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Hanhua Financial Holding Co., Ltd.*

瀚華金控股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3903)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The board of directors (the “**Board**”) of Hanhua Financial Holding Co., Ltd. (the “**Company**”) hereby announces the audited annual results for the year ended 31 December 2017 of the Company and its subsidiaries (collectively, the “**Group**”), along with comparative figures for the preceding year ended 31 December 2016. The financial information of the Group for the year ended 31 December 2017 displayed in this annual results announcement was based on the consolidated financial statements prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and audited by KPMG. The audit committee of the Board has reviewed the annual results.

For details of the resolutions to be considered and, if thought fit, approved at the 2017 annual general meeting of the Company (the “**2017 Annual General Meeting**”), the book closure date of H shares, the record date for payment of dividend (if approved), and the date of the 2017 Annual General Meeting, please refer to the circular for the 2017 Annual General Meeting to be issued by the Company when appropriate.

This announcement is published on the respective websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (www.hkexnews.hk) and the Company (www.hanhua.com) respectively. The printed version of the 2017 annual report will be despatched to the shareholders of the Company and published on the respective websites of Stock Exchange and the Company when appropriate.

By order of the Board

Hanhua Financial Holding Co., Ltd.

Zhang Guoxiang

Chairman of the Board

Beijing, the PRC, 26 March 2018

As at the date of this announcement, the executive directors of the Company are Mr. ZHANG Guoxiang, Mr. WANG Dayong and Mr. CUI Weilan; the non-executive directors of the Company are Mr. TU Jianhua, Mr. DUAN Xiaohua, Ms. LIU Jiaoyang, Ms. LIU Tingrong, Ms. WANG Fangfei, Mr. FENG Yongxiang and Mr. LIU Bolin; and the independent non-executive directors of the Company are Mr. BAI Qinxian, Mr. DENG Zhaoyu, Mr. QIAN Shizheng, Mr. NG Leung Sing and Mr. YUAN Xiaobin.

* For identification purpose only

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Corporate Overview

公司概況

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 aimed at establishing a Chinese model for inclusive finance in the world. Upholding the principle that financial industry should serve the real economy, the Company is dedicated to establishing an industry and financing integration ecosystem characterized by “innovation, openness, co-sharing and inclusiveness” and empowering the real economy. At present, Hanhua has become a leading inclusive financial group in the PRC.

Founded in 2004, Hanhua Financial was listed on The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) via issue of H shares in 2014. Chongqing Fumin Bank Co., Ltd. (“**Fumin Bank**”) lead promoted and established by Hanhua was approved for opening in 2016. Liaoning Fu'an Financial Assets Management Co., Ltd. (“**Fu'an Asset**”) lead promoted by Hanhua was also approved to commence operation in 2017. Since its inception, more than a million small and medium-sized enterprise(s) (“**SMEs**”) and individual clients have been served by Hanhua. The Group has set up branch offices in 28 main provinces and cities across the nation and has hundreds of affiliates and subsidiaries, thus forming three main platforms of “Equity + Credit + Transaction”. It involves partner cluster SMEs financing services, small loan, capital investment, assets management, banking and other business segments, with a view to providing one-stop, full-cycle and ecological financial services for SMEs.

The partnership finance business is capable of providing SMEs with financing guarantee, finance lease, commercial bill, and financial factoring, etc., and focuses on products such as supply chain finance, engineering construction finance, capital market financing and comprehensive financial services of listed companies. Hanhua Guarantee Co., Ltd., a wholly-owned subsidiary of Hanhua Financial, is vice chairman of China Financing Guarantee Association, with a long term credit rating of AA+.

瀚華金控股份有限公司（「**瀚華金控**」、**「瀚華」**、**「公司」**或**「本公司」**，連同其附屬公司**「本集團」**或**「我們」**）（股份代號：3903）以打造世界普惠金融中國樣本為願景，秉持金融服務實體經濟本源，致力於打造「創新、開放、共享、普惠」的產融一體生態圈，賦能實體產業，目前瀚華已發展成為中國領先的普惠金融綜合集團。

瀚華金控創立於2004年，2014年在香港聯合交易所有限公司（「**香港聯交所**」）發行H股上市，2016年瀚華主發起和設立的重慶富民銀行股份有限公司（「**富民銀行**」）獲批開業，2017年瀚華主發起的遼寧富安金融資產管理有限公司（「**富安資產**」）獲批開業。自成立至今，瀚華已累計服務中小微企業及個人客戶超過百萬家，在全國28個重點省市設立了分支機構，擁有百餘家分子公司，搭建形成「股權+債權+交易」三大平台，涵蓋夥伴集群中小企業融資服務、小額貸款、資本投資、資產管理、銀行等業務板塊，為中小企業提供一站式、全週期、生態化的金融服務。

瀚華夥伴金融業務集群中小企業融資服務，可為中小企業提供融資擔保、融資租賃、商業匯票、金融保理等服務，重點聚焦供應鏈金融、工程建設金融、資本市場融資以及上市公司綜合金融服務等。旗下全資子公司瀚華擔保股份有限公司是中國融資擔保業協會副會長單位，長期主體信用評級AA+。

* For identification purpose only

* 僅供識別

The small loan business is provided by Hanhua credit group which is composed of nine small loan companies and possesses internet microcredit licenses. Driven by information technology, Hanhua credit group provides comprehensive financial services to SMEs and individuals with standardised products and customised services. Hanhua Financial is the vice chairman of China Micro-credit Companies Association.

In terms of capital investment, Hanhua capital group is the only equity investment platform of Hanhua Financial. Adhering to the concept of partnership finance, it provides venture investment, private equity investment, merger and acquisition funds and other equity products covering the entire cycle to enterprises. Relying on Hanhua Financial's strengths in providing a wide range of long and short term debt services and products through the comprehensive financial platform, Hanhua capital group offers comprehensive financial support and matching industrial resources to investees through the flexible share, loan and debt guarantee model.

In terms of assets management, Fu'an Asset commenced operation in July 2017. It is the first local assets management company with mixed ownership in Liaoning Province, and the filing with the China Banking Regulatory Commission ("CBRC") has been completed in January 2018. Relying on Hanhua Financial's full-industry integrated financial platform, Fu'an Asset provides professional financial services, including assets disposal, creditor's rights activation, equity investment, merger and acquisition and restructuring and financial consultancy.

瀚華小額貸款業務由瀚華信貸集團提供，涵蓋九家小額貸款公司，擁有互聯網小貸牌照，以信息科技為驅動，通過標準化產品和定制化服務相結合，為小微經濟體及個人提供綜合金融服務。瀚華金控為中國小額貸款公司協會副會長單位。

資本投資方面，瀚華資本集團是瀚華金控旗下唯一股權投資平台，秉承夥伴金融理念，為企業提供創業投資、私募股權投資及併購基金等全週期股權產品，以及依托瀚華金控綜合金融平台優勢提供各類長短期債權服務產品，通過靈活的股貸債擔模式，為被投企業提供綜合金融支持以及產業資源對接。

資產管理方面，富安資產於2017年7月開業，2018年1月獲中國銀行業監督管理委員會（「銀監會」）備案，是遼寧省首家混合所有制地方資產管理公司。富安資產依托瀚華金控全業態綜合金融平台，提供資產處置、債權活化、股權投資、併購重組以及財務顧問等專業金融服務。

Corporate Overview

公司概況

In 2016, Hanhua Financial promoted and established Fumin Bank, the first private-owned bank in Central-western China. By sticking to the development path of “differentiation and specialization” and the mission of “supporting micro startups and prospering the economy of Chongqing”, Fumin Bank provides high-quality and quick inclusive financial services for SMEs, agriculture industry, rural areas and farmers as well as innovative startups.

Hanhua Financial was awarded “China’s Best Financial Service Innovation Prize”, “Annual Excellent Inclusive Financial Institution”, “Best Innovation Prize of Listed Companies” and “Annual Inclusive Financial Enterprise with Most Competitiveness in China”, etc.. Mr. Zhang Guoxiang, the chairman of the board of directors of Hanhua Financial, was elected as a member of the 3rd, 4th and 5th Session of Chinese People’s Political Consultative Conference (“CPPCC”) in Chongqing, a vice chairman of Chongqing Federation of Industry and Commerce, a vice chairman of the China Micro-credit Companies Association, and a think-tank expert of Shenyang Municipal People’s Government. He was also awarded titles including “Excellent Inclusive Financier in China”, “Top 10 Persons of the Year in Microfinance of China” and “Excellence Prize of Innovative Financial Celebrities”.

瀚華金控於2016年發起成立了中國中西部第一家民營銀行富民銀行，富民銀行堅持「差異化、特色化」的發展路徑，以「扶微助創富民興渝」為使命，為中小微企業、三農生態、創新創業三大客戶群，提供優質、快捷的普惠金融服務。

瀚華金控先後被授予「中國最佳金融服務創新獎」、「年度卓越普惠金融機構」、「上市公司最佳創新獎」和「年度中國普惠金融最具競爭力企業」等。瀚華金控董事長張國祥先生還當選為中國人民政治協商會議（「政協」）重慶市第三屆、第四屆及第五屆委員，重慶市工商聯副會長，中國小額貸款公司協會副會長，瀋陽市人民政府智庫專家。並先後榮獲「中國卓越普惠金融家」、「中國微金融十大年度人物」、「創新金融人物卓越獎」等稱號。

Basic Information of the Company

公司基本資料

EXECUTIVE DIRECTORS

Mr. Zhang Guoxiang (Chairman)
Mr. Wang Dayong (Vice Chairman)
Mr. Cui Weilan

執行董事

張國祥先生 (董事長)
王大勇先生 (副董事長)
崔巍嵐先生

NON-EXECUTIVE DIRECTORS

Mr. Tu Jianhua
Mr. Duan Xiaohua
Ms. Liu Jiaoyang
Ms. Liu Tingrong
Ms. Wang Fangfei
Mr. Feng Yongxiang
Mr. Liu Bolin

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
劉博霖先生

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

SUPERVISORS

Mr. Li Ruping
Ms. Qin Yong
Mr. Chen Zhonghua

監事

李如平先生
秦湧女士
陳中華先生

AUDIT COMMITTEE

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

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)

NOMINATION AND REMUNERATION COMMITTEE

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

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)

Basic Information of the Company

公司基本資料

STRATEGIC INVESTMENT COMMITTEE

Mr. Zhang Guoxiang (Executive Director) (Chairman)
Mr. Wang Dayong (Executive Director)
Mr. Tu Jianhua (Non-executive Director)

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）
涂建華先生（非執行董事）

RISK MANAGEMENT COMMITTEE

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

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）

JOINT COMPANY SECRETARIES

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

聯席公司秘書

任為棟先生
黎少娟女士(FCIS、FCS)

AUTHORIZED REPRESENTATIVES

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

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）

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

Basic Information of the Company

公司基本資料

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

Basic Information of the Company

公司基本資料

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 Financial Data and Key Performance Indicators

財務數據及關鍵業績指標概要

(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 last year 本年比上年 增(減)%	2015	2014	2013
		2017	2016		2015年	2014年	2013年
Operating results	經營業績						
Operating income	營業收入	1,443.5	1,479.8	(2.5)	1,752.0	2,000.8	1,576.7
– Net guarantee and consulting fee income	— 擔保及諮詢費淨收入	631.4	755.4	(16.4)	765.0	958.3	913.1
– Net interest and handling fee income	— 利息及手續費淨收入	812.1	724.4	12.1	987.0	1,042.5	663.6
Provisions/(reversal) for guarantee losses	擔保業務提取/(轉回)						
	擔保賠償準備金	26.7	(39.7)	167.3	(110.9)	72.1	149.0
Impairment losses	資產減值損失	264.3	372.9	(29.1)	515.5	431.7	294.4
Operating expenses	營運支出	791.4	802.7	(1.4)	893.4	851.2	703.9
Net profit	淨利潤	313.4	283.5	10.5	352.1	507.4	356.7
– Net profit attributable to shareholders of the Company	— 歸屬於本公司股東的淨利潤	262.8	241.7	8.7	303.0	432.0	279.7
Profitability indicators	盈利能力指標						
Return on average total assets ⁽¹⁾	平均總資產回報率 ⁽¹⁾	1.7%	1.8%	(0.1ppt)	2.7%	4.9%	5.2%
Return on average shareholder equity ⁽²⁾	平均股東權益回報率 ⁽²⁾	4.0%	3.8%	0.2ppt	4.7%	7.8%	9.0%
Cost to income ratio ⁽³⁾	成本收入比 ⁽³⁾	53.7%	52.1%	1.6ppt	46.3%	37.7%	39.8%
Scale indicators	規模指標						
Total assets	資產總額	18,906.6	17,082.7	10.7	13,961.0	11,938.3	8,628.0
– Cash and cash equivalents	— 貨幣資金	2,436.4	3,512.0	(30.6)	2,803.9	2,531.1	940.5
– Time and restricted bank deposits	— 定期及受限銀行存款	1,678.6	1,051.9	59.6	1,400.1	2,124.5	2,293.2
– Gross loans and advances to customers	— 發放貸款及墊款總額	8,065.4	8,014.7	0.6	7,470.1	6,286.0	4,777.4
Total liabilities	負債總額	10,835.0	9,603.6	12.8	6,515.5	4,361.9	3,169.6
Owner's equity	所有者權益	8,071.6	7,479.1	7.9	7,445.5	7,576.4	5,458.4

Notes:

註釋：

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

⁽¹⁾ 淨利潤除以期初及期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⁾ 淨利潤除以期初及期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「稅金及附加」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			
		2017 2017年		2016 2016年	
			% of net fee and interest income 佔淨手續費 及利息收入 %		% of net fee and interest income 佔淨手續費 及利息收入 %
(Expressed in RMB million, unless otherwise stated)		Amount 金額		Amount 金額	
(除另有註明外，以人民幣百萬元列示)					
Operating results	經營業績				
Net guarantee and consulting fee income	擔保及諮詢費淨收入	631.4	43.7	755.4	51.0
Net interest and handling fee income	利息及手續費淨收入	812.1	56.3	724.4	49.0
Net fee and interest income	淨手續費及利息收入	1,443.5	100.0	1,479.8	100.0
Other revenue	其他收入	61.3	4.2	34.7	2.3
(Provisions)/reversal for guarantee losses	(提取)/轉回擔保賠償準備金	(26.7)	(1.8)	39.7	2.7
Impairment losses	資產減值損失	(264.3)	(18.3)	(372.9)	(25.2)
–Receivables for default payments	–應收代償款	(136.0)	(9.4)	(213.7)	(14.4)
–Micro and small loan business	–小微信貸業務	(84.3)	(5.8)	(114.0)	(7.7)
–Entrusted loans	–委託貸款	(32.6)	(2.3)	(35.1)	(2.4)
–Receivables for factoring business	–應收保理款	(9.2)	(0.6)	(7.3)	(0.5)
–Finance lease receivables	–應收融資租賃款	(0.7)	(0.1)	(2.8)	(0.2)
–Goodwill	–商譽	(1.5)	(0.1)	–	–
Operating expenses	營運支出	(791.4)	(54.8)	(802.7)	(54.2)
–Operation and administrative expenses	–業務及管理費	(774.9)	(53.7)	(770.5)	(52.0)
–Tax and surcharges	–稅金及附加	(16.5)	(1.1)	(32.2)	(2.2)
Other net expenses	其他支出淨額	(3.3)	(0.2)	(1.4)	(0.1)
Share of profits of associates and a joint venture	聯營及合營企業投資收益	1.3	0.1	0.6	–
Profit before taxation	稅前利潤	420.4	29.1	377.8	25.6
Income tax	所得稅費用	(107.0)	(7.4)	(94.3)	(6.4)
Profit for the year	本年利潤	313.4	21.7	283.5	19.2

Since early 2016, the Group has abandoned the independent development model of various business sectors and started to adopt the “customer-oriented” strategy to expand business. Externally, “single customer access and unified credit standard” has been implemented through “customer exploration and risk management” to improve quality of customer service; internally, with the objectives of “integration of functions and efficiency enhancement”, it strengthened the integration of functions, especially the mid-and-back office, for higher operating efficiency and lower operating cost. Riding on the exploration and practice in 2016, the strategy was further strengthened in 2017, splitting the operation of the Group into four major business segments, namely the partnership finance business segment, the SME lending segment, the capital investment and management segment and other segment.

Partnership finance business segment:

Partnership finance business segment mainly engages in the provision of integrated financing services for SME clients covered by the national management network of the Group, which primarily include credit guarantee, capital business (mainly including receivables for factoring business, bill discount, finance lease, entrusted loans), financial assets management and other services.

SME lending segment:

Currently, the SME lending segment offers small-amount and dispersive integrated financial services to individual customers through its subsidiaries in Chongqing, Chengdu, Tianjin, Shenyang, Nanning, Guiyang, Nanjing, Harbin and Shenzhen.

Capital investment and management segment:

This segment provides capital investment services to a range of SMEs that have growth potential and value, by utilization of fund under their ownership and raising funds through cooperation with external institutions.

自2016年年初開始，本集團摒棄以往各業務板塊獨立發展的模式，開始圍繞「以客戶為中心」的策略拓展業務。對外，以「客戶拓展、風險管理」為手段，實施「單一客戶入口、統一授信標準」，以提升客戶服務質量；對內，以「職能整合、提升效率」為目標，加強職能部門尤其是中後台職能部門的整合，以提升運營效率，降低運營成本。在2016年摸索和實踐的基礎上，2017年進一步強化該策略，將集團經營拆分成四大業務分部，分別是夥伴金融業務集群分部、信貸業務分部、資本投資及管理業務分部及其他分部。

夥伴金融業務集群分部：

以本集團位於全國的經營網絡，主要面向廣大中小企業客戶提供綜合性金融服務解決方案，主要包括信用擔保、資金業務（資金業務主要包括應收賬款保理、票據貼現、融資租賃、委託貸款）、金融資產管理、以及其他服務。

信貸業務分部：

以本集團通過設立於重慶、成都、天津、瀋陽、南寧、貴陽、南京、哈爾濱及深圳的小額貸款公司為網絡，主要面向廣大個人提供小額、分散的綜合性金融服務解決方案。

資本投資及管理業務分部：

利用自有資金，以及通過與外部機構合作募集資金，向具有成長空間和增長價值的廣大中小企業提供資本投資服務。

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Other segment:

This segment represents the aggregation of other business lines and the operational results that undertake management functions of the headquarters and cannot be completely divided into any of the above segments.

Since 2015, the Group has continued to adjust the business structure and customer structure, provide integrated financial services to SMEs and individuals based on the “customer-oriented” strategy, which began to bear fruits in 2017. At the same time, “performance management” has been used as a means to enhance the risk control awareness of all staff. Assets quality of new businesses improved significantly as admission criteria for new customers was strengthened and management on collaterals was stepped up. The recovery of historical non-performing assets was strengthened and achieved good progress. This series of integrated measures gradually reversed the downward trend of various operating indicators, with all business and financial indicators stabilized, and showed a trend of gradual improvement in 2017.

In 2017, the net profit of the Group amounted to RMB313.4 million, representing an increase of RMB29.9 million or 10.5% as compared to the net profit of RMB283.5 million for 2016. In 2017, the net profit margin of the Group was 21.7%, representing an increase of 2.5 percentage points as compared to the net profit margin of 19.2% for 2016. The growth in net profit and net profit margin of the Group was mainly attributable to the end of decline of operating revenue in 2017 and the decrease in asset impairment loss due to significant improvement of asset quality in 2017, which resulted in the steady increase of net profit and net profit margin of the Group in 2017. Brief analysis is as follows:

其他分部：

指承擔總部管理職能以及無法完全劃分為上述任一分部的其他業務條線及經營業績。

自2015年開始，本集團始終圍繞「以客戶為中心」的戰略，不斷調整業務結構和客戶結構，向廣大中小企業和個人提供綜合性金融服務，其效果在2017年開始逐步展現；同時，以「績效管理」為手段，強化全員風險管控意識，在提升新客戶准入標準和強化抵質押物管理的同時，新發生業務的資產質量得到明顯改善；與此同時，加強歷史不良資產清收，且取得良好的績效。這一系列綜合措施使得各項經營指標逐步扭轉下滑趨勢，2017年各項業務指標及財務指標趨於穩定，並呈逐步回升態勢。

2017年，本集團淨利潤為人民幣313.4百萬元，與2016年淨利潤人民幣283.5百萬元相比，增長人民幣29.9百萬元，增幅10.5%。2017年，本集團淨利潤率為21.7%，較2016年利潤率19.2%增長2.5個百分點。淨利潤及淨利潤率的增長主要得益於本集團2017年營業收入終止下滑態勢，以及資產質量明顯改善使得2017年提取的資產減值損失下降，進而使得本集團2017年淨利潤及淨利潤率穩中有升。簡要分析如下：

- **The structure adjustment of credit guarantee business of the partnership finance business segment gradually proved to be effective. The volume and balance of both the traditional financing guarantee and project performance guarantee showed a growth trend in 2017.**

Since 2015, the Group has actively adjusted the business development model and credit guarantee structure. In this process, the Group has gradually scaled down customers with higher risks in order to lower default payments; at the same time, clients and business development model were gradually changed by: (1) providing integrated financial services to customers through the comparative advantages of its wide range of financial licenses, business network across the country, as well as flexible and efficient operation mechanism; (2) offering financial services to SMEs at different stages of development and intensely developing partnership finance with capital investment as the tie in adopting the “capital + credit” approach; (3) taking marketing initiatives to target core enterprises with higher credibility, and developing standardized products to cater to the financing needs from both upstream and downstream enterprises of the core enterprises, thereby striving to promote the development of the supply chain financial business model. After continuous customer adjustment and expansion, the downward trend of traditional financing guarantee business was replaced with positive growth trend in 2017, during which the volume of traditional financing guarantee business was RMB16,503.6 million, representing an increase of RMB3,014.0 million or 22.3% as compared with RMB13,489.6 million in 2016. As at 31 December 2017, the Group’s outstanding guarantee balance of traditional financing guarantee business was RMB10,516.3 million, representing an increase of RMB1,641.2 million or 18.5% as compared with RMB8,875.1 million as at 31 December 2016.

- 夥伴金融業務集群信用擔保業務結構調整成效開始逐步顯現，傳統融資擔保、工程履約擔保於2017年度發生額、餘額均呈增長態勢。

自2015年開始，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，本集團逐步主動退出風險相對較高的客戶，以減少違約付款金額；同時，逐步改變客戶及業務拓展模式：(1)通過本集團豐富的金融牌照、分佈全國的經營網絡、靈活高效的運營機制所形成的比較優勢，為廣大客戶提供綜合性的金融服務；(2)以資本投資為紐帶，採用「資本+信貸」的方式，為廣大中小企業在不同成長階段提供金融服務，大力發展夥伴金融；(3)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，大力發展供應鏈金融業務模式；經過不斷的客戶調整和客戶拓展，2017年傳統融資擔保業務發生額停止下滑趨勢，並呈正增長態勢。2017年，傳統融資擔保業務發生額為人民幣16,503.6百萬元，與2016年該類業務發生額人民幣13,489.6百萬元相比，增加人民幣3,014.0百萬元，增幅22.3%。於2017年12月31日，本集團傳統融資擔保業務責任餘額為人民幣10,516.3百萬元，較2016年12月31日餘額人民幣8,875.1百萬元，增加人民幣1,641.2百萬元，增幅18.5%。

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In 2017, total guarantee and consulting fee income of traditional financing guarantee business was RMB406.4 million, representing a decrease of RMB67.4 million or 14.2% as compared with RMB473.8 million in 2016. According to the relevant stipulations of the accounting standards, the Group's guarantee and consulting fee income received from customers will be measured at 1/365 during the entire period of the guarantee contract, and the unrealized income will be included in the unearned liability reserve. In spite of the upward tendency of traditional financing guarantee business in 2017 compared with 2016, the new business presented the business situation of "lower at first and higher in the end" in 2017, together with the continuous decrease of volume in 2015 and 2016, resulting in the decline of realized guarantee and consulting fee income in 2017.

In 2017, total guarantee and consulting fee income of non-financing guarantee business (mainly including project performance guarantee business) was RMB79.9 million, representing an increase of RMB45.6 million or 132.9% as compared with RMB34.3 million in 2016, which was primarily due to the substantial increase in the volume of project performance guarantee business. Based on the huge market space in the construction industry, the Group designed specific products by taking into account the operating features of the construction industry, and 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". Since 2016, the Group has been expanding its project performance guarantee business vigorously, and maintaining high speed of growth. The revenue from project performance guarantee business in 2017 was RMB7,501.5 million, representing an increase of RMB4,805.6 million or 178.3% as compared with RMB2,695.9 million in 2016. As at 31 December 2017, the outstanding guarantee balance of project performance guarantee business was RMB7,820.5 million, representing an increase of RMB5,128.6 million or 190.5% as compared with RMB2,691.9 million as at 31 December 2016.

2017年，傳統融資擔保業務實現擔保及諮詢費收入總額為人民幣406.4百萬元，與2016年該類業務產生的擔保及諮詢費收入人民幣473.8百萬元相比，減少人民幣67.4百萬元，降幅14.2%。按照會計準則的相關規定，本集團向客戶收取的擔保及諮詢費收入將在整個擔保合同存續期間內按照三百六十五分之一法進行計量，未實現收入部分將計入未到期責任準備金。儘管傳統融資擔保業務2017年發生額較2016年呈增長態勢，但2017年新增業務在2017年內部呈「前低後高」的業務態勢，以及2015年、2016年發生額呈持續下滑態勢影響，使得2017年實現的擔保及諮詢費收入呈下滑態勢。

2017年，非融資擔保業務（主要為工程履約擔保業務）實現擔保及諮詢費收入總額為人民幣79.9百萬元，與2016年該類業務產生的收入人民幣34.3百萬元相比，增加人民幣45.6百萬元，增幅132.9%，這主要源於2017年工程履約擔保業務發生額大幅增加所致。基於建築施工行業的巨大市場空間，本集團結合建築施工行業的運營特徵，設計特定的產品，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。自2016年開始，本集團大力拓展工程履約保函擔保業務，並保持高速增長。2017年，工程履約擔保業務發生額為人民幣7,501.5百萬元，較2016年該類業務發生額人民幣2,695.9百萬元，增長人民幣4,805.6百萬元，增幅178.3%。截至2017年12月31日，工程履約擔保業務餘額為人民幣7,820.5百萬元，較2016年12月31日責任餘額人民幣2,691.9百萬元，增長人民幣5,128.6百萬元，增幅190.5%。

In 2017, total guarantee and consulting fee income of bond financing guarantee business was RMB147.2 million, representing a decrease of RMB103.7 million or 41.3% as compared with RMB250.9 million in 2016, which was primarily due to the decrease in the volume of bond financing guarantee business in 2017. The decrease was caused by the effect of the significant decrease in the size of bond issuances and the business volume related to bond guarantees issued by the Group. In 2017, the Group provided guarantees for five bond issues in the aggregate amount of RMB3,220.0 million. The issuance volume decreased significantly by RMB13,380 million or 80.6% as compared with 2016. As at 31 December 2017, the Group's outstanding bond guarantee balance was RMB23,350.0 million (31 December 2016: RMB20,250.0 million).

Although the scale of the traditional financing guarantee business and the project performance guarantee business increased, it was subject to a declining trend of guarantee and handling fee income from bond guarantee business. In 2017, the Group's net guarantee and consulting fee income of credit guarantee business was RMB631.4 million, representing a decrease of RMB124.0 million or 16.4% as compared with RMB755.4 million in 2016.

For more information on the operating conditions of the credit guarantee business of the partnership finance business segment, please refer to the section pages 35 to 67 headed "Management Discussion and Analysis" in this report.

2017年，債券融資擔保業務實現擔保及諮詢費收入總額為人民幣147.2百萬元，與2016年該類業務產生的收入人民幣250.9百萬元相比，減少人民幣103.7百萬元，降幅41.3%，這主要源於2017年債券融資擔保業務發生額減少所致。受債券發行規模大幅下降的影響，本集團簽發的與債券擔保相關的業務量大幅下滑。2017年，本集團共為五隻債券發行共計人民幣3,220.0百萬元提供擔保，該發行量較2016年度發生額大幅下降人民幣13,380百萬元，降幅80.6%。於2017年12月31日，本集團債券擔保責任餘額為人民幣23,350.0百萬元（2016年12月31日：人民幣20,250.0百萬元）。

儘管傳統融資擔保業務、工程履約擔保業務規模呈增長態勢，但受制於債券擔保業務擔保及手續費收入呈下降態勢，本集團2017年信用擔保業務產生的擔保及諮詢費淨收入為人民幣631.4百萬元，較2016年擔保及諮詢費淨收入人民幣755.4百萬元，下降人民幣124.0百萬元，降幅16.4%。

有關本集團夥伴金融業務集群分部信用擔保業務的經營狀況，請參閱管理層討論與分析章節第35頁至第67頁。

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- **The adjustment of the SME lending segment on customer base and product mix started in 2015 has achieved initial success. The interest and fee income from the capital business continued to grow. In particular, the net interest and handling fee income from the capital business provided by the SME lending segment for SMEs showed an upward trend, which was due to the substantial increase in the balance of the monthly interest-bearing assets of the credit business.**

In 2017, the Group recorded net interest and handling fee income of RMB812.1 million, representing an increase of RMB87.7 million or 12.1% as compared with RMB452.8 million in 2016. The growth is mainly attributable to the increase in interest and handling fee from capital business provided to SMEs in our SME lending segment, which primarily comes from the average monthly balance of credit business. The average monthly balance of credit business in 2017 was RMB5,785.2 million, representing an increase of RMB1,728.0 million or 42.6% as compared with RMB4,057.2 million in 2016. The increase in the average monthly balance of credit business in 2017 was mainly rooted in the huge growth of the size of “Fangjie Loan” products on the standard finance line. Since such business is secured by real estate with sufficient value, and the risk is relatively low, the Group intensified its efforts to this business in 2017. As at 31 December 2017, the balance of the “Fangjie Loan” was RMB2,562.2 million, representing an increase of RMB2,458.5 million or 2,370.8% as compared with RMB103.7 million as at 31 December 2016. As at 31 December 2017, the balance of “Fangjie Loan” business accounted for 42.1% of the asset balance of credit business, representing an increase of 40.2 percentage points from 1.9% as at 31 December 2016.

