became the largest shareholder of Fumin Bank. The bank has formally started business in August 2016. As at 31 December 2016, the total asset of Fumin Bank was RMB7.43 billion.

Major acquisition and disposal

During the year ended 31 December 2016, the Company undertook two acquisitions. The Company purchased 3.33% minority shares of subsidiary Heilongjiang Hanhua Internet Small-Loan Co., Ltd. through its wholly-owned subsidiary Chongqing Hanhua Asset Management Co., Ltd. After the acquisition, the Company had 100% shares of the latter. The Company directly purchased 1% share of its subsidiary Chongqing Changjiang Financial Factoring Co., Ltd. After the acquisition, the Company held 91% shares of the latter.

外匯風險敞口

本集團主要以人民幣進行其業務交易，因此並無面臨重大外匯風險。

債務

於2016年12月31日，本集團未償還借款總額為人民幣6,029.5百萬元，其中固定利率借款息為人民幣5,825.6百萬元。

重大投資

於2016年，本集團與境內6家機構共同發起設立富民銀行，本公司以人民幣9.0億元對富民銀行進行出資，本公司在富民銀行的股權比例佔註冊資本的30%，完成出資後本公司為富民銀行的第一大股東。富民銀行已於2016年8月開始正式營業。截至2016年12月31日，富民銀行資產總額約人民幣74.3億元。

重大收購及出售

截至2016年12月31日止年度內，本公司進行兩次收購。通過全資附屬公司重慶瀚華資產管理有限公司收購附屬公司黑龍江瀚華互聯網小額貸款有限責任公司少數股東股權3.33%，完成收購後，本公司持有黑龍江瀚華互聯網小額貸款有限責任公司100%的股權。直接收購附屬公司重慶長江金融保理有限公司1%股權，完成收購後，本公司持有重慶長江金融保理有限公司91%的股權。

Management Discussion and Analysis

管理層討論與分析

The Company confirms that the above acquisitions did not constitute any connected transactions under Chapter 14A of the Listing Rules. Pursuant to Chapter 14 of the Listing Rules, all of the applicable percentage ratios in respect of the above acquisitions are below 5%.

Except as disclosed above, the Group, its associates and joint ventures had no other material acquisition and disposal for the year ended 31 December 2016.

Pledge of assets

The Group's buildings with the balance of RMB191.0 million as at 31 December 2016, were pledged as collateral under loan agreements with commercial banks.

Contingent liabilities

Except for the off-balance sheet arrangements disclosed on page 101, the Group had no other significant contingent liabilities as at 31 December 2016.

本公司確認上述收購不構成上市規則第十四A章的關連交易，上述收購中根據上市規則第十四章所有適用百分比率均低於5%。

除上述披露者外，本集團、聯營公司及合營企業於截至二零一六年十二月三十一日止年度均無進行其他重大收購及出售。

抵押資產

於2016年12月31日，本集團賬面價值人民幣191.0百萬元的建築物被用作在銀行貸款業務中的抵押物。

或有負債

除在第101頁披露的資產負債表外安排，於2016年12月31日，本集團無其他重大或有負債。

Management Discussion and Analysis

管理層討論與分析

PROSPECTS

In 2016, Hanhua Financial has effectively improved its business structure, assets quality and service model through determined efforts in business transformation and upgrading, thereby providing favorable conditions for future explosive development.

In 2017, Hanhua Financial will further enhance business performance by capitalizing on better branding, creditability, assets quality and capabilities as a result of the above efforts. It will continue to penetrate mainstream finance business and establish the innovative “One core, two wings” financial platform to create synergy between all sectors. By building a leading one-stop financial services platform for small and medium-sized enterprises and micro-enterprises in China, the Group is positioned to gain unique competitive strengths. To this end, we will work along the following directions:

1. In 2017, Hanhua Financial will strive to obtain licenses for mainstream finance businesses, including securities, insurance and financial assets management services. We expect such licenses to continuously enhance our comprehensive strengths in serving small and medium-sized enterprises and micro-enterprises, while helping us to attract higher quality strategic partners and clients.
2. We will establish the customer-oriented and innovative “One core, two wings” financial platform with mainstream financial institutions as the “core” of symbiotic credit loan business, and the two clusters targeting small and medium-sized enterprises and individual clients respectively as the “two wings”. The platform will be developed into an eco-financial service system that integrates services in the three main areas of “Equity, debt and transaction”. Through differentiation of products and services, Hanhua Financial is able to provide comprehensive, professional and efficient bespoke services to clients at different stages of development. Leveraging the leading position in micro loan business, Hanhua Financial is set to enter the personal finance market in 2017.

前景展望

瀚華金控通過2016年堅決的業務轉型升級，已經有效地改善了自身的業務結構、資產質量和服務模式，為下一步的爆發創造了有利條件。

2017年，瀚華金控將在一個品牌、信用、資產、能力均更好的平台上，進一步提振業績。瀚華將繼續進軍主流金融業務，打造新的「一體兩翼」平台金融模式，全力促進各板塊協同，構建中國領先的中小微金融一站式服務平台，樹立自身獨特的競爭優勢。我們將會從以下方向發力：

1. 2017年，瀚華將繼續全力爭取證券、保險、金融資產管理等主流金融牌照。主流金融牌照能夠持續地提升瀚華服務中小微客戶的綜合能力，並且幫助瀚華對接更優質的戰略合作夥伴和客戶。
2. 以客戶為中心，打造新的「一體兩翼」平台金融模式：以主流金融機構為共生信用主體，以分別服務於中小企業和個人客戶的兩大集群為兩翼，形成集「股權、債權、交易」三大平台於一體的生態金融體系。通過產品、業務的細分，瀚華能夠為處於不同發展階段的客戶提供綜合化、專業化、高效率的精準服務。2017年，瀚華還將憑借在微貸業務上的領先優勢，全面進軍個人金融市場。

Management Discussion and Analysis

管理層討論與分析

3. Great efforts will be made to establish the synergic model for all segments: We aim at promoting synergy between business segments and units through joint product development, cross selling, innovation and platform building for full integration of capital and assets as well as sharing of customers' information. In 2016, the "Small front-end + Big platform" structure has proven to be effective in enhancing professional level and customer satisfaction of our services. Under such backdrop, Hanhua Financial will carry on strengthening platform products, risk control and sales service capabilities of front-end in 2017. It will also create a mechanism that facilitates collaboration between the "investment, guarantee, equity and debt" businesses, so that it can boost return on capital and per capita efficiency by providing more diverse products and professional services.

The above initiatives complement each other to improve the operation quality and core competitiveness of Hanhua Financial. We plan to enhance our capability and creditability by entering into the mainstream financial sector, develop a full-cycle product and service chain for small and medium-sized enterprises and micro-enterprises through the "Three Major Platforms", and realize the concept of "One-stop financial services" as we promote synergy between business segments. At the same time, the one-stop and full-cycle ecosystem model will forge long term cooperation between Hanhua Financial and its clients, where they can achieve "Mutual development, sharing and win-win results". It will also be the Group's "distinctive leverage" and "line of defense" for effectively competing in the future financial service business.

In 2017, Hanhua Financial will adhere to its existing strategic plan and tap into new markets such as unique towns and mainstream financial businesses. While it actively fosters internal synergy and develops new service model, it will also promote team enthusiasm and competitiveness through innovative mechanism, thereby laying a solid foundation for the Group's rapid and steady growth in the next five to ten years.

3. 著力建設全業協同模式：通過產品共同研發、交叉銷售、資金資產全融通模式的創新和平台、客戶信息共享，提高各業務板塊和機構的業務協同能力。「小前端+大平台」的架構在2016年已經被證明能夠有效提升服務專業化和客戶滿意度，2017年，瀚華將繼續推動平台的產品、風控能力以及前端的銷售服務能力建設，構建「投、擔、股、債」聯動機制，以更多樣的產品和專業服務提升資本收益率和人均效能。

以上動作相輔相成，終極目標是提升瀚華金融的品質，增強瀚華金融的核心競爭力。主流金融將提升瀚華的能力與信用，「三大平台」建設將打造覆蓋中小微客戶全週期的產品和服務鏈條，全業協同將真正落實「一站式金融」的理念。隨著一站式、全週期、生態化模式的構建，瀚華將與客戶形成「共生、共享、共成長」長期合作關係，這也將成為瀚華應對未來金融競爭的「獨家武器」和「護城河」。

2017年，瀚華將按照既定的戰略規劃，進軍特色小鎮及主流金融業務等新市場，積極提升內部協同、構建新服務模式，以機制創新提升團隊積極性和競爭力，為未來5至10年的快速、健康發展奠定堅實基礎。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

DIRECTORS

As at the date of this report, the members of the Board are as follows:

Executive Directors

Mr. Zhang Guoxiang¹ (Chairman)
Mr. Wang Dayong (Vice Chairman)
(Appointed on 13 March 2016)
Mr. Cui Weilan²

Non-executive Directors

Mr. Tu Jianhua¹
Mr. Duan Xiaohua³
Ms. Liu Jiaoyang¹
Ms. Liu Tingrong¹
Ms. Wang Fangfei¹
Mr. Feng Yongxiang¹
Mr. Zhou Xinyu
(Appointed on 17 June 2013, resigned on 12 March 2016)

Mr. Liu Bolin³

Independent Non-executive Directors

Mr. Bai Qinxian¹
Mr. Deng Zhaoyu¹
Mr. Qian Shizheng³
Mr. Ng Leung Sing³
Mr. Yuan Xiaobin³

董事

於本報告日期，董事會成員載列如下：

執行董事

張國祥先生¹(董事長)
王大勇先生(副董事長)
(於2016年3月13日委任)
崔巍嵐先生²

非執行董事

涂建華先生¹
段曉華先生³
劉驕楊女士¹
劉廷榮女士¹
王芳霏女士¹
馮永祥先生¹
周新宇先生
(於2013年6月17日委任，
於2016年3月12日退任)
劉博霖先生³

獨立非執行董事

白欽先先生¹
鄧昭雨先生¹
錢世政先生³
吳亮星先生³
袁小彬先生³

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Notes:

- 1 Appointed on 13 March 2013 initially and then appointed/re-elected as a member of the second session of the Board at the first extraordinary general meeting in 2016 of the Company held on 3 March 2016. The appointment/re-election took effect on 13 March 2016.
- 2 Appointed on 27 May 2015 initially and then appointed/re-elected as a member of the second session of the Board at the first extraordinary general meeting in 2016 of the Company held on 3 March 2016. The appointment/re-election took effect on 13 March 2016.
- 3 Appointed on 17 June 2013 initially and then appointed/re-elected as a member of the second session of the Board at the first extraordinary general meeting in 2016 of the Company held on 3 March 2016. The appointment/re-election took effect on 13 March 2016.

Executive Directors

Mr. Zhang Guoxiang, aged 52, has been the chairman of the Board, an executive Director and the president of the Company since March 2013. He joined the Group in August 2004. He has been the chairman of the board of directors of Hanhua Guarantee Corporation Limited since August 2009. He also served as the president of Hanhua Guarantee Corporation Limited from August 2009 to April 2015, and the president of Hanhua Guarantee Co., Ltd. from August 2004 to August 2009.

Mr. Zhang has been working in the Group since the Company's establishment in 2004. Mr. Zhang plays a pivotal role in the senior management team. He is highly devoted to the establishment and management of the Company's business operations, commercial decisions and strategic plan of the development of the Group.

附註:

- 1 原於2013年3月13日獲委任，並於2016年3月3日舉行的本公司2016年第一次臨時股東大會通過委任／重選為第二屆董事會成員。委任／重選於2016年3月13日生效。
- 2 原於2015年5月27日獲委任，並於2016年3月3日舉行的本公司2016年第一次臨時股東大會獲委任／重選為第二屆董事會成員。委任／重選於2016年3月13日生效。
- 3 原於2013年6月17日獲委任，並於2016年3月3日舉行的本公司2016年第一次臨時股東大會通過委任／重選為第二屆董事會成員。委任／重選於2016年3月13日生效。

執行董事

張國祥先生，52歲，自2013年3月起為本公司董事長、執行董事及總裁。他於2004年8月加入本集團。他自2009年8月至今為瀚華擔保股份有限公司董事長，同時於2009年8月至2015年4月任瀚華擔保股份有限公司總裁，亦自2004年8月至2009年8月為瀚華擔保有限公司總裁。

張先生自本公司於2004年成立以來一直在本集團工作。張先生在高級管理層團隊一直擔任重要角色。他十分投入於本公司業務運作的成立與管理、商業決定及本集團發展的策略計劃。

Directors, Supervisors and Senior Management 董事 監事及高級管理層

Mr. Zhang has been the chairman of the board of supervisors of Loncin Motor Co. Ltd. since October 2010. He also held various positions in China Merchants Bank, a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600036) and the Hong Kong Stock Exchange (Stock Code: 03968), from November 1999 to August 2004, including the deputy general manager of the risk management department of Chongqing Branch and the general manager of the bank department. He served as the deputy general manager of the credit investigation department of Chongqing Branch of China CITIC Bank Corporation Limited from October 1998 to October 1999, he also served in various positions in Liaoning Branch of Industrial and Commercial Bank of China, a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 601398) and the Hong Kong Stock Exchange (Stock Code: 01398), from August 1988 to September 1998.

Mr. Zhang has been the vice president of Chongqing SME Credit Guarantee Association (重慶市中小企業信用擔保協會) since 2005, he acted as a member of the third committee of the Chinese People's Political Consultative Conference ("CPPCC") of Chongqing from December 2007 to January 2013, he has been the vice president of Chongqing New Class Professional Union (重慶市新專聯) and the expert in auditing and consulting of China Association of Small and Medium Enterprises (中國中小企業協會) since 2008. He was elected as the tenth session member of Economy Committee of China Federation of Industry & Commerce (全國工商聯經濟委員會) in November 2010. He has been the vice chairman of the first council of China Micro-Credit Institution Association (中國小額信貸機構聯席會) from 2011 to 2016, currently the vice chairman of China Microfinance Association (中國小額貸款公司協會), and a member of the executive committee of Chongqing Industrial and Commercial Union (重慶市工商聯) since 2012. He has been the vice chairman of China Financial Guarantee Association (中國融資擔保協會) since January 2013, a member of fourth committee of CPPCC of Chongqing since 2013, the working advisor of the People's Government of Shenyang City of the PRC from October, 2015 to October 2016, and has been the intelligence expert of the People's Government of Shenyang City of the PRC since October 2015. He has also been the chairman of Chongqing Fumin Bank Co., Ltd. since August 2016.

張先生自2010年10月起擔任隆鑫通用動力股份有限公司監事會主席。他亦曾於1999年11月至2004年8月在招商銀行(該公司股份於上海證券交易所上市(股份代號: 600036)及香港聯交所上市(股份代號: 03968))擔任不同職務,包括重慶分行風險管理部副總經理及公司銀行部總經理。他於1998年10月至1999年10月在中信銀行重慶分行擔任信用審查部副總經理,亦於1988年8月至1998年9月期間在中國工商銀行(該公司股份於上海證券交易所上市(股份代號: 601398)及香港聯交所上市(股份代號: 01398))的遼寧省分行擔任不同職務。

張先生自2005年起為重慶市中小企業信用擔保協會副會長,在2007年12月至2013年1月期間為中國人民政治協商會議重慶市第三屆委員會委員,自2008年起為重慶市新專聯副會長、中國中小企業協會評審與諮詢專家,在2010年11月獲選為全國工商聯經濟委員會第十屆成員,自2011年至2016年為中國小額信貸機構聯席會第一屆副會長,現任中國小額貸款公司協會副會長,並自2012年起為重慶市工商聯執委。他自2013年1月起至今任中國融資擔保業協會副會長,自2013年起擔任中國人民政治協商會議重慶市第四屆委員會委員,自2015年10月至2016年10月擔任瀋陽市人民政府工作顧問,亦自2015年10月起至今擔任瀋陽市人民政府智庫專家,自2016年8月起擔任重慶富民銀行股份有限公司的董事長。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Zhang was honored successively as the Leader for the SME Credit Guarantee Companies in China (中國中小企業信用擔保機構) in 2009, “New Class-first Top Professional Talent of Chongqing”(新階層·重慶首屆十佳英才) in 2010, The Third Commendation Meeting of Excellent Constructors to Socialism with Chinese Characteristics of Chongqing City (重慶市第三屆優秀中國特色社會主義事業建設者) in 2011, the “Person of the Year in Micro-credit Industry of China”(中國小額信貸年度人物) in 2011, one of the “Top Ten Economic Figures in Chongqing”(重慶市十大年度經濟人物) in 2008 and 2011, one of the “Top Ten Business People in Chongqing”(十大渝商), one of the 2015 Annual Brand Entrepreneur (2015年度品牌企業家), one of the 2015 and 2016 Annual Chinese Excellent Inclusive Financier (2015、2016年度中國卓越普惠金融家) and one of the “Top Ten Person of the Year in Micro Finance in 2016”.

Mr. Zhang obtained his college diploma in finance from Shenyang Television University (瀋陽市廣播電視大學) in July 1992 and his EMBA degree from the Cheung Kong Graduate School of Business in September 2011. He was accredited as a PRC lawyer by Ministry of Justice of the PRC in July 1996 and obtained the intermediate level of financial qualification from Ministry of Human Resources and Social Security of the People’s Republic of China in October 1997.

Mr. Zhang resigned as the president of the Company on 28 March 2016, and remains as the Chairman of the Board and an executive Director with effect from 28 March 2016.

張先生先後榮獲2009年中國中小企業信用擔保機構領軍人物、2010年「新階層·重慶首屆十佳英才」稱號、2011年重慶市第三屆優秀中國特色社會主義事業建設者稱號、2011年「中國小額信貸年度人物」、2008年及2011年「重慶市十大年度經濟人物」、2013年「十大渝商」稱號及2015年度品牌企業家、2015、2016年度中國卓越普惠金融家等稱號、2016年度「中國微金融十大年度人物」等稱號。

張先生於1992年7月在瀋陽市廣播電視大學取得金融學大專文憑，並於2011年9月取得長江商學院高層管理人員工商管理碩士學位。他分別在1996年7月及1997年10月獲得中國司法部認可的中國律師資格及中華人民共和國人力資源和社會保障部認可的金融中級資格。

張先生已於2016年3月28日辭任本公司總裁，並繼續擔任本公司董事長兼執行董事，自2016年3月28日起生效。

Directors, Supervisors and Senior Management 董事 監事及高級管理層

Mr. Wang Dayong, aged 50, has been the vice president of the Company since March 2013 and has been the vice-chairman of the Board and an executive Director of the Company since March 2016. Mr. Wang joined the Group in October 2006 and held various positions, including chief credit marketing officer and vice president.

Prior to joining the Group, Mr. Wang held various positions in China Securities Co., Ltd. from September 1998, including the general manager of innovation business department of investment banking headquarters. Prior to that, he had worked at the Planning Department of Liaoning Branch of Industrial and Commercial Bank of China Limited from July 1988 to September 1998. Mr. Wang served as the director of Shandong Financial Assets Exchange Co., Ltd. (山東金融資產交易所有限公司) since September 2015.

Mr. Wang obtained his master's degree in international finance from the department of international economics of Liaoning University in July 1998 and EMBA degree jointly held by National Taiwan University and Fudan University in 2015. He is also accredited as a senior economist by the Appraisal and Approval Committee for Professional & Technical Competence of the Industrial and Commercial Bank of China.

Mr. Wang resigned as the vice president of the Company on 19 April 2016, and remains as the Vice Chairman of the Board and an executive Director with effect from 19 April 2016.

王大勇先生，50歲，自2013年3月起擔任本公司副總裁，自2016年3月起擔任本公司副董事長及執行董事。王先生於2006年10月加入本集團，擔任不同的職務，包括信貸市場總監和副總裁。

在加入本集團之前，王先生於1998年9月起曾擔任華夏證券股份有限公司不同職務，包括投資銀行總部創新業務部總經理等。他之前於1988年7月至1998年9月在中國工商銀行遼寧分行計劃處工作。王先生於2015年9月起擔任山東金融資產交易所有限公司董事。

王先生於1998年7月獲得遼寧大學國際經濟學院國際金融專業碩士學位，並於2015年獲得由國立台灣大學及復旦大學聯辦的高級管理人員工商管理碩士學位。他亦獲中國工商銀行專業技術部評估及批准委員會認可為高級經濟師資格。

王先生已於2016年4月19日辭任本公司副總裁，並繼續擔任本公司副董事長兼執行董事，自2016年4月19日起生效。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Cui Weilan, aged 45, has been the executive president of the Company since March 2015, an executive Director of the Company since May 2015 and the president of the Company since March 2016. Mr. Cui joined the Group in June 2006 and served in various positions, including vice president, chief legal officer and secretary of the board of directors. Prior to joining the Group, Mr. Cui had been a practicing solicitor of Hebei Jimin Law Firm (河北濟民律師事務所) from 1999 to 2006 and had worked for Hebei Management Cadre College of Political Science and Law (河北政法管理幹部學院) (currently known as Hebei Professional College of Political Science and Law (河北政法職業學院)) from July 1995 to March 2007.

Mr. Cui obtained his bachelor's degree in law from the department of political of Southwest Normal University (currently known as Southwest University (西南大學)) in June 1995. He is also accredited as a practicing solicitor by the Ministry of Justice of the PRC and as an associate professor in law by Hebei Title Reform Leadership Committee Bureau (河北職稱改革領導小組). He completed the postgraduate program in economic law from Chinese Academy of Social Sciences in September 2003 and obtained his MBA degree from China Europe International Business School (中歐國際工商學院) in September 2012.

崔巍嵐先生，45歲，自2015年3月起擔任本公司執行總裁，自2015年5月起擔任本公司執行董事，自2016年3月起擔任本公司總裁。崔先生於2006年6月加入本集團，擔任不同的職務，包括副總裁、法務總監和董事會秘書。在加入本集團之前，崔先生自1999年至2006年擔任河北濟民律師事務所執業律師，並自1995年7月至2007年3月在河北政法管理幹部學院（現稱河北政法職業學院）任職。

崔先生於1995年6月獲得西南師範大學（現稱西南大學）政治系法學學士學位。他獲中華人民共和國司法部認可為執業律師，並獲河北職稱改革領導小組辦公室認可為法律副教授。他2003年9月完成中國社會科學院經濟法學專業研究生課程，並於2012年9月獲得中歐國際工商學院工商管理碩士。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Non-executive Directors

Mr. Tu Jianhua, aged 53, has been a non-executive Director of the Company since March 2013.

Mr. Tu has been the chairman of the board of directors of Loncin Holdings previously, in the period from January 2003 to June 2010 and from February 2013 to December 2013. He has been the director of Loncin Motor Co., Ltd. (隆鑫通用動力股份有限公司) since October 2010, a company whose shares have been listed on the Shanghai Stock Exchange (Stock Code: 603766) since August 2012.

Mr. Tu served as the non-executive director of Chongqing Rural Commercial Bank Co., Ltd., a company whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 3618), from June 2008 to December 2011. He served as the chairman of the board of directors of Locin Group from February 1996 to December 2013, a director of the board of Locin Group since December 2013 and a director of Loncin Holding Co., Ltd. since December 2013. He served as the chairman of USUM Investment Group Co., Ltd. (渝商投資集團股份有限公司) since April 2014 and has served as an executive director and chairman of the board of Chiho-Tiande Group Limited since April 2015.

Mr. Tu acted as the deputy to the 11th and the 12th National People's Congress, the deputy to the Second, the Third and the Fourth Chongqing Municipal People's Congress and a member of the Finance Committee of the Fourth Chongqing Municipal People's Congress, an executive committee member of All-China Federation of Industry & Commerce (全國工商聯), the vice chairman of Chongqing Federation of Industry and Commerce (重慶市工商聯) and the vice president of Chongqing Enterprise Confederation (重慶市企業聯合會).

Mr. Tu is the cousin of Ms. Liu Jiaoyang (one of our non-executive Directors). Mr. Tu is one of our controlling shareholders.

非執行董事

涂建華先生，53歲，自2013年3月起為本公司非執行董事。

涂先生於2003年1月至2010年6月及2013年2月至2013年12月期間擔任隆鑫控股董事長，自2010年10月起擔任隆鑫通用動力股份有限公司董事（該公司股份自2012年8月起於上海證券交易所上市（股份代號：603766））。

涂先生自2008年6月至2011年12月任職重慶農村商業銀行股份有限公司非執行董事（該公司股份於香港聯交所上市（股份代號：3618））。涂先生自1996年2月至2013年12月擔任隆鑫集團董事長，自2013年12月起擔任隆鑫集團有限公司董事，亦自2013年12月起擔任隆鑫控股有限公司董事。自2014年4月起擔任渝商投資集團股份有限公司董事長，亦自2015年4月起擔任齊合天地集團有限公司執行董事兼董事會主席。

涂先生擔任第十一屆、第十二屆全國人民代表大會代表；第二屆、第三屆、第四屆重慶市人民代表大會代表及市人大財經委委員，全國工商聯執行委員，重慶市工商聯副主席、重慶市企業聯合會副會長。

涂先生為劉驕楊女士（本公司非執行董事之一）的表哥。涂先生為我們其中一名控股股東。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Duan Xiaohua, aged 42, joined the Group in June 2013 as a non-executive Director of the Company.

Prior to joining the Group, Mr. Duan served as the chief financial officer of Loncin Holdings from February 2012 to October 2012, the chief financial officer and the director of Shanghai Fenghua Group Co., (上海豐華(集團)股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600615) since October 2012.

Mr. Duan worked for Chengdu Fudi Property Co., Ltd. (成都復地置業有限公司) from March 2008 to March 2012 and held various positions, including financial manager, vice financial president and financial president. From June 2007 to February 2008, he worked for Hutchison Whampoa Property (Xi'an) Co., Ltd. (和記黃埔地產(西安)有限公司). He also worked for Chongqing Taiji Industry (Group) Co., Ltd (重慶太極集團有限公司) from July 1998 to May 2007, a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600129). Mr. Duan has served as a non-executive director of USUM Investment Group Co., Ltd. (渝商投資集團股份有限公司) since April 2014, and has served as a non-executive director of Chongqing Rural Commercial Bank Co., Ltd. since August 2014.

Mr. Duan obtained his bachelor's degree in accounting from Southwestern University of Finance and Economics in 1998 and obtained his master's degree in business administration from Chongqing University in 2006. Mr. Duan was accredited as an accountant and a certified internal auditor.

段曉華先生，42歲，為本公司非執行董事，於2013年6月加入本集團。

在加入本集團之前，段先生於2012年2月至2012年10月擔任隆鑫控股財務總監，於2012年10月起擔任上海豐華(集團)股份有限公司(該公司股份於上海證券交易所上市(股份代號:600615))的財務總監和董事。

段先生自2008年3月至2012年3月於成都復地置業有限公司工作，曾出任財務經理、副財務總裁及財務總裁等多個職位。自2007年6月至2008年2月任職於和記黃埔地產(西安)有限公司。自1998年7月至2007年5月，他亦曾於重慶太極集團有限公司(該公司股份於上海證券交易所上市(股份代號:600129))任職。段先生自2014年4月至今擔任渝商投資集團股份有限公司非執行董事，自2014年8月至今擔任重慶農村商業銀行非執行董事。

段先生在1998年獲得西南財經大學會計學學士學位，並於2006年獲得重慶大學工商管理碩士學位。段先生獲會計師和註冊內部審計師資格。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Ms. Liu Jiaoyang, aged 38, has been a non-executive Director of the Company since March 2013. She joined the Group in August 2009 and has been a director of Hanhua Guarantee since then with a non-executive role.

Prior to joining the Group, Ms. Liu served as the general manager of Chongqing Maohua Technology Co., Ltd. (重慶茂華科技有限公司) from October 2003 to August 2009.

Ms. Liu obtained her bachelor's degree in economics from Saint Petersburg State Polytechnical University in Russia in December 2003. Ms. Liu Jiaoyang is the cousin of Mr. Tu Jianhua (one of our non-executive Directors).

Ms. Liu Tingrong, aged 42, has been a non-executive Director of the Company since March 2013. She joined the Group in March 2011 and served as a director of Hanhua Guarantee with a non-executive role.

Ms. Liu has been working for Chongqing Taizheng Mining Resources Development Co., Ltd. (重慶泰正礦產資源開發有限公司) since September 1996 and become the assistant to the chairman of board of directors since November 2007.

Ms. Wang Fangfei, aged 30, has been a non-executive Director of the Company since March 2013. She joined the Group in November 2010 and held various positions, including the project manager and chief reviewing managers of business management section and general management section of Hanhua Guarantee.

Ms. Wang holds 55% of the equity interests of Chongqing Jiulong Investment Co., Ltd. (重慶九龍投資有限公司), one of the minority shareholders of the Company, and has also been the legal representative of Chongqing Jiulong Investment Co., Ltd. since April 2011.

Ms. Wang obtained her master's degree from Sheffield Hallam University in October 2009, majoring in international business and management. She obtained her junior college degree in business administration from Chongqing University in July 2006.

劉驕楊女士，38歲，自2013年3月起為本公司非執行董事。她於2009年8月加入本集團，擔任瀚華擔保股份董事，為非行政職位。

在加入本集團之前，劉女士自2003年10月至2009年8月在重慶茂華科技有限公司任總經理。

劉女士於2003年12月於俄羅斯聖彼得堡國立技術大學獲得經濟學學士學位。劉驕楊女士為涂建華先生（本公司非執行董事之一）的表妹。

劉廷榮女士，42歲，自2013年3月起為本公司非執行董事。她自2011年3月加入本集團，曾擔任瀚華擔保股份董事，為非行政職位。

劉女士自1996年9月起任職重慶泰正礦產資源開發有限公司，且自2007年11月起擔任該公司的董事長助理。

王芳霏女士，30歲，自2013年3月起為本公司非執行董事。她自2010年11月加入本集團，並擔任瀚華擔保股份的項目經理、業務管理崗及綜合管理崗主管評審經理等。

王女士持有本公司其中一名少數股東重慶九龍投資有限公司55%的權益，並自2011年4月起擔任重慶九龍有限公司法人代表。

王女士於2009年10月於謝菲爾德哈雷姆大學取得碩士學位，主修國際商業及管理。她在2006年7月取得重慶大學商業管理專科學位。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Feng Yongxiang, aged 46, has been a non-executive Director of the Company since March 2013. He joined the Group in August 2009 and has been a director of Hanhua Guarantee since then with a non-executive role.

Prior to joining the Group, Mr. Feng has been the general manager of Chongqing Puzhao Hengyi Investment Co., Ltd. (重慶普兆恒益投資有限公司), one of the minority shareholders of our Company, since February 2010. He worked for Chongqing Yayu Business and Commerce Development Co., Ltd. (重慶雅域商貿發展公司) as a deputy general manager from May 2005 to January 2010. He worked as the senior relationship manager of the Chongqing branch of China Minsheng Banking Corp., Ltd., a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600016) and the Hong Kong Stock Exchange (Stock Code: 01988), from July 2003 to May 2005. He served as the senior relationship manager of the Chongqing branch of Shanghai Pudong Development Bank Co., Ltd., a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600000), from March 2000 to July 2003. He worked for Yangjiaping Sub-branch of China Construction Bank Corporation, a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 601939) and the Hong Kong Stock Exchange (Stock Code: 0939), from July 1991 to February 2000.

馮永祥先生，46歲，自2013年3月起擔任本公司非執行董事。他於2009年8月加入本集團，擔任瀚華擔保股份董事，為非行政職位。

在加入本集團之前，馮先生自2010年2月起為本公司其中一名少數股東重慶普兆恒益投資有限公司總經理。他在2005年5月至2010年1月期間任職重慶雅域商貿發展公司副總經理，自2003年7月至2005年5月就職於中國民生銀行股份有限公司（該公司股份於上海證券交易所上市（股份代號：600016）及香港聯交所上市（股份代號：01988））重慶分行任職高級客戶經理。馮先生在2000年3月至2003年7月期間於上海浦東發展銀行股份有限公司（該公司股份於上海證券交易所上市（股份代號：600000））重慶分行擔任高級客戶經理。於1991年7月至2000年2月期間，馮先生在中國建設銀行股份有限公司（該公司股份於上海證券交易所上市（股份代號：601939）及香港聯交所上市（股份代號：0939））楊家坪支行工作。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Zhou Xinyu, aged 45, joined the Group in June 2013 as a non-executive Director of the Company.

Prior to joining the Group, Mr. Zhou has been the assistant to general manager of Hua Rong Securities Company Limited (華融證券股份有限公司) since January 2013. From June 2008 to November 2012, he worked at Guosen Securities Co., Ltd. (國信證券股份有限公司). From January 2008 to May 2008, he served as the deputy general manager of the capital market department of Hua Rong Securities Company Limited (華融證券股份有限公司). He also previously served as the senior deputy manager of the investment department of China Huarong Asset Management Corporation (中國華融資產管理公司).

Mr. Zhou obtained his bachelor's degree in engineering mechanics from Xi'an Jiaotong University in July 1993 and obtained his master's degree in economics (majoring in finance) from Central University of Finance and Economics in March 2001. He obtained his doctorate degree in economics (majoring in domestic economy) from Chinese Academy of Social Sciences in July 2006. Mr. Zhou obtained the qualification of senior economist from the senior assessment committee of China Huarong Asset Management Corporation in December 2006.

Mr. Zhou retired as a non-executive Director of the Company on 12 March 2016.

Mr. Liu Bolin, aged 31, joined the Group in June 2013 as a non-executive Director of the Company. Prior to joining the Group, Mr. Liu has been the general manager of Sichuan Hongrun Trading Co., Ltd. (四川泓潤商貿有限公司), one of the minority shareholders of the Company, since March 2013.

Mr. Liu obtained his bachelor's degree in business administration from Shenzhen University in June 2006 and obtained his master's degree in accounting from the State University of New York at Binghamton in December 2008.

周新宇先生，45歲，於2013年6月加入本集團，擔任本公司非執行董事。

在加入本集團之前，周先生自2013年1月起擔任華融證券股份有限公司總經理助理，於2008年6月至2012年11月於國信證券股份有限公司工作，於2008年1月至2008年5月期間擔任華融證券股份有限公司資本市場部副總經理。彼亦曾出任中國華融資產管理公司投資部高級副經理。

周先生在1993年7月獲得西安交通大學工程力學專業工學學士學位，並於2001年3月獲得中央財經大學財政學專業經濟學碩士學位，在2006年7月獲得中國社會科學院國民經濟學專業經濟學博士學位。周先生於2006年12月獲中國華融資產管理公司高級任職資格評審委員會高級經濟師資格。

周先生已於2016年3月12日退任本公司非執行董事。

劉博霖先生，31歲，他於2013年6月加入本集團擔任本公司非執行董事。在加入本集團之前，劉先生自2013年3月起擔任本公司其中一名少數股東四川泓潤商貿有限公司的總經理。

劉先生在2006年6月獲得深圳大學企業管理學士學位，在2008年12月獲得紐約州立大學賓漢頓分校會計學碩士學位。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Independent Non-executive Directors

Mr. Bai Qinxian, aged 76, has been an independent non-executive Director of the Company since March 2013. He joined the Group in August 2009 and has been an independent non-executive director of Hanhua Guarantee since then.

Mr. Bai has served in various domestic committees and societies, including the member of the applied economics discipline appraisal group of the Fourth and Fifth Session of Academic Degree Commission of the State Council, the permanent member of China Society for Finance and Banking (中國金融學會), and the permanent member of China International Finance Society (中國國際金融學會), and has been the director of the International Finance Institute of the University (遼寧大學國際金融研究所). Mr. Bai is currently the professor and the doctoral supervisor in finance and policy finance of Liaoning University and an independent non-executive director of Sinvo Capital Group Co., Ltd. (新沃資本集團有限公司).

Mr. Bai was accredited as an academic leader of applied economics at the first level and an expert who is eligible to enjoy the special allowance of the State Council.

Mr. Deng Zhaoyu, aged 70, has been an independent non-executive Director of the Company since March 2013. He joined the Group in August 2009 and has been an independent non-executive director of Hanhua Guarantee since then.

Prior to joining the Group, Mr. Deng held various positions at People's Insurance Company (Group) of China Limited (中國人保控股公司) (currently known as the People's Insurance Company (Group) of China Limited), a company whose shares are listed on Hong Kong Stock Exchange (Stock Code: 01339), including the deputy general manager during the period from December 2001 to August 2006. Mr. Deng also served as the chairman of the board of supervisors of PICC Property and Casualty Co., Ltd., a company whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 02328), from July 2003 to October 2006.

獨立非執行董事

白欽先先生，76歲，自2013年3月起為本公司獨立非執行董事。他自2009年8月加入本集團，擔任瀚華擔保股份獨立非執行董事。

白先生在多個國內委員會及學會任職，包括國務院第四屆、第五屆學位委員會應用經濟學學科評議組成員、中國金融學會常務理事及中國國際金融學會常務理事，曾任遼寧大學國際金融研究所所長。白先生現時擔任遼寧大學教授、金融學和政策性金融學博士生導師，新沃資本集團有限公司獨立非執行董事。

白先生獲應用經濟學一級學科學術帶頭人，系屬享受國務院授予國務院特殊津貼的專家。

鄧昭雨先生，70歲，自2013年3月起為本公司獨立非執行董事。他於2009年8月加入本集團，擔任瀚華擔保股份獨立非執行董事。

於加入本集團前，鄧先生於2001年12月至2006年8月期間擔任中國人保控股公司（現稱為中國人民保險集團股份有限公司，其股份於香港聯交所上市（股份代號：01339））副總經理等多個職位。於2003年7月至2006年10月，他在中國人民財產保險股份有限公司（該公司股份於香港聯交所上市（股份代號：02328））擔任監事會主席。

Directors, Supervisors and Senior Management 董事 監事及高級管理層

Mr. Qian Shizheng, aged 64, joined the Group in June 2013 as an independent non-executive Director of the Company. Prior to joining the Group, Mr. Qian had served as the deputy director of the Accounting Department of Fudan University. He worked at Shanghai Industrial Holdings Limited, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 0363), from January 1998 to April 2012 and held various positions, including deputy chief executive officer and executive director. He also served as the vice-chairman of Haitong Securities Co., Ltd. From July 2007 to July 2010 and from May 2011 to March 2013, the shares of which are listed on both the Shanghai Stock Exchange (Stock Code: 600837) and the Hong Kong Stock Exchange (Stock Code: 6837), and the director of Shanghai Pudong Development Bank and Shanghai Industrial Urban Development Group Limited, a company whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 0563).

He was previously an independent non-executive director of Lonking Holdings Limited, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 3339), Zoomlion Heavy Industry Science & Technology Co., Ltd., the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000157) and the Hong Kong Stock Exchange (Stock Code: 1157), and Shanghai Yaohua Pilkington Glass Group Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600819). He has been an independent non-executive director of Jingrui Holdings Limited, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 1862) since October 2013, currently an independent director of Shanghai Chengtuo Holding Co., Ltd, an independent director of Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd., an independent non-executive director of Red Star Macalline Group Corporation Ltd., the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 1528) and an independent director of Shanghai Laiyifen Holding Limited.

Mr. Qian obtained his bachelor's degree in accountancy from Shanghai Institute of Finance and Economics (currently known as Shanghai University of Finance and Economics) in July 1983 and doctor's degree in management science and engineering from Fudan University in July 2001.

錢世政先生，64歲，於2013年6月加入本集團，擔任本公司獨立非執行董事。於加入本集團前，錢先生曾出任復旦大學會計學系任系副主任。他於1998年1月至2012年4月在香港上海實業控股有限公司（該公司股份於香港聯交所上市（股份代號：0363））任職，曾出任副首席執行官和執行董事等多個職位。自2007年7月至2010年7月及自2011年5月至2013年3月，他分別任職海通證券股份有限公司（該公司股份於上海證券交易所上市（股份代號：600837）和香港聯交所上市（股份代號：6837））副董事長；上海浦東發展銀行與上海實業城市開發集團有限公司（該公司股份於香港聯交所上市（股份代號：0563））董事。

他過往曾擔任中國龍工控股有限公司（該公司股份於香港聯交所上市（股份代號：3339））、中聯重科股份有限公司（該公司股份於深圳證券交易所上市（股份代號：000157）及香港聯交所上市（股份代號：1157））和上海耀皮玻璃集團股份有限公司（該公司股份於上海證券交易所上市（股票代碼：600819））的獨立非執行董事。自2013年10月起擔任景瑞控股有限公司（該公司股份於香港聯交所上市（股份代碼：1862））獨立非執行董事，現任上海城投控股股份有限公司獨立董事，上海陸家嘴金融貿易區開發股份有限公司獨立董事，紅星美凱龍家居集團股份有限公司（該公司股份於香港聯交所上市（股份代號：1528））獨立非執行董事，上海來伊份股份有限公司獨立董事。

錢先生於1983年7月獲得上海財政經濟學院（現稱為上海財經大學）會計學學士學位，並於2001年7月獲得復旦大學管理科學與工程博士學位。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Ng Leung Sing, aged 67, joined the Group in June 2013 as an independent non-executive Director of the Company.

Mr. Ng is currently a director of Bank of China (Hong Kong) Trustees Limited, the vice chairman of the Chiyu Banking Corporation Limited, the director of the BOCHK Charitable Foundation and the director of The Hong Kong Mortgage Corporation Limited. He is also an independent non-executive director of MTR Corporation Limited, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 0066), an independent non-executive director of Smartone Telecommunications Holdings Limited whose shares are listed on Hong Kong Stock Exchange (Stock Code: 0315) and Nine Dragons Paper (Holdings) Limited, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 2689).

Mr. Ng is currently a member to various boards and committees, including the Hong Kong Deputy to the 10th, 11th and 12th National People's Congress of the PRC, the member of the 5th Legislative Council of the Hong Kong Special Administrative Region, the chairperson of the Banking Industry Training Advisory Committee of the Education Bureau, the honorary president of Chinese Bankers Club, Hong Kong, the honorary advisor of the Hong Kong Chi Tung Association Ltd.

Mr. Yuan Xiaobin, aged 47, joined the Group in June 2013 as an independent non-executive Director of the Company.

Mr. Yuan has been a member of the standing committee of Chongqing People's Congress since January 2013. He has also been the vice president of Chongqing Friendship Association for Non-Party Intellectuals since September 2012, the vice chairman of the Revolutionary Committee of Chongqing Municipal since July 2012, and the arbitrator of the China International Economic and Trade Arbitration Commission since May 2011.

吳亮星先生，**67歲**，自2013年6月起加入本集團，擔任本公司獨立非執行董事。

吳先生現時擔任中國銀行（香港）信託有限公司董事，集友銀行有限公司副董事長，中銀香港慈善基金董事，香港按揭證券有限公司董事、香港鐵路有限公司（該公司股份於香港聯交所上市（股份代號：0066））獨立非執行董事，數碼通電訊集團有限公司（該公司股份於香港聯交所上市（股份代號：0315））獨立非執行董事，玖龍紙業（控股）有限公司（該公司股份於香港聯交所上市（股份代號：2689））獨立非執行董事。

吳先生現時擔任不同大會及其委員會代表，包括第十屆、第十一屆及第十二屆全國人民代表大會港區代表、香港特別行政區第五屆立法會議員、教育局銀行業行業培訓諮詢委員會主席、香港銀行華員會名譽會長、香港金融業志同會名譽顧問。

袁小彬先生，47歲，於2013年6月加入本集團，擔任本公司獨立非執行董事。

袁先生自2013年1月起擔任重慶市人大常務委員，自2012年9月起擔任重慶新的社會階層聯合會副會長，自2012年7月起擔任民革重慶市委副主委，自2011年5月起擔任中國國際貿易仲裁委員會仲裁員。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Yuan had been an independent director of Jinke Property Group Co., Ltd., the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000656), and has become the special supervisor of Chongqing People's Government since May 2008. He also has been a part-time professor at Southwest University of Politics and Law since December 2006 and the director and the chairman of the Board of Zhonghao Law Firm since 1997. He is currently the deputy director of Finance and Securities and Insurance Special Committee of All China Lawyers Association (中華全國律師協會金融證券保險專業委員會), an arbitrator of Shanghai International Trade Arbitration Centre, an independent director of Changjiang Securities Company Limited (長江證券股份有限公司), and an independent director of Changan Auto Finance Co., Ltd. (重慶汽車金融有限公司).

Mr. Yuan had also been a Legislative Assessment Expert from June 2008 to January 2013, a consultant of the Decision Advisory Committee of Chongqing People's Government from December 2008 to December 2010.

Mr. Yuan holds the honorary title of the "Outstanding Specialists with Remarkable Contributions to Chongqing City" awarded by the Chongqing Municipal Party Committee and Chongqing People's Government in September 2009, "Top Ten Outstanding Professionals" awarded by the United Work Front Department in February 2010, "National Outstanding Lawyer" awarded by the Chinese Lawyer's Association in December 2011 and "Chongqing Top Ten Innovative Person of Year 2011" in February 2012.

Mr. Yuan obtained his bachelor's degree in law from Southwest College of Politics and Law (currently known as Southwest University of Politics and Law) in June 1991, and his EMBA degree from Chongqing University in June 2013. Mr. Yuan was accredited as a Class A lawyer by Chongqing Judicial Bureau in January 2010.

自2008年5月起擔任金科地產集團股份有限公司(該公司股份於深圳證券交易所上市(股份代號:000656))獨立董事,並擔任重慶市人民政府特邀監察員,自2006年12月起擔任西南政法大學兼職教授,且自1997年起至今擔任中豪律師集團主任、董事局主席,現擔任中華全國律師協會金融證券保險專業委員會副主任,上海國際貿易仲裁中心仲裁員,長江證券股份有限公司獨立董事,重慶汽車金融有限公司獨立董事。

同時,袁先生曾經擔任立法評審專家委員(由2008年6月至2013年1月),重慶市人民政府決策諮詢專家(由2008年12月至2010年12月)。

袁先生曾於2009年9月獲得中共重慶市委、重慶市人民政府授予的「重慶市有突出貢獻的中青年專家」稱號,於2010年2月獲得市委統戰部授予的「十佳專業英才」榮譽稱號,於2011年12月獲得中華全國律師協會授予的「全國優秀律師」榮譽稱號,於2012年2月獲評為「2011十大重慶經濟年度創新人物」。

袁先生於1991年6月獲得西南政法學院(現稱西南政法大學法學)學士學位,並於2013年6月獲得重慶大學EMBA學位。袁先生於2010年1月獲重慶司法廳頒授一級律師職稱。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

SUPERVISORS

As at the date of this report, the members of the board of supervisors (the “**supervisor(s)**”) (the “**Board of Supervisors**”) are as follows:

Mr. Li Ruping⁴ (Chairman of the Board of Supervisors)

Ms. Qin Yong (Appointed on 13 March 2016)

Mr. Zhou Daoxue

(Appointed on 13 March 2013, retired on 12 March 2016)

Mr. Chen Zhonghua⁵

Notes:

- 4 Appointed on 13 March 2013 initially and then appointed/re-elected as a member of the second session of the Board of Supervisors at the first extraordinary general meeting in 2016 of the Company held on 3 March 2016. The appointment/re-election took effect on 13 March 2016.
- 5 Appointed on 13 March 2013 initially and then appointed/re-elected as a member of the second session of the Board of Supervisors at the meeting of employee representatives of the Company held on 2 March 2016. The appointment/re-election took effect on 13 March 2016.

監事

於本報告日期，監事（「監事」）會（「監事會」）成員載列如下：

李如平先生⁴（監事會主席）

秦湧女士（於2016年3月13日委任）

周道學先生

（於2013年3月13日委任，

於2016年3月12日退任）

陳中華先生⁵

附註：

- 4 原於2013年3月13日獲委任，並於2016年3月3日舉行的本公司2016年第一次臨時股東大會通過委任／重選為第二屆監事會成員。委任／重選於2016年3月13日生效。
- 5 原於2013年3月13日獲委任，並於2016年3月2日舉行的本公司職工代表大會上通過委任／重選為第二屆監事會成員。委任／重選於2016年3月13日生效。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Li Ruping, aged 60, has been the chairman of Board of Supervisors of the Company since March 2013. He joined the Group in August 2004 and served in various positions, including vice president, president and director. He has been the chairman of the Board of Supervisors of Hanhua Guarantee since August 2009.

Prior to that, Mr. Li had been holding various positions in Loncin Group and its subsidiaries from October 1998 to August 2004, including the chief accountant of Loncin Holdings and the director of finance department of Chongqing Loncin Industry (Group) Co., Ltd (重慶隆鑫工業(集團)有限公司) and Chongqing Construction Loncin Motorcycle Manufacturing Co., Ltd. (重慶建設隆鑫摩托車製造有限公司).

Mr. Li obtained his junior college diploma in industrial accountancy from Sichuan Radio and TV University (四川廣播電視大學) in July 1986. Mr. Li is accredited as a senior accountant by Chongqing Municipal People's Government.

Ms. Qin Yong, aged 46, has been a supervisor of the Company since March 2016. She joined the Group in September 2004. She is the deputy general manager of the finance department of the Group and the manager of the finance department of Chongqing Huitai Investment Co., Ltd.

Prior to that, Ms. Qin was the financial director of the finance office of Sichuan Jianghua Machinery Plant (四川江華機器廠) from August 1991 to August 2004.

Ms. Qin graduated from Sichuan Institute of Light Industry (四川輕化工學院) in July 1991, majoring in finance management. She obtained the Certificate of National Accountants in March 1999.

李如平先生，60歲，自2013年3月起為本公司監事會主席。他於2004年8月加入本集團，擔任的職務包括副總裁、總裁和董事。他自2009年8月任職瀚華擔保股份監事會主席。

在此之前，他曾自1998年10月起至2004年8月在隆鑫集團及其附屬公司擔任不同職務，包括隆鑫控股總會計師、重慶隆鑫工業(集團)有限公司及重慶建設隆鑫摩托車製造有限公司財務部長。

李先生在1986年7月獲四川廣播電視大學工業會計大專文憑，並獲重慶市人民政府認可為高級會計師。

秦湧女士，46歲，自2016年3月起擔任本公司監事。她自2004年9月加入本集團，現擔任本集團財務部副總經理，重慶慧泰投資有限公司財務經理。

在此之前，秦女士曾自1991年8月起至2004年8月在四川江華機器廠財務處擔任財務科長。

秦女士於1991年7月畢業於四川輕化工學院財務管理專業，於1999年3月獲全國會計師資格證書。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Zhou Daoxue, aged 52, has been a supervisor of the Company since March 2013. He joined the Group in August 2009 as a supervisor of Hanhua Guarantee.

Prior to joining the Group, Mr. Zhou has been the chairman of the board of directors of Chongqing Yujiang Die-casting Co., Ltd (重慶渝江壓鑄有限公司) since December 1999. Mr. Zhou was the president of Chongqing Yujiang Die-casting Plant (重慶渝江壓鑄廠) from December 1991 to November 1999.

Mr. Zhou retired as a supervisor of the Company on 12 March 2016.

Mr. Chen Zhonghua, aged 42, has been a supervisor of the Company since March 2013. He joined the Group in January 2005 and held various positions, including the deputy general manager of the strategy development department and general manager of the information and technology department. In addition, he has been a supervisor of Hanhua Guarantee since August 2009, and the standing deputy general manager of Sichuan Micro-credit and deputy general manager of Sichuan Hanhua since January 2013. Prior to joining the Group, Mr. Chen worked for the Chongqing Wanzhou branch of Bank of China as a risk assessment officer of risk management department.

Mr. Chen obtained his junior college degree in finance from Southwestern University of Finance and Economics (西南財經大學) in June 1995. He graduated from Chongqing Technology and Business University (重慶工商大學) in June 2005, majoring in accounting.

周道學先生，52歲，自2013年3月起擔任本公司監事。他自2009年8月加入本集團，並擔任瀚華擔保股份監事。

在加入本集團之前，周先生自1999年12月起出任重慶渝江壓鑄有限公司董事長，自1991年12月至1999年11月期間擔任重慶渝江壓鑄廠廠長。

周先生已於2016年3月12日退任本公司監事。

陳中華先生，42歲，自2013年3月起擔任本公司監事。他於2005年1月加入本集團，擔任的職務包括戰略發展部副總經理和信息技術部總經理。此外，他自2009年8月起擔任瀚華擔保股份監事，自2013年1月擔任四川小額貸款常務副總經理及四川瀚華副總經理。加入本集團前，陳先生曾出任中國銀行重慶萬州分行風險管理部風險評審員。

陳先生在1995年6月獲西南財經大學金融學專科學位，並在2005年6月畢業於重慶工商大學會計專業。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

SENIOR MANAGEMENT

As at the date of this report, the members of senior management are as follows:

- Mr. Zhang Guoxiang
(Appointed on 13 March 2013,
resigned on 28 March 2016, and remains as
the Chairman of the Board and an executive Director of
the Company)
- Mr. Wang Dayong
(Appointed on 13 March 2013,
resigned on 19 April 2016, and remains as
the Vice Chairman of the Board and an executive Director of
the Company)
- Mr. Cui Weilan
(Appointed on 13 March 2013)
- Mr. Zhou Xiaochuan
(Appointed on 13 March 2013)
- Mr. Yan Dong
(Appointed on 13 March 2013,
resigned on 9 August 2016)
- Mr. Luo Xiaobo
(Appointed on 13 March 2013)
- Ms. Li Jing
(Appointed on 27 August 2014)
- Mr. Wang Feng
(Appointed on 10 July 2015)
- Mr. Yuan Guoli
(Appointed on 1 July 2013)
- Mr. Ren Weidong
(Appointed on 13 March 2013)
- Mr. Lin Ting
(Appointed on 1 July 2013,
resigned on 30 December 2016)
- Mr. Wang Yan
(Appointed on 12 July 2016)

Mr. Zhang Guoxiang, aged 52, details about Mr. Zhang's biography are set out in page 108 of this report.

Mr. Wang Dayong, aged 50, details about Mr. Wang Dayong's biography are set out in page 111 of this report.

高級管理層

於本報告日期，高級管理層成員載列如下：

- 張國祥先生
(於2013年3月13日委任，
於2016年3月28日辭任，
並繼續擔任本公司董事長
兼執行董事)
- 王大勇先生
(於2013年3月13日委任，
於2016年4月19日辭任，
並繼續擔任本公司副董事長
兼執行董事)
- 崔巍嵐先生
(於2013年3月13日委任)
- 周小川先生
(於2013年3月13日委任)
- 晏東先生
(於2013年3月13日委任，
於2016年8月9日辭任)
- 羅小波先生
(於2013年3月13日委任)
- 李晶女士
(於2014年8月27日委任)
- 王峰先生
(於2015年7月10日委任)
- 袁國利先生
(於2013年7月1日委任)
- 任為棟先生
(於2013年3月13日委任)
- 林挺先生
(於2013年7月1日委任，
於2016年12月30日辭任)
- 王岩先生
(於2016年7月12日委任)

張國祥先生，52歲，有關張國祥先生履歷的詳情載於本報告第108頁。

王大勇先生，50歲，有關王大勇先生履歷的詳情載於本報告第111頁。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Cui Weilan, aged 45, details about Mr. Cui's biography are set out in page 112 of this report.

Mr. Zhou Xiaochuan, aged 42, has been the vice president of the Company since March 2013. He is in charge of the guarantee business of the Company. Mr. Zhou joined the Group in 2008 and held various positions, including chief financial officer. He has also been the vice president of Hanhua Guarantee since January 2013, and is currently the president of Hanhua Guarantee.

From March 1999 to December 2004 and May 2007 to February 2008, Mr. Zhou served in various positions in Loncin Group and its subsidiaries, including the deputy general manager of strategy improvement department and the assistant manager of domestic business operation department of Chongqing Loncin Industry (Group) Co., Ltd. (重慶隆鑫工業(集團)有限公司), the assistant to general manager of Hunan Jinlong Guangyang Motorcycle Co., Ltd. (湖南勁隆光陽摩托車有限公司) and the vice president of Chongqing Jinlong Technology Group Co., Ltd. (重慶勁隆科技集團有限公司). He worked for Tibet New Zhufeng Motorcycle Co., Ltd. (西藏新珠峰摩托車有限公司) as the deputy general manager from September 2005 to April 2007.