For more information on the operating conditions of capital business, please refer to pages 68 to 75 of partnership finance business and pages 78 to 109 of SME lending segment under the section headed “Management Discussion and Analysis” in this report.

- 信貸業務分部自2015年開始的客群、產品結構調整初見成效。資金業務產生的利息及手續費收入持續增長，尤其是信貸業務分部面向中小企業提供的資金業務產生的利息及手續費淨收入呈增長態勢，這源於信貸業務月均生息資產餘額的大幅增長。

2017年，本集團利息及手續費淨收入為人民幣812.1百萬元，與2016年相比，增加人民幣87.7百萬元，增幅12.1%。利息及手續費淨收入的增長主要來源於信貸業務分部面向中小企業提供的資金業務產生的利息及手續費淨收入呈增長態勢，這源於信貸業務月均生息資產餘額的大幅增長。2017年度信貸業務月均餘額為人民幣5,785.2百萬元，較2016年度月均餘額人民幣4,057.2百萬元，增長人民幣1,728.0百萬元，漲幅42.6%。2017年信貸業務月均餘額的增長，主要來源於標準金融條線「房捷貸」產品規模的大幅增長。該類業務由於有足值的、可供隨時處置的房地產作為抵押，風險相對較低，因此2017年本集團加大對該類業務的投放力度。於2017年12月31日，「房捷貸」業務餘額為人民幣2,562.2百萬元，較2016年12月31日業務餘額人民幣103.7百萬元，增加人民幣2,458.5百萬元，增幅2,370.8%。2017年12月31日「房捷貸」業務餘額佔信貸業務資產餘額的比例為42.1%，較2016年12月31日業務比例佔比1.9%，增加40.2個百分點。

有關本集團資金業務的經營狀況，請參閱管理層討論與分析章節中夥伴金融業務集群分部資金業務部分第68頁至第75頁，以及管理層討論與分析章節中信貸業務分部第78頁至第109頁。

- In 2017, the credit guarantee business in the partnership finance business segment continued to decline in terms of the amount of default payments paid on behalf of customers and default rate, and the quality of assets continued to be improved. Nonetheless, as the balance of various guarantee businesses increased, the Group adopted prudent accounting treatment to estimate the provisions for guarantee losses based on collective assessment.

In 2017, the Group made a total of RMB26.7 million provisions for guarantee losses (2016: RMB39.7 million provisions for guarantee losses was reversed). Provisions for guarantee losses are estimated mainly based on the quality of assets in the Group's guarantee portfolio and past experience to ensure enough provisions are made for the credit guarantee business.

The Group paid RMB281.7 million in total to indemnify defaulting clients in 2017, a 27.0% drop, or RMB104.3 million, compared with RMB386.0 million in 2016. The overall default rate of the Group indicates the quality of its guarantee portfolio. It was 1.3% in 2017, lower than 1.6% in 2016. The continued drop in the amount and default rate in 2017 proves a significant improvement in the asset quality of credit guarantee. The reason is that the Group began to tighten post-guarantee management with increased frequency and double efforts from 2015. 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" among all business personnel. Given the short term of loans and credit guarantees provided by the Group to its customers (mainly within 18 months), the aforesaid measures led to the gradual decrease of credit risk exposure of the Group's overall asset portfolio and its full release in 2015 and 2016.

- 夥伴金融業務集群分部的信用擔保業務2017年為客戶違約代償金額及代償率處於持續下降態勢，資產質量持續改善；但隨著各類擔保業務責任餘額的增長，本集團採用審慎的會計估計按照組合評估方式補充計提擔保賠償準備金。

於2017年，本集團提取擔保賠償準備金計人民幣26.7百萬元（2016年度：轉回擔保賠償準備金人民幣39.7百萬元）。擔保賠償準備金主要根據本集團擔保組合資產質量及過往經驗，對信用擔保業務而言足夠的撥備水準的估計。

本集團2017年為違約客戶支付的代償款項總額為人民幣281.7百萬元，與2016年代償款項人民幣386.0百萬元相比，共減少人民幣104.3百萬元，降幅27.0%。本集團整體代償率顯示本集團擔保組合質量，2017年本集團代償率為1.3%，與2016年本集團代償率1.6%相比呈下降態勢。2017年代償金額及代償率的持續下降，均顯示本集團信用擔保業務資產質量的大幅改善。這源於本集團自2015年開始全面強化保後管理，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。

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Provision rate reflects the level of provisioning for future potential indemnification risk associated with the Group's guarantee portfolio. It equals the provisions for guarantee losses divided by ending balance of guarantee liability. As at 31 December 2017, the provision rate for credit guarantee business was 0.8% (31 December 2016: 1.1%). The provision rate dropped because bond guarantee, project performance guarantee and capital preservation funds guarantee exposed to relatively low credit risk as a percentage of the portfolio rose to 76.6% as at 31 December 2017 from 69.4% as at 31 December 2016, leading to substantial decrease in potential risks in the credit guarantee portfolio.

- **In 2017, the credit guarantee business of the partnership finance business segment continued to decline in terms of the amount of default payments paid on behalf of customers and default rate and the quality of assets continued to be improved. At the same time, significant progress was made on the recovery of default payments of customers in previous years. In 2017, a total of RMB224.6 million was recovered, which resulted in a sharp decrease in the impairment loss of receivables for default payments.**

In 2017, the Group's impairment loss of receivables for default payments was RMB136.0 million, representing a decrease of RMB77.7 million or 36.4% as compared with RMB213.7 million in 2016, which was mainly due to the overall improvement of the Group's business structure, customer base, product portfolio, and risk control strategies. Since 2015, the Group has comprehensively strengthened the post-guarantee management, with increased frequency and intensity in post-guarantee management. As for defaulting customers, the Group enhanced the collateral management. In addition, through the endless efforts of the past three years, the recovery of receivables for default payments in previous years gradually showed effect.

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2017年12月31日，本集團信用擔保業務的撥備率為0.8%（2016年12月31日：1.1%）。撥備率下降主要是因為信用風險相對較低的債券擔保、工程履約擔保及保本基金擔保在整個產品組合中的佔比由2016年12月31日的69.4%提高至2017年12月31日的76.6%，使得信用擔保業務組合的潛在風險發生實質性降低。

- 夥伴金融業務集群分部的信用擔保業務2017年為客戶違約代償金額及代償率處於持續下降態勢，資產質量持續改善；與此同時，針對過往年度為客戶代償款項的清收工作取得重大進展，2017年累計回收人民幣224.6百萬元，使得針對應收代償款提取的資產減值損失大幅下降。

本集團2017年應收代償款提取的資產減值損失為人民幣136.0百萬元，與2016年該類資產減值損失人民幣213.7百萬元相比，減少人民幣77.7百萬元，降幅36.4%，這主要得益於本集團業務結構、客戶群體、產品組合、風險控制策略的全面提升。自2015年開始，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，通過近三年的持續努力，以往年度應收代償款項的清收效果逐步展現。

In 2017, the Group recovered a total of RMB224.6 million in cash from defaulting customers, representing an increase of RMB68.6 million or 44.0% as compared with RMB156.0 million in 2016. Meanwhile, the recovery rate in 2017 (recovery rate = current recovery amount/current default payments) was 79.7%, representing a significant increase of 39.3 percentage points from 40.4% in 2016. Furthermore, the administrative measures for granting of performance bonuses after “discharge of guarantee liabilities” were fully implemented among all business personnel to further heighten the risk management awareness of all employees. Given the shorter term of the loan and credit guarantee business provided by the Group to its customers (mainly within 18 months), the Group took more effective measures in response to changes in the market environment and customer operating conditions. The aforesaid measures led to the gradual decrease of credit risk exposure of the Group’s overall asset portfolio its full release in 2015 and 2016.

In 2017, the actual default payments of the Group were RMB281.7 million, representing a decrease of RMB104.3 million or 27.0% as compared with RMB386.0 in 2016, resulting in a declining asset impairment loss of receivables for default payments. As at 31 December 2017, the original value of the Group’s receivables for default payments was 1,045.5 million, and the corresponding balance of impairment provisions was RMB454.0 million. Its provision rate (provision for receivables for default payments/original value of receivables for default payments) was 43.4%, representing a decrease of 10.8 percentage points from 54.2% as at 31 December 2016, due to the adequate collaterals acquired by the Group from customers, higher pledge rate and accelerated process in disposal. The Group assesses the potential recovery possibility for each default payment mainly receivable based on the anti-collateral provided by the borrower, and compares the present value of the possible recoverable with the amount of receivables for default payments, where the difference is included in the impairment loss for the current period.

2017年，本集團共計從違約客戶處回收現金人民幣224.6百萬元，該金額與2016年度回收現金人民幣156.0百萬元相比，增加人民幣68.6百萬元，增幅44.0%；同時，2017年回收比率（回收比率 = 當期回收金額／當期代償金額）為79.7%，較2016年該比率40.4%大幅提升39.3個百分點。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），使得本集團針對市場環境及客戶經營狀況轉變而採取措施的力度更加有效，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。

2017年，本集團實際代償金額為人民幣281.7百萬元，較2016年實際代償金額人民幣386.0百萬元，下降人民幣104.3百萬元，降幅27.0%，使得對應收代償款計提的資產減值準備呈下降態勢。於2017年12月31日，本集團應收代償款原值為人民幣1,045.5百萬元，對應的減值準備餘額為人民幣454.0百萬元，撥備率（撥備率 = 應收代償款減值準備／應收代償款原值）為43.4%，該撥備率與2016年12月31日撥備率54.2%相比，下降10.8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。

Financial Highlights

財務概要

For more information on the risk management and asset quality indicators of the credit guarantee business in the partnership finance business segment of the Group, please refer to the section pages 61 to 66 headed “Management Discussion and Analysis” in this report.

- **The adjustment of the SME lending segment on customer base and product mix started in 2015 has achieved initial success. The product model centered “pure credit” existed in the past years was gradually replaced with the business with sufficient value of collaterals. The quality of credit portfolio assets increased significantly. Both the balance of impaired loan and its proportion to micro and small loans balances dropped sharply.**

In 2017, the impairment loss of micro and small loan of the SME lending segment was RMB84.3 million, representing a decrease of RMB29.7 million or 26.1% as compared with RMB114.0 million in 2016. In previous years, the micro and small loan was dominated by “pure credit”. Since the second half of 2015, the Group has actively adjusted the operating strategy and transformed from the traditional “single customer retail” model to the “wholesale model driven by products”. In terms of service provision, it has increased investment in information technology, lowered customer acquisition cost through technological means, boosted operating efficiency and improved customer service. In terms of management model, it relied on the headquarters for business operation. Through consolidating corporate resources, it achieved resources sharing and business development driven by the headquarters. It adopted centralization, standardization and business-line-based management for risk control, efficiency enhancement and cost reduction. Following three years of exploration, the SME lending segment has developed three major business directions, namely “micro and small finance, standard finance, platform finance”, and core products including “Kuaixiao Loan, Fangjie Loan, Jinshui Loan and Jiqun Loan”. In particular, the “Fangjie Loan” product of which the collateral is the residential properties held by the borrowers increased the proportion of pledged housing in the asset portfolio, thereby enhancing asset quality. As at 31 December 2017, the balance of the “Fangjie Loan” was RMB2,562.2 million, representing an increase of RMB2,458.5 million or 2,370.8% as compared with RMB103.7 million as at 31 December 2016. As at 31 December 2017, the balance of “Fangjie Loan” business accounted for 42.1% of the asset balance of SME lending business, representing an increase of 40.2 percentage points from 1.9% as at 31 December 2016.

有關本集團夥伴金融業務集群分部信用擔保業務的風險管理及資產質量指標，請參閱管理層討論與分析章節第61頁至第66頁。

- 信貸業務分部自2015年開始的客群、產品結構調整初見成效；過往年度「純信用」為主的產品模式逐步減少，足值抵押物佔比的業務餘額逐步提升，信貸業務組合資產質量大幅提升，已減值貸款餘額及佔小微貸款餘額的比例均大幅下降。

於2017年，信貸業務分部小微貸款提取的資產減值損失為人民幣84.3百萬元，與2016年提取的資產減值損失人民幣114.0百萬元相比，減少人民幣29.7百萬元，降幅26.1%。以往年度，小微貸款業務以「純信用」為主；自2015年下半年開始，本集團積極調整經營策略，業務模式上從傳統的「單一客戶零售」模式向「產品驅動的批發模式」進行轉變；服務手段上加大信息科技的投入，通過科技手段降低獲客成本、提升運營效率、優化客戶服務；管理模式上確定強總部策略，通過整合公司資源實現資源共享，通過總部驅動推動機構業務發展，通過集中化、標準化、條線化來管控風險、提升效率、降低成本。經過三年的探索，信貸業務分部逐步形成「小微金融、標準金融、平台金融」三大業務方向，並形成「快消貸、房捷貸、金稅貸、集群貸」等核心產品，尤其是以借款人持有的住房作為抵押物的「房捷貸」產品，提升資產組合中房屋抵質押物的比例，從而提升資產質量。於2017年12月31日，「房捷貸」業務餘額為人民幣2,562.2百萬元，較2016年12月31日業務餘額人民幣103.7百萬元，增加人民幣2,458.5百萬元，增幅2,370.8%。2017年12月31日「房捷貸」業務餘額佔信貸業務資產餘額的比例為42.1%，較2016年12月31日業務比例佔比1.9%，增加40.2個百分點。

In 2017, the Group comprehensively investigated and streamlined existing customers, focused on the reinforced management of collaterals and pledges, and enhanced the safeguard measures after customers breached contracts. For new customers, in the credit granting phase, the Group strengthened credit granting review standards, customer admission standards and efforts in on-site investigation of uncertain risks. Since the second half of 2015, the Group took the initiative to adjust the business types of its credit business, increased the “lower-risk” products such as “Fangjie Loan”, and established strategic cooperation with various platforms, making the quality of its credit business significantly improved as at 31 December 2017 as compared with 31 December 2016. Meanwhile, the Group increased its efforts to the disposal of impaired micro and small loan, and reduced the pressure on non-performing assets by means of write-off. In 2017, the Group has verified loans totaling RMB155.6 million (2016: RMB106.6 million).

With the implementation of the aforesaid risk control measures, the percentage of impaired loans of the SME lending segment has declined. The balance of the impaired loan of the Group’s SME lending segment reduced from RMB163.6 million as at 31 December 2016 to RMB115.4 million as at 31 December 2017, representing a decrease of RMB48.2 million or 29.5%. Meanwhile, the ratio of impaired loans to the balance of assets in the SME lending segment decreased from 3.0% as at 31 December 2016 to 1.9% as at 31 December 2017. In 2017, the Group still adopted prudent accounting estimates and set aside a total of RMB84.3 million as impairment loss in line with changes in loan quality. The provision rate decreased from 5.3% as at 31 December 2016 to 3.6% as at 31 December 2017 due to the consumption of provision by write-off of impaired loans. Additionally, the provision coverage rate of micro and small loan increased from 173.5% as at 31 December 2016 to 190.0% as at 31 December 2017 due to the significant decrease in the balance and percentage of impaired loans. As a result, the ability to resist risks was further enhanced.

2017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。自2015年下半年開始，本集團主動調整信貸業務的業務種類，增加風險相對較低的「房捷貸」產品以及與各類平台進行戰略合作，使得本集團2017年12月31日的信貸業務資產質量較2016年12月31日相比有大幅提升。同時，本集團加大已減值小微貸款的處置力度，通過核銷手段，以減輕不良資產壓力。2017年，本集團共計核銷貸款人民幣155.6百萬元（2016年：人民幣106.6百萬元）。

隨著以上風險控制措施的實施，信貸業務分部已減值貸款比例呈下降態勢。本集團信貸業務分部已減值貸款餘額從2016年12月31日的人民幣163.6百萬元下降至2017年12月31日的人民幣115.4百萬元，減少人民幣48.2百萬元，降幅29.5%；同時，已減值貸款佔信貸業務分部資產餘額的比例從2016年12月31日的3.0%下降至2017年12月31日的1.9%。2017年，本集團仍然採用審慎的會計估計，結合貸款質量的變化，共計提取人民幣84.3百萬元資產減值損失。由於核銷已減值貸款需要消耗準備金，使得撥備率從2016年12月31日的5.3%下降至2017年12月31日的3.6%。同時，由於已減值貸款餘額及比例的大幅下降，使得小微貸款業務撥備覆蓋率從2016年12月31日的173.5%上升至2017年12月31日的190.0%，抗風險能力進一步增強。

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財務概要

For more information on the business overview, risk management and asset quality indicators of the SME lending segment of the Group, please refer to the section pages 78 to 109 headed “Management Discussion and Analysis” in this report.

- **The refined cost management system was gradually formed, which stabilised total operating costs and established a more reasonable cost structure. The increasing investment on high-calibre talents also boosted quality of risk control.**

Since 2013, the Group implemented the “Share Incentive Scheme” for the senior management. According to the “Share Incentive Scheme”, a total of approximately RMB460.0 million was accounted for as the labour cost in the income statement of the Group from 2013 to 2020 with a gradually decreasing trend. Of which, RMB38.8 million (2016: RMB56.4 million) was accounted for as share-based payments in the income statement for 2017.

Excluding the impact of “Share-based payment” and “Tax and surcharges”, the total “Operating expenses” used in daily operation and management in 2017 would be RMB736.1 million, representing an increase of RMB22.0 million or 3.1% as compared with RMB714.1 million in 2016, which was attributable to rising labour costs. As the impact of “Share-based payments” on the financial statements declined, the Group continued to apply the cost saved into human resources development. Since the first half of 2016, the Group has nurtured talents for new business segments such as financial assets management, capital investment and management. Meanwhile, the Group continuously enhanced staff quality, strengthened risk management and granted rewards to business units and teams with outstanding performance.

In 2017, the Group continued to adopt cost optimization management measures to control expenses. As a result, various expenses as a percentage of total operating expenses remained stable without drastic fluctuations.

有關本集團信貸業務分部的業務概況，以及風險管理及資產質量指標，請參閱管理層討論與分析章節第78頁至第109頁。

- 成本精細化管理體系逐步形成，運營成本總額保持穩定，成本結構更加合理，並持續加大對優質人才的投入，提升風險管控質量。

自2013年開始，本集團開始對高級管理人員實施「股權激勵」計劃。根據股權激勵實施方案，總計約人民幣460.0百萬元費用總額將於2013年至2020年呈階梯式減少的方式計入本集團利潤表人力成本中。其中，2017年計入利潤表的股份支付費用金額為人民幣38.8百萬元（2016年度：人民幣56.4百萬元）。

剔除「股份支付」以及「稅金及附加」的影響，2017年，本集團用於日常經營管理的「營運支出」總額為人民幣736.1百萬元，較2016年的營運支出總額人民幣714.1百萬元，增加人民幣22.0百萬元，增幅3.1%，其增加主要來源於人力成本的增加。隨著「股份支付」費用對財務報表影響的逐步降低，本集團將節約的成本持續投入到人力資源建設中。自2016年上半年開始，本集團開始為新業務板塊如金融資產管理、資本投資及管理的發展儲備人員；同時，本集團持續進行人員優化，強化風險管理的同時向業績優秀的機構、團隊提供超額獎勵。

2017年，本集團持續採取成本優化管理措施，嚴控各項費用開支，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。

Chairman's Statement

董事長致辭

Dear Shareholders,

I am pleased to represent the board (the “**Board**”) of directors (the “**Director(s)**”) of Hanhua Financial to present the annual report of the Company for the period from 1 January 2017 to 31 December 2017.

In 2017, we achieved the best business performance for Hanhua Financial since it commenced transformation and upgrading in 2015. The recovery trend of business performance is obvious, and our achievement in the following five aspects are impressive:

Firstly, the business platform has been upgraded and creditability has been significantly raised. In 2015, Hanhua Financial proposed a strategy of striving for mainstream financial licenses and building a comprehensive financial platform. In 2016, Chongqing Fumin Bank commenced its business and submitted its application materials relating to the proposed establishment of Hanhua Securities to the China Securities Regulatory Commission at the end of 2016. In early 2018, the CBRC announced the approval for Liaoning Fu'an Financial Assets to conduct business. Hanhua Financial made significant progress in the application of various key business licenses. The construction of three major platforms of equity, credit and transaction gets close to the final stage. The platform credit is substantially increased. As the overall financial regulation becomes more stringent, the regulatory authorities will also be more cautious in approving the establishment of new organizations. The mode of integrated financial platform of Hanhua Financial cannot be replicated and the comparative advantage will be increasingly prominent.

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2017年1月1日截至2017年12月31日年度報告。

2017年是瀚華金控自2015年開始轉型升級以來，取得明顯成效的一年，經營業績回升勢頭明顯，並在以下五個方面成績斐然：

第一，業務平台完成升級，信用能力大幅提升。2015年，瀚華金控提出爭取主流金融牌照、建設綜合金融平台的戰略。2016年重慶富民銀行開業，2016年底向中國證券監督管理委員會遞交瀚華證券申報材料，2018年初中國銀監會公佈核准遼寧富安金融資產開展業務，瀚華金控在各關鍵業務牌照的申請方面均取得突破性進展，股權、債權、交易三大平台構築接近收官階段，平台信用大幅提升。隨著金融監管全面趨嚴，監管部門對新設機構的審批也會更加謹慎，瀚華金控綜合金融平台模式不可複製，比較優勢將日益凸顯。

Chairman's Statement

董事長致辭

Secondly, our national network is basically completed. Through three years of breakthrough cultivation, Hanhua Financial has commenced business in 28 key provinces and cities. In addition to areas with traditional business advantages including Sichuan and Chongqing and Liaoning, Jiangsu and Anhui and other provinces and cities have developed fast. The Yangtze River Delta has become the third largest region to support the Company's business growth. Hunan, Guizhou, Heilongjiang and Hebei and other provinces also delivered exciting performance. The layout with balanced development is more conducive to offer national financial support to core customers, and reduces the impact of regional economic risks on the Company.

Thirdly, the business structure and customer portfolio have been vastly optimized. During more than three years of restructuring, all business segments of Hanhua Financial have achieved outstanding progress in marketing and product R&D and promotion. Hanhua Financial worked hard to pursue growth in the supply chain finance, construction finance and capital market business, as well as standard finance, platform finance and other innovative businesses. The good business structure has improved the capital return of Hanhua Financial, and built up the fundamental market-oriented advantages of Hanhua Financial for the future.

第二，全國網絡建設基本完成。通過三年突破培育，瀚華金控已經在28個重點省市開展業務。除了傳統業務優勢區域川渝和遼寧之外，江蘇、安徽等省市異軍突起，長三角成為支撐公司業務發展的第三大區域，湖南、貴州、黑龍江、河北等省份也增長喜人，均衡發展的區域佈局更有利於開展針對核心客戶的全國金融支持，也降低了區域經濟風險對公司的影響。

第三，業務結構和客戶結構大幅優化。通過三年多持續的結構調整，瀚華金控各業務板塊在客戶營銷及產品研發推廣方面成效顯著；同時通過大力發展供應鏈金融、建設金融、資本市場業務，以及標準金融、平台金融等創新業務。良好的業務結構提升了瀚華金控的資本回報率，構築起瀚華金控面向未來、面向市場的基礎性優勢。

Chairman's Statement

董事長致辭

Fourthly, the asset quality has been significantly improved. In the economic downturn, Hanhua Financial successfully avoided the mutual guarantee chain, steel trade circle and other risks by virtue of the “small amount and dispersion” business model and strict risk control. At the same time, the assets quality of the Company improved and increased significantly due to active adjustment in business structure, customer profile portfolio, product mix and risk control. In 2017, the default payment paid on behalf of default customers and the default rate declined. The recovery of default payment paid on behalf of customers in prior years achieved remarkable progress.

Fifthly, the core innovation capability has increased dramatically. The Company's business sectors have gradually transformed from the “one-to-one” product and marketing approach to the “standard, intelligent, and division department system”. The channel-driven retail business has upgraded to the product-driven wholesale business, the offline business has upgraded to the intelligence and data-based model, the single customer risk judgment has upgraded to the closed-loop control of the chain, product innovation, data mining, risk management and liquidity management capabilities of business sectors have been greatly improved.

Hanhua Financial's resources accumulation becomes more and more complete, strategies are more and more clear and business team is mature and stable after three years of business transformation and upgrading. In 2018, we will continue to pursue partnership finance, platform finance and eco-finance as its strategy. It will adopt the strategic approach of keeping an original mind, developing new models, bringing about cross-industry integration and integrating the financial and industrial sectors. It aims at building an industry and financing integration ecosystem for the in-depth integration and model innovation for all businesses and the real economy. We hope that the ongoing optimisation, upgrade and refinement of models will take our business scale and quality to the next level.

第四，資產質量大幅改善。在經濟下行期，瀚華金控憑借「小額分散」的業務模式和嚴格風控，成功避開了互保鏈、鋼貿圈等風險。同時，通過對業務結構、客戶群體、產品組合、風險控制的主動調整，本公司資產質量得到了明顯的改善和提升。2017年本公司為客戶違約代償金額及代償率持續下降，同時針對過往年度為客戶代償款項的清收工作取得重大進展。

第五，核心創新能力大幅提升。本公司各業務板塊由以往「一對一」的產品及營銷模式，向「標準化、智能化、事業部制」方向轉變。從渠道驅動的零售業務升級為產品驅動的批發業務，從線下業務升級到智能化、數據化，從單一客戶風險判斷升級到鏈條閉環控制，各業務板塊的產品創新、數據挖掘、風險管理、流動性管理能力均有大幅提升。

經過三年的業務轉型升級，瀚華金控資源積累日趨完整、戰略思路逐漸清晰、業務團隊更加成熟穩定。2018年，本公司將繼續以夥伴金融、平台金融和生態金融為戰略引領，以不忘初心、模式創新、跨界融合、產融一體為戰略理念，「構建產融一體生態圈，持續推進各項業務與實體產業的深度融合和模式創新。我們希望通過持續不斷的優化升級和模式再造，令本公司的規模和水平在下一個階段躍上一個更高的台階。

Chairman's Statement

董事長致辭

Fortunately, the upgrade of Hanhua Financial encounters a opportunity period of the new era. The great country with a population of 1.3 billion, will create an unprecedented miracle in human history, since we have finished our journey from the goal of building a moderately well-off society in an all-round way to the basic realization of modernization, and the building of a strong socialist country in all respects. We will focus on serving a series of national strategies, such as new industrialization, informationization, urbanization and agricultural modernization so that the upgrading of enterprises and the social and economic development can both have positive influence on each other.

Li Dazhao once said: "The golden age is ahead of us, not behind us; in the future, not in the past", so we are extremely lucky to catch up with the trend of reform and progress in the new era and find the stage for enterprise development and brilliant life. In 2018, Hanhua Financial will endeavor to attain its operation goals through innovation to achieve a steady growth of basic businesses and accelerated development of new businesses with an original mind, stay true to the mission and strive to achieve good performance.

我們深感幸運的是，瀚華金控的升級節點適逢中國跨入新時代的歷史機遇期。十三億人口的大國從全面建成小康社會到基本實現現代化，再到全面建成社會主義現代化強國，將創造人類歷史上前所未有的奇跡。我們將重點服務於新型工業化、信息化、城鎮化、農業現代化等一系列國家戰略，讓企業升級與社會經濟發展形成良性共振。

李大釗說「黃金時代，不在我們背後，乃在我們面前；不在過去，乃在將來」，我們無比幸運地趕上了新時代變革進步的潮流，找到了企業發展和人生出彩的舞台。2018年，瀚華金控將以歸零心態、創新驅動，實現基礎業務穩中有升，新業務加速發展的經營目標，不忘初心，再造佳績。

Management Discussion and Analysis

管理層討論與分析

PARTNERSHIP FINANCE BUSINESS SEGMENT

Partnership finance business segment mainly engages in the provision of integrated financing services for SME clients covered by the national management network of the Group, which primarily include credit guarantee, capital business (mainly including receivables for factoring business, bill discount, finance lease, entrusted loans), financial assets management and other services.

The following table sets forth the key performance indicators of the partnership finance business segment of the Group:

夥伴金融業務集群分部

夥伴金融業務集群分部以本集團位於全國的經營網絡，主要面向廣大中小企業客戶提供綜合性金融服務解決方案，主要包括信用擔保、資金業務（資金業務主要包括應收賬款保理、票據貼現、融資租賃、委託貸款）、金融資產管理、以及其他服務。

下表載列本集團夥伴金融業務集群分部的關鍵業績指標：

		For the year ended 31 December 截至12月31日止年度			
		2017 2017年	2016 2016年	Change 變動	
		Amount 金額	Amount 金額	Amount 金額	Percentage% 比例%
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)					
Operating results	經營業績				
Net guarantee and consulting fee income	擔保及諮詢費淨收入	631.4	755.4	(124.0)	(16.4)
Net interest and handling fee income	利息及手續費淨收入	379.0	414.0	(35.0)	(8.5)
Net fee and interest income	淨手續費及利息收入	1,010.4	1,169.4	(159.0)	(13.6)
Other revenue	其他收入	40.4	21.6	18.8	87.0
(Provisions)/reversal for guarantee losses	(提取)/轉回擔保賠償準備金	(26.7)	39.7	66.4	167.3
Impairment losses	資產減值損失	(171.8)	(258.9)	(87.1)	(33.6)
– Receivables for default payments	– 應收代償款	(136.0)	(213.7)	(77.7)	(36.4)
– Entrusted loans	– 委託貸款	(25.9)	(35.1)	(9.2)	(26.2)
– Receivables for factoring business	– 應收保理款	(9.2)	(7.3)	1.9	26.0
– Finance lease receivables	– 應收融資租賃款	(0.7)	(2.8)	(2.1)	(75.0)
Operating expenses	營運支出	(321.9)	(324.0)	(2.1)	(0.6)
– Operation and administrative expenses	– 業務及管理費	(312.4)	(307.3)	5.1	1.7
– Tax and surcharges	– 税金及附加	(9.5)	(16.7)	(7.2)	(43.1)
Profit before taxation	稅前利潤	530.4	647.8	(117.4)	(18.1)

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管理層討論與分析

In 2017, profit before taxation of the partnership finance business segment was RMB530.4 million, representing a decrease of RMB117.4 million or 18.1% as compared with RMB647.8 million in 2016, which was mainly due to lower net handling fee and interest income from the adjustment of business structure and customer structure. Additionally, with the improving assets portfolio quality, the associated asset impairment losses presented a sharp decrease. Specifically as follows:

- **The structure adjustment of credit guarantee business gradually proved to be effective. The volume and balance of both the traditional financing guarantee and project performance guarantee showed a growth trend in 2017.**

Since 2015, the Group has actively adjusted the business development model and credit guarantee structure. In this process, the Group has gradually scaled down customers with higher risks in order to lower default payments; at the same time, clients and business development model were gradually changed by: (1) providing integrated financial services to customers through the comparative advantages of its wide range of financial licenses, business network across the country, as well as flexible and efficient operation mechanism; (2) offering financial services to SMEs at different stages of development and intensely developing partnership finance with capital investment as the tie in adopting the “capital + credit” approach; (3) taking marketing initiatives to target core enterprises with higher credibility, and developing standardized products to cater to the financing needs from both upstream and downstream enterprises of the core enterprises, thereby striving to promote the development of the supply chain financial business model. After continuous customer adjustment and expansion, the downward trend of traditional financing guarantee business was replaced with positive growth trend in 2017, during which the volume of traditional financing guarantee business was RMB16,503.6 million, representing an increase of RMB3,014.0 million or 22.3% as compared with RMB13,489.6 million in 2016. As at 31 December 2017, the Group’s liability balance of traditional financing guarantee business was RMB10,516.3 million, representing an increase of RMB1,641.2 million or 18.5% as compared with RMB8,875.1 million as at 31 December 2016.