Mr. Zhou obtained his junior college degree in accounting from Southwestern University of Finance and Economics in June 1995. He is currently studying an EMBA degree at Guanghua School of Management of Peking University.

崔巍嵐先生，45歲，有關崔巍嵐先生履歷的詳情載於本報告第112頁。

周小川先生，42歲，自2013年3月起擔任本公司副總裁。他負責本集團擔保業務。周先生於2008年加入本集團，曾任的職務包括財務總監。自2013年1月起，他擔任瀚華擔保股份的副總裁，現任瀚華擔保股份總裁。

周先生自1999年3月至2004年12月以及2007年5月至2008年2月期間在隆鑫集團及其下屬企業擔任不同職務，包括重慶隆鑫工業(集團)有限公司戰略改良部副主管及國內業務營運部的副部長，湖南勁隆光陽摩托車有限公司總經理助理和重慶勁隆科技集團有限公司副總裁等。他在2005年9月至2007年4月擔任西藏新珠峰摩托車有限公司副總經理。

周先生於1995年6月獲西南財經大學會計學大專學歷，現於北京大學光華管理學院EMBA就讀。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Yan Dong, aged 47, has been the vice president of the Company since March 2013. Mr. Yan joined the Group in May 2006 and held various positions, including deputy general manager of risk management department and vice president.

Prior to joining the Group, Mr. Yan served in various positions in Chongqing Branch of China Merchants Bank Co., Ltd. from October 2000 to April 2006, including the deputy general manager of the corporate banking department. He worked at Chongqing Branch of China Construction Bank Corporation from July 1991 to September 2000.

Mr. Yan obtained his bachelor's degree in engineering from Sichuan Industrial College (四川工業學院) (currently known as Xihua University (西華大學)) in July 1991. He obtained his EMBA degree from Guanghua School of Management of Peking University in January 2013.

Mr. Yan resigned as the vice president of the Company on 9 August 2016 with effective from the same day.

Mr. Luo Xiaobo, aged 37, has been the vice president of the Company since March 2013. Mr. Luo joined the Group in November 2004 and held various positions, including chief operating officer. He has also been the vice president of Hanhua Guarantee from January 2013 to April 2015.

Prior to joining the Group, Mr. Luo worked for Chongqing Huifeng Property Assets Evaluation Co., Ltd (重慶匯豐房地產土地資產評估有限責任公司) from June 2004 to October 2004 and Chongqing Boma Property Assets Evaluation Co., Ltd. (重慶鉅碼房屋土地評估有限公司) from July 2002 to June 2004.

Mr. Luo obtained his bachelor's degree in mechanical design and manufacturing and business administration from Southwest Agricultural University (西南農業大學) (currently known as Southwest University (西南大學)) in July 2002. He is currently studying an EMBA degree at School of Economics and Management of Tsinghua University.

晏東先生，47歲，自2013年3月起擔任本公司副總裁。晏先生於2006年5月加入本集團，擔任的職務包括風險管理部副總經理和副總裁。

在加入本集團之前，晏先生曾於2000年10月至2006年4月在招商銀行重慶分行擔任不同職務，包括公司銀行部副總經理等。他於1991年7月至2000年9月在建設銀行重慶分行任職。

晏先生於1991年7月獲四川工業學院（現稱西華大學）工程學士學位，於2013年1月獲北京大學光華管理學院高級管理人員工商管理碩士學位。

晏先生已於2016年8月9日辭任本公司副總裁，並於當日生效。

羅小波先生，37歲，自2013年3月起擔任本公司的副總裁。羅先生於2004年11月加入本集團，擔任的職務包括運營總監。自2013年1月至2015年4月，他亦擔任瀚華擔保股份的副總裁。

在加入本集團之前，羅先生於2004年6月至2004年10月就職於重慶匯豐房地產土地資產評估有限責任公司，及於2002年7月至2004年6月就職於重慶鉅碼房屋土地評估有限公司。

羅先生於2002年7月獲西南農業大學（現稱西南大學）機械設計與製造專業和工商管理學士學位，現於清華大學經濟管理學院EMBA就讀。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Ms. Li Jing, aged 46, has been the vice president of the Company since August 2014. Before joining the Group, Ms. Li was the translator and secretary to the director general of Far Eastern Leasing Co., Ltd. (遠東租賃有限公司), the sales manager of Hitachi Electric (日立電器) Beijing office, the assistant to the representative of Sumitomo Mitsui Banking Corporation (住友銀行) Shenyang representative office, the human resources director of Genpact (Dalian) Co., Ltd. (簡伯特(大連)有限公司) and the senior vice president of the human resources department of BMW Brilliance Automotive Ltd.

Ms. Li graduated from the foreign language department of Liaoning University majored in Japanese in 1992. She is currently studying an EMBA degree at School of Economics and Management of Tsinghua University.

Mr. Wang Feng, aged 48, has been the vice president of the Company since July 2015. Prior to joining the Group, Mr. Wang served as the marketing director of Minsheng Financial Leasing Co., Ltd (民生金融租賃股份有限公司) from November 2007 to June 2015, the deputy general manager of New Century International Leasing Co., Ltd (新世紀國際租賃有限公司) from December 2001 to November 2007, the general manager assistant of the Beijing Liaison Investment Management Co., Ltd. (北京聯辦投資管理有限公司) from November 1999 to December 2001, the senior manager of Huadao International Investment Co., Ltd. (華島國際投資有限公司) from October 1995 to September 1997, and the manager of China National Technical import & export Corporation (中國技術進出口總公司) from October 1991 to October 1995.

Mr. Wang obtained his bachelor's degree in international trade from Beijing International Studies University in July 1991, and obtained his master's degree in finance from Imperial College London in July 1998.

Mr. Yuan Guoli, aged 47, has been the vice president of the Company since January 2016. He joined the Group in October 2006 and had served as the marketing director of Hanhua Guarantee, the deputy general manager and general manager of Liaoning Hanhua and the marketing director of the Company successively.

李晶女士，46歲，自2014年8月起擔任本公司的副總裁。在加入本集團之前，李女士歷任遠東國際租賃有限公司總經理翻譯兼秘書，日立電器北京代表處銷售經理，住友銀行瀋陽代表處代表助理，簡伯特(大連)有限公司人力資源總監，華晨寶馬汽車有限公司人力資源高級副總裁。

李女士於1992年畢業於遼寧大學外語系日語專業，現於清華大學經濟管理學院EMBA就讀。

王峰先生，48歲，自2015年7月起擔任本公司的副總裁。在加入本集團之前，王先生自2007年11月至2015年6月在民生金融租賃股份有限公司擔任市場總監，自2001年12月至2007年11月在新世紀國際租賃有限公司擔任副總經理，自1999年11月至2001年12月在北京聯辦投資管理有限公司擔任總經理助理，自1995年10月至1997年9月在華島國際投資有限公司擔任高級經理，自1991年10月至1995年10月在中國技術進出口總公司擔任經理。

王先生於1991年7月獲北京第二外國語學院國際貿易專業學士學位，1998年7月獲倫敦帝國理工學院金融專業碩士學位。

袁國利先生，47歲，自2016年起擔任本公司的副總裁。他於2006年10月加入本集團，先後擔任瀚華擔保股份市場總監、遼寧瀚華副總經理、總經理及本公司市場總監。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Prior to joining the Group, Mr. Yuan worked for the Liaoning office of China Huarong Asset Management Corporation from March 2000 to September 2006. From August 1991 to February 2000, he worked for the industrial credit department and asset risk management department of Liaoning branch of Industrial and Commercial Bank of China Limited.

Mr. Yuan obtained his bachelor's degree in industrial economics from the Department of Industrial Management of Liaoning University in July 1991. He is currently studying an EMBA degree at Guanghua School of Management of Peking University.

Mr. Ren Weidong, aged 39, has been the financial director and general manager of capital finance department of our Company since March 2013. He is in charge of capital finance headquarters and administrative office of our Company. Mr. Ren joined the Group in February 2009 and had served as the general manager of the finance headquarters of Hanhua Guarantee. He has been the Board secretary of the Company since September 2015.

Prior to joining the Group, Mr. Ren served as the manager of financing department of Duke Seals (Chongqing) Ltd. (重慶杜克高壓密封件有限公司) from October 2005 to January 2009. He served in various positions in Loncin Group and its subsidiaries from July 2000 to May 2005, including the head of the financial section of Hunan Jinlong Guangyang Motorcycle Co., Ltd (湖南勁隆光陽摩托車有限公司), the head of the financial section of Chongqing Jinlong Technology Group Co., Ltd. (重慶勁隆科技集團有限公司) and the head of the financial section and accountant of Chongqing Jinlong Motorcycle Manufacturing Co., Ltd. (重慶勁隆摩托車製造有限公司).

Mr. Ren obtained his bachelor's degree in auditing from Hangzhou Institute of Electronics and Engineering (杭州電子工業學院) (currently known as Hangzhou Dianzi University (杭州電子科技大學)) in July 1999. He is currently studying the EMBA program in Guanghua School of Management of Peking University. He was also accredited as a junior accountant in May 2000 by Ministry of Finance of the People's Republic of China. He was admitted as an affiliated member of The Association of International Accountants in April 2008.

在加入本集團之前，袁先生自2000年3月至2006年9月就職於中國華融資產管理公司遼寧辦事處。自1991年8月至2000年2月就職於中國工商銀行遼寧省分行，先後任職於工業信貸處、資產風險管理處。

袁先生於1991年7月獲得遼寧大學工業管理系工業經濟專業學士學位，現於北京大學光華管理學院EMBA就讀。

任為棟先生，39歲，自2013年3月起擔任本公司財務總監及資金財務部總經理，他負責本公司的資金財務總部及行政辦公室。任先生於2009年2月加入本集團，曾擔任瀚華擔保股份財務總部總經理。他自2015年9月起擔任本公司董事會秘書。

在加入本集團之前，任先生於2005年10月至2009年1月擔任重慶杜克高壓密封件有限公司財務部經理。他於2000年7月至2005年5月在隆鑫集團及其下屬企業擔任不同職務，包括湖南勁隆光陽摩托車有限公司財務部主管、重慶勁隆科技集團有限公司財務主管、重慶勁隆摩托車製造有限公司財務主管和會計師。

任先生於1999年7月獲杭州電子工業學院(現稱杭州電子科技大學)審計學學士學位，現正攻讀北京大學光華管理學院高級管理人員工商管理碩士學位。他於2000年5月獲中華人民共和國財政部認可為初級會計師，及於2008年4月獲國際會計師公會認可為國際會計師公會附屬會員。

Directors, Supervisors and Senior Management

董事 監事及高級管理層

Mr. Lin Ting, aged 44, has been the operating director and general manager of the operating management department of the Company since July 2013, and has been the investor relations director and general manager of the investor relations department of the Company since January 2015. Mr. Lin joined the Group in July 2012 and served as the deputy general manager of credit market department and general manager of operating department of Hanhua Guarantee.

Mr. Lin resigned as the investor relations officer and the general manager of investor relations department of the Company on 30 December 2016 with effective from the same day.

Mr. Wang Yan, aged 46, has been the strategic cooperation director of the Company since July 2016. Mr. Wang joined the Group in April 2014 and served as the deputy general manager and general manager in the general manager's office of Beijing branch office during 2014, he has also been the vice president of Hanhua Guarantee Corporation Limited since April 2015.

Prior to joining the Group, Mr. Wang has been the chairman of the board of Rizhao Yuanfang Property Co., Ltd. (日照遠方置業有限公司) from January 2013 to January 2014, the deputy general manager of Rizhao Steel Holding Co., Ltd. (日照鋼鐵控股有限公司) from January 2003 to January 2012, and the chairman of the board of Hengshui Jinghua Real Estate Development Co., Ltd. (衡水京華房地產開發有限公司) from January 1997 to January 2002.

Mr. Wang obtained his bachelor's degree in accounting from Beijing Forestry University in July 2003.

林挺先生，44歲，自2013年7月起擔任本公司的運營總監及運營管理部總經理，自2015年1月起擔任本公司的投資者關係總監及投資者關係部總經理。林先生於2012年7月加入本集團，擔任瀚華擔保股份信貸市場部副總經理及運營管理部總經理。

林先生已於2016年12月30日辭任本公司投資者關係總監及投資者關係部總經理，並於當日生效。

王岩先生，46歲，自2016年7月起擔任本公司的戰略合作總監。王先生於2014年4月加入本集團，2014年期間歷任北京公司總經辦常務副總經理、總經理，亦自2015年4月起擔任瀚華擔保股份有限公司的副總裁。

在加入本集團之前，王先生自2013年1月至2014年1月擔任日照遠方置業有限公司董事長，自2003年1月至2012年1月擔任日照鋼鐵控股有限公司副總經理，自1997年1月至2002年1月擔任衡水京華房地產開發有限公司董事長。

王先生於2003年7月獲得北京林業大學會計專業學士學位。

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. As at the date of this report, the Board comprises three executive Directors, seven non-executive Directors and five independent non-executive Directors. The Board has adopted the code provisions (“**Code Provisions**”) of the Corporate Governance Code (“**Corporate Governance Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). For the year ended 31 December 2016, the Company has complied with the Code Provisions except for the deviation from Code Provision A.2.1 which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual (as further detailed in the paragraph headed “Chairman and Chief Executive Officer” below).

Since 28 March 2016, the chairman of the Board ceased to be the president of the Company, the Company has complied with the Code Provision A.2.1.

企業管治常規

本公司一直致力維持高水平企業管治，以開明和開放的理念維護其發展及保障股東的權益。於本報告日期，董事會由三名執行董事、七名非執行董事以及五名獨立非執行董事組成。董事會已採納載列於聯交所證券上市規則（「上市規則」）附錄十四內的企業管治守則（「企業管治守則」）的守則條文（「守則條文」）。截至2016年12月31日止年度，本公司已遵守守則條文，惟偏離守則條文第A.2.1條（該條規定主席及行政總裁之職務須分開且不得由同一人士擔任）除外（其進一步情況已載於以下「主席及行政總裁」一段）。

自2016年3月28日起，本公司董事長不再擔任本公司總裁之職務，本公司已遵守守則條文第A.2.1條。

Corporate Governance Report

企業管治報告

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring our business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the first session of the Board has established five Board committees, including the audit committee (the "**Audit Committee**"), the nomination and remuneration committee (the "**Nomination and Remuneration Committee**"), the strategic investment committee (the "**Strategic Investment Committee**"), the executive committee (the "**Executive Committee**") and the risk management committee (the "**Risk Management Committee**"). With the appointment of the second session of the Board become effective on 13 March 2016, the second session of the Board has cancelled its Executive Committee and has established four Board committees, including the Audit Committee, the Nomination and Remuneration Committee, the Strategic Investment Committee and the Risk Management Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and they have carried out duties in the interests of the Company and the Shareholders for the year ended 31 December 2016.

董事會

責任

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察業務及表現。董事會已向本集團的高級管理層授出本集團日常管理及營運的權力及責任。為監察本公司事務的特定範疇，第一屆董事會成立五個董事會委員會，包括審計委員會（「**審計委員會**」）、提名與薪酬委員會（「**提名與薪酬委員會**」）、戰略投資委員會（「**戰略投資委員會**」）、執行委員會（「**執行委員會**」）及風險管理委員會（「**風險管理委員會**」）。於第二屆董事會之任命自2016年3月13日生效起，第二屆董事會取消其下執行委員會，成立四個董事會委員會，包括審計委員會、提名與薪酬委員會、戰略投資委員會及風險管理委員會。董事會已向該等董事會委員會授出各職權範圍所載責任。

全體董事須確保彼等本著真誠、遵守適用法律及法規，及於截至2016年12月31日止年度符合本公司及股東利益的方式履行職責。

Board Composition

As at the date of this report, the Board consists of three executive Directors, seven non-executive Directors and five independent non-executive Directors.

Details of the Directors are set out under the section headed “Directors, Supervisors and Senior Management” of this report.

For the year ended 31 December 2016, the Board at all times met the requirements of the Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board. Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee and the Nomination and Remuneration Committee.

To the best knowledge of the Company, there is no other financial, business family or other material/relevant relationship among the members of the Board, except that Mr. Tu Jianhua is a cousin of Ms. Liu Jiaoyang, both are non-executive Directors.

董事會組成

於本報告日期，董事會由三名執行董事、七名非執行董事及五名獨立非執行董事組成。

董事的詳細資料載於本報告「董事、監事及高級管理層」一節。

截至2016年12月31日止年度期間，董事會在任何時間均遵守上市規則第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事（及其中至少一名獨立非執行董事須擁有適當的專業資格或適當的會計或相關財務管理專業知識）的規定。

本公司亦已遵守上市規則第3.10A條有關委任相當於董事會成員三分之一的獨立非執行董事的規定。各獨立非執行董事均已根據上市規則第3.13條確認其獨立性，故本公司認為彼等均為獨立人士。

全體董事（包括獨立非執行董事）均為董事會帶來各種不同的寶貴營商經驗、知識及專業，使其可具效率及有效履行董事會的職能。獨立非執行董事獲邀擔任審計委員會及提名與薪酬委員會。

除非執行董事涂建華先生為非執行董事劉驕揚女士的表哥外，就本公司所知，董事會成員之間概無財務、業務、家屬或其他重大／相關的關係。

Corporate Governance Report

企業管治報告

Induction and Continuous Professional Development

入職及持續專業發展

A summary of training received by the Directors for the year ended 31 December 2016 is as follows:

所有董事於截至2016年12月31日止年度接受培訓情況如下：

Name of Directors

董事姓名

Attending Training Contents

接受培訓內容

Executive Directors:

執行董事：

Mr. Zhang Guoxiang

張國祥先生

A、B、C

Mr. Cui Weilan

崔巍嵐先生

A、C

Mr. Wang Dayong

王大勇先生

B、C

(Appointed on 13 March 2016)

(於2016年3月13日委任)

Non-executive Directors:

非執行董事：

Mr. Tu Jianhua

涂建華先生

B、C

Mr. Duan Xiaohua

段曉華先生

B、C

Ms. Liu Jiaoyang

劉驕楊女士

B、C

Ms. Liu Tingrong

劉廷榮女士

B、C

Ms. Wang Fangfei

王芳霏女士

B、C

Mr. Feng Yongxiang

馮永祥先生

B、C

Mr. Zhou Xinyu

周新宇先生

C

(Retired on 12 March 2016)

(於2016年3月12日退任)

Mr. Liu Bolin

劉博霖先生

B、C

Independent non-executive Directors:

獨立非執行董事：

Mr. Bai Qinxian

白欽先先生

B、C

Mr. Deng Zhaoyu

鄧昭雨先生

B、C

Mr. Qian Shizheng

錢世政先生

A (speaker) (主講)、B、C

Mr. Ng Leung Sing

吳亮星先生

B、C

Mr. Yuan Xiaobin

袁小彬先生

B (speaker) (主講)、C

Notes:

註：

A: Trainings on corporate governance of listed companies, directors' duties and the relevant matters organized by the Stock Exchange or securities regulatory authorities;

A: 聯交所或證券監管部門等組織所舉辦有關上市公司的企業管治、董事職責及相關培訓；

B: Special training, seminars, forums and conferences on topics such as economics, finance and corporate management;

B: 經濟、財務、企業管理等方面的專題培訓、講座、論壇及會議；

C: Reading materials related to requirements on corporate governance, directors' duties and internal control and risk management, etc.

C: 閱讀企業管治、董事責任、內部監控及風險管理等規定。

Chairman and Chief Executive Officer

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. For the year ended 27 March 2016, Mr. Zhang Guoxiang (“**Mr. Zhang**”) performed both of the roles of chairman and president of the Group. Taking into account that Mr. Zhang has been serving in the Group since its establishment in 2004, the key role of Mr. Zhang in the senior management team, as well as his high commitment to the setting up and management of the business operation and business decision of the Company and the strategic development plans of the Group, the Board considered that the roles of chairman and chief executive being performed by Mr. Zhang enables more effective and efficient overall business planning, decision making and implementation thereof by the Group. The Board is of the opinion that it is in the best interests of the Group for Mr. Zhang to assume the dual roles of chairman and chief executive.

Since 28 March 2016, Mr. Zhang ceased to be the president of the Company, the Company has complied with the Code Provision A.2.1.

Appointment, Change and Re-Election of Directors

In accordance with the Articles of Association of the Company (the “**Articles of Association**”), the Directors shall be elected at the general meetings for a term of no more than three years, and may be re-elected and re-appointed upon the expiry of such term. The Company has implemented an effective mechanism regarding the appointment of new Director. The Nomination and Remuneration Committee will first discuss the matters in relation to the appointment of new Director, and then present to the Board as proposals, which will be subject to the approval at the general meeting.

主席及行政總裁

守則條文第A.2.1條規定主席及行政總裁的角色必須各自獨立，且不得由同一人士出任。截至2016年3月27日，張國祥先生（「張先生」）同時擔任本集團董事長兼總裁職位。考慮到張先生自本集團於2004年成立以來一直在本集團工作，其在高級管理層團隊一直擔任重要角色，且十分投入於本公司業務運作的成立與管理、商業決定及本集團發展的策略計劃。董事會認為董事長兼總裁職位由張先生擔任有助本集團的整體業務規劃、作出及履行決策更為有效及具效率。本集團相信張先生同時擔任本公司董事長及總裁符合本集團的最佳利益。

自2016年3月28日起，張先生不再擔任本公司總裁之職務，本公司已遵守守則條文第A.2.1條。

董事的委任、變更及重選連任

根據本公司章程（「章程」）的規定，董事由股東大會選舉產生，每屆任期不得超過三年，可競選連任。本公司已就新董事的委任執行一套有效程序。新董事提名事宜先由提名與薪酬委員會商議，然後再向董事會提交建議，並由股東大會選舉通過。

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On 3 March 2016, the resolutions for the election of the second session of the Board and the Board of Supervisors were approved at the first extraordinary general meeting in 2016. Mr. Zhou Xinyu, one of the non-executive Directors, retired as a non-executive Director. Mr. Wang Dayong was appointed as an executive Director of the second session of the Board. Mr. Zhou Daoxue retired as a shareholder representative supervisor of the Company. Ms. Qin Yong was appointed as a shareholder representative supervisor of the second session of the Board of Supervisors of the Company. The appointment of the second session of the Board and the Board of Supervisors became effective on 13 March 2016. For details, please refer to the relevant details in the circular dated 17 January 2016 and in the announcement dated 3 March 2016 of the Company.

The Company has entered into a service contract or a letter of appointment with each of the Directors (including non-executive Directors) and the Supervisors. The service contracts and the letters of appointment are for a term of three years.

Regular Board Meetings

In accordance with the Articles of Association, the Board should hold no less than four regular meetings annually, to be convened by the chairman of the Board. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with the opportunities to attend and include matters in the agenda for a regular meeting.

For other committee meetings, the meeting notice, the agenda and accompanying Board papers are dispatched to the Directors or committee members within reasonable timeframe to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings.

於2016年3月3日，本公司2016年第一次臨時股東大會通過議案選舉產生了本公司第二屆董事會和監事會。周新宇先生退任本公司非執行董事，王大勇先生獲委任為本公司第二屆董事會執行董事，周道學先生退任本公司股東代表監事，秦湧女士獲委任為本公司第二屆監事會股東代表監事。第二屆董事會及監事會之任命已於2016年3月13日生效。有關詳情請參見本公司日期分別為2016年1月17日的通函及2016年3月3日刊發的公告。

本公司已與各董事（包括非執行董事）、監事訂立了服務合約或委任函，該等服務合約或委任函的期限為三年。

董事會定期會議

根據章程規定，董事會每年至少召開四次定期會議，會議由董事長召集。董事會定期會議通知於會議舉行前至少十四日送呈全體董事，以使彼等能有機會出席會議並於會議議程內加載有關事宜。

就其他委員會會議而言，本公司均以合理時間提前向董事或委員會成員發出會議通知、議程及相關董事會文件以確保彼等有充足時間審閱有關文件及充分著手準備出席會議。

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Meetings of the Board shall be held only if more than half of the Directors are present, except for when the Board is considering the matters of connected transaction as provided for under the Articles of Association.

Minutes of the Board meetings and committee meetings will be recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are/will be sent to the Directors for comments within a reasonable timeframe after the date on which the meeting is held.

For the year ended 31 December 2016, 12 Board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

除章程指明的董事會審議關連交易事項的情況外，董事會會議應當由二分之一以上的董事出席方可舉行。

董事會會議及委員會會議的會議記錄會詳盡記錄董事會及委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及委員會會議的會議記錄草擬本會／將會於會議舉行後的合理時間內寄送至各董事，以供彼等考慮。

截至2016年12月31日止年度期間，董事會曾舉行12次董事會會議及個別董事出席該等會議的情況載於下表：

Name of Directors 董事姓名		Attendance/Number of Board 出席／已舉行之董事會會議次數
Mr. Zhang Guoxiang	張國祥先生	12/12
Mr. Cui Weilan	崔巍嵐先生	12/12
Mr. Wang Dayong (Appointed on 13 March 2016)	王大勇先生 (於2016年3月13日委任)	11/11
Mr. Tu Jianhua	涂建華先生	11/12
Mr. Duan Xiaohua	段曉華先生	12/12
Ms. Liu Jiaoyang	劉驕楊女士	12/12
Ms. Liu Tingrong	劉廷榮女士	12/12
Ms. Wang Fangfei	王芳霏女士	12/12
Mr. Feng Yongxiang	馮永祥先生	12/12
Mr. Liu Bolin	劉博霖先生	11/12
Mr. Bai Qinxian	白欽先先生	10/12
Mr. Deng Zhaoyu	鄧昭雨先生	11/12
Mr. Qian Shizheng	錢世政先生	12/12
Mr. Ng Leung Sing	吳亮星先生	12/12
Mr. Yuan Xiaobin	袁小彬先生	12/12
Mr. Zhou Xinyu (Retired on 12 March 2016)	周新宇先生 (於2016年3月12日退任)	1/1

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For the year ended 31 December 2016, 2 general meetings of the Company was held and the attendance of the individual Directors at the meeting is set out in the table below:

截至2016年12月31日止年度期間，本公司曾舉行2次股東大會。個別董事出席股東大會的情況載於下表：

Name of Directors 董事姓名		Attendance/Number of Board 出席／已舉行之股東大會次數
Mr. Zhang Guoxiang	張國祥先生	2/2
Mr. Cui Weilan	崔巍嵐先生	2/2
Mr. Wang Dayong (Appointed on 13 March 2016)	王大勇先生 (於2016年3月13日委任)	1/1
Mr. Tu Jianhua	涂建華先生	2/2
Mr. Duan Xiaohua	段曉華先生	2/2
Ms. Liu Jiaoyang	劉驕楊女士	2/2
Ms. Liu Tingrong	劉廷榮女士	2/2
Ms. Wang Fangfei	王芳霏女士	2/2
Mr. Feng Yongxiang	馮永祥先生	2/2
Mr. Zhou Xinyu (Retired on 12 March 2016)	周新宇先生 (於2016年3月12日退任)	1/1
Mr. Liu Bolin	劉博霖先生	2/2
Mr. Bai Qinxian	白欽先先生	2/2
Mr. Deng Zhaoyu	鄧昭雨先生	2/2
Mr. Qian Shizheng	錢世政先生	2/2
Mr. Ng Leung Sing	吳亮星先生	2/2
Mr. Yuan Xiaobin	袁小彬先生	2/2

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of practice for carrying out securities transactions by the Company’s Directors and supervisors.

進行證券交易的標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「**標準守則**」）為本公司董事及監事證券交易之守則。

Duties performed by the Board and management

The Board shall report to the general meeting and exercise the following powers, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), appointment of Directors and other significant financial and operational matters.

Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- (i) To develop and review the Company's policies and practices on corporate governance;
- (ii) To review and monitor the training and continuous professional development of Directors and senior management;
- (iii) To review and monitor the Company's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- (iv) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and Directors; and
- (v) To review the Company's compliance with the Code Provisions and disclosure in the Corporate Governance Report.

董事會和管理層行使的職權

董事會對股東大會負責，行使下列職權，包括：批准及監督一切政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能牽涉利益衝突者）、委任董事及其他主要財務及營運事宜。

董事於履行彼等職責時可尋求獨立專業意見，費用由本公司承擔。彼等亦被鼓勵向本公司高級管理層進行獨立諮詢。

本集團的日常管理、行政及營運交予高級管理層負責。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會批准。

企業管治職能

董事會負責制訂本公司之企業管治政策並履行以下企業管治職務：

- 1、制定及檢討本公司的企業管治的政策及常規；
- 2、檢討及監察董事及高級管理層的培訓及持續專業發展；
- 3、檢討及監察本公司的政策及常規符合所有法律及規例的要求（如適用）；
- 4、制定、檢討及監察適用於僱員及董事的操守準則及合規手冊（如有）；及
- 5、檢討本公司遵守守則條文的情況及在《企業管治報告》內的披露。

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企業管治報告

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2016 are set out in note 7 to the financial statements.

The details of the senior management are disclosed in the section headed “**Directors, Supervisors and Senior Management**” in this report.

Remuneration paid to the senior management (including three Executive Director) for the year ended 31 December 2016 is as follows:

Remuneration Range (RMB) 薪酬範圍 (人民幣)

Remuneration Range (RMB) 薪酬範圍 (人民幣)		Number of People 人數
2,000,000 and over 2,000,000	2,000,000元及以上	4
1,000,000 to 1,999,999	1,000,000元至1,999,999元	6
Below 1,000,000	1,000,000元以下	2

DIRECTORS' LIABILITY INSURANCE

The Company has arranged appropriate insurance in respect of legal action against its Directors.

BOARD COMMITTEES

AUDIT COMMITTEE

For the year ended 31 December 2016, the Audit Committee comprises three Directors, namely Mr. Qian Shizheng (independent non-executive Director), Ms. Liu Jiaoyang (non-executive Director) and Mr. Yuan Xiaobin (independent non-executive Director). Mr. Qian Shizheng is currently the chairman of the Audit Committee.

董事及高級管理層的薪酬

本公司已就制定本集團董事及高級管理層薪酬的政策設立正式及具透明度的程序。截至2016年12月31日止年度，各董事的薪酬詳情載於財務報表附註7。

高級管理層的詳細資料披露於本報告「**董事、監事及高級管理層**」一節。

截至2016年12月31日止年度，已付予高級管理層（包括三名執行董事）的薪酬如下：

董事責任保險

本公司已就針對其董事提出的法律訴訟購買適當的保險。

董事委員會

審計委員會

截至2016年12月31日止年度，審計委員會由三名董事組成，成員為錢世政先生（獨立非執行董事）、劉驕揚女士（非執行董事）及袁小彬先生（獨立非執行董事）。錢世政先生目前為本公司審計委員會主任。

The main responsibility of the Audit Committee is to facilitate the communication, supervision and verification in respect of the Company's internal and external auditing. Its main functions and powers are, including but not limited to, proposing the appointment or replacement of the external auditors, considering and making suggestions on their remunerations, resignation or dismissal; overseeing the Company's internal audit system and its implementation, and reviewing the group's financial and accounting policies and practices; auditing the financial information of the Company and its disclosure; reviewing the Company's financial monitoring, internal monitoring and risk management systems, auditing material connected transactions, ensuring that the management has fulfilled its duties to establish an effective internal control system; examining the Letter of Audit Description provided by the external auditors to the management, any material queries raised by the auditors to the management in respect of the accounting records, financial accounts or monitoring systems and the management's response; and formulating whistle-blowing policies and systems, etc.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

For the year ended 31 December 2016, 4 meetings of the Audit Committee were held. The matters under discussion and examination included:

1. The resolution regarding the annual financial report (draft) of the Company for the year 2015;
2. The resolution regarding the annual report (draft) of the Company for the year 2015;
3. The resolution regarding the internal control report (draft) of the Company for the year 2015;
4. The resolution regarding the re-appointment of the auditor of the Company;

審計委員會主要負責本公司內、外部審計的溝通、監督和核查工作。其主要職責為：提議聘請或更換外部審計機構，就其薪酬、辭職或被罷免的事宜作出考慮和建議；監督本公司的內部審計制度及其實施，檢討集團的財務及會計政策及實務；審核本公司的財務信息及其披露；審查本公司的財務監控、內部監控及風險管理系統，對重大關聯交易進行審計，確保管理層有履行職責建立有效的內控系統；檢查外部審計機構給予管理層的《審核情況說明函件》、審計師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的響應；制定舉報政策及系統等。

審計委員會的書面職權範圍於聯交所及本公司網站可供查閱。

截至2016年12月31日止年度期間，審計委員會共舉行4次會議，會上討論及審議內容包括如下：

- 1、關於本公司2015年度財務報告（草稿）的議案；
- 2、關於本公司2015年年度報告（草稿）的議案；
- 3、關於本公司2015年度內部控制評價報告（草稿）的議案；
- 4、關於本公司續聘財務審計機構的議案；

Corporate Governance Report

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| <p>5. The resolution regarding the reviewed consolidated financial statements of the Company for the six months ended 30 June 2016 and the review report of the consolidated financial statements;</p> <p>6. The interim report (draft) and the announcement of interim results (draft) of the Group for the six months ended 30 June 2016; and</p> <p>7. The resolution of considering and approving the description of the internal control related matters of the Company.</p> | <p>5、關於本公司截至2016年6月30日止6個月經審閱的合併財務報表及合併財務報表審閱報告的議案；</p> <p>6、關於本公司截至2016年6月30日止6個月的中期業績報告（草稿）及中期業績公告（草稿）的議案；及</p> <p>7、關於審議本公司關於內部控制有關事項的說明的議案。</p> |
|---|---|

The attendance of the Audit Committee members is set out in the table below:

各審計委員會成員出席會議的情況載於下表：

Name	Attendance/Number of Audit Committee meetings held
姓名	出席／ 已舉行之審計委員會會議次數
Mr. Qian Shizheng	4/4
Ms. Liu Jiaoyang	4/4
Mr. Yuan Xiaobin	4/4

NOMINATION AND REMUNERATION COMMITTEE

提名與薪酬委員會

For the year ended 31 December 2016, the Nomination and Remuneration Committee comprises three Directors, namely Mr. Deng Zhaoyu (independent non-executive Director), Mr. Zhang Guoxiang (Chairman and executive Director) and Mr. Bai Qinxian (independent non-executive Director). Currently, Mr. Deng Zhaoyu is currently the chairman of the Nomination and Remuneration Committee.

截至2016年12月31日止年度，提名與薪酬委員會由三名董事組成，成員為：鄧昭雨先生（獨立非執行董事）、張國祥先生（董事長及執行董事）及白欽先先生（獨立非執行董事）。鄧昭雨先生目前為本公司提名與薪酬委員會主任。

Corporate Governance Report

企業管治報告

The main responsibility of the Nomination and Remuneration Committee is to assist the Board to formulate the recruitment procedures and assessment standards for Directors and senior management of the Company and conduct preliminary assessment on the qualifications and conditions of candidates to be appointed within its area of competence; study and formulate the remuneration plans, performance appraisal systems and incentive schemes of Directors, supervisors and senior management of the Company, make suggestions to the Board and supervise the implementation of plans and systems.

The written terms of reference of the Nomination and Remuneration Committee are available on the websites of the Stock Exchange and the Company.

For the year ended 31 December 2016, 2 meetings of the Nomination and Remuneration Committee were held. The matters under discussion and examination included:

1. The resolution regarding the nomination of Mr. Li Xuan as Vice President candidate (deputy general manager) of the Company; and
2. The resolution regarding the nomination of Mr. Wang Xinhan as Director of Operations of the Company.

The Nomination and Remuneration Committee will put forward the above matters to the Board for approval in due course.

The attendance of the Nomination and Remuneration Committee members is set out in the table below:

Name

姓名

Mr. Deng Zhaoyu
Mr. Zhang Guoxiang
Mr. Bai Qinxian

鄧昭雨先生
張國祥先生
白欽先先生

提名與薪酬委員會的主要職責為協助董事會擬定本公司董事、高級管理人員的選任程序和標準，對擬任人選的任職資格和條件進行初步審核，檢討及擬定董事、監事和本公司高級管理人員的薪酬方案、績效考核制度以及激勵方案，向董事會提出建議，並監督方案或制度的實施。

提名與薪酬委員會的書面職權範圍於聯交所及本公司網站可供查閱。

截至2016年12月31日止年度期間，提名與薪酬委員會共舉行2次會議，會上討論及審議內容包括如下：

- 1、關於提名李軒為公司副總裁（副總經理）候選人的議案；及
- 2、關於提名王新漢為公司運營總監候選人的議案。

提名與薪酬委員會將在合適的時間提呈董事會審議以上事項。

提名與薪酬委員會成員出席會議的情況載於下表：

Attendance/Number of Audit Committee meetings held

出席／
已舉行提名與薪酬委員會會議次數

2/2
2/2
2/2

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

The Company believes that the diversification of the Board is beneficial for enhancing the performance of the Company. Therefore, the Company has established the “Policy on Diversification of Members of the Board” to ensure that when determining the composition of the Board, the Company will consider the diversification of members of the Board from various aspects, including but not limited to age, cultural and educational background, professional experience, skills and knowledge. All appointments to the Board shall follow the principle of meritocracy, taking into account objectively the benefits of diversification of members of the Board when considering the candidates. The candidates of the Board are selected based on a range of diversified perspectives, including but not limited to age, cultural and educational background, professional experience, skills and knowledge.

The Nomination and Remuneration Committee will disclose the composition of the Board annually in the “Corporate Governance Report” and monitor the implementation of the policy. The Nomination and Remuneration Committee will review the policy when appropriate to ensure the effectiveness of the policy. The Nomination and Remuneration Committee will discuss any amendment that may need to make and make recommendations to the Board for approval.

STRATEGIC INVESTMENT COMMITTEE

For the year ended 31 December 2016, the Strategic Investment Committee comprises three Directors, namely Mr. Zhang Guoxiang (Chairman and executive Director), Mr. Tu Jianhua (non-executive Director) and Mr. Wang Dayong (Deputy chairman and executive Director). Currently, Mr. Zhang is the chairman of the Strategic Investment Committee.

董事會成員多元化政策

本公司相信董事會成員多元化將對提升本公司的表現益處良多，因此本公司已制定《董事會成員多元化政策》，確定在設定董事會成員組合時會從多個方面考慮董事會成員多元化，包括但不限於年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件顧及董事會成員多元化的益處。甄選董事會人選將按一系列多元化範疇為基準，包括但不限於年齡、文化及教育背景、專業經驗、技能及知識。

提名與薪酬委員會將每年在《企業管治報告》中披露董事會組成，並監察本政策的執行。提名與薪酬委員會將在適當時候檢討本政策，以確保本政策行之有效。提名與薪酬委員會將會討論任何或需作出的修訂，再向董事會提出修訂建議，由董事會審批。

戰略投資委員會

截至2016年12月31日止年度，戰略投資委員會由三名董事組成，成員為：張國祥先生（董事長及執行董事）、涂建華先生（非執行董事）及王大勇先生（副董事長及執行董事）。張先生目前為戰略投資委員會主任。

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The primary responsibilities of the Strategic Investment Committee are to examine and advise the Board on our long-term development strategies and major investment decisions.

The written terms of reference of the Strategic Investment Committee are available on the websites of the Stock Exchange and the Company.

For the year ended 31 December 2016, 1 meeting of the Strategic Investment Committee was held. The matters under discussion and examination included:

1. The resolution regarding the establishment of Chongqing Fumin Bank Co., Ltd.

The attendance of the Strategic Investment Committee members is set out in the table below:

戰略投資委員會的主要職責為對本公司長期發展戰略和重大投資決策進行研究並向董事會提出建議。

戰略投資委員會的書面職權範圍於聯交所及本公司網站可供查閱。

截至2016年12月31日止年度期間，戰略投資委員會共舉行1次會議，會上討論及審議內容包括如下：

- 1、關於擬發起設立重慶富民銀行股份有限公司的議案。

戰略投資委員會成員出席會議的情況載於下表：

Name		Attendance/Number of Strategic Investment Committee meetings held
姓名		出席／已舉行戰略投資委員會會議次數
Mr. Zhang Guoxiang	張國祥先生	1/1
Mr. Tu Jianhua	涂建華先生	1/1
Mr. Zhou Xinyu	周新宇先生	1/1

EXECUTIVE COMMITTEE

With the appointment of the second session of the Board become effective on 13 March 2016, the Executive Committee has been cancelled.

執行委員會

於第二屆董事會之任命自2016年3月13日生效起，已取消執行委員會。

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企業管治報告

THE RISK MANAGEMENT COMMITTEE

For the year ended 31 December 2016, the Risk Management Committee comprises three Directors, namely Mr. Zhang Guoxiang (Chairman and executive Director), Mr. Cui Weilan (Executive Director), Mr. Duan Xiaohua (Non-executive Director). Currently, Mr. Zhang is the chairman of the Executive Committee.

According to the “Rules of Procedures of the Risk Management Committee of Hanhua Financial Holding Co., Ltd.”, the primary responsibilities of the Risk Management Committee are to provide professional advice to the Board or making decisions on professional matters according to the authority of the Board in relation to the risk management.

The Risk Management Committee categorizes and streamlines the risk items potentially arising from operation of the Company, including strategic risks, financial risks, operational risks and legal risks, and assigns the duties of monitoring, initial assessment, formulating risk response strategy, implementation of strategy and alert of risk to different functions and departments.

The Risk Management Committee worked with the Audit Committee and internal audit department to perform full evaluation on the construction and implementation of internal control system as well as the effectiveness of the risk management system of the Company in 2016.

The written terms of reference of the Risk Management Committee are available on the websites of the Stock Exchange and the Company.

For the year ended 31 December 2016, 1 meeting of the Risk Management Committee was held. The matters under discussion and examination included:

1. The resolution regarding the review of “Factoring Business Operations Manual” and a series of factoring business management measures.

風險管理委員會

截至2016年12月31日止年度，風險管理委員會由三名董事組成，成員為：張國祥先生（董事長及執行董事）、崔巍嵐先生（執行董事）及段曉華先生（非執行董事）。張先生目前為風險管理委員會主任。

根據《瀚華金控股份有限公司風險管理委員會議事規則》，風險管理委員會的主要職責為向董事會提供風險管理相關的專業意見或根據董事會授權就有關風險管理專業事項進行決策。

風險管理委員會針對公司運營過程中可能產生的戰略風險、財務風險、營運風險、法律風險等風險項目進行了分類與梳理，任命不同的職能部門對風險進行監控、初步評估、制定風險應對策略、策略執行與報警。

風險管理委員會協同審計委員會、公司內控審計部，對本公司2016年度的內部控制制度建設及運行情況、風險管理系統的有效性進行了全面評價。

風險管理委員會的書面職權範圍於聯交所及本公司網站可供查閱。

截至2016年12月31日止年度期間，風險管理委員會共舉行1次會議，會上討論及審議內容包括如下：

- 1、關於審議《保理業務操作手冊》等一系列保理業務管理辦法的議案。

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The attendance record of the Risk Management Committee members is set out in the table below:

風險管理委員會成員出席會議的情況載於下表：

Name	Attendance/Number of Risk Management Committee meeting held
姓名	出席／已舉行風險管理委員會會議次數
Mr. Zhang Guoxiang	張國祥先生 1/1
Mr. Cui Weilan	崔巍嵐先生 1/1
Mr. Duan Xiaohua	段曉華先生 1/1

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

董事有關財務報表的財務申報責任

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2016 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

董事明白彼等須編製本公司截至2016年12月31日止年度的財務報表的職責，以真實公平地反映本公司及本集團的事況以及本集團的業績及現金流量。

The senior management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

高級管理層已向董事會提供必要的闡釋及數據，使董事會能對提呈予董事會批准的本公司財務報表進行知情的評估。本公司已向董事會全體成員提供有關本公司表現、狀況及前景的每月更新資料。

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

董事會並不知悉與可能對本集團持續經營構成重大疑問的事件或狀況有關的任何重大不確定因素。

The statement by the auditors of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 221 to 224 of this report.

本公司核數師就彼等有關本公司綜合財務報表的申報責任作出的聲明載於本報告第221頁至224頁的獨立核數師報告。

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企業管治報告

CHANGES OF MEMBERS OF SENIOR MANAGEMENT

Followed the trend of economic development, centered on the core development concept of Partnership Finance and kept adjusting our strategic layout, the Company has promoted the businesses under each business group of the Company as well as the reforming and upgrading of the management mode, and has improved our comprehensive financial service capability. As at the date of this report, the Company has adjusted the appointment of senior management of Hanhua Financial, which are as follows:

Since 28 March 2016, the chairman of the Board, Mr. Zhang Guoxiang, ceased to be the president of the Company and remains as the Chairman of the Board and an executive Director; the executive Director and executive president, Mr. Cui Weilan was appointed as the president of the Company; the deputy chairman of the Board, Mr. Wang Dayong, ceased to be the vice president of the Company and remains as the deputy chairman of the Board and an executive Director; the former marketing director, Mr. Yuan Guoli, has been appointed as the vice president of the Company and ceased to be the marketing director of the Company.

In July 2016, the former vice president of the guarantee group, Mr. Wang Yan, has been appointed as the strategic cooperation director of the Company.

In August 2016, the former vice president of the Company, Mr. Yan Dong, ceased to be the vice president of the Company and appointed as the deputy governor of Chongqing Fumin Bank Co., Ltd which company owned by the Company.

In December 2016, the former investor relations officer of the Company, Mr. Lin Ting, resigned as the investor relations officer.

As at the date of this report, details of the Senior Management are set out under the section headed “**Directors, Supervisors and Senior Management**” of this report.

高級管理層成員變更

本公司順應經濟發展大趨勢，圍繞夥伴金融核心發展理念，不斷調整自身戰略佈局，深入推進本公司旗下各大業務集團的業務和管理模式轉型升級，提升綜合金融服務能力。於截至本報告日期，本公司對瀚華金控高級管理層人員任命進行了調整，變更如下：

自2016年3月28日起，本公司董事長張國祥先生不再擔任本公司總裁之職務，繼續擔任本公司董事長及執行董事；本公司執行董事及執行總裁崔巍嵐先生獲委任為本公司總裁；本公司副董事長王大勇先生不再擔任本公司副總裁之職務，繼續擔任本公司副董事長及執行董事；原市場總監袁國利先生獲委任為本公司副總裁，不再擔任本公司市場總監職務。

2016年7月，原本公司旗下擔保集團副總裁王岩先生獲委任為本公司戰略合作總監。

2016年8月，原本公司副總裁晏東先生不再擔任本公司副總裁職務，獲委任為本公司旗下重慶富民銀行股份有限公司副行長。

2016年12月，原本公司投資者關係總監林挺先生辭任投資者關係總監一職。

於本報告日期之高級管理層的詳細資料載列於本報告「**董事、監事及高級管理層**」一節。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognizes its responsibilities in relation to monitoring the risk management and internal control system of the Company. It also performs supervision and annual inspection on the effectiveness of the risk management and internal control system through the Risk Management Committee and the Audit Committee on an annual basis.

The Board has set up the Risk Management Committee, which is responsible for providing professional advice on risk management to the Board and making decisions on professional matters in relation to risk management under the authorization of the Board. The Risk Management Committee categorizes and streamlines the strategic risks, financial risks, operational risks and legal risks which potentially arise from operation of the Company, and assigns the duties of monitoring, initial assessment, formulating risk response strategy, implementation of strategy and alert of risk to different functions and departments. These functions and departments will then carry out initial risk information collection and risk assessment, while the internal control and audit department and the senior management of the Company will supervise and improve the risk management, and report to the Risk Management Committee as necessary.

風險管理及內部監控

董事會確認其監管本公司的風險管理及內部監控系統的責任，並通過風險管理委員會、審計委員會，每年對風險管理及內部監控系統的有效性進行監督與檢查。

董事會下設風險管理委員會，負責向董事會提供風險管理相關的專業意見或根據董事會授權就有關風險管理專業事項進行決策。風險管理委員會針對公司運營過程中可能產生的戰略風險、財務風險、營運風險、法律風險等進行分類與梳理，任命不同的職能部門對風險進行監控、初步評估、制定風險應對策略、策略執行與報警。由各職能部門收集風險初始信息並進行風險評估，由內控審計部門與公司領導層進行監督與改進，在必要時匯報至風險管理委員會。

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企業管治報告

Based on the business nature of the Group, the Company established the risk management special committee at the subsidiary level, which focused on the management of business risks such as operational risks under the supervision of the Risk Management Committee of the Board. The risk management special committee has three tiers and six regional risk review centres, which substantially optimize and reform the control procedures of credit risks, operational risks and legal compliance risks according to the principles of separation of front, middle and back offices and effective supervision and control. The risk management special committee also formulates regulatory documents such as the standard operating procedure and measures for managing operational risks, with a view to establishing an internal control and risk management system covering our whole business process. The business department collects raw information on risk and conducts risk assessment; the risk management department formulates business risk strategy and raise business risk resolutions; and the internal control and audit department and the management of the Company are responsible for relevant supervision and improvement work, and, where necessary, report to the Risk Management Committee.

We carry out communication in a timely manner regarding the identified major internal control flaws and prudently assess potential risks. The responsible department shall propose relevant corrective actions and obtain approval from the management prior to the implementation. The management and the internal control and audit department monitor the implementation status and ensure timely and proper remediation of relevant monitoring flaws.

The Group has formulated the policies and procedures for handling and disclosing inside information, which are set out in the section headed “Management of Inside Information and Insiders” of the Administrative Rules for Information Disclosure of Hanhua Financial Holding Co., Ltd. (《瀚華金控股份有限公司信息披露管理辦法》). The information to be disclosed shall be duly reviewed and approved by the Board to ensure that insider information is updated, accurate, adequate and effective, and shall be closely monitored after disclosure.

根據本公司業務特點，本公司下屬集團層面設風險管理專業委員會在董事會風險管理委員會領導下工作，重點針對運營、操作等業務風險進行管理。風險管理專業委員會分三個層級和六個區域風險審批中心，按照前中後台分離，有效監督制約的原則，對信用風險、操作風險、法律合規風險控制流程進行較大的優化改革，並制定業務操作規範、操作風險管理辦法等規範性文件，構建起覆蓋全業務流程的內部監控及風險管理體系。由業務部門收集風險初始信息、進行風險評估、由風險管理部門制定業務風險策略，提出業務風險解決方案，由內控審計部門與公司領導層對風險管理進行監督與改進，並在必要時匯報至風險管理委員會。

我們及時就所識別的重大內部監控瑕疵進行溝通，並審慎評估潛在風險。身為監控責任人的部門提出糾正措施，並於實施前獲得領導層批准。領導層及內控審計部門監察實施情況，確保及時妥善解決監控瑕疵。

本集團制定了處理及發佈內幕消息政策及程序，載列於《瀚華金控股份有限公司信息披露管理辦法》之「內幕信息及其知情人管理」章節。將予披露的信息或資料由董事會妥為審閱及批准，確保內幕消息的及時、準確、充分及有效，並於披露後密切監察。

The Board has set up the Audit Committee, which is responsible for reviewing the Company's internal control, ensuring that the management has fulfilled its duties to establish an effective internal control system, and proactively or, as delegated by the Board, conducting analysis of key investigation findings and the management's response in relation to relevant internal control issues.

The Company has established the internal control and audit department at its headquarters, which performs independent auditing work under the direction of the Audit Committee under the Board, conducts independent examination and review on all operational and management activities of the Company, and comprehensively assesses the system building and implementation particulars regarding the Company's internal control, and supervises and reviews the effectiveness of internal control. The Company continues to streamline and improve its internal control in accordance with the requirements of the relevant laws and regulations in order to prevent risk. It has gradually established various rules and policies regarding corporate management, business operations, daily management and other related rules. The existing policies basically cover the existing operating bodies, management departments and various business processes and operation procedures, providing reasonable protection for preventing all kinds of risks.

The Risk Management Committee and the Audit Committee, in collaboration with the Company's internal control and audit department, have carried out a comprehensive assessment and review on the effectiveness of the system building and implementation particulars of the Company's internal control and the effectiveness of its risk management system for 2016. The Company considers that those systems are effective and adequate. Such review shall be performed at least once each year and shall cover relevant year(s).

董事會下設審計委員會，負責審查公司內部監控，確保管理層有履行職責建立有效的內控系統，並主動或應董事會的委派就有關內控事宜的重要調查結果及管理層的回應進行研究。

本公司總部層面設立內控審計部，在董事會審計委員會領導下執行獨立審計，對公司所有業務和管理活動進行獨立檢查和評價，全面評價公司內部控制的制度建設及運行情況，監督、檢查內部控制的有效性。本公司根據相關法律法規及監管規章的要求，以防範風險為宗旨，不斷梳理與完善內部控制，已逐步建立包括與公司治理、業務運營、日常管理等相关的各類規章制度，現行制度基本覆蓋現有的經營機構、管理部門及各類業務流程、操作環節，為有效防範各類風險提供了合理保障。

風險管理委員會、審計委員會，協同公司內控審計部，對本公司2016年度的內部控制制度建設及運行情況、風險管理系統的有效性進行了全面評價及檢討。本公司認為該等系統有效及足夠。該檢討將每年至少進行一次，涵蓋相關的年期。

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AUDITORS' REMUNERATION

For the year ended 31 December 2016, the total remuneration paid or payable to the Company's auditors, KPMG and other accounting firms, for audit and audit related services amounted to a total of RMB3.95 million, and amounts paid for non-auditing services amounted to RMB1.98 million, totaling RMB5.93 million.

An analysis on the remuneration paid or payable to KPMG and remuneration paid or payable to other accounting firms for the provision of annual auditing services to subsidiaries is as follows:

Services by the Auditors		Amount (RMB)
核數師的服務項目		金額(人民幣)
Auditing services:	核數服務:	
Annual auditing services	年度核數服務	3,950,000
Non-auditing services:	非核數服務:	
Other audit related services	其他審計相關的服務	1,980,000
Total	總計	5,930,000

核數師酬金

截至2016年12月31日止年度，就核數及核數相關服務已付或應付予本公司的核數師畢馬威會計師事務所及其他會計師事務所的酬金總額為人民幣3.95百萬元。就非核數服務已付人民幣1.98百萬元，合共為人民幣5.93百萬元。

已付或應付予的核數師酬金的分析載列如下：

JOINT COMPANY SECRETARIES

The joint company secretaries of the Company is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations are followed. Mr. Ren Weidong was appointed as one of our joint company secretaries of the Company on 18 September 2015.

聯席公司秘書

本公司的聯席公司秘書負責就企業管治事宜向董事會提出建議，並確保遵循董事會的政策及程序、適用法律、規則及法規。任為棟先生於2015年9月18日被委任為本公司聯席秘書之一。

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engaged Ms. Lai Siu Kuen, a senior manager of KCS Hong Kong Limited (a company secretarial service provider), as another joint company secretary to assist Mr. Ren to discharge his duties as company secretary of the Company. The primary corporate contact person at the Company is Ms. Peng Ying, the general manager of investor relations of the Company.

Mr. Ren and Ms. Lai have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules for the year ended 31 December 2016.

RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

The Company considers that effective communication with shareholders and stakeholders are essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and nonselective disclosure of the Company's information, which will enable shareholders and investors to make informed investment decisions.

The annual general meeting of the Company provides opportunity for shareholders to communicate directly with the Directors. The Chairman of the Company and the chairman of the Board Committee of the Company will attend the annual general meeting to answer shareholders' questions. The external auditors of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and contents of the auditor's report, the accounting policies and the independence of auditors.

為維持良好的企業管治並確保符合上市規則及適用香港法律，本公司亦委聘凱譽香港有限公司（公司秘書服務提供商）高級經理黎少娟女士擔任另一名聯席公司秘書，協助任先生履行彼作為本公司的公司秘書的職責。本公司的主要聯絡人為本公司的投資者關係總經理彭影女士。

截至2016年12月31日止年度期間，任先生及黎女士分別已符合上市規則第3.29條進行不少於15小時的相關專業培訓。

與股東及利益相關人士的關係

本公司認為，與股東及利益相關人士的有效溝通對加強投資者關係及使投資者瞭解本集團的業務、表現及策略非常重要。本公司亦深信及時與非選擇性地披露本公司數據以供股東及投資者作出知情投資決策的重要性。

本公司股東年會提供股東與董事直接溝通的機會。本公司董事長及本公司各董事會委員會主任將出席股東年會解答股東提問。本公司的外聘核數師亦將出席股東年會，並解答有關審計行事、核數師報告的編制及內容、會計政策及核數師獨立性的提問。

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The Company has maintained continuous close relationship with stakeholders, including customers, employees, suppliers, regulatory authorities and the public. The Company devoted to balance the opinions and interests of the stakeholders through constructive communication, so as to set the long-term development direction for the Company and the regions where our business operates.

Taking Haier Electronics, the major strategic cooperation customer of the Company's supply chain financial business, as an example. Established in 1984, Haier Electronics is one of the world's largest manufactures of household electronic appliances and has a large number of distributors in China. Since 2012, Haier Finance Co., Ltd. has established business relationship with Hanhua Guarantee, a subsidiary of the Company, for the provision of supply chain financial services to distributors of the distribution channel of Haier Group, and has maintained such business cooperation for over five years. Despite the close relationship with Haier Group, Shell Oil and other major customers, the Company holds a firm position on adopting the same credit requirements as other customers and makes provision according to industry regulations. The Company is aware that the risks in cooperating with major customers mainly arise from their operating risks, hence it does not fully rely on the credit of the major customers, rather, it applies strict screening on SME borrowers through credit rating system so as to diversify the operating risks of its major clients.

The Company has actively promoted relations with the investors and the communication with those persons in the investment sector. The Board has dedicated to provide the shareholders with clear and comprehensive information about the Group by publishing notices, announcements, circulars as well as interim and annual reports. The latest version of the Company's Articles of Association has been published on our Company's website (www.hanhua.com) and the Stock Exchange website, respectively. Shareholders and stakeholders can log in our Company's website and acquired more information about the Group on the "Investor Relations" page.

本公司與利益相關人士，包括客戶、僱員、供貨商、監管機構及公眾人士保持持續緊密聯繫。本公司透過具有建設性的溝通，努力平衡各利益相關人士的意見及利益，從而為本公司與業務所在區域釐定長遠的發展方向。

以本公司供應鏈金融主要戰略合作客戶之一海爾電器為例。海爾集團成立於1984年，是全球最大的家電製造商之一，在中國境內的經銷商數量龐大。從2012年起海爾財務公司就與本公司旗下附屬公司瀚華擔保建立了業務合作關係，為海爾集團經銷渠道的經銷商提供供應鏈金融服務，至今已超過5年。儘管與海爾集團、殼牌石油等主要客戶建立了密切的合作關係，本公司仍堅持與其他客戶一致的嚴格信貸條件，並按照行業監管規定進行撥備。本公司深知與主要客戶合作的風險主要來自其經營風險，因此，本公司並非完全依賴主要客戶的主體信用，而是對借款的中小客戶通過施行評級授信體系予以較嚴格的准入篩選，從而分散來自於核心客戶的經營風險。

本公司積極促進投資者關係以及與投資界人士的溝通，董事會透過刊發通告、公告、通函、中期與年度報告，致力為股東提供清晰及全面的本集團數據。本公司的公司章程最新版本分別登載於本公司網站 (www.hanhua.com)及香港交易所網站內，股東及利益相關人士亦可登入本公司網站「投資者關係」頁面取得更多本集團的資料。此外，本公司網站亦刊登有關其業務營運及發展的最新數據、財務數據、企業管治常規及其他資料，以供股東及利益相關人士閱覽。

SHAREHOLDERS' RIGHTS

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

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

CONVENING AND PUTTING FORWARD PROPOSALS AT AN EXTRAORDINARY GENERAL MEETING

According to Article 64(3) of the Articles of Association, when an extraordinary general meeting is requested in writing by a shareholder individually or shareholders collectively holding at least 10% (inclusive of 10%) of the outstanding shares with voting rights of the Company, the Board shall convene an extraordinary general meeting within two months.

According to Article 67 of the Articles of Association, when the Company is to hold an annual general meeting, shareholder(s) holding at least 3% (inclusive of 3%) of the shares of the Company with voting rights shall have the right to put forward temporary proposals in writing to the Company, and the Company shall list the issues in the temporary proposal that fall within the scope of responsibility of the general meeting in the meeting agenda. The temporary proposal submitted by the shareholder shall be subject to the following conditions:

1. the contents shall not contravene any requirements of laws and regulations, and shall fall with the business scope of the Company and the scope of responsibilities of the general meeting;

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各事項（包括選舉個別董事）提呈獨立決議案供審議及批准。

於股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，投票結果將於各股東大會舉行後及時於本公司及聯交所網站刊登。

召開股東特別大會及提呈建議

根據章程第六十四（三）條，單獨或者合計持有公司發行在外的有表決權的股份百分之十以上（含百分之十）的股東以書面形式要求召開臨時股東大會時，董事會應當在兩個月內召開臨時股東大會。

根據章程第六十七條，本公司召開股東大會年會，持有本公司有表決權的股份總數百分之三以上（含百分之三）的股東，有權以書面形式向公司提出臨時提案，本公司應當將臨時提案中屬於股東大會職責範圍內的事項，列入該次會議的議程。股東提出臨時議案應當符合下列條件：

- 1、內容不違背法律、法規規定，並且屬於公司經營範圍和股東大會職責範圍；

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2. the proposal shall cover a clear subject with specific issues to be resolved; and
3. the proposal shall be in writing and submitted or delivered to the Board 10 days before the general meeting takes place.

As regards proposing a person for election as a Director, the candidate nomination procedures for Directors are available on the website of the Company.

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could email their enquiries to pengying@hanhua.com or mail their enquiries in writing to the Company's head office in Beijing, the PRC at 13/F, East Tower, World Financial Center, No. 1 East Third Ring Middle Road, Chaoyang District, Beijing, the PRC.

- 2、議案須有明確議題和具體決議事項；及

- 3、議案須在股東大會召開十日前提出且以書面形式提交或送達董事會。

關於建議某人參選董事的事宜，可於本公司網站參閱有關董事候選人的提名程序規則。

向董事會提出查詢

股東如欲向董事會作出有關本公司的查詢，可透過電郵發出（電郵地址為 pengying@hanhua.com）或以書面形式寄致本公司於中國北京總辦事處（地址為中國北京市朝陽區東三環中路1號環球金融中心東塔13層）。

Environmental, Social and Governance Report

環境社會及管治報告

The report is the first annual report on environment, society and governance by Hanhua Financial Holding Co., Ltd. (referred to as the “**Company**”; together with its subsidiaries, the “**Group**”) (Stock Code: 3903). This report was prepared primarily according to the “Environmental, Social and Governance Reporting Guide”, Appendix 27 of the Listing Rules. This report covers the work in the financial year ended 31 December, 2016 (the “**Reporting Period**”) and unless otherwise specified, including all companies within the Group, which aims to introduce to the shareholders of the Company the work on the aspects of the environment, society and governance. Please also refer to the Corporate Governance Report in the Annual Report of 2016 for details of corporate governance of the Company.

As an inclusive financial institution committed to offering comprehensive financial services, we are deeply convinced that corporate social responsibility is closely linked with our business decision. By adhering to operation of sustainable development in economic, social and environmental aspects, we aim to safeguard investor’s interests and provide valuable service to the society.

In 2016, the Company conducted a comprehensive materiality assessment to identify the Company’s business impact at the economic, environmental and social levels and topics receiving attention from investors. We identified 11 important issues in this assessment, which have been stated in this report:

本報告為瀚華金控股份有限公司（於本報告提述為「**本公司**」；及連同其附屬公司「**本集團**」）（股份代碼：3903）的首份環境、社會及管治年度報告。本報告主要按照上市規則附錄二十七的《環境、社會及管治報告指引》進行編制。本報告涵蓋截至2016年12月31日止財務年度（「**報告期**」）的工作，除另有說明以外，覆蓋集團下屬各公司，旨在向本公司的股東概述本公司在環境、社會及管治方面的工作。有關本公司企業管治的詳情，也可參閱本公司2016年年度報告內的企業管治報告。

本公司作為一家致力提供綜合金融服務的普惠金融機構，我們深信企業社會責任與公司的業務決策息息相關。本公司堅持在經濟、社會及環境各範疇均以可持續發展的方式經營，保護投資者利益，向社會提供有價值的服務。

2016年，本公司進行了一項全面的重要性評估，以識別本公司的業務於經濟、環境及社會層面上的影響，以及投資者所關注的議題。此次評估，我們識別了以下11個重要性議題，並陳述於本報告內：

The Company’s matrix of importance in environment, society and governance
本公司在環境、社會及管治重要性的矩陣



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A. ENVIRONMENTAL PROTECTION

In compliance with regulations in The Environmental Protection Law of the People's Republic of China and The Securities and Futures and Companies Legislation (Uncertified Securities Market Amendment) Ordinance 2015, the Company actively practices measures to improve environmental management while encouraging staff to reduce pollution and waste during work to minimize the impact of Company business as well as provided products and service on the environment.

As the Company operates mainly in office, it is committed to minimizing office work's impact on environment by means of environmental protection measures in offices, including:

- Encouraging staff to save paper, adopt duplex printing, reuse single-sided printing documents as much as possible, apply waste paper of print error for reimbursement paper and reduce paper consumption as much as possible.
- Using LED and reduce energy consumption resulted from lighting; setting different on-off time for roof advertisement according to differences in summer and winter; uniformly make technical treatment for wintertime and summertime opening time and temperature setting; requesting staff to turn off air conditioners and lights when leaving if offices or meeting rooms are not occupied to minimize electrical energy consumption and emission of greenhouse gas.
- Trying to arrange telephone conference instead of face-to-face meeting. The Company's institutions are all over China, so lots of meetings and staff trainings are requested in work; the form of telephone conference effectively reduces site layout due to face-to-face meeting as well as transportation and accommodation for off-site staff.

A. 環境保護

本公司遵守《中華人民共和國環境保護法》、《2015年證券及期貨及公司法例（無紙證券市場修訂）條例》等法律法規的規定，積極推行改善環境管理的措施，同時鼓勵本公司員工減少辦公時產生的污染和浪費，盡量降低公司業務及所提供產品及服務對環境的影響。

本公司以辦公室運作為主，因此本公司致力通過辦公室內的環保措施，盡量減少因辦公對環境的影響，其中有：

- 鼓勵員工節約用紙，採用雙面打印，盡可能地重複使用單面打印的文件，報銷用紙一律使用打印錯誤的廢紙，盡量減少紙張消耗。
- 採用節能燈管，減少照明造成的能源消耗；屋頂廣告根據冬季夏季不同季節設置不同開關時間；對冬季和夏季空調開啟時間、設置溫度統一做技術處理；當辦公區域或會議室等空間閒置時，會要求員工離開時關掉空調和燈，盡量減少對電力資源的消耗，減少溫室氣體的排放。
- 盡量安排電話會議代替面談。本公司機構遍佈全國各地，因工作的需要會產生大量的會議及員工培訓，以電話會議的形式有效減少了因面談所產生的會場佈置，以及異地員工參會的交通、食宿等消耗。

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- Advocating food conservation and halt to wastage, appointing special people to supervise staff dining in canteen and adopting proper punishing measures on those wasting food.

At the same time of endeavoring to implement the above environmental protection measures, the Company actively promotes Office Automation (OA) and realizes the launch of OA system in 2016 in order to regulate Company's fundamental management procedures, assisting in cutting Company cost, greatly reducing office procedures and office time while saving office supplies of paper and pens as well as reducing time cost and financial cost for the Company. On the other hand, the system facilitates communication between staff and superiors, smoothes information feedback and emphasizes its advantage under the condition of lots of branch offices all over China, thus providing a stage for staff to elaborate their wisdom and initiative.

As at 31 December, 2016, the Company's major environmental data (covering Chongqing Headquarters region, not including other branches in Mainland China and institutions in Hong Kong region) are as follows:

(Important Issue 1)	Total Volume of Sewage Discharge	12,941.7m ³
(Important Issue 2)	Total Volume of Solid Waste Discharge	400 m ³
(Important Issue 3)	Electricity Consumption	1,149.445 kilowatt/hour
	Water Consumption	12,941.7m ³
	Office Paper Consumption	2.1315 tons

Notes: Company's sewage emission volume equals to the water volume shown in the received water fee bill.

Because of the Company's business property, the Company is not aware of any major production of harmful wastes.

- 公司提倡節約糧食，杜絕浪費，專人監督員工食堂用餐，對浪費食物的員工採取適度的處罰措施。

在大力施行上述環保措施的同時，公司積極推進辦公自動化，2016年實現OA系統上線，規範公司的基礎管理流程，助力公司減少成本，大大減少了辦公程序和辦公時間，同時還節省了紙張、筆等辦公用品，為企業節省了時間成本和金錢成本。另一方面，系統使員工與上級溝通更方便，信息反饋更順暢，在本公司全國佈局、異地分支機構眾多的情況下，更能體現優勢，為發揮員工智慧和積極性提供了舞台。

截至2016年12月31日，本公司主要環境數據（涵蓋重慶總部地區，不包括中國內地其他分支機構及香港地區機構）如下：

(重要性議題1)	污水排放總量	12941.7m ³
(重要性議題2)	固體廢棄物排放總量	400 m ³
(重要性議題3)	耗電量	1149.445 千瓦時
	用水量	12941.7m ³
	辦公用紙消耗量	2.1315噸

註：公司污水排放總量等同收到的水費單所顯示的用水量。

由於本公司業務性質，公司並不知悉有任何有害廢物的重大產生。

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The Company will continue to devote itself to implementing measures of energy saving, wastes recycle and reuse as well as office automation while actively practicing other environmental protection measures.

B. SOCIETY

The Company values talents and has been devoted to absorbing and retaining the best talents for its own sustainable growth. By way of valuing and treating staff as equals, safeguarding their rights and offering them opportunities of training and development, the Company gives the full and best play to them.

1. Employment and Work Routine:

(1) Employment: (Important Issue 4)

As at 31 December 2016, the Company had employed 1,874 staff in Chongqing headquarters, Hong Kong and all subsidiaries in Mainland China.

Region distribution:

Region Distribution	
Region	Percentage
Hong Kong	0.2%
Mainland China	99.8%
In total	100%

Age distribution:

Age Distribution	
Age	Percentage
20-29	36.0%
30-39	52.9%
40-49	9.7%
≥50	1.4%
In total	100.0%

本公司將繼續致力執行前述節約能源、廢物循環利用、辦公自動化的措施，同時亦會積極研究推行其他環保措施。

B. 社會

本公司重視人才，一直致力為公司的可持續增長吸收並保留最佳人才。公司重視平等對待員工，保障員工權利，為員工提供培訓及發展機會，讓員工發揮最出色的表現。

1. 僱傭及勞動常規：

(1) 僱傭：(重要性議題4)

於2016年12月31日，本公司共僱傭1,874名職員，於重慶總部、香港及中國內地各分公司任職。

地區分佈：

地區分佈	
地區	百分比
香港	0.2%
中國內地	99.8%
合計	100%

年齡分佈：

年齡分佈	
年齡	百分比
20-29	36.0%
30-39	52.9%
40-49	9.7%
≥50	1.4%
總計	100.0%

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In strict compliance with laws and regulations of The Labor Law of the People's Republic of China, The Labor Contract Law of the People's Republic of China, The Law of Safeguarding Women's Interests and Rights of the People's Republic of China and Employment Ordinance practiced in Hong Kong, China, the Company upholds the principle of equality between genders and employs women employees who take up about 44% of the total number of staff. The Company treats employees equally and has never influenced their recruitment, treatment, promotion, etc. because of their nation, race, nationality, religion, age, sexual orientation, political party, marital status and other social identities.

The Company has strictly complying with national and regional laws and regulations during recruitment activity, equally treating each candidate and has never influenced his/her employment due to his/her nation, race, nationality, gender, religious belief, age, sex orientation, political party, marital status and other social identities. The establishment of labor relations has all been based on legality, fairness and equal negotiation.

When terminating labor relations, the Company has strictly executing related national and local regulations. For resignation requested by employees, the Company negotiates with employees and respects their decision, and proceeds with labor contract termination, labor contract termination upon negotiation, dismissal and other procedures in accordance with regulations. For discharge resulting from employee violating laws, regulations and discipline, the Company implements the discharge within the scope allowed by laws and regulations while referring to regulations stipulated in the "Employee Manual".

本公司嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國婦女權益保障法》、中國香港地區《僱傭條例》等法律法規，堅持兩性平等原則，女性約佔整體員工的44%。本公司平等對待員工，不因員工的民族、種族、國籍、宗教信仰、年齡、性取向、政治派別、婚姻狀況等社會身份而影響其錄用、待遇、晉陞等。

本公司在招聘活動中嚴格遵從國家、地區法律法規，平等對待每一位候選人，不因其民族、種族、國籍、性別、宗教、年齡、性取向、政治派別、婚姻狀況等社會身份而影響其錄用。在建立勞動關係時，均是建立在合法、公平、平等協商的基礎之上。

本公司在解除勞動關係的行動中，嚴格執行國家及地方相關規定。員工主動提出離職的，與員工平等協商，尊重員工決定，依照法規要求辦理勞動合同終止、協商解除勞動合同、辭退等手續。因員工違法違規違紀等原因導致的解雇，均在法律法規允許範圍內，並參照本公司《員工手冊》規定實施。

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In 2016, the Company made great efforts to establish “double channels” of professional order and management order, released “Tentative Method for Position and Rank Management” and “Tentative Method for Staff Promotion Management”, designed diversified promotion channels for staff to provide them with systematic guarantee and satisfied the development need of professional technique talents and management talents.

The Company has set up lawful, complying, objective and fair comprehensive salary system to guarantee that an employee’s salary matches with his/her contributed values. The Company fixes employee salary based on agreement with the employee upon equal negotiation, which is higher than the minimum salary standard regulated by laws in the local place, and offers performance salary according to employee’s performance. The Company invests human resources cost equal to its profit performance to ensure win-win and equality between company gains and staff interests.

The Company has improved its welfare system: we provide social insurance and housing accumulation fund to employees and provide them with social guaranteeing treatment according to laws; moreover, the Company offers integrated welfare projects: health check, commercial insurance, working years allowance, work lunch or subsidy, etc., and presents part of welfare projects to their families.

2016年，本公司著力打造專業序列和管理序列「雙通道」，發佈了《職務職級管理暫行辦法》和《員工晉陞晉級管理暫行辦法》，為員工制定了多樣化的晉陞通道提供製度保證，滿足專業技術型人才和管理人才的發展需求。

本公司建立有合法、合規、客觀、公平的全面薪酬體系，保障員工所獲得的薪酬與其貢獻的價值相匹配。員工的固定薪酬基於與員工本人平等協商而約定，且均高於當地法定最低工資標準，同時根據員工的績效表現發放績效薪酬。公司根據盈利表現投入與之對等的人力成本，確保公司收益與員工利益共贏、對等。

本公司建立有完善的福利體系：為員工辦理社會保險及住房公積金，員工依法享受社會保障待遇；此外，本公司為員工提供綜合化的福利項目：健康體檢、商業保險、司齡津貼、工作午餐或補貼等，部分福利項目將饋贈給員工家屬。

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(2) Health and Safety (Important Issue 5)

The Company has always attached importance to employee's occupational health and safety, so it complies with laws and regulations, including the "Labor Law of the People's Republic of China", "Labor Contract Law of the People's Republic of China" and "Implementation Regulations of Labor Contract Law of the People's Republic of China", establishes and maintains safe, healthy and humanistic office environment to guarantee employee's interests and rights.

In 2016, there was no work-related death or work-related injury of staff at the workplace.

According to requirements of national and regional governments, the Company practices a working hour system of no more than 8 working hours every day and no more than 40 hours every week. Meanwhile, based on the principle of staff work-life balance, we safeguard their reasonable holiday rights and interests and provide them with all kinds of vocations and holidays: public off-days, statutory holidays, annual leave, marital leave, maternity leave and paternity leave, nursing leave, funeral leave, sick leave, absence leave, work-related injury leave, etc.

(2) 健康與安全 (重要性議題5)

本公司一貫重視僱員職業健康及安全，遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國勞動合同法實施條例》等法律法規，建立並維持安全、健康、人性化的辦公環境，確保員工權益。

在2016年度，未發生因工作關係而死亡的案例；未發生在工作場所因工作原因致使員工受傷的案例。

根據國家及地區政府的要求，本公司實行每日工作時間不超過8小時、平均每週工作時間不超過40小時的工時制度。同時基於員工工作與生活平衡的原則，保障員工合理的休假權益，向員工提供各類假期：公休日、法定節假日、年休假、婚假、產假及陪产假、哺乳假、喪假、病假、事假、工傷假等。

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The Company highly values the construction and promotion of corporate culture, cares about employee's physical and psychological health and attaches increasing importance to enterprise's cultural accumulation as it develops and grows. Currently, the Company has upgraded its corporate culture to focus on "credibility, simplicity and sharing". In 2016, the Company's human resources head office elaborately planned and organized 8th March International Women's Day Aromatherapy Lecture, "Liver Caring Day" activity, Health Ambassador Selection, WeChat Health Knowledge Push, the Double Ninth Festival Photography Match and other activities of employee caring, culture and health. At the same time, all branches in China also conducted characteristic enterprise cultural activities based on actual needs.

At the 12th anniversary of the Company's establishment, the Labor Union, Human Resources Department and Brand Department as well as office formed a project team and jointly planned and organized seven large events, which were essay competition, blessings video collection and release, 12-day Online Team Running Match, Offline Running Match on 23rd July, brand all-round upgrading, etc. Moreover, on 28th July, with the issue of "Return to Zero and Make New Achievements Again", a letter to all staff by Chairman Zhang Guoxiang, all business groups and branches in China conducted simple yet grandeur anniversary celebration activities. This series of activities not only boosted the enterprise brand image but perfectly combined enterprise with life to enhance staff's happiness.

本公司高度重視企業文化的建設和宣貫，關心員工身心健康，隨著公司的不斷發展，越發重視企業的文化積澱。目前，企業已升級為以「信用、簡單、共享」為核心的企業文化。2016年度，本公司人力資源總部精心策劃並組織實施了三八節芳香療法講座、「護肝日」活動、健康大使選拔、微健康知識推送、重陽節攝影比賽等一系列員工關懷和文化健康活動。同時，全國各分支機構也結合實際情況開展了各具特色的企業文化活動。

在本公司成立十二週年之際，由工會、人力資源部及品牌部、辦公室組成項目組，共同策劃並舉辦了七項大型活動，分別是徵文賽、祝福視頻徵集與發佈、12天線上團隊樂跑賽、7月23日線下樂跑賽、品牌全面升級等，並在7月28日當天，伴隨著張國祥董事長致全員信—《歸零過去，再創新業》的發佈，全國各業務集團與分支機構舉行了簡約而隆重的紀念日慶典活動。這一系列活動不僅提升了企業的品牌形象，更是將企業與生活完美結合，增強員工的幸福感。

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(3) Development and Training (Important Issue 6)

As the exemplary model of inclusive finance in China, the Company highly values staff development and self transcendence while continuously improving staff's professional competitiveness and comprehensive quality. It has always been our belief that: staff is the very core "assets" of enterprise and talent training and development is the "driving force" to sustainable development.

In 2016, by adhering to the concept of "creating value for enterprise and facilitating staff development", the Company's training work closely considered the actual need of each business group's strategic development. As a result, it developed new training model with remarkable performance. The training work focused on business personnel ability improvement, management officer leadership improvement, new staff training, online learning system establishment and operation, etc., the overall training mechanism, system, platform and management mechanism has grown more sophisticated and mature. The past year of 2016 witnessed 531 training classes (including online and offline classes), 31,643 people receiving training and 2,039 days of training time, once again setting a new record of training coverage rate and per capita training hour. Meanwhile, the Company selected and sent over 30 people from key business functions and core management team to participate in cross-field/transnational exchange, go to international and domestic well-known colleges and institutions to further their study, covering strategy, reform, innovation, organization design, etc., so as to equip key talents with international outlook and cutting-edge information and skills.

(3) 發展與培訓： (重要性議題6)

作為普惠金融的中國樣本，本公司高度重視員工發展，自我超越，不斷提升員工的專業競爭力及綜合素養。我們一直相信：員工是企業最核心的「資本」，人才培養與發展是保持企業基業長青的「源動力」。

2016年，本公司培訓工作秉持「為企業創造價值，為員工發展賦能」的價值理念，貼近各業務集團戰略發展實際需求，模式創新，亮點顯著。重點聚焦業務人員的能力提升、管理幹部領導力提升、新員工培養、在線學習系統建設與運營等工作，整體培訓制度、體系、平台、管理機制等日趨成熟。全年共開培訓班數531（包含線上和線下），共培訓31,643人次，培訓時長2,039天，再一次刷新培訓覆蓋率及人均學時。同時，公司先後選派業務骨幹及核心管理團隊共30餘人，參與跨界／跨國交流學習、赴國內外知名院校和機構深造等，內容涉及戰略、變革、創新、組織設計等，培養具備國際視野，掌握前沿資訊和技能的關鍵人才。

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(4) Labor Code: (Important Issue 7)

The Company strictly complies with the “Law of the People’s Republic of China on the Prevention of Juvenile”, “Special Rules on the Labor Protection of Female Employees” and other laws and regulations, as well as the local labor code and ordinance where employees are located, including the “Implementation Regulations on the Labor Protection of Female Employees of Chongqing”, conforms to the national and regional regulations in recruitment and staff administration, treats all staff fairly and equally, applies no discrimination policy and never refuses to recruit infectious pathogen carriers out of their sickness. Before the establishment of employment relations, we ensure strict identity screening and have never had any case of hiring minors (child labor). The relations between the Company and employees is one featured fairness equality; whether or not working in the Company is allowed or forbidden by laws and the employee’s voluntary choice.

(4) 勞工準則： (重要性議題7)

本公司嚴格遵守《中華人民共和國未成年人保護法》、《女職工勞動保護特別規定》等法律法規及僱員所在地的勞工準則，如《重慶市女職工勞動保護實施辦法》，在人員招募、員工管理方面，遵從國家及地方規定，平等、公平對待所有員工，無歧視性政策，無以是傳染病原攜帶者為由拒絕錄用。在僱傭關係建立之前確保嚴格的身份篩查，無聘用未成年人（童工）的案例。公司與僱員之間是公平、對等的關係，是否在本公司工作取決於法律允許，以及僱員的自願選擇。

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2. Operation Practice

(1) Supply Chain Management (Important Issue 8)

The Company maintains cooperation relations with many suppliers who provide all kinds of goods, equipment, materials and services. Suppliers of the Company must responsibly operate business in compliance with our environment, society and governance principles.

In terms of office supplies procurement, the Company combines online and offline procurement, strictly controls process and chooses the best after adopting the principle of comparing different prices. The establishment of equal, harmonious, mutual-trust cooperation relations with suppliers can assist the Company in managing potential environmental and social risks and improving operation efficiency as well.

In 2016, the Company was not in the knowledge of any actual or potential major negative influence from any suppliers on commercial ethnics, environmental protection and labor measures.

2. 營運慣例

(1) 供應鏈管理 (重要性議題8)

本公司與多家供應商保持合作關係，為公司提供各式各樣的貨品、設備、材料及服務。本公司的供應商必須負責任地運營業務，遵循本公司的環境、社會及管治準則。

在公司採購辦公用品方面，採用線下和線上相結合的方法，嚴格把控流程，採取幾家比價原則，擇優錄用。與供應商建立平等、和諧、互信的良好合作關係，有助於本公司管理潛在的環境及社會風險，並提高營運效益。

2016年度，本公司並不知悉有任何供應商對商業道德、環境保護及勞工措施造成任何重大實際及潛在的負面影響。

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(2) Product Responsibility (Important Issue 9)

The Company is committed to providing outstanding customer experience and ensuring that the products and services by the Company are lawful, effective and safe.

Because of the business nature of the Company, the Company possesses lots of information about enterprises and individual customers and attaches great importance to protecting customer information security in compliance with the “Anti-Unfair Competition Law of the People’s Republic of China” and other Laws and regulations, by means of the following measures:

- a. Enhance customer’s self-protection awareness and avoid information revealing from the source. At the same time of business publication and processing, we properly conduct warning of information security so that customers clearly understand the harm of information security revealing, how to strengthen information protection, identify the authenticity of inductive information, know about information theft method and how to deal with information revealing, etc.; in this way, customers can build adequate precaution awareness to avoid individual information revealing in their daily life. For example, we adopt measures like: remind customers to take with them cancelled contracts, receipts and certificates printed with the Company’s seals and do not throw away so that people with ulterior motive will not have access to them and risk hazard will not form; for unapproved customer’s business application documents, we will return related documents from customers or timely destroy them upon their requirements.

(2) 產品責任 (重要性議題9)

本公司致力提供卓越的客戶體驗，確保公司提供的產品和服務合法、有效、安全。

由於公司業務性質，本公司瞭解大量企業和個人客戶信息，公司非常重視保護客戶信息安全，嚴格遵守《中華人民共和國反不正當競爭法》等法律法規，並通過如下措施進行保護：

- a. 提高客戶自身保護意識，從源頭上避免信息洩露。在進行業務宣傳、辦理的同時，做好信息安全的警示，使客戶明確瞭解信息安全洩露的危害、如何加強信息保護、明辨誘導信息真假、認識信息盜竊手段、一旦出現信息洩露如何處理等，使他們在日常生活中樹立足夠的防範意識，從而避免個人信息洩露。如：提示客戶將蓋有公司印章的作廢合同、票證帶走，不要隨意丟棄，防止被別有用心的人得到，造成風險隱患；客戶提交的業務申請資料，如何業務申請未通過，我司會應客戶的要求退回客戶提供的相關資料或者及時銷毀。

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- b. Strengthen internal management to formulate long-effect mechanism. On one hand, establish improved customer information management mechanism, clearly regulate the collection, utilization and storage management of customers' information and set limitation on operator's access to information and contents according to authorization and roles in the business system, for example: customer manager only has access to the related information of customers over whom he is authorized to manage; middle and back front personnel proceed with desensitization of related management information of no risk such as customer's phone number; properly keep customer individual data and forbid showing it to unrelated personnel randomly; particularly individual credit system, set up special position of credit search, one person for one position and record each borrowing track with regards to the borrowing authorization and scope strictly regulated in file borrowing and reading.
- c. Enhance position management, strictly identify positions involving customer information and secrets and forbid unrelated personnel contact the confidential information. Strictly regulate resigned staff's handing-over of files involving customer information and demand them to sign "Resigned Staff Confidentiality Promise Letter".
- b. 加強內部管理，形成長效機制。一方面建立完善客戶信息管理機制，對客戶信息的採集、使用、存儲的管理作出明確規定，在業務系統中分權限分角色限製作業人員可查詢信息內容，如：客戶經理只能查閱本人擁有管戶權的客戶的相關信息，對於中後台人員，客戶的手機號碼等非風險管理相關信息進行脫敏處理；妥善保管客戶個人資料，不得隨意給無關人員調閱，尤其是個人微信系統，設置微信查詢專崗，專人專用，對於檔案借閱規定嚴格的借閱權限和範圍，逐筆記錄借閱痕跡。
- c. 加強崗位管理，嚴格界定涉及客戶信息秘密的工作崗位，不讓無關人員接觸秘密信息。對離職員工涉及客戶信息的資料移交要嚴格規範，並要求離職員工簽訂《離崗人員保密承諾書》。

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d. Enhance monitoring and accountability, conduct irregular review on the standardization of customer file keeping and reading as well as detect and rectify hazards and loopholes in customer information management work without delay. Any “inside men” acquisition of customer information and file illegally and selling individual information to lawbreakers will be severely punished and reported to judicial authority once detected (according to the Amendment to the Criminal Law of the People’s Republic of China (VII), any revealing or illegally selling individual information and files by internal employees in finance and other industries shall be sentenced to imprisonment or penalty). Practically eliminate the phenomenon of non-compliance with regulation and continuity of prohibited misconduct so as to block loopholes of leakage of confidential information by means of monitoring and accountability.

e. Strengthen customers information security and confidentiality management with technological approach.

First, management of confidential computers and confidentiality revealing information system. Confidential information must be stored and treated in computers or information system. Confidential computers shall be registered for record and labeled while confidentiality revealing information system shall meet the requirement of different level protection, both of which are strictly forbidden to connect the Internet and other public information networks.

d. 強化監督問責，對客戶資料保管和調閱是否規範進行不定期檢查，及時發現和糾正客戶信息管理工作中的隱患和漏洞。如發現「內鬼」非法取得客戶信息資料，向不法分子出售個人信息時進行嚴肅處理，同時向司法機關報案（《中華人民共和國刑法修正案（七）》中規定有金融等行業內部工作人員洩露、或非法出售個人信息資料的，可判處有期徒刑和罰款）。通過監督問責，切實杜絕有章不循、有禁不止的現象，堵塞洩密漏洞。

e. 通過科技手段強化客戶信息安全保密管理。

其一，涉密計算機和洩密信息系統管理。涉密信息必須在涉密計算機或涉密信息系統中存儲和處理。涉密計算機應當登記備案並進行標示，涉密信息系統應當符合分級保護要求，涉密計算機和涉密信息系統嚴禁接入互聯網及其他公共信息網絡。

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Second, medium use and keeping. Confidential mobile storage medium storing confidential information must not be used in non-confidential computers or non-confidential systems; use of non-confidential mobile storage medium to store and treat confidential information is forbidden; If no protective measures complying with requirements are taken, it is strictly prohibited to exchange information between secret involving computers or secret involving information systems and the internet or other public information networks. Connecting mobile and individual's medium or electronic device with storage function to confidential computers or confidential information system is strictly prohibited.

Third, we have established internal network, external network and non-military region segregation on the Internet level of business system by means of security devices so as to realize secure and controllable visit of the Internet; we also have set up intrusion inspection, loophole screening and log auditing on the application level to ensure stable operation of each system and avoid customer's information being lost and changed while establishing improved information security system to ensure that the daily customer behavior is secure and compliant.

其二，介質使用和保管。存儲涉密信息的涉密移動存儲介質不得在非涉密計算機上或非涉密信息系統中使用；不得使用非涉密移動存儲介質存儲、處理涉密信息；嚴禁在未採取符合要求的防護措施的情況下，在涉密計算機或涉密信息系統與互聯網及其他公共信息網絡之間進行信息交換；嚴禁將手機及個人具有存儲功能的介質或電子設備接入涉密計算機或涉密信息系統中。

其三，在業務系統網絡層上通過安全設備建立了內網、外網、非軍事化區隔離，實現網絡的安全可控訪問，應用層建立了入侵檢測、漏洞掃描、日誌審計，確保各系統的穩定運行，防止客戶信息丟失、篡改，同時建立了完善的信息安全制度，確保日常用戶行為的安全合規。

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In 2016, the Company was not in the knowledge of any violation of regulation, rule and voluntary rules including but not limited to products and services, market promotion (including advertisements, promotion and sponsorship) and property rights (including intellectual property rights) in terms of providing and using the Company's products and services or any event of significant influence on the Company.

In 2016, the Company timely revealed information regarding related products and services, group strategy, investment and consultancy, etc. on Internet and WeChat public account. The public opinion monitoring of mainland media and research on targeted markets by the Company shows positive attitude and feedback to us.

(3) Corporate Governance and Anti-corruption (Important Issue 10)

The Company strictly complies with laws and regulations including the "Company Law of the People's Republic of China" and the Hong Kong Companies Ordinance. It is committed to maintaining high-level corporate governance, makes decision and deployment through each professional committee and related professional committees and special work teams under operation level and establishes related mechanism and system centering around human resources management, financial resources management, technological resource management, information resource management, enterprise cultural building and risk control system with the aim of formulating common behavioral guidance for staff, giving instructions on daily work performance and meeting the requirement of safety, efficiency, green and harmony of enterprise operation in aspects of system, resources and personnel. Please refer to the Corporate Governance Report in the Annual Report of 2016 of the Company for details of our corporate governance.

2016年，本公司並不知悉有任何違反有關提供及使用公司產品和服務方面的規例及自願守則包括但不限於產品和服務、市場推廣（包括廣告、推銷及贊助）及產權（包括知識產權）並對本公司有重大影響的事件。

2016年，本公司在互聯網站、微信公眾號及時披露有關產品服務、集團戰略、投資諮詢等的相關訊息。根據公司對大陸媒體的輿情監測和對目標市場的調查，均對本公司持有正面積極的態度和反饋。

(3) 企業管治、反貪污 (重要性議題10)

本公司嚴格遵守《中華人民共和國公司法》、香港《公司條例》等法律法規，致力維持高水平的企業管治，公司通過董事會下設的各專業委員會以及公司經營層下設的有關專業委員會及專項工作小組，進行決策部署，圍繞著人力資源管理、財務資源管理、科技資源管理、信息資源管理、企業文化建設和風險控制體系等建立了相關的制度體系，以便形成員工共同的行為指引，指導日常工作開展，在制度、資源和人員上保障企業運營滿足安全、高效、綠色、和諧的要求。有關本公司企業管治的詳情，請參閱本公司2016年年度報告內的企業管治報告。

Environmental, Social and Governance Report

環境社會及管治報告

The Company adopts zero tolerance principle in anti-corruption and vocational ethics constraint, formulates related regulations and decision procedures and strictly standardize employee's behavior by providing vocational ethics training and signing "Integrity Building Promise Letter" with them when they are on board.

During the Reporting Period, the Company has not incurred any lawsuit regarding the Company or staff embezzlement and corruption.

3. Community (Important Issue 11)

Since establishment, the Company has regarded SMEs and disadvantaged groups as service objectives, stayed committed to public welfare activities, performed corporate social responsibilities and made great contribution in aspects of alleviating disasters, helping the disabled and elderly and supporting education, which is to say, we assist others with action and promote the spreading of positive energy in the society with our own efforts.

In the beginning of 2016, in order to make families in poverty-stricken region to feel social caring in winter and help children there have a warm winter, the Company carried our public interest donation activity themed "Old Clothes with Deep Affection", with each business group and branch donating 3,643 clothes to 19 receiver institutions.

本公司在反貪腐及職業道德約束方面採取零容忍原則，並制定了相關規範及決策程序，員工在入職時進行職業道德培訓並簽署《廉政建設承諾書》對行為進行嚴格規範。

本公司在報告期內並沒有任何關於本公司或員工貪腐方面的法律訴訟。

3、社區（重要性議題11）

本公司自成立之日起，便將中小企業以及弱勢人群作為服務對象，並極力投身公益行動，履行企業社會責任，多次在災難救助、助殘扶老、支持教育等方面積極貢獻力量，用行動來幫助他人，以身作則促進社會正能量的傳播。

2016年年初，為了讓貧困地區家庭在冬日感受社會關愛，讓貧困山區孩子們過個溫暖冬天，本公司開展「衣舊情深」主題公益捐贈活動，各業務集團與分支機構齊力對19個受捐機構捐贈衣物3,643件。

Environmental, Social and Governance Report

環境社會及管治報告

We have actively responded to the call of Chongqing Municipality Education Development Fund to participate in the “Dream Comes True in Golden Autumn”, an education assistance activity of Chongqing, by donating RMB100,000 to realize dreams of poverty-stricken new college students; moreover, in order to give each child a happy childhood, the Company donated 16,000 children’s wear to poverty-stricken and stay-at-home children in Zhong County, Fengdu County, Wulong County and other poor counties in Chongqing on Children’s Day of 2016.

In January 2017, in the 6th China Public Welfare Festival in Beijing, the Company Financial was awarded 2016 “China Public Welfare Practice Award” with its many years of continuous investment in social responsibility and public welfare project fields.

In the future, the Company will continue to explore an inclusive financial road featured its own characteristics, try our best to build a full brand inclusive financial institution and serve more groups with a heart of awe, craftsmanship and kindness.

本公司還積極響應重慶市教育發展基金會號召，參與重慶市「金秋圓夢」助學行動，捐贈人民幣10萬元幫扶貧困大學新生圓夢；為了讓每個小朋友都擁有快樂童年，2016年六一期間，本公司向重慶市忠縣、豐都縣、武隆縣等貧困縣的貧困留守兒童捐贈1.6萬件童裝。

2017年1月，在北京舉行的第六屆中國公益節上，本公司憑借多年來在社會責任及公益項目領域的持續投入，榮獲2016年度「中國公益踐行獎」。

未來，本公司將繼續探索自身特色的普惠金融之路，全力打造全牌照普惠金融機構，以敬畏之心、匠人之心、仁愛之心服務更廣大人群。

Report of the Board of Directors

董事會報告

REPORT OF DIRECTORS

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

CORPORATE INFORMATION AND GLOBAL OFFERING

The Company was incorporated in the PRC on 13 March 2013 as a company with limited liability. The Company's H-shares (the "Shares") were listed on the Stock Exchange on 19 June 2014.

PRINCIPAL ACTIVITIES

The scope of business of the Company as reflected on the business license includes investment business, investment management and investment advisory.

The Group mainly offers diversified and comprehensive financial services to serve the financing and business needs of SMEs and microenterprises under several business lines such as credit guarantee, small loans, internet finance, financial factoring, capital management and financing leases in China.

RESULTS

The results of the Group for the year ended 31 December 2016 are set out in the Consolidated Statement of Profit or Loss on page 225 of this report.

董事會報告

董事會謹此向股東提呈本集團截至2016年12月31日止年度報告以及經審核財務報表。

公司資料及全球發售

本公司是於2013年3月13日在中國註冊成立的股份有限公司。本公司的H股股份（「股份」）於2014年6月19日在聯交所上市。

主營業務

本公司營業執照之經營範圍為從事投資業務、投資管理及投資諮詢。

本集團主要透過信用擔保、小額貸款、互聯網金融、金融保理、資本管理及融資租賃等業務條線專注為中國的中小微企業提供多元化綜合性金融服務，以滿足中小微企業的融資及業務需要。

業績

本集團截至2016年12月31日止年度的業績載於本報告第225頁的合併損益表。

Report of the Board of Directors

董事會報告

BUSINESS REVIEW

A review of the business of the Group as at 31 December 2016 and a discussion on the Group's future business development are set out in the paragraphs headed "Business Overview" and "Prospects" under the section headed "Management Discussion and Analysis" of this report respectively. Descriptions of possible risks and uncertainties that the Group may be facing are provided in this Report of the Board of Directors on pages 184 to 185. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2016 can be found in this report of the Board of Directors on pages 186. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 7 to 13 of this report. In addition, discussions on the Group's environmental policies and performance, important relationships with its stakeholders and compliance with relevant laws and regulations are contained and available in this Report of the Board of Directors on page 193, page 153 and page 194, respectively. The above discussions constitute part of this report of the Board of Directors.

FINAL DIVIDEND

The Board recommended the dividend payment of RMB0.04 per Share (2015: RMB5 cents per Share) to the Shareholders with ratio of around 80%. It is expected that the dividend payment will be despatched to the Shareholders before 19 July 2017. The final dividend is subject to the approval of Shareholders at the forthcoming annual general meeting (the "AGM")

The final dividend is the final dividend for the financial year ended 31 December 2016, which is based on the Company's actual distributable profit as at 28 February 2017. The reason and details on the basis of its actual distributable profit as at 28 February 2017 are set out and available in the paragraph headed "Distributable Reserves" on page 180 of this report of the Board of Directors.

業務審視

本集團於截至2016年12月31日止年度之業務審視與對未來業務發展的論述分別載於本報告「管理層討論與分析」章節之業務綜述及前景展望段落，而有關本集團的主要風險和不確定性因素的描述，載於第184頁至第185頁之本董事會報告中。本董事會報告第186頁刊載了於2016年12月31日止財務年度終結後發生並對本集團有影響的重大事件。本報告第7頁至第13頁則刊載本集團財務概要，以財務關鍵表現指標分析本集團年內表現。此外，關於本集團的環境政策和表現、與利益相關者的重要關係及對有關法律和法規之遵守情況，分別刊於第193頁、第153頁及第194頁之本董事會報告中，可供查閱。以上討論構成本董事會報告的一部份。

末期股息

董事會建議向股東派付末期股息每股人民幣0.04元（2015年：人民幣每股0.05元），分派比率約為80%，預計末期股息將約於2017年7月19日前發送給股東。末期股息派發方案尚待股東年會（「股東年會」）批准後確定如何派付。

該末期股息為截至2016年12月31日止財務年度的末期股息，以本公司於2017年2月28日實際可分配利潤為基礎。有關其以2017年2月28日實際可分配利潤為基礎之原因和詳情載列於第180頁之本董事會報告「可分配儲備金」段落，可供查閱。

Report of the Board of Directors

董事會報告

TAX RELIEF (H SHAREHOLDERS)

Non-resident enterprise Shareholders

According to the Enterprise Income Tax Law of the PRC, effective on 1 January 2008, and other related provision of implementation, the Company shall withhold the enterprise income tax at the rate of 10% for non-resident enterprise, Shareholders whose name appear on the register of H Shareholders.

Non-resident individual Shareholders

Pursuant to the Circular (Guo Shui Han No. [2011] 348) issued by the State Administration of Taxation of the PRC, the Company shall withhold and pay the non-resident personal income tax for the non-resident H shareholders. Non-resident individual Shareholders are entitled to enjoy relevant preferential tax treatment provided that the countries in which they reside in have entered into double taxation treaties with the PRC and there are relevant provisions of taxation arrangement between China and Hong Kong and Macau.

Where the countries in which non-resident individual H Shareholders reside have entered into taxation treaties with the PRC and the tax rates stipulated therein are lower than 10%, the Company will apply on behalf of these individual Shareholders to seek entitlement of relevant treatment under the taxation treaties according to the requirements of the Administrative Measures for Non-resident Taxpayers to Benefit from the Taxation Treaties (No. 60 of the Announcement of the State Administration of Taxation for 2015.

For Hong Kong residents, Macau residents and non-resident individual H Shareholders who are residents of the countries or regions that have entered into taxation treaties with the PRC with the tax rate stipulated at 10%, the Company shall withhold the personal income tax at the rate of 10%.

稅項減免 (H股股東)

非居民企業股東

根據2008年1月1日生效的《中華人民共和國企業所得稅法》與相關實施條例，對名列H股股東名冊的非居民企業股東，本公司須按10%的稅率代扣代繳企業所得稅。

非居民個人股東

根據中國國家稅務局國稅函[2011]348號檔，本公司須為非居民H股個人股東代扣代繳非居民個人所得稅，根據非居民H股個人股東所屬國家與中國簽署的稅收協議及中國、香港及澳門間稅收安排的規定，享受相關稅收優惠。

對與中國訂立低於10%稅率的協議國家的非居民H股個人股東，本公司按照《非居民納稅人享受稅收協定待遇管理辦法》（國家稅務總局公告2015年第60號的規定，代為辦理享受有關協議待遇的申請。

對香港居民、澳門居民及其他與中國訂立10%稅率協議的國家和地區的非居民H股個人股東，本公司按10%稅率代扣代繳個人所得稅。

Report of the Board of Directors

董事會報告

For those non-residential individual H Shareholders who are residents of the countries or regions that have entered into taxation treaties with the PRC stipulating tax rates higher than 10% but lower than 20%, the Company shall withhold the personal income tax at the applicable tax rates stipulated in the relevant taxation treaties.

For those non-residential individual H Shareholders who are residents of the countries or regions that have entered into taxation treaties with the PRC stipulating tax rate at 20%, who are residents of the countries or regions that have not entered into any taxation treaties, or otherwise, the Company shall withhold the personal income tax at the rate of 20%.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years are set out on page 7 of this report. This summary does not form part of the audited consolidated financial statements.

USE OF PROCEEDS FROM LISTING

The estimated net proceeds from initial public offering along with the partial exercise of the over-allotment options amounted to approximately RMB1,438.6 million, which were applied in the manners set out in the prospectus of the Company dated 3 June 2014, of which approximately 70% of the funds were used to increase the capital base of our micro and small loan business, approximately 20% were used to increase the capital base of our credit guarantee business and approximately 10% were used for product development and working capital for the year ended 31 December 2016.

對與中國訂立高於10%但低於20%稅率的協議國家的非居民H股個人股東，本公司按協議實際稅率扣繳個人所得稅。

對與中國訂立20%稅率的國家、與中國沒有稅收協議的國家及其他情況的非居民H股個人股東，本公司按20%稅率代扣代繳個人所得稅。

財務概要

本集團過往五個財政年度的業績、資產及負債的概要載於本報告第7頁。本概要並不構成經審核綜合財務報表的一部份。

上市所得資金使用情況

本公司來自首次公開招股連同部份行使超額配股權的估計所得款項淨額合共約為人民幣1,438.6百萬元。以本公司日期為2014年6月3日的招股章程所披露的方式動用，其中，截至2016年12月31日止年度，本公司已動用約70%的資金增加小微貸款業務的資本基礎，已動用約20%的資金增加信用擔保業務的資本基礎及約10%的資金用作產品開發及營運資金。

Report of the Board of Directors

董事會報告

MAJOR BANKING PARTNERS/SUPPLIERS

The five major banking partners of the Group each provided 54.8% of the bank financing we guaranteed. The largest banking partner accounted for 18.5% of the total financing the Group guaranteed.

Due to the Group's business nature, the Group does not have major suppliers.

MAJOR CUSTOMERS

Our customers primarily include SMEs, micro-enterprises and individuals. For the year ended 31 December 2016, revenue derived from our five largest customers accounted for less than 30% of our total net fee and interest income.

None of the Directors or any of their close associates or any Shareholders (who, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2016 are set out in note 20 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2016 are set out on pages 225 to 226 of the "Consolidated Statement of Changes in Equity" in the financial statements in this report.

主要合作銀行／供貨商

本集團的五大合作銀行分別提供由我們擔保的銀行融資為54.8%，最大合作銀行提供由本集團擔保的融資總額為18.5%。

基於本集團的業務性質，本集團並無主要供貨商。

主要客戶

本集團客戶主要包括中小微企業及個人客戶。於截至2016年12月31日止年度，源自五大客戶的收入佔總手續費及利息淨收入的比例低於30%。

概無董事或彼等任何的緊密聯繫人或（據董事所知）任何擁有本公司已發行股本5%以上的權益的股東於本集團五大客戶擁有任何權益。

物業，廠房及設備

截至2016年12月31日止年度內，本公司及本集團的物業、廠房及設備變動詳情載於財務報表附註20。

股本

截至2016年12月31日止年度內，本公司股本的變動詳情載於本報告第225頁至226頁的財務報表之「合併股東權益變動表」。

Report of the Board of Directors

董事會報告

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out on pages 225 to 226 in the “Consolidated Statement of Changes in Equity” of this report and in note 33 to the financial statements.

DISTRIBUTABLE RESERVES

As a holding company, the Company's actual profit is generated from the dividend of its subsidiaries. Due to the time needed for the preparation of financial statements by the subsidiaries, the actual distributable profit for 2016 was unable to be distributed to the Company before 31 December 2016, the balance of the actual distributable profit of the Company as at 31 December 2016 was negative. The subsidiaries have distributed their profit for 2016 and undistributed profit for the previous years in January to February 2017, respectively.

According to actual conditions of the Company and its needs arising from its coordinated sustainable development in the future, the Board recommended to distribute the final dividend for the financial year ended 31 December 2016 to the Shareholders based on the actual distributable profit as at 28 February 2017.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2016 are set out in note 25 to the financial statements.

儲備

本年度內本集團及本公司的儲備變動詳情載於本報告第225頁至226頁的合併股東權益變動表，以及財務報表附註33。

可分配儲備金

由於本公司屬於控股型公司，其實際利潤主要來源於附屬公司的分紅。由於各附屬公司財務報表編製所需時間的緣故，無法將2016年度實際可分配利潤於2016年12月31日之前分配予本公司，截止2016年12月31日本公司實際可分配的利潤餘額為負數。各附屬公司已於2017年1至2月分別對2016年度利潤及以往年度未分配利潤進行分配。

根據本公司實際狀況和未來可持續協調發展的需求，董事會建議以於2017年2月28日實際可分配利潤為基礎向股東分配截至2016年12月31日止財務年度的末期股息。

銀行貸款及其他借款

於2016年12月31日，本公司及本集團的銀行貸款及其他借款的詳情載於財務報表附註25。

DEBENTURES ISSUED

On 8 December 2014, the resolution on the public issue of domestic corporate bonds in the PRC with an aggregate principal amount of not exceeding RMB3.0 billion, and the authorization to handle the matters in relation to it were considered and approved at the fourth extraordinary general meeting in 2014. After deduction of issue expenses, the Company intends to apply the proceeds from the issue of the domestic corporate bonds to provide entrusted loans to the subsidiaries, repay borrowings from financial institutions and replenish the working capital of the Company, which improve the capital structure of the Company.

The details of the fourth extraordinary general meeting in 2014 were disclosed in the circular, notice, supplemental notice and announcement on the voting results dated 22 October 2014, 21 November 2014 and 8 December 2014 respectively.

On 10 June 2015, the Company commenced the issuance of the first tranche of corporate bonds of an aggregate amount of RMB1.5 billion (the **“First Tranche of Bonds”**) on the Shanghai Stock Exchange with a term of five years from the date of issuance. The First Tranche of Bonds was issued to both online public investors and offline institutional investors and was completed on 12 June 2015. The pre-determined issuance size for online public investors accounted for 2% of the total issue size of the First Tranche of Bonds, i.e. RMB0.03 billion, and actual issue size was RMB0.002753 billion, accounting for 0.18% of the total issue size of the First Tranche of Bonds; the pre-determined issuance size for offline institutional investors accounted for 98% of the total issue size of the First Tranche of Bonds, i.e. RMB1.47 billion and the actual issue size was RMB1.497247 billion, accounting for 99.82% of the total issue size of the First Tranche of Bonds. The coupon rate was 6.10%. On 7 July 2015, the First Tranche of Bonds were listed for trading on the Shanghai Stock Exchange. The First Tranche of Bonds, being approved by the China Securities Regulatory Commission, are first of its kind in public issuance conducted by a small loan company in the PRC, which provided a strong support to the business development of the Company.

已發行的債權證

於2014年12月8日，本公司2014年第四次臨時股東大會審議通過了本公司在中國境內公開發行本金總額不超過人民幣30億元的公司債券及授權辦理相關事宜的議案。發行境內公司債券乃旨在讓本公司得以籌集資金。在扣除發行費用後，本公司擬將發行境內公司債券所得款項用於本公司對附屬公司的委託貸款、償還金融機構借款及補充公司營運資金，從而改善本公司的資本結構。

有關2014年第四次臨時股東大會詳情已載於本公司日期分別為2014年10月22日、2014年11月21日及2014年12月8日的通函、通告及補充通告以及投票結果公告。

於2015年6月10日，本公司首期總額為人民幣15億元的公司債券（「**首期債券**」）在上海證券交易所發行，年期為由發行日期起計為期五年，採取網上面向社會公眾投資者公開發行與網下面向機構投資者協議發行相結合的方式進行；於2015年6月12日，首期債券發行工作結束，網上面向社會公眾投資者預設發行數量佔首期債券發行規模的比例為2%，即人民幣0.30億元，網上實際發行數量為人民幣0.02753億元，佔首期債券發行總量的0.18%；網下面向機構投資者預設發行數量佔首期債券發行規模的比例為98%，即人民幣14.70億元，網下實際發行數量為人民幣14.97247億元，佔首期債券發行總量的99.82%，票面利率為6.10%；於2015年7月7日，首期債券在上海證券交易所掛牌上市交易。首期債券經中國證券監督管理委員會核准，是至今國內擔保小貸類公司債券的首次公開發行，為本公司業務發展提供了有力支持。

Report of the Board of Directors

董事會報告

The details of the First Tranche of Bonds were disclosed in the issuance announcement, the coupon rate announcement, the issuance results announcement and the listing announcement dated 8 June 2015, 9 June 2015, 12 June 2015 and 7 July 2015, respectively.