2017年，夥伴金融業務集群分部實現稅前利潤人民幣530.4百萬元，與2016年稅前利潤人民幣647.8百萬元相比，該分部稅前利潤減少人民幣117.4百萬元，降幅18.1%。主要是因業務結構及客戶結構調整，使得淨手續費及利息收入減少；同時，因資產組合質量不斷提升，與此相關的資產減值損失大幅下降。具體分析如下：

- 信用擔保業務結構調整成效開始逐步顯現，傳統融資擔保、工程履約擔保於2017年度發生額、餘額均呈增長態勢。

自2015年開始，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，本集團逐步主動退出風險相對較高的客戶，以減少違約付款金額；同時，逐步改變客戶及業務拓展模式：(1)通過本集團豐富的金融牌照、分佈全國的經營網絡、靈活高效的運營機制所形成的比較優勢，為廣大客戶提供綜合性的金融服務；(2)以資本投資為紐帶，採用「資本+信貸」的方式，為廣大中小企業在不同成長階段提供金融服務，大力發展夥伴金融；(3)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，大力發展供應鏈金融業務模式；經過不斷的客戶調整和客戶拓展，2017年傳統融資擔保業務發生額停止下滑趨勢，並呈正增長態勢。2017年，傳統融資擔保業務發生額為人民幣16,503.6百萬元，與2016年該類業務發生額人民幣13,489.6百萬元相比，增加人民幣3,014.0百萬元，增幅22.3%。於2017年12月31日，本集團傳統融資擔保業務責任餘額為人民幣10,516.3百萬元，較2016年12月31日餘額人民幣8,875.1百萬元，增加人民幣1,641.2百萬元，增幅18.5%。

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In 2017, total guarantee and consulting fee income of traditional financing guarantee business was RMB406.4 million, representing a decrease of RMB67.4 million or 14.2% as compared with RMB473.8 million in 2016. According to the relevant stipulations of the accounting standards, the Group's guarantee and consulting fee income received from customers will be measured at 1/365 during the entire period of the guarantee contract, and the unrealized income will be included in the unearned liability reserve. In spite of the upward tendency of traditional financing guarantee business in 2017 compared with 2016, the new business presented the business situation of "lower at first and higher in the end" in 2017, together with the continuous decrease of volume in 2015 and 2016, resulting in the decline of realized guarantee and consulting fee income in 2017.

In 2017, total guarantee and consulting fee income of non-financing guarantee business (mainly including project performance guarantee business) was RMB79.9 million, representing an increase of RMB45.6 million or 132.9 % as compared with RMB34.3 million in 2016, which was primarily due to the substantial increase in the volume of project performance guarantee business. Based on the huge market space in the construction industry, the Group designed specific products by taking into account the operating features of the construction industry, and 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". Since 2016, the Group has been expanding its project performance guarantee business vigorously, and maintaining high speed of growth. The revenue from project performance guarantee business in 2017 was RMB7,501.5 million, representing an increase of RMB4,805.6 million or 178.3% as compared with RMB2,695.9 million in 2016. As at 31 December 2017, the liability balance of project performance guarantee business was RMB7,820.5 million, representing an increase of RMB5,128.6 million or 190.5% as compared with RMB2,691.9 million as at 31 December 2016.

2017年，傳統融資擔保業務實現擔保及諮詢費收入總額為人民幣406.4百萬元，與2016年該類業務產生的擔保及諮詢費收入人民幣473.8百萬元相比，減少人民幣67.4百萬元，降幅14.2%。按照會計準則的相關規定，本集團向客戶收取的擔保及諮詢費收入將在整個擔保合同存續期間內按照三百六十五分之一法進行計量，未實現收入部分將計入未到期責任準備金。儘管傳統融資擔保業務2017年發生額較2016年呈增長態勢，但2017年新增業務在2017年內部呈「前低後高」的業務態勢，以及2015年、2016年發生額呈持續下滑態勢影響，使得2017年實現的擔保及諮詢費收入呈下滑態勢。

2017年，非融資擔保業務（主要為工程履約擔保業務）實現擔保及諮詢費收入總額為人民幣79.9百萬元，與2016年該類業務產生的收入人民幣34.3百萬元相比，增加人民幣45.6百萬元，增幅132.9%，這主要源於2017年工程履約擔保業務發生額大幅增加所致。基於建築施工行業的巨大市場空間，本集團結合建築施工行業的運營特徵，設計特定的產品，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。自2016年開始，本集團大力拓展工程履約保函擔保業務，並保持高速增長。2017年，工程履約擔保業務發生額為人民幣7,501.5百萬元，較2016年該類業務發生額人民幣2,695.9百萬元，增長人民幣4,805.6百萬元，增幅178.3%。截至2017年12月31日，工程履約擔保業務餘額為人民幣7,820.5百萬元，較2016年12月31日責任餘額人民幣2,691.9百萬元，增長人民幣5,128.6百萬元，增幅190.5%。

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管理層討論與分析

In 2017, total guarantee and consulting fee income of bond guarantee business was RMB147.2 million, representing a decrease of RMB103.7 million or 41.3% as compared with RMB250.9 million in 2016, which was primarily due to the decrease in the volume of bond financing guarantee business in 2017. The decrease was caused by the effect of the significant decrease in the size of bond issuances and the business volume related to bond guarantees issued by the Group. In 2017, the Group provided guarantees for five bond issues in the aggregate amount of RMB3,220.0 million. The issuance volume decreased significantly by RMB13,380 million or 80.6% as compared with 2016. As at 31 December 2017, the Group's outstanding bond guarantee balance was RMB23,350.0 million (31 December 2016: RMB20,250.0 million).

Although the scale of the traditional financing guarantee business and the project performance guarantee business increased, it was subject to a declining trend of guarantee and handling fee income from bond guarantee business. In 2017, the Group's net guarantee and consulting fee income of credit guarantee business was RMB631.4 million, representing a decrease of RMB124.0 million or 16.4% as compared with RMB755.4 million in 2016.

- **To cope with the complex external operating environment, the Group constantly increased the amount of cash reserves and improved the level of liquidity management. Furthermore, the Group actively adjusted the capital business structure to vigorously develop “supply chain finance” linking to “core leading enterprises” and enhance the asset-end organization and management capabilities with “receivables for factoring” as an entry point.**

2017年，債券融資擔保業務實現擔保及諮詢費收入總額為人民幣147.2百萬元，與2016年該類業務產生的收入人民幣250.9百萬元相比，減少人民幣103.7百萬元，降幅41.3%，這主要源於2017年債券融資擔保業務發生額減少所致。受債券發行規模大幅下降的影響，本集團簽發的與債券擔保相關的業務量大幅下滑所致。2017年，本集團共為五隻債券發行共計人民幣3,220.0百萬元提供擔保，該發行量較2016年度發生額大幅下降人民幣13,380百萬元，降幅80.6%。於2017年12月31日，本集團債券擔保責任餘額為人民幣23,350.0百萬元（2016年12月31日：人民幣20,250.0百萬元）。

儘管傳統融資擔保業務、工程履約保函擔保業務規模呈增長態勢，但受制於債券擔保業務擔保及手續費收入呈下降態勢，本集團2017年信用擔保業務產生的擔保及諮詢費淨收入為人民幣631.4百萬元，較2016年擔保及諮詢費淨收入人民幣755.4百萬元，下降人民幣124.0百萬元，降幅16.4%。

- 為應對複雜的外部經營環境，不斷提升現金儲備量，提升流動性管理水平；同時，主動調整資金業務結構，以「應收賬款保理」作為切入點，大力發展以「核心龍頭企業」為紐帶的「供應鏈金融」，提升資產端的組織和管理能力。

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The net interest and handling fee income from this segment's capital business was RMB379.0 million in 2017, representing a decrease of RMB35.0 million or 8.5% as compared with RMB414.0 million in 2016. This was mainly because the high-quality customers in the market were more sensitive to the cost of capital. To further reduce its overall operational risk and improve the quality of assets, and to cater to the needs of high-quality customers in the market, the Group proactively lowered the overall rate of capital business. Additionally, since the second half of 2017, the capital in the monetary market has been gradually tightened. To effectively improve liquidity, the Group scaled down the entrusted loan with poor liquidity, and has instead increased its investment in the receivables for factoring business with higher liquidity and lower income. These measures resulted in a decrease in the net interest and handling fee income from the capital business of this segment.

In 2017, the cumulative amount of receivables for factoring business was RMB4,438.6 million, representing a substantial increase of 237.3% in 2016. As at 31 December 2017, the balance of receivable for factoring business was RMB1,659.9 million, representing an increase of RMB1,057.7 million or 175.6% as compared with RMB602.2 million as at 31 December 2016. The average duration of this type of business was 5.5 months, and 88.6% of the business will be due within one year. In contrast, the balance of entrusted loan business declined. As at 31 December 2017, the balance of entrusted loan business was RMB1,671.3 million, representing a decrease of RMB965.2 million or 36.6% as compared with RMB2,636.5 million as at 31 December 2016.

該分部資金業務2017年產生的利息及手續費淨收入為人民幣379.0百萬元，與2016年利息及手續費淨收入人民幣414.0百萬元相比，減少人民幣35.0百萬元，降幅8.5%。這主要是因為市場上優質客戶對資金成本的敏感度提升，為了進一步降低公司的整體運營風險並提升資產質量，迎合市場優質客戶的需求，本集團主動下調了資金業務的綜合費率；同時，自2017年下半年開始，貨幣市場資金面逐步收緊，為有效提升流動性，本集團逐步壓縮流動性較差的委託貸款業務，轉而加大對流動性較高但收益次之的應收保理賬款業務的投入；上述舉措使得該分部資金業務產生的利息及手續費淨收入呈下降態勢。

2017年，應收賬款保理業務累計發生額為人民幣4,438.6百萬元，較2016年發生額大幅增長237.3%。於2017年12月31日，應收賬款保理業務餘額為人民幣1,659.9百萬元，與2016年12月31日應收賬款保理業務餘額人民幣602.2百萬元相比，增加人民幣1,057.7百萬元，增幅175.6%。該類業務平均存續期間為5.5個月，88.6%的業務將於1年內到期。同時，委託貸款業務餘額則呈下降態勢。2017年12月31日，委託貸款業務餘額為人民幣1,671.3百萬元，與2016年12月31日委託貸款業務餘額人民幣2,636.5百萬元相比，減少人民幣965.2百萬元，降幅36.6%。

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- In 2017, the credit guarantee business of partnership finance business segment continued to decline in terms of the amount of default payments paid on behalf of customers and default rate, and the quality of assets continued to be improved. At the same time, significant progress was made on the recovery of default payments of customers in previous years. In 2017, a total of RMB224.6 million was recovered, which resulted in a sharp decrease in the impairment loss of receivables for default payments.

In 2017, the impairment loss of this segment was RMB171.8 million, representing a decrease of RMB87.1 million or 33.6% as compared with RMB258.9 million in 2016.

In 2017, the Group's impairment loss of receivables for default payments was RMB136.0 million, representing a decrease of RMB77.7 million or 36.4% as compared with RMB213.7 million in 2016, which was mainly due to the overall improvement of the Group's business structure, customer base, product portfolio, and risk control strategies. Since 2015, the Group has comprehensively strengthened the post-guarantee management, with increased frequency and intensity in post-guarantee management. As for defaulting customers, the Group enhanced the collateral management. In addition, through the endless efforts of the past three years, the recovery of receivables for default payments in previous years gradually showed effect.

- 夥伴金融業務集群分部的信用擔保業務2017年為客戶違約代償金額及代償率處於持續下降態勢，資產質量持續改善；與此同時，針對過往年度為客戶代償款項的清收工作取得重大進展，2017年累計回收人民幣224.6百萬元，使得針對應收代償款提取的資產減值損失大幅下降。

2017年，該分部產生的資產減值損失為人民幣171.8百萬元，2016年資產減值損失人民幣258.9百萬元，下降人民幣87.1百萬元，降幅33.6%。

本集團2017年應收代償款提取的資產減值損失為人民幣136.0百萬元，與2016年該類資產減值損失人民幣213.7百萬元相比，減少人民幣77.7百萬元，降幅36.4%，這主要得益於本集團業務結構、客戶群體、產品組合、風險控制策略的全面提升。自2015年開始，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，通過近三年的持續努力，以往年度應收代償款項的清收效果逐步展現。

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In 2017, the Group recovered a total of RMB224.6 million in cash from defaulting customers, representing an increase of RMB68.6 million or 44.0% as compared with RMB156.0 million in 2016. Meanwhile, the recovery rate in 2017 (recovery rate = current recovery amount/current default payments) was 79.7%, representing a significant increase of 39.3 percentage points as compared with 40.4% in 2016. At the same time, the administrative measures for granting of performance bonuses after “discharge of guarantee liabilities” were fully implemented among all business personnel to further heighten the risk management awareness of all employees. Given the shorter term of the loan and credit guarantee business provided by the Group to its customers (mainly within 18 months), the Group took more effective measures in response to changes in the market environment and customer operating conditions. The aforesaid measures led to the gradual decrease of credit risk exposure of the Group’s overall asset portfolio its full release in 2015 and 2016.

In 2017, the actual default payments of the Group were RMB281.7 million, representing a decrease of RMB104.3 million or 27.0% as compared with RMB386.0 in 2016, resulting in a declining impairment loss of receivables for default payments. As at 31 December 2017, the original value of the Group’s receivables for default payments was 1,045.5 million, and the corresponding balance of impairment provisions was RMB454.0 million. Its provision rate (receivables for default payments/original value of receivables for default payments) was 43.4%, representing a decrease of 10.8 percentage points as compared with 54.2% as at 31 December 2016, due to the adequate collaterals acquired by the Group from customers, higher pledge rate and accelerated process in disposal. The Group assesses the potential recovery possibility for each default payment mainly receivable based on the anti-collateral provided by the borrower, and compares the present value of the possible recoverable with the amount of receivables for default payments, where the difference is included in the impairment loss for the current period.

2017年，本集團共計從違約客戶處回收現金人民幣224.6百萬元，該金額與2016年度回收現金人民幣156.0百萬元相比，增加人民幣68.6百萬元，增幅44.0%；同時，2017年回收比率（回收比率 = 當期回收金額／當期代償金額）為79.7%，較2016年該比率40.4%相比大幅提升39.3個百分點。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），使得本集團針對市場環境及客戶經營狀況轉變而採取措施的力度更加有效，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。

2017年，本集團實際代償金額為人民幣281.7百萬元，較2016年實際代償金額人民幣386.0百萬元，下降人民幣104.3百萬元，降幅27.0%，使得對應收代償款計提的資產減值準備呈下降態勢。於2017年12月31日，本集團應收代償款原值為人民幣1,045.5百萬元，對應的減值準備餘額為人民幣454.0百萬元，撥備率（撥備率 = 應收代償款減值準備／應收代償款原值）為43.4%，該撥備率與2016年12月31日撥備率54.2%相比，下降10.8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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管理層討論與分析

- **The partnership finance business segment continued to speed up human resource construction, with a slight increase in human costs but more reasonable structure.**

In 2017, the total amount of operation and administrative expense generated by the partnership finance business segment was RMB312.4 million, representing an increase of RMB5.1 million or 1.7% as compared with RMB307.3 million in 2016.

In 2017, the provincial agencies of the partnership finance business segment gradually began to purchase commercial real estate as a place of business, for the purpose of reducing the lease expenses and using the saved cost for human resource construction. Since 2015, it has increased the performance incentive and offered extra rewards to well-established institutions and teams with excellent performance and great risk management while progressively adjusting the business structure and customer structure, resulting in higher human costs. In the future, we will further intensify the investment in human resource.

- 夥伴金融業務集群分部持續加大人力資源建設，人力成本小幅增長，但結構更加合理。

2017年，夥伴金融業務集群分部產生的業務及管理費總額為人民幣312.4百萬元，與2016年度該分部業務及管理費人民幣307.3百萬元相比，增長人民幣5.1百萬元，增幅1.7%。

2017年，夥伴金融業務集群各省級機構逐步開始購買商業房產作為經營場所，旨在減少租賃費用支出，並將節約的費用用於人力資源建設。自2015開始，在逐步調整業務結構及客戶結構的同時，通過提升業務提成比例、向業績優秀並風險質量管理良好的機構及團隊提供超額獎勵，此舉使得人力成本提升。未來，我們將進一步加大人力資源投入。

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管理層討論與分析

Credit guarantee

Financing guarantee (refers to guarantee provided by the guarantor for the borrowings, bond issuance and other debt financing of guaranteed person) constitutes an important part of inclusive financial system, and plays a vital role in developing inclusive finance, promoting capital financing and solving the difficult and expensive financing of micro, small and medium-sized enterprises as well as “three rural” (agriculture, farmer and rural area)”. Prior to the issuance of the Regulations on the Supervision and Administration of Financing Guarantee Companies (the “**Regulations**”), the standard regulations for financing guarantee companies were prepared by 7 ministries and commissions including China Banking Regulatory Commission and published on 8 March 2010, namely, Interim Measures for the Management of Financing Guarantee Company (the “**Measures**”). Since the implementation of the Measures until the publication of the Regulations, the CBRC and other parties issued a number of normative documents in succession. However, since the regulators of the financing guarantee industry in various regions of China are not unified, the financing guarantee industry has not been effectively regulated. The occurrence of risk events in individual financing guarantee agency reveals the poor supervision, substandard operation, untrue capital funds, complicated related-party transaction, and weak will and ability of guarantee agencies in support of micro, small and medium-sized enterprises as well as “three rural”, and other problems, thus, the “bad money drives out good” appears.

信用擔保

融資擔保（融資擔保是指擔保人為被擔保人借款、發行債券等債務融資提供擔保的行為）是普惠金融體系的重要組成部分，對於發展普惠金融、促進資金融通，解決中小微企業和「三農」融資難融資貴的問題具有重要作用。在《融資擔保公司監督管理條例》（「《條例》」）公佈之前，對融資擔保公司的規範法規是中國銀行業監督管理委員會等七部委制定的並於2010年3月8日公佈的《融資性擔保公司管理暫行辦法》（「《辦法》」）。自《辦法》開始實施至本條例公佈之前，銀監會等各方陸續下發多份規範性文件，但由於我國各地區融資擔保行業監管機構不統一，融資擔保行業一直未得到有效規範，個別融資擔保機構風險事件的發生，暴露出擔保機構存在監管不到位、經營不規範、資本金不實、關聯交易複雜、扶持中小微企業和「三農」的意願和能力不強等問題，從而出現「劣幣驅良幣」的現象。

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With the approval of the State Council of the People's Republic of China, the Regulations on the Supervision and Administration of Financing Guarantee Companies was formally released on 2 August 2017, and formally enforced on 1 October 2017. The Opinions on Accelerating the Development of Financing Guarantee Industry (hereinafter referred to as Document 43) of the State Council and the Regulations clearly defined, at the national level, the important role of the financing guarantee industry in the financing of micro, small and medium-sized enterprises as well as "three rural", and the necessity of policy support for the development of financing guarantee business. The Document 43 and the Regulations point out the direction for the future development of the financing guarantee industry at the critical moment, bring significant benefits to the sustained and sound development of the industry in the longer term, and will become an important turning point in the development of the financing guarantee industry.

The Regulations set out a series of support measures in the general rules and operational regulations sections, covering: (1) The State promotes the establishment of government financing guarantee systems, including government funding for the establishment of development funds of financing guarantee industry, establishment of re-guarantee system, financing guarantee agencies, and the supervisory and administrative departments and industry self-regulatory organizations at all levels, and establishment of coordination mechanisms at all levels and among various agencies; (2) The financial sectors of the people's governments at all levels provide financial support to financing guarantee companies mainly serving micro and small enterprises as well as "three rural" through capital investment and establishment of risk sharing mechanisms; (3) Although the multiplier of a financing guarantee company (multiplier = outstanding financing guarantee balance/net assets) is usually capped at 10 times, the multiplier of a financing guarantee company mainly serving micro and small enterprises as well as "three rural" may be increased to 15 times. All long, the Group's affiliated financing guarantee company is committed to providing services to extensive micro and small enterprises as well as "three rural" customers. As at 31 December 2017, the financing guarantee business of micro and small enterprises as well as "three rural" accounted for up to 76% of the Group's outstanding traditional financing guarantee, regardless of the total number of transactions or number of households. This move is conducive to the Group's further development of its first-mover advantage and increases its business scale.

經中華人民共和國國務院批准，《融資擔保公司監督管理條例》於2017年8月2日正式發佈，並於2017年10月1日開始正式實施。國務院《關於促進融資擔保行業加快發展的意見》（以下簡稱「43號文」）和《條例》在國家層面明確了融資擔保行業服務中小微企業和「三農」融資的重要作用，以及政策扶持對於發展融資擔保業務的必要性。43號文和《條例》在融資擔保行業發展的關鍵時刻，為融資擔保行業未來發展指明了方向，為行業未來較長時期內的持續、健康發展帶來重大利好，將成為融資擔保行業發展的重要轉折點。

《條例》在總則和經營規則章節中制定了一系列扶持措施。包括：(1)國家推動建立政府性融資擔保體系，包括政府出資設立融資擔保產業發展基金、建立再擔保體系、融資擔保機構、各級監督管理部門及行業自律組織，在各層面、各機構之間建立協調機制；(2)各級人民政府財政部門通過資本金投入、建立風險分擔機制等方式，對主要為小微和「三農」服務的融資擔保公司提供財政支持；(3)融資擔保公司的放大倍數（放大倍數 = 融資擔保責任餘額／淨資產）通常不超過10倍，但對主要為小微和「三農」服務的融資擔保公司，擔保放大倍數上限可以提高至15倍；一直以來，本集團下屬的融資擔保公司致力於為廣大小微企業和「三農」客戶提供服務。截至2017年12月31日，本集團傳統融資擔保餘額中，屬於小微企業和「三農」性質的融資擔保業務無論從筆數、戶數統計，佔比比例高達76%。此舉有利於本集團進一步發揮先發優勢，提升業務規模。

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Looking forward to 2018, China's economy has shifted from a period of high-speed growth to a stage of medium-high-speed and high-quality development. The SMEs will be subject to a lot of financing needs in the phase of economic growth shift and the deepening of supply-side reforms. At the policy level, the promulgation and implementation of the Regulations clarify ideas for the business development directions of different types of financing guarantee agencies. Among which, the policy-based local financing guarantee agencies will return to traditional indirect financing guarantees in order to obtain policy support and business development space. The market-based financing guarantee agencies will benefit from the policy orientation and overall normative macro operating environment. The financing guarantee agencies that have the strength, technology, better market layout, standard internal management, and focus on serving micro, small and medium-sized enterprises will quickly stand out as industry leaders, and guide the constantly innovative development of the financing guarantee industry.

展望2018年，我國經濟已由高速增長階段轉向中高速、高質量發展的階段，中小企業在經濟增速換檔期和供給側改革深化階段，將產生大量的融資需求。政策層面，《條例》的出台和實施，為不同類型的融資擔保機構業務發展方向提供了明確思路，其中，地方政策性融資擔保機構為獲得政策扶持和業務發展空間，業務將向傳統間接融資擔保回歸；市場化融資擔保機構則受益於政策導向及宏觀經營環境的整體規範，對於有實力、有技術、市場佈局較好、內部管理規範、一直專注於服務中小微企業的融資擔保機構將迅速脫穎而出並成為行業翹楚，引領融資擔保行業不斷創新發展。

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Business expansion and products

The following table sets forth the key performance indicators of the credit guarantee business of the partnership finance business segment of the Group as at the dates indicated:

業務拓展及產品

下表載列於所示日期本集團夥伴金融業務集團分部各項信用擔保業務的關鍵業務指標：

		As at 31 December 於12月31日			
		2017 2017年	2016 2016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)		Amount 金額	Amount 金額	Amount 金額	Percentage % 比例%
Product distribution of outstanding guarantee balance:	擔保責任餘額按產品分佈：				
Traditional financing guarantee	傳統融資擔保	10,516.3	8,925.1	1,591.2	17.8
Bond guarantee	債券擔保	23,350.0	20,250.0	3,100.0	15.3
Subtotal of financing guarantee balance	融資擔保餘額小計	33,866.3	29,175.1	4,691.2	16.1
Re-guarantee	再擔保業務分出	–	(10,000.0)	(10,000.0)	(100.0)
Outstanding traditional financing guarantee balance	傳統融資擔保責任餘額	10,516.3	8,875.1	1,641.2	18.5
Outstanding bond guarantee balance	債券擔保責任餘額	23,350.0	10,300.0	13,050.0	126.7
Outstanding financing guarantee balance	融資擔保責任餘額	33,866.3	19,175.1	14,691.2	76.6
Non-financing guarantee	非融資擔保	12,598.7	11,455.8	1,142.9	10.0
– Guarantee of capital preservation funds	– 保本基金擔保	4,443.1	8,255.2	(3,812.1)	(46.2)
– Project performance guarantee	– 工程履約擔保	7,820.5	2,691.9	5,128.6	190.5
– Litigation guarantee	– 訴訟履約擔保	335.1	508.7	(173.6)	(34.1)
Total outstanding guarantee balance	在保餘額合計	46,465.0	30,630.9	15,834.1	51.7

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The Group kept improving its product portfolio based on the macroeconomic environment and market conditions, in combination with needs of 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 its existing products to meet market changes, and continuously improved product popularity and competitiveness. In addition, the Group will continue its product innovation. Such strategies will promote the constant improvement of the Group's business product portfolio. The Group's guarantee products primarily include guarantee for direct financing and sale under repurchase agreement transactions through bank and other fund channels; guarantees for bonds issued on the stock exchange market, inter-bank markets and other channels; performance guarantee for capital preservation fund products managed by mutual fund management companies, and other forms of non-financing guarantees such as pledge and performance guarantee for projects and litigation guarantee.

The Group adhered to the principles of compliant operations and “encouragements and discouragements”, 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. The Group's outstanding guarantee balance of the credit guarantee business was RMB46,465.0 million, representing an increase of RMB15,834.1 million or 51.7% as compared with RMB30,630.9 million as at 31 December 2016. This was mainly due to the combination with new regulatory policies and operating strategies of the Group to actively remove the re-guarantee business totaling RMB10,000.0 million with the re-guarantee agencies. Excluding this factor, the growth of traditional financing guarantee business and project performance guarantee business was the main driver. In 2017, both the traditional financing guarantee business and project performance guarantee business witnessed high-speed growth, and presented an increase tendency in terms of balance as at 31 December 2017 compared with that as at 31 December 2016. As at 31 December 2017, the Group's outstanding guarantee balance of the traditional financing guarantee business was RMB10,516.3 million, representing an increase of RMB1,641.2 million or 18.5% as compared with RMB8,875.1 million as at 31 December 2016. As at 31 December 2017, the Group's liability balance of the project performance guarantee business was RMB7,820.5 million, representing an increase of RMB5,128.6 million or 190.5% as compared with RMB2,691.9 million as at 31 December 2016.

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及履約擔保、訴訟保全擔保等非融資擔保。

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。本集團信用擔保業務在保責任餘額為人民幣46,465.0百萬元，較2016年12月31日在保餘額人民幣30,630.9百萬元增加人民幣15,834.1百萬元，增幅達51.7%，主要原因是本集團結合新的監管政策及經營策略，主動解除與再擔保機構開展的分保業務計人民幣10,000.0百萬元。剔除該因素影響，其增長主要來源於傳統融資擔保業務及工程履約擔保業務規模的增長。2017年，傳統融資擔保業務、工程履約擔保業務均取得了高速增長，與2016年12月31日業務餘額相比，上述業務於2017年12月31日的餘額均呈增長態勢。其中，於2017年12月31日，本集團傳統融資擔保業務責任餘額為人民幣10,516.3百萬元，較2016年12月31日餘額人民幣8,875.1百萬元，增加人民幣1,641.2百萬元，增幅18.5%；於2017年12月31日，工程履約擔保業務餘額為人民幣7,820.5百萬元，較2016年12月31日責任餘額人民幣2,691.9百萬元，增長人民幣5,128.6百萬元，增幅190.5%。

Management Discussion and Analysis

管理層討論與分析

* Traditional financing guarantee business

Traditional financing guarantee business mainly includes bank financing guarantee and other non-bank financing guarantee. The Group is always committed to its mission of “serving SMEs and individuals”. It strives to provide services to SMEs which meet relevant credit qualifications. Since 2015, the Chinese domestic economy has been subject to increasing downside pressure, compounded with the intricate economic situation. The Group gradually, actively and orderly scaled down the top 10 high-risk industries such as real estate development and the relevant construction and installation and metal smelting industries in order to lower default payments; at the same time, clients and business development model were gradually changed by: (1) providing integrated financial services to customers through the comparative advantages of its wide range of financial licenses, business network across the country, as well as flexible and efficient operation mechanism; (2) offering financial services to SMEs at different stages of development and intensely developing partnership finance with capital investment as the tie in adopting the “capital + credit” approach; (3) taking marketing initiatives to target core enterprises with higher credibility, leveraging the sales network and financing channels and networks of the core enterprises, and developing standardized products to cater to the financing needs from both upstream and downstream enterprises of the core enterprises, thereby promoting the development of the supply chain financial business model. This has facilitated the gradual transformation of the Group from the marketing approach that targeted “single customer” to the “supply chain model”. The combination of the above measures has driven the distinct growth of the transitional financing guarantee business.