On 3 November 2015, the Company commenced the issuance of the second tranche of corporate bonds of an aggregate amount of RMB0.9 billion (the “**Second Tranche of Bonds**”) on the Shanghai Stock Exchange with a term of four years from the date of issuance. The Second Tranche of Bonds was issued to both online public investors and offline institutional investors and was completed on 5 November 2015. The pre-determined issuance size for online public investors accounted for 1.111111% of the total issue size of the Second Tranche of Bonds, i.e. RMB0.01 billion, and actual issue size was RMB0.00065 billion, accounting for 0.000722% of the total issue size of the Second Tranche of Bonds; the pre-determined issuance size for offline institutional investors accounted for 98.888889% of the total issue size of the Second Tranche of Bonds, i.e. RMB0.89 billion and the actual issue size was RMB0.89935 billion, accounting for 0.999278% of the total issue size of the Second Tranche of Bonds. The coupon rate was 5.60%. On 2 December 2015, the Second Tranche of Bonds were listed for trading on the Shanghai Stock Exchange.

The details of the Second Tranche of Bonds were disclosed in the issuance announcement, the coupon rate announcement, the issuance results announcement and the listing announcement dated 30 October 2015, 3 November 2015, 6 November 2015 and 1 December 2015, respectively.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2016, the Company did not enter into any equity-linked agreements.

有關首期債券詳情已載於本公司日期分別為2015年6月8日、2015年6月9日、2015年6月12日及2015年7月7日的發行公告、票面利率公告、發行結果公告及上市公告。

於2015年11月3日，本公司第二期總額為人民幣9億元的公司債券（「**第二期債券**」）在上海證券交易所發行，年期為由發行日期起計為期四年，採取網上面向社會公眾投資者公開發行與網下面向機構投資者協議發行相結合的方式進行；於2015年11月5日，第二期債券發行工作結束，網上面向社會公眾投資者預設發行數量佔第二期債券發行規模的比例為1.111111%，即人民幣0.1億元，網上實際發行數量為人民幣0.0065億元，佔第二期債券發行總量的0.000722%；網下面向機構投資者預設發行數量佔第二期債券發行規模的比例為98.888889%，即人民幣8.9億元，網下實際發行數量為人民幣8.9935億元，佔第二期債券發行總量的0.999278%，票面利率為5.60%；於2015年12月2日，第二期債券在上海證券交易所掛牌上市交易。

有關第二期債券詳情已載於本公司日期分別為2015年10月30日、2015年11月3日、2015年11月6日及2015年12月1日的發行公告、票面利率公告、發行結果公告及上市公告。

股票掛鈎協議

截至2016年12月31日止年度，本公司並無訂立任何股票掛鈎協議。

Report of the Board of Directors

董事會報告

DIRECTORS' AND SUPERVISORS' PERMITTED INDEMNITIES

At no time during the year ended 31 December 2016 and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors and the supervisors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company). The Company has arranged appropriate directors', supervisors' and officers' liability insurance coverage for the Directors, supervisors and officers of the Group.

SHARE INCENTIVE SCHEME

On 27 May 2015, the 2014 annual general meeting of the Company considered and approved the proposal on the grant of bonus in the form of shares in open market to the senior and middle to senior management of the Company under the share incentive scheme (the “**Scheme**”), a medium and long-term incentive scheme to increase in share by the senior and middle to senior management with incentive fund base of the portion of year-end performance-related remuneration of the participants.

The scope of participants includes the senior management and middle to senior management of the Company or its subsidiaries or branches upon the implementation of the Scheme. Independent non-executive Directors, supervisors and Shareholders holding 5% or more of the equity interests in the Company and their associates are excluded from the scope of participants under the Scheme. The list of participants and the proportion of allocation shall be determined by the Board or its authorised institution and reviewed by the supervisors of the Company. The source of shares of the Scheme is the issued public shares of the Company in the H shares market, and such shares are acquired through dealings in the open market. The source of funds is the incentive fund accumulated in the Company by the participants (comprised of the portion of year-end performance-related remuneration of the participants). Participants of the Scheme can elect to contribute 40% to 100% of their annual performance related remuneration to the share incentive fund and the total amount of funds under the Scheme during its validity period shall not exceed the total share incentive fund contributed by the participants.

董事及監事的獲准許彌償保證

於截至2016年12月31日年度內及直至本報告日期止任何時間，均未曾經或現有生效的任何獲准許的彌償條文惠及本公司的董事及監事（不論是否由本公司或其他訂立）或其有聯繫公司的任何董事及監事（如由本公司訂立）。本公司有為集團董事、監事及高級人員安排適當的董事、監事及高級人員責任保險。

高管增持股票計劃

於2015年5月27日，本公司2014年度股東年會審議批准了對本公司中高層管理人員通過公開市場獲得股票形式發放獎金的高管增持股票計劃（「**計劃**」）的議案，獎金基數為參與者的年終部份績效薪酬，實施中長期激勵約束機制。

該項計劃參與者範圍為實施計劃時在本公司或其附屬公司、分公司任職的本公司高級管理人員和中高層管理人員。獨立非執行董事、監事及持有本公司股權5%或以上的股東不在協議的參與者範圍內。參與者名單及分配比例由董事會或其授權部門釐定，並由本公司監事審閱。計劃下的股份來自本公司H股市場的已發行公開股份，有關股份通過公開市場買賣獲得。資金來源是參與者在本公司累積的獎勵基金（由參與者的年終部份績效薪酬構成）。計劃參與者可選擇向股份獎勵基金作出相對於其年度績效薪酬金40%至100%的供款，而於計劃有效期內的計劃資金總額不得超過參與者作出的全部股份獎勵基金供款。

Report of the Board of Directors

董事會報告

In 2015, the Scheme was gradually implemented in accordance with the relevant procedures. 5,738,623 H shares were acquired from the market.

As at the date of this report, the Scheme holds 5,340,076 shares of H shares of the company, part of the Scheme participants had sold a total of 398,547 H shares in July and August 2016.

RISK MANAGEMENT

Our risk management committee is the highest decision-making organisation on risk management, fully responsible for risk management of the Group. Our internal control departments including risk management and internal control and audit as well as other departments and business department form a system of pre-, during and post-incident risk management and internal control.

For the year ended 31 December 2016, the Company has identified our actual risks including credit risk, market risk, operational risk, liquidity risk, of which credit risk is our major risk. Besides, this report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

Credit Risk Management

In the light of the characteristics of credit risk, the Company shifted gradually the way of risk assessment from single business project to that on product and business model, and formulated admission criteria, investigation standard, credit standard, operation procedure, post-loan management and method of payment call for each product. The Company made amendment and improvement to policies and operation standard on admission and investigation of guarantee, loan, factoring and leasing, specific operation requirements and management requirement of post-guarantee and loan to ensure the suitability and feasibility of the policies.

於2015年，該項計劃按照相關程序逐步得到實施。按此，從公開市場購買了5,738,623股H股。

截至本報告日期，本計劃所持有的本公司H股股份為5,340,076股，部分計劃參與者於2016年7月、8月合計出售398,547H股。

風險管理

本公司風險管理委員會作為風險管理的最高決策機構，全面負責本集團的風險管理。本公司風險管理、內控審計等內部控制部門與其他職能部門、業務部門一起形成了覆蓋事前、事中和事後的風險管理與內部控制體系。

截至2016年12月31日止年度，公司已識別出所面臨的實質性風險包括信用風險、市場風險、操作風險、流動性風險，其中信用風險是公司面對的主要風險。此外，本報告不對任何人就投資本公司證券作出任何建議或意見。投資者在投資本公司證券之前，應自行判斷或諮詢投資顧問的意見。

信用風險管理

本公司針對信用風險的特點，從對單個業務項目的風險評估逐步向對產品、對業務模式的風險評估轉型，對每個產品制定了准入標準、調查標準、授信標準、操作流程、貸後管理和催收辦法，並在本年度對擔保、信貸、保理、租賃等業務的准入及調查方面、具體操作要求及貸後的管理要求等方面的政策和操作標準進行修改和完善，以確保其適用性和可操作性。

Report of the Board of Directors

董事會報告

Market Risk Management

The Company formulated price management measures on the difference between medium-sized business and small and micro business line according to the characteristics of market risk. For medium-sized business, the Company set the basic business fee through classification management of customers by business type after taking into consideration regional competition, size of single business, business cost and level of risk protection, and granted adjustable authorization to managers of various levels for marketing purpose.

Operational Risk Management

The Company prevented the operational risk from the origin through strict management of authorization and implementation of installation of two persons, dual position and double duties for key positions, and established a system of normalized check and reporting and feedback and improvement mechanism of risk incident, which effectively prevented the operational risk.

Liquidity Risk Management

“Liquidity safety” is the first management objective for our Planned Finance Department, which is responsible for overall management of our liquidity risk. Each subsidiary is required to compile a daily sheet of monetary liquidity to submit to the Planned Finance Department. Our Planned Finance Department flexibly adjusts the size and structure of the balance sheet by monitoring various liquidity risk limits and cash flow. This is to ensure to maintain sufficient cash reserve to meet liquidity needs in the short and long term and guarantee our liquidity safety.

市場風險管理

本公司針對市場風險的特點，分別就中型業務和小微業務條線的差異，制訂了價格管理辦法。在中型業務方面，從業務品種出發，通過對客戶的分級管理，考慮到地區的競爭程度、單筆業務規模、業務成本和風險保障程度等，制訂了基準的業務收費水平，並從營銷的角度賦予了不同層級管理人員的調整權限。

操作風險管理

本公司通過嚴格權限管理、實行重要崗位雙人、雙職、雙責等方法，從源頭上防範操作風險，同時建立了常態化的檢查及報告機制以及風險事件反饋改進機制，有效防範操作風險。

流動性風險管理

本公司計劃財務部以「流動性安全」為第一管理目標，負責統一管理全公司流動性風險，各附屬公司每日編製貨幣資金日報表上報計劃財務部。本公司計劃財務部通過監控各種流動性風險限額及現金流，動態調整資產負債總量和結構，確保維持足夠的現金儲備以應對短期及長期的流動性需求，從而保證全公司流動性安全。

Report of the Board of Directors

董事會報告

SUBSEQUENT EVENTS

Profit distribution

Based on the actual distributable profit as at 28 February 2017, the Board resolved to make a distribution of RMB0.04 per Share to the Shareholders. The distribution plan will be submitted for shareholders' consideration at the forthcoming AGM.

BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The first session of the Board comprised fifteen Directors, including two executive Directors, namely Mr. Zhang Guoxiang and Mr. Cui Weilan, eight non-executive Directors, namely Mr. Tu Jianhua, Mr. Duan Xiaohua, Ms. Liu Jiaoyang, Ms. Liu Tingrong, Ms. Wang Fangfei, Mr. Feng Yongxiang, Mr. Zhou Xinyu and Mr. Liu Bolin, and five independent non-executive Directors, namely Mr. Bai Qinxian, Mr. Deng Zhaoyu, Mr. Qian Shizheng, Mr. Ng Leung Sing and Mr. Yuan Xiaobin.

As the term of office of the first session of the Board expired on 12 March 2016, the second session of the Board was elected in the extraordinary general meeting held on 3 March 2016. The appointment of the second session of the Board became effective on 13 March 2016.

The second session of the Board comprised a total of fifteen Directors, including three executive Directors, seven non-executive Directors and five independent non-executive Directors: the executive Directors are Mr. Zhang Guoxiang (Chairman), Mr. Wang Dayong (Vice Chairman) and Mr. Cui Weilan; the non-executive Directors are Mr. Tu Jianhua, Mr. Duan Xiaohua, Ms. Liu Jiaoyang, Ms. Liu Tingrong, Ms. Wang Fangfei, Mr. Feng Yongxiang and Mr. Liu Bolin; the independent non-executive Directors are Mr. Bai Qinxian, Mr. Deng Zhaoyu, Mr. Qian Shizheng, Mr. Ng Leung Sing and Mr. Yuan Xiaobin.

報告期後事項

利潤分配

經董事會決議，計劃以截至2017年2月28日實際可分配利潤為基礎，按照每股人民幣0.04元向股東進行分配。分配計劃將在即將舉行之股東年會提呈股東審議。

董事、監事及高級管理層

第一屆董事會由十五名董事組成，包括兩名執行董事，分別為張國祥先生及崔巍嵐先生，八名非執行董事，分別為涂建華先生、段曉華先生、劉驕楊女士、劉廷榮女士、王芳霏女士、馮永祥先生、周新宇先生及劉博霖先生，及五名獨立非執行董事，分別為白欽先先生、鄧昭雨先生、錢世政先生、吳亮星先生及袁小彬先生。

由於第一屆董事會之任期於2016年3月12日屆滿，第二屆董事會已於2016年3月3日召開的臨時股東大會選舉。第二屆董事會之任命已於2016年3月13日生效。

第二屆董事會由十五名董事組成，包括三名執行董事，七名非執行董事及五名獨立非執行董事：執行董事為張國祥先生（董事長）、王大勇先生（副董事長）及崔巍嵐先生；非執行董事為涂建華先生、段曉華先生、劉驕楊女士、劉廷榮女士、王芳霏女士、馮永祥先生及劉博霖先生；獨立非執行董事為白欽先先生、鄧昭雨先生、錢世政先生、吳亮星先生及袁小彬先生。

Report of the Board of Directors

董事會報告

The first session of the Board of Supervisors comprised three supervisors, including two Shareholder representative supervisors, namely Mr. Li Ruping and Mr. Zhou Daoxue, and one employee representative supervisor, Mr. Chen Zhonghua.

As the term of office of the first session of the Board of Supervisors expired on 12 March 2016, the second session of the Board of Supervisors was elected in the extraordinary general meeting held on 3 March 2016. The appointment of the second session of the Board of Supervisors became effective on 13 March 2016.

The second session of the Board of Supervisors comprised a total of three supervisors, including two Shareholder representative supervisors and one employee representative supervisor: the Shareholder representative supervisors are Mr. Li Ruping (Chairman) and Ms. Qin Yong, the employee representative supervisor is Mr. Chen Zhonghua.

Details of the Directors, Supervisors and senior management of the Group are set out in the section headed “Directors, Supervisors and Senior Management” of this report for the year ended 31 December 2016 and as at the date of this report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In accordance with Rule 3.13 of the Listing Rules, the Company has received the annual confirmation from each of the independent non-executive Directors in respect of their independence, and considered all of the independent non-executive Directors to be independent.

第一屆監事會由三名監事組成，包括兩位股東代表監事，分別為李如平先生及周道學先生，及一名職工代表監事陳中華先生。

由於第一屆監事會之任期於2016年3月12日屆滿，第二屆監事會已於2016年3月3日召開的臨時股東大會選舉。第二屆監事會之任命已於2016年3月13日生效。

第二屆監事會由三名監事組成，包括兩名股東代表監事及一名職工代表監事：股東代表監事為李如平先生（主席）及秦湧女士；職工代表監事為陳中華先生。

截至2016年12月31日止年度及截至本報告日期之董事、監事及高級管理層的詳細資料載於本報告「董事、監事及高級管理層」一節。

獨立非執行董事的獨立性確認

根據上市規則第3.13條，本公司已收到每名獨立非執行董事就其獨立性而作出的年度確認函，並認為全體獨立非執行董事均為獨立人士。

Report of the Board of Directors

董事會報告

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company on 17 February 2014 for a term of three years commencing from 19 June 2014 (the Listing Date of the Company), subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our articles of association and the applicable laws, rules or regulations.

Each independent non-executive Directors has signed a letter of appointment on 17 February 2014 for an initial term of three years commencing from 19 June 2014 (the Listing Date of the Company).

The newly-appointed Directors and supervisors entered into new appointment letters and service contract with the Company on 13 March 2016.

None of the Directors or the supervisors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS, TRANSACTIONS OR ARRANGEMENTS OF SIGNIFICANCE

None of the Directors or the supervisors or any entity connected with them has any material interest, either directly or indirectly, in any contract, transaction or arrangement of significance to the Group's business to which the Company, any of its holding companies, any of its subsidiaries, fellow subsidiaries was a party subsisted at the end of the year or at any time during the year ended 31 December 2016.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Except as disclosed in this report, during the year, none of the Directors, the controlling Shareholders of the Company and their respective associates (as defined in the Listing Rules) had an interest in a business which causes or may cause any significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

董事及監事服務合約

各執行董事及非執行董事已於2014年2月17日與本公司訂立服務合同，由2014年6月19日（即本公司上市日期）起計為期三年，惟可根據各份合同的條款予以終止。服務協議可根據公司章程及適用法例、規則或法規予以續訂。

各獨立非執行董事均已於2014年2月17日簽訂委任函，任期自2014年6月19日（即本公司上市日期）起計為期三年。

新委任董事及監事均已於2016年3月13日簽訂新委任函及服務合同。

概無董事及監事與本公司訂立本公司不可於一年內不付賠償（法定賠償除外）而終止的服務合約。

董事及監事於重大合約、交易或安排之權益

概無董事或監事或有關連的實體直接或間接於對本集團業務而言屬重大，及由本公司、其任何控股公司、其任何附屬公司或其同系附屬公司所訂立，並於本年底或於截至2016年12月31日止年度內仍然存續的任何合約、交易或安排中擁有重大權益。

董事於競爭業務的權益

年內除於本報告所披露者外，概無董事、本公司控股股東及彼等各自聯繫人士（定義見上市規則）於對本集團構成或可能構成任何重大競爭的業務中擁有任何權益或與本集團有或可能有任何其他利益衝突。

Report of the Board of Directors

董事會報告

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2016.

REMUNERATION POLICY

Under the remuneration policy of the Group, the Nomination and Remuneration Committee will consider factors such as salaries paid by comparable companies, tenure, commitment, responsibilities and performance (as the case may be) of our Directors, supervisors and the senior management, in assessing the amount of remuneration payable to our Directors, supervisors and the senior management.

The Company implemented the grant of bonus in the form of shares in open market to the senior and middle to senior management of the Company under the share incentive scheme, the details are set out on pages 183 of this report.

PENSION SCHEME

The Group is required to participate in pension schemes organised by the respective municipal governments of the PRC whereby the Group is required to pay annual contributions for the PRC based employees at certain rate of the standard wages determined by the relevant authorities in the PRC during the year. The Group has no other material obligation for payment of retirement benefits to the PRC based employees beyond the annual contributions described above. The details of the Group's retirement benefits scheme are set out in note 5 to the financial statements.

管理合同

截至2016年12月31日止年度，概無訂立或存在任何有關本公司全部或任何主要部份業務的管理及行政合同。

薪酬政策

根據本集團的薪酬政策，於評估應付予董事、監事及高級管理層的薪酬金額時，提名與薪酬委員會將要考慮的因素包括同類公司所支付的薪金、董事、監事及高級管理層的任期、投入度、職責及個人表現（視情況而定）等。

本公司實施中高層管理人員通過公開市場獲得股票形式發放獎金的高管增持股票計劃，詳情載於本報告第183頁。

退休金計劃

本集團須參與中國相關市政府組劃的養老保險計劃，當中本集團須每年為中國僱員繳付養老保險，養老保險按中國相關部門在本年按標準工資的若干比例繳納。除上述的養老保險外，在僱員退休福利方面本集團無其他重大責任。本集團退休金計劃之詳情載於財務報表附註5。

Report of the Board of Directors

董事會報告

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, supervisors and the five highest paid individuals are set out in note 7 and note 8 to the financial statements.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

Save as disclosed in the section headed “Directors, Supervisors and Senior Management” in this report, there was no change to any of the information required to be disclosed in relation to any Directors and supervisors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since 1 January 2016.

DIRECTORS’ AND SUPERVISORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or supervisors or any of their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right.

董事、監事及五位最高薪酬人士的薪酬

董事、監事及五位最高薪酬人士的薪酬詳情載於財務報表附註7和附註8。

董事及監事資料的變動

除本報告「董事、監事及高級管理層」一節所披露之外，自2016年1月1日起，任何須根據上市規則第13.51(2)條第(a)至(e)段及第(g)段予以披露董事及監事資料概無任何變動。

董事及監事收購股份或債券之權利

概無董事及監事或彼等各自之聯繫人獲本公司或其附屬公司授予權利或行使任何該等權利以收購本公司或任何其他法人團體之股份或債券。

Report of the Board of Directors

董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

5,738,623 H Shares were acquired in the open market under the Scheme (for which the Company paid HK\$6,697,620.82 in total including intermediate fees), and totally 398,547 H Shares were sold by a part of participants of the Scheme in July and August 2016. For the year ended 31 December 2016, there was no other purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries.

As of the date of this report, participants of the Share Incentive Scheme hold an aggregate of 5,340,076 H Shares acquired in the open market.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the PRC that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed “Connected Transactions” of this report on page 194, none of the Company or any of its subsidiaries entered into any contract of significance with the controlling shareholder or any of its subsidiaries other than the Group, nor was there any contract of significance between the Group and the controlling shareholder or any of its subsidiaries other than the Group in relation to provision of services.

購入、出售或贖回本公司上市證券

除根據計劃從公開市場購買了5,738,623股H股（包括中間費用本公司合計支付港幣6,697,620.82元），部分計劃參與者於2016年7月、8月合計出售398,547股H股外，截至2016年12月31日止年度期間，本公司或其任何附屬公司並無購買、出售或贖回任何本公司上市證券。

截至本報告日，依股票激勵計劃參與者所持於公開市場購買的H股股份數合計為5,340,076股。

優先購買權

根據中國相關法律和公司章程項下概無有關優先購買權的條文，故本公司毋須向現有股東按比例提呈發售新股份。

重大合約

除於本年報第194頁的「關連交易」一節中披露之外，本公司或其任何一家附屬公司概無和控股股東或其任何一家除本集團之外的附屬公司簽訂重大合同，且本集團並不存在與控股股東或其任何一家除本集團之外的附屬公司之間提供服務的重大合同。

Report of the Board of Directors

董事會報告

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

The details of contracts of significance entered into between the Company and controlling shareholder or its subsidiaries have been disclosed in the section headed “Connected Transaction” in this report on page 194.

COMPLIANCE WITH THE NON-COMPETITION UNDERTAKING

Our controlling Shareholders (including Mr. Tu Jianhua, Loncin Group, Loncin Holdings, Huitai and Mr. Zhang Guoxiang) issued a non-competition undertaking on 17 February 2014 in favor of the Group (the “**Non-Competition Undertaking**”). Pursuant to the Non-competition Undertaking, each of the controlling Shareholders has irrevocably undertaken that it would not and will procure that its associates (except any members of the Group) would not, directly or indirectly, or as principal or agent either on their own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business which is in competition with the business of any member of the Group from time to time (the “**Restricted Business**”).

The Company has received an annual written confirmation from each of the controlling Shareholders in respect of the compliance by them and their associates with the Non-Competition Undertaking.

The independent non-executive Directors have reviewed the Non-Competition Undertaking and assessed whether the controlling Shareholders have abided by the Non-Competition Undertaking. The independent non-executive Directors confirmed that the controlling Shareholders have not been in breach of the Non-Competition Undertaking during the year ended 31 December 2016.

控股股東於重要合約的權益

本公司與控股股東或其附屬公司之間所訂的重要合約詳情已披露於本年報第194頁的「關連交易」一節。

遵守《不競爭承諾》

本公司的控股股東（包括涂建華先生、隆鑫集團、隆鑫控股、慧泰及張國祥先生）已於2014年2月17日向本集團發出不競爭承諾（「**不競爭承諾**」）。根據不競爭承諾，控股股東各自作出不可撤回承諾，並表示其不會以及將促成其聯繫人（本集團成員公司除外）不會直接或間接以主事人或代理的身份獨自或連同或代表任何人士、企業或公司（當中包括）進行、從事、參加或於本集團成員公司不時業務構成競爭的業務（「**受限制業務**」）中將有任何權利或利益或向其提供服務或參與其中任何事務。

本公司已接獲向控股股東就彼等及彼等的聯繫人遵守不競爭承諾的年度確認書。

獨立非執行董事審閱不競爭承諾及評估控股股東有否遵守不競爭承諾。獨立非執行董事確認，截至2016年12月31日止年度，控股股東並無違反不競爭承諾。

Report of the Board of Directors

董事會報告

COMPANY'S ENVIRONMENTAL POLICIES, SOCIAL AND GOVERNANCE RESPONSIBILITY AND PERFORMANCE

The Group strives for the long-term sustainable development of our business and the regions where our businesses are located. The Group has been actively performing our environmental, social and governance responsibilities and conducting our business in a socially-responsible way while creating monetary value for our Shareholders. The Company strictly complies with the requirements of Environmental, Social and Governance (“ESG”) Reporting Guides issued by the Stock Exchange, whereby the Company is committed to incorporating the sustainable development principle into our corporate development strategies and daily operation and management and acting as a responsible corporate citizen. In 2016, the Company provided our staff with a premium development platform and safe working environment. We protect the environment, treasure the natural resources and spare no efforts in reducing the impact of our operation on the environment. We value our customers and suppliers, and provide premium product and service and continuously optimize the management of our suppliers.

Pursuant to Appendix 27 of the Listing Rules, the Company prepared the “Environmental, Social and Governance Report”, which is set out from page 157 to page 174 of this report.

公司的環境政策、社會及管治責任 及表現

本集團致力於其業務以及其業務所在區域的長遠持續發展。本集團一直積極履行環境、社會及管治責任，在為股東創造經濟價值的同時，亦以對社會負責任的方式運營業務。我們嚴格遵循聯交所《環境、社會及管治報告指引》要求，致力於將可持續發展理念融入企業發展戰略和日常經營管理，做負責任的企業公民。2016年，我們為員工提供優秀的發展平台和安全的工作環境；我們愛護環境，珍惜資源，努力降低運營對環境的影響；我們重視客戶和供貨商，提供卓越的產品和服務，並不斷改善對供貨商的管理。

本公司根據上市規則附錄二十七編制了《環境、社會及管治報告》，載於本報告第157頁至第174頁。

Report of the Board of Directors

董事會報告

COMPANY'S COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group is able to comply with relevant requirements of laws, regulations, rules and provisions of the Companies Ordinance, the Listing Rules and SFO in Hong Kong, the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Basic Norms of Enterprise Internal control (《企業內部控制基本規範》), Interim Measures for the Administration of Financing Guarantee Companies (《融資性擔保公司管理暫行辦法》), Guiding opinions of China Banking Regulatory Commission and People's Bank of China on pilot projects of small loan companies (《中國銀行業監督管理委員會、中國人民銀行關於小額貸款公司試點的指導意見》), Guidance on Promoting the Healthy Development of Internet Finance (《關於促進互聯網金融健康發展的指導意見》) in China etc., including information disclosure, corporate governance and standard industry operation, etc.. The Group has adopted the Model Code in accordance with the Listing Rules.

CONNECTED TRANSACTIONS

1. Guarantee provided by a subsidiary for a loan of a shareholder of another subsidiary

On 10 October 2016, Shaanxi Branch of Hanhua Guarantee Corporation Limited, an indirect subsidiary of the Company (hereinafter referred to as "Hanhua Guarantee Shaanxi Branch"), entered into a loan guarantee and entrustment contract with Xi'an Tiexing Industrial & Trading Co., Ltd. (hereinafter referred to as "Xi'an Tiexing Industrial & Trading"), so as to provide guarantee for a loan of Xi'an Tiexing Industrial & Trading from Bank of Xi'an, Chengbei Sub-branch.

The details of the contract are as follows:

Date: 10 October 2016

公司對有關法律法規之遵守

本集團能夠遵守香港地區的公司條例、上市規則、證券及期貨條例以及中國境內的《中華人民共和國公司法》、《企業內部控制基本規範》、《融資性擔保公司管理暫行辦法》、《中國銀行業監督管理委員會、中國人民銀行關於小額貸款公司試點的指導意見》、《關於促進互聯網金融健康發展的指導意見》等相關法律、法規、規章、條例的要求，其中包括數據的披露、企業管治以及行業規範運作等，本集團亦已依據上市規則採納標準守則。

關連交易

1. 附屬公司為另一間附屬公司之股東的貸款提供擔保

於2016年10月10日，本公司附屬公司之分公司瀚華擔保股份有限公司陝西分公司（下稱「瀚華擔保陝西分公司」），與西安鐵興工貿有限公司（下稱「西安鐵興工貿」）簽署融資擔保委託合同，為西安鐵興工貿向西安銀行股份有限公司城北支行融資提供擔保。

合同詳情如下：

日期：2016年10月10日

Report of the Board of Directors

董事會報告

Connected relationship between contracting parties:

- (a) Hanhua Guarantee Shaanxi Branch (as trustee)
- (b) Xi'an Tiexing Industrial & Trading (as principal)

Hanhua Guarantee Shaanxi Branch is a branch of a subsidiary of the Company.

Xi'an Tiexing Industrial & Trading is a shareholder of Xi'an Microfinance Co., Ltd., a subsidiary of the Company. Pursuant to Chapter 14A of the Listing Rules, Hanhua Guarantee Shaanxi Branch and Xi'an Tiexing Industrial & Trading are connected persons of the Company.

Guarantee Fee: The ratio of guarantee fees is in reasonable range. The Company has received the guarantee fees totaling RMB371,405.83, which were calculated upon negotiation in line with market trends.

Purpose: Normal business of the Company.

2. Guarantee provided by a subsidiary for a loan of a director's parents.

On 4 February 2015, Sichuan Hanhua Financing Guarantee Co., Ltd., a subsidiary of the Company (hereinafter referred to as "Sichuan Hanhua"), entered into a loan guarantee and entrustment contract (hereinafter referred to as "Entrustment Contract") with Liu Daiyuan and Yi Sha, so as to provide guarantee for a loan of Liu Daiyuan and Yi Sha amounting to RMB5 million from Bank of Tianjin, Chengdu Branch (hereinafter referred to as "**Bank of Tianjin**").

The details of the Entrustment Contract are as follows:

Date: 4 February 2015

訂約方及彼此之間的關連關係：

- (a) 瀚華擔保陝西分公司（作為受托人）
- (b) 西安鐵興工貿（作為委託人）

瀚華擔保陝西分公司為本公司附屬公司的分公司。

西安鐵興工貿為本公司附屬公司西安小額貸款有限責任公司的股東。根據上市規則第14A章，瀚華擔保陝西分公司與西安鐵興工貿為本公司的關聯人士。

擔保費：擔保費率在合理區間，公司已收取擔保費用人民幣371,405.83元，擔保費根據市場行情協商得出。

目的：本公司正常業務。

2、附屬公司為一名董事之父母貸款提供擔保

於2015年2月4日，本公司附屬公司四川瀚華融資擔保有限公司（下稱「四川瀚華」）與劉代元、易莎簽訂《融資擔保委託合同》（下稱「委託合同」），為劉代元、易莎向天津銀行股份有限公司成都分行（下稱「天津銀行」）融資人民幣5百萬元提供擔保。

委託合同的詳情如下：

日期：2015年2月4日

Report of the Board of Directors

董事會報告

Connected relationship between the contracting parties:

(a) Sichuan Hanhua Financing Guarantee Co., Ltd. (as trustee)

(b) Liu Daiyuan and Yi Sha (as principal)

Sichuan Hanhua is a wholly-owned subsidiary of Hanhua Guarantee Corporation Limited, a subsidiary of the Company.

Liu Daiyuan and Yi Sha are father and mother of Mr. Liu Bolin, a director of the Company, respectively.

Guarantee Fee: The ratio of guarantee fees is 2.50% per annum. The guarantee fees totaled RMB125,000, which were calculated upon negotiation in line with market trends.

Purpose: Normal business of the Company.

The guarantee was expired on 4 February 2016, so the Company has been released from the guarantee.

3. Rental collected from a connected company

On 8 December 2016, Hanhua Guarantee Corporation Limited (hereinafter referred to as “Hanhua Guarantee”), a subsidiary of the Company, re-signed the Lease Contract for Block A of Wealth Center (for enterprises) (hereinafter referred to as “Lease Contract”) with USUM Investment Group Co., Ltd. (hereinafter referred to as “USUM Group”), by which Hanhua Guarantee shall rent a self-owned property to USUM Group with a lease term of 12 months from 10 December 2016 to 11 December 2017. The original lease contract signed by both parties on 10 December 2014 became invalid.

訂約方及彼此之間的關連關係：

(a) 四川瀚華融資擔保有限公司（作為受托方）

(b) 劉代元、易莎（作為委託方）

四川瀚華為本公司附屬公司瀚華擔保股份有限公司的全資附屬公司。

劉代元、易莎為本公司董事劉博霖先生的父親、母親。

擔保費：擔保費率為每年2.50%，擔保費為人民幣125,000元，擔保費根據市場行情協商得出。

目的：本公司正常業務。

此項擔保於2016年2月4日到期，本公司已解除擔保。

3、收取一家關連公司的房租

於2016年12月8日，本公司子公司瀚華擔保股份有限公司（下稱「瀚華擔保」）與渝商投資集團股份有限公司（下稱「渝商集團」）重新簽署《財富A座房屋租賃合同（企業用）》（下稱「租賃合同」），瀚華擔保將自有的房屋租賃給渝商集團使用，租賃期限共12個月，自2016年12月10日至2017年12月11日止。原於2014年12月10日雙方簽署的租賃合同作廢。

Report of the Board of Directors

董事會報告

The details of the Lease Contract are as follows:

Date: 8 December 2016

Connected relationship between contracting parties:

(a) Hanhua Guarantee Corporation Limited (as lessor)

(b) USUM Investment Group Co., Ltd. (as lessee)

Hanhua Guarantee is a subsidiary of the Company.

Loncin Holdings, the controlling shareholder of the Company, is one of the shareholders of USUM Group, and holds 46.775% of the equity interest of USUM Group. According to the Listing Rules, Loncin Holdings holds 30% of the equity interest of USUM Group, so USUM Group is a connected party of the Company.

Consideration: The right to use the property owned by Hanhua Guarantee at Room 1-8, 33/F, Block A, Wealth Center, No.2 Caifu Avenue, Yubei District, Chongqing.

Purpose: Collecting rentals by making full use of the property of the Company.

As the applicable ratio(s) of the transactions under the Contract for providing guarantee, the Entrustment Contract and the Lease Contract are below the thresholds stipulated in Rule 14A.76 (1) of the Listing Rules, they are exempted from the disclosure requirements under Chapter 14A of the Listing Rules.

租賃合同的詳情如下：

日期：2016年12月8日

訂約方及彼此之間的關連關係：

(a) 瀚華擔保股份有限公司（作為出租方）

(b) 渝商投資集團股份有限公司（作為承租方）

瀚華擔保為本公司附屬公司。

渝商集團的其中一位股東為本公司控股股東隆鑫控股，隆鑫控股持有渝商集團46.775%股權。根據上市規則，渝商集團為隆鑫控股控制30%股權的公司，並為本公司的關連人士。

代價：瀚華擔保自有的位於重慶市渝北區財富大道2號財富中心A座33樓1-8房屋的使用權。

目的：充分使用本公司房屋資產，收取房租收益。

有關提供融資擔保委託合同及租賃合同項下之交易的相關百分比率均低於上市規則14A.76(1)中的水平界線規定，所以豁免上市規則第14A章的披露要求。

Report of the Board of Directors

董事會報告

All material related party transactions as disclosed in note 38 to the financial statements did not constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement, independent shareholders' approval or annual reporting requirements under the Listing Rules. In particular, transactions under category (a) were provided under service contracts of relevant management, and transactions under category (b) on other revenue and guarantee income are either transactions with persons connected with insignificant subsidiaries (as defined in the Listing Rules) of the Company, or transactions where all applicable percentage ratio (other than profit ratio) were less than 0.1%, and the remaining transactions under category (b) do not constitute connected transactions or continuing connected transaction under Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CHARITABLE DONATIONS

During the year ended 31 December 2016, the Group made charitable and other donations in a total amount of RMB0.91 million.

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and external auditors the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2016.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance and has steered its development and protected the interests of its Shareholders in an enlightened and open manner. As at the date of this report, the Board currently comprises three executive Directors, seven non-executive Directors and five independent non-executive Directors. The Board has adopted the Code Provisions as its corporate governance code.

據財務報表附註38所披露，遵照上市規則第14A章，所有重大關聯方交易並不構成本公司需遵守上市規則項下申報、公告、獨立股東批准或年度報告之規定之關連交易或持續關連交易。尤其是，(a)類別項下交易乃根據相關管理層的服務合約提供的，而(b)類別項下交易除其他收入及擔保收入乃與本公司非重大附屬公司有關連的人士訂立的、或其所有適用百分比率（盈利比率除外）均低於0.1%外，(b)類別項下交易其他並不構成上市規則14A章下的關連交易或持續關連交易。本公司確認，其已根據上市規則第14A章遵守披露規定。

慈善捐款

截至2016年12月31日止年度內，本集團已作出慈善捐款及其他捐獻合共人民幣0.91百萬元。

審計委員會

審計委員會已與管理層及外聘核數師審閱本集團採納的會計原則及政策以及截至2016年12月31日止年度的經審核綜合財務報表。

企業管治

本公司一直致力維持高水平企業管治，以開明和開放的理念維護其發展及保障股東的權益。於本報告日期，董事會由三名執行董事、七名非執行董事及五名獨立非執行董事組成。董事會已採納守則條文作為其企業管治守則。

Report of the Board of Directors

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Directors confirmed that the Company has maintained the required public float under the Listing Rules.

AUDITORS

The consolidated financial statements for the year ended 31 December 2016 have been audited by KPMG.

KPMG shall retire in the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution for the selection of auditors for 2017 of the Company will be proposed at the forthcoming AGM.

By order of the Board of
Hanhua Financial Holding Co., Ltd.*
Zhang Guoxiang
Chairman of the Board

27 March 2017

* For identification purpose only

充足的公眾持股量

根據本公司可從公開途徑得到的資料及據董事所知，於本報告日期，董事確認本公司一直維持上市規則所要求的公眾持股量。

核數師

畢馬威會計師事務所已審核截至2016年12月31日止年度的綜合財務報表。

畢馬威會計師事務所須於即將舉行的股東週年大會上退任，並符合資格及願意膺選連任。有關選聘本公司2017年度核數師的決議案將於即將舉行的股東週年大會上獲提呈。

承董事會命
瀚華金控股份有限公司
董事會主席
張國祥

2017年3月27日

* 僅供識別

Report of the Board of Supervisors

監事會報告

REPORT OF THE BOARD OF SUPERVISORS

In 2016, pursuant to the requirements set out in the Company Law and the Articles of Association, the board of supervisors of the Company (the “**Board of Supervisors**”) has attentively performed its duties and proactively carried out supervision on the financial activities, internal control, risk management, lawful operation as well as the duty performance of the Board and the senior management of the Company, thus effectively contributing to the optimization of the Company’s governance and to the healthy and sustainable development of the Company.

PARTICULARS OF THE MAJOR WORKS OF THE BOARD OF SUPERVISORS

1. The Board of Supervisors convened meetings of the Board of Supervisors pursuant to laws and regulations. In 2016, the Board of Supervisors convened 2 regular meetings and 2 extraordinary meetings in which the Board of Supervisors summarized its work throughout the year, elected at expiration of office terms by-election, reviewed the interim report, and attended 2 general meetings and 12 Board meetings. The Board of Supervisors has supervised the general meetings and Board meetings with regard to the legality, compliance and the procedure of voting thereof. The Board of Supervisors has also supervised the performance of duties by the Board and senior management.
2. The Board of Supervisors endeavored in conducting proper finance supervision. By focusing on the compilation, verification and disclosure of regular reports, the Board of Supervisors communicated with external auditors and auditors on a regular basis, strengthened the analysis of major issues that may affect the truthfulness, accuracy and completeness of the financial reports, timely followed up and got knowledge of the changes of regulatory requirements, and provided opinions and suggestions. In accordance with relevant requirements, the Board of Supervisors conducted supervision on the selection and appointment of external auditors and auditors, capital management of the Company, and the management of insiders of inside information.

監事會報告

2016年，本公司監事會（「**監事會**」）按照《公司法》和章程的規定，認真履行職責，積極開展監督工作，對本公司財務活動、內部控制、風險管理、合法經營、董事會和高級管理層的履職盡責等情況進行了有效監督，為完善本司治理和持續健康發展發揮了作用。

監事會主要工作情況

- 1、依法召開監事會會議。2016年，共召開監事定期會議2次，臨時會議2次，總結年度監事會工作情況，進行換屆選舉，審議中期報告，列席股東大會2次，列席董事會12次，對股東大會和董事會的合法合規性、投票表決程序進行監督，對董事會、高管層的履職情況進行監督。
- 2、切實做好財務監督。以定期報告的編制、審核、披露為重點，與外部審計師和核數師定期溝通，加強對可能影響財務報告真實性、準確性、完整性的重大事項的分析，及時跟進了解監管要求的變化，提出意見建議。按照有關要求，監督外部審計師和核數師的選聘工作，對本公司資本管理、內幕消息知情人管理情況等進行監督。

Report of the Board of Supervisors

監事會報告

3. The Board of Supervisors substantially participated in internal control supervision. The Board of Supervisors regularly debriefed special reports on the work of internal control and compliance, key findings and rectification in internal audit and prevention and control over non-compliance cases, and strengthened supervision on the internal control formulation and assessment work.
4. The Board of Supervisors strengthened risk management supervision. It paid attention to the major risks faced by the industry and debriefed special reports with regard to the work of risk management and liquidity risk management and provided timely opinions and suggestions.

INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON RELEVANT MATTERS OF THE COMPANY

Lawful Operation

During the year ended 31 December 2016, the business activities of the Company complied with the Company Law and the Articles of Association, the internal control system was improved, and the decision making procedures were lawful and valid. None of the Directors or senior management of the Company was found to have violated the relevant laws, regulations or the Articles of Association or harmed the interests of the Company and the Shareholders.

Authenticity of Financial Report

The financial statements of the Company for the year ended 31 December 2016 were prepared in accordance with the HKFRSs and were audited by KPMG in accordance with Hong Kong Standards on Auditing. The auditor issued standard unqualified audit report.

- 3、深入開展內控監督。參加內控合規工作情況、內部審計主要發現及整改等內控會議，加強對內部控制建設及內部控制評價工作等情況的監督。
- 4、強化風險管理監督。關注行業風險，參加公司風險管理部門的工作情況、流動性風險管理情況等專門會議，並及時提出意見建議。

監事會就有關事項發表的獨立意見

公司依法經營情況

截至2016年12月31日止年度內，本公司的經營活動符合《公司法》和章程的規定，內部控制體系較完善，決策程序合法有效。未發現本公司董事、高級管理人員履職時有違反法律法規、章程或損害公司及股東利益的行為。

財務報告的真實性

本公司截至2016年12月31日止年度根據香港財務報告準則編製的財務報告已經畢馬威會計師事務所根據香港審計準則進行審計，並出具了標準無保留意見的審計報告。

Report of the Board of Supervisors

監事會報告

Use of Proceeds

During the year ended 31 December 2016, the application of proceeds for specific projects was consistent with the uses as stated in the Prospectus dated 3 June 2014.

Acquisition and Investment of Assets by the Company

During the year ended 31 December 2016, the Company undertook two acquisitions. The Company acquired 3.33% minority interest of its subsidiary Heilongjiang Hanhua Internet Small-Loan Co., Ltd. through its wholly-owned subsidiary Chongqing Hanhua Asset Management Co., Ltd. Following the acquisition, Heilongjiang Hanhua Internet Small-Loan Co., Ltd. became the wholly-owned subsidiary of the Company. The Company also acquired 1% minority interest of its subsidiary Chongqing Changjiang Financial Factoring Co., Ltd. After the acquisition, the Company held 91% equity interests of Chongqing Changjiang Financial Factoring Co., Ltd..

During the year ended 31 December 2016, the Company established five wholly-owned subsidiaries by investment, including Shenzhen Hanhua Micro-credit Co., Ltd. and Chongqing Damei Infrastructure Development Co., Ltd.. It also invested in Chongqing Fumin Bank Co., Ltd. in which it holds 30% of equity interest. The company primarily engages in small-loans, consultation, internet service and banking sectors.

Internal Control

During the year ended 31 December 2016, the Company continued to strengthen and optimize its internal control, and the Board of Supervisors lodged no objections to the "Report on Assessment of Internal Control for 2016".

募集資金使用情況

截至2016年12月31日止年度內，本公司募集資金實際投入項目與本公司日期為2014年6月3日的招股章程的承諾一致。

公司收購、投資資產情況

截至2016年12月31日止年度內，本公司發生2次收購。通過全資子公司重慶瀚華資產管理有限公司收購控股子公司黑龍江瀚華互聯網小額貸款有限責任公司少數股東權益3.33%，完成收購後，黑龍江瀚華互聯網小額貸款有限責任公司為本公司全資子公司。本公司收購重慶長江金融保理有限公司少數股東權益1%，完成收購後，本公司持有重慶長江金融保理有限公司91%的股權。

截至2016年12月31日止年度內，本公司投資設立全資子公司5家，深圳瀚華小額貸款有限公司、重慶大美基業發展有限公司等，參股重慶富民銀行股份有限公司，持股比例30%，主要涉及小貸、諮詢、互聯網信息服務、銀行等板塊。

內部控制情況

截至2016年12月31日止年度內，本公司持續加強和完善內部控制，監事會對《2016年度內部控制評價報告》無異議。

Report of the Board of Supervisors

監事會報告

Implementation of Resolutions Passed at the General Meeting(s)

The Board of Supervisors lodged no objections to the reports and proposals submitted by the Board to the general meetings in 2016, and having inspected the execution of the resolutions of general meetings, concluded that the Board had duly implemented the relevant resolutions passed at the general meeting(s).

Opinions on Performance Assessment of Directors, Supervisors and Senior Management of the Company

During the year ended 31 December 2016, all Directors, supervisors and senior management were diligent in duly carrying out their duties and were evaluated as qualified in the performance assessment.

By order of the Board of Supervisors
Hanhua Financial Holding Co., Ltd.*
Mr. Li Ruping
Chairman of the Board of Supervisors

24 March 2017

股東大會決議執行情況

監事會對董事會2016年內提交股東大會審議的各項報告和提案沒有異議，對股東大會決議的執行情況進行了監督，認為董事會認真執行了股東大會的有關決議。

對本公司董事、監事、高級管理人員履職情況

截至2016年12月31日止年度內，董事、監事、高級管理人員勤勉盡責，履職評價結果為稱職。

承監事會命
瀚華金控股份有限公司
監事會主席
李如平先生

2017年3月24日

Independent auditor's report

獨立核數師報告



Independent auditor's report to the Shareholders of Hanhua Financial Holding Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Hanhua Financial Holding Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 221 to 376, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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.

獨立核數師報告

致瀚華金控股份有限公司全體股東
(於中華人民共和國註冊成立的股份有限公司)

審計意見

我們審計了後附第221至第376頁瀚華金控股份有限公司(「貴公司」)及其子公司(統稱「貴集團」)的合併財務報表,包括2016年12月31日的合併財務狀況表、截至2016年12月31日止年度的合併損益表、合併損益及其他綜合收益表、合併股東權益變動表和合併現金流量表,以及重要會計政策和財務報表附註。

我們認為,上述合併財務報表已經按照香港會計師公會頒布的《香港財務報告準則》的規定,真實而公允地反映了貴集團2016年12月31日的財務狀況以及貴集團2016年度的財務表現和現金流量,並已遵照香港《公司條例》的披露要求擬備。

Independent auditor's report

獨立核數師報告

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People’s Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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.

審計意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》的規定執行了審計工作。審計報告的「審計師就合併財務報表審計須承擔的責任」部分進一步闡述了我們在該準則下的責任。按照香港會計師公會的《註冊會計師執業道德規範》（「道德規範」）以及中華人民共和國境內關於合併財務報表審計相關的其他道德規範要求，我們獨立於貴集團，並履行了道德規範以及中國境內道德規範要求下的其他道德責任。我們相信，我們獲得的審計證據是充分、適當的，為發表審計意見提供了基礎。

關鍵審計事項

關鍵審計事項是根據我們的職業判斷，我們認為對本年財務報表審計最為重要的事項。這些事項是在對財務報表整體進行審計並形成意見的背景下進行處理的，我們不對這些事項提供單獨的意見。

Independent auditor's report

獨立核數師報告

Assessing impairment of loans and receivables and provisions for guarantee losses

評估貸款及應收款項的減值準備和擔保賠償準備金

Refer to note 14, 15, 16, 17 and 27 to the consolidated financial statements and the accounting policies on page 244, 245, 246, 247, 248, 249 and 265.

請參閱合併財務報表附註14, 15, 16, 17和27以及第244, 245, 246, 247, 248, 249及265頁的會計政策。

The Key Audit Matter

關鍵審計事項

Impairments of loans and advances to customers, trade and other receivables, finance lease receivables and receivables for factoring business (together as “loans and receivables”) and the provisions for guarantee losses are both the subjective areas due to the level of judgement applied by management in determining allowances and provisions.

貸款及墊款、應收及其他應收款項、應收融資租賃款和應收保理款項（統稱為貸款及應收款項）減值準備和擔保賠償準備金的確定均涉及管理層判斷。

From the Group's perspective, the loans and receivables portfolios and guarantees which give rise to the greatest uncertainty are typically those where impairment losses or provisions are derived from collective assessment models.

對於貴集團來說，在確定貸款及應收款項減值準備或擔保賠償準備金時具有最大不確定性的是那些採用組合評估模型確定減值準備的貸款及應收款項和擔保。

How the matter was addressed in our audit

在審計中如何應對該事項

Our audit procedures to assess the impairment of loans and receivables and provisions for guarantee losses included the following:

為評估貸款及應收款項減值和擔保賠償準備金，我們執行了下列審計程序：

- assessing the design, implementation and operating effectiveness of key controls over the approval, recording and monitoring of loans and receivables and guarantees, the credit grading process and the measurement of individual impairment losses and provisions for guarantee losses. For the key underlying systems used for the processing of transactions in above process, we utilised our information technology specialists to assess the design, implementation and operating effectiveness of a selection of relevant automated controls within these systems. We also assessed the design, implementation and operating effectiveness of the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;
- 評估貸款及應收款項和擔保的審批、記錄、監控以及五級分類流程和單項評估減值準備和擔保賠償準備金計算的關鍵控制的設計、執行以及運行的有效性。用於處理上述流程中的交易所涉及的關鍵底層系統，我們會利用本所信息技術專家來評估所選取的相關自動化控制的設計、執行以及運行的有效性。我們也會評估這些底層系統的關鍵內部控制的設計、執行以及運行的有效性，包括訪問系統的控制和數據及變更管理的控制；

Assessing impairment of loans and receivables and provisions for guarantee losses

評估貸款及應收款項的減值準備和擔保賠償準備金

The determination of the collective impairment losses and provisions for guarantee losses is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The Group's collective impairment losses and provisions for guarantee losses are derived from estimates including the Group's historical losses for loans and receivables, the loss emergence period (i.e. the time lapse between the occurrence of the event causing eventual default to the actual recording of a loss) and other adjustment factors.

組合方式評估的減值準備和擔保賠償準備金的確定很大程度上依賴於外部宏觀環境和貴集團內部的信用風險管理策略。貴集團貸款及應收款項和擔保按組合方式評估的減值準備和擔保賠償準備金的確定依賴於管理層估計，這些估計包括貴集團的歷史貸款及應收款項損失率、歷史衍化期（即從導致最終違約事件的發生到實際發生違約的時間間隔）及其他調整因素。

- comparing the total balances of the loan grading report and guarantee list, which contain information used by management to assess impairment losses and provisions for guarantee losses, with the general ledger and comparing individual loan and guarantee information, on a sample basis, with the underlying loan and guarantee agreements and other related documentation to assess the presentation of the information in the loan grading report and in the guarantee list;
- 比較管理層用於評估減值準備的各級次貸款餘額和用於評估擔保賠償準備金的擔保台賬餘額與總賬計錄的一致性。同時，採用抽樣方法，根據貸款和擔保合同及相關資料評估管理層貸款評級信息和擔保評級信息的列報情況；

Independent auditor's report

獨立核數師報告

Assessing impairment of loans and receivables and provisions for guarantee losses

評估貸款及應收款項的減值準備和擔保賠償準備金

Individual impairment losses and provisions for guarantee losses are estimated by management once objective evidence of impairment becomes apparent. Management exercises judgement in determining the quantum of loss based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, collateral valuation, the seniority of the claim and the existence and cooperativeness of other creditors. Enforceability, timing and means of realisation of the collateral has a significant impact on collateral valuation and, therefore, the amount of impairment losses and provisions for guarantee losses as at the reporting date.

當有客觀證據表明貸款及應收款項和擔保發生了減值時，管理層便會採用單項評估的方式評估其減值準備和擔保賠償準備金。在採用單項評估方式評估減值準備和擔保賠償準備金時，管理層會考慮多種因素。這些因素包括貸款及應收款項的可回收金額、借款人的財務狀況、擔保物可變現金額、索賠受償順序、是否存在其他債權人及其代償意願。擔保物變現的可能性、時間和方式也會影響最終的可收回金額並影響報告日的減值準備和擔保賠償準備金的金額。

- evaluating the validity of the models used and assumptions adopted in management's calculation of the collective impairment losses and provisions for guarantee losses by critically assessing input parameters involving subjective judgement, seeking collaborative evidence from external sources and comparing historical losses against the Group's other internal records and our prior year records. As part of these procedures, we challenged the Group's revisions to estimates and input parameters, the consistency of judgement applied in the use of economic factors, the loss emergence period and the observation period for historical default rates and loss rates. We compared the economic factors used in the models to market information to assess whether they were aligned with market and economic development. We also assessed the emergence period by tracing the lifecycle of overdue accounts from the specific credit event to downgrading the accounts to non-performing loans and receivables and guarantees. Having considered the above, we performed re-calculations to assess the amount of collective impairment losses and provisions for guarantee losses;

- 評估管理層按組合方式評估減值準備和擔保賠償準備金時所用模型以及所採用假設的可靠性時，我們會審慎評估涉及管理層判斷的輸入參數，尋求外部協同證據，並將貴集團其他內部記錄與本所往年記錄的歷史損失進行對比。作為這些程序的一部分，我們會考慮貴集團在模型中對於關鍵估計和輸入參數的調整，以及在確定經濟因素、歷史損失衍化期和歷史違約率損失率的觀察期時，管理層所運用的判斷是否一致。我們對比模型中使用的經濟因素與市場信息，評價其是否與市場以及經濟發展情況相符。通過跟蹤逾期賬戶從其信用事件發生到將其降級為不良貸款的全週期來評價衍化期。我們對比模型中使用的經濟因素與市場信息，評估其是否與市場以及經濟發展情況相符。通過跟蹤逾期賬戶從其信用事件發生到將其降級為不良貸款及應收款項和擔保的全週期來評估衍化期。經考慮上述情形，我們對按照組合計提的減值準備和擔保賠償準備金進行了重新測算：

Assessing impairment of loans and receivables and provisions for guarantee losses

評估貸款及應收款項的減值準備和擔保賠償準備金

We identified impairment of loans and receivables and the provisions for guarantee losses as a key audit matter because of the inherent uncertainty and management judgement involved and because of their significance to the financial results of the Group.