• 傳統融資擔保業務

傳統融資擔保業務主要包括銀行類融資擔保和其他非銀行機構類融資擔保。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，國內經濟下行壓力逐步加大，經濟形勢錯綜複雜。本集團逐步主動有序壓縮房地產開發及相關的建築安裝行業、金屬冶煉等十大高危行業，以減少違約付款金額；同時，逐步改變客戶及業務拓展模式：(1)通過瀚華金控豐富的金融牌照、分佈全國的經營網絡、靈活高效的運營機制所形成的比較優勢，為廣大客戶提供綜合性的金融服務；(2)以資本投資為紐帶，採用「資本+信貸」的方式，為廣大中小企業在不同成長階段提供金融服務，大力發展夥伴金融；(3)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，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，大力發展供應鏈金融業務模式，這使得本集團從過去針對「單一客戶」的營銷模式逐步向「供應鏈模式」轉變；上述綜合舉措使得傳統融資擔保業務出現明顯增長態勢。

Management Discussion and Analysis

管理層討論與分析

In 2017, total guarantee and consulting fee income of traditional financing guarantee business was RMB406.4 million, representing a decrease of RMB67.4 million or 14.2% as compared with RMB473.8 million in 2016. According to the relevant stipulations of the accounting standards, the Group's guarantee and consulting fee income received from customers will be measured at 1/365 during the entire period of the guarantee contract, and the unrealized income will be included in the unearned liability reserve. In spite of the upward tendency of traditional financing guarantee business in 2017 compared with 2016, the new business presented the business situation of "lower at first and higher in the end" in 2017, together with the continuous decrease of volume in 2015 and 2016, resulting in the decline of realized guarantee and consulting fee income in 2017.

After continuous customer adjustment and expansion, the downward trend of traditional financing guarantee business was replaced with positive growth trend in 2017, during which the volume of traditional financing guarantee business was RMB16,503.6 million, representing an increase of RMB3,014.0 million or 22.3% as compared with RMB13,489.6 million in 2016. As at 31 December 2017, the Group's outstanding guarantee balance of traditional financing guarantee business was RMB10,516.3 million, representing an increase of RMB1,641.2 million or 18.5% as compared with RMB8,875.1 million as at 31 December 2016.

Since 2015, the Group gradually withdrew from industries and clients with higher credit risks while actively identifying new customers and constantly expanding its client base. In 2017, there were about 1,000 new clients of traditional financing guarantee business of the Group. As at 31 December 2017, there were about 1,700 clients of traditional financing guarantee business of the Group, and the average liability balance of individual client was RMB6.4 million.

2017年，傳統融資擔保業務實現擔保及諮詢費收入總額為人民幣406.4百萬元，與2016年該類業務產生的擔保及諮詢費收入人民幣473.8百萬元相比，減少人民幣67.4百萬元，降幅14.2%。按照會計準則的相關規定，本集團向客戶收取的擔保及諮詢費收入將在整個擔保合同存續期間內按照三百六十五分之一法進行計量，未實現收入部分將計入未到期責任準備金。儘管傳統融資擔保業務2017年發生額較2016年呈增長態勢，但2017年新增業務在2017年內部呈「前低後高」的業務態勢，以及2015年、2016年發生額呈持續下滑態勢影響，使得2017年實現的擔保及諮詢費收入呈下滑態勢。

經過不斷的客戶調整和客戶拓展，2017年傳統融資擔保業務發生額停止下滑趨勢，並呈正增長態勢。2017年，傳統融資擔保業務發生額為人民幣16,503.6百萬元，與2016年該類業務發生額人民幣13,489.6百萬元相比，增加人民幣3,014.0百萬元，增幅22.3%。於2017年12月31日，本集團傳統融資擔保業務責任餘額為人民幣10,516.3百萬元，較2016年12月31日餘額人民幣8,875.1百萬元，增加人民幣1,641.2百萬元，增幅18.5%。

自2015年開始，本集團逐步退出信用風險相對較高的行業及客戶；同時，積極拓展新客戶，以不斷擴大基礎客群。2017年，本集團傳統融資擔保業務新增客戶數1,000戶左右。於2017年12月31日，本集團傳統融資擔保客戶數約為1,700戶，單戶平均在保責任餘額為人民幣6.4百萬元。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the distribution of the traditional financing guarantee business by geographical region as at the dates indicated:

下表載列於所示日期傳統融資擔保業務按地區劃分的擔保分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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%
Chongqing	重慶	3,166.4	30.1	2,277.8	25.7
Liaoning	遼寧	1,511.5	14.4	1,324.4	14.9
Sichuan	四川	1,279.7	12.2	1,584.3	17.9
Jiangsu	江蘇	1,152.2	11.0	1,219.1	13.7
Shanghai	上海	446.8	4.2	221.2	2.5
Others	其他	2,959.7	28.1	2,248.3	25.3
Total	合計	10,516.3	100.0	8,875.1	100.0

As at 31 December 2017, Chongqing, Liaoning, Sichuan, Jiangsu and Shanghai were the five biggest markets in terms of proportion in the aggregate balance of traditional financing guarantees. With the continuous deepening of China's "Western Development" strategy and under the guidance of the "Belt and Road Initiative" policy, we will continue to expand and develop our traditional financing guarantee business in other regions of China to facilitate the growth of local SMEs and achieve a win-win situation, while enjoying relevant preferential policies. It is expected that the proportion of other regions in the aggregate balance of traditional financing guarantee will gradually increase.

於2017年12月31日，以傳統融資擔保餘額所佔百分比計算，重慶、遼寧、四川、江蘇及上海為我們傳統融資擔保業務的前五大市場。隨著國家「西部大開發」戰略的不斷深入、以及在「一帶一路」政策的指導下，我們將繼續於中國其他地區拓展及發展我們的傳統融資擔保業務，在享受相關政策優惠的同時，為當地中小企業的成長助力，實現共贏局面。預期其他地區佔傳統融資擔保餘額百分比將逐漸增加。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期傳統融資擔保業務按行業劃分的擔保分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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%
Construction	建築業	2,880.4	27.4	1,472.7	16.6
Manufacturing and processing	製造及加工業	2,602.0	24.7	2,380.4	26.8
Commercial services	商貿	2,488.2	23.7	2,753.7	31.0
Information technology services	信息技術服務	708.4	6.7	404.3	4.6
Energy	能源	399.0	3.8	482.7	5.4
Others	其他	1,438.3	13.7	1,381.3	15.6
Total	合計	10,516.3	100.0	8,875.1	100.0

As at 31 December 2017, the traditional financing guarantee business mainly concentrated in construction, manufacturing and processing, commercial industry, information technology services and energy in terms of proportion in the aggregate balance of traditional financing guarantees. We always adhered to the idea of “industry diversification” to avoid over-reliance on a single industry. Meanwhile, in order to effectively spread risk, our traditional financing guarantee business revolved around the principles of “staying close to the livelihood of people, staying close to industry and serving SMEs”, and provided active support for the development of SMEs.

於2017年12月31日，以所佔傳統融資擔保餘額百分比計算，傳統融資擔保業務主要集中在建築業、製造及加工業、商貿、信息技術服務及能源。我們始終堅持「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，我們的傳統融資擔保業務緊緊圍繞「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。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the distribution of the collaterals obtained by traditional financing guarantee business as at the dates indicated:

下表載列於所示日期傳統融資擔保業務獲取的抵質押物分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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%
Unsecured guarantee	無抵押擔保	5,689.5	54.0	4,444.2	50.0
Secured guarantee	有抵押擔保	4,826.8	46.0	4,430.9	50.0
– Land and buildings	– 土地及樓宇	3,499.5	33.3	2,821.4	31.8
– Trade receivables and equity interests	– 應收賬款及股權	1,125.6	10.7	1,548.6	17.5
– Others	– 其他	201.7	2.0	60.9	0.7
Total	合計	10,516.3	100.0	8,875.1	100.0

Management Discussion and Analysis

管理層討論與分析

Since 2015, the Group has intensified its R&D and promotion of standardized products, and gradually formed two product lines: standardization and individualization. The Group formulated specific credit extension guideline, operational procedure, pledge policy, charging policy and post-guarantee management requirements based on different product characteristics, customer groups, and funding channels. For individualized products, combined with the retrospective review of defaulting customers in the past and historical recovery collection, sufficient collateral is of great significance to risk management. Therefore, the Group constantly adjusts its credit extension tactics to enhance the secondary repayment source by obtaining collaterals while focusing on the primary repayment source of customers. As at 31 December 2017, the overall pledge rate of the individualized product balance accounted for 58.7% of the Group's traditional financing guarantee products. The standardized products are designed, in main combination with the operating characteristics, fund flow and circulation characteristics of a particular industry. The Group weakens the specific collateral-based methods and promotes its business in batches by managing the "information flow, capital flow and cargo flow" mainly with the supply and engagement of partners. As at 31 December 2017, the unsecured guarantee business accounted for 54.0% of the traditional financing guarantee business, representing a slight increase of 4.0 percentage points from 2016, mainly due to the rapid development of standardized products.

自2015年開始，本集團加大對於標準化產品的研發及推廣，逐步形成「標準化」和「個性化」兩大產品系列；本集團根據不同的產品特徵、客戶群體、資金渠道，制定特定的授信指引、操作流程、抵質押政策、收費政策、保後管理要求等。對於「個性化」產品，結合對過往代償客戶以及歷史清收經驗的追溯回顧，擁有足值的抵押物對於風險管理具有重要的意義，因此本集團不斷調整授信策略，在重點關注客戶第一還款來源的同時，繼續強化通過獲取抵質押物的方式強化第二還款來源。截至2017年12月31日，本集團傳統融資擔保產品中，「個性化」產品餘額的總體抵質押率為58.7%。對於「標準化」產品，主要結合某一特定行業的經營特徵、資金流轉、貨物流轉特徵而設計，本集團弱化具體的抵質押物方式，主要通過合作方提供並參與管理的「信息流、資金流、貨物流」進行管理，以批量化推廣業務。於2017年12月31日，在傳統融資擔保業務中無抵押擔保業務所佔比例為54.0%，較2016年小幅上升4.0個百分點，主要因為「標準化」產品發展迅速所致。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the distribution of liability balance of traditional financing guarantee business by risk exposure as at the dates indicated:

下表載列於所示日期按風險敞口劃分的傳統融資擔保責任餘額分佈：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	3,463.8	33.0	1,975.4	22.3
Over RMB3 million to RMB5 million	人民幣3百萬元以上至人民幣5百萬元	1,157.4	11.0	1,358.0	15.3
Over RMB5 million to RMB10 million	人民幣5百萬元以上至人民幣10百萬元	1,707.1	16.2	1,724.5	19.4
Over RMB10 million to RMB30 million	人民幣10百萬元以上至人民幣30百萬元	2,114.4	20.1	1,722.2	19.4
Over RMB30 million	人民幣30百萬元以上	2,073.6	19.7	2,095.0	23.6
Total	合計	10,516.3	100.0	8,875.1	100.0

While continuing to work with high-quality SME customers, the Group strengthened its cooperation with quality companies such as Top 100 Enterprises, leading industry companies and high-quality listed companies. As at 31 December 2017, the balance of guarantees for SME customers within the Group's outstanding guarantee liability of less than RMB10 million was RMB6,328.3 million, accounting for 60.2%, which increased by 3.2 percentage points compared with that of 31 December 2016. The higher percentage is mainly due to the gradual improvement in the transformation and upgrading of business models, which has enabled a growing number of high-quality SMEs to benefit from our sources and demonstrated the commercial value of our inclusive finance.

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2017年12月31日，本集團擔保責任餘額在人民幣1,000萬以下的中小企業客戶擔保餘額為人民幣6,328.3百萬元，擔保餘額佔比60.2%，該比例較2016年12月31日上升了3.2個百分點。該比例上升主要是業務模式轉型升級逐步完善，讓越來越多的優質中小企業從我們的服務中受惠，展現了我們普惠金融的商業價值。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期傳統融資擔保業務剩餘到期時間分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	3,429.0	32.6	3,113.4	35.0
Due over six months up to one year	6個月以上至1年	5,559.1	52.9	4,810.1	54.2
Due over one year up to two years	1年以上至2年	484.4	4.6	352.0	4.0
Due over two years up to three years	2年以上至3年	369.4	3.5	399.0	4.5
Due over three years	3年以上	674.4	6.4	200.6	2.3
Total	合計	10,516.3	100.0	8,875.1	100.0

The Group focuses on providing short-term guarantees to respond quickly to changes in market and customer. As at 31 December 2017, the Group's traditional financing guarantee business mainly distributed in the range from six months to one year, in which, an optimal balance between operation cost and time risk cost might be reached.

本集團專注提供短期擔保，以快速應對市場及客戶的變化。於2017年12月31日，本集團傳統融資擔保業務主要分佈在六個月以上至一年這個區間，在該區間內業務成本與時間風險成本可以達到最優平衡。

Management Discussion and Analysis

管理層討論與分析

- Bond guarantee business

Since 2009, the Group has gradually expanded its guarantee service network to 22 provinces across the country and established the most complete financing guarantee service network in China. Based on the Group's strategic development direction and operating income considerations, the Group has always focused on providing financing guarantees for a large number of micro, small and medium-sized enterprises, and has not been involved in the bond guarantee market because of lower yield of bond guarantee. In combination with the external market conditions, the Group has started to actively adjust the business structure and customer structure of the traditional financing guarantee business since 2015, resulting in a gradual decline in the balance of traditional financing guarantee business, of which, the outstanding guarantee balance of traditional financing guarantee business as at 31 December 2014 was RMB16,737.6 million, then gradually decreased to RMB11,719.0 million as at 31 December 2015, and further decreased to RMB8,925.1 million as at 31 December 2016.

- 債券擔保業務

自2009年開始，本集團將擔保服務網絡逐步擴充至全國22個省份，建立了當下中國最完善的融資擔保服務網絡。一直以來，基於本集團戰略發展方向及運營收益考慮，本集團專注於為廣大中小微企業提供融資擔保，並未涉足債券擔保市場，因為債券擔保收益率相對較低。結合外部市場狀況，本集團自2015年開始主動對傳統融資擔保業務進行業務結構及客戶結構的調整，使得傳統融資擔保業務餘額逐步下降，其中2014年12月31日傳統融資擔保業務責任餘額為人民幣16,737.6百萬元，隨後逐步下降至2015年12月31日的人民幣11,719.0百萬元，並進一步於2016年12月31日下降至人民幣8,925.1百萬元。

Management Discussion and Analysis

管理層討論與分析

The Central People's Government stated clearly 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 have been made to accelerate the establishment of a multi-level capital market to make investment a theme for steady growth in the future. Against this backdrop, the Group further advanced 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 idea 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 creditors' 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 win-win 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 in the capital market, the Group provided credit guarantees for "special yield bonds and support bonds for micro and small 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 transform from the role of a traditional "credit market" service provider to the role of a "Capital + Credit" market integrated service provider.

In 2017, "Hanhua Guarantee Co., Ltd.", 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., Pengyuan Credit Rating Co., Ltd. and Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. respectively.

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、投資及併購基金、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」服務商轉變為「資本+信貸」市場綜合服務商。

於2017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、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。

Management Discussion and Analysis

管理層討論與分析

Based on the above reasons, 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 the Group's brand in the capital market, as the temporary business configuration strategy. In 2016, the Group provided guarantees for bonds in a total amount of RMB20,250.0 million issued by 24 customers.

For such bond guarantee business, in spite of lower yield of individual business than that of traditional financing guarantee business, the amount of individual guarantee is larger, with longer term, so that the Group can receive the guarantee fee for the entire future guarantee period at one go. Since the guarantee fee received needs to be apportioned and recognized during the whole guarantee period, such a one-time collection of guarantee fee will produce no material impact on the revenue for current period, but the expansion of the business enables the Company to further enrich its liquidity and invest the free funds in capital business and other business sectors. Additionally, the Group provided credit guarantees for "special yield bonds and support bonds for micro and small 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, thus furthering expanding its customer base.

基於以上原因，本集團於2016年合理利用長期空間的業務空間，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，作為臨時性業務配置策略。2016年，本集團累計為24個客戶發行的共計人民幣20,250.0百萬元債券提供擔保。

上述債券擔保業務，儘管單筆業務收益率較傳統融資擔保業務收益率較低，但因單筆擔保金額較大，期限較長，本集團可以一次性收取未來整個擔保期間的擔保費。由於收取的擔保費需要在整個擔保期間內分攤確認，這種一次性收取擔保費的行為不會對當期收益產生實質性影響，但該業務的拓展使得本集團可以進一步充實流動性，並利用閒餘資金投資於資金業務和其他業務板塊。同時，通過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，本集團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，以此進一步擴大客戶群體。

Management Discussion and Analysis

管理層討論與分析

Prior to the implementation of the Regulations on the Supervision and Administration of Financing Guarantee Companies on 1 October 2017, the Interim Measures for the Management of Financing Guarantee Companies stated the “guarantee liability balance provided by a financing guarantee company for a single guaranteed person should not be more than 30% of its net assets”. After the Regulations on the Supervision and Administration of Financing Guarantee Companies was implemented on 1 October 2017, “the ratio of the guarantee liability balance provided by a financing guarantee company for a single guaranteed person to its net assets must not exceed 10%”. This stipulation will greatly limit the amount of guarantee provided by a financing guarantee company for the issuance of a single bond. At the same time, the guarantee liability balance of a single bond will be set according to the credit rating of the bond itself. The multiplier of a financing guarantee company is required to be usually capped at 10 times. This will limit the allocation of financial guarantee companies to bond guarantee business to a great extent. With the continuous increase in the Group’s traditional bank financing guarantee and supply chain financing guarantee business, the temporary resource allocation strategy for bond guarantee business will gradually fade out. The majority of the bonds guaranteed by the Group will be gradually repaid in the third year of the bond’s existence. According to the statistics on current business data, the bond guarantee business will decrease by RMB4,180.0 million, RMB5,310.0 million, and RMB4,375.0 million in 2019, 2020, and 2021, respectively, totaling RMB13,865.0 million. The Group will invest the amount released from bond guarantee business in bank financing guarantees and supply chain financing guarantees to enhance capital use efficiency.

In 2017, the business volume in relation to bond guarantee issued by the Group decreased as a result of the sharp drop in the issuance of bonds in the capital market and the adjustment of the Group’s business strategy. In 2017, the Group provided guarantee for a total of five bonds in an aggregate amount of RMB3,220.0 million.

在《融資擔保公司監督管理條例》於2017年10月1日實施以前，根據《融資性擔保公司管理暫行辦法》的相關規定，融資擔保公司「對單個被擔保人債券發行提供的擔保責任餘額不得超過淨資產的30%。」而《融資擔保公司監督管理條例》於2017年10月1日實施以後，融資擔保公司「對同一被擔保人的擔保責任餘額與融資擔保公司淨資產的比例不得超過10%」。此規定將極大限制融資擔保公司對單一債券發行提供的擔保額度。同時，對於單一債券擔保的責任餘額將按照債券本身的資信評級進行設定，並規定融資擔保公司的放大倍數通常不超過10倍。此舉將極大程度地限制融資擔保公司對於債券擔保類業務的配置。隨著本集團傳統銀行融資擔保、供應鏈融資擔保業務發生額的持續增加，債券擔保業務臨時性資源配置策略將逐步淡出。本集團擔保的債券絕大部分將於債券存續的第三年度開始逐步償還。根據對當前業務數據的統計，債券擔保業務將於2019年、2020年、2021年這三年分別減少人民幣4,180.0百萬元、5,310.0百萬元、4,375.0百萬元，累計人民幣13,865.0百萬元，本集團將把逐步釋放的債券擔保業務額度投資於銀行融資擔保及供應鏈融資擔保，以提升資本使用效益。

2017年，受資本市場債券發行規模大幅下降的影響及本集團經營策略的調整，本集團簽發的與債券擔保相關的業務量亦隨之下滑。2017年，本集團共為五隻債券發行共計人民幣3,220.0百萬元提供擔保。

Management Discussion and Analysis

管理層討論與分析

In 2017, total guarantee and consulting fee income of bond financing guarantee business was RMB147.2 million, representing a decrease of RMB103.7 million or 41.3% as compared with RMB250.9 million in 2016, which was primarily due to the decline in the volume of bond financing guarantee business in 2017.

The following table sets forth the various items of the bond guarantee business by region as at the date indicated:

2017年，債券融資擔保業務實現擔保及諮詢費收入總額為人民幣147.2百萬元，與2016年該類業務產生的收入人民幣250.9百萬元相比，減少人民幣103.7百萬元，降幅41.3%，這主要源於2017年債券融資擔保業務發生額下滑所致。

下表載列於所示日期，本集團按地域劃分債券擔保金額：

		As at 31 December 2017	
		於2017年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)		Amount	% of total
		金額	佔總額%
Jiangsu	江蘇	6,800.0	29.1
Hunan	湖南	5,600.0	24.0
Tianjin	天津	2,100.0	9.0
Jiangxi	江西	1,900.0	8.1
Chongqing	重慶	1,800.0	7.7
Others	其他	5,150.0	22.1
Total	合計	23,350.0	100.0

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2017, the Group provided guarantee services for a total of 29 bonds worth of RMB23,350.0 million. The Group only provides guarantees for bonds issued by the investment and financing platforms established and controlled by local governments, and does not involve in corporate bonds issued by listed companies.

Before the issuance of the Notice on Further Regulating the Debt Financing Behavior of Local Governments (CY [2017] No. 50) (hereinafter referred to as Circular 50), the basic access requirements for the bonds by investment and financing platforms of local governments (hereinafter referred to as City Investment Bonds) are: the issuer rating is at least AA-, the general budget revenue of local government where the issuer subordinates is more than RMB700.0 million, the said local government issues three sets of documents, the use of funds raised from bonds is a project within the budget of local government, and the repayment of principal and interest of bonds is included in the annual financial budget of local government or be funded by financial funds. After the issuance of Circular 50, the Group, in conjunction with relevant policies and market conditions, requested the issuer to supplement counter-guarantee measures on projects that the guarantee letter has signed and the counter-guarantee measures were expected to weaken, and achieved positive results. On the other hand, the Group adjusted the credit extension policy on guarantees for City Investment Bonds, and further increased the access requirements: the issuer rating is at least AA, the general budget revenue of local government where the issuer subordinates is more than RMB1,000.0 million, and the counter-guarantee measures are based on the receivables of local governments with ownership subject to the recognition of credit-issuing entity, supplemented by sufficient and easily-realizable collaterals, while requesting the project expenditures corresponding to receivables with confirmed pledge must be included in the government budget. Additionally, following the promulgation of the Regulations on the Supervision and Administration of Financing Guarantee Companies in August 2017, the Group has uniformly adjusted the amount of guarantees for individual bond to not exceed RMB400.0 million.

於2017年12月31日，本集團共計為29支債券價值人民幣23,350.0百萬元提供擔保服務。本集團只為地方政府設立並控制的投融資平台發行的債券提供擔保，不涉足上市公司發行的企業債券業務。

在《關於進一步規範地方政府舉債融資行為的通知》（財預[2017]50號）（以下簡稱「50號文」）頒布實施以前，本集團對於地方政府投融資平台發行的債券（以下簡稱「城投債」），其基本准入條件為：發行主體評級至少為AA-發行主體所屬當地政府一般預算收入人民幣700.0百萬元以上、發行主體所屬地方政府出具三套文、債券募集資金使用屬於地方政府預算內項目、債券本息金額的償還納入地方政府年度財政預算或由財政資金兜底。50號文頒布後，本集團結合相關政策及市場情況，一方面對已經簽署擔保函並預期會弱化反擔保措施的項目，要求發行主體補充反擔保措施，並取得積極效果；另一方面，調整城投債權擔保授信政策，其准入門檻進一步提升為發行主體評級至少為AA、發行主體所屬當地政府一般預算收入人民幣1,000.0百萬元以上、反擔保措施以「質押發行主體對地方政府的可以進行權屬確認的應收賬款為主，同時以充足且易變現的抵押物為輔」的授信模式，同時要求確權質押的應收賬款對應的項目支出必須納入政府預算；同時，繼2017年8月《融資擔保公司監督管理條例》出台後，本集團將單筆債券的擔保額度統一調整為不超過人民幣400.0百萬元。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2017, Jiangsu, Hunan, Tianjin, Jiangxi and Chongqing were the main places in terms of proportion in the balance of bond guarantees.

The following table sets forth the distribution of the bond guarantee business by industry as at the date 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 2017 於2017年12月31日	
		Amount 金額	% of total 佔總額%
Public facilities investment and management	公共設施投資與管理	10,430.0	44.6
Household goods	綜合	7,550.0	32.3
Construction	建築業	2,700.0	11.6
Public management and social organization	公共管理與社會組織	1,900.0	8.1
Others	其他	770.0	3.4
Total	合計	23,350.0	100.0

As at 31 December 2017, the bond guarantee business mainly concentrated in public facilities investment and management, household goods, construction, as well as public management and social organization. No industry accounted for more than 50% of the total, avoiding excessive reliance on a single industry, which was consistent with the risk management concept of "industry diversification" we have always insisted on.

於2017年12月31日，以所佔債券擔保餘額百分比計算，江蘇、湖南、天津、江西、重慶為我們債券擔保業務的主要發生地。

下表載列於所示日期債券擔保業務按行業劃分的擔保分佈情況：

於2017年12月31日，債券擔保業務主要集中在公共設施投資與管理、綜合、建築業、公共管理與社會組織。沒有任何一個行業所佔比例超過50%，避免了對單一行業的過度依賴，這與我們始終堅持的「行業分散」風險管理理念相吻合。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the distribution of the collaterals obtained by bond guarantee business as at the date indicated:

下表載列於所示日期債券擔保業務獲取的抵質押物分佈情況：

		As at 31 December 2017 於2017年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)		Amount 金額	% of total 佔總額%
Unsecured guarantee	無抵押擔保	4,300.0	18.4
Secured guarantee	有抵押擔保	19,050.0	81.6
– Land and buildings	– 土地及樓宇	9,100.0	39.0
– Accounts receivable and equity interests	– 應收賬款及股權	9,950.0	42.6
Total	合計	23,350.0	100.0

As at 31 December 2017, the collateral coverage rate of the bond guarantee business was 81.6%. Even if the bonds guaranteed by the Group are rated high and the associated risks are relatively low, the Group also strictly controls the collaterals to minimize the risks.

於2017年12月31日，債券擔保業務抵押物覆蓋率為81.6%。即使本集團所擔保的債券評級較高，風險相對較低，本集團亦對抵質押物嚴格控制，盡力將風險降到最低。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期債券擔保業務剩餘到期時間分佈情況：

		As at 31 December 2017 於2017年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)		Amount 金額	% of total 佔總額%
From 1 January 2018 to 31 December 2018	2018年1月1日至 2018年12月31日	515.0	2.2
From 1 January 2019 to 31 December 2019	2019年1月1日至 2019年12月31日	4,180.0	17.9
From 1 January 2020 to 31 December 2020	2020年1月1日至 2020年12月31日	5,310.0	22.7
From 1 January 2021 to 31 December 2021	2021年1月1日至 2021年12月31日	4,375.0	18.7
From 1 January 2022 to 31 December 2022	2022年1月1日至 2022年12月31日	4,305.0	18.5
After 1 January 2023	2023年1月1日以後	4,665.0	20.0
Total	合計	23,350.0	100.0

The maximum period for a bond guarantee project is seven years, and issuers of most projects begin to repay the principal gradually since the third year. In terms of the balance of a single bond, the outstanding bond guarantee balance will show a declining trend year by year. In 2017, the principal and interest of all the bonds guaranteed by the Group have been normally repaid, without any exception.

債券擔保項目最長為七年，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年下降趨勢。2017年，本集團擔保的所有債券均正常還本付息，未見異常。

Management Discussion and Analysis

管理層討論與分析

- Non-financing guarantee

The Group also offers non-financing guarantee services whereby the Group acts as the guarantor and undertakes to pay one party (i.e. the creditor) 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 guarantee of capital preservation fund, project performance guarantee and litigation guarantee.

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

In 2017, total guarantee and consulting fee income of non-financing guarantee business was RMB79.9 million, representing an increase of RMB45.6 million or 132.9% as compared with RMB34.3 million in 2016, which was primarily due to the substantial increase in the volume of project performance guarantee business.

Guarantee business for capital preservation funds

The Group began to engage in guarantee business for capital preservation funds in 2014. Due to the influence of regulatory policies, the balance of such business has been decreasing gradually. As at 31 December 2017, the Group provided services to two fund products managed by two fund management companies, with guarantee liability balance of RMB4,443.1 million (as at 31 December 2016: RMB8,255.2 million). These products will expire by September 2018 at the latest.

- 非融資擔保

本集團也提供非融資擔保服務，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、工程履約擔保、訴訟履約擔保。

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。

2017年，非融資擔保業務實現擔保及諮詢費收入總額為人民幣79.9百萬元，與2016年該類業務產生的收入人民幣34.3百萬元相比，增加人民幣45.6百萬元，增幅132.9%，這主要源於2017年工程履約擔保業務發生額大幅增加所致。

保本基金擔保業務

本集團於2014年開始提供保本基金擔保業務。受監管政策的影響，該類業務餘額逐步下降。於2017年12月31日，本集團共為兩家基金管理公司的兩隻基金產品提供服務，其在保責任餘額為人民幣4,443.1百萬元（於2016年12月31日：人民幣8,255.2百萬元），上述產品將最晚於2018年9月全部到期。

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Capital preservation 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 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.

Project performance guarantee business

To meet the demands for “project performance guarantee” by the construction industry, the Group designed specific products by taking into account the operating features of the construction industry, and 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”. Since 2016, the Group has been expanding its project performance guarantee business vigorously, and maintaining high speed of growth. The revenue from project performance guarantee business in 2017 was RMB7,501.5 million, representing an increase of RMB4,805.6 million or 178.3% as compared with RMB2,695.9 million in 2016. As at 31 December 2017, the outstanding guarantee balance of project performance guarantee business was RMB7,820.5 million, representing an increase of RMB5,128.6 million or 190.5% as compared with RMB2,691.9 million as at 31 December 2016. In 2017, the Group had about 350 new customers in the project performance guarantee business. As at 31 December 2017, there were 600 clients in the project performance guarantee business of the Group, and the average liability balance of individual client was RMB13.0 million.

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。

工程履約擔保業務

基於建築施工行業對於「工程履約保函」業務的需求，本集團結合建築施工行業的運營特徵，設計特定的產品，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。自2016年開始，本集團大力拓展工程履約保函擔保業務，並保持高速增長。2017年，工程履約擔保業務發生額為人民幣7,501.5百萬元，較2016年該類業務發生額人民幣2,695.9百萬元，增長人民幣4,805.6百萬元，增幅178.3%。截至2017年12月31日，工程履約擔保業務餘額為人民幣7,820.5百萬元，較2016年12月31日責任餘額人民幣2,691.9百萬元，增長人民幣5,128.6百萬元，增幅190.5%。2017年，本集團工程履約保函業務新增客戶數約350戶。於2017年12月31日，本集團工程履約擔保客戶數約為600戶，單戶平均在保責任餘額為人民幣13.0百萬元。

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The following table sets forth the distribution of the project performance guarantee business by geographical regions as at the dates indicated:

下表載列於所示日期工程履約擔保業務按地區劃分的擔保分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	1,506.1	19.3	495.5	18.4
Sichuan	四川	1,487.7	19.0	470.0	17.5
Shaanxi	陝西	1,391.1	17.8	282.7	10.5
Jiangsu	江蘇	1,008.9	12.9	255.0	9.5
Shandong	山東	332.2	4.2	221.0	8.2
Others	其他	2,094.5	26.8	967.7	35.9
Total	合計	7,820.5	100.0	2,691.9	100.0

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The following table sets forth the distribution of liability balance of project performance guarantee business by risk exposure as at the dates indicated:

下表載列於所示日期按風險敞口劃分的工程履約擔保業務責任餘額分佈：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	875.8	11.2	457.0	17.0
Over RMB3 million	人民幣3百萬元以上				
to RMB5 million	至人民幣5百萬元	630.9	8.1	273.7	10.2
Over RMB5 million	人民幣5百萬元以上				
to RMB10 million	至人民幣10百萬元	1,331.7	17.0	469.0	17.4
Over RMB10 million	人民幣10百萬元以上				
to RMB30 million	至人民幣30百萬元	2,429.1	31.1	805.7	29.9
Over RMB30 million	人民幣30百萬元以上	2,553.0	32.6	686.5	25.5
Total	合計	7,820.5	100.0	2,691.9	100.0

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

下表載列於所示日期工程履約擔保業務剩餘到期時間分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	2,343.1	30.0	535.9	19.9
Due over six months	6個月以上至1年				
up to one year		1,905.3	24.4	908.8	33.8
Due over one year	1年以上至2年				
up to two years		2,439.2	31.2	659.9	24.5
Due over two years	2年以上至3年				
up to three years		753.0	9.6	422.9	15.7
Due over three years	3年以上	379.9	4.8	164.4	6.1
Total	合計	7,820.5	100.0	2,691.9	100.0

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Risk management and asset quality

The following table sets forth the key risk indicators of the credit guarantee business of the Group as at the years indicated:

風險管理及資產質量

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		
		2017 2017年 Amount 金額	2016 2016年 Amount 金額	Change 變動 Percentage % 比例 %
(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⁾	1.3%	1.6%	(0.3 ppt百分點)
Default payments	違約付款	281.7	386.0	(27.0)
Guarantees released	獲解除擔保	21,391.1	23,467.7	(8.8)
Provision rate⁽²⁾	撥備率⁽²⁾	0.8%	1.1%	(0.3 ppt百分點)
Provisions for guarantee losses	擔保賠償準備金	377.3	350.6	7.6
Total outstanding guarantees	總擔保餘額	46,465.0	30,630.9	51.7
Loss ratio⁽³⁾	損失率⁽³⁾	0.6%	0.9%	(0.3 ppt百分點)
Impairment losses for receivables	應收代償款的	136.0	213.7	(36.4)
for default payments	資產減值損失			
Guarantees released	獲解除擔保	21,391.1	23,467.7	(8.8)
Recovery rate⁽⁴⁾	回收比率⁽⁴⁾	79.7%	40.4%	39.3 ppt百分點
Recovered amount	回收金額	224.6	156.0	44.0
Default payments	違約付款	281.7	386.0	(27.0)

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Notes:

- (1) Default payments made on default borrower's behalf divided by total guarantee released.
- (2) Provisions for guarantee losses divided by the balance of the outstanding guarantees. Provision rate indicates the level of reserve which the Group set aside for the guarantee portfolio.
- (3) Impairment losses of default payment receivables divided by total guarantee released.
- (4) Recovered amount divided by default payments made on default borrower's behalf.

After years of development, the partnership finance business segment has developed an independent risk culture and risk management system. The Group applied 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” in 2016, and will further work towards “safety first, customer base upgrade, comprehensive income and compliant credit extension” in 2017.

- **Safety first:** The Group adheres to the principles of unified customer access and single debtor, small amount dispersion and reasonable installments. For new customers, in the market survey phase, the Group strengthened customer admission standards and efforts in on-site investigation and management of uncertain risks. While focusing on the primary repayment source, the Group also developed the secondary repayment source by strengthening acquisition and management of collaterals, so as to reduce the ultimate risk. As at 31 December 2017, the collateral coverage of customers of traditional financing guarantee business increased to 58.7%. Furthermore, the Group 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” among the members of all business units and teams.

註釋：

- (1) 代達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) 回收金額除以代達約借款人歸還借款額。

經過多年的發展，夥伴金融業務集群分部已經形成獨立的風險文化和風險管理體系。在2016年堅持「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基礎之上，2017年進一步朝「安全第一、客群上移、綜合收益、授信規範」的方向挺進。

- **安全第一：**堅持客戶入口統一和一個債務人原則，堅持小額分散、合理分期原則。對於增量客戶，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。堅持第一還款來源的同時，通過加強抵質押物的獲取及管理形成第二還款來源，以降低終極風險。截至2017年12月31日，傳統融資擔保業務客戶抵押覆蓋率提升至58.7%。同時，堅持全員風險管理，在所有業務機構及團隊成員中，全面推行「擔保責任解除」後發放績效獎金的管理辦法。

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- **Customer base upgrade:** We preferred to select the consumer industry that has growth potential and manufacturing industry with room for development in the emerging markets. Meanwhile, the Group firmly withdrew from the surplus industry with relatively high inventory pressure as well as the industry with low efficiency of resource allocation, and gradually developed “partnership finance, supply chain finance, listed companies and new NEEQ customers” as its three major customer base and business direction.
- **Comprehensive income:** While granting business units with the risk pricing power for a single business, the Group set the principles on minimum comprehensive pricing guidelines to achieve the balance between risk and return. Moreover, the Group achieved overall upgrade of comprehensive income by utilizing the partnership finance business segment and even the excellent financial instruments of Hanhua Financial Holding and by offering customers with integrated financial service solutions.
- **Compliant credit extension:** The Group published policies on credit extension periodically and adjusted the same from time to time through “product management” and based on thorough research and studies. Meanwhile, it strengthened the standardization of operational procedures to achieve comprehensive management throughout the process of “pre-loan, in loan and post-loan stages, and the disposal and recovery of non-performing assets” so as to reduce operational risk.
- **客群上移：**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，逐步確立「夥伴金融、供應鏈金融、上市公司及新三板客戶」三大客群及業務方向。
- **綜合收益：**在賦予業務機構對單筆業務的風險定價權的基礎之上，設定最低綜合價格指導原則，實現風險與收益的對等。同時，利用夥伴金融業務集群甚至瀚華金控完善的金融工具，通過向客戶提供綜合金融服務解決方案，實現綜合收益的整體提升。
- **授信規範：**以「產品管理」為載體，在充分調研和研究的基礎上，定期發佈並動態調整授信政策；與此同時，加強操作流程的標準化建設，實現「貸前、貸中、貸後、不良資產處置及清收」的全流程管理，降低操作風險。

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The total amount of default payments paid on behalf of default customers of the Group was RMB281.7 million in 2017, representing a decrease of RMB104.3 million or 27.0% as compared with RMB386.0 million in 2016. The overall default rate of the Group shows the quality of the Group's guarantee portfolio. In 2017, the Group's default rate was 1.3%, representing a decreasing trend as compared with 1.6% in 2016. The continued decrease of default rate in 2017 was mainly because the Group compressively enhanced post-guarantee management as well as the corresponding management frequency and efforts. Furthermore, the administrative measures for granting of performance bonuses after "discharge of guarantee liabilities" were fully implemented among all business personnel to further heighten the risk management awareness of all employees. Given the short term of loans and credit guarantees provided by the Group to its customers (mainly within 18 months), the aforesaid measures led to the gradual decrease of credit risk exposure of the Group's overall asset portfolio and its full release in 2015 and 2016.

本集團2017年為違約客戶支付的代償款項總額為人民幣281.7百萬元，與2016年代償款項人民幣386.0百萬元相比，共減少人民幣104.3百萬元，降幅27.0%。本集團整體代償率顯示本集團擔保組合質量，2017年本集團代償率為1.3%，與2016年本集團代償率1.6%相比呈下降態勢。2017年代償率的持續下降，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。

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The Group assesses the potential recovery possibility and the amount recoverable for each default payment receivable mainly based on the anti-collateral provided by the borrower and the possibility of disposal, and compares the present value of the possible recoverable amount with the default payment receivable, where the difference is included in the impairment loss for the current period. In 2017, the asset impairment loss of default payment receivables of the Group was RMB136.0 million, representing a decrease of RMB77.7 million or 36.4% as compared with RMB213.7 million in 2016. The decrease of asset impairment loss of default payment receivables in 2017 was because, on the one hand, the current default payment receivables decreased by RMB104.3 million, and, on the other hand, the Group's enhancement in clearance management after default payment, and the continuous increase in value of valuable collaterals acquired for the current default payments and default payment in the previous years, as well as the substantial progress in clearance and collection. Accordingly, the provision rate of default payment receivables (impairment provision for default payment receivables/original amount of default payment receivables) as at 31 December 2017 was 43.4%, which was slightly lower than the provision rate of 54.2% as at 31 December 2016. As at 31 December 2017, the original amount of the Group's default payment receivables was RMB1,045.5 million (31 December 2016: RMB1,373.1 million), and the corresponding balance of impairment provisions was RMB454.0 million (31 December 2016: RMB743.8 million). In 2017, the Group wrote off impairment provision for default payment receivables withdrawn in full in previous years totaling RMB426.2 million.

For default customers, the Group stepped up management on collateral and disposal of non-performing assets so as to rapidly recover funds. In 2017, the Group recovered cash of RMB224.6 million in aggregate from defaulting customers, with the recovery rate of 79.7%.

本集團對每一筆應收代償款潛在的回收可能性及回收金額進行評估，主要依據借款人提供的反抵押情況以及處置可能性進行，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。2017年，本集團針對代償款項計提的資產減值損失為人民幣136.0百萬元，與2016年代償款項計提的資產減值損失人民幣213.7百萬元相比，減少人民幣77.7百萬元，降幅36.4%。2017年應收代償款項計提的資產減值損失金額下降一方面是因為當期代償款項金額減少人民幣104.3百萬元；另一方面主要是因為本集團加強代償後的清收管理，針對當期代償項目以及以前年度代償項目所獲取的有價值的抵質押物不斷提升以及清收工作取得實質性進展所致。基於此，2017年12月31日應收代償款的撥備率（應收代償款減值準備／應收代償款原值）為43.4%，與2016年12月31日的撥備率54.2%相比，呈小幅下降趨勢。於2017年12月31日，本集團應收代償款原值為人民幣1,045.5百萬元（2016年12月31日：1,373.1百萬元），對應的資產減值準備餘額為人民幣454.0百萬元（2016年12月31日：743.8百萬元）。2017年，本集團共計核銷以往年度已經全額提取減值準備的代償款項為人民幣426.2百萬元。

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2017年，本集團從違約客戶處累計回收現金人民幣224.6百萬元，回收比例79.7%。

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The provision rate of the Group's credit guarantee business is used to calculate the provision for potential losses based on the total guaranteed balance. As at 31 December 2017, the provision rate of our credit guarantee business was 0.8%, representing a decline of 0.3 percentage points as compared with 1.1% as at 31 December 2016, which was mainly because of the gradual increase of the proportion of bond guarantee, guarantee for capital preservation funds and project performance guarantee with relatively low credit risks to the whole product portfolio, which caused change in the potential risk of credit guarantee portfolios. As at 31 December 2017, the guarantee liability balance of bond guarantee, guarantee for capital preservation funds and project performance guarantee accounted for 76.6% of the whole portfolio (31 December 2016: 69.4%).

Channel construction

The Group continued to strengthen its cooperation channel construction with various financial institutions, and signed Strategic Cooperation Agreements with a number of banks and financial service providers to carry out more extensive cooperation in guarantee business. In 2017, the Group's continual enhancement of liquidity management and maintenance of good solvency won the recognition of many financial institutions. As at 31 December 2017, the Group has cooperated with more than 50 banks and obtained credit lines exceeding RMB40 billion. Meanwhile, it has cooperated with more than 31 non-bank financial institutions and obtained credit lines exceeding RMB26 billion. Among them, there were nine new cooperative agencies in 2017, with new credit line amounting to RMB3.9 billion.

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。於2017年12月31日，我們信用擔保業務的撥備率為0.8%，較2016年12月31日的1.1%下降0.3個百分點，主要是因為信用風險相對較低的債券擔保、保本基金擔保、以及工程履約擔保在整個產品組合中的佔比逐步提高，使得信用擔保業務組合的潛在風險發生變化。於2017年12月31日，債券擔保、保本基金擔保、工程履約擔保三項擔保責任餘額在整個產品組合中的佔比為76.6%（2016年12月31日：69.4%）。

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。2017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2017年12月31日，本集團已與50多家銀行進行合作，獲得超過人民幣400億元的授信額度；同時與31多家非銀行金融機構進行合作，獲得超過人民幣260億元的授信額度。其中2017年新增合作機構九家，新增授信額度達人民幣39億元。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the top 10 credit granting banks:

下表載列前十位授信銀行：

Item 序號	Cooperative banks 合作銀行	Method of credit granting 授信方式	Credit line 授信額度
1	Fumin Bank 富民銀行	Total credit 總體授信	RMB8 billion 授信人民幣80億
2	Chongqing Rural Commercial Bank 重慶農村商業銀行	Independent credit 獨立授信	RMB4 billion 授信人民幣40億
3	China Construction Bank 建設銀行	Total credit 總體授信	RMB3.9 billion 授信人民幣39億
4	Bank of Tianjin 天津銀行	Total credit 總體授信	RMB2 billion 授信人民幣20億
5	Xi'an bank 西安銀行	Independent credit 獨立授信	RMB2 billion 授信人民幣20億
6	Postal Savings Bank of China 郵儲銀行	Total credit 總體授信	RMB1.8 billion 授信人民幣18億
7	Bank of China 中國銀行	Total credit 總體授信	RMB1.3 billion 授信人民幣13億
8	Shanghai Pudong Development Bank 浦發銀行	Total credit 總體授信	RMB1 billion 授信人民幣10億
9	Shenyang Rural Commercial Bank 瀋陽農村商業銀行	Independent credit 獨立授信	RMB1 billion 授信人民幣10億
10	Bank of Jilin 吉林銀行	Independent credit 獨立授信	RMB0.6 billion 授信人民幣6億

The continuous expansion of cooperation channels has enabled the guarantee business to develop steadily, which has also created favorable conditions for the increase in the size of the Group's guarantee business.

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。

Market coverage

The Group provided credit guarantee services in 22 regions and provinces in China through credit guarantee sites comprising 4 credit guarantee subsidiaries and 26 credit guarantee branches, including Chongqing, Sichuan, Yunnan, Hubei, Shaanxi, Gansu, Heilongjiang, Jilin, Liaoning, Beijing, Tianjin, Hebei, Shandong, Jiangsu, Shanghai, Anhui, Hunan, Guizhou, Guangxi, Guangdong, Fujian and Zhejiang.

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。

Management Discussion and Analysis

管理層討論與分析

Capital business

資金業務

Business expansion and products

業務拓展及產品

The following table sets forth the key performance indicators of the capital business in the partnership finance business segment of the Group as at the dates indicated:

下表載列於所示日期本集團夥伴金融業務集團分部各項資金業務的關鍵業務指標：

		As at 31 December 於12月31日			
		2017 2017年	2016 2016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)		Amount 金額	Amount 金額	Amount 金額	Percentage% 比例%
Net handling fee and interest income	手續費及利息淨收入	379.0	414.0	(35.0)	(8.5)
Entrusted loans	委託貸款	1,671.3	2,636.5	(965.2)	(36.6)
Receivables for factoring business	應收保理款	1,659.9	602.2	1,057.7	175.6
Finance lease receivables	應收融資租賃款	349.8	282.1	67.7	24.0
Subtotal of the balance of capital business	資金業務餘額小計	3,681.0	3,520.8	160.2	4.6
Balance of provision for impairment loss	資產減值準備餘額	118.5	116.0	2.5	2.2
Provision rate ⁽¹⁾	撥備率 ⁽¹⁾	3.2%	3.3%	(0.1 ppt 百分點)	—
Provision coverage rate ⁽²⁾	撥備覆蓋率 ⁽²⁾	95.8%	100.6%	(4.8 ppt 百分點)	—
Balance of overdue capital business	已逾期資金業務餘額	323.9	284.9	39.0	13.7
Proportion of overdue capital business ⁽³⁾	已逾期資金業務佔比 ⁽³⁾	8.8%	8.1%	0.7 ppt 百分點	—
Balance of impaired capital business	已減值資金業務餘額	123.7	115.3	8.4	7.3
Proportion of the balance of impaired capital business ⁽⁴⁾	已減值資金業務餘額佔比 ⁽⁴⁾	3.4%	3.3%	0.1 ppt 百分點	—

Management Discussion and Analysis

管理層討論與分析

Notes:

- (1) Balance of provisions for impairment loss divided by the balance of capital business.
- (2) Provision for asset impairment divided by the balance of impaired capital business. Provision coverage rate represents our provision rate for potential loss of the capital business portfolio.
- (3) Balance of overdue capital business divided by the balance of capital business.
- (4) Balance of impaired capital business divided by the balance of capital business.

The partnership finance business segment satisfied customers' demand for funding of different maturity, cost and trading structure through entrusted loans, receivables for factoring and finance lease. In 2017, the capital business of the partnership finance business segment generated a total net interest and handling fee income amounting to RMB379.0 million, representing a decrease of RMB35.0 million or 8.5% as compared with RMB414.0 million in 2016. The decrease was mainly attributable to the deduction of net interest and handling fee income from entrusted loan business. As at 31 December 2017, the total balance of the capital business was RMB3,681.0 million, representing an increase of RMB160.2 million or 4.6% as compared with RMB3,520.8 million as at 31 December 2016. The increase was mainly attributable to the significant growth in the size of the receivables for factoring business of the Group.

註釋：

- (1) 資產減值準備餘額除以資金業務餘額。
- (2) 資產減值準備除以已減值資金業務餘額。撥備覆蓋率顯示我們就資金業務組合可能出現的損失的撥備水準。
- (3) 已逾期資金業務餘額除以資金業務餘額。
- (4) 已減值資金業務餘額除以資金業務餘額。

夥伴金融業務集群分部利用委託貸款、應收賬款保理及融資租賃的方式，以滿足客戶不同期限、不同成本、不同交易結構的資金需求。夥伴金融業務集群分部資金業務於2017年產生的淨利息及手續費收入總額為人民幣379.0百萬元，與2016年淨利息及手續費收入總額人民幣414.0百萬元相比，減少人民幣35.0百萬元，降幅8.5%，這主要源於委託貸款業務產生的淨利息及手續費收入減少所致。於2017年12月31日，資金業務餘額合計為人民幣3,681.0百萬元，與2016年12月31日資金業務餘額人民幣3,520.8百萬元，增加人民幣160.2百萬元，增幅4.6%。資金業務餘額的增長主要源於本集團應收賬款保理業務規模的大幅增長。

Management Discussion and Analysis

管理層討論與分析

Since 2016, the Group has adopted the “Supply Chain Finance” business model to promote the coordination and integration of the industry chain. Through reasonable use of “receivables for factoring and bill discounting” as the means and verification of background information of the transactions, it ensured authenticity of the receivables, which then became the assets under the “receivables for factoring” to effectively solve financing difficulties of enterprises. Meanwhile, it enhanced the organization of the “asset end”. Leveraging on the credibility of Hanhua Financial, it introduced external funds by assets securitization, so as to offer comprehensive financing solutions to enterprises and effectively solve the problem of “high financing costs” for enterprises.

In terms of the receivables for factoring business, the Group verifies the authenticity of receivables on a case-by-case basis and implements rights determination. In the meantime, over 70% of the receivables for factoring business were secured by commercial acceptance bills held by the transferor of the receivables, which were issued by listed companies, state-owned enterprises, Central Government-led enterprises and leading enterprises with higher credibility in the industry. The Group was entrusted to collect the bills, which were the sources of repayment for the factoring financing business.

In 2017, the cumulative amount of receivables for factoring business was RMB4,438.6 million, representing a substantial increase of 237.3% as compared with 2016. As at 31 December 2017, the balance of receivables for factoring business was RMB1,659.9 million, representing an increase of RMB1,057.7 million or 175.6% as compared with RMB602.2 million as at 31 December 2016. The average duration of this type of business was 5.5 months, and 88.6% of the business will be due within one year.

自2016年開始，本集團在「供應鏈金融」業務模式下，致力於促進產業鏈的協作與整合，合理運用「應收賬款保理和票據貼現」這一工具，通過核實交易背景確保應收賬款的真實性，隨後形成「應收保理」資產，有效解決企業「融資難」問題。同時，通過不斷提升「資產端」的組織能力，運用瀚華金控的信用能力，以資產證券化的形式，融入外部資金，向企業提供綜合性的資金解決方案，有效解決企業「融資貴」的問題。

應收賬款保理業務，本集團逐筆核實應收賬款的真實性，並進行確權處理。同時，70%以上的應收賬款保理業務以應收賬款出讓人所持有的由信用資質較高的上市公司、國企及央企、行業龍頭企業開具的商業承兌匯票作為質押物，並委託本集團代為托收並以此作為保理融資業務的還款來源。

2017年，應收賬款保理業務累計發生額為人民幣4,438.6百萬元，較2016年發生額大幅增長237.3%。於2017年12月31日，應收賬款保理業務餘額為人民幣1,659.9百萬元，與2016年12月31日應收賬款保理業務餘額人民幣602.2百萬元相比，增加人民幣1,057.7百萬元，增幅175.6%。該類業務平均存續期間為5.5個月，88.6%的業務將於1年內到期。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期資金業務行業分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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%
Construction	建築業	1,764.0	47.9	1,821.3	51.7
Commercial services	商貿	851.4	23.1	709.2	20.1
Household goods	綜合	345.0	9.4	164.8	4.7
Manufacturing and processing	製作及加工業	341.7	9.3	372.6	10.6
Service industry	服務業	81.4	2.2	87.1	2.5
Others	其他	297.5	8.1	365.8	10.4
Total	合計	3,681.0	100.0	3,520.8	100.0

The Group's capital business mainly concentrates in the construction, commercial services, household goods, manufacturing and processing and service industry. The proportion of each industry is relatively even, avoiding the reliance on a single industry. The Group actively expands its capital business in other industries. With the continuous growth of capital business, it is expected that the industry distribution will be further dispersed and risks will be reduced accordingly.

本集團資金業務主要集中在建築業、商貿、綜合、製作及加工業、服務業。各行業所佔比例較為平均，避免了對單一行業的依賴。本集團積極拓展其它行業的資金業務，隨著資金業務的不斷增長，預計行業分佈將進一步分散，風險亦相應降低。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期資金業務敞口分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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 RMB5 million	人民幣0至500萬元	1,057.0	28.7	544.0	15.5
Over RMB5 million	人民幣500萬元以上至				
to RMB10 million	人民幣1,000萬元	460.6	12.5	423.0	12.0
Over RMB10 million	人民幣1,000萬元以上至				
to RMB30 million	人民幣3,000萬元	1,307.2	35.5	1,076.9	30.6
Over RMB30 million	人民幣3,000萬元以上至				
to RMB50 million	人民幣5,000萬元	477.7	13.0	572.9	16.3
Over RMB50 million	人民幣5,000萬元以上	378.5	10.3	904.0	25.6
Total	合計	3,681.0	100.0	3,520.8	100.0

The Group insists on serving SMEs and individual customers. As at 31 December 2017, the projects with a balance of funds of less than RMB10 million accounted for 41.2% in the capital business, representing an increase of 13.7 percentage points over the previous year. This is mainly attributable to the rapid growth of factoring business with smaller amount of a single business.

本集團堅持以中小企業及個人客戶為服務核心，於2017年12月31日，資金業務餘額在1,000萬元以下的項目所佔比例為41.2%，較上年增長13.7個百分點，主要源於單筆業務金額較小的保理業務增長迅速所致。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the remaining maturity rate of capital business as at the dates indicated:

下表載列於所示日期資金業務的剩餘到期日情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	1,532.1	41.6	1,425.5	40.5
Due between three months and six months	3至6個月到期	735.6	20.0	453.7	12.9
Due between six months and one year	6個月至1年到期	475.1	12.9	1,154.5	32.8
Due over one year	1年後到期	938.2	25.5	487.1	13.8
Total	合計	3,681.0	100.0	3,520.8	100.0

To lower the risk, the Group mainly provides short-term fund business. As at 31 December 2017, the capital business due within 6 months accounted for 61.6%, representing an increase of 8.2 percentage points over the previous year, which was mainly due to the substantial growth in the receivable for factoring business with a short business cycle during the current year.

為降低風險，本集團主要提供短期資金業務。於2017年12月31日，6個月以內到期的資金業務佔比61.6%，較上年該增長8.2個百分點，主要源於業務週期較短的應收保理業務於本年度大幅增長所致。

Risk management and asset quality

風險管理及資產質量

The Group satisfied customers' financing demand through the credit guarantee business and direct financing. In each case, it adhered to the principle of "unified customer access and single debtor", so as to set a universal credit standard and credit line. For details on the risk management policy of the capital business of the partnership finance business segment, please refer to the section headed "Risk management and asset quality" of the credit guarantee business.

無論向客戶提供信用擔保業務還是直接提供資金，以滿足客戶的資金需求，本集團始終堅持「客戶入口統一及一個債務人原則」，以統一授信標準和授信額度。有關夥伴金融業務集群資金業務的風險管理政策，請參閱信用擔保業務「風險管理及資產質量」部分。

Management Discussion and Analysis

管理層討論與分析

Overdue capital business refers to capital business where all or part of its principal or interest is overdue for 1 day or above. In regard to the capital business, the Group adopted the loan risk classification approach based on the “Loan Risk Classification Guideline” promulgated by the China Banking Regulatory Commission to monitor the exposure of the capital business portfolio. The capital business is classified into five categories: normal, special concern, substandard, doubtful and loss according to the risk level, of which the last three categories are deemed as impaired loans and advances. When one or more events prove the existence of objective evidence of impairment and that a loss may be incurred, the capital business is classified as impaired. Provisions for impairment loss of impaired capital business are assessed collectively or individually as appropriate.

The core definitions of each category of capital business are as follows:

Normal: The borrower can fulfill the terms of the capital business, and there is insufficient reason to doubt the timely repayment of the principal and interest of the capital business in full.

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

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

已逾期資金業務是指全部或部分本金或利息逾期1天或以上的資金業務。對於資金業務，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資金業務組合風險狀況。資金業務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，該資金業務被界定為已減值資金業務。已減值資金業務的減值損失準備將視情況以組合或個別方式評估。

各級資金業務分類的核心定義如下：

正常類： 借款人可履行資金業務的條款，且沒有足夠理由懷疑資金業務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資金業務本息，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資金業務本息，即使執行擔保，也可能會造成一定損失。

Management Discussion and Analysis

管理層討論與分析

Doubtful: The borrower is unable to repay the principal and interest of the capital business in full. Relatively significant losses may be incurred even if the guarantee is exercised.

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

可疑類： 借款人無法足額償還資金業務本息，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，或只能收回極少部分。

The Group regularly reviews the quality of individually significant assets of the capital business. For capital business for which a provision 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.

As at 31 December 2017, the balance of overdue capital business and the balance of impaired capital business were RMB323.9 million and RMB123.7 million respectively, similar to those as at 31 December 2016. These suggested that the asset quality of the capital business of the partnership finance business segment of the Group was stable.

As at 31 December 2017, the provision rate of the capital business was 3.2%, representing a decrease of 0.1 percentage points as compared with 3.3% as at 31 December 2016. The decrease was mainly due to the increase in proportion of the receivables for factoring business, which had higher quality of assets, to 45.1% (31 December 2016: 17.1%).

本集團對單筆金額重大的資金業務的資產質量進行定期審閱。對單項計提準備金的資金業務，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押物價值及未來現金流的狀況。

於2017年12月31日，已逾期資金業務餘額、已減值資金業務餘額分別為人民幣323.9百萬元和人民幣123.7百萬元，與2016年12月31日餘額相當，顯示本集團夥伴金融業務集群分部的資金業務資產質量趨於穩定。

截至2017年12月31日，資金業務撥備率為3.2%，與2016年12月31日資金業務撥備率3.3%相比，下降0.1個百分點，撥備率的下降主要是因為資產質量較高的應收保理款業務佔比提升至45.1%（2016年12月31日：17.1%）。

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Financial asset management

In April 2017, the Group, as the promoter, jointly established Liaoning Fu'an Financial Asset Management Co., Ltd. with 3 domestic companies. Fu'an Asset has a registered capital of RMB1,000 million, of which the Group contributed RMB550.0 million and held 55.0% equity interest of Fu'an Asset. As at 31 December 2017, all shareholders of Fu'an Asset had made contribution in cash in accordance with the relevant requirements under the investors' agreement. On 4 July 2017, Fu'an Asset obtained the approval of operation from the regulators, and the filing with the CBRC has been completed on 2 January 2018.