我們將貸款及應收款項的減值準備和擔保賠償準備金識別為關鍵審計事項是由於貸款及應收款項的減值準備和擔保賠償準備金的確定存在內在不確定性以及涉及到管理層判斷，同時其對貴集團的經營成果會產生重要影響。

- assessing the individual impairment losses and provisions for guarantee losses by selecting a risk-based sample for credit review. We analysed the loan and guarantee portfolio by industry sector to select samples for credit review in industries more vulnerable to the current economic situation. We also selected further samples for credit reviews from loans classified as “Special Mention” or “Substandard” and guarantees identified as “at high risk of default” based on the loan grading report and the guarantee list; and
- 基於風險導向的方法選取樣本進行信貸審閱，評估貸款及應收款項和擔保按單項評估方式計提的減值準備和擔保賠償準備金。我們按照行業分類對貸款和擔保進行分析，選取樣本時考慮選取受目前經濟形式影響較大的行業。根據貸款評級報告和擔保預警清單，我們還會進一步選取評級為「關注」或「次級」類的貸款和被認為「高違約風險」的擔保的樣本進行信貸審閱；及

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獨立核數師報告

Assessing impairment of loans and receivables and provisions for guarantee losses

評估貸款及應收款項的減值準備和擔保賠償準備金

- performing credit review procedures for the sample of loans and receivables and guarantees selected as mentioned above, which included reviewing the customers' financial information, researching market information about customers' businesses and evaluating management's assessment of the value of any collateral held, assessing the forecast cash flows for non-performing loans and receivables and guarantees, challenging the viability of the Group's recovery plans, evaluating the timing and means of realisation of collateral and considering other sources of repayment asserted by management.
- 我們對選取的貸款及應收款項和擔保的樣本執行信貸審閱程序，包括審閱借款企業財務信息、搜集借款企業業務的市場情況、評價管理層對擔保物的估值、評估減值貸款及應收款項和擔保的預計可回收現金流、評價貴集團清收方案的可行性，評估擔保物的變現時間和方式並考慮管理層提供的其他還款來源。

Assessing the fair value of financial instruments

評估金融工具的公允價值

Refer to note 19 to the consolidated financial statements and the accounting policies on page 250 and 251.
請參閱合併財務報表附註19以及第250和251頁的會計政策。

The Key Audit Matter

關鍵審計事項

The Group's financial instruments at 31 December 2016 comprised listed and unlisted available-for-sale equity securities and wealth management products issued by commercial banks.

貴集團於2016年12月31日的金融工具包括上市和非上市的可供出售權益證券以及商業銀行發行的理財產品。

At 31 December 2016 the fair value of the Group's financial instruments was RMB333.5 million of which RMB145.2 million, Nil and RMB188.4 million were classified under the fair value hierarchy as level 1, 2 and 3 financial instruments respectively.

與2016年12月31日，貴集團金融工具的公允價值為人民幣333.5百萬元，其中，分類為第一層級、第二層級和第三層級的金融工具的公允價值分別為人民幣145.2百萬元，人民幣0百萬元和人民幣188.4百萬元。

How the matter was addressed in our audit

在審計中如何應對該事項

Our audit procedures to assess the fair value of financial instruments included the following:

與評價金融工具的公允價值相關的審計程序中包括以下程序：

- assessing the design, implementation and operating effectiveness of management's key internal controls over the valuation, independent price verification, front office/back office reconciliations and valuation model approval for financial instruments;
- 評價貴集團與估值、獨立價格驗證、前後台對賬及金融工具估值模型審批相關的內部控制的設計和運行的有效性；

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獨立核數師報告

Assessing the fair value of financial instruments

評估金融工具的公允價值

The valuation of the Group's financial instrument is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement.

貴集團以公允價值計量的金融工具的估值以市場數據和估值模型為基礎，其中估值模型通常需要大量的參數輸入。大部分參數來源於能夠可靠獲取的流通市場數據。當可觀察的參數無法可靠獲取時，即公允價值屬於第三層級的情形下，不可觀察輸入值的確定會使用到管理層估計，這當中會涉及管理層的重大判斷。

- assessing the fair values of level 1 financial instruments, on sample basis, by comparing the fair values applied by the Group with publicly available market data;
- 選取樣本，通過比較貴集團採用的公允價值與公開可獲取的市場數據，評價公允價值屬於第一層級的金融工具的估值；

Assessing the fair value of financial instruments

評估金融工具的公允價值

The Group has developed its own models to value certain level 3 financial instruments, which also involves significant management judgement.

此外，貴集團已對特定的第三層級金融工具開發了自有估值模型，這也會涉及管理層的重大判斷。

We have identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the degree of judgement exercised by management in determining the inputs used in the valuation models.

由於金融工具公允價值的評估涉及複雜的流程，以及在確定估值模型使用的參數時涉及管理層判斷的程度，我們將對金融工具公允價值的評估識別為關鍵審計事項。

- engaging our internal valuation specialists to assist us in evaluating the valuation models used by the Group to value certain level 3 financial instruments and to perform, on a sample basis, independent valuations of level 3 financial instruments and compare these valuations with the Group's valuations. This included comparing the Group's valuation models with our knowledge of current and emerging practice, testing inputs to the fair value calculations and establishing our own valuation models to perform revaluations;
- 利用本所內部估值專家的工作，協助我們來評價貴集團對特定的第三層級金融工具所使用的估值模型，同時，在選取樣本的基礎上對公允價值屬於第三層級的金融工具進行獨立估值，並將我們的估值結果與貴集團的估值結果進行比較。我們的程序包括將貴集團的估值模型與我們掌握的估值方法進行比較，測試估值的輸入參數以及構建估值模型進行重新計算；
- assessing whether the financial statement disclosures appropriately reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.
- 評估合併財務報表的相關披露是否符合相關會計準則的披露要求，恰當反映了貴集團的金融工具估值風險。

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獨立核數師報告

Consolidation of structured entities

合併機構化主體

Refer to note 42 to the consolidated financial statements and the accounting policies on page 231, 232 and 233.

請參閱合併財務報表附註42以及第231, 232及233頁的會計政策。

The Key Audit Matter

關鍵審計事項

Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. The Group may acquire or retain an ownership interest in a structured entity through issuing an asset-backed security.

結構化主體通常是為實現具體而明確的目的而設計並成立的，並在確定的範圍內開展業務活動。貴集團可能通過發行資產支持證券，以持有投資或保留權益份額等方式在結構化主體中享有權益。

In determining whether a structured entity is required to be consolidated by the Group, management is required to consider the power the Group is able to exercise over the activities of the entity and the Group's exposure to and ability to influence the its own returns from the entity. In certain circumstances the Group may be required to consolidate a structured entity even though it has no equity interest therein.

當判斷貴集團是否應該將結構化主體納入貴集團合併範圍時，管理層需要考慮貴集團對結構化主體相關活動擁有的權力，以及能否通過運用對結構化主體的權力而影響其可變回報的程度。在某些情況下，貴集團即使在結構化主體中不享有任何權益，也可能需要考慮將結構化主體納入貴集團合併範圍。

How the matter was addressed in our audit

在審計中如何應對該事項

Our audit procedures to assess the consolidation of structured entities included the following:

與評價合併結構化主體相關的審計程序中包括以下程序：

- making enquiries of management and inspecting documents relating to the judgement process over whether a structured entity is consolidated or not to assess whether the Group has a robust process in this regard;
- 通過詢問管理層和檢查與管理層對結構化主體是否合併作出的判斷過程相關的文件，以評價貴集團就此設立的流程是否完備；
- selecting significant structured entities of each key product type and performing the following procedures for each structured entity selected:
- 選擇各種主要產品類型中重要的結構化主體並執行了下列審計程序：
 - inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity;
 - 檢查相關合同、內部設立文件以及向投資者披露的信息，以理解結構化主體的設立目的以及貴集團對結構化主體的參與程度，並評價管理層關於貴集團對結構化主體是否擁有權力的判斷；

Consolidation of structured entities

合併機構化主體

The factors which management needs to consider when determining whether a structured entity should be consolidated or not are not purely quantitative and need to be considered collectively.

當判斷是否應該將結構化主體納入合併範圍或不納入合併範圍時，管理層需要考慮的因素並非是完全可量化的，需要綜合考慮。

As at 31 December 2016, the amount of assets held by structured entities which the Group had consolidated was RMB 1,269.1 million.

於2016年12月31日，納入貴集團合併範圍的結構化主體的資產餘額為人民幣1,269.1百萬元。

We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement to determine whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement of financial position could be significant.

由於是否將結構化主體納入貴集團的合併範圍涉及重要的管理層判斷以及由於合併結構化主體對合併財務狀況表的影響可能是重大的，所以我們將合併結構化主體識別為關鍵審計事項。

- reviewing the risk and reward structure of the structured entity including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns to assess management's judgement as to exposure, or rights, to variable returns from the Group's involvement in such entity;
- 審閱結構化主體對風險與報酬的結構設計，包括在結構化主體中擁有的任何資本或對其收益作出的擔保、提供流動性支持的安排、佣金的支付和收益的分配等，以評估管理層就貴集團因參與結構化主體的相關活動而擁有的對結構化主體的風險敞口、權力、及對影響可變回報的程度所作的判斷；
- reviewing management's analyses of the structured entity including qualitative analyses and calculations of the magnitude and variability associated with the Group's economic interests in the structured entity to assess management's judgement over the Group's ability to influence its own returns from the structured entity;
- 審閱管理層對結構化主體的分析，包括定性分析，以及貴集團對享有結構化主體的經濟利益的比重和可變動性的計算，以評價管理層關於貴集團影響其來自結構化主體可變回報的能力判斷；
- assessing management's judgement over whether the structured entity should be consolidated or not;
- 評價管理層就是否合併結構化主體所作的判斷；
- considering the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards.
- 考慮合併財務報表中針對結構化主體的相關披露是否符合相關會計準則的披露要求。

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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.

其他信息

貴公司董事對其他信息負責。其他信息包括年度報告中涵蓋的全部信息，但不包括合併財務報表和我們的審計報告。

我們對合併財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或者我們在審計過程中瞭解到的情況存在重大不一致或者似乎存在重大錯報。

基於我們已執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

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獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of 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.

董事對合併財務報表的責任

貴公司董事負責按照香港會計師公會頒布的《香港財務報告準則》的規定及香港《公司條例》的披露要求編製合併財務報表，使其實現公允反映，並設計、執行和維護必要的內部控制，以使合併財務報表不存在由於舞弊或錯誤而導致的重大錯報。

編製合併財務報表時，董事負責評估貴集團的持續經營能力，披露與持續經營相關的事項（如適用），並運用持續經營假設，除非董事已計劃對貴集團進行清算、終止運營，或別無其他現實的選擇。

審計委員會協助貴公司董事履行監督貴集團的財務報告過程的責任。

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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.

審計師對合併財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。此報告僅向全體股東報告，除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但並不能保證按照《香港審計準則》執行的審計在某一重大錯報存在時總能發現。錯報可能由舞弊或錯誤導致，如果合理預期錯報單獨或匯總起來可能影響合併財務報表使用者作出的經濟決策，則通常認為錯報是重大的。

在按照《香港審計準則》執行審計的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行了以下工作：

- 識別和評估由於舞弊或錯誤導致的合併財務報表重大錯報風險，設計和實施審計程序以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。

Independent auditor's report

獨立核數師報告

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 瞭解與審計相關的內部控制，以設計恰當的審計程序，但目的並非對貴集團的內部控制的有效性發表意見。
- 評價董事選用會計政策的恰當性和作出會計估計及相關披露的合理性。
- 對董事使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對貴集團持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意合併財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的審計證據。然而，未來的事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的總體列報、結構和內容（包括披露），並評價合併財務報表是否公允反映相關交易和事件。
- 就貴集團中實體或業務活動的財務信息獲取充分、適當的審計證據，以對合併財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

Independent auditor's report

獨立核數師報告

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Leung Tat Ming.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 March 2017

我們與審計委員會就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括溝通我們在審計過程中識別的重大內部控制缺陷。

我們還就已遵守獨立性相關的職業道德要求向審計委員會提供聲明，並與治理層溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施（如適用）。

從與審計委員會溝通的事項中，我們確定哪些對本期財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項造成的負面後果超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

負責審計並出具本獨立審計師報告的項目合夥人是梁達明。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

2017年3月27日

Consolidated Statement of Profit or Loss

合併損益表

For the year ended 31 December 2016 • 截至2016年12月31日止年度
(Expressed in Renminbi (“RMB”)) (以人民幣列示)

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
		Note 附註	
Guarantee and consulting fee income	擔保及諮詢費收入		
		759,041	766,943
Re-guarantee expenses	再擔保費用	(3,671)	(1,905)
Net guarantee and consulting fee income	擔保及諮詢費淨收入	755,370	765,038
Interest and handling fee income	利息及手續費收入	1,113,081	1,212,810
Interest and commission expenses	利息及手續費支出	(388,705)	(225,864)
Net interest and handling fee income	利息及手續費淨收入	724,376	986,946
Net fee and interest income	淨手續費及利息收入	1,479,746	1,751,984
Other revenue	其他收入	34,753	33,981
Reversal for guarantee losses	轉回擔保賠償準備金	39,741	110,917
Impairment losses	資產減值損失	(372,915)	(515,525)
Operating expenses	營運支出	(802,697)	(893,433)
Net foreign exchange gain	匯兌淨收益	1,052	40
Other net losses	其他虧損淨額	(2,481)	(1,669)
Share of profits of associate	對聯營企業確認的投資收益	638	54
Share of losses of joint venture	對合營企業確認的投資虧損	(3)	(2)
Profit before taxation	稅前利潤	377,834	486,347
Income tax	所得稅	(94,347)	(134,182)
Profit for the year	淨利潤	283,487	352,165
Attributable to:	歸屬於：		
Shareholders of the company	本公司股東	241,710	302,960
Non-controlling interests	非控制性權益	41,777	49,205
Profit for the year	淨利潤	283,487	352,165
Earnings per share	每股收益		
Basic and diluted (RMB)	基本及稀釋(金額單位為人民幣元)	0.05	0.07

The notes on pages 229 to 376 form part of these financial statements.

第229頁至376頁所載附註構成該等財務報表的一部份。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併損益及其他綜合收益表

For the year ended 31 December 2016 • 截至2016年12月31日止年度
(Expressed in RMB) (以人民幣列示)

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
	Note 附註		
Profit for the year		283,487	352,165
Other comprehensive income for the year (after tax and reclassification adjustments)			
Item that may be reclassified subsequently to profit or loss	其他綜合收益(除稅及作出重新分類調整後) 可能於期後分類至損益的項目		
Available-for-sale financial assets: net movement in the fair value reserve	可供出售金融資產: 公允價值變動	10	588
		(10,367)	
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表的滙兌差額		
		(3,028)	-
Total comprehensive income for the year	綜合收益合計	270,092	352,753
Attributable to:	歸屬於:		
Shareholders of the company	本公司股東	228,315	303,548
Non-controlling interests	非控制性權益	41,777	49,205
Total comprehensive income for the year	綜合收益合計	270,092	352,753

The notes on pages 229 to 376 form part of these financial statements.

第229頁至376頁所載附註構成該等財務報表的一部份。

Consolidated Statement of Financial Position

合併財務狀況表

For the year ended 31 December 2016 • 截至2016年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

			31 December 12月31日 2016 2016年 RMB'000 人民幣千元	31 December 12月31日 2015 2015年 RMB'000 人民幣千元
		<i>Note</i> <i>附註</i>		
Assets	資產			
Cash and cash equivalents	貨幣資金	12	3,512,005	2,803,885
Restricted bank deposits	存出擔保保證金	13	1,051,941	1,400,061
Trade and other receivables	應收及其他應收款項	14	1,551,514	1,262,238
Receivables for factoring business	應收保理款項	15	594,604	217,953
Loans and advances to customers	發放貸款及墊款	16	7,625,407	7,137,771
Finance lease receivables	應收融資租賃款項	17	279,244	69,718
Available-for-sale financial assets	可供出售金融資產	19	333,521	106,886
Repossessed assets	抵債資產		248,480	94,802
Property, plant and equipment	物業、廠房及設備	20	434,483	432,658
Intangible assets	無形資產	21	6,234	4,227
Interest in associates	長期股權投資－聯營企業	22	985,462	60,054
Interest in joint ventures	長期股權投資－合營企業	23	19,995	9,998
Goodwill	商譽	24	11,190	11,190
Deferred tax assets	遞延所得稅資產	32(b)	428,669	349,607
Total assets	資產總計		17,082,749	13,961,048
Liabilities	負債			
Interest-bearing borrowings	計息借款	25	1,205,905	300,000
Financial assets sold under repurchase agreement	賣出回購金融資產	26	1,168,306	1,388,477
Deferred income	未到期責任準備金		639,374	385,766
Provisions for guarantee losses	擔保賠償準備金	27	350,596	390,337
Customer pledged deposits	存入保證金	28	17,191	27,097
Accruals and other payables	應計及其他應付款項	29	2,381,352	1,498,059
Current tax liabilities	當期所得稅負債	32(a)	185,637	143,612
Debts securities issued	應付債券	30	3,655,265	2,382,243
Total liabilities	負債合計		9,603,626	6,515,591
NET ASSETS	淨資產		7,479,123	7,445,457

The notes on pages 229 to 376 form part of these financial statements.

第229頁至376頁所載附註構成該等財務報表的一部份。

Consolidated Statement of Financial Position (Continued)

合併財務狀況表 (續)

For the year ended 31 December 2016 • 截至2016年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

			31 December 12月31日 2016 2016年 RMB'000 人民幣千元	31 December 12月31日 2015 2015年 RMB'000 人民幣千元
		<i>Note</i> <i>附註</i>		
CAPITAL AND RESERVES	資本及儲備	<i>33</i>		
Share capital	股本		4,600,000	4,600,000
Reserves	儲備		2,240,881	2,186,346
Total equity attributable to shareholders of the company	本公司股東應佔股本總額		6,840,881	6,786,346
Non-controlling interests	非控制性權益	<i>34</i>	638,242	659,111
TOTAL EQUITY	權益合計		7,479,123	7,445,457

Approved and authorised for issue by the board of directors on 27 March 2017.

經董事會批准及授權於2017年3月27日刊發。

Name: Zhang Guoxiang

Position: Chairman of the Board

張國祥

董事會主席

Name: Ren Weidong

Position: Chief Financial Officer

任為棟

首席財務官

(Company stamp)

公司印章

The notes on pages 229 to 376 form part of these financial statements.

第229頁至376頁所載附註構成該等財務報表的一部份。

Consolidated Statement of Changes in Equity

合併股東權益變動表

For the year ended 31 December 2016 • 截至2016年12月31日止年度
(Expressed in Renminbi (“RMB”)) (以人民幣列示)

		Attributable to equity shareholders of the company 本公司股東持有人應佔							Non-controlling interests		Total equity
		Share capital	Share premium	Capital reserve	Exchange reserve	Surplus reserve	General reserve	Retained earnings	Subtotal		
		股本	股份溢價	資本公積	外幣報表 折算差額	盈餘公積	一般風險 儲備	未分配利潤	小計	非控制性 權益	股東權益 合計
		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
		Note 33(c)	Note 33(d)(i)	Note 33(d)(ii)	Note 33(d)(v)	Note 33(d)(iii)	Note 33(d)(iv)			Note 34	
		附註 33(c)	附註 33(d)(i)	附註 33(d)(ii)	附註 33(d)(v)	附註 33(d)(iii)	附註 33(d)(iv)			附註 34	
Balance at 1 January 2016:	2016年1月1日的餘額	4,600,000	1,271,109	346,590	-	53,303	277,293	238,051	6,786,346	659,111	7,445,457
Changes in equity for 2016:	2016年期間權益變動:										
Profit for the year	淨利潤	-	-	-	-	-	-	241,710	241,710	41,777	283,487
Other comprehensive income	其他綜合收益	-	-	(10,367)	(3,028)	-	-	-	(13,395)	-	(13,395)
Total comprehensive income	綜合收益合計	-	-	(10,367)	(3,028)	-	-	241,710	228,315	41,777	270,092
Equity-settled share-based payment	以權益結算的股份支付	-	-	56,405	-	-	-	-	56,405	-	56,405
Purchase equity interest from non-controlling interests	自非控制性權益收購股權	-	(185)	-	-	-	-	-	(185)	(13,552)	(13,737)
Appropriation to surplus reserve	提取盈餘公積	-	-	-	-	29,481	-	(29,481)	-	-	-
Appropriation to general reserve	提取一般風險準備	-	-	-	-	-	12,679	(12,679)	-	-	-
Cash dividends paid to the equity shareholders of the company	向本公司股東支付之現金股息	-	-	-	-	-	-	(230,000)	(230,000)	-	(230,000)
Cash dividends paid to non-controlling interests	向非控制性權益支付之現金股息	-	-	-	-	-	-	-	-	(49,094)	(49,094)
Balance at 31 December 2016	2016年12月31日的餘額	4,600,000	1,270,924	392,628	(3,028)	82,784	289,972	207,601	6,840,881	638,242	7,479,123

The notes on pages 229 to 376 form part of these financial statements.

第229頁至376頁所載附註構成該等財務報表的一部份。

Consolidated Statement of Changes in Equity (Continued)

合併股東權益變動表 (續)

For the year ended 31 December 2016 • 截至2016年12月31日止年度
(Expressed in Renminbi (“RMB”)) (以人民幣列示)

		Attributable to equity shareholders of the company 本公司股權持有人應佔						Non-controlling interests 非控制性權益		Total equity 股東權益合計
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本公積	Surplus reserve 盈餘公積	General reserve 一般風險儲備	Retained earnings 未分配利潤	Subtotal 小計		
		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	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		Note 33(c) 附註 33(c)	Note 33(d)(i) 附註 33(d)(i)	Note 33(d)(ii) 附註 33(d)(ii)	Note 33(d)(iii) 附註 33(d)(iii)	Note 33(d)(iv) 附註 33(d)(iv)			Note 34 附註 34	
Balance at 1 January 2015:	2015年1月1日的餘額	4,600,000	1,275,348	264,879	-	215,510	510,177	6,865,914	710,507	7,576,421
Changes in equity for 2015:	2015年期間權益變動:									
Profit for the year	淨利潤	-	-	-	-	-	302,960	302,960	49,205	352,165
Other comprehensive income	其他綜合收益	-	-	588	-	-	-	588	-	588
Total comprehensive income	綜合收益合計	-	-	588	-	-	302,960	303,548	49,205	352,753
Equity-settled share-based payment	以權益結算的股份支付	-	-	81,123	-	-	-	81,123	-	81,123
Purchase equity interest from non-controlling interests	自非控制性權益收購股權	-	(4,239)	-	-	-	-	(4,239)	(61,761)	(66,000)
Acquisition of subsidiary	收購附屬公司	-	-	-	-	-	-	-	2,460	2,460
Capital injection in subsidiaries from non-controlling interests	附屬公司非控制性權益注資	-	-	-	-	-	-	-	3,500	3,500
Appropriation to surplus reserve	提取盈餘公積	-	-	-	53,303	-	(53,303)	-	-	-
Appropriation to general reserve	提取一般風險準備	-	-	-	-	61,783	(61,783)	-	-	-
Cash dividends paid to the equity shareholders of the company	向本公司股東支付之現金股息	-	-	-	-	-	(460,000)	(460,000)	-	(460,000)
Cash dividends paid to non-controlling interests	向非控制性權益支付之現金股息	-	-	-	-	-	-	-	(44,800)	(44,800)
Balance at 31 December 2015	2015年12月31日的餘額	4,600,000	1,271,109	346,590	53,303	277,293	238,051	6,786,346	659,111	7,445,457

The notes on pages 229 to 376 form part of these financial statements.

第229頁至376頁所載附註構成該等財務報表的一部份。

Consolidated Cash Flow Statement

合併現金流量表

For the year ended 31 December 2016 • 截至2016年12月31日止年度
(Expressed in Renminbi (“RMB”)) (以人民幣列示)

			2016	2015
			2016年	2015年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Operating activities	經營活動			
Cash generated from/ (used in) operations	經營活動產生/(使用) 的現金	12(b)	163,706	(620,415)
PRC income tax paid	支付的所得稅款		(129,319)	(172,789)
Net cash generated from/ (used in) operating activities	經營活動產生/(使用) 現金淨額		34,387	(793,204)
Investing activities	投資活動			
Proceeds from sale of property, plant and equipment	收回物業、廠房及 設備所得款項		746	132
Proceeds from sale of investments	收回投資所得款項		135,122	146,000
Dividends received from other investments	收到其他投資分紅		3,435	-
Payments for the purchase of property, plant and equipment and other non-current assets	支付購買物業、廠房及 設備及其他非流動資產 的款項		(74,653)	(77,030)
Purchase of equity interests of subsidiaries from non- controlling interests	自非控制性權益收購 附屬公司股權支付的 款項		(13,737)	(66,000)
Payments on investment in subsidiary	投資附屬公司支付的款項		-	(5,470)
Payments on investment in associates	投資聯營企業支付的款項		(924,770)	(60,000)
Payments on investment in joint venture	投資合營企業支付的款項		(10,000)	(10,000)
Payments on other investments	支付其他投資的款項		(369,068)	(94,261)
Net cash used in investing activities	投資活動使用現金淨額		(1,252,925)	(166,629)

The notes on pages 229 to 376 form part of these financial statements.

第229頁至376頁所載附註構成該等財務報表的一部份。

Consolidated Cash Flow Statement (Continued)

合併現金流量表 (續)

For the year ended 31 December 2016 • 截至2016年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
	Note 附註		
Financing activities	籌資活動		
Proceeds from capital injection	吸收投資收到的現金		
Proceeds from non-controlling interests	非控制性權益的注資	-	3,500
Proceeds from new borrowings	取得借款收到的現金	1,148,932	1,721,000
Proceeds from financial assets sold under repurchase agreement	賣出回購金融資產收到的現金	1,155,480	1,960,955
Proceeds from the issuance of debt securities	發行債券所得款項	1,269,156	2,380,800
Proceeds from other financing activities	其他籌資活動收到的現金	599,375	814,180
Repayment of borrowings	償還借款本金支付的現金	(243,027)	(2,236,607)
Interest paid	償還借款利息支付的現金	(349,565)	(151,538)
Dividends paid to equity shareholders of the company	向本公司股東支付的股息	(230,000)	(460,000)
Dividends paid to non-controlling interests	向非控制性權益支付的股息	(49,094)	(44,800)
Repurchase of assets with repurchase agreement	回購賣出回購資產支出的現金	(1,375,651)	(2,754,924)
Net cash generated from financing activities	籌資活動產生的現金淨額	1,925,606	1,232,566
Net increase in cash and cash equivalents	貨幣資金增加淨額	707,068	272,733
Cash and cash equivalents at 1 January	1月1日貨幣資金	2,803,885	2,531,112
Effect of foreign exchange rate changes	外匯匯率變動影響	1,052	40
Cash and cash equivalents at 31 December	12月31日貨幣資金	3,512,005	2,803,885

The notes on pages 229 to 376 form part of these financial statements.

第229頁至376頁所載附註構成該等財務報表的一部份。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the group. Note 1(c) 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.

1 重大會計政策

(a) 合規聲明

該等財務報表已根據所有適用香港財務報告準則（「香港財務報告準則」）編製，其條款包括香港會計師公會（「香港會計師公會」）頒佈的所有適用的個別香港財務報告準則，香港會計準則（「香港會計準則」）及詮釋，香港公認會計原則和香港公司條例的披露規定。本財務報表亦符合香港聯合交易所有限公司證券上市規則的適用披露條文。本集團所採納的重大會計政策載於下文。

香港會計師公會已頒佈多項於本財務報表期間生效或可以提前採用的新增及修訂的香港財務報告準則。附註1(c)提供了關於因首次適用這些準則而導致本集團財務報表中本期和前期會計期間的會計政策任何變化的信息。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the company and its subsidiaries (together referred to as the “group”) and the group’s interest in associates and a joint venture.

The financial statements are presented in RMB, rounded to the nearest thousand. It is prepared on the historical cost basis except for available-for-sale financial assets (see Note 1(j)) that are stated at their fair value and liabilities from guarantees (see Note 1(q)(i)).

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

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 40.

1 重大會計政策 (續)

(b) 財務報表的編製基準

截至2016年12月31日止年度的合併財務報表包括本公司及其附屬公司(合稱「本集團」)以及本集團投資的聯營企業和合營企業。

財務報表以人民幣列值，並湊整至最近千位。除以公允價值呈列的可供出售金融資產(見附註1(j))及擔保性負債(見附註1(q)(i))外，財務報表以歷史成本法為編製基準。

編製符合香港財務報告準則的財務報表時，管理層須作出判斷、估計及假設，有關判斷、估計及假設會影響政策的應用及資產、負債、收入及費用的列報。該等估計及相關假設乃建基於過往經驗及其他被認為合理的因素，從而作為判斷未能從其他來源確定的資產及負債的賬面值的基準。實際結果可能與這些估計不同。

該等估計及相關假設會持續予以審閱。會計估計的修訂如只影響該修訂期，則於該修訂期內確認；修訂如影響本期間及未來期間，則於修訂期間及未來期間確認。

有關管理層採納香港財務報告準則時所作出對財務報表有重大影響的判斷，以及主要不明朗估計來源的討論載列於附註40。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the group. None of these developments have had a material effect on how the group's results and financial position for the current or prior periods have been prepared or presented.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) 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.

1 重大會計政策 (續)

(c) 會計政策變動

香港會計師公會已頒佈多項於本集團本會計期間首次生效的香港財務報告準則修訂。該等修訂對本集團本年及以前年度經營成果及財務狀況的編制及列報均未產生重大影響。

本集團並無應用於當前會計期間尚未生效的任何新訂準則或詮釋。

(d) 附屬公司及非控制性權益

附屬公司指本集團控制的實體。本集團對實體有控制權，是指本集團因參與該實體的營運而獲得或有權享有其可變回報，並能夠運用其對實體的權力影響上述回報。評估本集團是否有權力時，僅考慮由本集團及其他方所持有的實質權利。

於附屬公司的投資自控制權開始日期直至控制權終止日期計入合併財務報表內。集團內部往來的餘額、交易及現金流量以及集團內部交易所產生的任何未變現收益在編製合併財務報表時全部抵銷。集團內部交易所產生的任何未變現虧損按照未變現收益的方式抵銷，但出現減值證據除外。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity holders/shareholders 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 the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statements of financial position in accordance with Notes 1(j) depending on the nature of the liability.

1 重大會計政策 (續)

(d) 附屬公司及非控制性權益 (續)

非控制性權益指非直接或間接歸屬於本公司的附屬公司權益，且本集團就此並無與該等權益持有人協定任何額外條款，致使本集團整體須就該等符合金融負債定義的權益承擔合約責任。就各業務合併而言，本集團可選擇按公允價值或按佔附屬公司可識別淨資產的非控股權益比例而計量任何非控制性權益。

非控制性權益於合併財務狀況表的權益內呈列，獨立於本公司權益持有人／股東應佔的權益。本集團業績的非控制性權益乃於合併損益表及合併損益及其他綜合收益表列作本公司非控制性權益及權益股東之間年內的盈利或虧損總額及全面收入總額的分配結果。非控制性權益持有人提供的貸款及向該等持有人承擔的其他合約責任乃根據附註1(j)視乎負債的性質於合併財務狀況表列作金融負債。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 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 (see Note 1(j)) 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 1(m)(i)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

1 重大會計政策 (續)

(d) 附屬公司及非控制性權益 (續)

倘本集團於附屬公司的權益變動不會導致喪失控制權，則作為股權交易入賬，而於綜合權益內之控股及非控制性權益金額會作出調整，以反映相關權益變動，惟不會對商譽做出調整及不會確認盈虧。

當本集團喪失對附屬公司之控制權，將按出售於該附屬公司的所有權益入賬，而所產生的盈虧於損益中確認。任何在喪失控制權當日仍保留的該前附屬公司權益按公允價值確認，而此金額被視為初步確認金融資產的公允價值（見附註1(j)），或（如適用）初步確認於聯營公司或合營企業的投資的成本。

於本公司的財務狀況表中，於附屬公司的投資按成本減資產減值損失入賬（見附註1(m)(i)），惟倘投資分類為持作銷售則除外（或計入分類為持作出售的出售集團）。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures

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

A joint venture is an arrangement whereby the company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the group's share of the investee's net assets and any impairment loss relating to the investment (see Notes 1(f) and (m)). Any acquisition-date excess over cost, the group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

1 重大會計政策 (續)

(e) 聯營公司及合營企業

聯營公司是指本公司可以對該公司管理層產生相當大的影響，包括參與財務及經營決策，但不是控制或共同控制其管理層的實體。

合營企業是指本公司與其他方以合約形式同意分享安排事項的控制權，並享有有關安排事項的淨資產的權利。

於聯營公司或合營企業的投資按權益法於合併財務報表列賬。唯倘投資分類為持作銷售則除外（或計入分類為持作出售的出售集團）根據權益法，投資初始按成本入賬，並按本集團應佔被投資公司於收購當日可識別資產淨值的公允價值超逾投資成本的部份（如有）作出調整。此後，該投資因應本集團於收購後應佔被投資公司資產淨值的變動及與投資有關的任何減值虧損作出調整（見附註1(f)及(m)）。收購當日出成本的任何部份、本集團於年內應佔被投資公司收購後的稅後業績以及任何減值虧損於合併損益表確認，而本集團應佔被投資公司收購後其他綜合收益的除稅後項目乃於合併損益及其他綜合收益表內確認。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures (Continued)

When the group's share of losses exceeds its interest in the associate or the joint venture, the group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the group's interest is the carrying amount of the investment under the equity method together with the group's long-term interests that in substance form part of the group's net investment in the associate or the joint venture.

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

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

1 重大會計政策 (續)

(e) 聯營公司及合營企業 (續)

當本集團應佔虧損超逾其於該聯營公司或合營企業的權益，本集團的權益將削減至零，且不再確認其他虧損，惟倘本集團須承擔法定或推定責任，或代被投資公司付款則除外。就此而言，本集團的權益為按照權益法計算的投資賬面值，連同實質上構成本集團於該聯營公司或合營企業投資淨額一部份的本集團長期權益。

本集團與其聯營公司及合營企業之間交易產生的未實現溢利及虧損按本集團於被投資公司的權益抵減，惟倘未實現虧損可證明已轉讓資產出現減值，則即時於損益確認。

倘於聯營公司的投資變成於合營企業的投資或反之，保留權益不會重新計量。相反，此投資將繼續按權益法入賬。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures (Continued)

In all other cases, when the company ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in statement of profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 1(j)).

In the company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see Note 1(m)(i)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any noncontrolling interest in the acquiree and the fair value of the group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

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

1 重大會計政策 (續)

(e) 聯營公司及合營企業 (續)

在所有其他情況下，如本公司不再對聯營公司擁有重大影響或擁有合營企業的共同控制權，會被視為出售在該承資公司的全部權益，其收益或損失將會計入損益表。於失去前承資公司重大影響或共同控制權當日，任何仍然持有該承資公司的權益將會以公允價值確認，而該金額將被視為金融資產初始確認的公允價值（見附註1(j)）。

在本公司的財務狀況表內，於聯營公司及合營企業的投資按成本扣除資產減值損失列值（見附註1(m)(i)），惟分類為持作出售除外（或計入分類為持作出售的出售集團）。

(f) 商譽

商譽代表以下差額

(i)本集團作為購買方，發行的權益性證券、為取得被購買方控制權而付出的資產以及購買日之前所持有的被購買方的股權在購買日的公允價值之和；與

(ii)合併中取得的被購買方可辨認淨資產於購買日公允價值份額的差額。

當(ii)的金額大於(i)時，差額直接確認為廉價收購利得，計入當期損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Goodwill (Continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 1(m) (ii)).

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

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 1(m)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour and borrowing costs (see Note 1(s)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the statement of profit or loss on the date of retirement or disposal.

1 重大會計政策 (續)

(f) 商譽 (續)

商譽以成本減累計減值準備列示。集團依據現金流產生單元或者現金流產生單元組能夠從企業合併的協同效應中的受益情況分攤商譽賬面價值，並在此基礎上進行商譽減值測試（附註1m(ii)）。

在處置資產組時，任何屬於購置商譽的金額均在計算處置損益時考慮。

(g) 物業、廠房及設備

物業、廠房及設備按成本扣減累計折舊及資產減值損失後的淨值入賬（見附註1(m)(ii)）。

自建物業、廠房及設備項目的成本包括物料成本、直接勞工成本及借貸成本（見附註1(s)）。

報廢或處置物業、廠房及設備所產生的利得或損失為處置所得款項淨額與資產賬面價值之間的差額，並於報廢或處置日在當期損益中確認。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外,均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (Continued)

Depreciation is calculated to write off the cost 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:

		Estimated useful lives 估計可使用年限	
Buildings held for use	建築物	30-35 years	30-35年
Motor vehicles	運輸設備	5 years	5年
Office and other equipment	辦公及其他設備	5 years	5年
Leasehold improvements	租賃物業改良支出	1-5 years	1-5年

Where parts of an item of property, plant and equipment have different useful lives, the cost 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.

(h) Intangible assets (other than goodwill)

Intangible assets that are acquired by the group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 1(m)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

1 重大會計政策 (續)

(g) 物業、廠房及設備 (續)

物業、廠房及設備項目折舊按估計可使用年限,在扣除預計剩餘價值(如有)後以直線法沖銷成本計算如下:

		Estimated useful lives 估計可使用年限	
Buildings held for use	建築物	30-35 years	30-35年
Motor vehicles	運輸設備	5 years	5年
Office and other equipment	辦公及其他設備	5 years	5年
Leasehold improvements	租賃物業改良支出	1-5 years	1-5年

倘物業、廠房及設備項目各部份的可用年限不同,則該項目各部份成本將按合理基準分配,每部份分開折舊。資產的可用年期及剩餘價值(如有)每年會經覆核。

(h) 無形資產 (商譽除外)

由本集團購入的無形資產按成本減去累計攤銷(如估計可用年期為有限)及資產減值損失(見附註1(m)(ii))後列賬。內部產生的商譽及品牌開支乃於產生期內確認為費用。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible assets (other than goodwill) (Continued)

Amortisation of intangible assets with finite useful lives is charged to the statement of profit or loss on a straight-line basis over the assets' estimated useful lives. 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:

		Estimated useful lives 估計可使用年限	
Software	電腦軟件	2-10 years	2-10年

Both the period and method of amortisation are reviewed annually.

(i) 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.

1 重大會計政策 (續)

(h) 無形資產 (商譽除外) (續)

可用年期有限的無形資產的攤銷乃按資產的估計可用年期以直線法計入損益表。以下有限可使用年期的無形資產自可供使用日期起進行攤銷，而估計可使用年期如下：

Estimated useful lives 估計可使用年限

Software	電腦軟件	2-10 years	2-10年
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攤銷期間及方法每年均會經複核。

(i) 租賃資產

倘本集團決定在一項安排具有在議定期限內通過支付一筆或一系列款項，從而獲得使用某一特定資產或多項資產之權利，則包括一項交易或連串交易的該項安排為或包括一項租賃。該項決定乃基於安排內容的估值而作出並不計是否該安排採取法律形式的租賃。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leased assets (Continued)

(i) Classification of assets leased to the group

Assets that are held by 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.

(ii) Operating lease charges

Where the group has the use of assets held 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 to the statement of profit or loss in the accounting period in which they are incurred.

(j) Financial instruments

(i) Recognition and measurement of financial assets and liabilities

A financial asset or financial liability is recognised in the statements of financial position when the group becomes a party to the contractual provisions of a financial instrument.

1 重大會計政策 (續)

(i) 租賃資產 (續)

(i) 租入資產的分類

如果租賃使所有權的絕大部份風險和回報轉移至本集團，本集團在該租賃下持有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份風險和回報轉移至本集團，則劃歸為經營租賃。

(ii) 經營租賃

如本集團使用經營租賃資產，除非有其他更多及反映被租賃資產所產生利益的方法，否則經營租賃費用於租賃期內的會計期間以直式法計入當期損益。獲得的租賃獎勵作為租賃淨付款總額的一部份，在當期損益中確認，或有租金在其產生的會計期間確認為當期損益。

(j) 金融工具

(i) 金融資產及負債的確認和計量

金融資產或金融負債在本集團成為金融工具合約條款的一方時，於財務狀況表內確認。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(i) Recognition and measurement of financial assets and liabilities (Continued)

Financial assets and financial liabilities are measured initially at fair value, plus, for instruments not classified as at fair value through profit or loss, any directly attributable transaction costs.

Financial assets and financial liabilities are categorised as follows:

- Loans and receivables

Loans and receivables are non-derivative financial assets held by the group with fixed or determinable recoverable amounts that are not quoted in an active market, other than

- (a) those that the group intends to sell immediately or in the near-term, which will be classified as held for trading;

1 重大會計政策 (續)

(j) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

在初始確認時，金融資產及金融負債均以公允價值計量。對於以公允價值計量且其變動計入當期損益的金融資產或金融負債，相關交易費用直接計入當期損益；對於其他類別的金融資產或金融負債，相關交易費用計入初始確認金額。

金融資產及金融負債分為以下類別：

- 貸款及應收款項

貸款及應收款項是指在活躍市場中沒有報價，回收金額固定或可確定的本集團持有的非衍生金融資產，本集團未將下列非衍生金融資產劃分為貸款及應收款項：

- (a) 分類為持作交易用途的非衍生金融資產，即準備立即或在近期出售的金融資產；

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(i) Recognition and measurement of financial assets and liabilities (Continued)

- Loans and receivables (Continued)
 - (b) those that the group, upon initial recognition, designates as at fair value through profit or loss or as available-for-sale; or
 - (c) those where the group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale.

Subsequent to initial recognition, loans and receivables are stated at amortised cost using the effective interest method.

- Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated upon initial recognition as available-for-sale and other financial assets are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity assets.

1 重大會計政策 (續)

(j) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

- 貸款及應收款項 (續)
 - (b) 初始確認時被本集團指定為以公允價值計量且其變動計入當期損益的金融資產或可供出售非衍生金融資產；或
 - (c) 除因債務人信用惡化被劃分為可供出售金融資產外，使本集團可能難以收回幾乎所有初始投資的非衍生金融資產。

於初期確認後，貸款和應收款項採用實際利率方法計算攤銷成本。

- 可供出售金融資產

可供出售金融資產是指於初始確認時即被指定為可供出售的非衍生金融資產，或除下列各類資產以外的金融資產：以公允價值計量且其變動計入當期損益的金融資產、貸款及應收款項及持至到期投資。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(i) Recognition and measurement of financial assets and liabilities (Continued)

- Available-for-sale financial assets
(Continued)

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value, without any deduction for transaction costs that may occur on sale and changes therein, except for impairment losses and foreign exchange gains and losses from monetary financial assets, are recognised directly in other comprehensive income. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to statement of profit or loss.

- Other financial liabilities

Financial liabilities other than the financial liabilities at fair value through profit or loss are classified as other financial liabilities.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

1 重大會計政策 (續)

(j) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

- 可供出售金融資產
(續)

可供出售金融資產初始確認後以公允價值計量，且不扣除將來處置該金融資產時可能發生的交易費用及可供出售金融資產因公允價值變動形成的利得或損失，除減值損失和外幣貨幣性金融資產形成的匯兌差額外，均於其他綜合收益中確認。倘投資被終止確認，則其於其他綜合收益中列賬的累計利得或損失會重新分類至當期損益。

- 其他金融負債

以公允價值計量且其變動計入當期損益的金融負債以外的金融負債被分類為其他金融負債。

於初始確認後，其他金融負債使用實際利率法按攤餘成本計量。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(ii) Impairment of financial assets

The carrying amounts of financial assets other than those at fair value through profit or loss are reviewed by the group at the end of each reporting period to determine whether there is objective evidence of impairment. If any such evidence exists, impairment loss is provided. Objective evidence of impairment in the financial asset represents events that occur after the initial recognition of the financial asset and have impact on the estimated future cash flows of the asset, which can be estimated reliably.

Objective evidence includes the following loss event:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- disappearance of an active market for financial assets because of financial difficulties;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

1 重大會計政策 (續)

(j) 金融工具 (續)

(ii) 金融資產減值

本集團在財務報告日對以公允價值計量且其變動計入當期損益的金融資產以外的金融資產的賬面價值進行檢查，有客觀證據表明該金融資產發生減值的，將確認減值損失。金融資產減值的客觀證據包括在金融資產初始確認後實際發生的、對該金融資產的預計未來現金流量有影響且本集團能夠對該影響進行可靠計量的事項。

客觀證據包括以下損失事件：

- 債務人發生重大債務困難；
- 違反合同，如違約或拖欠利息及本金；
- 債務人很可能破產或進行其他財務重組；
- 因財務困難，導致金融資產無法在活躍市場繼續交易；
- 技術、市場、經濟或法律環境發生重大改變對債務人造成不利影響；及
- 權益工具中投資的公允價值出現大幅下降或長期低於其成本。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(ii) Impairment of financial assets (Continued)

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

- Loans and receivables

The group uses two methods of assessing impairment losses: those assessed individually and those assessed on a collective basis.

- Individual assessment

Loans and receivables, which are considered individually significant, are assessed individually for impairment. If there is objective evidence of impairment of loans and receivables, the amount of loss is measured as the excess of its carrying amount over the present value of the estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. The impairment losses are recognised in the statement of profit or loss.

1 重大會計政策 (續)

(j) 金融工具 (續)

(ii) 金融資產減值 (續)

倘存在任何該等證據，任何資產減值損失須按以下釐定及確認：

- 貸款及應收款項

本集團採用個別評估及組合評估兩種方式評估資產減值損失。

- 個別評估

對於單筆金額重大的貸款及應收款項，採用個別方式進行減值評估。如有客觀證據顯示貸款及應收款項已出現減值，則將該資產的賬面價值減記至按該金融資產原實際利率（即按該等資產初始確認時計算的實際利率）折現確定的預計未來現金流量現值（倘折現的影響屬重大），減記的金額確認為資產減值損失，計入當期損益。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外,均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(ii) Impairment of financial assets (Continued)

- Loans and receivables (Continued)

- Individual assessment (Continued)

Cash flows relating to short-term loans and receivables are not discounted when assessing impairment loss if the difference between the estimated future cash flows and its present value is immaterial.

The calculation of the present value of the estimated future cash flows of a collateralised loan or receivable reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral.

1 重大會計政策 (續)

(j) 金融工具 (續)

(ii) 金融資產減值 (續)

- 貸款及應收款項 (續)

- 個別評估 (續)

短期貸款及應收款項和持有至到期投資的預計未來現金流量與其現值相差很小,在確定相關資產減值損失時不進行折現。

有抵押的貸款及應收款項的預計未來現金流量現值會扣除取得和出售抵押品的費用。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(ii) Impairment of financial assets (Continued)

- Loans and receivables (Continued)
 - Collective assessment

Loans and receivables which are assessed collectively for impairment include individually assessed loans and receivables with no objective evidence of impairment on an individual basis, and homogeneous groups of loans and receivables which are not considered individually significant and not assessed individually. Loans and receivables are grouped for similar credit risk characteristics for collective assessment. The objective evidence of impairment mainly includes that, though it is unable to identify the decrease of cash flow of each individual asset, after collective assessment based on observable data, there is observable evidence indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets.

1 重大會計政策 (續)

(j) 金融工具 (續)

(ii) 金融資產減值 (續)

- 貸款及應收款項 (續)
 - 組合評估

本集團對於單項金額不重大的同類客戶貸款和墊款、個別方式評估未發生減值的貸款及應收款項，採用組合方式進行減值測試。本集團將其包括在具有類似信用風險特徵的金融資產組合，並以組合方式評估其減值損失。儘管未能就各項個別資產確認現金流量減少，但經按組合評估後，如有證據表明自初始確認後，某一類金融資產的預計未來現金流量出現大幅下降的，將確認減值損失，計入當期損益。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(ii) Impairment of financial assets (Continued)

- Loans and receivables (Continued)

- Collective assessment (Continued)

The group periodically reviews and assesses the impaired loans and receivables for any subsequent changes to the estimated recoverable amounts and the resulted changes in the provisions for impairment losses.

If, in a subsequent period the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the statement of profit or loss. The reversal shall not result in a carrying amount of the financial asset that exceeds the amortised cost at the date of the reversal had the impairment not been recognised.

When the group determines that a loan has no reasonable prospect of recovery after the group has completed all the necessary legal or other claim proceedings, the loan is written off against its provisions for impairment losses upon necessary approval.

1 重大會計政策 (續)

(j) 金融工具 (續)

(ii) 金融資產減值 (續)

- 貸款及應收款項 (續)

- 組合評估 (續)

本集團就任何預期可回收金額變動及因而導致的資產減值損失撥備變動而定期審閱及評估減值貸款及應收款項。

貸款及應收款項確認減值損失後，如有客觀證據表明該金融資產價值已恢復，且客觀上與確認該損失後發生的事項有關，原確認的減值損失將予以轉回，計入當期損益。該轉回後的賬面價值不超過假定不計提減值準備情況下該金融資產在轉回日的攤餘成本。

當本集團已經進行了所有必要的法律或其他程序後，貸款仍然不可收回時，本集團將獲得所需批准後核銷貸款及沖銷相應的損失準備。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(ii) Impairment of financial assets (Continued)

- Available-for-sale financial assets

For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to the statement of profit or loss. The amount of the cumulative loss that is recognised in the statement of profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the statement of profit or loss.

Impairment losses recognised in the statement of profit or loss in respect of available-for-sale equity securities are not reversed through the statement of profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the statement of profit or loss.

1 重大會計政策 (續)

(j) 金融工具 (續)

(ii) 金融資產減值 (續)

- * 可供出售金融資產

可供出售金融債券發生減值時，原按公允價值確認的累計損失將轉出，計入當期損益。轉出的累計損失金額為該金融資產的初始取得成本扣除已收回本金和已攤銷金額、當期公允價值及原已計入損益的減值損失後的餘額。

可供出售權益工具原於損益確認的減值損失不通過損益轉回，該類金融資產公允價值的任何上升直接計入其他綜合收益。

可供出售金融資產確認減值損失後，如有客觀證據表明該金融資產公允價值已恢復，且客觀上與確認該減值損失後發生的事項有關，原確認的減值損失予以轉回，計入當期損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(iii) Fair value measurement

If there is an active market for a financial asset or financial liability, the quoted price in the active market without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. For a financial asset held or a financial liability to be assumed, the quoted price is the current bid price. For a financial asset to be acquired or a financial liability assumed, it is the current asking price. The quoted prices from an active market are prices that are readily and regularly available from an exchange, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of each reporting period. Where other pricing models are used, inputs are based on market data at the end of each reporting period.

1 重大會計政策 (續)

(j) 金融工具 (續)

(iii) 公允價值計量

對存在活躍市場的金融資產或金融負債，用活躍市場中的報價確定其公允價值，且不扣除將來出售或處置該金融資產或金融負債時可能發生的交易費用。對於已持有的金融資產或將發生的金融負債，報價為當前競標價。對於將取得的金融資產或已發生的金融負債，報價為當前報價。活躍市場中的報價是可容易且經常從交易所、代理人、行業集團或定價服務機構獲取的，並且代表實際和經常發生的正常市場交易。

對不存在活躍市場的金融工具，採用估值技術確定其公允價值。所採用的估值技巧包括參考熟悉情況並自願交易的各方最近進行的市場交易的成交價、參照實質上相同的其他金融工具的當前公允價值、現金流量折現分析及期權定價模式。當使用現金流量折現法時，估計未來現金流量乃根據管理層的最佳估計，所使用的折現率乃具有相若條款及條件的工具所適用之各報告期末之市場利率。當使用其他定價模式時，輸入的數據乃根據報告期末的市場數據計算。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(iii) Fair value measurement (Continued)

In estimating the fair value of a financial asset and financial liability, the group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The group obtains market data from the same market where the financial instrument was originated or purchased.

(iv) Derecognition of financial assets and financial liabilities

Financial assets (or a part of a financial asset or group of financial assets) are derecognised when the financial assets meet one of the following conditions:

- the contractual rights to the cash flows from the financial asset expire; or
- the group transfers substantially all the risks and rewards of ownership of the financial assets or where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the control over that asset is relinquished.

1 重大會計政策 (續)

(j) 金融工具 (續)

(iii) 公允價值計量 (續)

在評估金融資產及金融負債的公允價值時，本集團已考慮所有可能影響金融資產及金融負債的公允價值的因素，包括（但不限於）無風險匯率、信貸風險、外匯匯率及市場波動。

本集團獲得的市場數據來自產生或購買該金融工具的同市場。

(iv) 終止確認金融資產及金融負債

當滿足下列條件之一時，金融資產（或金融資產的一部份或某組相類似的金融資產的一部份）將被終止確認：

- 收取該金融資產現金流量的合同權利終止；或
- 本集團已轉移與該金融資產所有權有關的幾乎全部的風險和報酬或既沒有保留也未轉移與該金融資產所有權有關的幾乎全部的風險和報酬而放棄對該資產的控制。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(iv) Derecognition of financial assets and financial liabilities (Continued)

If the group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the group continues to recognise the financial asset and relevant liability to the extent of its continuing involvement in the financial asset.

The financial liability (or part of it) is derecognised only when the underlying present obligation (or part of it) specified in the contracts is discharged, cancelled or expired. An agreement between the group and an existing lender to replace the original financial liability with a new financial liability with substantially different terms, or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in the statement of profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when the group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis, or by realising the asset and settling the liability simultaneously.

1 重大會計政策 (續)

(j) 金融工具 (續)

(iv) 終止確認金融資產及金融負債 (續)

倘本集團並未轉移或保留與該金融資產所有權有關的幾乎全部的風險和報酬，但保留控制權，則本集團根據繼續涉入該金融資產的程度確認金融資產及相關負債。

當合同中規定的義務全部或部分解除、取消或到期時，金融負債或其一部份才能終止確認。當一項金融負債被同一個債權人以另一項負債所取代，且新的金融負債的條款與原負債顯著不同，或對當前負債的條款作出了重大的修改，則該替代或修改事項將作為原金融負債的終止確認以及一項新金融負債的初始確認處理。終止確認的賬面價值與支付的對價之間的差額應計入當期損益。

(v) 抵銷

如果本集團具有抵銷確認金額的法定權利，且這種法定權利是現時可執行的，並且本集團計劃以淨額結算，同時變現該金融資產和清償該金融負債，該金融資產和金融負債將在財務狀況表內互相抵銷並以淨額列示。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(vi) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in the statement of profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of profit or loss over the period of borrowings, together with any interest and fees payable, using the effective interest method.

(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 that are 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.

1 重大會計政策 (續)

(j) 金融工具 (續)

(vi) 衍生金融工具

衍生金融工具以公允價值進行初始確認。公允價值會在每個報告期末重新計量。因公允價值變動而產生的利得或損失，計入當期損益。然而，如衍生財務工具符合現金流量對沖會計或對沖海外業務淨投資，確認所得盈虧則取決於被對沖項目的性質。

(k) 計息借款

計息借款於起始時以公允價值減應佔交易成本確認。於初始確認後，計息借款以攤銷成本列賬，而初始確認金額與贖回價值之間的任何差額，連同任何應付利息及費用，採用實質利率計算法於借款期內於當期損益中確認。

(l) 貨幣資金

貨幣資金包括銀行存款及現金、存放於銀行及其他金融機構的活期存款，以及可隨時兌換為已知數額現金、價值變動風險不大，並在認購後三個月內到期的短期高流動性投資。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of non-financial assets

(i) *Impairment of investments in subsidiaries, associates and joint venture*

Investments in subsidiaries, associates and joint venture 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 loss events in Note 1(j)(ii). When any such evidence exists, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 1(d) and Note 1(e). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with Note 1(m)(ii).

(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, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- Property, plant and equipment;
- Intangible assets; and
- Goodwill

1 重大會計政策 (續)

(m) 非金融資產減值

(i) 於附屬公司、聯營公司及合營企業投資的減值

於附屬公司、聯營公司及合營企業的投資在各報告期末審閱以確定是否有減值的客觀證據。減值的客觀證據包括有關一個或多個附註1(j)(ii)中引起本集團注意的虧損事件的可觀察數據。若該證據存在，則減值損失乃根據附註1(d)及附註1(e)對該投資的可收回金額及其賬面值進行比較而計量。倘根據附註1(m)(ii)用於釐定可收回金額的估計出現有利變動，則會撥回資產減值損失。

(ii) 其他資產的減值

會於各報告期末對內部及外部資料進行審核，以識別顯示如下資產可能出現減值，商譽除外，或先前已確認之資產減值損失不復存在或已有所減少：

- 物業、廠房及設備
- 無形資產；及
- 商譽

Notes to the Financial Statements

財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of non-financial assets (Continued)

(ii) Impairment of other assets (Continued)

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

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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 (i.e. a cash-generating unit).

1 重大會計政策 (續)

(m) 非金融資產減值 (續)

(ii) 其他資產的減值 (續)

倘存在該等跡象，則會對該資產的可收回金額作出估計。此外，對於商譽和目前尚未達到可使用狀態的無形資產以及具有無限期可使用壽命的無形資產，無論是否存在減值跡象，均要每年進行可收回金額的評估。

— 計算可收回金額

資產的可收回金額以其公允價值減處置費用後的淨額與資產預計未來現金流量現值兩者中較高金額為準。在預計資產預計未來現金流量的現值時，會使用稅前折讓率將估計未來現金流量折讓至其現值，以反映目前資金時值的市場評估及該資產的獨有風險。倘資產產生的現金流入基本上不獨立於其他資產產生的現金流入，則以可獨立產生現金流入的最小資產類別（即現金產生單位）來釐定可收回金額。

Notes to the Financial Statements

財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of non-financial assets (Continued)

(ii) Impairment of other assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in the statement of profit or loss if 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 first to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

1 重大會計政策 (續)

(m) 非金融資產減值 (續)

(ii) 其他資產的減值 (續)

– 確認資產減值損失

確認資產減值損失資產或其所屬的現金產出單元的可收回金額低於其賬面價值的，應確認減值損失，計入當期損益。與現金產出單元或者現金產出單元組相關的資產減值損失，先按現金產出單元或者現金產出單元組中其他各項資產的賬面價值所佔比例，相應抵減其賬面價值，但抵減後的各資產的賬面價值不得低於該資產的公允價值減去處置費用（如可計量）或其現值（如可確定的）。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of non-financial 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 the statement of profit or loss in the year in which the reversals are recognised.

1 重大會計政策 (續)

(m) 非金融資產減值 (續)

(ii) 其他資產的減值 (續)

– 資產減值損失的轉回

對於商譽以外的資產，如用於釐定可收回金額的估計發生有利的變化，則原確認的資產減值損失將予以轉回。商譽的資產減值損失不予轉回。

該轉回後的賬面價值不超過假定不計提資產減值損失情況下該資產在轉回日的賬面價值。轉回的資產減值損失於確認有關轉回的年度內計入當期損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits

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

Salaries, annual bonuses, paid annual leave and defined contribution the group makes pursuant to the relevant laws and regulations of the PRC 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.

Pursuant to the relevant laws and regulations of the PRC, the group's subsidiaries in the PRC have joined defined contributions for the employees, such as basic pension scheme, housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The group makes contributions to the above mentioned schemes at the applicable rates based on the amounts stipulated by the government organisation. The contributions are charged to the statement of profit or loss on an accrual basis.

1 重大會計政策 (續)

(n) 職工薪酬

(i) 短期職工薪酬及社會保險及住房公積金計劃

薪金、年終獎金、帶薪年假及本集團根據中國相關法律及條例作出的指定供款於僱員提供相關服務的年度內計算。如延遲付款或結算並構成重大影響，則此等金額會以現值列賬。

根據相關中國法律和條例，本集團位於中國的附屬公司為員工加入了指定供款，例如基本養老金計劃、住房公積金、基本醫療保險、失業保險、意外傷害保險及產險。本集團根據政府組織規定金額按適用比例向上述計劃供款。供款按應計基準計入當期損益。

Notes to the Financial Statements

財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (Continued)

(ii) Share-based payments

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

During the vesting period, the number of share awards that is 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 capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of awards that vest (with a corresponding adjustment to the capital 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 capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

1 重大會計政策 (續)

(n) 職工薪酬 (續)

(ii) 以權益結算的股份支付

授予僱員的股份獎勵的公允價值已予確認為員工薪酬，而權益中的資本公積亦會相應增加。公允價值在授予日起以Cox-Ross-Rubinstein Binomial模型計量，並計及所授予獎勵的條款及條件。倘僱員於無條件取得股份獎勵前須符合歸屬條件，股份獎勵的估計公允價值總額會於歸屬期內經考慮股份獎勵將會歸屬的可能性予以分攤。

在歸屬期內，預期會歸屬的股份獎勵數目會被審閱。任何對於過往年度確認的累計公允價值的所得調整乃於審閱年度自損益扣除／計入損益，除非原職工薪酬符合資格確認為資產，並對資本公積作出相應調整。於歸屬日期，確認為費用的金額乃調整以反映歸屬的股份獎勵的實際數目（並對資本公積作出相應調整），惟倘沒收僅因並無達成與公司股份市價有關的歸屬條件則除外。權益金額於資本儲備確立，直至購股權獲行使（在此情況下該金額將包含在發行的股本中）或購股權到期屆滿（在此情況下將直接撥回撥保留溢利）。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (Continued)

(iii) 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) 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 the statement of 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 reporting period, and any adjustment to tax payable in respect of previous years.

1 重大會計政策 (續)

(n) 職工薪酬 (續)

(iii) 辭退福利

辭退福利產生的負債以，本集團在不能單方面撤回因解除勞動關係計劃或裁減建議所提供的辭退福利和已經制定正式的解除勞動關係計劃或提出自願裁減建議並即將實施，兩者孰早確認。

(o) 所得稅

年度所得稅包括當期所得稅及遞延所得稅資產和負債的變動。當期所得稅及遞延所得稅資產和負債的變動均於當期損益確認，但與於其他綜合收益表或直接於權益內確認的項目有關者，則相關稅額分別於其他綜合收益表或直接於權益內確認。

當期所得稅包括根據當期應納稅所得額及財務報告日的適用稅率計算的預期應交所得稅和對以前年度應交所得稅的調整。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income tax (Continued)

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

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

1 重大會計政策 (續)

(o) 所得稅 (續)

遞延所得稅資產與遞延所得稅負債分別根據可抵扣暫時性差異和應納稅暫時性差異確定。暫時性差異是指資產或負債的賬面價值與其計稅基礎之間的差額，遞延所得稅資產亦產生自不可利用稅務損失和稅款抵減。

除若干有限制的情況外，所有遞延所得稅資產和負債的確認以很可能取得用來抵扣可抵扣暫時性差異的應納稅所得額為限。能支持可確認由可抵扣暫時差異所產生遞延所得稅資產的應納稅所得額包括因轉回現存應納稅暫時性差異而產生的金額，此差額必須與同一稅務機關及同一納稅主體有關，並預期在可抵扣暫時性差異預計轉回的同一期間或遞延所得稅資產產生的稅務虧損可向後期或向前期結轉的期間內轉回。在確定現存應納稅暫時性差異是否支持確認由未使用稅務虧損和稅項抵免產生的遞延所得稅資產時，採用同一準則，即該差額若與同一稅務機關及同一納稅主體有關，並預期在能使用稅務虧損或抵免的同一期間內轉回，則會被考慮。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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.

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 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.

1 重大會計政策 (續)

(o) 所得稅 (續)

確認遞延所得稅資產和遞延所得稅負債的有限例外包括：稅前不可扣除的商譽產生的暫時性差異；對既不影響會計利潤、也不影響稅前利潤的資產或負債的初始確認（前提為不涉及企業合併）；以及對附屬公司投資產生的暫時性差異，本集團可控制應納稅暫時性差異預計轉回時間並且在可預見的未來期間應納稅暫時性差異可能不轉回的，或在可預見的未來期間不可能轉回可抵扣暫時性差異的。

本集團根據遞延所得稅資產和負債的預期收回或結算方式，按照報告期末預期收回該資產或清償該負債的適用稅率計量該遞延所得稅資產和負債的賬面金額。遞延所得稅資產和負債均不折現。

於各報告期末，本集團對遞延所得稅資產的賬面價值進行覆核。如果未來期間很可能無法獲得足夠的應納稅所得額用以抵扣遞延所得稅資產的利益，則減記遞延所得稅資產的賬面價值。在很可能獲得足夠的應納稅所得額時，減記的金額予以轉回。

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財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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 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 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.

1 重大會計政策 (續)

(o) 所得稅 (續)

當期所得稅資產和負債及遞延所得稅資產和負債及其變動額分別列示，不相互抵銷。當本集團有法定權利以當期所得稅負債抵銷當期所得稅資產並且同時滿足以下條件時，當期所得稅負債及當期所得稅資產、遞延所得稅資產及遞延所得稅負債以抵銷後的淨額列示：

- 倘為當期所得稅資產和負債，本集團計劃按淨額列示或同時變現該資產和清償該負債；或
- 倘為遞延所得稅資產和負債，遞延所得稅資產和遞延所得稅負債歸屬於同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一納稅主體；或
 - 對不同的納稅主體相關，但在未來每一發生重大金額的遞延所得稅資產及負債轉回的期間內，涉及的納稅主體意圖以淨額結算當期所得稅資產和負債或是同時取得資產、清償負債。

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財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within liabilities from guarantees. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the statement of profit or loss on initial recognition of any deferred income.

1 重大會計政策 (續)

(p) 發出的財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債務工具的條款於到期時付款而蒙受的損失，而向持有人支付特定款項的合約。

當本集團發出財務擔保，該擔保的公允價值最初確認為擔保人負債項內的遞延收入。於發出時間已發出融資擔保的公允價值，是以參考在相若服務的公平交易所徵收費用的可取得相關資料而釐定；有關資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保的情況下而貸款機構將可能徵收的估計息率作出比較，並在當中取用較可靠的相關資料以釐定公允價值。倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產的本集團政策而予確認。倘沒有有關尚未收取或應予收取的代價，則於最初確認任何遞延收入時，即確認當期費用，計入當期損益。

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財務報表附註

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in the statement of profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 1(q)(i) if and when (i) it becomes probable that the holder of the guarantee will call upon the group under the guarantee, and (ii) the amount of that claim on the group is expected to exceed the amount currently carried in liabilities from guarantees in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(q) Provisions and contingent liabilities

(i) Provisions for guarantee losses

When determining the amounts to be recognised in respect of liabilities arising from the guarantee business, management estimates the provisions based on prior experience and default history of the business. It is possible that the prior experience and default history is not indicative of future loss on the guarantees issued. Any increase or decrease in the provisions would affect the statement of profit or loss in future years.

1 重大會計政策 (續)

(p) 發出的財務擔保 (續)

最初確認為遞延收入的擔保款額按擔保年期於損益表內攤銷為發出的財務擔保收入。此外，倘(i)擔保持有人有可能省視擔保下的本集團；及(ii)本集團的申索款額預期超過現時列於擔保人負債項目內的擔保金額（即最初確認的金額減累計攤銷），則根據附註1(q)(i)確認有關準備。

(q) 撥備及或有負債

(i) 擔保賠償準備金

在確定擔保業務產生的負債相關金額時，管理層乃根據過往經驗及該業務的拖欠歷史評估撥備。過往經驗及拖欠歷史可能無法就未來發出的擔保虧損提供指示。任何撥備的增加或減少會在未來數年對損益表產生影響。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Provisions and contingent liabilities (Continued)

(ii) Provisions and contingent liabilities

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

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.

1 重大會計政策 (續)

(q) 撥備及或有負債 (續)

(ii) 撥備及或有負債

倘本集團須就已發生的事件承擔法律或推定責任，並可能須為履行該責任而付出經濟利益，而且能夠作出可靠的估計時，便應就該未能確定時間或數額的負債確認撥備。如果貨幣的時間價值重大，則按預計履行責任所需開支的現值將撥備列賬。

倘不一定須要付出經濟利益，或是無法可靠地估計有關金額，則將有關責任披露為或有負債，惟付出經濟效益的可能極低則除外。如果本集團可能須承擔的責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，則該等責任亦會披露為或有負債，惟付出經濟利益的可能極低則除外。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 the statement of profit or loss as follows:

(i) *Guarantee and consulting fee income*

Guarantee income is recognised when guarantee contracts have been made whereby the related guarantee obligation has been accepted, the economic benefits associated with the guarantee contracts will probably flow in, and the amount of revenue associated with guarantee contracts can be measured reliably. Guarantee income is determined based on the total agreed fee in the guarantee contracts and is recognised in the statement of profit or loss over the period of guarantee. The group receives consulting fee income in relation to guarantee services in full at inception and records it as unearned income before amortising it throughout the period of guarantee.

(ii) *Interest and handling fee income*

Interest income is recognised as it accrues using the effective interest method. The group receives handling fee income from loan services in full at inception and records it as unearned income before amortising it throughout the contractual period of the loan.

1 重大會計政策 (續)

(r) 收入確認

收入按已收取或應收取代價的公允價值估量確認。只當經濟利益很可能流入本集團，而收入和成本（如適用）又能可靠地計量時，收入才會根據下列方法於損益表中確認：

(i) 擔保及諮詢費收入

擔保收入於擔保合同成立並承擔相應擔保責任，與擔保合同相關的經濟利益很可能流入，且擔保合同相關的收入能夠可靠計量時予以確認。擔保收入按照擔保合同規定收費在擔保合同期內確認，計入當期損益。與擔保服務相關的諮詢費收入在服務提供前全額預收並於服務提供期間內攤銷確認。

(ii) 利息及手續費收入

利息收入於應計提時採用實際利率法確認。本集團於訂立合約時就貸款服務收取手續費收入並在其於貸款合約期內攤銷前計入遞延收益。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue recognition (Continued)

(iii) Dividends

- 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.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the group will comply with the conditions attaching to them. Grants that compensate the group for providing guarantee services to SMEs under certain criteria are recognised as income in the statement of profit or loss upon receiving such grants. Grants that compensate the group for the cost of an asset are deducted from the carrying amount of the assets and consequently are effectively recognised in the statement of profit or loss over the useful life of the asset by way of reduced depreciation expense.

1 重大會計政策 (續)

(r) 收入確認 (續)

(iii) 股息

- 非上市投資的股息收入在股東收取款項的權利確立時確認。
- 上市投資的股息收入在投資項目的股價除息時確認。

(iv) 政府補助

政府補助在能夠滿足政府補助所附條件時，並有合理保證能夠收取政府補助時，於財務狀況表中予以確認。補償本集團向某類中小型企業提供擔保服務的補助於收到該等補助時於損益表中確認為收入。補償本集團資產成本的補助從資產的賬面金額中減去，其後於該項資產的可用年期以減少折舊費用方式於損益表內實際確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) 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.

(t) Repossessed assets

Repossessed assets are physical assets or property rights obtained by the group from debtors, warrantors or third parties following the enforcement of its creditor's rights. The initial cost of repossessed assets is measured at the lower of the net carrying amount of loans and advances and the fair value of the assets less costs to sell on the acquisition date. Repossessed assets are not depreciated or amortized. The impairment losses of initial measurement and subsequent revaluation are charged to the profit or loss.

1 重大會計政策 (續)

(s) 借款費用

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以達到預定可使用狀態或出售)有關的借款費用，均資本化為資產的部份成本。其他借款費用於發生當期確認為財務費用。

當資本支出和借款費用已經發生及為使資產達到預定可使用狀態或出售所必要的購建活動已經開始時，借款費用開始資本化。當符合資本化條件的資產達到預定可使用狀態或出售所必要的購建活動中止或完成時，借款費用暫停或停止資本化。

(t) 抵債資產

抵債資產指本集團於強制執行債權人的權利後向債務人、擔保人或第三方獲取的實物資產或產權。抵債資產的初始成本乃以貸款及墊款的賬面淨值與資產公允價值減去收購日期的處置費用的較低者計算。抵債資產不計提折舊或進行攤銷。初始確認及後續重新評估的減值損失計入損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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);
 - (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 party;

1 重大會計政策 (續)

(u) 關聯方

- (a) 如下個人及與其關係密切的家庭成員可視為本集團的關聯方：
- (i) 對本集團實施控制或共同控制；
 - (ii) 對本集團施加重大影響；或
 - (iii) 本集團及本集團母公司的關鍵管理人員。
- (b) 如下企業可視為本集團的關聯方：
- (i) 與本集團同屬同一集團的企業（即集團內所有母公司、附屬公司及同系附屬公司之間互為關聯方）；
 - (ii) 本集團的聯營企業或合營企業（或集團內其他企業的聯營企業或合營企業）；
 - (iii) 同為同一第三方的合營企業；
 - (iv) 企業與本集團，一方為第三方企業的合營企業，而另一方為同一第三方企業的聯營企業；

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Related parties (Continued)

- (b) An entity is related to the group if any of the following conditions applies: (Continued)
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1 重大會計政策 (續)

(u) 關聯方 (續)

- (b) 如下企業可視為本集團的關聯方：(續)
- (v) 企業與本集團或與本集團有關聯的實體就僱員利益設立的退休福利計劃；
- (vi) 受(a)中個人控制或共同控制的企業；
- (vii) 受(a)(i)中個人重大影響的企業，或(a)(i)中個人為企業（或企業母公司）的關鍵管理人員。
- (viii) 實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

一名人士的近親是指與該實體交易時預期可影響該人士或受該人士影響的家庭成員。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the group's most senior executive management 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.

2 NET FEE AND INTEREST INCOME

The principal activities of the group are the provision of credit guarantee and related consulting services, loans to customers and agency services in the PRC. Net fee and interest income represents net guarantee and consulting fee income and net interest and handling fee income. The amount of each significant category of net fee and interest income recognised is as follows:

1 重大會計政策 (續)

(v) 分部報告

經營分部及財務報表所呈列各分部的金額，乃從為向本集團各項業務及地理位置分配資源及評估其業績而定期向本集團最高行政管理層提供的財務報表當中識別出來。

個別重要的經營分部不會合併以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部份條件，則可以合併為一個報告分部。

2 淨手續費及利息收入

本集團的主要業務是在中國向客戶提供信貸擔保及相關諮詢、貸款及代理服务。淨手續費及利息收入包括擔保及諮詢費淨收入及利息和手續費淨收入。各主要類別下的淨手續費及利息收入載列如下：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

2 NET FEE AND INTEREST INCOME (CONTINUED)

2 淨手續費及利息收入(續)

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Guarantee and consulting fee income	擔保及諮詢費收入		
Financing guarantee and consulting fee income	融資擔保及諮詢費收入	724,706	751,564
Performance guarantee and consulting fee income	履約擔保及諮詢費收入	33,710	14,456
Litigation guarantee and consulting fee income	訴訟擔保及諮詢費收入	625	923
		759,041	766,943
Less: Re-guarantee expenses	減：再擔保費用	(3,671)	(1,905)
Net guarantee and consulting fee income	擔保及諮詢費淨收入	755,370	765,038
Interest and handling fee income arising from:	利息及手續費收入來自：		
- Loans and advances to customers	- 發放貸款及墊款	962,590	1,117,898
- Factoring business	- 保理業務	56,487	12,440
- Cash at banks	- 銀行存款	50,745	49,267
- Restricted bank deposits	- 存出擔保保證金	16,870	21,626
- Finance lease receivables	- 融資租賃業務	13,602	3,471
- Internet financing business	- 互聯網金融業務	12,787	8,108
		1,113,081	1,212,810
Interest and commission expenses arising from:	利息及手續費支出來自：		
- Debts securities issued	- 應付債券	(190,667)	(61,307)
- Financial assets sold under repurchase agreements	- 賣出回購金融資產	(80,043)	(104,537)
- Borrowings from non-bank institutions	- 非銀行機構借貸	(66,488)	(14,529)
- Commission paid to agents	- 手續費及佣金支出	(42,258)	(21,885)
- Borrowings from banks	- 銀行借貸	(9,249)	(23,606)
		(388,705)	(225,864)
Net interest and handling fee income	利息及手續費淨收入	724,376	986,946
Net fee and interest income	淨手續費及利息收入	1,479,746	1,751,984

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

2 NET FEE AND INTEREST INCOME (CONTINUED)

The group's customer base is diversified and has no customer with whom transactions exceeded 10% of the group's net fee and interest income during the years ended 31 December 2016 and 2015. Details of concentrations of credit risk are set out in Note 36(a).

Further details regarding the group's principal activities are disclosed in Note 35.

3 OTHER REVENUE

2 淨手續費及利息收入 (續)

本集團擁有多元化的客戶基礎，於截至2016年及2015年12月31日止年度的未有交易超過本集團淨手續費及利息收入10%的客戶。有關集中信貸風險詳情載列於附註36(a)。

有關本集團主要業務的詳情載列於附註35。

3. 其他收入

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Government grants	政府補助	15,619	26,373
Rentals income from property sub-leases	資產再租賃的租金收入	7,161	3,362
Gain on disposal of available-for-sale financial assets	處置可供出售金融資產的收益	5,121	-
Dividend income from available-for-sale financial assets	可供出售金融資產的股息收入	3,436	-
Others	其他	3,416	4,246
		34,753	33,981

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

4 IMPAIRMENT LOSSES

4 減值損失

		2016	2015
		2016年	2015年
		RMB'000	<i>RMB'000</i>
		人民幣千元	人民幣千元
Trade and other receivables (Note 14(b))	應收及其他應收款項 (附註14(b))	213,724	376,241
Loans and advances to customers (Note 16(f))	發放貸款及墊款 (附註16(f))	149,141	138,864
Receivables for factoring business (Note 15(b))	應收保理款 (附註15(b))	7,220	420
Financial lease receivables (Note 17)	應收融資租賃款 (附註17)	2,830	-
		372,915	515,525

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外,均以人民幣千元列示)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Operating expenses:

5 稅前利潤

稅前利潤已扣除:

(a) 營運支出:

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Staff costs	員工薪酬		
– Salaries, wages, bonuses and other benefits	– 工資、獎金、津貼及其他福利	301,960	306,154
– Contributions to retirement schemes	– 養老保險	66,688	64,182
– Equity-settled share-based payment expenses	– 以股權結算的股份支付開支	56,403	81,123
– Termination Benefits	– 辭退福利	680	–
Operating lease charges in respect of buildings	房屋經營租賃費用	88,780	90,474
Travel expenses	差旅費	56,459	62,017
Depreciation expenses	折舊費用	42,028	30,201
Tax and surcharges	稅金及附加	32,229	81,844
Office expenses	辦公費	31,989	30,962
Meeting fee	會議費	14,165	14,678
Entertainment expenses	業務招待費	13,091	15,607
Advertising expenses	廣告費	10,995	13,183
Auditors' remuneration	審計費	5,930	5,600
Amortisation expenses	攤銷費用	1,848	1,362
Others	其他	79,452	96,046
		802,697	893,433

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

5 PROFIT BEFORE TAXATION (CONTINUED)

Profit before taxation is arrived at after charging: (Continued)

(b) Other net losses:

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Net loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備淨損失／(收益)	109	(101)
Others	其他	2,372	1,770
		2,481	1,669

5 稅前利潤(續)

稅前利潤已扣除：(續)

(b) 其他淨虧損：

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Current tax (Note 32(a))	當期所得稅 (附註32(a))		
Provision for PRC income tax for the year	本年計提所得稅	171,344	168,188
Deferred tax (Note 32(b))	遞延所得稅 (附註32(b))		
Origination and reversal of temporary differences	暫時性差異的產生及回撥	(76,997)	(34,006)
		94,347	134,182

6 合併損益表中所得稅

(a) 合併損益表中的稅項指：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Profit before taxation	稅前利潤	377,834	486,347
Notional tax on profit before taxation calculated at the rates applicable in the jurisdictions concerned (Note)	按照法定稅率計算的所得稅 (附註)	21,504	67,096
Effect of non-deductible expenses	不可抵扣支出的稅務影響	1,485	1,733
Effect of unused tax losses not recognised	不可利用稅務損失的影響	70,148	65,353
Effect on deferred tax balances at 1 January resulting from a change in tax rate	按年初調整稅率遞延所得稅資產影響	1,210	-
Actual income tax expense	所得稅費用合計	94,347	134,182

Note:

Except for Hanhua Guarantee Co., Ltd., Chongqing Hanhua Assets Management Co., Ltd., Chongqing Hanhua Micro-credit Co., Ltd., Sichuan Hanhua Financing Guarantee Co., Ltd., Xi'an Hanhua Micro-credit Co., Ltd., Nanning Hanhua Micro-credit Co., Ltd., Guiyang Nanming District Hanhua Micro-credit Co., Ltd., Beijing Hanhua Internet Technology Co., Ltd., Sichuan Hanhua Micro-credit Co., Ltd. and Horgos Huiwei Venture Capital Co., Ltd., the company and its subsidiaries are subject to PRC income tax rate of 25%.

6 合併損益表中所得稅 (續)

(b) 按適用稅率計算的所得稅費用與會計利潤的調節表：

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Profit before taxation	稅前利潤	377,834	486,347
Notional tax on profit before taxation calculated at the rates applicable in the jurisdictions concerned (Note)	按照法定稅率計算的所得稅 (附註)	21,504	67,096
Effect of non-deductible expenses	不可抵扣支出的稅務影響	1,485	1,733
Effect of unused tax losses not recognised	不可利用稅務損失的影響	70,148	65,353
Effect on deferred tax balances at 1 January resulting from a change in tax rate	按年初調整稅率遞延所得稅資產影響	1,210	-
Actual income tax expense	所得稅費用合計	94,347	134,182

附註：

除瀚華擔保股份有限公司、重慶瀚華資產管理有限公司、重慶市瀚華小額貸款有限責任公司、四川瀚華融資擔保有限公司、西安市瀚華小額貸款有限公司、南寧市瀚華小額貸款有限公司、貴陽市南明區瀚華小額貸款有限公司、北京瀚華網絡科技有限公司、四川瀚華小額貸款有限公司及霍爾果斯市惠徵創業投資有限公司以外，瀚華及其附屬公司按照25%中國所得稅稅率繳稅。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates: (Continued)

Note: (Continued)

Hanhua Guarantee Co., Ltd., Chongqing Hanhua Assets Management Co., Ltd., Chongqing Hanhua Micro-credit Co., Ltd., Sichuan Hanhua Financing Guarantee Co., Ltd., Guiyang Nanming District Hanhua Micro-credit Co., Ltd., and Xi'an Hanhua Micro-credit Co., Ltd. are qualified enterprises located in the Western Region and are therefore entitled to preferential tax rate of 15% during the years ended 31 December 2016 and 2015.

Sichuan Hanhua Micro-credit Co., Ltd. is qualified enterprises located in the Western Region and is therefore entitled to preferential tax rate of 15% during the years ended 31 December 2016.

Nanning Hanhua Micro-credit Co., Ltd. is a qualified enterprise located in Guangxi Zhuang Autonomous Region and is therefore entitled to preferential tax rate of 9% for the years ended 31 December 2016 and 2015.

6 合併損益表中所得稅(續)

(b) 按適用稅率計算的所得稅費用與會計利潤的調節表：(續)

附註：(續)

瀚華擔保股份有限公司、重慶瀚華資產管理有限公司、重慶市瀚華小額貸款有限責任公司、四川瀚華融資擔保有限公司、貴陽市南明區瀚華小額貸款有限公司及西安市瀚華小額貸款有限公司為符合西部大開發稅收優惠的企業，因而於截至2016年及2015年12月31日止年度享有優惠稅率15%。

四川瀚華小額貸款有限公司為符合西部大開發稅收優惠的企業，因而於截至2016年12月31日止年度享有優惠稅率15%。

南寧市瀚華小額貸款有限公司為符合廣西壯族自治區稅收優惠企業，因而於截至2016年及2015年12月31日止年度享有優惠稅率9%。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外,均以人民幣千元列示)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates: (Continued)

Note: (Continued)

Beijing Hanhua Internet Technology Co., Ltd. is a qualified software enterprise since May 12, 2014, and is therefore entitled to exempt from PRC income tax in the first and the second years from the first– profitable year, and be subject to a 50% reduction in PRC income tax for the third year to the fifth year. Such tax exemption and reduction shall be implemented upon registration and filing with the tax authorities.

Horgos Huiwei Venture Capital Co., Ltd. is a qualified enterprise located in Horgos since January 26, 2016, and is therefore entitled to exempt from PRC income tax in the first to the fifth years from the first– profitable year, and be subject to a 50% reduction in PRC income tax for the sixth year to the tenth year. Such tax exemption and reduction shall be implemented upon registration and filing with the tax authorities.

6 合併損益表中所得稅 (續)

(b) 按適用稅率計算的所得稅費用與會計利潤的調節表: (續)

附註: (續)

北京瀚華網絡科技有限公司自2014年5月12日起為合資格軟件企業,因此自首次獲利起,第一年至第二年獲豁免繳納中國所得稅,並於第三至第五年獲減免50%中國所得稅。有關稅務寬減及減免將於向稅務機關註冊及存檔後實施。

霍爾果斯市惠微創業投資有限公司自2016年1月26日起為霍爾果斯市合資格企業,因此自首次獲利起,第一年至第五年獲豁免繳納中國所得稅,並於第六至第十年獲減免50%中國所得稅。有關稅務寬減及減免將於向稅務機關註冊及存檔後實施。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

7 DIRECTOR'S REMUNERATION

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 are as follows :

7 董事和監事薪酬

董事和監事薪酬按照香港公司條例 383(1)以及《公司(披露董事利益資料)規例》第二部份披露如下：

		Director's fees	Salaries allowances and benefits in kind	Discretionary bonuses	Sub-total	Share-based payment	2016 Total
		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
Chairman	主席						
Zhang Guoxiang (Appointed on 13 March 2016)	張國祥 (於2016年3月13日獲委任)	-	2,436	1,776	4,212	37,427	41,639
Executive directors	執行董事						
Cui Weilan (Appointed on 13 March 2016)	崔巍嵐 (於2016年3月13日獲委任)	-	2,106	1,486	3,592	2,352	5,944
Wang Dayong (Appointed on March 13 2016)	王大勇 (於2016年3月13日獲委任)	-	1,506	1,110	2,616	2,352	4,968
Non-executive directors	非執行董事						
Tu Jianhua (Appointed on 13 March 2016)	塗建華 (於2016年3月13日獲委任)	-	-	-	-	-	-
Duan Xiaohua (Appointed on 13 March 2016)	段曉華 (於2016年3月13日獲委任)	-	-	-	-	-	-
Liu Jiaoyang (Appointed on 13 March 2016)	劉驕揚 (於2016年3月13日獲委任)	-	186	110	296	-	296
Liu Tingrong (Appointed on 13 March 2016)	劉廷榮 (於2016年3月13日獲委任)	-	-	-	-	-	-
Wang Fangfei (Appointed on 13 March 2016)	王芳霏 (於2016年3月13日獲委任)	-	-	-	-	-	-
Feng Yongxiang (Appointed on 13 March 2016)	馮永祥 (於2016年3月13日獲委任)	-	-	-	-	-	-
Liu Bolin (Appointed on 13 March 2016)	劉博霖 (於2016年3月13日獲委任)	-	-	-	-	-	-
Zhou Xinyu (Resigned on 12 March 2016)	周新宇 (於2016年3月12日辭任)	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事						
Bai Qinxian (Appointed on 13 March 2016)	白欽先 (於2016年3月13日獲委任)	-	171	-	171	-	171
Deng Zhaoyu (Appointed on 13 March 2016)	鄧昭雨 (於2016年3月13日獲委任)	-	171	-	171	-	171
Qian Shizheng (Appointed on 13 March 2016)	錢世政 (於2016年6月13日獲委任)	-	171	-	171	-	171
Ng Leung Sing (Appointed on 13 March 2016)	吳亮星 (於2016年6月13日獲委任)	-	171	-	171	-	171
Yuan Xiaobin (Appointed on 13 March 2016)	袁小彬 (於2016年6月13日獲委任)	-	171	-	171	-	171
Supervisor	監事						
Li Ruping (Appointed on 13 March 2016)	李如平 (於2016年3月13日獲委任)	-	783	311	1,094	2,442	3,536
Chen Zhonghua (Appointed on 13 March 2016)	陳中華 (於2016年3月13日獲委任)	-	295	214	509	-	509
Qin Yong (Appointed on 13 March 2016)	秦湧 (於2016年3月13日獲委任)	-	160	75	235	-	235
		-	8,327	5,082	13,409	44,573	57,982

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

7 DIRECTOR'S REMUNERATION (CONTINUED)

7 董事和監事薪酬 (續)

		Salaries allowances and Director's fees	benefits in kind 薪酬、津貼及 其他福利	Discretionary bonuses 獎金	Sub-total	Share- based payment 以權益結算的 股份支付	2015 Total 2015 年度合計
		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
Chairman	主席						
Zhang Guoxiang (Appointed on 13 March 2013)	張國祥 (於2013年3月13日獲委任)	-	2,409	1,776	4,185	50,368	54,553
Executive directors	非執行董事						
Lin Feng (Resigned on 17 March 2015)	林鋒 (於2015年3月17日辭任)	-	362	-	362	4,551	4,913
Cui Weilian (Appointed on 27 May 2015)	崔巍嵐 (於2015年5月27日獲委任)	-	2,001	1,486	3,487	3,164	6,651
Non-executive directors	非執行董事						
Tu Jianhua (Appointed on 13 March 2013)	塗建華 (於2013年3月13日獲委任)	-	-	-	-	-	-
Duan Xiaohua (Appointed on 17 June 2013)	段曉華 (於2013年6月17日獲委任)	-	-	-	-	-	-
Liu Jiayang (Appointed on 13 March 2013)	劉驕揚 (於2013年3月13日獲委任)	-	189	219	408	-	408
Liu Tingrong (Appointed on 13 March 2013)	劉廷榮 (於2013年3月13日獲委任)	-	-	-	-	-	-
Wang Fangfei (Appointed on 13 March 2013)	王芳霏 (於2013年3月13日獲委任)	-	-	-	-	-	-
Feng Yongxiang (Appointed on 13 March 2013)	馮永祥 (於2013年3月13日獲委任)	-	-	-	-	-	-
Zhou Xinyu (Appointed on 17 June 2013)	周新宇 (於2013年6月17日獲委任)	-	-	-	-	-	-
Liu Bolin (Appointed on 17 June 2013)	劉博霖 (於2013年6月17日獲委任)	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事						
Bai Qinxian (Appointed on 13 March 2013)	白欽先 (於2013年3月13日獲委任)	-	163	-	163	-	163
Deng Zhaoyu (Appointed on 13 March 2013)	鄧昭雨 (於2013年3月13日獲委任)	-	163	-	163	-	163
Qian Shizheng (Appointed on 17 June 2013)	錢世政 (於2013年6月17日獲委任)	-	163	-	163	-	163
Ng Leung Sing (Appointed on 17 June 2013)	吳亮星 (於2013年6月17日獲委任)	-	163	-	163	-	163
Yuan Xiaobin (Appointed on 17 June 2013)	袁小彬 (於2013年6月17日獲委任)	-	163	-	163	-	163
Supervisor	監事						
Zhou Daoxue (Appointed on 13 March 2013)	周道學 (於2013年3月13日獲委任)	-	-	-	-	-	-
Chen Zhonghua (Appointed on 13 March 2013)	陳中華 (於2013年3月13日獲委任)	-	298	427	725	-	725
Li Ruping (Appointed on 13 March 2013)	李如平 (於2013年3月13日獲委任)	-	788	311	1,099	3,286	4,385
		-	6,862	4,219	11,081	61,369	72,450

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

7 DIRECTOR'S REMUNERATION (CONTINUED)

There were no amounts paid during the years ended 31 December 2016 and 2015 to the directors in connection with their retirement from employment or compensation for loss of office with the group, or inducement to join. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2016 and 2015.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2015: two) are directors whose emoluments are disclosed in Note 7.

The aggregate of the emoluments in respect of the other two (2015: three) individuals are as follows:

7 董事和監事薪酬(續)

本集團於截至2016年及2015年12月31日止年度未向董事支付退休或離職補償或加盟獎勵。於截至2016年及2015年12月31日止年度概無董事放棄或同意放棄任何薪酬的安排。

8 最高薪酬人士

五名最高薪酬人士中，其中三名(2015年：兩名)為本公司董事，彼等的酬金已於附註7披露。

剩餘兩名(2015年：三名)個人的薪酬總額載列如下：

		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	工資和其他薪酬	2,817	4,166
Discretionary bonuses	獎金	1,879	2,400
Equity settled share-based payment expenses	以股權結算以股份為基礎付款開支	3,793	9,629
		8,489	16,195

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

The emoluments of the two (2015: three) individuals with the highest emoluments are within the following bands:

		2016 2016年 Number of individuals 人數	2015 2015年 Number of individuals 人數
RMB			
人民幣			
Nil – 6,000,000	無-6,000,000	2	2
6,000,000 – 6,500,000	6,000,000-6,500,000	-	1

No emoluments are paid or payable to these individuals as an inducement to join or upon joining the group or as compensation for loss of office during the years ended 31 December 2016 and 2015.

9 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the company includes a profit of RMB248.4 million (2015: profit of RMB683.0 million) which has been dealt with in the financial statements of the company (see Note 33(a)).

8 最高薪酬人士 (續)

二名最高薪酬人士(2015年：三名)的薪酬分佈如下：

		2016 2016年 Number of individuals 人數	2015 2015年 Number of individuals 人數
RMB			
人民幣			
Nil – 6,000,000	無-6,000,000	2	2
6,000,000 – 6,500,000	6,000,000-6,500,000	-	1

於截至2016年及2015年12月31日止年度，本集團未向該等人士支付退休或離職補償或加盟獎勵。

9 本公司股東應佔溢利

本公司股東應佔綜合溢利包括收益人民幣248.4百萬元(2015年為收益人民幣683.0百萬元)，而該等收益已於本公司財務報表中處理(見附註33(a))。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

10 OTHER COMPREHENSIVE INCOME

10 其他綜合收益

(a) Tax effects relating to each component of other comprehensive income

(a) 其他綜合收益各部份的稅務影響

		2016 2016年			2015 2015年		
		Before-tax amount 稅前數額 RMB'000 人民幣千元	Tax benefit 稅項收益 RMB'000 人民幣千元 Note 32(b) (附註 32(b))	Net-of-tax amount 扣除稅項數額 RMB'000 人民幣千元	Before-tax amount 稅前數額 RMB'000 人民幣千元	Tax benefit 稅項收益 RMB'000 人民幣千元 Note 32(b) (附註 32(b))	Net-of-tax amount 扣除稅項數額 RMB'000 人民幣千元
Available-for-sale financial assets: net movement in fair value reserve	可供出售金融資產： 公允價值變動淨額	(12,432)	2,065	(10,367)	784	(196)	588
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表的 滙兌差額	(3,028)	-	(3,028)	-	-	-
Other comprehensive income	其他綜合收益	(15,460)	2,065	(13,395)	784	(196)	588

(b) Components of other comprehensive income, including reclassification adjustments

(b) 重新分類調整的其他綜合收益部份

		2016 2016年 RMB'000 人民幣千元		2015 2015年 RMB'000 人民幣千元	
Available-for-sale financial assets: Changes in fair value recognised during the year	可供出售金融資產： 本年已確認的 公允價值變動		(10,367)		588
Net movement in the fair value reserve during the year recognised in other comprehensive income	本年於其他綜合收益 確認的公允價值 淨變動		(10,367)		588

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

11 EARNING PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the company and the weighted average of ordinary shares in issue during the year, calculated as follows:

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Profit attributable to the equity shareholders of the company (RMB'000)	歸屬於本公司股東的淨利潤(人民幣千元)	241,710	302,960
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share (RMB'000)	於12月31日的已發行普通股加權平均數(人民幣千元)	4,600,000	4,600,000
Basic earnings per share (RMB)	基本每股收益(人民幣元)	0.05	0.07

11 每股收益

基本每股收益根據以下本年歸屬於本公司普通股本股東的淨利潤及已發行普通股的加權平均數計算：

(i) Weighted average number of ordinary shares

		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Issued ordinary shares at 1 January	於1月1日已發行普通股	4,600,000	4,600,000
Effect of new issues	新發行的影響	-	-
Weighted average number of ordinary shares at 31 December	於12月31日普通股的加權平均數	4,600,000	4,600,000

(i) 普通股的加權平均數

There were no dilutive potential ordinary shares during the years ended 31 December 2016 and 2015, and therefore, diluted earnings per share are the same as the basic earnings per share.

於截至2016年及2015年12月31日止年度，沒有潛在可稀釋的普通股，因此，稀釋每股收益相等於基本每股收益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

12 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash in hand	庫存現金	101	111
Cash at banks	銀行存款	3,511,904	2,803,774
Cash and cash equivalents in the consolidated cash flow statements	合併現金流量表的貨幣資金	3,512,005	2,803,885

The group's provision of guarantee and loan to customer services in the PRC are conducted in RMB. RMB is not a freely convertible currency and the remittance of RMB out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

At 31 December 2016, cash at banks deposited in related parties was amounted to RMB933.4 million (31 December 2015: RMB41.1 million).

12 貨幣資金

(a) 貨幣資金包括：

	31 December	31 December
	12月31日	12月31日
	2016	2015
	2016年	2015年
	RMB'000	RMB'000
	人民幣千元	人民幣千元

庫存現金	101	111
銀行存款	3,511,904	2,803,774

合併現金流量表的貨幣資金	3,512,005	2,803,885
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本集團在中國經營向客戶提供的擔保及貸款服務以人民幣進行。人民幣並非可自由兌換的貨幣，將人民幣匯出中國境外須受中國政府頒佈的相關外匯管制規則及法規所規限。

於2016年12月31日，銀行存款中有人民幣933.4百萬元（2015年12月31日人民幣41.1百萬元）存放於關聯方。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

12 CASH AND CASH EQUIVALENTS (CONTINUED)

12 貨幣資金 (續)

(b) Reconciliation of profit before taxation to cash used in operations:

(b) 稅前利潤與經營活動所用的現金的調節表：

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	稅前利潤	377,834	486,347
Adjustments for:	調整：		
Impairment losses	資產減值損失	372,915	515,525
Reversal for guarantee losses	轉回擔保賠償準備金	(39,741)	(110,917)
Depreciation and amortisation	折舊及攤銷費用	43,876	31,563
Loss/(gain) on sale of property, plant and equipment	處置物業、廠房及設備損失／(收益)	109	(101)
Interest expenses	利息支出	346,447	232,293
Share of profits of associate	對聯營企業確認的投資收益	(638)	(54)
Share of losses of joint venture	對合營企業確認的投資損失	3	2
Equity-settled share-based payment	以權益結算的股份支付	56,403	81,123
Foreign exchange gain	匯兌收益	(1,052)	(40)
Dividend income from other investments	其他投資的股息收入	(3,435)	-
Gain on sale of other investments	其他投資的處分收益	(5,121)	-
Changes in working capital	營運資金變動：		
Decrease in restricted bank deposits	存出擔保保證金減少	348,120	724,404
Increase in loans and advances to customers	發放貸款及墊款增加	(643,072)	(1,358,058)
Increase in trade and other receivables	應收及其他應收款項增加	(1,220,562)	(1,521,217)
Decrease in customer pledged deposits	存入保證金增減少	(9,906)	(8)
Increase in accruals and other payables	應計及其他應付款項增加	541,526	298,723
Cash generated from/(used in) operations	經營活動產生／(使用)的現金	163,706	(620,415)

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

13 RESTRICTED BANK DEPOSITS

All restricted bank deposits represent the deposits at banks according to the requirements from banks or related government regulations for the credit guarantees that the group provides to third parties for their borrowing from banks.

13 存出擔保保證金

所有存出擔保保證金根據銀行規定或相關政府規定，本集團就其銀行借款向第三方提供信用擔保而須存放於銀行的存款。

14 TRADE AND OTHER RECEIVABLES

14 應收及其他應收款項

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receivables for default payments (Note 14(a))	應收代償款 (附註14(a))	1,373,059	1,142,999
Trade receivables (Note 14(a))	應收賬款 (附註14(a))	8,614	4,816
Less: allowance for doubtful debts (Note 14(b))	減：壞賬準備 (附註14(b))	(743,758)	(652,285)
		637,915	495,530
Interest receivables	應收利息	153,556	115,936
Receivables for assets disposal	應收資產轉讓款	598,000	500,000
Other prepayments, deposits and other receivables	其他預付款項、押金及 其他應收款項	162,043	150,772
		1,551,514	1,262,238

As at 31 December 2016, except for deposits of RMB28.7 million (2015: RMB30.3 million), all of the remaining trade and other receivables are expected to be recovered or recognised as expense within one year.

於2016年12月31日，除押金人民幣28.7百萬元（於2015年12月31日為人民幣30.3百萬元）外，其他所有應收及其他應收款項預計於一年內收回或確認為費用。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis:

As of the end of the reporting period, the ageing of all trade receivables is within one year.

As of the end of the reporting period, the ageing analysis of receivables for default payments, based on the invoice date and net of allowance for doubtful debts, is as follows:

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年以內	376,949	512,170
Over 1 year but less than 2 years	一至二年	418,517	377,627
Over 2 years but less than 3 years	二至三年	363,199	158,715
Over 3 years but less than 4 years	三至四年	129,934	89,244
Over 4 years but less than 5 years	四至五年	84,460	5,243
		1,373,059	1,142,999
Less: allowance for doubtful debts	減：壞賬準備	(743,758)	(652,285)
		629,301	490,714

Receivables that were not impaired relate to a number of 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.

14 應收及其他應收款項 (續)

(a) 賬齡分析

於報告期末，所有應收賬款的賬齡在一年以內。

於報告期末，根據發票日期及扣除壞賬準備後的應收代償款的賬齡分析如下：

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年以內	376,949	512,170
Over 1 year but less than 2 years	一至二年	418,517	377,627
Over 2 years but less than 3 years	二至三年	363,199	158,715
Over 3 years but less than 4 years	三至四年	129,934	89,244
Over 4 years but less than 5 years	四至五年	84,460	5,243
		1,373,059	1,142,999
Less: allowance for doubtful debts	減：壞賬準備	(743,758)	(652,285)
		629,301	490,714

尚未減值的應收款項涉及多個在本集團擁有良好紀錄的獨立客戶。根據過往經驗，管理層認為毋須就此等結餘作出減值撥備，原因為信用質素並無重大變動，而且該等結餘仍被視作可全數收回。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables:

Impairment losses in respect of trade receivables and receivables for default payments are recorded using an allowance account unless the group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables and receivables for default payments directly (see Note 1(j)(ii)).

The movement in the allowance for doubtful debts during the years ended 31 December 2016 and 2015, including both specific and collective loss components, is as follows:

14 應收及其他應收款項 (續)

(b) 應收款項減值：

應收賬款及應收代償款的資產減值損失以備抵賬記錄，除非本集團認為收回有關款項的機會甚微，在該情況下，資產減值損失將直接從應收賬款及應收代償付款核銷（見附錄1(j)(ii)）。

以下為截至2016年及2015年12月31日止年度的壞賬準備變動（包括個別及組合損失部份）：

		31 December 12月31日 2016 2016年 RMB'000 人民幣千元	31 December 12月31日 2015 2015年 RMB'000 人民幣千元
At 1 January	於1月1日	652,285	449,154
Impairment loss recognised in the consolidated statement of profit and loss (Note 4)	於合併損益表確認的資產減值損失 (附註4)	213,724	376,241
Disposals during the year	年內處置	(117,030)	(180,064)
Recoveries	收回已核銷	389	14,480
Write-off	本年核銷	(5,610)	(7,526)
At 31 December	於12月31日	743,758	652,285

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables: (Continued)

At 31 December 2016, the group's receivables for default payments of RMB1,373.1 million (2015: RMB1,143.0 million) were individually determined to be impaired. The individually impaired receivables were related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB743.8 million (2015: RMB652.3 million) were made at 31 December 2016.

14 應收及其他應收款項 (續)

(b) 應收款項減值：(續)

於2016年12月31日，本集團有人民幣1,373.1百萬元（於2015年12月31日為人民幣1,143.0百萬元）的應收代償款被個別釐定為減值。個別減值應收款項涉及財務困難的客戶，而管理層作出評估時亦預計僅能收回當中部份的應收款項。因此，已在2016年12月31日作出人民幣743.8百萬元（於2015年12月31日為人民幣652.3百萬元）的個別壞賬準備。

15 RECEIVABLES FOR FACTORING BUSINESS

15 應收保理款

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receivables for factoring business (Note 15(a))	應收保理款 (附註15(a))	602,244	218,373
Less: allowance for doubtful debts (Note 15(b))	減：壞賬準備 (附註15(b))	(7,640)	(420)
		594,604	217,953

(a) Ageing analysis:

As of the end of the reporting period, the ageing of all receivables for factoring business is within 1 year.

(a) 賬齡分析：

於報告期末，所有應收保理款的賬齡在一年以內。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

15 RECEIVABLES FOR FACTORING BUSINESS (CONTINUED)

(b) Impairment of receivables for factoring/on business:

Impairment losses in respect of receivables for factoring business are recorded using an allowance account unless the group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against receivables for factoring business directly (see Note 1(j)(ii)).

The movement in the allowance for doubtful debts during the years ended 31 December 2016 and 2015, including both specific and collective loss components, is as follows:

15 應收保理款 (續)

(b) 應收保理款的資產減值損失：

應收保理款的資產減值損失以備抵賬記錄，除非本集團認為收回有關款項的機會甚微，在該情況下，資產減值損失將直接從應收保理款核銷（見附錄1(j)(ii)）。

以下為截至2016年及2015年12月31日止年度的壞賬準備變動（包括個別及組合損失部份）：

		31 December 12月31日 2016 2016年 RMB'000 人民幣千元	31 December 12月31日 2015 2015年 RMB'000 人民幣千元
At 1 January	於1月1日	420	-
Impairment loss recognised in the consolidated statement of profit and loss (Note 4)	於合併損益表確認的資產減值損失 (附註4)	7,220	420
At 31 December	於12月31日	7,640	420

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外,均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS

16 發放貸款及墊款

(a) Analysed by nature

(a) 按性質分析

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Micro-lending	小微企業貸款	3,929,547	5,284,938
Retail loans	個人貸款	2,376,815	1,515,470
Personal consumption loans	個人消費貸款	1,668,666	-
Loans to individual business proprietor	個體工商戶貸款	39,643	669,684
Gross loans and advances to customers	發放貸款及墊款總額	8,014,671	7,470,092
Less: Allowances for impairment losses	減: 貸款減值準備		
– Individually assessed	– 一個別計提	(56,222)	(28,005)
– Collectively assessed	– 一組合計提	(333,042)	(304,316)
Total allowances for impairment losses	貸款減值準備總額	(389,264)	(332,321)
Net loans and advances to customers	發放貸款及墊款淨額	7,625,407	7,137,771

Loans and advances to customers included loans under repurchase agreements, amounting to RMB1,021.8 million (2015: RMB1,355.7 million) as at 31 December 2016 (See Note 26).

於2016年12月31日,發放貸款及墊款中包括賣出回購合約下質押的賬面價值為人民幣1,021.8百萬元(於2015年12月31日為人民幣1,355.7百萬元)(見附註26)。

Loans and advances to customers included loans of RMB1,460 million arising from the consolidation of structured entities which issued micro loan backed securities to institutional investors by the group as at 31 December 2016 (31 December 2015: nil) (Note 42).

於2016年12月31日,發放貸款及墊款中包括本集團向機構投資者發行的微型貸款資產支持證券的合併結構化實體的賬面價值為人民幣1,460百萬元(於2015年12月31日為無)(見附註42)。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(b) Analysed by industry sector

(b) 按行業分析

		31 December 2016		31 December 2015	
		2016年12月31日		2015年12月31日	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Wholesale and retail	批發和零售業	2,252,544	35.50%	2,839,998	38.02%
Manufacturing	製造業	1,138,989	17.95%	1,290,342	17.27%
Real estate	房地產	1,124,426	17.71%	1,128,652	15.11%
Construction	建築業	804,429	12.68%	834,295	11.17%
Leasing and commercial services	租賃和商業服務業	369,346	5.82%	336,890	4.51%
Others	其他	656,271	10.34%	1,039,915	13.92%
Micro-lending and loans to individuals business proprietor	小微企業貸款和 個體工商戶貸款	6,346,005	100.00%	7,470,092	100.00%
Personal consumption loans	個人消費貸款	1,668,666		–	
Gross loans and advances to customers	發放貸款及 墊款總額	8,014,671	100.00%	7,470,092	100.00%
Less: Allowances for impairment losses	減：貸款減值準備	(389,264)		(332,321)	
Net loans and advances to customers	發放貸款及 墊款淨額	7,625,407		7,137,771	

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(c) Analysed by type of collateral

(c) 按抵押品種類分析

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guaranteed loans	保證貸款	3,713,188	3,113,603
Unsecured loans	無擔保貸款	2,385,421	2,174,362
Secured loans	抵質押貸款	1,916,062	2,182,127
Gross loans and advances to customers	發放貸款及墊款總額	8,014,671	7,470,092
Less: Allowances for impairment losses	減：貸款減值準備		
– Individually assessed	– 個別計提	(56,222)	(28,005)
– Collectively assessed	– 組合計提	(333,042)	(304,316)
Total allowances for impairment losses	貸款減值準備總額	(389,264)	(332,321)
Net loans and advances to customers	發放貸款及墊款淨額	7,625,407	7,137,771

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(d) Overdue loans analysed by overdue period

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Overdue within 3 months (inclusive)	逾期3個月以內 (含3個月)	173,075	210,271
Overdue more than 3 months to 6 months (inclusive)	逾期3個月至6個月 (含6個月)	197,164	122,521
Overdue more than 6 months to one year (inclusive)	逾期6個月至1年 (含1年)	121,134	126,813
Overdue more than one year	逾期1年以上	114,835	62,382
		606,208	521,987

Overdue loans represent loans, of which the whole or part of the principal or interest were overdue for one day or more.