Pursuant to the business license obtained by Fu'an Asset, its business scope includes acquisition; entrusted operation and management of non-performing assets of financial institutions and non-financial institutions; management of, investment in and disposal of non-performing assets; debt restructuring and corporate restructuring; debt-to-equity swap business, management of, investment in and disposal of equity assets; external investment and management; financial, investment, legal, and risk management advisory and consulting business.

As a leading comprehensive and inclusive financial service group in the PRC, the Group strives to pursue new development opportunities in the financial services industry through equity investment and integration of platform resources, so as to provide comprehensive financial services to micro, small and medium-sized enterprises and fulfill their diversified financing and business needs.

金融資產管理

於2017年4月，本集團作為發起人，與境內其他3家公司合資設立遼寧富安金融資產管理有限公司。富安資產的註冊資本為人民幣1,000.0百萬元，本集團以人民幣550.0百萬元出資並持有富安資產55.0%的權益。截至2017年12月31日，富安資產各股東已按照出資人協議的相關要求，完成貨幣資金出資。富安資產已於2017年7月4日獲得監管機構批覆，獲准開業，並於2018年1月2日完成在中國銀監會備案。

根據富安資產所獲取的營業執照，其業務範圍包括收購、受托經營金融機構和非金融機構不良資產，對不良資產進行管理、投資和處置；債務重組及企業重組；債權轉股權，對股權資產進行管理、投資和處置對外投資及管理；財務、投資、法律及風險管理諮詢和顧問業務。

本集團作為中國領先的綜合性普惠金融服務集團，一直致力於通過股權投資和平台資源整合，把握金融服務業之發展新機遇，為中小微企業提供全面的金融服務以滿足其多樣化的融資及業務需求。

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In order to regulate the batch transfer, acquisition and disposal business of non-performing assets of financial enterprises, and effectively prevent and eliminate financial risks, according to the Administrative Measures on the Batch Transfer of Non-performing Assets of Financial Enterprises, Notice on Relevant Issues Concerning Conditions for Qualification Licensing of Local Asset Management Companies to Carry out the Batch Purchase and Disposal of Non-performing Assets of Financial Enterprises, and the Letter of the General Office of CBRC in relation to the Appropriate Adjustment of Relevant Policies on Local Asset Management Company, provincial people's governments may establish an additional local asset management company, the disposal of the non-performing assets is permitted by way of debt restructuring, external transfer, etc., and the transferee of the external transfer is free from regional restrictions. These provide market opportunities for social capital, especially private capital to participate in mitigating and stimulating the non-performing assets of local financial institutions.

The establishment of Fu'an Asset is an important part of the overall strategic layout of building an inclusive finance ecosystem of the Group, which will enrich and extend its layout of the integrated finance ecosystem. As an integral part of the partnership finance business segment, Fu'an Asset will leverage the existing business team and institutional layout in actively seizing opportunities in the development of asset management market in the "New Normal" economic environment of the PRC. Coordinating existing financial business resources, it will provide total factors and integrated financial services to micro, small and medium-sized enterprises on full life-cycle and further enhance the integrated business strength of the Company.

為規範金融企業不良資產批量轉讓、收購和處置業務，切實防範和化解金融風險，根據《金融企業不良資產批量轉讓管理辦法》、《關於地方資產管理公司開展金融企業不良資產批量收購處置業務資質認可條件等有關問題的通知》及《中國銀監會辦公廳關於適當調整地方資產管理公司有關政策的函》，各省級人民政府允許增設一家地方資產管理公司，允許以債務重組、對外轉讓等方式處置不良資產，對外轉讓的受讓主體不受地域限制。這為社會資本特別是民營資本參與地方金融機構不良資產的化解盤活，提供了市場機會。

富安資產是本集團構建普惠金融生態圈整體戰略佈局的重要組成部分，將進一步豐富和延伸本集團綜合金融生態佈局。富安資產作為夥伴金融業務集群分部的重要組成部分，將依托現有業務團隊及機構佈局，積極把握中國經濟新常態下金融資產管理市場發展機遇，協同現有金融業務資源為中小微企業全生命週期提供全要素綜合金融服務，進一步提升本公司的綜合經營實力。

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SME LENDING BUSINESS

Currently, the SME lending segment offers small-amount and dispersive integrated financial services to individual customers through its subsidiaries in Chongqing, Chengdu, Tianjin, Shenyang, Nanning, Guiyang, Nanjing, Harbin and Shenzhen.

In particular, its small loan companies in Chongqing, Sichuan, Shenyang and Harbin obtained the qualification for internet lending to overcome geographical constraints. As a result, the Group is able to provide lending services across China, which will facilitate the further expansion of the credit business. In order to further integrate the capital investment of the Group's credit business and improve the efficiency of capital operations, the Group successfully deregistered three small loan companies in Changchun, Xi'an and Kunming in 2017.

Since the second half of 2015, the Group has actively adjusted the operating strategy and transformed from the traditional "single customer retail" model to the "wholesale model driven by products". In terms of service provision, it has increased investment in information technology, lowered customer acquisition cost through technological means, boosted operating efficiency and improved customer service. In terms of management model, it relied on the headquarters for business operation. Through consolidating corporate resources, it achieved resources sharing and business development driven by the headquarters. It adopted centralization, standardization and business-line-based management for risk control, efficiency enhancement and cost reduction. Following three years of exploration, the SME lending segment has developed three major business directions, namely "micro and small finance, standard finance, platform finance", and core products including "Kuaixiao Loan, Fangjie Loan, Jinshui Loan and Jiqun Loan".

信貸業務

信貸業務分部指以本集團通過設立於重慶、成都、天津、瀋陽、南寧、貴陽、南京、哈爾濱及深圳的小額貸款公司為網絡，主要面向廣大個人提供小額、分散的綜合性金融服務解決方案。

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，本集團自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。為了進一步整合本集團信貸業務資本投入，提升資本運營效率，本集團已於2017年成功註銷位於長春、西安及昆明的三家小額貸款公司。

自2015年下半年開始，本集團積極調整經營策略，業務模式上從傳統的「單一客戶零售」模式向「產品驅動的批發模式」進行轉變；服務手段上加大信息科技的投入，通過科技手段降低獲客成本、提升運營效率、優化客戶服務；管理模式上確定強總部策略，通過整合公司資源實現資源共享，通過總部驅動推動機構業務發展，通過集中化、標準化、條線化來管控風險、提升效率、降低成本。經過三年的探索，信貸業務分部逐步形成「小微金融、標準金融、平台金融」三大業務方向，並形成「快消貸、房捷貸、金稅貸、集群貸」等幾大核心產品。

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The following table sets forth the key performance indicators of the SME lending segment of the Group as at the dates indicated:

下表載列於所示日期本集團信貸業務分部的關鍵業績指標：

		For the year ended 31 December 截至12月31日止年度			
		2017 2017年	2016 2016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)		Amount 金額	Amount 金額	Amount 金額	Percentage % 比例%
Net interest and fee income	淨利息及手續費收入	560.0	452.8	107.2	23.7
Other revenue	其他收入	3.0	2.1	0.9	42.9
Impairment losses	資產減值損失	(84.3)	(114.0)	(29.7)	(26.1)
Operating expenses	營運支出	(219.9)	(221.7)	(1.8)	(0.8)
Profit before taxation	稅前利潤	258.8	119.2	139.6	117.1

In 2017, the SME lending segment recorded pre-tax profit of RMB258.8 million, representing an increase of RMB139.6 million or 117.1% as compared with RMB119.2 million in 2016. The growth was mainly attributable to the increase in net interest and handling fee income and decrease of impairment losses in 2017 as a result of significant improvement of asset quality from change in asset portfolio of the SME lending segment. Wherein:

2017年，信貸業務分部實現稅前利潤人民幣258.8百萬元，與2016年該分部稅前利潤人民幣119.2百萬元相比，該分部稅前利潤增加人民幣139.6百萬元，增幅117.1%。這主要是因為該分部淨利息及手續費收入增加以及信貸業務資產組合變化引起資產質量大幅提升使得2017年提取的資產減值損失減少綜合影響所致。其中：

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- **The adjustment of the SME lending segment on customer base and product mix started in 2015 has achieved initial success. The net interest and handling fee income from the SME lending segment for SMEs showed an upward trend, which was due to the substantial increase in the balance of the monthly interest-bearing assets of the credit business.**

In 2017, the SME lending segment recorded net interest and fee income of RMB560.0 million, representing an increase of RMB107.2 million or 23.7% as compared with RMB452.8 million in 2016. The growth is mainly attributable to the gradual improvement of operation as a result of credit business structure adjustment strategy that began in 2015. The increase in net interest and fee income primarily comes from the average monthly balance of credit business. The average monthly balance of credit business in 2017 was RMB5,785.2 million, representing an increase of RMB1,728.0 million or 42.6% as compared with RMB4,057.2 million in 2016. The increase in the average monthly balance of credit business in 2017 was mainly the result of the remarkable growth of “Fangjie Loan” products on the standard finance line. Since such business is secured by real estate with sufficient value and the risk is relatively low, the Group intensified its efforts to this business in 2017. As at 31 December 2017, the balance of the “Fangjie Loan” was RMB2,562.2 million, representing an increase of RMB2,458.5 million or 2,370.8% as compared with RMB103.7 million as at 31 December 2016. As at 31 December 2017, the balance of “Fangjie Loan” business accounted for 42.1% of the asset balance of credit business, representing an increase of 40.2 percentage points from 1.9% as at 31 December 2016.

In 2017, for the purpose of improving the capital use efficiency, the credit group enhanced the organization ability of the “asset end”. Leveraging on the integrated credibility of the Group, it introduced external funds by assets securitization, so as to meet the fund requirements of the business.

- 信貸業務分部自2015年開始的客群、產品結構調整初見成效。信貸業務分部面向中小企業提供的資金業務產生的利息及手續費淨收入呈增長態勢，這源於信貸業務月均生息資產餘額的大幅增長。

2017年，信貸業務分部實現淨利息及手續費收入人民幣560.0百萬元，與2016年實現的淨利息及手續費收入人民幣452.8百萬元相比，增加人民幣107.2百萬元，增幅23.7%。這主要源於自2015年開始的信貸業務結構調整策略產生的運營效果開始逐步體現，淨利息及手續費收入的增長主要源於信貸業務月均餘額的增長。2017年度信貸業務月均餘額為人民幣5,785.2百萬元，較2016年度月均餘額人民幣4,057.2百萬元，增長人民幣1,728.0百萬元，漲幅42.6%。2017年信貸業務月均餘額的增長，主要來源於標準金融條線「房捷貸」產品規模的大幅增長。該類業務由於有足值的房地產作為抵押，風險相對較低，所以本集團2017年加大對該類業務的投放力度。於2017年12月31日，「房捷貸」業務餘額為人民幣2,562.2百萬元，較2016年12月31日業務餘額人民幣103.7百萬元，增加人民幣2,458.5百萬元，增幅2,370.8%。2017年12月31日「房捷貸」業務餘額佔信貸業務資產餘額的比例為42.1%，較2016年12月31日業務比例佔比1.9%，增加40.2個百分點。

2017年，為提高資金使用效率，信貸集團通過不斷提升「資產端」的組織能力，運用本集團的綜合信用能力，以資產證券化的形式融入外部資金，以滿足業務用款需求。

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- **The adjustment of the SME lending segment on customer base and product mix started in 2015 has achieved initial success. The product model centered “pure credit” existed in the past years was gradually replaced with the business with sufficient value of collaterals. The quality of credit portfolio assets increased significantly. Both the balance of impaired loan and its proportion to micro and small loan balances dropped sharply.**

In 2017, the impairment loss of micro and small loan of the SME lending segment was RMB84.3 million, representing a decrease of RMB29.7 million or 26.1% as compared with RMB114.0 million in 2016. In previous years, the micro and small loan was dominated by “pure credit”. Since the second half of 2015, the Group has actively adjusted the operating strategy and transformed from the traditional “single customer retail” model to the “wholesale model driven by products”. In terms of service provision, it has increased investment in information technology, lowered customer acquisition cost through technological means, boosted operating efficiency and improved customer service. In terms of management model, it relied on the headquarters for business operation. Through consolidating corporate resources, it achieved resources sharing and business development driven by the headquarters. It adopted centralization, standardization and business-line-based management for risk control, efficiency enhancement and cost reduction. Following three years of exploration, the SME lending segment has developed three major business directions, namely “micro and small finance, standard finance, platform finance”, and core products including “Kuaixiao Loan, Fangjie Loan, Jinshui Loan and Jiqun Loan”. In particular, the “Fangjie Loan” product of which the collateral is the residential properties held by the borrowers increased the proportion of pledged housing in the asset portfolio, thereby enhancing asset quality. As at 31 December 2017, the balance of the “Fangjie Loan” was RMB2,562.2 million, representing an increase of RMB2,458.5 million or 2,370.8% as compared with RMB103.7 million as at 31 December 2016. As at 31 December 2017, the balance of “Fangjie Loan” business accounted for 42.1% of the asset balance of SME lending business, representing an increase of 40.2 percentage points from 1.9% as at 31 December 2016.

- 信貸業務分部自2015年開始的客群、產品結構調整初見成效。過往年度「純信用」為主的產品模式逐步減少，足值抵押物佔比的業務餘額逐步提升，信貸業務組合資產質量大幅提升，已減值貸款餘額及佔小微貸款餘額的比例均大幅下降。

於2017年，信貸業務分部小微貸款提取的資產減值損失為人民幣84.3百萬元，與2016年提取的資產減值損失人民幣114.0百萬元相比，減少人民幣29.7百萬元，降幅26.1%。以往年度，小微貸款業務以「純信用」為主；自2015年下半年開始，本集團積極調整經營策略，業務模式上從傳統的「單一客戶零售」模式向「產品驅動的批發模式」進行轉變；服務手段上加大信息科技的投入，通過科技手段降低獲客成本、提升運營效率、優化客戶服務；管理模式上確定強總部策略，通過整合公司資源實現資源共享，通過總部驅動推動機構業務發展，通過集中化、標準化、條線化來管控風險、提升效率、降低成本。經過三年的探索，信貸業務分部逐步形成「小微金融、標準金融、平台金融」三大業務方向，並形成「快消貸、房捷貸、金稅貸、集群貸」等幾大核心產品，尤其是以借款人持有的住房作為抵押物的「房捷貸」產品，提升資產組合中房屋抵押物的比例，從而提升資產質量。於2017年12月31日，「房捷貸」業務餘額為人民幣2,562.2百萬元，較2016年12月31日業務餘額人民幣103.7百萬元，增加人民幣2,458.5百萬元，增幅2,370.8%。2017年12月31日「房捷貸」業務餘額佔信貸業務資產餘額的比例為42.1%，較2016年12月31日業務比例佔比1.9%，增加40.2個百分點。

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管理層討論與分析

In 2017, the Group comprehensively investigated and streamlined existing customers, focused on the reinforced management of collaterals and pledges, and enhanced the safeguard measures after customers breached contracts. For new customers, in the credit granting phase, the Group strengthened credit granting review standards, customer admission standards and efforts in on-site investigation of uncertain risks. Since the second half of 2015, the Group took the initiative to adjust the business types of its credit business, increased the “lower-risk” products such as “Fangjie Loan”, and established strategic cooperation with various platforms, making the quality of its credit business significantly improved as at 31 December 2017 as compared with 31 December 2016. Meanwhile, the Group increased its efforts to the disposal of impaired micro and small loan, and reduced the pressure on non-performing assets by means of write-off. In 2017, the Group has verified loans totaling RMB155.6 million (2016: RMB106.6 million).

With the implementation of the aforesaid risk control measures, the percentage of impaired loans of the SME lending segment has declined. The balance of the impaired loan of the Group's SME lending segment reduced from RMB163.6 million as at 31 December 2016 to RMB115.4 million as at 31 December 2017, representing a decrease of RMB48.2 million or 29.5%. Meanwhile, the ratio of impaired loans to the balance of assets in the SME lending segment decreased from 3.0% as at 31 December 2016 to 1.9% as at 31 December 2017. In 2017, the Group still adopted prudent accounting estimates and set aside a total of RMB84.3 million as impairment losses in line with changes in loan quality. The provision rate decreased from 5.3% as at 31 December 2016 to 3.6% as at 31 December 2017 due to the consumption of provision by write-off of impaired loans. Additionally, the provision coverage rate of micro and small loan increased from 173.5% as at 31 December 2016 to 190.0% as at 31 December 2017 due to the significant decrease in the balance and percentage of impaired loans. As a result, the ability to resist risks was further enhanced.

2017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。自2015年下半年開始，本集團主動調整信貸業務的業務種類，增加風險相對較低的「房捷貸」產品以及與各類平台進行戰略合作，使得本集團2017年12月31日的信貸業務資產質量較2016年12月31日相比有大幅提升。同時，本集團加大已減值小微貸款的處置力度，通過核銷手段，以減輕不良資產壓力。2017年，本集團共計核銷貸款人民幣155.6百萬元（2016年：人民幣106.6百萬元）。

隨著以上風險控制措施的實施，信貸業務分部已減值貸款比例呈下降態勢。本集團信貸業務分部已減值貸款餘額從2016年12月31日的人民幣163.6百萬元下降至2017年12月31日的人民幣115.4百萬元，減少人民幣48.2百萬元，降幅29.5%；同時，已減值貸款佔信貸業務分部資產餘額的比例從2016年12月31日的3.0%下降至2017年12月31日的1.9%。2017年，本集團仍然採用審慎的會計估計，結合貸款質量的變化，共計提取人民幣84.3百萬元資產減值損失。由於核銷已減值貸款需要消耗準備金，使得撥備率從2016年12月31日的5.3%下降至2017年12月31日的3.6%。同時，由於已減值貸款餘額及比例的大幅下降，使得小微貸款業務撥備覆蓋率從2016年12月31日的173.5%上升至2017年12月31日的190.0%，抗風險能力進一步增強。

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- The total operating costs of the SME lending segment remained stable and the cost structure was more reasonable.

In 2017, the operating expenses of the SME lending segment were RMB219.9 million, which remained relatively stable as compared with RMB221.7 million in 2016. Through adjustment of business model, service model and management model, the business segment achieved growth in business scale and revenue as well as moderate decline in operating costs.

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

- 信貸業務分部運營成本總額保持穩定，成本結構更加合理。

2017年，信貸業務分部產生的營運支出為人民幣219.9百萬元，與2016年度該分部營運支出人民幣221.7百萬元相比，通過業務模式、服務手段、管理模式等方面調整，實現了業務規模、收入增長而運營成本適度下降。

下表載列於所示日期本集團信貸業務分部的資產質量指標：

		As at 31 December 於12月31日					
		2017 2017年		2016 2016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)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%	Amount 金額	Percentage% 比例%
Micro and small finance loans	小微金融貸款	1,488.7	24.5	3,706.0	68.9	(2,217.3)	(59.8)
Standard finance loans	標準金融貸款	3,653.7	60.0	642.6	12.0	3,011.1	468.6
Platform finance loans	平台金融貸款	943.0	15.5	1,026.6	19.1	(83.6)	(8.1)
Subtotal of loan balance	貸款餘額小計	6,085.4	100.0	5,375.2	100.0	710.2	13.2
Balance of provision for impairment	資產減值準備餘額	219.3	-	283.8	-	(64.5)	(22.7)
Provision rate ⁽¹⁾	撥備率 ⁽¹⁾	3.6%	-	5.3%	-	(1.7 ppt 百分點)	-
Provision coverage rate ⁽²⁾	撥備覆蓋率 ⁽²⁾	190.0%	-	173.5%	-	16.5 ppt 百分點	-
Balance of overdue loan business	逾期貸款業務餘額	363.4	-	339.2	-	24.2	7.1
Proportion of overdue loan business ⁽³⁾	逾期貸款業務佔比 ⁽³⁾	6.0%	-	6.3%	-	(0.3 ppt 百分點)	-
Balance of impaired loan business	已減值貸款業務餘額	115.4	-	163.6	-	(48.2)	(29.5)
Proportion of balance of impaired loan business ⁽⁴⁾	已減值貸款業務餘額佔比 ⁽⁴⁾	1.9%	-	3.0%	-	(1.1 ppt 百分點)	-

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Notes:

- (1) Balance of provisions for impairment divided by the balance of loan business.
- (2) Provision for asset impairment divided by the balance of impaired loan business. Provision coverage rate represents our provision rate for potential loss of the loan business portfolio.
- (3) Balance of overdue loan business divided by the balance of loan business.
- (4) Balance of impaired loan business divided by the balance of loan business.

As at 31 December 2017, the loan balance of the SME lending segment was RMB6,085.4 million, representing an increase of RMB710.2 million or 13.2% as compared with RMB5,375.2 million as at 31 December 2016. The increase of the balance of the SME lending segment was mainly attributable to the drastic growth of the loan balances of “Fangjie Loan” product on the standard finance business line.

As at 31 December 2017, the total balance of the standard finance line was RMB3,653.7 million, representing an increase of RMB3,011.1 million or 468.6% as compared with RMB642.6 million as at 31 December 2016. As a result, the proportion of the loan balance of standard finance line to the total loan balance of the credit business increased from 12.0% as at 31 December 2016 to 60.0% as at 31 December 2017.

註釋：

- (1) 資產減值準備餘額除以貸款業務餘額。
- (2) 資產減值準備除以已減值貸款業務餘額。撥備覆蓋率顯示我們就貸款業務組合可能出現的損失的撥備水準。
- (3) 已逾期貸款業務餘額除以貸款業務餘額。
- (4) 已減值貸款業務餘額除以貸款業務餘額。

於2017年12月31日，信貸業務分部貸款餘額為人民幣6,085.4百萬元，與2016年12月31日貸款餘額人民幣5,375.2百萬元相比，增加人民幣710.2百萬元，增幅13.2%。貸款業務餘額的增長主要源於標準金融業務條線「房捷貸」產品貸款餘額的大幅增長。

於2017年12月31日，標準金融條線餘額合計為人民幣3,653.7百萬元，與2016年12月31日該條線餘額人民幣642.6百萬元相比，增加人民幣3,011.1百萬元，增幅468.6%。這使得標準金融條線貸款餘額佔信貸業務整體貸款餘額的比例從2016年12月31日12.0%提升至2017年12月31日的60.0%。

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As at 31 December 2017, the impaired loan balance of the credit business was RMB115.4 million and the provision rate was 3.6%, representing a decrease of 1.7 percentage points as compared with the provision rate of 5.3% as at 31 December 2016. The decline was mainly attributable to the decrease in the impaired loan balance. In 2017, the Group has written-off loan balance in the sum of RMB155.6 million, of which it had made full provision for impairment loss in prior periods. As a result, the balance of impaired loan dropped dramatically.

The following table sets forth the average interest and handling fee rates of the credit business for the years indicated:

於2017年12月31日，信貸業務已減值貸款餘額為人民幣115.4百萬元，撥備率為3.6%，與2016年12月31日撥備率5.3%相比，下降1.7個百分點，這主要是因為已減值貸款餘額大幅下降所致。2017年，本集團將前期已全額提取減值準備的貸款餘額共計人民幣155.6百萬元進行核銷，使得已減值貸款餘額大幅下降。

下表載列於所示年度信貸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		
		2017 2017年 Amount 金額	2016 2016年 Amount 金額	Change 變動 Percentage % 比例%
(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	788.4	597.3	32.0
Average outstanding balance of micro and small loans	小微貸款月均餘額	5,785.2	4,057.2	42.6
Average interest and handling fee rate	平均利息及手續費率	13.6%	14.7%	(1.1 ppt 百分點)

In 2017, the SME lending segment of the Group recorded interest and handling fee income of RMB788.4 million, representing an increase of RMB191.1 million or 32.0% as compared with RMB597.3 million in 2016. The increase in interest and handling fee income was mainly due to the growth average monthly balance of credit business. The average monthly balance of credit business in 2017 was RMB5,785.2 million, representing an increase of RMB1,728.0 million or 42.6% as compared with RMB4,057.2 million in 2016. The increase in average monthly balance of credit business was mainly attributable to the Group's proactive strategic transformation and adjustment with "transformation and upgrading in rich models" as the overall business strategy in 2016. While transforming and upgrading the traditional micro and small loan business, the Group actively expanded the standard finance and platform finance businesses, and through the online and offline integration, further broadened the customer acquisition channels to provide integrated financial services for micro and small enterprises and individual customers.

2017年，本集團信貸業務利息及手續費收入為人民幣788.4百萬元，較2016年利息及手續費收入人民幣597.3百萬元相比，增加人民幣191.1百萬元，增幅32.0%。利息及手續費收入增長的主要原因在於信貸業務月平均餘額增長所致，2017年度信貸業務月均餘額為人民幣5,785.2百萬元，較2016年度月均餘額人民幣4,057.2百萬元，增長人民幣1,728.0百萬元，漲幅42.6%。信貸業務月平均餘額增長主要是因為本集團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，積極拓展標準金融和平台金融業務，通過線上線下跨界融合，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。

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The interest and handling fee rate charged by the Group for credit business depend on a number of factors, including the borrower's credit rating, secured loan (yes or no), quality of the collateral and the duration of the loan. In order to answer the government's call and effectively mitigate the difficulties of "high financing costs" of SMEs, the Group has actively reduced the fee rate of its micro and small loan business while the external financing costs continued to decline. Additionally, in 2017, the Group took the initiative to adjust the business types of its credit business, increased the "Fangjie Loan" product with lower default risk and real estate as collateral. The interest and handling fee rate of such business was lower than that of micro and small finance business. As at 31 December 2017, the balance of "Fangjie Loan" business accounted for 42.1% of the asset balance of credit business, representing an increase of 40.2 percentage points from 1.9% as at 31 December 2016. The higher proportion of "Fangjie Loan" business led to an average interest and handling fee rate of 13.6% for the Group's credit business in 2017, representing a decrease of 1.1 percentage points from 14.7% in 2016.

本集團就信貸業務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，2017年本集團主動調整信貸業務的業務種類，增加對違約風險相對較低有房產抵押的「房捷貸」業務，而此類業務利息及手續費率相比小微金融業務較低。2017年12月31日「房捷貸」業務餘額佔信貸業務資產餘額的比例為42.1%，較2016年12月31日的1.9%，增加40.2個百分點。「房捷貸」業務佔比上升使得本集團2017年信貸業務的平均利息及手續費率為13.6%，較2016年平均利息及手續費率14.7%相比，下降1.1個百分點。

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

下表載列於所示日期信貸業務保證方式分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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 loans	信用貸款	1,922.3	31.6	1,833.7	34.2
Guaranteed loans	保證貸款	1,495.5	24.6	3,012.5	56.0
– Guaranteed by intra-group guarantors	– 由集團內公司間的擔保人擔保	660.2	10.9	851.6	15.8
– Guaranteed by independent third parties	– 由獨立第三方擔保人擔保	835.3	13.7	2,160.9	40.2
Secured loans	有抵押貸款	2,667.6	43.8	529.0	9.8
Total	合計	6,085.4	100.0	5,375.2	100.0

The loan balance structure of the credit business changed during the current year. The proportion of balance of “Fangjie Loan” business to the total loan balance of credit business increased from 1.9% as at 31 December 2016 to 42.1% as at 31 December 2017. As a result, the proportion of secured loans to the credit business increased from 9.8% as at 31 December 2016 to 43.8% as at 31 December 2017, and the asset quality of SME lending business was further enhanced.

本年度信貸業務貸款餘額結構發生變化，「房捷貸」業務餘額佔全部信貸業務貸款餘額比例由2016年12月31日的1.9%上升至2017年12月31日的42.1%，因此信貸業務中有抵押貸款佔比由2016年12月31日的9.8%上升至2017年12月31日的43.8%，信貸業務資產組合的資產質量進一步提高。

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The following table sets forth the loan balance distribution of credit business by geographic region (by the lending institutions, rather than the location of customers) as at the dates indicated:

下表載列於所示日期按地區（按照放款機構主體劃分，非客戶所在地劃分）劃分的信貸業務貸款餘額分佈：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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%
Chongqing	重慶	2,611.1	42.9	2,010.8	37.4
Chengdu	成都	730.1	12.0	1,181.4	22.0
Harbin	哈爾濱	697.6	11.5	936.8	17.4
Shenyang	瀋陽	616.5	10.1	376.8	7.0
Shenzhen	深圳	503.4	8.3	147.6	2.7
Tianjin	天津	335.2	5.5	213.6	4.0
Nanning	南寧	230.7	3.8	294.0	5.5
Guiyang	貴陽	195.2	3.2	74.4	1.4
Nanjing	南京	164.9	2.7	133.6	2.5
Changchun	長春	0.7	—	0.8	—
Xi'an	西安	—	—	4.9	0.1
Kunming	昆明	—	—	0.5	—
Total	合計	6,085.4	100.0	5,375.2	100.0

As the small loan companies in Chongqing, Chengdu, Shenyang and Harbin have obtained the qualification of lending loan on the Internet, the credit businesses in these areas were in larger size. Since the business operations of the four small loan companies mentioned above broke through geographic constraints, in order to further integrate the capital investment of the Group's credit business and improve the efficiency of capital operations, the Group deregistered three small loan companies in Kunming, Changchun and Xi'an in 2017.

位於重慶、成都、瀋陽、哈爾濱的小額貸款公司已經獲得「互聯網放貸」的資格，因此以上地區的信貸業務規模佔比較高。由於上述四家小額貸款公司的業務經營突破地域限制，為了進一步整合本集團信貸業務資本投入，提升資本運營效率，本集團已於2017年註銷位於昆明、長春、西安的三家小額貸款公司。

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Three business lines, micro and small finance, standard finance, platform finance, are introduced in details:

Micro and small finance

Micro and small finance is a traditional segment under the SME lending business. It mainly engaged in provision of credit fund to microenterprises and individual business proprietors. Since 2015, the micro and small finance gradually transformed from the traditional “single customer retail” model to the “supply chain finance model for product wholesale” model. It focused on the core enterprises in the industry chain and partnered with them to provide integrated financial services to microenterprises and individual business proprietors in the industry chain through the “joint development and sharing” model. Currently, the Group cooperates mainly with core enterprises in the industry chain, logistics warehouse enterprises and trading platforms. Through participating in and sharing information on “products turnaround, capital flow and information flow” in the industry chain comprising the “suppliers-core enterprises-distributors-end stores”, it manages loan granting and controls relevant risks.

Micro and small finance is characterized by flexible credit lines and maturity between 6 and 18 months. As at 31 December 2017, micro and small loans balance totaled RMB1,488.7 million, representing a 59.8% drop, or RMB2,217.3 million, as compared with RMB3,706.0 million as at 31 December 2016. The main reason is that the traditional individual retailing model is being phased out, but it takes time to shape the supply chain finance model. Idle capital is therefore injected into standard finance and platform finance. As at 31 December 2017, there were approximately 3,700 active micro and small loan clients (31 December 2016: approximately 7,320) and the average balance per transaction was RMB402,400 (31 December 2016: RMB506,400).

以下從「小微金融、標準金融、平台金融」三大業務方向，分別闡述：

小微金融

小微金融為信貸業務的傳統業務，主要為廣大微型企業及個體工商戶提供信貸資金。自2015年開始，小微金融開始逐步從傳統的「單一客戶零售」模式向「產品批發的供應鏈金融模式」進行轉變，逐步專注於某一產業鏈上的核心企業，並與核心企業形成合作夥伴，通過「共建、共享」的模式為產業鏈上的微型企業、個體工商戶提供綜合金融服務；目前，以產業鏈上的核心企業、物流倉儲企業、交易平台為主要合作對象，通過參與、分享「供應商—核心企業—經銷商—終端門店」產業鏈條上的「貨物流轉、資金流轉、信息流轉」信息，實現貸款的投放和風險管理。

小微金融額度靈活，期限一般在6-18個月之間。於2017年12月31日，小微貸款餘額為人民幣1,488.7百萬元，較2016年12月31日貸款餘額人民幣3,706.0百萬元，減少人民幣2,217.3百萬元，降幅59.8%，主要是因為業務模式轉型過程中，逐步退出傳統的單一零售模式，但供應鏈金融模式的建立仍需時間。所以信貸業務將閒餘資金投放於標準金融和平台金融，以減少資金閒置。於2017年12月31日，小微貸款在貸客戶數量約為3,700戶（2016年12月31日：約7,320戶），單筆貸款平均餘額為人民幣402.4千元（2016年12月31日：人民幣506.4千元）。

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The table below presents the industry mix of micro and small finance as at the dates indicated:

下表呈列，於所示日期小微金融業務行業分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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%
Individual clients	個人客戶	1,071.8	72.0	2,220.3	59.9
Wholesale and retail	批發及零售	191.3	12.8	473.5	12.8
Household goods	綜合	102.3	6.9	105.2	2.8
Construction	建築業	79.2	5.3	454.8	12.3
Manufacturing and processing	製造及加工業	38.7	2.6	176.2	4.8
Others	其他	5.4	0.4	276.0	7.4
Total	合計	1,488.7	100.0	3,706.0	100.0

Regarding the industry mix of micro and small loans, the Group stays true to the tenet of serving the people and the real economy and seeks to satisfy the funding needs of SMEs and individual clients. Aiming at diversification, transformation and upgrade, the Group readapted its business strategies, upgraded the microfinance business line, boosted standard finance and platform finance, formed a standardized, centralized and diversified business model by means of online and offline fusion, enlarged its client base and provided comprehensive financial services to micro and small enterprises and individual clients in 2017. As at 31 December 2017, micro and small finance business were distributed among individual clients, wholesale and retail, household goods, construction, manufacturing and processing and other industries, taking up 72.0%, 12.8%, 6.9%, 5.3%, 2.6% and 0.4% of the total loan business of the Group, respectively.

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2017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，積極拓展標準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2017年12月31日小微金融分佈主要包括個人客戶、批發及零售、綜合、建築業、製造及加工業、及其他行業，分別佔集團信貸業務的72.0%、12.8%、6.9%、5.3%、2.6%、0.4%。

Management Discussion and Analysis

管理層討論與分析

The table below sets out the exposure mix of micro and small finance as at the dates indicated:

下表載列於所示日期小微金融業務敞口分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	25.7	1.8	81.0	2.2
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	353.3	23.7	1,021.6	27.6
Over RMB500,000 to RMB1 million	人民幣50萬元以上至 人民幣1百萬元	272.7	18.3	948.1	25.6
Over RMB1 million to RMB3 million	人民幣1百萬元以上至 人民幣3百萬元	248.8	16.7	575.3	15.5
Over RMB3 million	人民幣3百萬元以上	588.2	39.5	1,080.0	29.1
Total	合計	1,488.7	100.0	3,706.0	100.0

Regarding the credit exposure of micro and small finance, the Group is committed to serving high-quality SMEs and individual clients. As at 31 December 2017, the balance of micro and small finance loans granted to clients who had more than RMB3 million balance grossed RMB588.2 million, representing a 45.5% drop, or RMB491.8 million, as compared with RMB1,080.0 million recorded as at 31 December 2016.

在小微金融業務信用敞口上，本集團致力於服務優質中小企業及廣大個人客戶，於2017年12月31日，本集團小微金融業務餘額在人民幣3百萬以上的客戶餘額為人民幣588.2百萬元，較2016年12月31日人民幣1,080.0百萬元，減少人民幣491.8百萬元，降幅45.5%。

Management Discussion and Analysis

管理層討論與分析

The table below lists the maturity mix of micro and small finance as at the dates indicated:

下表載列於所示日期小微金融餘額剩餘到期日情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	376.1	25.3	1,603.8	43.3
Due between three months and six months	3至6個月到期	408.3	27.4	1,449.4	39.1
Due between six months and one year	6個月至1年到期	353.4	23.7	632.9	17.1
Due over one year	1年後到期	350.9	23.6	19.9	0.5
Total	合計	1,488.7	100.0	3,706.0	100.0

The Group is concentrated on short-term loans so as to minimize its risk exposure and accelerate capital turnover. Hence, loans extended by the Group are mostly due within one year, representing 76.4% of the total balance of micro and small finance as at 31 December 2017.

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，於2017年12月31日小微金融餘額剩餘到期日一年以內佔比76.4%。

Management Discussion and Analysis

管理層討論與分析

Standard finance

Two main standard finance products, “Fangjie Loan” and “Lexiang Jin”, are introduced as follows:

- *Fangjie Loan*

“Fangjie Loan” is a secured small loan product. It is the loan provided to a natural person who owns properties, where the borrower pledges the property in favour of the Group as primary collateral. As at 31 December 2017, the clients of Fangjie Loan are all individuals. The maximum principal of the loan products is RMB5.0 million, with a term of up to 36 months (a very small portion of loans subject to strict requirements has a term of 60 months).

Fangjie Loan requires the borrowers to pledge properties under their ownership that are free from title defects. Once the Group receives the loan application from customers, it will engage third party valuers to conduct independent verification on the property regarding its ownership, existence of pledges and mortgage, other information on liability, geographical location of the cities in which the properties located, age, conditions of the properties, and recent trading price in the market. Upon the preliminary assessment, the Group calculates the actual maximum loans available to the borrowers by discounting the assessed market price at a rate of 70% and deducting the rigid liability. After that, the Group determines the actual loan amount based on the purpose of lending. The principal and interest of the loan products are to be repaid in equal monthly instalments.

標準金融

標準金融產品主要包括「房捷貸」和「樂享金」。其中：

- *房捷貸：*

「房捷貸」為有抵押小額貸款產品，指向擁有房產的自然人提供貸款，借款人將房產抵押給本集團並以此作為主要擔保措施。於2017年12月31日，房捷貸業務服務對象全部為個人客戶。此貸款產品本金上限通常為人民幣5.0百萬元，最長借款期限通常不超過36個月（極少部分貸款可以達60個月，但條件極為苛刻）。

「房捷貸」要求借款人提供的房屋為自有產權，並不存在任何產權瑕疵。本集團收到客戶的借款申請之後，會通過第三方評估機構對房產進行獨立核查，包括房產權屬、是否已經設定抵押、是否存在按揭貸款以及其他負債信息、房屋所處城市的區域位置、房齡、新舊程度、最近市場成交價格等。進行初步評估後，在市場評估價格的基礎之上進行七折，並減去剛性負債，得出借款人實際可貸資金上限。隨後依據借款人資金用途設定實際貸款資金金額。該產品均按照「等額本息」模式，按月歸還本集團貸款本金及利息。

Management Discussion and Analysis

管理層討論與分析

“Prior notarization” and “Post notarization” by a government notary are required prior to the grant of each Fangjie Loan. “Prior notarization” covers the ownership of the property, existence of pledges, charges and mortgage, other information on liability and leasing status. “Post notarization” primarily states that the borrowers shall irrevocably authorize the Group or its designated third-party to dispose of the pledged or charged property and repay the loans first with the proceeds when the principal and interest of the loan products become overdue for over 30 days.

In the course of normal operation, the front office staff is responsible for marketing and customer acquisition. The Group has dedicated mid-and-back functions and departments for property valuation, notarization, contract execution, and charge and pledge procedures. The strict division between the front office and mid-and-back office has reduced the operational risk.

In 2017, the cumulative amount of “Fangjie Loan” extended was RMB3,059.0 million. As at 31 December 2017, the amount of “Fangjie Loan” outstanding was RMB2,562.2 million. There were approximately 5,400 active loan clients, and the average amount outstanding per client was RMB474,500.

放款前，每一筆「房捷貸」均要求在政府所屬的公證機關進行「事前公證」和「事後公證」。「事前公證」內容包括房屋權屬、是否設定抵質押、是否存在按揭貸款以及其他負債信息、是否出租等；「事後公證」內容主要包括借款人對於本集團的貸款本金及利息逾期30天以上，借款人需不可撤銷地委託本集團或本集團指定的第三方機構有權對抵質押房產進行處置，並將處置款優先償還對本集團的欠款。

在日常操作中，前台業務人員負責營銷並獲取客戶；本集團設定專門的中後台職能部門負責評估房產、公證程序、簽訂合同、辦理抵質押手續等，將前台和中後台進行嚴格分離，降低操作風險。

2017年，「房捷貸」產品累計投放金額人民幣3,059.0百萬元。於2017年12月31日，「房捷貸」產品餘額為人民幣2,562.2百萬元，在貸客戶數量約為5,400戶，平均每戶在貸餘額為人民幣474.5千元。

Management Discussion and Analysis

管理層討論與分析

The table below sets out the exposure mix of “Fangjie Loan” as at the dates indicated:

下表載列於所示日期「房捷貸」業務敞口分佈情況：

As at 31 December 於12月31日					
		2017 2017年		2016 2016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	17.2	0.7	0.3	0.3
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	962.5	37.6	27.9	26.9
Over RMB500,000 to RMB1 million	人民幣50萬元以上至 人民幣1百萬元	781.6	30.5	30.2	29.1
Over RMB1 million to RMB3 million	人民幣1百萬元以上至 人民幣3百萬元	716.6	28.0	37.7	36.4
Over RMB3 million	人民幣3百萬元以上	84.3	3.2	7.6	7.3
Total	合計	2,562.2	100.0	103.7	100.0

Regarding the credit exposure of “Fangjie Loan”, the upper limit to the principal of this product is usually RMB5 million (limited to Beijing, Shanghai, Guangzhou and Shenzhen). As at 31 December 2017, the balance of “Fangjie Loan” extended to clients who had less than RMB3 million outstanding grossed RMB2,477.9 million, representing 96.8% of the total, with a slight increase of 4.1 percentage points as compared to the 92.7% share as at 31 December 2016.

在「房捷貸」業務信用敞口上，此貸款產品本金上限通常為人民幣5百萬元（僅限於北京、上海、廣州、深圳四個一線城市）。於2017年12月31日，本集團「房捷貸」業務餘額在人民幣3百萬以下的客戶餘額為人民幣2,477.9百萬元，佔比96.8%，較2016年12月31日佔比92.7%小幅增加4.1個百分點。

Management Discussion and Analysis

管理層討論與分析

The table below presents the maturity mix of “Fangjie Loan” outstanding as at the dates indicated:

下表載列於所示日期「房捷貸」餘額剩餘到期日情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	141.8	5.6	17.8	17.2
Due between three months and six months	3至6個月到期	82.8	3.2	52.3	50.4
Due between six months and one year	6個月至1年到期	—	—	3.3	3.2
Due between one year and three years	1年至3年到期	2,337.6	91.2	30.3	29.2
Total	合計	2,562.2	100.0	103.7	100.0

“Fangjie Loan” is intended for property owners. The borrower mortgages a property he or she owns to the Group as a means of security. The maturity is usually between 12 months and 36 months. As at 31 December 2017, loans due in 1 to 3 years took up 91.2% of the total.

「房捷貸」業務產品，向擁有房產的自然人提供貸款，借款人將房產抵押給本集團並以此作為主要擔保措施。借款期限通常為12個月至36個月。於2017年12月31日，1年至3年到期業務金額佔比91.2%。

Management Discussion and Analysis

管理層討論與分析

• Lexiang Jin

“Lexiang Jin” 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 individuals who have housing mortgage, social security, retirement fund and fixed salary paid to banking cards. As at 31 December 2017, the clients of Lexiang Jin are all individuals. The principal of the loan products generally ranges between RMB10,000 and RMB500,000 (a very small portion of loans subject to strict requirements is in the amount of RMB500,000), and has a term of one to 36 months. The principal and interest of the loan products are to be repaid in equal monthly instalments.

In the course of normal operation, the front office staff of the Group are responsible for marketing and customer acquisition. The Group has dedicated mid-and-back functions and departments for assessment and verification of applicants' information, as well as determination of loan facility. The strict division between the front office and mid-and-back office has reduced the operational risk.

In 2017, the cumulative amount of “Lexiang Jin” loans extended was RMB917.0 million. As at 31 December 2017, the amount of Lexiang Jin loans outstanding was RMB1,019.9 million. There were approximately 27,700 active loan clients, and the average amount outstanding per client was RMB36,800.

• 樂享金

「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。於2017年12月31日，樂享金業務服務對象全部為個人客戶。此貸款產品本金一般介乎人民幣1萬元到人民幣50萬元（極少部分貸款金額可以達人民幣50萬元，但條件極為苛刻），到期日介乎1至36個月，還款方式為「等額本息、按月還款」。

在日常操作中，前台業務人員負責營銷並獲取客戶；本集團設定專門的中後台職能部門負責評估、鑒定申請人的信息是否屬實、並核定貸款額度等，將前台和中後台進行嚴格分離，降低操作風險。

2017年，「樂享金」產品累計投放金額人民幣917.0百萬元。於2017年12月31日，「樂享金」產品餘額為人民幣1,019.9百萬元，在貸客戶數量約為27,700戶，平均每戶在貸餘額為人民幣36.8千元。

Management Discussion and Analysis

管理層討論與分析

The table below presents the exposure mix of Lexiang Jin as at the dates indicated:

下表載列於所示日期樂享金業務敞口分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	985.4	96.6	413.7	94.4
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	34.5	3.4	24.6	5.6
Total	合計	1,019.9	100.0	438.3	100.0

The principal of “Lixiang Jin” loans is usually between RMB10,000 and RMB500,000. As at 31 December 2017, loans of less than RMB100,000 as a percentage of the total were 96.6%, with an increase of 2.2 percentage points as compared to the 94.4% share as at 31 December 2016.

「樂享金」產品本金一般介乎人民幣1萬到人民幣50萬之間，於2017年12月31日，人民幣10萬元以下佔比96.6%，較2016年12月31日佔比94.4%，增長2.2個百分點。

Management Discussion and Analysis

管理層討論與分析

The table below presents the maturity mix of Lexiang Jin loans outstanding as at the dates indicated:

下表載列於所示日期樂享金餘額剩餘到期日情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	137.2	13.5	0.4	0.1
Due between three months and six months	3至6個月到期	2.7	0.3	0.7	0.2
Due between six months and one year	6個月至1年到期	10.8	1.1	3.0	0.7
Due between one year and three years	1年至3年到期	869.2	85.1	434.2	99.0
Total	合計	1,019.9	100.0	438.3	100.0

The maturity of Lexiang Jin loans is between 1 month and 36 months. It requires “monthly equal payment of principal and interest”. As at 31 December 2017, loans due in 1 to 3 years took up 85.1% of the total.

樂享金貸款產品到期日介乎1至36個月，還款方式為「等額本息、按月還款」。於2017年12月31日，1年至3年到期佔比85.1%。

Platform finance

Platform finance primarily comprises information technology platform and industrial platform, of which:

- Information technology platform

The Group mainly cooperates with information technology platforms for this type of products. In particular, the information technology platforms are responsible for marketing, provision of operating history and consumption records of the applicants, and assisting in risk control, while the Group provides funds and channels for lending.

平台金融

平台金融主要包括信息科技平台和產業平台兩類，其中：

- 信息科技平台

該類產品，本集團主要與信息科技平台合作。其中，信息科技平台負責營銷、提供申請人經營歷史和消費記錄、協助控制風險等；本集團則負責提供資金和放款渠道。

Management Discussion and Analysis

管理層討論與分析

The Group selects information technology platform partners based on the following main criteria: 1) job history and education background of the founder and the key team members; 2) information of shareholders and shareholding structure of the platform; 3) current operation of the platform, such as the business model, target customer groups and its position in the industry; 4) operational efficiency. With reference to the above information, the Group makes independent judgment and grants individual facility for cooperation.

With regard to the information of loan applicants referred by information technology platforms, the Group conducts independent risk assessment and review based on the records from independent third party credit information platforms and credit investigation, and makes independent decision to accept/decline the applications. In the meantime, the Group requires the information technology platforms or their associates to provide guarantee and credit repurchase for the loan facility recommended by them, so as to ensure the repayment of principal and interest of the loan.

The customers of this product are mainly natural persons. The principal is usually between RMB500 and RMB300,000 and the maturity is no more than 24 months. In 2017, the cumulative amount of loans extended through information technology platform grossed RMB1,803.9 million.

As at 31 December 2017, the balance of information technology platform products was RMB384.9 million. There were approximately 150,000 active loan clients (as at 31 December 2017, all clients of information technology platform were individuals), and the average amount outstanding per client was RMB2,600.

對於信息科技平台合作夥伴的選擇標準，本集團主要通過評估以下信息：

1)創始人及其主要團隊成員的歷史就職經驗、教育背景；2)該平台的股東信息、股東結構；3)該平台目前經營現狀，如業務模式、客戶群體定位、在其行業所屬位置等；4)運營效率。本集團根據上述信息獨立判斷，並給予單獨的授信合作額度。

本集團對於信息科技平台推薦的借款申請人信息，本集團借助於獨立第三方徵信平台及信用調查記錄對申請人實施獨立風險評估審查，並獨立做出接受／拒絕的決定。與此同時，本集團要求信息科技平台本身、或關聯人士就其推薦的借款額度提供擔保、債權回購等，以確保本集團貸款本金及利息的安全。

此貸款產品的主要客戶為自然人，本金一般介乎人民幣0.5千元至人民幣300.0千元之間，到期日不超過24個月；2017年，信息科技平台產品累計投放金額人民幣1,803.9百萬元。

截至2017年12月31日，信息科技平台產品餘額為人民幣384.9百萬元，在貸客戶數量約為15萬戶（於2017年12月31日，信息科技平台業務服務對象全部為個人客戶），平均在貸餘額為人民幣2.6千元。

Management Discussion and Analysis

管理層討論與分析

For information technology platform products, the Group keeps a close eye on dynamics of regulatory policies and the market environment and makes adjustments accordingly.

對於信息科技平台產品，本集團將密切關注監管政策動向及市場環境，並據此作出相應調整。

The table below presents the exposure mix of information technology platform business as at the dates indicated:

下表載列於所示日期信息科技平台業務敞口分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	373.9	97.1	1,003.7	100.0
Over RMB100,000 to RMB300,000	人民幣10萬元以上至 人民幣30萬元	11.0	2.9	–	–
Total	合計	384.9	100.0	1,003.7	100.0

The principal of information technology platform business is usually between RMB500 and RMB300,000. As at 31 December 2017, the proportion of customers with outstanding balance which is less than RMB100,000 was 97.1%.

信息科技平台業務本金一般介乎人民幣0.5千元至人民幣300.0千元之間，於2017年12月31日，餘額在人民幣10萬元以下的客戶佔比97.1%。

Management Discussion and Analysis

管理層討論與分析

The table below presents the maturity mix of information technology platform business as at the date indicated:

下表載列於所示日期信息科技平台業務餘額剩餘到期日情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	112.5	29.3	115.2	11.5
Due between three months and six months	3至6個月到期	179.0	46.5	45.6	4.5
Due between six months and one year	6個月至1年到期	62.9	16.3	738.5	73.6
Due over one year	1年後到期	30.5	7.9	104.4	10.4
Total	合計	384.9	100.0	1,003.7	100.0

The maturity of information technology platform products is between 1 month and 24 months. It requires "monthly equal payment of principal and interest". As at 31 December 2017, loans due within one year took up 92.1% of the total.

信息科技平台產品到期日介乎1至24個月，還款方式為「等額本息、按月還款」。於2017年12月31日，1年內到期佔比92.1%。

• Industrial Platform

For these products, the Group mainly cooperates with data collection and deal matching platforms in each segment. In particular, the industrial platforms are responsible for providing the communication channels to borrowers, provision of operating history and consumption records of the applicants, and assisting in risk control, while the Group provides funds and channels for lending, conducts independent assessment on the credit condition of the applicants and decides whether or not to grant funds.

• 產業平台

該類產品，本集團主要與各類細分領域負責信息收集、交易撮合的平台合作。其中，產業平台負責提供借款人借入資金的信息通道、並提供申請人經營歷史和消費記錄、協助控制風險等；本集團負責提供資金和放款渠道，並對申請人的資信狀況進行獨立評估並作出是否批准的決定。

Management Discussion and Analysis

管理層討論與分析

The Group selects industrial platform partners based on the following main criteria: 1) work experience and education background of the founder and the key team members; 2) information of shareholders and shareholding structure of the platform; 3) current operation of the platform, such as the business model, target customer groups, its position in the industry, number of customers of the platform, trading size and level of trading activities; 4) operational efficiency. With reference to the above information, the Group makes independent judgment and grants individual facility for cooperation.

The industrial platforms are only responsible for recommending the products or services of the Group to customers with financing needs. Prospective and potential customers are mainly registered users of the websites and the Group targets micro and small enterprises as well as individuals who make direct application for loans. The principal of the loan products generally ranges between RMB500 and RMB500,000, with a term of up to 12 months. The Group independently reviews the industry and commerce registration, financial statements, tax record, and purpose of loan submitted by customers. Meanwhile, it performs a separate review based on the records from independent third party credit information platforms and credit investigation, and historical procurement and sales of products as provided by the industrial platform to make independent decision to accept/decline the applications. In the meantime, the Group requires the industrial platforms or their associates to provide guarantee and credit repurchase for the loan facility recommended by them, so as to ensure the repayment of principal and interest of the loan.

對於產業平台合作夥伴的選擇標準，本集團主要通過評估以下信息：1)創始人及其主要團隊成員的就職經驗、教育背景；2)該平台的股東信息、股東結構；3)該平台目前經營現狀，如業務模式、客戶群體定位、在其行業所屬位置、平台的客戶數量、交易規模、交易活躍程度等；4)運營效率。本集團根據上述信息獨立判斷，並給予單獨的授信合作額度。

產業平台只負責向有資金需求的客戶推薦本集團提供的產品或服務。有意向的潛在客戶主要為網站的註冊用戶，目標客群均為小微企業和個人，他們直接向本集團提出資金申請。本金一般介乎人民幣500元至人民幣50萬元之間，到期日不超過12個月；本集團對於客戶提供的工商登記信息、財務報表、納稅記錄、資金用途等進行獨立審查，同時借助於獨立第三方徵信平台及信用調查記錄、產業平台提供的歷史採購／銷售貨物信息等對申請人進行獨立審批，並獨立做出接受／拒絕的決定。與此同時，本集團要求產業平台本身、或關聯人士就其推薦的借款額度提供適度擔保及債權回購等，以確保本集團貸款本金及利息的安全。

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管理層討論與分析

In 2017, the cumulative amount of loans extended through industrial platforms grossed RMB1,075.0 million. As at 31 December 2017, the balance of industrial platform products was RMB558.1 million. There were approximately 5,300 active loan clients, and the average amount outstanding per client was RMB105,300.

The table below presents the industry mix of industrial platform business as at the dates indicated:

2017年，產業平台產品累計投放金額人民幣1,075.0百萬元。於2017年12月31日，產業平台產品餘額為人民幣558.1百萬元，在貸客戶數量約為5,300戶，平均在貸餘額為人民幣105.3千元。

下表呈列，於所示日期產業平台業務行業分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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%
Individual clients	個人客戶	557.2	99.8	16.3	71.2
Service industry	服務業	0.9	0.2	6.6	28.8
Total	合計	558.1	100.0	22.9	100.0

Industrial platforms recommend the Group's products or services only to those clients who have funding needs. Prospective clients are mainly registered users of some websites. Target clients are all micro and small entities and individuals. They may file a request for funding to the Group directly. As at 31 December 2017, 99.8% of all clients were individuals.

產業平台向有資金需求的客戶推薦本集團提供的產品或服務。有意向的潛在客戶主要為網站的註冊用戶，目標客群均為小微型企業和個人，他們直接向本集團提出資金申請。於2017年12月31日，個人客戶佔比99.8%。

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管理層討論與分析

The table below presents the exposure mix of industrial platform business as at the date indicated:

下表載列於所示日期產業平台業務敞口分佈情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	185.8	33.3	3.8	16.6
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	372.3	66.7	19.1	83.4
Total	合計	558.1	100.0	22.9	100.0

The principal of industrial platform products is usually between RMB500 and RMB500,000. As at 31 December 2017, transactions of less than RMB100,000 and between RMB100,000 and RMB500,000 as a percentage of the total were 33.3% and 66.7%, respectively.

此貸款產品本金一般介乎人民幣0.5千元至人民幣500.0千元之間，於2017年12月31日，人民幣10萬元以下佔比33.3%，人民幣10萬元以上至人民幣50萬元佔比66.7%。

Management Discussion and Analysis

管理層討論與分析

The table below presents the maturity mix of industrial platform business as at the dates indicated:

下表載列於所示日期產業平台業務餘額剩餘到期日情況：

		As at 31 December 於12月31日			
		2017 2017年		2016 2016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	36.8	6.6	2.2	9.6
Due between three months and six months	3至6個月到期	163.4	29.3	3.5	15.3
Due between six months and one year	6個月至1年到期	357.9	64.1	10.7	46.7
Due over one year	1年後到期	–	–	6.5	28.4
Total	合計	558.1	100.0	22.9	100.0

As at 31 December 2017, the maturity of industrial platform products was between 1 month and 12 months.

於2017年12月31日，產業平台產品剩餘到期日介乎1至12個月。

Risk management and asset quality

For loans to SMEs, the Group monitors risk exposure in loan and advance groups according to Guidelines for Risk Classification of Loans unveiled by the China Banking Regulatory Commission and applies the loan risk classification method. Loans and advances fall into five categories by risk exposure, namely, Pass, Special Attention, Substandard, Doubtful and Loss. The last three categories are considered impaired. Where one or several events provide objective evidence of impairment, the loan and advance in question are considered impaired. The provision for impairment of loans and advances is assessed in group or individually.

風險管理及資產質量

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。

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Loan categories are defined as follows:

Normal: The borrower is able to fulfill the loan terms and conditions and there is no ground to doubt full and timely payment of the principal and interest.

Special Attention: The borrower is able to pay the principal and interest for the time being, but some factors that may affect such payment negatively are present.

Substandard: The solvency of the borrower is obviously undermined. The borrower is unable to pay the principal and interest in full with his or her normal income. A loss might be incurred even if the guarantee is executed.

Doubtful: The borrower fails to pay the principal and interest in full. A material loss will be incurred definitely even if the guarantee is executed.

Loss: The principal and interest are unrecoverable in full or at all after all possible actions are taken or all necessary legal procedures are implemented.

The Group regularly reviews the quality of individually significant financial assets. With respect to assets for which provision is made individually, the Group assesses the loss and determines the amount of provision on the balance sheet date on an item-by-item basis. The Group usually considers the value of collaterals and future cashflow.

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，或只能收回極少部分。

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 table below sets out key asset quality indicators of SME lending segment of the Company as at the dates indicated:

下表載列於所示日期本公司信貸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) (除另有註明外，以人民幣百萬元列示)		2017 2017年	2016 2016年
Impaired loan ratio ⁽¹⁾	減值貸款比率 ⁽¹⁾	1.9%	3.0%
Outstanding balance of impaired loans	減值貸款餘額	115.4	163.6
Outstanding balance of loans	貸款餘額	6,085.4	5,375.2
Provision coverage rate ⁽²⁾	撥備覆蓋率 ⁽²⁾	190.0%	173.5%
Allowances for impairment losses	貸款減值準備	219.3	283.8
Outstanding balance of impaired loans	減值貸款餘額	115.4	163.6
Provision rate ⁽³⁾	撥備率 ⁽³⁾	3.6%	5.3%

Notes:

註釋：

- (1) The balance of impaired loan business divided by the balance of loan business.
- (2) Provision for impairment divided by the balance of impaired loan business. Provision coverage rate represents our provision rate for potential loss of the loan business portfolio.
- (3) Balance of provision for impairment divided by the balance of the loan business.

- (1) 已減值貸款業務餘額除以貸款業務餘額。
- (2) 資產減值準備除以已減值貸款業務餘額。撥備覆蓋率顯示我們就貸款業務組合可能出現的損失的撥備水準。
- (3) 資產減值準備餘額除以貸款業務餘額。

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管理層討論與分析

The Group examined existing clients thoroughly, strengthened collateral management and enhanced security measures following defaults in 2017. For new clients, the Group introduced higher credit check standards, raised the bar and redoubled efforts on field research of uncertainties. From the second half of 2015, the Group readjusted its credit business mix, launched Fangjie Loan of lower risk and entered into strategic partnership with platforms. Thanks to these, the asset quality of credit business improved significantly as at 31 December 2017 compared with that as at 31 December 2016. Meanwhile, the Group increased disposal of impaired micro loans by write-off to mitigate non-performing assets. In 2017, the Group wrote off RMB155.6 million loans in total (2016: RMB106.6 million). With these risk controls put into action, the share of impaired loans in the credit business section dropped to 1.9% as at 31 December 2017 from 3.0% as at 31 December 2016. In 2017, the Group continued to apply prudent accounting estimates and in consideration of changes in loan quality, recognized a loss from asset impairment to the amount of RMB84.3 million. Owing to the provision consumed by the write-off of impaired loans, the provision coverage fell to 3.6% as at 31 December 2017 from 5.3% as at 31 December 2016. With a slash in the balance and share of impaired loans, the provision coverage for micro and small loans rose to 190.0% as at 31 December 2017 from 173.5% as at 31 December 2016, indicating better risk resistance.