16 發放貸款及墊款 (續)

(d) 已逾期貸款的逾期期限分析

已逾期貸款是指全部或部份本金或利息逾期1天或以上的貸款。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外, 均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(e) Analysed by methods for assessing allowances for impairment losses

16 發放貸款及墊款 (續)

(e) 發放貸款及墊款按組合和個別 評估方式列示如下

		At 31 December 2016 於2016年12月31日				
		Impaired loans and advances 已減值貸款及墊款				
	Loans and advances for which allowances are collectively assessed 按組合方式 評估減值準備的 貸款及墊款 RMB'000 人民幣千元	for which allowances are collectively assessed 其減值準備 按組合方式 評估 RMB'000 人民幣千元	for which allowances are individually assessed 其減值準備 按個別方式 評估 RMB'000 人民幣千元	Subtotal 小計 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	
Micro-lending	小微企業貸款	3,829,570	18,839	81,138	99,977	3,929,547
Retail Loans	個人貸款	2,221,542	139,119	16,154	155,273	2,376,815
Personal consumption loans	個人消費貸款	1,668,666	-	-	-	1,668,666
Loans to individual business proprietors	個體工商戶貸款	33,977	5,666	-	5,666	39,643
Gross loans and advances to customers	發放貸款及墊款總額	7,753,755	163,624	97,292	260,916	8,014,671
Less: Allowances for impairment losses	減: 貸款減值準備	(195,856)	(137,186)	(56,222)	(193,408)	(389,264)
Net loans and advances to customers	發放貸款及墊款淨額	7,557,899	26,438	41,070	67,508	7,625,407

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(e) Analysed by methods for assessing allowances for impairment losses (Continued)

16 發放貸款及墊款 (續)

(e) 發放貸款及墊款按組合和個別 評估方式列示如下 (續)

		At 31 December 2015 於2015年12月31日				
		Impaired loans and advances 已減值貸款及墊款				
		Loans and advances for which allowances are collectively assessed 按組合方式 評估減值準備的 貸款及墊款 RMB'000 人民幣千元	for which allowances are collectively assessed 其減值準備 按組合方式 評估 RMB'000 人民幣千元	for which allowances are individually assessed 其減值準備 按個別方式 評估 RMB'000 人民幣千元	Subtotal 小計 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Micro-lending	小微企業貸款	5,198,996	32,500	53,442	85,942	5,284,938
Retail Loans	個人貸款	1,389,423	111,747	14,300	126,047	1,515,470
Loans to individual business proprietors	個體工商戶貸款	654,176	15,508	-	15,508	669,684
Gross loans and advances to customers	發放貸款及墊款總額	7,242,595	159,755	67,742	227,497	7,470,092
Less: Allowances for impairment losses	減：貸款減值準備	(178,589)	(125,727)	(28,005)	(153,732)	(332,321)
Net loans and advances to customers	發放貸款及墊款淨額	7,064,006	34,028	39,737	73,765	7,137,771

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外, 均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(f) Movements of allowances for impairment losses

(f) 發放貸款及墊款減值準備變動

		At 31 December 2016 於2016年12月31日				
		Impaired loans and advances 已減值貸款及墊款				
		Allowance for loans and advances			Subtotal	Total
		which are collectively assessed 按組合方式 評估減值準備的 貸款及墊款 RMB'000 人民幣千元	which are collectively assessed 其減值準備 按組合方式 評估 RMB'000 人民幣千元	which are individually assessed 其減值準備 按個別方式 評估 RMB'000 人民幣千元		
As at 1 January	於1月1日	178,589	125,727	28,005	153,732	332,321
Charge for the year (Note 4)	本年計提 (附註4)	17,267	103,657	28,217	131,874	149,141
Write-offs	本年核銷	-	(106,580)	-	(106,580)	(106,580)
Recoveries	收回已核銷貸款及墊款	-	14,382	-	14,382	14,382
As at 31 December	於12月31日	195,856	137,186	56,222	193,408	389,264

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(f) Movements of allowances for impairment losses (Continued)

(f) 發放貸款及墊款減值準備變動 (續)

		At 31 December 2015 於2015年12月31日				
		Impaired loans and advances 已減值貸款及墊款				
		Allowance for loans and advances			Subtotal	Total
		which are collectively assessed 按組合方式 評估減值準備的 貸款及墊款 RMB'000 人民幣千元	which are collectively assessed 其減值準備 按組合方式 評估 RMB'000 人民幣千元	which are individually assessed 其減值準備 按個別方式 評估 RMB'000 人民幣千元		
As at 1 January	於1月1日	147,463	93,247	48,145	141,392	288,855
Charge for the year (Note 4)	本年計提(附註4)	31,126	96,512	11,226	107,738	138,864
Write-offs	本年核銷	-	(65,753)	-	(65,753)	(65,753)
Disposals	處置	-	-	(31,366)	(31,366)	(31,366)
Recoveries	收回已核銷貸款及墊款	-	1,721	-	1,721	1,721
As at 31 December	於12月31日	178,589	125,727	28,005	153,732	332,321

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外, 均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(g) Analysed by credit quality

(g) 按信貸質量的分佈列示如下

		31 December	31 December
		12月31日	12月31日
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Gross balance of loans and advances to customers	發放貸款及墊款總額		
Neither past due nor impaired	未逾期末減值	7,387,698	6,933,107
Overdue but not impaired	已逾期末減值	366,057	309,488
Impaired	已減值	260,916	227,497
		8,014,671	7,470,092
Less: Allowances for impairment losses	減：發放貸款及墊款		
Neither past due nor impaired	未逾期末減值	(172,725)	(149,625)
Overdue but not impaired	已逾期末減值	(23,131)	(28,964)
Impaired	已減值	(193,408)	(153,732)
		(389,264)	(332,321)
Net balance	淨額		
Neither past due nor impaired	未逾期末減值	7,214,973	6,783,482
Overdue but not impaired	已逾期末減值	342,926	280,524
Impaired	已減值	67,508	73,765
		7,625,407	7,137,771

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

17 FINANCE LEASE RECEIVABLES

17 應收融資租賃款

		31 December	31 December
		2016	2015
		於 2016年	於 2015年
		12月31日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Finance lease receivables	應收融資租賃款	324,183	85,633
Less: unearned finance lease income	減：未實現融資收益	(42,109)	(15,915)
Present value of minimum finance lease receivables	最低融資租賃收款額	282,074	69,718
Less: allowance for impairment losses	減：減值準備	(2,830)	-
Net balance	淨額	279,244	69,718

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

17 FINANCE LEASE RECEIVABLES (CONTINUED)

17 應收融資租賃款 (續)

Finance lease receivables, unearned finance lease income and minimum finance lease receivables analysed by remaining period are listed as follows:

應收融資租賃款、未實現融資收益和最低融資租賃收款額剩餘到期日分析：

		At 31 December 2016 於2016年12月31日			At 31 December 2015 於2015年12月31日		
		Finance lease receivables	Unearned finance lease income	Minimum finance lease receivables	Finance lease receivables	Unearned finance lease income	Minimum finance lease receivables
		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
Less than 1 year	少於1年	99,649	(12,944)	86,705	19,163	(3,561)	15,602
1 year to 2 years	1年至2年	93,801	(12,184)	81,617	17,784	(3,305)	14,479
2 years to 3 years	2年至3年	56,063	(7,282)	48,781	17,142	(3,186)	13,956
3 years to 5 years	3年至5年	74,670	(9,699)	64,971	31,544	(5,863)	25,681
		324,183	(42,109)	282,074	85,633	(15,915)	69,718
Less: allowance for impairment losses	減：減值準備			(2,830)			-
				279,244			69,718

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

18 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the result, assets or liabilities of the group.

18 對附屬公司的投資

下表載列的附屬公司儘包括將對本集團的業績、資產或負債產生主要影響的附屬公司的詳情。

Equity interest held by the group					
本集團持有的股本權益					
	Place and date of incorporation/ establishment	At 31 December 2016	At 31 December 2015	Particulars of paid in capital as at 31 December 2016	Principal activity
	註冊/成立	於2016年12月31日	於2015年12月31日	於2016年12月31日實收資本的詳情	主要業務
Chongqing Hanhua Assets Management Co., Ltd. (重慶瀚華資產管理有限公司)	Chongqing 29 May 2007 重慶2007年5月29日	100.00%	100.00%	500,746	Assets management 資產管理
Chongqing Hanhua Micro-credit Co., Ltd. (重慶市瀚華小額貸款有限責任公司)	Chongqing 25 September 2008 重慶2008年9月25日	86.00%	86.00%	532,250	SME lending 中小企業貸款
Sichuan Hanhua Micro-credit Co., Ltd. (四川瀚華小額貸款有限公司)	Chengdu 19 May 2009 成都2009年5月19日	61.43%	61.43%	467,449	SME lending 中小企業貸款
Hanhua Guarantee Co., Ltd. (瀚華擔保股份有限公司)	Chongqing 19 August 2009 重慶2009年8月19日	100.00%	100.00%	3,761,627	Financial guarantee 財務擔保
Sichuan Small & Medium-sized Assets Management Co., Ltd. (四川中微資產管理有限公司)	Chengdu 21 October 2010 成都2010年10月21日	100.00%	100.00%	200,000	Assets management 資產管理
Tianjin Hanhua Micro-credit Co., Ltd. (天津瀚華小額貸款有限公司)	Tianjin 29 June 2011 天津2011年6月29日	100.00%	100.00%	150,000	SME lending 中小企業貸款

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外,均以人民幣千元列示)

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED) 18 對附屬公司的投資 (續)

	Equity interest held by the group 本集團持有的股本權益			Particulars of paid in capital as at 31 December 2016 於2016年12月31日 實收資本的詳情	Principal activity 主要業務
	Place and date of incorporation/ establishment 註冊/成立	At	At		
		31 December	31 December		
		2016 於2016年 12月31日	2015 於2015年 12月31日		
Shenyang Financial and Commercial Development District Hanhua Technology Micro-credit Co., Ltd. (沈陽金融商貿開發區瀚華科技 小額貸款有限公司)	Shenyang 30 September 2011 瀋陽2011年9月30日	100.00%	100.00%	305,212	SME lending 中小企業貸款
Beijing Hanhua Credit Management Co., Ltd. (北京瀚華信用管理有限公司)	Beijing 15 March 2012 北京2012年3月15日	100.00%	100.00%	5,000	Investment consulting 投資諮詢
Chongqing Huiwei Investment Co., Ltd. (重慶惠微投資有限公司)	Chongqing 7 January 2013 重慶2013年1月7日	100.00%	100.00%	100,000	Investment consulting 投資諮詢
Beijing Hanhua Internet Technology Co., Ltd. (北京瀚華網絡科技有限公司)	Beijing- 11 October 2013 北京2013年10月11日	100.00%	100.00%	120,000	Technical consulting and technical service 技術諮詢及技術服務
Guiyang Nanming District Hanhua Micro-credit Co., Ltd. (貴陽市南明區瀚華小額貸款有限公司)	Guiyang- 10 April 2014 貴陽2014年4月10日	100.00%	100.00%	100,000	SME lending 中小企業貸款
Chongqing Changjiang Financial Factoring Co., Ltd. (重慶長江金融保理有限公司)	Chongqing- 1 July 2014 重慶2014年7月1日	91.00%	90.00%	273,200	Financial Factoring 金融保理
Nanning Hanhua Micro-credit Co., Ltd. (南寧市瀚華小額貸款有限公司)	Nanning 8 December 2011 南寧2011年12月8日	66.67%	66.67%	100,000	SME lending 中小企業貸款

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

18 對附屬公司的投資(續)

Equity interest held by the group 本集團持有的股本權益					
	Place and date of incorporation/ establishment 註冊/成立	At	At	Particulars of paid in capital as at 31 December 2016 於2016年12月31日 實收資本的詳情	Principal activity 主要業務
		31 December 2016 於2016年 12月31日	31 December 2015 於2015年 12月31日		
Hanhua Internet Financing Services (Shenzhen) Co., Ltd. (瀚華互聯網金融服務(深圳)有限公司)	Shenzhen 2 March 2015 深圳2015年3月2日	100.00%	100.00%	60,000	Internet Financing 互聯網金融
Beijing Hanhua Management Consulting Co., Ltd. (北京瀚華管理諮詢有限公司)	Beijing 20 July 2015 北京2015年7月20日	100.00%	100.00%	5,000	Management consulting 管理諮詢
Nanjing Hanhua Technology Micro-credit. Co., Ltd. (南京市瀚華科技小額貸款有限公司)	Nanjing- 29 October 2014 南京2014年10月29日	60.00%	60.00%	90,000	SME lending 中小企業貸款
Hanhua Capital Investment Management Co., Ltd. (瀚華資本投資管理有限公司)	Beijing 25 December 2014 北京2014年12月25日	65.00%	65.00%	6,500	Investment consulting 投資諮詢
Shenzhen Hanhua Micro-credit. Co., Ltd. (深圳瀚華小額貸款有限公司)	Shenzhen 20 January 2016 深圳2016年1月20日	100.00%	-	300,000	SME lending 中小企業貸款

All of the above subsidiaries are companies with limited liability incorporated and operated in the PRC. The English translation of the names of these companies is for reference only. The official names of these companies are in Chinese.

所有上述附屬公司均於中國註冊及經營的有限責任公司。各附屬公司的英文譯名僅供參考。各附屬公司的正式名稱以中文為準。

The non-controlling interests of the subsidiaries of the group are set out in Note 34.

本集團附屬公司的少數股東權益見附註34。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

19 AVAILABLE-FOR-SALE FINANCIAL ASSETS

19 可供出售金融資產

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Available-for-sale equity instrument	可供出售其成本		
– Listed	– 上市	145,165	–
– Unlisted	– 非上市	153,296	91,116
Wealth management products (Note)	理財產品 (附註)	35,060	15,770
		333,521	106,886

Note:

The types of structured entities that the group does not consolidate but in which it holds an interest include entities set up for wealth management products issued by banks. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of third party investors. These vehicles are financed through the issue of units to investors. The variable interest from these structured entities are not significant thus we do not consolidate these structured entities. The maximum loss exposure of interests held by the group is the same as the carrying amount.

附註:

本集團通過直接持有投資而在協力廠商機構發起設立的結構化主體中享有的權益為銀行理財產品。這些結構化主體的性質和目的主要是管理投資者的資產並賺取管理費，其融資方式是向投資者發行相關投資產品的份額。本集團自這些結構化主體所取得的可變回報並不顯著，因此本集團未將這些結構化主體納入本集團的合併財務報表的合併範圍。本集團在這些結構化主體中的最大損失敞口為本集團所持有的權益的帳面價值。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

20 PROPERTY, PLANT AND EQUIPMENT

20 物業、廠房及設備

		Buildings held for own use	Motor vehicles	Office and Other equipment	Leasehold improvements	Construction in process	Total
		建築物	運輸設備	辦公及 其他設備	租賃物業 改良支出	在建工程	總額
		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
Cost:	成本：						
At 1 January 2015	於2015年1月1日	300,048	26,374	41,485	63,741	44,855	476,503
Additions	本期增加	1,322	2,831	10,101	12,236	50,006	76,496
Transfers in/(out)	轉入／(轉出)	45,455	-	2,922	-	(48,377)	-
Transfers to intangible assets	轉撥至無形資產	-	-	-	-	(346)	(346)
Disposals	處置	-	(303)	(284)	-	-	(587)
At 31 December 2015 and 1 January 2016	於2015年12月31日及 2016年1月1日	346,825	28,902	54,224	75,977	46,138	552,066
Additions	本期增加	336	202	5,516	13,369	27,267	46,690
Transfers in/(out)	轉入／(轉出)	18,377	919	-	-	(19,296)	-
Transfers to intangible assets	轉撥至無形資產	-	-	-	-	(1,982)	(1,982)
Disposals	處置	-	(692)	(1,858)	-	-	(2,550)
At 31 December 2016	於2016年12月31日	365,538	29,331	57,882	89,346	52,127	594,224
Accumulated depreciation:	累計折舊：						
At 1 January 2015	於2015年1月1日	(21,974)	(13,985)	(17,793)	(36,011)	-	(89,763)
Charge for the year	本年計提	(4,109)	(3,818)	(8,209)	(14,065)	-	(30,201)
Written back on disposals	處置撥回	-	282	274	-	-	556
At 31 December 2015 and 1 January 2016	於2015年12月31日及 2016年1月1日	(26,083)	(17,521)	(25,728)	(50,076)	-	(119,408)
Charge for the year	本年計提	(12,524)	(3,323)	(11,394)	(14,787)	-	(42,028)
Written back on disposals	處置撥回	-	482	1,213	-	-	1,695
At 31 December 2016	於2016年12月31日	(38,607)	(20,362)	(35,909)	(64,863)	-	(159,741)
Net book value:	賬面淨值						
At 31 December 2016	於2016年12月31日	326,931	8,969	21,973	24,483	52,127	434,483
At 31 December 2015	於2015年12月31日	320,742	11,381	28,496	25,901	46,138	432,658

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

21 INTANGIBLE ASSETS

All intangible assets of the group are software during the years ended 31 December 2016 and 2015.

21 無形資產

於截至2016年及2015年12月31日止年度，本集團的所有無形資產為軟件。

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Cost	成本		
At the beginning of the year	於年初	8,301	7,421
Additions	本年增加	3,855	880
At the end of the year	於年末	12,156	8,301
Less: Accumulated amortisation	減：累計攤銷		
At the beginning of the year	於年初	(4,074)	(2,712)
Charge for the year	本年計提	(1,848)	(1,362)
At the end of the year	於年末	(5,922)	(4,074)
Net book value	賬面淨額		
At the end of the year	於年末	6,234	4,227
At the beginning of the year	於年初	4,227	4,709

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

22 INTEREST IN ASSOCIATES

The following list contains only the particulars of material associates:

22 長期股權投資－聯營企業

下表儘載列重要聯營企業的詳情：

Name of associate 聯營企業名稱	Form of business structure 組織結構	Place of incorporation and business 主要經營地	Particulars of issued and paid up capital 股本 RMB'000 人民幣千元	Proportion of ownership interest 持股比例			Principal activity 主營業務
				Group's effective interest 集團實際 持股	Held by the company 直接持股	Held by a subsidiary 間接持股	
Shandong Financial Assets Exchange Co., Ltd. (山東金融資產交易中心有限公司)	Incorporated 股份有限公司	Jinan 濟南	200,000 ordinary shares 普通股	30%	30%	-	Financial asset trading services 金融資產交易服務
Chongqing Fumin Bank Co., Ltd. (重慶富民銀行股份有限公司)	Incorporated 股份有限公司	Chongqing 重慶	3,000,000 ordinary shares 普通股	30%	30%	-	Banking 銀行業

All of the above associates are accounted for using the equity method in the consolidated financial statements.

以上聯營企業在合併報表中採用權益法核算。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

22 INTEREST IN ASSOCIATES (CONTINUED)

22 長期股權投資－聯營企業 (續)

The summarized financial information of the associates are disclosed below:

關於聯營企業的主要財務信息披露如下：

		Chongqing Fumin Bank Co., Ltd. 重慶富民銀行股份 有限公司		Shandong Financial Assets Exchange Co., Ltd 山東金融資產交易中心 有限公司	
		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Gross amount of the associate	聯營企業的總金額				
Total assets	資產總計	7,432,471	–	738,740	212,448
Total liabilities	負債合計	(4,430,671)	–	(538,234)	(12,268)
Net assets	淨資產	3,001,800	–	200,506	200,180
Revenue	收入	35,086	–	22,063	12,910
Post-tax profit or loss	稅後利潤／虧損	1,800	–	326	180
Reconciled to the group's interest in the associate	本集團對聯營企業 投資調節表				
Gross amount of net assets of the associate	聯營企業的淨資產	3,001,800	–	200,506	200,180
Group's effective interest	本集團實際持股	30%	–	30%	30%
Group's share of net assets of the associate	本集團按持股比例計算的 淨資產份額	900,540	–	60,152	60,054
Carrying amount in the consolidated financial statements	對聯營企業的 投資的賬面價值	900,540	–	60,152	60,054

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

23 INTEREST IN JOINT VENTURES

Details of the group's interest in the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint venture 合營企業名稱	Form of business structure 組織結構	Place of incorporation and business 主要經營地	Particulars of issued and paid up capital 股本 RMB'000 人民幣千元	Proportion of ownership interest 持股比例			Principal activity 主營業務
				Group's effective interest 集團 實際持股	Held by the company 直接持股	Held by a subsidiary 間接持股	
Chongqing gongkang Enterprise Management Co., Ltd. (重慶共康企業管理有限公司)	Incorporated 股份有限公司	Chongqing 重慶	20,000 ordinary shares 普通股	50%	-	50%	Management consulting 管理諮詢
Chengdu chenkang Enterprise Management Co., Ltd. (成都辰康企業管理有限公司)	Incorporated 股份有限公司	Chengdu 成都	60,000 ordinary shares 普通股	50%	-	50%	Management consulting 管理諮詢

The above joint venture is accounted for using the equity method in the consolidated financial statements.

23 長期股權投資－合營企業

關於本集團於在合併報表中採用權益法核算的合營企業擁有的權益載列如下：

以上合營企業在合併報表中採用權益法核算。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

24 GOODWILL

24 商譽

		31 December	31 December
		2016	2015
		2016年	2015年
		12月31日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost	成本		
At the beginning of the year	於年初	11,190	–
Additions	本年增加	–	11,190
At the end of the year	於年末	11,190	11,190
Accumulated impairment losses:	累計資產減值損失於年初		
At the beginning of the year	資產減值損失	–	–
Impairment loss	累計資產減值損失於年初	–	–
At the end of the year	於年末	11,190	11,190
Carrying amount	賬面值		
At the end of the year	於年末	11,190	11,190
At the beginning of the year	於年初	11,190	–

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

24 GOODWILL (CONTINUED)

On 6 February 2015, Beijing Hanhua Internet Technology Co., Ltd., a wholly-owned subsidiary of the company, acquired 100% equity interests of Beijing Beiniu Technology Co., Ltd. ("Beijing Beiniu") from its former shareholders at an aggregate consideration of RMB1.5 million. Following the completion of the transaction on 6 February 2015, Beijing Beiniu became a wholly owned subsidiary of Beijing Hanhua Internet Technology Co., Ltd.. The excess of the aggregate consideration over the net fair value of the Beijing Beiniu's identifiable net assets measured as at the acquisition date, amounting to RMB1.47 million was recognized as goodwill by Beijing Hanhua Internet Technology Co., Ltd..

On 31 August 2015, Hanhua Internet Financing Services (Shenzhen) Co., Ltd. ("Hanhua Internet"), a wholly-owned subsidiary of the company, acquired 95% equity interests of Zhongli Insurance Sales Co., Ltd. ("Zhongli Insurance") from its former shareholders at an aggregate consideration of RMB56.5 million. Following the completion of the transaction on 31 August 2015, Zhongli Insurance became a 95% non-wholly owned subsidiary of Hanhua Internet. The excess of the aggregate consideration over the net fair value of Zhongli Insurance's identifiable net assets measured as at the acquisition date, amounting to RMB9.72 million was recognized as goodwill by Hanhua Internet.

The goodwill is subject to annual impairment testing. The company makes provision for impairment if necessary. The recoverable amount of the CGU using cash flow projections based on financial forecasts approved by management covering a five-year period. The discount rate used reflects specific risks relating to the relevant segments.

Based on the result of the impairment testing, no impairment losses on goodwill have been recognised for the year.

24 商譽 (續)

於2015年2月6日，瀚華科技（本公司全資附屬公司）與北京貝牛原股東簽訂股權轉讓協議，受讓北京貝牛100%的股權，支付對價為人民幣1.5百萬元，自2015年2月6日起北京貝牛成為北京瀚華科技的全資附屬公司，收購時點北京貝牛可辨認淨資產公允價值高於其淨資產1.47百萬元，由北京瀚華網絡科技有限公司確認為商譽。

於2015年8月31日，瀚華互聯網（本公司全資附屬公司）與中利保險原股東簽訂股權轉讓協議，受讓中利保險95%的股權，瀚華互聯網收購中利保險對價為人民幣56.5百萬元。自2015年8月31日起中利保險成為瀚華互聯網金融的非全資附屬公司，收購時點中利保險的可辨認淨資產公允價值高於其淨資產9.72百萬元，由瀚華互聯網確認為商譽。

每年對商譽執行一次減值測試，在確實發生減值時，計提減值準備。本集團以「現金流產生單元」未來五年的預測現金流和能夠反映對應風險的折現率計算可回收金額。

基於減值測試結果，本年商譽未發生減值。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

25 INTEREST-BEARING BORROWINGS

The interest-bearing borrowings were repayable as follows:

		31 December	31 December
		2016	2015
		2016年	2015年
		12月31日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year or on demand	實時償還或1年以內	61,000	219,000
After 1 year but within 2 years	1年至2年	1,973	81,000
After 2 years but within 5 years	2年至5年	1,142,932	–
		1,205,905	300,000

25 計息借款

計息借款按償還剩餘期限分析如下：

The interest-bearing borrowings were secured as follows:

		31 December	31 December
		2016	2015
		2016年	2015年
		12月31日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank loans (Note (i))	銀行貸款 (附註(i))		
– Unsecured	– 無擔保	144,905	139,000
– Secured by properties of the Group (Note (ii))	– 本集團物業抵押 (附註(ii))	61,000	81,000
		205,905	220,000
Other loans (Note (iii))	其他貸款 (附註(iii))		
– Unsecured	– 無擔保	1,000,000	80,000
		1,205,905	300,000

計息借款按擔保方式分析如下：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

25 INTEREST-BEARING BORROWINGS (CONTINUED)

Notes:

- (i) All of the group's bank loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the group was to breach the covenants, the loans would become payable on demand. The group regularly monitors its compliance with these covenants. Further details of the group's management of liquidity risk are set out in Note 36(c). At 31 December 2016, none of covenants relating to the bank loans had been breached.
- (ii) The bank loans are secured by the group's buildings held for own use. The aggregate carrying value of the secured properties amounted to RMB191.0 million (2015: RMB198.0 million) as at 31 December 2016.
- (iii) Other loans bear interest at 6.5% per annum, are unsecured and are repayable 31 December 2020.

26 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENT

Benefit rights of loans and advances to customers

發放貸款及墊款收益權

1,168,306

Details of the carrying values of underlying assets of financial assets under repurchased agreement are set out in Note 16(a).

25 計息借款 (續)

附註：

- (i) 所有本集團的銀行貸款須履行與金融機構訂立的借款合同。倘本集團違反約定，貸款須按合同要求償還。本集團定期監控履約情況。本集團對流動性風險管理的更多詳情載於附註36(c)。於2016年12月31日，均無違約情況。
- (ii) 銀行貸款由本集團建築物抵押。於2016年12月31日，抵押物業的總賬面值為人民幣191.0百萬元（2015年12月31日為人民幣198.0百萬元）。
- (iii) 其他貸款的年息率介6.5%，為無擔保並且最遲須於2020年12月31日償還。

26 賣出回購金融資產

31 December	31 December
2016	2015
2016年	2015年
12月31日	12月31日
RMB'000	RMB'000
人民幣千元	人民幣千元

1,388,477

賣出回購金融資產的相關資產賬面值詳情載於附註16(a)。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

27 PROVISIONS FOR GUARANTEE LOSSES

27 擔保賠償準備金

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Provisions for guarantee losses (Note 27(a))	擔保賠償準備金 (附註27(a))	350,596	390,337
		350,596	390,337

(a) Provisions for guarantee losses

(a) 擔保賠償準備金

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
At the beginning of the year	年初	390,337	501,254
Charge for the year	本年計提	287,866	328,264
Transfers out	轉出	(327,607)	(439,181)
At the end of the year	年末	350,596	390,337

28 CUSTOMER PLEDGED DEPOSITS

28 存入保證金

Customer pledged deposits refer to deposits received from customers as collateral security of the credit guarantee issued by the group. These deposits are interest-free, and will be returned to customers after the guarantee contracts expire.

存入保證金指向客戶所收的保證金，以作為本集團提供擔保的擔保抵押。此等押金為無息，並將於擔保合約屆滿時退還客戶。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

29 ACCRUALS AND OTHER PAYABLES

29 應計及其他應付款項

		31 December	31 December
		2016	2015
		2016年	2015年
		12月31日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Accrued staff cost	應付職工薪酬		
– Salaries, wages, bonuses and other benefits	– 工資、獎金、津貼及其他福利	85,737	89,824
Interest payables	應付利息	75,625	82,609
Other interest-bearing liabilities (Notes)	其他計息負債(附註)	1,763,555	914,180
Other payables	其他應付款項	373,104	234,276
Financial liabilities measured at amortised cost	按攤銷成本計算金融負債	2,298,021	1,320,889
Value-added tax and other surcharges payable	增值稅及其他附加費	4,693	19,074
Withholding individual income tax payable	預扣應交個人所得稅	3,816	–
Receipts in advance	預收款項	74,822	158,096
Total	合計	2,381,352	1,498,059

Notes:

- (i) During the years ended 31 December 2016, RMB1,121.6 million of loans and advances (31 December 2015: RMB614.2 million) were transferred to independent third parties by the group. However, the group still provides guarantee for the default payments of the principles and interests of the loans and advances transferred. As the transfer did not meet the requirement for the derecognition of financial assets, the loans and advances were not derecognised from the consolidated financial statements and the amount of proceeds received by the group was recorded as other payables.

附註：

- (i) 於截至2016年12月31日止年度，本集團將人民幣1,121.6百萬元的貸款轉讓給獨立的第三方（於2015年12月31日：人民幣614.2百萬元）。由於本集團繼續為該轉讓貸款提供保本保收益的擔保，該交易不滿足金融資產終止確認條件，因此在合併報表層面將該部份貸款還原入表，並將收到的轉讓款作為其他負債列示。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

29 ACCRUALS AND OTHER PAYABLES (CONTINUED)

Notes: (Continued)

- (ii) Other payables of the group at 31 December 2016 included interests of limited liability partners of RMB641.5 million in the partnerships which were consolidated by the group (31 December 2015: RMB300.0 million).

29 應計及其他應付款項 (續)

附註：(續)

- (ii) 於2016年12月31日，本集團其他負債中包括合併的有限合夥人在合夥企業中享有的權益人民幣641.5百萬元（於2015年12月31日：人民幣300.0百萬元）。

30 DEBTS SECURITIES ISSUED

30 應付債券

			31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
		<i>Note</i> 附註		
Fixed rate corporate bonds maturing in June 2020	2020年6月到期的 固定利率公司債	<i>(i)</i>	1,491,380	1,489,183
Fixed rate corporate bonds maturing in November 2019	2019年11月到期的 固定利率公司債	<i>(ii)</i>	894,730	893,060
Assets backed securities payable-senior tranches	應付優先級資產 支持證券	<i>(iii)</i>	1,269,155	-
At the end of the year	於年末		3,655,265	2,382,243

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

30 DEBTS SECURITIES ISSUED (CONTINUED)

Notes:

- (i) Fixed rate corporate bonds with nominal value RMB1,500 million and a tenure of five years were issued on 10 June 2015. The coupon rate is 6.10% per annum. The group has an option to increase the coupon rate for the remaining duration at the end of the third year. After the group announce whether to increase the coupon rate, the investors have an option to redeem all or part of the debts held at the nominal amounts.

As at 31 December 2016, the fair value of corporate bonds amounted to RMB1,521.9 million.

- (ii) Fixed rate corporate bonds with nominal value RMB900 million and a tenure of four years were issued on 3 November 2015. The coupon rate is 5.60% per annum. The group has an option to increase the coupon rate for the remaining duration at the end of the second year. After the group announce whether to increase the coupon rate, the Investors have an option to redeem all or part of the debts held at the nominal amounts.

As at 31 December 2016, the fair value of corporate bonds amounted to RMB901.3 million.

- (iii) During the year ended 31 December 2016, RMB1,460.0 million of micro loans were transferred to structured entities. After that, the structured entities issue asset-backed securities ("the Products") to investors, while the group acquired all the interests of subordinated tranches of the Products and provided guarantee against the investors that acquired the senior tranches. As the group has retained substantially all the risks and rewards of these transferred micro loans, which did not qualify for the derecognition of financial assets, the group continued to recognise the transferred micro loans and the net proceeds amounting to RMB1,269.2 million received by the group was booked as assets backed securities payable.

30 應付債券(續)

附註：

- (i) 本公司於2015年6月10日公開發行總額為人民幣1,500百萬元，債券期限為5年的公司債。債券票面年利率為6.10%，本集團有權於本債務存續期的第三年年末上調本債券後續期限的票面利率。在本公司發出是否上調票面利率及其幅度的公告後，投資者有權將其持有的債券全部或部份按面值回售給本公司。

於2016年12月31日，債券的公允價值為人民幣1,521.9百萬元。

- (ii) 本公司於2015年11月3日公開發行總額為人民幣900百萬元，債券期限為4年的公司債。債券票面年利率為5.60%，本集團有權於本債務存續期的第二年年末上調本債券後續期限的票面利率。在本公司發出是否上調票面利率及其幅度的公告後，投資者有權將其持有的債券全部或部份按面值回售給本公司。

於2016年12月31日，債券的公允價值為人民幣901.3百萬元。

- (iii) 於截至2016年12月31日止年度，本集團將人民幣1,460.0百萬元的小額貸款轉讓給結構化主體。再由結構化主體向投資者發行資產支持證券（「產品」），同時本集團持有該產品全部次級部分以及為所有優先順序部分提供擔保。由於本集團保留了轉讓小額貸款的幾乎全部風險和報酬，相關金融資產不滿足終止確認的條件，因此本集團繼續在資產負債表中確認上述資產，並將收到的人民幣1,269.2百萬元轉讓款在應付資產支持證券中列示。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

31 EQUITY SETTLED SHARE-BASED TRANSACTION

Chongqing Huitai Company Limited (“Huitai”) was established as the group’s vehicle for implementing a share-based incentive scheme (the “Share Incentive Scheme”) to provide share incentive to the senior management of the group. On 20 June 2013 (the “Grant Date”), details of the Share Incentive Scheme were finalised under which 15 directors, supervisors and senior management of the company (the “Grantees”) were granted entitlement to shares of the company through their equity interests in Huitai (the “share awards”) at a discounted price. The share awards would vest in installments on a monthly basis over the 8-year service period from 1 January 2013 to 31 December 2020. When a Grantee terminates his/her employment with the group, any unvested portion of benefits will be reallocated to the remaining Grantees in proportion to their then respective interests in Huitai.

Huitai held 7.88% of the equity interests of the company on the Grant Date for the purpose of the Share Incentive Scheme and did not carry out any other business.

31 以權益結算的股份支付

重慶慧泰投資有限公司(「慧泰」)是包括本公司在內的瀚華擔保股份所有投資者在成立瀚華擔保股份之時為了向未來本集團管理層提供股權激勵計劃(「股權激勵計劃」)而專門成立的投資控股公司。具體的股權激勵計劃在2013年6月20日(「股份授予日」)確定，本公司的15名董事、監事和高管(「激勵對象」)以折扣價格獲取慧泰的股權從而間接持有本公司的股份。自2013年1月1日至2020年12月31日，股權激勵將在該8年內按月分期確認。如任何激勵對象離開本集團時，該激勵對象未獲處分的目標股權將由其餘激勵對象按照慧泰的持股比例享有。

在股份授予日，慧泰持有本公司7.88%的股權，全部用於股權激勵計劃，與本公司沒有開展任何其他業務。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

31 EQUITY SETTLED SHARE-BASED TRANSACTION (CONTINUED)

(a) The terms and conditions of the grants are as follows:

31 以權益結算的股份支付(續)

(a) 授予項目的條款及條件如以下所列：

	Number of Instruments 股份數量	Vesting conditions 行權條件
Awards granted to directors and supervisors: 授予董事及監事的股份：		
– on 20 June 2013 – 於2013年6月20日	193,918,615	Every month from 1 January 2013 to 31 December 2020 從2013年1月1日至2020年12月31日的每個月滿時可獲得相應的股份
Awards granted to employees: 授予高管的股份：		
– on 20 June 2013 – 於2013年6月20日	76,351,233	Every month from 1 January 2013 to 31 December 2020 從2013年1月1日至2020年12月31日的每個月滿時可獲得相應的股份
Total share awards granted 授予股份總數	270,269,848	

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外, 均以人民幣千元列示)

31 EQUITY SETTLED SHARE-BASED TRANSACTION (CONTINUED)

(b) The number and weighted average exercise prices of share awards are as follows:

31 以權益結算的股份支付(續)

(b) 股權激勵的數量和平均行權如下:

		31 December 2016 2016年12月31日	
		Weighted average exercise price 平均行權價 RMB 人民幣	Number of shares 股份數量
Outstanding at the beginning of the year	年初發行在外	0.42	270,269,848
Granted during the year	本年授予	-	-
Exercised during the year	本年行權	-	-
Outstanding at the end of the year	年末發行在外	0.42	270,269,848
Exercisable at the end of the year	年末可行權	0.42	135,134,924

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

31 EQUITY SETTLED SHARE-BASED TRANSACTION (CONTINUED)

(c) Fair value of share awards and assumptions

The fair value of services received in return for share awards granted is measured by reference to the fair value of share awards granted. The company accounts for the Share Incentives Scheme on the basis of the pool of shares granted rather than treating the individual Grantee as the unit of account. The fair value of the total pool of shares is measured at the Grant Date with the non-vesting condition effectively ignored for valuation purposes. Subsequent forfeitures and reallocations would have no effect on the accounting treatment and the measurement of share awards granted to management. The estimate of the fair value of the share awards granted is measured based on a Cox-Ross-Rubinstein Binomial Pricing model. The contractual life of the share awards is used as an input into this model.

31 以權益結算的股份支付(續)

(c) 股份期權的公允價值及假設

本公司以授出股份期權而獲取的服務的公允價值參考授予日股份期權的公允價值確定。本公司在對股權激勵計劃進行會計處理時，是將其視為股權激勵計劃池而不是以單獨激勵對象基礎進行會計核算。股權激勵計劃池的公允價值在授予日計量，且在進行價值評估時不考慮行權條件。授予日後發生的因激勵對象離開本集團時，該激勵對象未獲處分權的目標股權將由其餘激勵對象按照在慧泰的持股比例重新分配，該重新分配對會計處理沒有影響。股份期權的公允價值使用Cox-Ross-Rubinstein Binomial模型進行估計。股份期權的合同年限作為此模型的一項參數。

Share awards
granted on
20 June 2013
於2013年6月20日
授予的股份期權

Fair value at measurement date (RMB)	於計量日期的公允價值(人民幣)	1.77
Share price (RMB)	現行股價(人民幣)	2.26
Exercise price (RMB)	行權價格(人民幣)	0.53
Expected volatility (expressed as weighted average volatility used in the modelling under Cox-Ross-Rubinstein Binomial Pricing model)	股價預計波動率 (以Cox-Ross-Rubinstein Binomial模型所運用的加權平均波幅表示)	64.3%
Option life (expressed as weighted average life used in the modelling under Cox-Ross-Rubinstein Binomial Pricing model)	期權的有效期 (以Cox-Ross-Rubinstein Binomial模型所運用的加權平均限期表示)	7.53 years年
Expected dividend yield	預計股利	1.3%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	1.45%

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

31 EQUITY SETTLED SHARE-BASED TRANSACTION (CONTINUED)

(c) Fair value of share awards and assumptions (Continued)

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share awards), 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.

Share awards were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share awards grants.

31 以權益結算的股份支付 (續)

(c) 股份期權的公允價值及假設 (續)

股價預計波動率是基於歷史波動率(以加權平均計算的股份期權的剩餘期間為基礎)，基於公開可獲得的信息對未來預計波動率任何可預期的差異進行調整。預期股利是基於歷史股利數據，輸入數據的變化會對公允價值的估計產生重大影響。

股份期權是在服務條件下授予的。在授予日的公允價值計量中未考慮這個條件。該股份期權不涉及市場條件。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

32 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Movements in current taxation in the consolidated statement of financial position are as follows:

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Balance of income tax payable at the beginning of the year	年初應交所得稅餘額	143,612	148,213
Provision for income tax on the estimated taxable profit for the year (Note 6(a))	年內按估計應納稅所得額計提的所得稅費用 (附註6(a))	171,344	168,188
Income tax paid during the year	本年已繳納所得稅	(129,319)	(172,789)
Balance of income tax payable at the end of the year	年末應交所得稅結餘	185,637	143,612

32 載於合併財務狀況表的所得稅

(a) 即期稅項於合併財務狀況表的變動如下：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

32 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

32 載於合併財務狀況表的所得稅 (續)

(b) Deferred tax assets and liabilities recognised:

(b) 已確認遞延所得稅資產及負債：

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

本集團於合併財務狀況表確認的遞延所得稅資產／(負債)項目及年度變動如下：

		Deferred tax assets 遞延所得稅資產				Deferred tax Liabilities 遞延所得稅負債			
		Provisions for impairment losses	Accrued staff cost	Provisions for guarantee losses and accruals 未到期	Fair value adjustments on available-for-sale financial assets 可供出售	Total	Fair value adjustments on available-for-sale financial assets 可供出售	Total	Net
Deferred tax arising from:	遞延稅項產生自：	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	2015年1月1日	160,219	11,712	143,801	65	315,797	-	-	315,797
Recognised to the consolidated statement of profit or loss (Note 6(a))	於合併損益表確認 (附註6(a))	84,309	(11,708)	(38,595)	-	34,006	-	-	34,006
Charged to reserves (Note 10(a))	計入公積金 (附註10(a))	-	-	-	(65)	(65)	(131)	(131)	(196)
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日	244,528	4	105,206	-	349,738	(131)	(131)	349,607
Recognised to the consolidated statement of profit or loss (Note 6(a))	於合併損益表確認 (附註6(a))	82,906	106	(6,015)	-	76,997	-	-	76,997
Charged to reserves (Note 10(a))	計入公積金 (附註10(a))	-	-	-	2,098	2,098	(33)	(33)	2,065
At 31 December 2016	於2016年12月31日	327,434	110	99,191	2,098	428,833	(164)	(164)	428,669

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

32 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 1(o), the group and the company have not recognised deferred tax assets in respect of cumulative tax losses of RMB892.8 million (2015: RMB635.1 million) at 31 December 2016, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses will expire in five years since initial occurrence under current tax legislation.

32 載於合併財務狀況表的所得稅 (續)

(c) 未確認的遞延所得稅資產

根據載於附註1(o)的會計政策，由於本公司不大可能在可預見的將來獲得可用於抵扣有關虧損的未來應稅利潤，故本集團及本公司並無就2016年12月31日的累計可抵扣虧損為人民幣892.8百萬元（2015年為人民幣635.1百萬元）確認遞延所得稅資產。根據現行稅法，可抵扣虧損自發生年度起可以在不超過5年的期間內抵扣未來應稅利潤。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

33 CAPITAL, RESERVES AND DIVIDENDS

33 資本、儲備及股息

(a) Movement in components of equity

The reconciliation between the opening and closing of each component of the group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the company's individual components of equity between the beginning and the end of the year are set out below:

The company

	Share capital	Share premium	Capital reserve	Surplus reserve	General reserve	Accumulated losses	Total
	股本	股份溢價	資本公積	盈餘公積	一般風險準備	未彌補虧損	合計
	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
	Note 33(c)	Note 33(d)(i)	Note 33(d)(ii)	Note 33(d)(iii)	Note 33(d)(iv)		
	附註33(c)	附註33(d)(i)	附註33(d)(ii)	附註33(d)(iii)	附註33(d)(iv)		
Balance at 1 January 2015	4,600,000	1,091,555	265,073	-	-	(284,128)	5,672,500
Changes in equity for 2015:							
Profit for the year and total comprehensive income	-	-	-	-	-	683,041	683,041
Appropriation to surplus reserve	-	-	-	53,303	-	(53,303)	-
Equity-settled share-based payment	-	-	81,123	-	-	-	81,123
Cash dividends paid to the equity shareholders of the company	-	-	-	-	-	(460,000)	(460,000)
Balance at 31 December 2015 and 1 January 2016:	4,600,000	1,091,555	346,196	53,303	-	(114,390)	5,976,664
Changes in equity for 2016:							
Profit for the year and total comprehensive income	-	-	-	-	-	248,392	248,392
Appropriation to surplus reserve	-	-	-	29,481	-	(29,481)	-
Equity-settled share-based payment	-	-	56,405	-	-	-	56,405
Cash dividends paid to the equity shareholders of the company	-	-	-	-	-	(230,000)	(230,000)
Balance at 31 December 2016	4,600,000	1,091,555	402,601	82,784	-	(125,479)	6,051,461

(a) 權益項目變動

本集團年初及年末各項目的綜合權益的對賬載列於合併股東權益變動表。本公司獨立權益項目由年初至年末的變動詳情載列如下：

本公司

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

33 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

In accordance with the resolution of the Company's board of directors meeting on 27 March 2017, the proposed dividends appropriations for the year ended 31 December 2016 are as follows:

- Declare cash dividends to all shareholders of RMB184.0 million representing RMB0.40 per 10 shares before tax.

The profit appropriation resolution mentioned above has yet to be approved by the Company's shareholders.

In accordance with the resolution of the Shareholders' meeting held on 16 May 2016, the dividends appropriations for the year ended 31 December 2015 are as follows:

- Declare cash dividends to all shareholders of RMB230.0 million representing RMB0.50 per 10 shares before tax.

(c) Share capital

The share capital were issued and fully paid.

33 資本、儲備及股息 (續)

(b) 股息

經本公司於2017年3月27日會會議審議通過，本公司2016年度股利分配方案如下：

- 向全體股東派發現金股息，每10股派人民幣0.40元（稅前），共計人民幣1.84億元。

上述利潤分配方案尚未經本公司股東批准。

經本公司於2016年5月16日股東大會會議審議通過，本公司2015年度股利分配方案如下：

- 向全體股東派發現金股息，每10股派人民幣0.50元（稅前），共計人民幣2.3億元。

(c) 股本

股本均已發行和繳足。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

33 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves

(i) Share premium

The share premium represents the difference between the par value of the shares of the company and capital proceeds received from the issuance of the shares of the company.

(ii) Capital reserve

The capital reserve mainly comprises the following:

- the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period and is dealt with in accordance with the accounting policies in Note 1(j)(i);
- the portion of the grant date fair value of unexercised share options granted to employees of the company that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 1(n).

(iii) Surplus reserve

- The surplus reserve represents statutory surplus reserve fund. The company is required to appropriate 10% of its net profit as determined under the Accounting Standards for Business Enterprises and other relevant requirements issued by the Ministry of Finance of the PRC after making good prior year's accumulated loss, to the statutory surplus reserve fund until the reserve fund balance reaches 50% of its registered capital.

33 資本、儲備及股息 (續)

(d) 儲備性質及目的

(i) 股份溢價

股份溢價指本公司股份面值與發行本公司股份所得款項之間的差額。

(ii) 資本公積

資本公積包括下列各項：

- 於報告期末所持的可供出售金融資產的公允價值的累計淨變動，並已根據附註1(j)(i)所載的會計政策處理；
- 已根據附註1(n)以權益結算的股份支付所採納的會計政策確認的向本公司僱員授出的未使購股權於授出日期的公允價值部份。

(iii) 盈餘公積

- 盈餘公積指法定盈餘公積金。於彌補以前年度的累計虧損後，本公司須根據中國財政部頒佈的企業會計準則及其他相關規定，將其10%的淨利潤轉撥至法定盈餘公積金，直至盈餘公積累計餘額達到其註冊資本的50%。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

33 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves (Continued)

(iv) General reserve

Pursuant to relevant regulations, the company and its subsidiaries engaged in credit guarantee business are required to set aside a general reserve through appropriations of profit after tax according to 10% of its profit after tax as determined under the Accounting Standard for Business Enterprise and other relevant requirements issued by the Ministry of Finance of the PRC after making good prior year's accumulated loss to cover potential losses against their assets.

While subsidiaries engaged in SME lending business are required to set aside a general reserve through appropriations of profit after tax according to a certain provision ratio of the ending balance of gross risk-bearing assets to cover potential losses against their assets. In principal, the general reserve balance should not be lower than 1.5% of the ending balance of gross risk-bearing assets.

(v) Exchange reserve

Foreign exchange differences arising from activities of Huiwei HongKong Holding Limited and Hanhua HongKong Holdings Limited (accounted in HK dollars) are recognised as "exchange reserve" in the shareholder's equity in the consolidated statement of financial position.

33 資本、儲備及股息 (續)

(d) 儲備性質及目的 (續)

(iv) 一般風險準備

根據相關規定，本公司及其從事信用擔保業務的附屬公司需從稅後利潤中提取作為一般風險準備，金額為彌補以前年度累計虧損後的淨利潤的10%（根據中國財政部頒佈的企業會計準則及其他相關規定），以彌補其資產可能出現的虧損。

而從事中小企業貸款業務的附屬公司需從稅後利潤中提取作為一般風險準備，金額為風險資產總額期末結餘的若干百分比，以彌補其資產可能出現的虧損。原則上，一般風險準備結餘不得少於風險資產總額期末結餘的1.5%。

(v) 外幣報表折算差額

產生自惠微香港控股有限公司和瀚華香港控股有限公司（以港幣記賬）經營活動的外幣折算差異，在合併財務狀況表中被確認為股東權益中的外幣報表折算差額。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

33 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Capital management

The group's primary objectives when managing capital are to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurate with the level of risk and by securing access to finance at a reasonable cost.

The group actively and regularly reviews and manages its capital structure to maintain a balance between the higher equity holder/shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There were no changes in the group's approach to capital management during the years ended 31 December 2016 and 2015.

Particularly for guarantee and credit loan operation, the group monitors regularly the residual balance of outstanding guarantees or/and credit loans for single customers and multiples of the total outstanding guarantees or/and credit loans in relation to paid-in/share capital of companies in the group engaging guarantee or/and credit loan business respectively, so as to keep the capital risk within an acceptable limit. The decision to manage the share capital of companies in the group to meet the needs of developing guarantee or/and credit loans business rests with the directors.

33 資本、儲備及股息 (續)

(e) 資本管理

本集團在資本管理上的首要目的是保障本集團能夠根據持續經營基礎經營，從而透過與風險水平相應的產品及服務定價以及獲得合理成本的融資繼續為權益持有人／股東提供回報及為其他持份者謀求利益。

本集團積極地定期覆核並管理其資本架構，以在較高股權持有人／股東回報情況下可能伴隨的較高借貸水平，以及良好的資本狀況帶來的好處與保證之間取得平衡，並依據經濟狀況的變動調整資本架構。

於截至2016年及2015年12月31日止年度，本集團資本管理的方法並無改變。

針對擔保及信用貸款業務，本集團定期監察單一客戶的擔保餘額或／及信用貸款餘額及有關本集團旗下分別從事擔保或／及信用貸款業務公司的擔保或／及信用貸款總額的實收資本／股本的倍數，以保持資本風險處於可接受的範圍內。有關管理本集團旗下公司的實收資本／股本以符合發展擔保或／及信用貸款業務需要的決策由董事釐定。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

34 NON-CONTROLLING INTERESTS

34 非控制性權益

		31 December	31 December
		2016	2015
		2016年	2015年
		12月31日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sichuan Hanhua Micro-credit Co., Ltd.	四川瀚華小額貸款有限公司	302,844	306,955
Xi'an Hanhua Micro-credit Co., Ltd.	西安市瀚華小額貸款有限公司	150,350	150,942
Chongqing Hanhua Micro-credit Co., Ltd.	重慶市瀚華小額貸款 有限責任公司	86,857	91,991
Others	其他	98,191	109,223
		638,242	659,111

35 SEGMENT REPORTING

35 分部報告

The group manages its business by business lines. In a manner consistent with the way in which information is reported internally to the group's most senior executive management for the purposes of resource allocation and performance assessment, the group defines reporting segments based on the following operating segments:

本集團根據業務條線進行業務管理。本集團的經營分部已按與內部報送信息一致的方式列報，這些內部報送信息是提供給本集團管理層以向分部份配資源並評價分部業績，本集團以經營分部為基礎，確定了下列報告分部：

Guarantee and Entrusted loan business

擔保及委託貸款業務

This segment represents the provision of a range of guarantee and related consulting services to customers and the provision of a range of entrusted loan and services to the small and medium sized enterprises. These guarantee services include financial guarantee, performance guarantee and litigation guarantee. The consulting services include debt financing, internal control and risk management related consulting services to the guarantee and entrusted loan customers.

該分部向客戶提供一系列的擔保及相關諮詢服務及向中小企業提供一系列的委託貸款及服務。擔保服務包括融資擔保、履約擔保及訴訟擔保。諮詢服務包括提供予擔保客戶及委託貸款客戶的債務融資、內部控制及風險管理相關諮詢服務。

Notes to the Financial Statements

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外,均以人民幣千元列示)

35 SEGMENT REPORTING (CONTINUED)

SME lending

This segment represents the provision of a range of loan and services to the small sized and micro enterprises (“SME enterprises”), the owners of SME enterprises and individuals.

Factoring business

This segment represents the provision of a range of financing services to the small and medium sized enterprises by receiving the account receivables transferred from the lenders as collaterals.

Internet financing business

This segment represents the provision of a range of financial intermediary services and assets information services to small and medium sized enterprises and individual in the internet platforms.

Leasing Business

This segment represents the provision of a range of finance lease, operating lease and related consulting services to customers.

Others

This segment represents the aggregation of other non-significant business lines and the operational results of the headquarters.

35 分部報告 (續)

小微企業貸款業務

該分部向微型企業(「小微企業」)、小微企業的擁有人或個人提供貸款及相關中介服務。

保理業務

該分部通過受讓融資人所持應收款項的方式向中小企業提供一系列的金融服務。

互聯網金融業務

該分部向中小企業和個人提供一系列互聯網平台金融中介服務及資產信息服務。

租賃業務

該分部向客戶提供一系列融資租賃、經營租賃及相關諮詢服務。

其他業務

該分部包括本公司其他非重大業務線及經營業績。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

35 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the group's senior executive management monitors 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 deferred tax assets. Segment liabilities include all liabilities managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue 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.

Internal charges and transfer prices are determined with reference to market rates and have been reflected in the performance of each segment.

Changes in disclosure of segment results and assets and liabilities in the current year:

The group has added a new business segment – *Leasing business* and disclosed this business segment in the segments report. Compared to the prior years, the current segment structure better reflects current management model of the group. The comparative figures for the ended 31 December 2015 have been restated accordingly.

35 分部報告 (續)

(a) 分部利潤、資產及負債

為了評價各個分部的業績及向其配置資源，本集團管理層會定期審閱歸屬於各分部業績、資產及負債，這些信息的編製基礎如下：

分部資產包括歸屬於分部的所有有形資產、無形資產及流動資產，但不包括遞延所得稅資產。分部負債包括所有由各分部直接管理的負債。

分部經營成果是指各個分部產生的收入，扣除各個分部發生的費用、歸屬於各分部的資產發生的折舊和攤銷及其他費用的淨額，以分配至該等分部。

分部之間的內部收費和轉讓定價均參照市場利率確定，並已反映在各分部的表現中。

對本年分部業績、資產和負債披露方式變更的說明：

本集團在本期分部報告披露中增加一個新的業務分部—租賃業務。與以往列報方式相比，新披露方式更好地反映了本集團當前的管理模式。因此，截至2015年12月31日止年度的比較數據已重述。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

35 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (Continued)

Information regarding the group's reportable segments as provided to the group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the year is set out below:

35 分部報告 (續)

(a) 分部利潤、資產及負債 (續)

針對有關年內分配資源及評價分部業績，提呈予本集團管理層的分部報告載列如下：

		Year ended 31 December 2016						
		截至2016年12月31日止年度						
		Guarantee and Entrusted Loan Business	SME Lending	Factoring Business	Internet Financing Business	Leasing Business	Others	Total
		擔保及委託貸款業務	小微企業貸款業務	保理業務	互聯網金融業務	租賃業務	其他業務	合計
		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
Net guarantee and consulting fee income	擔保及諮詢費淨收入	755,370	-	-	-	-	-	755,370
Net interest and handling fee income/(expense)	利息及手續費淨收入/(支出)	316,099	459,900	74,484	8,103	20,401	(154,611)	724,376
Reportable segment income/(expense)	分部收入/(支出)	1,071,469	459,900	74,484	8,103	20,401	(154,611)	1,479,746
Other net income	其他收入淨額	20,724	2,913	6	2,283	-	6,981	32,907
Reversal for guarantee losses	轉回擔保賠償準備金	39,741	-	-	-	-	-	39,741
Impairment losses	資產減值損失	(297,302)	(63,334)	(9,449)	-	(2,830)	-	(372,915)
Operating expenses	營運支出	(406,006)	(167,239)	(14,510)	(23,152)	(826)	(190,964)	(802,697)
Net foreign exchange (gain)/loss	匯兌淨收益/(虧損)	-	-	-	-	-	1,052	1,052
Reportable segment profit/(losses) before taxation	分部稅前利潤/(損失)	428,626	232,240	50,531	(12,766)	16,745	(337,542)	377,834

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

35 SEGMENT REPORTING (CONTINUED)

35 分部報告(續)

(a) Segment results, assets and liabilities (Continued)

(a) 分部利潤、資產及負債(續)

At 31 December 2016
於2016年12月31日

		Guarantee and Entrusted Loan Business					Internet Financing Business		Leasing Business	Others	Total
		SME Lending	Factoring Business	Internet Financing Business	Leasing Business	Others					
		擔保及 委託貸款業務	小微企業 貸款業務	保理業務	互聯網 金融業務	租賃業務	其他業務	合計			
		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	
Segment assets	分部資產	8,895,656	5,416,895	684,989	90,883	304,055	1,261,602	16,654,080			
Segment liabilities	分部負債	3,379,530	3,125,427	428,769	6,707	36,543	2,626,650	9,603,626			

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外, 均以人民幣千元列示)

35 SEGMENT REPORTING (CONTINUED)

35 分部報告 (續)

(a) Segment results, assets and liabilities (Continued)

(a) 分部利潤、資產及負債 (續)

		Year ended 31 December 2015 截止2015年12月31日止年度						
		Guarantee and Entrusted Loan Business	SME Lending Business	Factoring Business	Internet Financing Business	Leasing Business	Others	Total
		擔保及 委託貸款業務	小微企業 貸款業務	保理業務	互聯網 金融業務	租賃業務	其他業務	合計
		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
Net guarantee and consulting fee income	擔保及諮詢費淨收入	764,990	-	48	-	-	-	765,038
Net interest and handling fee income/(expense)	利息及手續費淨收入/(支出)	374,056	605,615	44,990	6,704	3,488	(47,907)	986,946
Reportable segment income/(expense)	分部收入/(支出)	1,139,046	605,615	45,038	6,704	3,488	(47,907)	1,751,984
Other net income	其他收入淨額	22,386	3,027	-	5,934	-	1,017	32,364
Reversal for guarantee losses	轉回擔保賠償準備金	110,917	-	-	-	-	-	110,917
Impairment losses	資產減值損失	(431,754)	(79,702)	(4,069)	-	-	-	(515,525)
Operating expenses	營運支出	(436,663)	(194,343)	(19,597)	(13,561)	(352)	(228,917)	(893,433)
Net foreign exchange (gain)/loss	匯兌淨收益/(虧損)	-	-	-	-	-	40	40
Reportable segment profit/(losses) before taxation	分部稅前利潤/(損失)	403,932	334,597	21,372	(923)	3,136	(275,767)	486,347

		At 31 December 2015 於2015年12月31日						
		Guarantee and Entrusted Loan Business	SME Lending Business	Factoring Business	Internet Financing Business	Leasing Business	Others	Total
		擔保及 委託貸款業務	小微企業 貸款業務	保理業務	互聯網 金融業務	租賃業務	其他業務	合計
		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
Segment assets	分部資產	7,749,560	5,000,749	386,792	195,434	84,073	194,833	13,611,441
Segment liabilities	分部負債	2,813,900	1,199,430	65,145	12,035	8,138	2,416,943	6,515,591

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

35 SEGMENT REPORTING (CONTINUED)

(b) Reconciliation of reportable segment assets

		31 December	31 December
		2016	2015
		2016年	2015年
		12月31日	12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Assets	資產		
Reportable segment assets	分部資產	16,654,080	13,611,441
Deferred tax assets	遞延所得稅資產	428,669	349,607
Consolidated total assets	資產合計	17,082,749	13,961,048

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT

Exposure to credit, interest rate and liquidity risks arises in the normal course of the group's business.

The group's exposure to these risks and the financial risk management policies and practice used by the group to manage these risks are described below.

(a) Credit risk

Credit risk arises from a customer's inability or unwillingness to meet its financial obligations to make timely payments under loans the group guaranteed or provided. Credit risk is primarily attributable to unexpired guarantee issued by the group and the loan business of the group, loans and advances to customers and trade and other receivables.

35 分部報告(續)

(b) 分部資產的調節

	31 December	31 December
	2016	2015
	2016年	2015年
	12月31日	12月31日
	RMB'000	RMB'000
	人民幣千元	人民幣千元

36 財務風險管理及金融工具的公允價值

本集團的日常業務過程中面臨信用、利率及流動性風險。

本集團會定期審閱這些風險管理政策及有關內部控制系統，以適應市場情況或本集團經營活動的改變。

(a) 信用風險

信用風險來自本集團所提供擔保或提供貸款的客戶無力或不願履行其財務責任。本集團的信用風險主要來自本集團發出的擔保、發放貸款及墊款和應收及其他應收款。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (Continued)

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets as at the end of the reporting periods. Except for the guarantee as disclosed below, the group has no credit risk arising from any other guarantee.

Credit risk arising from guarantee business

The group has taken measures to identify credit risks arising from guarantee business. The group manages credit risk at every stage of the risk management system, including pre-approval, review and credit approval and post-transaction monitoring processes. The Group conducts customer acceptance and due diligence by business department and risk management department during the pre-approval process. A transaction may be subject to the review and approval of credit approval officer, regional risk committee, deputy chairman and chairman depending on the transaction size.

During the post-transaction monitoring process, the group conducts on-site inspection and ongoing post-transaction reviews focusing on various aspects, including but not limited to customers' product markets, operating income, assets and liabilities, cash flows from operating activities to detect potential risks. The group takes proactive preventive actions based on the risk analysis and design contingency plans accordingly.

36 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

所面對的最大信用風險指於報告期末各種金融資產的淨賬面值。除下列所披露的擔保外，本集團概無產生信用風險的任何其他擔保。

擔保業務產生的信用風險

本集團已採取措施識別擔保業務產生的信用風險。本集團通過風險管理系統管理每個階段的信用風險，包括盡職審查、審查、信用審批及擔保後回訪。於審批前，本集團委派業務部及風險管理部進行客戶接納及盡職審查。根據交易的規模而定，交易可能交由信用審批人、地區風險委員會、副主席及主席審查及審批。

擔保後回訪，本集團就（包括但不限於）客戶產品市場、經營收入、資產負債情況、經營活動的現金流量等多個方面進行實地檢查及持續回訪，以偵測潛在風險。本集團根據風險分析作出積極的防範措施並設計相應的應變計劃。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (Continued)

Credit risk arising from guarantee business

(Continued)

When a certain number of clients undertake the same business activities, stay in the same geographical locations, or bear similar economic features for their industries, their ability to fulfill contracts will be affected by the same economic changes. Concentration of credit risk reflects the sensitivity of the group's operating results to specific industries or geographical locations. As the group mainly operates its businesses in the PRC, there exists a certain level of geographical concentration risk for its guarantee and loan portfolios in that it might be affected by changes in the PRC economic conditions.

36 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

擔保業務產生的信用風險 (續)

當若干數量的客戶進行相同的業務活動，處於相同的地理位置或其行業具有相似的經濟特性，他們的履約能力將受到同一經濟變化的影響。信用風險的集中程度反映了本集團業績對某一特定行業或地理位置的敏感程度。由於本集團主要在中國經營業務，其擔保及貸款組合因此承擔一定的地理集中風險，並可能因中國經濟狀況的變化而受到影響。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

36 財務風險管理及金融工具的公允價值 (續)

(a) Credit risk (Continued)

(a) 信用風險 (續)

Credit risk arising from guarantee business

擔保業務產生的信用風險 (續)

(Continued)

The guarantees issued and outstanding are analysed by type as follows:

在保餘額按其種類分析如下：

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月32日 RMB'000 人民幣千元
Traditional financing guarantees	傳統融資擔保	8,925,161	11,718,986
Bond guarantees	債券擔保	20,250,000	5,065,000
Financing guarantees	融資擔保	29,175,161	16,783,986
Re-guarantee (Note)	再擔保 (附註)	(10,000,000)	-
Subtotal	小計	19,175,161	16,783,986
Performance guarantees	履約擔保	10,947,027	8,585,382
Litigation guarantees	訴訟擔保	508,741	613,391
Maximum amount guarantee	擔保餘額	30,630,929	25,982,759
Less: customer pledged deposits	減：存入保證金	(17,191)	(27,097)
Net guarantee exposure	淨擔保風險	30,613,738	25,955,662

Note: As at 31 December 2016, RMB9,950.0 million of bonds financing guarantees and RMB50.0 million of traditional financing guarantees provided by the group have been re-guaranteed to other Re-guarantee company.

附註：於2016年12月31日，本集團提供的債券擔保人民幣9,950.0百萬元和傳統融資擔保人民幣50.0百萬元已再擔保給其他再擔保公司。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (Continued)

Credit risk arising from guarantee business

(Continued)

The maximum exposure to credit risk in respect of guarantees by industry at 31 December 2016 and 2015 is as follows:

		31 December 2016		31 December 2015	
		於2016年12月31日		於2015年12月31日	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Construction	建築業	10,603,792	26.09%	6,254,419	24.07%
Funds performance guarantee	保本基金擔保	8,255,165	20.32%	7,375,673	28.39%
Household Goods	綜合	6,797,854	16.73%	2,007,943	7.73%
Public investment and management	公共投資與管理	6,105,000	15.03%	925,000	3.56%
Commercial services	商貿	3,920,577	9.65%	3,637,765	14.00%
Manufacturing and processing	製造業	2,460,641	6.06%	3,446,440	13.26%
Public management and social organization	公共管理與社會組織	809,900	1.99%	839,700	3.23%
Service industry	服務業	488,801	1.20%	601,150	2.31%
Energy	能源	483,767	1.19%	171,399	0.66%
Telecommunications, computer services and software	信息技術服務業	430,417	1.06%	152,190	0.59%
Agriculture	農業	77,841	0.19%	296,848	1.14%
Agricultural processing industry	農產品加工	47,644	0.12%	53,750	0.21%
Others	其他	149,530	0.37%	220,482	0.85%
Subtotal of guarantee	擔保小計	40,630,929	100.00%	25,982,759	100.00%
Re-guarantee	再擔保	(10,000,000)		-	
Maximum amount guarantee	擔保上限金額	30,630,929		25,982,759	

36 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

擔保業務產生的信用風險 (續)

於2016年及2015年12月31日按行業劃分的擔保所承擔的最大信用風險如下：

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (Continued)

Credit risk arising from micro-lending business

The group adopts the same pre-approval, review and credit approval risk management system for credit risk arising from micro-lending business. During the post-transaction monitoring process, the group conducts a visit of customers within one month after disbursement of loans, and conducts on-site inspection on a semi-annual basis. The review focuses on the use of loans, the financial and operational conditions of the borrowers or the progress of projects and status of the collateral.

The group adopts a loan risk classification approach to manage its loan portfolio risk. Loans are generally classified as normal, special mention, substandard, doubtful and loss according to their levels of risk. Substandard, doubtful and loss loans are considered to be impaired loans and advances. They are classified as such when one or more events demonstrate that there is objective evidence of a loss event. The impairment loss is assessed collectively or individually as appropriate.

36 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

貸款業務的信用風險

本集團就小貸業務的信用風險採取相同的盡職調查、審查及信用審批。貸後回訪，本集團於發放貸款後一個月內回訪客戶，並每半年一次進行實地檢查。審查主要集中於貸款用途、借款人的財務及經營狀況、項目進度及抵押品的狀況。

本集團採用貸款風險分類方法監控貸款及墊款組合風險狀況。貸款及墊款按風險程度分為正常、關注、次級、可疑及損失。後三類被視為已減值貸款及墊款。當一項或多項事件發生證明客觀減值證據存在，並可能出現損失時，該貸款及墊款被界定為已減值貸款及墊款。已減值貸款及墊款的減值損失準備將視情況以組合或個別方式評估。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (Continued)

Credit risk arising from micro-lending business

(Continued)

The core definitions of the five categories of loans and advances are set out below:

Normal:	Borrowers can honour the terms of their loans. There is no reason to doubt their ability to repay principal and interest in full on a timely basis.
Special Mention:	Borrowers are currently able to service their loans and interest, although repayment may be adversely affected by specific factors.
Substandard:	Borrowers' ability to service their loans is in question and they cannot rely entirely on normal business revenues to repay principal and interest. Losses may ensue even when collateral or guarantees are invoked.
Doubtful:	Borrowers cannot repay principal and interest in full and significant losses will need to be recognised even when collateral or guarantees are invoked.
Loss:	Principal and interest of loans cannot be recovered or only a small portion of them can be recovered after taking all possible measures or resorting to all necessary legal procedures.

36 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

貸款業務的信用風險 (續)

五類貸款及墊款的主要定義載列如下：

正常類：	借款人能夠履行合同，沒有足夠理由懷疑貸款本息不能按時足額償還。
關注類：	儘管借款人目前有能力償還貸款本息，但存在一些可能對償還產生不利影響的因素。
次級類：	借款人的還款能力出現明顯問題，無法完全依靠其正常收入足額償還貸款本息，即使執行抵押品或擔保，也可能會造成一定損失。
可疑類：	借款人無法足額償還貸款本息，即使執行抵押品或擔保，也肯定要造成較大損失。
損失類：	在採取所有可能措施或一切必要的法律程序之後，本息仍然無法收回，或只能收回極少部份。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (Continued)

Credit risk arising from micro-lending business

(Continued)

The group has established relevant mechanisms to apply tiered management of credit risks, and set limits to acceptable risks for different individual or group counterparties, different industries and geographical regions. The group monitors the risk status of these customers regularly and reviews their risk positions at least on a quarterly basis.

In accordance with accounting policies and regulations, if there is objective evidence that indicates the cash flow for a particular loan is expected to decrease, and the amount can be estimated, the loan is recorded as an impaired loan and the impairment loss is recognised in the statement of profit and loss.

The group's policy requires regular review of the quality of individually significant financial assets. For assets for which an allowance for impairment loss is provided individually, the amount is determined by an evaluation of the incurred loss at reporting date on a case-by-case basis. In making such assessments, the group considers the value of collateral held and expected future cash flows from the asset.

Impairment allowances are provided for the following portfolios according to historical data, experience and statistical techniques: (i) those consisting of homogeneous assets that are individually below materiality thresholds; and (ii) those where losses that have been incurred but have not yet been individually identified with any specific asset within the portfolio.

36 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

貸款業務的信用風險 (續)

本集團已建立相關機制，對信用風險進行分層管理，針對不同的單一交易對手或集團交易對手、不同的行業和地理區域設置不同的可接受風險限額。本集團定期監控上述客戶風險狀況，並至少每個季度進行一次審核。

根據會計政策及規定，若有客觀證據證明貸款的預計未來現金流量將減少，且減少金額可以估計，則本集團確認該貸款已減值，有關資產減值損失於當期損益中確認。

本集團對單筆金額重大的金融資產的資產質量進行定期審閱。對個別計提資產減值損失的資產，本集團在資產負債表日逐筆評估其損失情況以確定準備金的計提金額。在評估過程中，本集團通常會考慮所持有的抵押物價值及未來現金流量的狀況。

本集團根據歷史數據、經驗判斷和統計技術對下列資產組合計提減值準備：(i)單筆金額不重大且具有類似信用風險特徵的資產組合；及(ii)資產減值損失已經發生但尚未被個別識別的資產。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (Continued)

Credit risk arising from micro-lending business

(Continued)

Other credit risks

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluation focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

Further quantitative disclosure in respect of the group's exposure to credit risk arising from loans and advances to customers and trade and other receivables are set out in Note 16 and Note 14, respectively.

(b) Interest rate risk

The group is principally engaged in the provision of credit guarantee, lending and related consulting services to SME enterprises in the PRC. Its interest rate risk arises primarily from deposits with banks, loans and advances to customers and interest-bearing borrowings.

36 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

貸款業務的信用風險 (續)

其他信用風險

就應收及其他應收款項而言，本集團已根據實據情況制定了信用政策，對客戶進行信用評估以確定除銷額度與信用期限。信用評估主要根據客戶的財務狀況、外部評級及銀行信用記錄（如有可能）。

本集團所承受自發放貸款及墊款以及應收及其他應收款項產生的信用風險的進一步計量披露分別載附註16及14。

(b) 利率風險

本集團主要於中國從事提供信用擔保、小額貸款及提供相關顧問服務。本集團的利率風險主要源自銀行存款、發放貸款及墊款及計息借款。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外, 均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

36 財務風險管理及金融工具的公允價值 (續)

(b) Interest rate risk (Continued)

(b) 利率風險 (續)

(i) Interest rate profile

(i) 利率風險概況

The following tables details the interest rate profile of the group's and the company's assets and liabilities as at the end of the year:

本集團及本公司於年末資產及負債的利率風險概況如下:

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Fixed interest rate	固定利率		
Financial assets	金融資產		
– Cash and cash equivalents	– 貨幣資金	1,058,299	730,293
– Restricted bank deposits	– 存出擔保保證金	681,947	1,184,006
– Loans and advances to customers	– 發放貸款及墊款	7,625,407	7,137,771
– Receivable for factoring business	– 應收保理款	594,604	217,953
– Finance lease receivable	– 應收融資租賃款	279,244	69,718
		10,239,501	9,339,741
Financial liabilities	金融負債		
– Interest-bearing borrowings	– 計息借款	(1,001,973)	(200,000)
– Financial assets sold under repurchase agreement	– 賣出回購金融資產	(1,168,306)	(1,388,477)
– Debts securities issued	– 應付債券	(3,655,265)	(2,382,243)
– Other payables	– 其他應付款項	(1,346,594)	(814,180)
		(7,172,138)	(4,784,900)
Net	淨值	3,067,363	4,554,841

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

36 財務風險管理及金融工具的公允價值 (續)

(b) Interest rate risk (Continued)

(b) 利率風險 (續)

(i) Interest rate profile (Continued)

(i) 利率風險概況 (續)

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Variable interest rate	浮動利率		
Financial assets	金融資產		
– Cash and cash equivalents	– 貨幣資金	2,453,605	2,073,481
– Restricted bank deposits	– 存出擔保保證金	369,994	216,055
		2,823,599	2,289,536
Financial liabilities	金融負債		
– Interest-bearing borrowings	– 計息借款	(203,932)	(100,000)
Net	淨值	2,619,667	2,189,536
Fixed rate financial liabilities as a percentage of total financial liabilities	固定利率金融負債佔總金融負債的百分比	97.24%	97.95%

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(b) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2016, it is estimated that a general increase of 50 basis points in interest rates, with all other variables held constant, would have increased the group's profit before taxation for the next 12 months by approximately RMB13.1 million (2015: RMB10.9 million).

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the group at the end of the reporting period.

(c) Liquidity risk

Management regularly monitors the group's liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

36 財務風險管理及金融工具的公允價值 (續)

(b) 利率風險 (續)

(ii) 敏感度分析

於2016年12月31日，在其他變量不變的情況下，假定利率上浮50個基點，將會導致本集團於未來12個月的稅前利潤將上升約人民幣13.1百萬元（於2015年12月31日為人民幣10.9百萬元）。

上述的敏感度分析列出本集團於報告期末持有的浮動利率非衍生工具所產生的現金流利率風險。

(c) 流動性風險

本集團的政策是定期監控短期和長期的流動資金需求，以確保本集團維持足夠的現金儲備以應對短期及長期的流動性需求。

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

36 財務風險管理及金融工具的公允價值 (續)

(c) Liquidity risk (Continued)

(c) 流動性風險 (續)

The following tables provide an analysis of financial assets and liabilities of the group into relevant maturity groupings based on the remaining periods to repayment at the end of the year:

於年末，本集團各金融資產和金融負債根據相關剩餘到期日分析如下：

		At 31 December 2016 於2016年12月31日						
		Indefinite	Repayable	Within	Between	Between	More than	Total
		無限期	on demand	three months	three months	one	five years	合計
		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
Financial assets	金融資產							
Cash and cash equivalents	貨幣資金	-	2,416,194	295,811	-	800,000	-	3,512,005
Restricted bank deposits	存出擔保保證金	-	369,994	118,400	562,528	1,019	-	1,051,941
Trade and other receivables	應收及其他應收款項	-	1,255,621	251,497	4,175	35,743	-	1,547,036
Receivables for factoring business	應收保理款項	-	16,177	374,482	203,945	-	-	594,604
Loans and advances to customers	發放貸款及墊款	304,177	102,214	2,111,643	4,233,614	868,837	4,922	7,625,407
Available-for-sale financial assets	可供出售金融資產	298,461	35,060	-	-	-	-	333,521
Finance lease receivables	應收融資租賃款	-	-	20,499	65,337	193,408	-	279,244
Total	合計	602,638	4,195,260	3,172,332	5,069,599	1,899,007	4,922	14,943,758
Financial liabilities	金融負債							
Customer pledged deposits	存入保證金	-	10,380	500	1,886	4,425	-	17,191
Interest-bearing borrowings	計息借款	-	-	-	61,000	1,144,905	-	1,205,905
Financial assets sold under repurchase agreement	賣出回購金融資產	-	-	344,187	489,144	334,975	-	1,168,306
Debts securities issued	應付債券	-	-	-	-	3,655,265	-	3,655,265
Accruals and other payables	應計及其他應付款項	-	-	838,281	755,240	63,000	641,500	2,298,021
Total	合計	-	10,380	1,182,968	1,307,270	5,202,570	641,500	8,344,688
Net	淨值	602,638	4,184,880	1,989,364	3,762,329	(3,303,563)	(636,578)	6,599,070
Guarantee issued	提供的融資擔保							
Maximum amount guaranteed*	擔保上限金額*	-	27,156	1,817,250	11,411,587	7,727,745	9,630,000	30,613,738

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36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

36 財務風險管理及金融工具的公允價值 (續)

(c) Liquidity risk (Continued)

(c) 流動性風險 (續)

		At 31 December 2015 於2015年12月31日						
		Indefinite	Repayable on demand	Within three months	Between three months and one year	Between one year and five years	More than five years	Total
		無限期	實時償還	三個月內	三個月至一年	一年至五年	五年以上	合計
		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
Financial assets	金融資產							
Cash and cash equivalents	貨幣資金	-	1,920,522	248,019	635,344	-	-	2,803,885
Restricted bank deposits	存出擔保保證金	-	216,055	286,013	895,280	2,713	-	1,400,061
Trade and other receivables	應收及其他應收款項	-	503,018	656,666	63,647	30,270	-	1,253,601
Receivables for factoring business	應收保理款項	-	-	79,217	138,736	-	-	217,953
Loans and advances to customers	發放貸款及墊款	286,947	41,352	1,903,432	4,486,132	419,908	-	7,137,771
Available-for-sale financial assets	可供出售金融資產	91,116	15,770	-	-	-	-	106,886
Finance lease receivables	應收融資租賃款	-	-	4,421	11,181	54,116	-	69,718
Total	合計	378,063	2,696,717	3,177,768	6,230,320	507,007	-	12,989,875
Financial liabilities	金融負債							
Customer pledged deposits	存入保證金	-	11,614	5,449	7,412	2,622	-	27,097
Interest-bearing borrowings	計息借款	-	-	49,000	170,000	81,000	-	300,000
Financial assets sold under repurchase agreement	賣出回購金融資產	-	-	189,392	839,085	360,000	-	1,388,477
Debts securities issued	應付債券	-	-	-	-	2,382,243	-	2,382,243
Accruals and other payables	應計及其他應付款項	-	-	664,789	421,200	34,900	200,000	1,320,889
Total	合計	-	11,614	908,630	1,437,697	2,860,765	200,000	5,418,706
Net	淨值	378,063	2,685,103	2,269,138	4,792,623	(2,353,758)	(200,000)	7,571,169
Guarantee issued	提供的融資擔保							
Maximum amount guaranteed*	擔保上限金額*	-	93,701	2,264,859	14,026,362	5,674,010	3,896,730	25,955,662

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36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(c) Liquidity risk (Continued)

* The maximum amount guaranteed represents the total amount of liability less the amount of customer pledged deposits should all customers default. Since a significant portion of guarantee is expected to expire without being called upon, the maximum liabilities do not represent expected future cash outflows.

The following tables show the remaining contractual maturities at the end of the reporting period of the group's and the company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the group and the company can be required to pay:

36 財務風險管理及金融工具的公允價值 (續)

(c) 流動性風險 (續)

* 倘所有客戶違約，擔保上限金額等於對外擔保金額減去存入保證金。由於絕大部份的擔保預期不會被要求履行償還義務，故負債的上限金額並不表示預期未來現金流出量。

本集團及本公司於報告期末的非衍生金融負債按未折現的合同現金流量（包括按合同利率計算的利息，如果是浮動利率則按報告期末的現行利率計算的利息）的剩餘合約期限，以及被要求支付的最早日期如下：

		2016 Contractual undiscounted cash flow							
		2016年未折現的合同現金流量							
		Indefinite	Repayable on demand	Within three months	Between three months and one year	Between one year and five years	More than five years	Carrying amount at 31 December	
		無限期	實時償還	三個月內	三個月至一年	一年至五年	五年以上	合計	賬面價值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Customer pledged deposits	存入保證金	-	10,380	500	1,886	4,425	-	17,191	17,191
Interest-bearing borrowings	計息借款	-	-	17,271	112,936	1,344,582	-	1,474,789	1,205,905
Financial assets sold under repurchase agreement	賣出回購金融資產	-	-	348,335	503,546	374,335	-	1,226,216	1,168,306
Debts securities issued	應付債券	-	-	26,403	463,887	3,875,512	-	4,365,802	3,655,265
Accruals and other payables	應計及其他應付款項	-	-	845,301	766,721	88,977	647,471	2,348,470	2,298,021
Total	合計	-	10,380	1,237,810	1,848,976	5,687,831	647,471	9,432,468	8,344,688

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36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

36 財務風險管理及金融工具的公允價值 (續)

(c) Liquidity risk (Continued)

(c) 流動性風險 (續)

2015 Contractual undiscounted cash flow

2015年未折現的合同現金流量

		Indefinite	Repayable on demand	Between			More than five years	Total	Carrying amount at 31 December
				Within three months	three months and one year	Between one year and five years			
		無限期	實時償還	三個月內	三個月至一年	一年至五年	五年以上	合計	賬面價值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Customer pledged deposits	存入保證金	-	11,614	5,449	7,412	2,622	-	27,097	27,097
Interest-bearing borrowings	計息借款	-	-	54,190	180,143	85,513	-	319,846	300,000
Financial assets sold under repurchase agreement	賣出回購金融資產	-	-	191,813	876,257	377,035	-	1,445,105	1,388,477
Debts securities issued	應付債券	-	-	-	146,400	2,930,700	-	3,077,100	2,382,243
Accruals and other payables	應計及其他應付款項	-	-	695,987	421,069	60,642	226,583	1,404,281	1,320,889
Total	合計	-	11,614	947,439	1,631,281	3,456,512	226,583	6,273,429	5,418,706

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(d) Fair values measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

36 財務風險管理及金融工具的公允價值 (續)

(d) 公允價值計量

(i) 按公允價值計量的金融資產及負債

公允價值層級

下表載列本集團按經常性基準於報告期末計量並根據香港財務報告準則第13號「公允價值計量」所界定的三個公允價值層級分類的金融工具公允價值。公允價值計量的三個層級分類乃參考估值方法所用的輸入數據的可觀察程度及重要性釐定如下：

- 第1層級估值：只採用第1層級輸入數據（即同一資產或負債於計量日期在活躍市場取得的未經調整報價）計量的公允價值
- 第2層級估值：採用第2層級輸入數據（即未能達到第1層級的可觀察輸入數據）及不採用重大不可觀察輸入數據計量的公允價值。不可觀察輸入數據為無市場數據之輸入數據
- 第3層級估值：使用重大不可觀察輸入數據計量的公允價值

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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(d) Fair values measurement (Continued)

- (i) *Financial assets and liabilities measured at fair value (Continued)*

Fair value hierarchy (Continued)

The group has a team headed by the finance manager performing valuations for the financial instruments, including the unlisted available-for-sale equity securities. The team reports directly to the chief financial officer 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 chief financial officer. Discussion of the valuation process and results with the chief financial officer and the audit committee is held twice a year, to coincide with the reporting dates.

36 財務風險管理及金融工具的公允價值 (續)

(d) 公允價值計量 (續)

- (i) *按公允價值計量的金融資產及負債 (續)*

公允價值層級 (續)

本集團擁有一隻由財務經理領導之團隊，負責就金融工具（包括非上市可供出售股本證券）進行估值。該團隊直接向財務總監及審計委員會報告。載有公允價值計量變動分析之估值報告乃由團隊於各中期及年度報告日期編製，並由財務總監審閱及批准。團隊就估值過程及結果每年與財務總監及審計委員會進行兩次討論，以與報告日期保持一致。

Fair value measurements as at 31 December 2016 categorised into 於2016年12月31日之公允價值計量歸類為

Fair value at 31 December 2016 於2016年12月31日之公允價值 RMB'000 人民幣千元	Level 1	Level 2	Level 3
	第1層級 RMB'000 人民幣千元	第2層級 RMB'000 人民幣千元	第3層級 RMB'000 人民幣千元

Recurring fair value measurement 經常性公允價值計量

Financial assets:	金融資產：				
Available-for-sale equity instrument:	可供出售權益工具：				
- Listed	- 上市	145,165	145,165	-	-
- Unlisted	- 非上市	153,296	-	-	153,296
Wealth management products	理財產品	35,060	-	-	35,060

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

36 財務風險管理及金融工具的公允價值 (續)

(d) Fair values measurement (Continued)

(d) 公允價值計量 (續)

(i) Financial assets and liabilities measured at fair value (Continued)

(i) 按公允價值計量的金融資產及負債 (續)

Fair value measurements as at 31 December 2015 categorised into 於2015年12月31日之公允價值計量歸類為

Fair value at 31 December 2015 於2015年12月31日之公允價值 RMB'000 人民幣千元	Level 1	Level 2	Level 3
	第1層級 RMB'000 人民幣千元	第2層級 RMB'000 人民幣千元	第3層級 RMB'000 人民幣千元
Recurring fair value measurement 經常性公允價值計量			
Financial assets: 金融資產:			
Available-for-sale equity instrument: 可供出售權益工具:			
- Unlisted 一非上市	91,116	-	91,116
Wealth management products 理財產品	15,770	-	15,770

The movement during the year in the balance of Level 3 fair value measurements is as follows:

第3層級公允價值計量結餘於期內變動如下:

	31 December 2016 2016年12月31日 RMB'000 人民幣千元	31 December 2015 2015年12月31日 RMB'000 人民幣千元
At 1 January 於1月1日	106,886	157,841
Payment for purchases 購買	457,050	94,261
Net unrealised gains or losses recognised in the comprehensive income during the year 年內於綜合收益確認的未變現收益或虧損淨額	(12,432)	784
Proceeds from sales 贖回	(363,148)	(146,000)
At 31 December 於12月31日	188,356	106,886

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

36 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(d) Fair values measurement (Continued)

(i) *Financial assets and liabilities measured at fair value (Continued)*

During the years ended 31 December 2016 and 2015, there were no transfers into or out of Level 3.

(ii) *Valuation of financial instruments with significant unobservable inputs*

Financial instruments valued with significant unobservable inputs are primarily Wealth management products. These financial instruments are valued using cash flow discount model. The models incorporate various non-observable assumptions such as discount rate and market rate volatilities.

As at 31 December 2016, the carrying amount of financial instrument valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also immaterial.

(iii) *Fair values of financial assets and liabilities carried at other than fair value*

The carrying amounts of the group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2016 and 2015.

36 財務風險管理及金融工具的公允價值 (續)

(d) 公允價值計量 (續)

(i) *按公允價值計量的金融資產及負債 (續)*

於截至2016年12月31日及2015年12月31日止年度，無第三層轉入或轉出的情況。

(ii) *對重大不可觀察輸入值的金融資產的估計*

以不可觀察輸入值估值的金融資產主要為理財產品。這些金融資產使用現金流量折現模型進行估計。該模型考慮到多種不可觀察假設，如折現率和市場利率。

於2016年12月31日，以重大不可觀察輸入值估計的金融資產的賬面價值不重大，對於重大不可觀察假設到合理可行的替代假設的變動影響是不重大的。

(iii) *按公允價值以外列賬之金融資產及負債之公允價值*

於2016年12月31日及2015年12月31日，本集團按成本或攤銷成本列賬之金融工具之賬面值與其公允價值並無重大差異。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

37 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2016 not provided for in the financial statements were as follows:

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Commitments in respect of purchase of property, plant and equipment	已簽訂物業、廠房及設備		
– Contracted for	– 採購合同	1,038	7,839

(b) At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases of properties are payable as follows:

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Within 1 year (inclusive)	一年內(含一年)	87,371	77,858
After 1 year but within 3 years (inclusive)	一年以上三年內(含三年)	66,086	117,958
Over 3 years	三年以上	2,456	9,755
Total	合計	155,913	205,571

37 承擔

(a) 於2016年12月31日並未於財務報表中反映的資本承擔額如下：

(b) 於2016年12月31日，根據不可撤銷的有關經營房屋租賃，本集團應支付的未來最低租賃款項如下：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

37 COMMITMENTS

- (b) At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases of properties are payable as follows: *(Continued)*

The group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of 1-5 years, at the end of which period all terms are renegotiated. None of the leases include contingent rentals.

38 MATERIAL RELATED PARTY TRANSACTIONS

- (a) Transactions with key management personnel remuneration

Key management personnel remuneration (Note (i))	關鍵管理人員薪酬 (附註(i))
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Notes:

- (i) Remuneration for key management personnel of the group includes amounts paid to the company's directors as disclosed in Note 7 and the highest paid employees as disclosed in Note 8.
- (ii) All the balances with key management personnel are disclosed in relevant notes of this section.

37 承擔

- (b) 於2016年12月31日，根據不可撤銷的有關經營房屋租賃，本集團應支付的未來最低租賃款項如下：(續)

本集團為根據經營租賃租用多項物業的承租人。首段租賃期一般為一至五年，並可於屆滿期末重新磋商所有條款。概無包括或然租金。

38 重大關聯方交易

- (a) 與關鍵管理人員之間的交易

Years ended 31 December
截至12月31日止年度

2016	2015
2016年	2015年
RMB'000	RMB'000
人民幣千元	人民幣千元

78,870	98,956
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附註：

- (i) 本集團的關鍵管理人員薪酬包括於附註7披露的支付予本公司董事的金額及於附註8披露的最高薪酬人士。
- (ii) 所有關鍵管理人員的結餘於本節相關附註中披露。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

38 MATERIAL RELATED PARTY TRANSACTIONS

(b) Transactions with related parties other than key management personnel

		Years ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guarantee income	擔保收入	371	113
Interest income	利息收入	-	738
Acquisition of equity interests in subsidiaries	收購附屬公司股權	3,200	49,500
Additions of other receivables	新增其他應收款項	620	-
Repayment of loans and advances to customers	收回發放貸款和墊款	-	(7,000)
Additions of other payables	新增其他應付款項	(2,073)	(334)
Receipt of other payables	償還其他應付款項	334	-
Providing guarantee (Note (i))	對外擔保(附註(i))	30,000	5,000
Releasing guarantee	對外解除擔保	(5,000)	(17,000)
Other revenue	其他收入	5,942	2,820

Notes:

- (i) At 31 December 2016 and 2015 the outstanding guarantee provided to related parties are RMB30.0 million, and RMB5.0 million, respectively. The balances of other transactions with related parties are disclosed in relevant notes of this section.

(c) Applicability of the Listing Rules related to connected transactions

The related party transactions in respect of guarantee income and other revenue above constitute connected transactions as defined in Chapter 14A of the Listing Rules. However three transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1).

38 重大關聯方交易

(b) 與除關鍵管理人員以外的關聯方之間的交易

		Years ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元

Guarantee income	擔保收入	371	113
Interest income	利息收入	-	738
Acquisition of equity interests in subsidiaries	收購附屬公司股權	3,200	49,500
Additions of other receivables	新增其他應收款項	620	-
Repayment of loans and advances to customers	收回發放貸款和墊款	-	(7,000)
Additions of other payables	新增其他應付款項	(2,073)	(334)
Receipt of other payables	償還其他應付款項	334	-
Providing guarantee (Note (i))	對外擔保(附註(i))	30,000	5,000
Releasing guarantee	對外解除擔保	(5,000)	(17,000)
Other revenue	其他收入	5,942	2,820

附註:

- (i) 於2016年及2015年12月31日，提供予關聯方的擔保額分別為人民幣30.0百萬元、人民幣5.0百萬元。有關關聯方的其他交易結餘於本節相關附註中披露。

(c) 上市規則中關連交易的適用性

上述關聯方交易中的擔保收入和其他收入構成了上市規則第14A章節中定義的關連交易。然而由於這些交易低於規則14A.76(1)中的最低臨界值，所以豁免於上市規則第14A章節中的披露要求。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

39 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

39 母公司財務狀況表

		31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2015 2015年 12月31日 RMB'000 人民幣千元
Assets	資產		
Cash and cash equivalents	貨幣資金	101,368	160,531
Trade and other receivables	應收及其他應收款項	13,838	233,904
Loans and advances to customers	發放貸款及墊款	1,188,000	1,188,000
Interest in associate	長期股權投資－聯營企業	914,417	60,054
Investments in subsidiaries	長期股權投資－附屬公司	7,236,724	6,790,249
Property, plant and equipment	物業、廠房及設備	5,443	3,055
Intangible assets	無形資產	1,147	1,749
Repossessed assets	抵債資產	206	-
Total assets	總資產	9,461,143	8,437,542
Liabilities	負債		
Accruals and other payables	應計及其他應付款項	1,023,572	78,635
Debts securities issued	應付債券	2,386,110	2,382,243
Total liabilities	總負債	3,409,682	2,460,878
NET ASSETS	資產淨值	6,051,461	5,976,664
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	4,600,000	4,600,000
Reserves	儲備	1,451,461	1,376,664
TOTAL EQUITY	權益合計	6,051,461	5,976,664

Approved and authorised for issue by the board of directors on 27 March 2017.

經董事會批准及授權於2017年3月27日刊發。

Name: Zhang Guoxiang

Position: Chairman of the Board

張國祥

董事會主席

Name: Ren Weidong

Position: Chief Financial Officer

任為棟

首席財務官

(Company stamp)

公司印章

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

40 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 31 and Note 36 contains information about the assumptions and their risk factors relating to fair value of share awards granted to directors, supervisors and senior management of the company and financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairment of receivables, loans and advances and available-for-sale financial assets

The group reviews portfolios of receivables, loans and advances and available-for-sale financial assets periodically to assess whether any impairment losses exist and the amount of impairment losses if there is any indication of impairment. Objective evidence for impairment includes observable data indicating that there is a measurable decrease in the estimated future cash flows for receivables, loans and advances and available-for-sale financial assets. It also includes observable data indicating adverse changes in the repayment status of the debtors, or change in national or local economic conditions that causes the default in payment.

The impairment loss for receivables and loans and advances that is individually assessed for impairment is the net decrease in the estimated discounted future cash flow of the assets. When the financial assets are collectively assessed for impairment, the estimate is based on historical loss experience for assets with credit risk characteristics similar to the financial assets. Historical loss experience is adjusted on the basis of the relevant observable data that reflect current economic conditions and the judgement based on management's historical experience. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss.

40 會計判斷及估計

附註31及36包含了有關授予本公司董事、監事及高管的股份期權及金融工具的公允價值的假設及其風險因素。其他不確定估計的主要來源如下：

(a) 應收款項、發放貸款及墊款及可供出售金融資產減值

本集團定期覆核應收款項、發放貸款及墊款及可供出售金融資產，以評估是否出現任何資產減值損失，以及若出現任何減值跡象，則評估有關資產減值損失金額。減值客觀證據包括可觀察數據顯示應收款項、發放貸款及墊款及可供出售金融資產的預計未來現金流出現可衡量的減幅。此外，亦包括可觀察數據顯示債務人的還款狀況出現不利變動、或國家或地方經濟狀況出現變動而導致拖欠還款。

個別評估減值的應收款項、發放貸款及墊款的資產減值損失為資產預計未來現金流量現值的減少淨額。若整體評估減值的金融資產，乃根據與該金融資產具有類似信用風險特徵的資產的過往虧損經驗而釐定。過往虧損經驗根據可反映現時經濟狀況的可觀察數據及管理層憑過往經驗作出的判斷而調整。管理層會定期覆核預計未來現金流量的方法及假設，以減低預計虧損及實際虧損之間的任何差額。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

40 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(a) Impairment of receivables, loans and advances and available-for-sale financial assets (Continued)

The objective evidence of impairment for available-for-sale financial assets includes significant or continual decline in fair value of investments. When deciding whether there is significant or continual decline in fair value, the group will consider the historical fluctuation records of market and debtors' credit condition, financial position and performance of related industry.

(b) Impairment of long-lived assets

If circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of long-lived assets as described in Note 1(m). The carrying amounts of long-lived assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

40 會計判斷及估計 (續)

(a) 應收款項、發放貸款及墊款及可供出售金融資產減值 (續)

可供出售金融資產的客觀減值證據包括投資公允價值的重大或持續下跌。當釐定公允價值是否出現重大或持續下跌時，本集團將考慮市場過往的波幅及債務人的信用狀況、財務狀況及相關行業的表現。

(b) 長期資產減值

倘若有跡象顯示長期資產的賬面值不能收回，則該資產可能視為「減值」，並根據附註1(m)所載有關長期資產減值的會計政策確認資產減值損失。長期資產的賬面值會定期覆核，以評估可收回金額是否低於賬面值。倘可收回金額低於賬面值，則賬面值會減至可收回金額。可收回金額為公允價值減處置費用與資產預計未來現金流量的現值的較高者。在釐定資產預計未來現金流量的現值時，資產產生的預計未來現金流量貼現至現值，並需就收益水平及營運成本作出重要判斷。本集團利用所有現時可用的資料，包括基於合理及已證實的假設作出的估計與對收益級別及營運成本的估計，以釐定可收回金額的合理數額。該等估計的變化將對資產賬面值有重大影響，並導致未來期間減值支出或減值撥回增加。

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財務報表附註

(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

40 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(c) Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated and amortised using the straight-line method over their useful lives after taking into account estimated residual value. The useful lives and residual value are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives are determined based on historical experience of similar assets and the estimated technical changes. If there is an indication that there has been a change in the factors used to determine the depreciation, the rate of depreciation is revised.

(d) Provisions for guarantee losses

The group makes reasonable estimate on costs required to fulfil the relevant obligation of guarantee contracts when the group computes the provisions of guarantee losses. Such estimation is made based on the available information as at the balance sheet date and is determined by the group's practical experience, taking into consideration of industry information and market data.

40 會計判斷及估計(續)

(c) 折舊及攤銷

本集團在考慮物業、廠房及設備及無形資產的估計殘值後，在預計可使用年期按直線法計提折舊和攤銷。本公司定期審閱預計可使用年期及殘值，以決定將計入每個報告期的折舊和攤銷成本。預計可使用年期是本公司根據對同類資產的過往經驗及估計的技術改變而確定。倘有證據表明用以釐定折舊的因素發生變化，則對折舊比率進行調整。

(d) 擔保賠償準備金

本集團於計算擔保賠償準備金時，本集團對履行擔保合同相關責任的成本作出合理估計。有關估計乃根據於結算日的可得資料，並按本集團的實際經驗、並考慮行業信息及市場數據後釐定。

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40 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(e) Tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of the Financial Statements, the HKICPA has issued a few amendments, and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in the Financial Statements. These include the following which may be relevant to the Group.

40 會計判斷及估計 (續)

(e) 稅項

確定所得稅涉及對某些交易未來稅務處理的判斷。本集團慎重評估各項交易的稅務影響，並計提相應的所得稅準備。本集團定期根據更新的稅收法規重新評估這些交易的稅務影響。遞延所得稅資產按可抵扣稅務虧損及可抵扣暫時性差異確認。遞延所得稅資產只會在未來期間很有可能足夠應納稅所得用作抵扣暫時差異時確認，所以需要管理層判斷以評估未來應納稅所得的可能性。管理層持續審閱對遞延所得稅的判斷，如果預計未來很有可能獲得能利用遞延所得稅資產的未來應納稅所得，將確認相應的遞延所得稅資產。

41 於截至2016年12月31日止年度已頒佈但尚未生效的修訂、新準則及解釋的潛在影響

截至此等財務報表的刊發日期，香港會計師公會已頒佈多項於截至2016年12月31日止年度尚未生效且於此等財務報表內並未採納的修訂及新準則。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

41 於截至2016年12月31日止年度已頒佈但尚未生效的修訂、新準則及解釋的潛在影響(續)

	Effective for accounting periods beginning on or after 於以下日期或以後 開始的會計期間生效
Amendments to HKAS 7, <i>Statement of cash flows</i> : Disclosure initiative 香港會計準則第7號(修訂)·現金流量表:披露議案	1 January 2017 2017年1月1日
Amendments to HKAS 12, <i>Income taxes: Recognition of deferred tax assets for unrealised losses</i> 香港會計準則第12號(修訂)·所得稅:就未變現虧損確認遞延稅項資產	1 January 2017 2017年1月1日
HKFRS 9, <i>Financial instruments</i> 香港財務報告準則第9號·金融工具	1 January 2018 2018年1月1日
HKFRS 15, <i>Revenue from contracts with customers</i> 香港財務報告準則第15號·源自客戶合同的收入	1 January 2018 2018年1月1日
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i> 香港財務報告準則第2號(修訂)·以權益結算的股份支付: 以權益結算的股份支付交易之分類及計量	1 January 2018 2018年1月1日
HKFRS 16, <i>Leases</i> 香港財務報告準則第16號·租賃	1 January 2019 2019年1月1日

The group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

本集團正著手評估此等修訂及新準則預計對香港財務報告準則於初步應用期間的影響。至今，本集團已識別出新準則的若干方面可能對合併財務報表造成重大影響。有關預期影響的進一步詳情於下文論述。由於本集團尚未完成其評估，故本集團可於適當時候識別進一步影響，並將於決定於該等新規定生效日期前是否採納任何該等新規定及根據新訂準則有替代方法可用時採用何種過渡方法時考慮該等影響。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

HKFRS 9, Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. Expected impacts of the new requirements on the group's financial statements are as follows:

(a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI) as follows:

The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.

41 於截至2016年12月31日止年度已頒佈但尚未生效的修訂、新準則及解釋的潛在影響(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號將取代有關金融工具會計處理方法的現有準則香港會計準則第39號，金融工具：確認及計量。香港財務報告準則第9號對於金融資產的分類和計量，金融資產減值的計算和套期會計引入了新的規定。另一方面，香港財務報告準則第9號中對於金融工具的確認和終止確認以及金融負債的分類的規定與香港會計準則第39號中的規定無實質性的變化。新規定對於本集團財務報表的預期影響如下：

(a) 分類及計量

香港財務報告準則第9號將金融資產分為如下三大類別：(1)以攤余成本計量、(2)以公允價值計量且其變動計入損益(FVTPL)以及(3)以公允價值計量且變動計入其他綜合收益(FVTOCI)：

債務工具的分類是由主體管理金融資產的業務模式和該資產的合同現金流量特性確定的。如果一項債務工具被分類為以公允價值計量且變動計入其他綜合收益，那麼其實際利息收入，減值和處置收益／損失確認在損益中。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

HKFRS 9, Financial instruments (Continued)

(a) Classification and measurement (Continued)

For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

Based on the preliminary assessment, the group expects that its financial assets currently measured at amortised cost will continue with their respective classification and measurements upon the adoption of HKFRS 9.

41 於截至2016年12月31日止年度 已頒佈但尚未生效的修訂、新 準則及解釋的潛在影響(續)

香港財務報告準則第9號，金融工具 (續)

(a) 分類及計量

對於權益工具，無論實體採用何種業務模式均應分類為以公允價值計量且其變動計入損益。對於非為交易而持有的權益工具，主體可在初始確認時不可撤銷地選擇將其指定分類為以公允價值計量且變動計入其他綜合收益。如果一項權益工具被指定為以公允價值計量且變動計入其他綜合收益，則只有其股息收入可以確認在損益中。相關利得、損失和減值將確認在其他綜合收益且不可轉回。

根據初步評估，本集團預計其目前以攤余成本計量的金融資產在採用香港財務報告準則第9號後仍然適用目前的分類和計量。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

HKFRS 9, Financial instruments (Continued)

(a) Classification and measurement (Continued)

With respect to the group's financial assets currently classified as "available-for-sale", these are investments in equity securities which the group may classify as either FVTPL or irrevocably elect to designate as FVTOCI (without recycling) on transition to HKFRS 9. The group has not yet decided whether it will irrevocably designate these investments as FVTOCI or classify them as FVTPL. Either classification would give rise to a change in accounting policy as the current accounting policy for available-for-sale equity investments is to recognise fair value changes in other comprehensive income until disposal or impairment, when gains or losses are recycled to profit or loss in accordance with the group's policies set out in notes 1(j). This change in policy will have no impact on the group's net assets and total comprehensive income but will impact on reported performance amounts such as profit and earnings per share.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement may not have any impact on the group on adoption of HKFRS 9.

41 於截至2016年12月31日止年度已頒佈但尚未生效的修訂、新準則及解釋的潛在影響(續)

香港財務報告準則第9號，金融工具(續)

(a) 分類及計量(續)

對於本集團目前分類為「可供出售」的金融資產，在過渡至香港財務報告準則第9號之後，本集團可以將這些股權投資分類為以公允價值計量且其變動計入損益或不可撤銷地選擇將其指定分類為以公允價值計量且變動計入其他綜合收益(不可轉回)。本集團尚未決定是否將這類投資不可撤銷的指定分類為以公允價值計量且變動計入其他綜合收益或分類為以公允價值計量且其變動計入損益。根據列示於附註1(j)中的本集團目前關於可供出售權益投資的會計政策，可供出售權益投資的公允價值變動形成的利得或損失確認在其他綜合收益中，只有在處置或減值時才能轉讓損益中。儘管分類的不同會導致會計政策的變化，但該變化不會影響本集團的淨資產和綜合收益，只會影響利潤和每股收益的金額。

香港財務報告準則第9號基本保留了香港會計準則第39號對於金融負債後續計量的所有現行規定。然而，指定為以公允價值計量且其變動計入損益的金融負債，其由信用風險的變動引起的那部分公允價值變動需要確認在其他綜合收益中(不可重分類至損益)。本集團目前沒有指定為以公允價值計量且其變動計入損益的金融負債，因此，在採用香港財務報告準則第9號後，該新規定不會對本集團造成任何影響。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

HKFRS 9, Financial instruments (Continued)

(b) Impairment

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the group’s loans and advances to customers, trade and other receivables, finance lease receivables and receivables for factoring business. However, a more detailed analysis is required to determine the extent of the impact.

HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts. The group is currently assessing the impacts of adopting HKFRS 15 on its financial statements. Based on the preliminary assessment, the group has identified the following areas which are likely to be affected:

41 於截至2016年12月31日止年度已頒佈但尚未生效的修訂、新準則及解釋的潛在影響(續)

香港財務報告準則第9號，金融工具(續)

(b) 減值

香港財務報告準則第9號使用「預期信用損失」模型替代了香港會計準則第39號中的「已發生損失」模型。在預期信用損失模型下，無需在損失事件發生後才確認減值損失。相反，主體需要根據資產以及事實和情況確認和計量12個月預期信用損失或整個存續期預期信用損失。新的減值模型可能會導致提前對本集團的發放貸款及墊款、應收及其他應收款、應收融資租賃款和應收保理款確認信用損失。然而，仍需要更詳細的分析來確定影響程度。

香港財務報告準則第15號，源自客戶合同的收入

香港財務報告準則第15號建立了確認來自客戶合約收入的全面框架。香港財務報告準則第15號將取代現有收入準則，即香港會計準則第18號，收入（包括銷售貨物及提供服務所產生的收入）及香港會計準則第11號，建造合約（訂明建造合約收入的會計處理方法）。本集團現正評估採納香港財務報告準則第15號對其財務報表之影響。根據初步評估，本集團已識別以下可能受影響之方面：

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

HKFRS 15, Revenue from contracts with customers (Continued)

(a) Timing of revenue recognition

The group's revenue recognition policies are disclosed in note 1(r). Currently, revenue arising from the provision of services is recognised over time, whereas revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

41 於截至2016年12月31日止年度已頒佈但尚未生效的修訂、新準則及解釋的潛在影響(續)

香港財務報告準則第15號，源自客戶合同的收入

(a) 收入確認之時間

本集團之收入確認政策披露於附註1(r)。目前，提供一系列服務產生的收入隨時間轉移確認，而銷售貨物所得收入通常於所售貨物所有權上的風險及回報轉移予客戶時確認。

根據香港財務報告準則第15號，收入於客戶獲得合約之承諾貨物或服務之控制權時確認。香港財務報告準則第15號確定了以下對承諾貨物或服務之控制被視為隨時間轉移之三種情況：

- (i) 當客戶於主體履約時同時接受及使用主體履約所提供之利益時；
- (ii) 當主體履約創造或增強一項於資產被創造或增強時由客戶控制之資產(如在建工程)時；
- (iii) 當主體之履約並無創造對實體而言具替代用途之資產，且該主體對迄今完成之履約付款具有可執行權利時。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

HKFRS 15, Revenue from contracts with customers (Continued)

(a) Timing of revenue recognition (Continued)

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

As a result of this change from the risk-and-reward approach to the contract-by-contract transfer-of-control approach, it is possible that once the group adopts HKFRS 15 some of the group's contract manufacturing and residential property development activities that are currently recognised at a point in time may meet the HKFRS 15 criteria for revenue recognition over time. This will depend on the terms of the sales contract and the enforceability of any specific performance clauses in that contract, which may vary depending on the jurisdiction in which the contract would be enforced. It is also possible that for the remainder of the group's contracts the point in time when revenue is recognised may be earlier or later than under the current accounting policy. However, further analysis is required to determine whether this change in accounting policy may have a material impact on the amounts reported in any given financial reporting period.

41 於截至2016年12月31日止年度 已頒佈但尚未生效的修訂、新 準則及解釋的潛在影響(續)

香港財務報告準則第15號，源自客 戶合同的收入(續)

(a) 收入確認之時間(續)

倘合約條款及主體活動並不屬於任何該等三種情況，則根據香港財務報告準則第15號，主體於某一指定時間點（即控制權轉移時）就銷售貨物或服務確認收入。所有權風險及回報之轉移僅為釐定控制權轉移發生時將考慮的其中一項指標。

由於從風險及回報法向按合約轉讓控制權法轉變，一旦本集團採納香港財務報告準則第15號，就本集團若干合約而言，目前按時間點確認之製造業和住宅物業的經營活動可能滿足香港財務報告準則第15號隨時間轉移的收入確認標準。這將取決於銷售合同之條款和合同中可強制執行的任何特定履約條款，其可根據合同執行的管轄權限不同有差異。本集團合約之餘下部分的收入確認之時間點亦可能較根據現有會計政策之時間點提前或推遲。然而，釐定有關會計政策變動是否會對任何特定財務報告期間呈報之金額有重大影響仍須待進一步分析。

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42 CONSOLIDATED STRUCTURED ENTITY

The group has consolidated structured entities which issued micro loan backed securities of RMB1,460 million (“the Products”) to institutional investors. The group acquired all the interests of the subordinated tranches of the Products and the group provided financial guarantee against the investors that acquired the senior tranches.

The relevant activities of the structured entities are directed by means of contractual arrangement and the entity has been designed so that voting or similar rights are not the dominant factor in deciding who has control. These structured entities are consolidated as the group is exposed or has the right to variable returns from its involvement with these entities and has the ability to affect its returns through its power over the entity.

43 COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current year’s presentation and to provide comparative amounts in respect of items disclosed for the first time in 2016.

44 SUBSEQUENT EVENTS

According to the resolution of the Company’s board of directors meeting on 27 March 2017, the details of dividends appropriation is set out in Note 33(b).

42 合併的結構化實體

納入本集團合併財務報表範圍的結構化主體為小額貸款資產支持證券（「產品」）。該產品發行規模為人民幣1,460.0百萬元，發行對象為機構投資者。本集團不僅持有該產品全部次級部份，同時還為所有優先級部份提供擔保。

由於該等結構化主體的相關活動是直接按照合同安排進行的，所以表決權不是決定是否控制該等結構化主體的主要因素。本集團因參與該等主體的營運而獲得或有權享有其可變回報，並能夠運用其對該等主體的權利影響上述回報。因此，本集團將該等結構化主體納入合併範圍。

43 比較數字

為符合本年列報及提供2016年首次披露項目可比金額的要求，某些比較資料已調整。

44 期後事項

經本公司2017年3月27日董事會會議決議，本公司有關股利分配方案詳見附註33(b)。