2017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。自2015年下半年開始，本集團主動調整信貸業務的業務種類，增加風險相對較低的「房捷貸」產品以及與各類平台進行戰略合作，使得本集團2017年12月31日的信貸業務資產質量較2016年12月31日相比有大幅提升。同時，本集團加大已減值小微貸款的處置力度，通過核銷手段，以減輕不良資產壓力。2017年，本集團共計核銷貸款人民幣155.6百萬元（2016年：人民幣106.6百萬元）。隨著以上風險控制措施的實施，信貸業務分部已減值貸款比例呈下降態勢。本集團信貸業務分部已減值貸款比例從2016年12月31日的3.0%下降至2017年12月31日的1.9%。2017年，本集團仍然採用審慎的會計估計，結合貸款質量的變化，共計提取人民幣84.3百萬元資產減值損失。由於核銷已減值貸款需要消耗準備金，使得撥備率從2016年12月31日的5.3%下降至2017年12月31日的3.6%。同時，由於已減值貸款餘額及比例的大幅下降，使得小微貸款業務撥備覆蓋率從2016年12月31日的173.5%上升至2017年12月31日的190.0%，抗風險能力進一步增強。

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管理層討論與分析

CAPITAL INVESTMENT AND MANAGEMENT SEGMENT

The capital investment and management segment uses capital owned by the Group and aligns with other institutions in fund raising to provide capital investment services to SMEs demonstrating growth potential and value.

In early 2015, the Group started to engage in capital investment and management business. In terms of fund raising, the Group worked together with external organizations that aim to serve SMEs to raise capital by way of funds, with a special focus on industrial funds established by all levels of government authorities and listed companies. As at 31 December 2017, the Group successfully established seven funds with external investors, raising gross proceeds of RMB856.7 million.

In terms of the use of proceeds, we provide small capital investment services to leading SMEs in their respective industries with stable operating and management teams and positive growth prospect in the existing clientele. As at 31 December 2017, it has applied RMB357.6 million in equity investment for long term returns from capital appreciation, and RMB305.6 million in debt investment for stable return with the aim of effectively utilizing idle funds to enhance capital earning.

In 2017, the capital investment and management segment derived total income of RMB18.2 million from interest on debts invested. In addition, the Group reaped RMB11.0 million from dividends from invested business and disposal of some equity interest in invested entities.

資本投資及管理分部

資本投資及管理分部指本集團利用自有資金，以及通過與外部機構合作募集資金，向具有成長空間和增長價值的廣大中小企業提供資本投資服務。

2015年初，本集團開始涉足資本投資及管理業務。在資金募集方面，本集團與有志於服務中小企業的外部機構尤其是各級政府、上市公司設立的產業基金合作，以基金的形式募集資金，截至2017年12月31日，本集團已成功與外部投資者合作成立了七只基金，合計募集資金共計人民幣856.7百萬元。

在資金投向方面，一方面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；截至2017年12月31日，人民幣357.6百萬元資金用於股權投資，以獲得長期資本增值回報；另一方面為有效利用閒置資金以提升資金收益，人民幣305.6百萬元資金用於債權投資，以獲取穩定回報。

2017年，資本投資及管理分部共實現收入人民幣18.2百萬元，主要來自於債權投資獲取的利息收入。此外，本集團獲得被投資業務的股利分紅及處置被投資企業部分股權，獲得收益人民幣11.0百萬元。

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The Group makes provision for asset impairment associated with these creditor's rights by referring to the rules of risk management of capital business in the partnership finance business segment. In 2017, a total loss of RMB6.7 million from asset impairment was incurred. Among the Group's equity investment in SMEs, the invested entities are running soundly and there is no indication of impairment.

OTHER SEGMENT

Other segment is general administration at the headquarters and other business lines and results that do not fall into any of the preceding segments.

Since 2016, the Group has strived for "integration of functions and efficiency enhancement". It has continuously strengthened the integration of functions, especially the mid-and-back office, for higher operating efficiency and lower operating cost. In the course of implementation, all business segments and their branches focused on customer exploration and risk management, while the headquarters focusing on the establishment of a unified service system covering human resources, financial management, fund raising and utilization, administrative service, and construction of the information system, which provided services to business segments and their branches with specific purposes.

In 2017, other segment incurred a total of RMB145.0 million net expenditure on interest and handling fee, almost equal to the amount incurred in 2016. A major part was the interest paid on RMB2,400.0 million company bonds issued by the Group.

與此同時，本集團參照夥伴金融業務集群分部對於資金業務風險管理的相關規定，對該類債權提取資產減值準備。2017年，共計提取資產減值損失人民幣6.7百萬元。本集團對於廣大中小企業所進行的股權投資，目前被投資方經營狀況良好，未見其減值跡象。

其他分部

其他分部指承擔總部管理職能以及無法完全劃分為上述任一分部的其他業務條線及經營業績。

自2016年開始，本集團以「職能整合、提升效率」為目標，不斷加強職能部門尤其是中後台職能部門的整合，以提升運營效率，降低運營成本。在具體實施過程中，各業務分部及其分支機構主要專注於客戶拓展及風險管理；總部則主要專注於建立統一的服務體系，包括人力資源、財務管理、資金募集及運用、行政服務、信息系統建設等，並有針對性地向業務分部及其分支機構提供服務。

2017年，其他分部產生的淨利息及手續費支出總額為人民幣145.0百萬元，與2016年淨利息及手續費支出相當，主要為本集團對外發行的人民幣2,400.0百萬元公司債產生的利息支出。

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In 2017, other segment incurred a total of RMB241.0 million operating expenses, representing a 5.4% drop, or RMB13.7 million, as compared with RMB254.7 million in 2016. Operating expenses were mainly made up of RMB38.8 million expenses on equity incentives offered to senior management (share-based payment), RMB79.8 million labor cost and RMB122.4 million other operating costs. The labor cost included remunerations of senior management at the parent company level of the Group, remunerations of the centralized operation and management team and the cost of information system development.

2017年，其他分部產生的營運支出總額為人民幣241.0百萬元，與2016年營運支出總額人民幣254.7百萬元相比，減少13.7百萬元，降幅5.4%。營運支出主要包括針對高級管理人員實施的股權激勵方案產生費用（股份支付）金額人民幣38.8百萬元，人力資源成本計人民幣79.8百萬元，以及其他運營成本計人民幣122.4百萬元。其中，人力資源成本主要包括本集團母公司層面高級管理人員的薪酬、集中運營及管理團隊的薪酬、以及信息系統建設成本等。

INFORMATION OF MATERIAL ASSOCIATES

The Group and six institutions in China jointly founded Chongqing Fumin Bank in 2016. The Company invested RMB900.0 million in Fumin Bank for a 30% share of its registered capital and became its largest shareholder. Fumin Bank formally started business in August 2016.

重要聯營企業的信息

於2016年，本集團與境內六家機構共同發起設立富民銀行，本公司以人民幣900.0百萬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。

SELECTED ITEMS OF THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

節選合併利潤表項目

Guarantee and consulting fee income

擔保及諮詢費收入

In 2017, the Group derived net guarantee and consulting fee income of RMB631.4 million in 2017, a decrease of 16.4%, or RMB124.0 million, as compared with RMB755.4 million in 2016. In 2017, although a significant growth of project performance guarantee business led to an increase in the income of RMB45.6 million, there were a decrease in the income of RMB103.7 million from bond guarantee business and a decrease in the income of RMB67.4 million from traditional financing guarantee business. The combined effect resulted in a downward trend of the net guarantee and consulting fee income derived from the guarantee business. Please refer to page 27 to 60 of this report for details on the Group's guarantee and consulting fee income in the credit guarantee business line.

於2017年，本集團擔保及諮詢費淨收入為人民幣631.4百萬元，較2016年擔保及諮詢費淨收入人民幣755.4百萬元，減少人民幣124.0百萬元，降幅16.4%。2017年，儘管工程履約擔保業務的大規模增長使得該業務產生的擔保及諮詢費收入增長人民幣45.6百萬元，但債券融資擔保業務產生的擔保及諮詢費收入下降人民幣103.7百萬元、傳統融資擔保業務產生的擔保及諮詢費收入下降人民幣67.4百萬元，三者綜合影響使得擔保業務產生的擔保及諮詢費淨收入呈下滑態勢。有關本集團信用擔保業務擔保及諮詢費收入詳情，請參閱本報告第27頁至60頁。

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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 2017:

利息及手續費淨收入

下表載列本集團於2017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)		2017 2017年	2016 2016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	1,078.1	962.6	12.0
Cash at banks	銀行存款	60.9	50.7	20.1
Factoring business	保理業務	168.5	56.5	198.2
Time and restricted bank deposits	定期及受限銀行存款	13.6	16.9	(19.5)
Finance lease receivables	應收融資租賃款	31.6	13.6	132.4
Other interest and handling fee income	其他利息及手續費收入	23.3	12.8	82.0
Total interest and handling fee income	利息及手續費收入總額	1,376.0	1,113.1	23.6
Interest and commission expenses arising from	來自以下各項的利息及手續費支出			
Debts securities issued	應付債券	(218.0)	(190.7)	14.3
Borrowings from non-banking institutions	非銀行機構借貸	(133.7)	(66.5)	101.1
Financial assets sold under repurchase agreements	賣出回購金融資產	(94.2)	(80.0)	17.8
Borrowings from banks	銀行借貸	(14.1)	(9.2)	53.3
Other interest and commission expenses	其他利息及手續費支出	(103.9)	(42.3)	145.6
Total interest and commission expenses	利息及手續費支出總額	(563.9)	(388.7)	45.1
Net interest and handling fee income	利息及手續費淨收入	812.1	724.4	12.1

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管理層討論與分析

In 2017, the Group's net income from interest and handling fee came in at RMB812.1 million, a 12.1% increase, or RMB87.7 million, from RMB724.4 million in 2016. The increase was mainly attributable to the rising net interest and handling fee income from the SME lending segment, which provided funds to SMEs as follows.

- In 2017, loans and advances granted by the Group generated RMB1,078.1 million income from interest and handling fee, a 12.0% increase, or RMB115.5 million, from 2016. This was owing to growth of income from interest and handling charges generated by the SME lending segment. Restructuring of the credit business started in 2015 and has begun to kick in. The monthly average balance of credit business has been growing consistently, reaching RMB5,785.2 million in 2017, a 42.6% hike, or RMB1,728.0 million, as compared with RMB4,057.2 million in 2016. The growth of monthly average balance of credit business in 2017 was mainly driven by a boom in "Fangjie Loan" in the standard finance business line. The Group developed this business line with double efforts in 2017 as it is secured sufficiently by properties and exposed to relatively low risks. As at 31 December 2017, the balance of "Fangjie Loan" was reported at RMB2,562.2 million, which shot up by 2,370.8%, or RMB2,458.5 million, from RMB103.7 million recorded as at 31 December 2016. As at the same day, the balance of Fangjie Loan as a percentage of the total balance of credit business was 42.1%, with an increase of 40.2 percentage points to the 1.9% share as at 31 December 2016;

於2017年，本集團利息及手續費淨收入為人民幣812.1百萬元，較2016年利息及手續費淨收入人民幣724.4百萬元，增加人民幣87.7百萬元，增幅12.1%。該增長主要來源於信貸業務分部面向中小企業提供的資金業務產生的利息及手續費淨收入呈增長態勢。其中：

- 於2017年，本集團發放貸款及墊款產生的利息及手續費收入為人民幣1,078.1百萬元，較2016年增加人民幣115.5百萬元，增幅12.0%，這主要是因為信貸業務分部產生的利息及手續費收入增加所致。自2015年開始的信貸業務結構調整策略產生的運營效果開始逐步體現，信貸業務月均餘額逐漸增長。2017年度信貸業務月均餘額為人民幣5,785.2百萬元，較2016年度月均餘額人民幣4,057.2百萬元，增長人民幣1,728.0百萬元，漲幅42.6%。2017年信貸業務月均餘額的增長，主要來源於標準金融條線「房捷貸」產品規模的大幅增長。該類業務由於有足值的房地產作為抵押，風險相對較低，所以本集團2017年加大對該類業務的投放力度。於2017年12月31日，「房捷貸」業務餘額為人民幣2,562.2百萬元，較2016年12月31日業務餘額人民幣103.7百萬元，增加人民幣2,458.5百萬元，增幅2,370.8%。2017年12月31日「房捷貸」業務餘額佔信貸業務資產餘額的比例為42.1%，較2016年12月31日業務比例佔比1.9%，增加40.2個百分點；

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Meanwhile, a mild retreat was seen in income from interest and handling fee derived from entrusted loans in 2017, mainly owing to a downslide in the growth of average interest rate and handling rate and average balance of entrusted loans. From the second half of 2016, the Group began to drive collaboration and integration of industrial chains under the “supply chain finance” business model, used “receivables for factoring and bill discounting” instruments, formed “receivables for factoring” asset by checking trade background and proving truthfulness of accounts receivable, and effectively solved the problem of “hard-to-get funding”. At the same time, the Group built up its ability in “asset end” organization, made the most of its creditability, brought in external funds by asset securitization, provided integrated funding solutions to corporate clients and effectively solved the problem of “expensive funding”. The said business model gave a big boost to the Group’s factoring of accounts receivable, while the asset of entrusted loans shrank progressively;

- In 2017, the Group received a total interest of RMB74.5 million from bank deposits and time and restricted bank deposits, representing an insignificant change as compared with RMB67.6 million in 2016. The Group continued to follow flexible cash management strategies and while maintaining sufficient liquidity, increased returns on capital employed by investing in time deposits and capital preservation wealth management products providing relatively high ROR;

同時，於2017年，委託貸款業務產生的利息及手續費收入呈小幅下滑態勢，主要緣於委託貸款業務的平均利息及手續費率以及平均餘額增長均呈下滑態勢。自2016年下半年開始，本集團在「供應鏈金融」業務模式下，致力於促進產業鏈的協作與整合，合理運用「應收賬款保理和票據貼現」這一工具，通過核實交易背景確保應收賬款的真實性，隨後形成「應收保理」資產，有效解決企業「融資難」問題。同時，通過不斷提升「資產端」的組織能力，運用本集團的綜合信用能力，以資產證券化的形式融入外部資金，向企業提供綜合性的資金解決方案，有效解決企業「融資貴」的問題。上述業務模式使得本集團應收保理帳款業務規模大幅增長，而委託貸款類資產規模則逐步下降；

- 於2017年，本集團銀行存款及定期及受限銀行存款相關的利息總收入為人民幣74.5百萬元，與2016年該項收入人民幣67.6百萬元相比，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；

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- In 2017, the Group's factoring business generated RMB168.5 million income from interest and handling fee. A main source of this income was factoring services provided by the factoring business line. In 2017, the cumulative amount of receivables for factoring business was RMB4,438.6 million, a 237.3% jump as compared with the amount in 2016. As at 31 December 2017, the balance of receivables for factoring business came in at RMB1,659.9 million, a 175.6% rise, or RMB1,057.7 million, from RMB602.2 million as at 31 December 2016. The average duration of this business line was 6.5 months and 88.6% transactions will fall due within one year;
 - In 2017, the Group derived RMB31.6 million income from interest and handling fee from finance lease business, representing an increase of RMB18.0 million or 132.4% as compared with that in 2016. Both the transaction volume and revenue of the Group's finance lease business increase rapidly as it is at the growth stage currently.
 - In 2017, the Group paid RMB563.9 million interest and handling fee, a 45.1% increase, or RMB175.2 million, as compared with 2016. To be more specific:
- 於2017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168.5百萬元，主要是金融保理業務板塊提供保理服務收入所得；2017年，應收賬款保理業務累計發生額為人民幣4,438.6百萬元，較2016年發生額大幅增長237.3%。於2017年12月31日，應收賬款保理業務餘額為人民幣1,659.9百萬元，與2016年12月31日應收賬款保理業務餘額人民幣602.2百萬元相比，增加人民幣1,057.7百萬元，增幅175.6%。該類業務平均存續期間為6.5個月，88.6%的業務將於1年內到期；
 - 於2017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31.6百萬元，較2016年增長人民幣18.0百萬元，增幅132.4%。由於本集團融資租賃業務目前正處於成長期，業務量及收入增速較快；及
 - 於2017年，本集團利息及手續費支出為人民幣563.9百萬元，較2016年增長人民幣175.2百萬元，增幅45.1%。其中：

In 2017, the Group paid RMB218.0 million interest on debts securities issued, a 14.3% increase, or RMB27.3 million, as compared with 2016. This was because the balance of debts securities issued grew to RMB4,267.9 million as at 31 December 2017, as compared with RMB3,655.3 million as at 31 December 2016.

於2017年，本集團債券利息支出為人民幣218.0百萬元，較2016年增長人民幣27.3百萬元，增幅14.3%。主要是應付債券餘額由2016年12月31日的人民幣3,655.3百萬元增長至2017年12月31日的人民幣4,267.9百萬元。

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In 2017, the Group transferred RMB2,068.9 million micro loans to a structured entity and then the structured entity issued asset-backed securities (the “**Products**”) to investors. Meanwhile, the Group held all subprime portions of the Products and provided guarantee for all senior portions. Since the Group retains almost all risks and rewards pertaining to this asset class, the underlying financial assets do not qualify for de-recognition and the Group continues to recognize the said assets in its Balance Sheet. The proceeds of RMB1,923.7 million from such transfer were presented under “Asset-backed Securities Payable” and the resulting interest expenditure was charged to “Interest Expenses” in the consolidated statement of profit or loss of the Group.

In 2017, the Group paid RMB147.8 million interest on borrowings from banks and non-banking financial institutions, a 95.2% rise, or RMB72.1 million, as compared with 2016. This was mainly caused by the growth of interest-bearing borrowings outstanding to RMB2,883.6 million as at 31 December 2017 from RMB1,205.9 million as at 31 December 2016.

In 2017, the Group's expenditure on other interest and commissions was RMB103.9 million, a 145.6% jump, or RMB61.6 million, as compared with 2016. Commissions paid to third-party entities drove the growth.

此外，於2017年，本集團將人民幣2,068.9百萬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1,923.7百萬元轉讓款在「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損益表中的「利息支出」。

於2017年，本集團銀行及非銀行機構借款利息支出為人民幣147.8百萬元，較2016年增長人民幣72.1百萬元，增幅95.2%，主要是因為計息借款餘額由2016年12月31日的人民幣1,205.9百萬元增長至2017年12月31日的人民幣2,883.6百萬元所致。

於2017年，本集團其他利息及手續費支出為人民幣103.9百萬元，較2016年增長人民幣61.6百萬元，增幅145.6%。增長主要來自於開展各類業務需要支付給第三方機構的佣金支出。

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For details of net interest and handling fee income, please refer to page 68 to 75 of the partnership finance business segment and page 78 to 109 on the SME lending segment in this report for details on net income from interest and handling charges.

有關本集團淨利息及手續費收入的詳情，請參閱本報告夥伴金融業務集群分部資金業務板塊第68頁至75頁，以及信貸業務分部第78頁至109頁。

Other revenue

A breakdown of other revenue received by the Group in 2017 is outlined as follows:

其他收入

下表載列本集團於2017年的其他收入明細：

		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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Government grants	政府補助	23.4	15.6	50.0
Investment income	投資收益	25.1	8.5	195.3
Rental income	房租收入	11.1	7.2	54.2
Others	其他	1.7	3.4	(50.0)
Total	合計	61.3	34.7	76.7

In 2017, the Group reported other revenue of RMB61.3 million, including government grants, investment income and rental income. Investment income was mainly dividends paid by projects invested by the capital investment and management segment, while rental income came from lease of assets for debt service and vacant properties to third parties.

於2017年，本集團其他收入為人民幣61.3百萬元，主要包括政府補助、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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Provisions for guarantee losses

The provisions for guarantee losses is an estimate of sufficient provision for credit guarantee made by the Group based on the asset quality of its guarantee portfolio and past experience. In 2017, the Group made a total of RMB26.7 million provisions for guarantee losses (2016: RMB39.7 million provisions for guarantee losses was reversed).

Provision coverage reflects the level of provisioning for future potential indemnification risk associated with the Group's guarantee portfolio. It equals the provisions for guarantee losses divided by ending balance of guarantee liability. The Group paid RMB281.7 million in total to indemnify defaulting clients in 2017, a 27.0% drop, or RMB104.3 million, as compared with RMB386.0 million in 2016. The overall default rate of the Group indicates the quality of its guarantee portfolio. It was 1.3% in 2017, lower than 1.6% as compared with 2016. The continued drop in the amount and default rate in 2017 proves a significant improvement in the asset quality of credit guarantee. The reason is that the Group began to tighten after-guarantee management with increased frequency and double efforts from 2015. Meanwhile, performance-related bonus is not paid to any salesperson until they are relieved of guarantee liability, in a bid to heighten risk awareness. As the Group provided loans and credit guarantees of short maturity to its clients (mostly within 18 months), these measures mitigated the credit exposure of the Group's asset portfolio and the credit exposure was eliminated totally in 2015 and 2016.

擔保賠償準備金

擔保賠償準備金主要根據本集團擔保組合資產質量及過往經驗，對信用擔保業務而言足夠的撥備水準的估計。於2017年，本集團提取擔保賠償準備金計人民幣26.7百萬元（2016年度：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。本集團2017年為違約客戶支付的代償款項總額為人民幣281.7百萬元，與2016年代償款項人民幣386.0百萬元相比，共減少人民幣104.3百萬元，降幅27.0%。本集團整體代償率顯示本集團擔保組合質量，2017年本集團代償率為1.3%，與2016年本集團代償率1.6%相比呈下降態勢。2017年代償金額及代償率的持續下降，均顯示本集團信用擔保業務資產質量的大幅改善。這源於本集團自2015年開始全面強化保後管理，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。

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As at 31 December 2017, the provision rate for credit guarantee was 0.8% (31 December 2016: 1.1%). The provision rate dropped because bond guarantee, project performance guarantee and capital preservation funds guarantee exposed to relatively low credit risk as a percentage of the portfolio rose to 76.6% as at 31 December 2017 from 69.4% as at 31 December 2016, giving rise to changes in potential risks in the credit guarantee portfolio.

於2017年12月31日，本集團信用擔保業務的撥備率分別為0.8%（2016年12月31日：1.1%）。撥備率下降主要是因為信用風險相對較低的債券擔保、工程履約擔保及保本基金擔保在整個產品組合中的佔比由2016年12月31日的69.4%提高至2017年12月31日的76.6%，使得信用擔保業務組合的潛在風險發生變化。

Impairment losses

A breakdown of impairment losses incurred by the Group in 2017 is provided below:

資產減值損失

下表載列本集團於2017年的資產減值損失明細：

		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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Impairment losses for receivables for default payments	應收代償款的資產減值損失	136.0	213.7	(36.4)
Impairment losses for loans and advances to customers	發放貸款及墊款的資產減值損失	116.9	149.1	(21.6)
Impairment losses for receivables for factoring business	應收保理款的資產減值損失	9.2	7.3	26.0
Impairment losses for finance lease receivables	應收融資租賃款的減值損失	0.7	2.8	(75.0)
Goodwill	商譽	1.5	—	—
Total	合計	264.3	372.9	(29.1)

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管理層討論與分析

The Group incurred impairment losses to the amount of RMB264.3 million in 2017, a 29.1% decrease, or RMB108.6 million, from RMB372.9 million in 2016.

- The impairment loss related to receivables for default payments declined by 36.4%, or RMB77.7 million, to RMB136.0 million in 2017 from RMB213.7 million in 2016, thanks to optimized business mix, client base, product portfolio and risk control policies. Since 2015, the Group has tightened after-guarantee management with increased frequency and double efforts and collaterals received from defaulting clients have been managed more effectively; in the meantime, receivables for default payments in prior years have been settled thanks to continued efforts over last three years. In 2017, the Group recovered a total of RMB224.6 million in cash from clients. This amount grew 44.0%, or RMB68.6 million, from RMB156.0 million recovered in 2016; the recovery rate was (recovery rate=current recovered amount/current indemnified amount) 79.7% in 2017, 39.3 percentage points higher than 40.4% in 2016. Meanwhile, performance-related bonus is not paid to any salesperson until they are relieved of guarantee liability, in a bid to heighten risk awareness. As the Group provides loans and credit guarantee of short maturity to its clients (mostly within 18 months), these measures mitigated the credit exposure of the Group's asset portfolio and the credit exposure was eliminated totally in 2015 and 2016. In 2017, the Group paid RMB281.7 million on behalf of defaulting clients, a 27.0% drop, or RMB104.3 million, as compared with RMB386.0 million in 2016. As a result, the provision for asset impairment related to receivables for default payments was reduced. As at 31 December 2017, the cost of receivables for default payments was RMB1,045.5 million, corresponding to the balance of impairment provision at RMB454.0 million.

於2017年，本集團資產減值損失為人民幣264.3百萬元，較2016年資產減值損失人民幣372.9百萬元，減少人民幣108.6百萬元，降幅29.1%，其中：

- 有關應收代償款的資產減值損失從2016年的人民幣213.7百萬元減少至2017年的人民幣136.0百萬元，減少人民幣77.7百萬元，降幅36.4%，這主要得益於本集團業務結構、客戶群體、產品組合、風險控制策略的全面提升。自2015年開始，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，通過近三年的持續努力，以往年度應收代償款項的清收效果逐步展現。2017年，本集團共計從客戶處回收現金人民幣224.6百萬元，該金額與2016年度回收現金人民幣156.0百萬元相比，增加人民幣68.6百萬元，增幅44.0%；同時，2017年回收比率（回收比率 = 當期回收金額／當期代償金額）為79.7%，較2016年該比率40.4%大幅提升39.3個百分點。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），使得本集團針對市場環境及客戶經營狀況轉變而採取措施的力度更加有效，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。2017年，本集團為客戶實際代償金額為人民幣281.7百萬元，較2016年實際代償金額人民幣386.0百萬元，下降人民幣104.3百萬元，降幅27.0%，使得對應收代償款計提的資產減值準備呈下降態勢。於2017年12月31日，本集團應收代償款原值為人民幣1,045.5百萬元，對應的減值準備餘額為人民幣

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The provision rate (provision rate=provision for impairment of receivables for default payments/original value of receivables for default payments) was 43.4%, down 10.8 percentage points as compared with 54.2% as at 31 December 2016. The Group received adequate collaterals from clients, heightened the haircut rate and accelerated disposal; the Group assessed the recoverability of receivables for default payments on an item-by-item basis, mainly based on reverse mortgage provided by borrowers, compared the present value of potentially recoverable amount and default amount and charged the difference to current loss from asset impairment;

- In 2017, a loss from asset impairment of RMB84.3 million was incurred by micro loans extended by the SME lending segment, a 26.1% drop, or RMB29.7 million, as compared with RMB114.0 million in 2016. In prior years, most micro loans were purely credit loans; from the second half of 2015, the Group readapted its business strategy, progressively shifted from the “single customer retail model” to the “supply chain finance model for product wholesale”, and started cooperation with information technology and industrial platforms and standard finance platforms, to expand its client base and business. After three years’ exploration, the credit business section has developed three business lines, “micro and small finance, standard finance, platform finance”. The standard finance business line launched Fangjie Loan, which requires borrowers to put properties they own in pledge. Properties as pledges as a percentage of the asset portfolio have grown and the asset quality has improved. As at 31 December 2017, the balance of “Fangjie Loan” came in at RMB2,562.2 million, representing a 2,370.8% jump, or RMB2,458.5 million, from RMB103.7 million as at 31 December 2016. The balance of Fangjie Loan as a percentage of total assets of the credit business increased by 40.2 percentage points to 42.1% as at 31 December 2017, compared with 1.9% as at 31 December 2016;

454.0百萬元，撥備率（撥備率 = 應收代償款減值準備／應收代償款原值）為43.4%，該撥備率與2016年12月31日撥備率54.2%相比，下降10.8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；

- 於2017年，信貸業務分部小微貸款提取的資產減值損失為人民幣84.3百萬元，與2016年提取的資產減值損失人民幣114.0百萬元相比，減少人民幣29.7百萬元，降幅26.1%。以往年度，小微貸款業務以「純信用」為主；自2015年下半年開始，本集團積極調整經營策略，從傳統的「單一客戶零售」模式向「產品批發的供應鏈金融模式」進行轉變；同時，與信息科技及產業運營平台、標準金融平台展開合作，拓寬獲客渠道及業務拓展方向。經過三年的探索，信貸業務分部逐步形成「小微金融、標準金融、平台金融」三大業務方向。尤其是標準金融條線，推出以借款人持有的房屋作為抵押物的「房捷貸」產品，提升資產組合中房屋抵質押物的比例，從而提升資產質量。於2017年12月31日，「房捷貸」業務餘額為人民幣2,562.2百萬元，較2016年12月31日業務餘額人民幣103.7百萬元，增加人民幣2,458.5百萬元，增幅2,370.8%。2017年12月31日「房捷貸」業務餘額佔信貸業務資產餘額的比例為42.1%，較2016年12月31日業務比例佔比1.9%，增加40.2個百分點；

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- In 2017, the Group incurred impairment loss related to entrusted loans to the amount of RMB32.6 million, similar to that of RMB35.1 million in 2016;
- In 2017, a RMB9.2 million impairment loss of receivables for factoring business was incurred mainly by the provision made for receivables for factoring business in group; as at 31 December 2017, the Group posted the balance of receivables for factoring business at RMB1,659.9 million, representing a 175.6% increase, or RMB1,057.7 million, as compared with RMB602.2 million as at 31 December 2016 ; and
- In 2017, a RMB0.7 million impairment loss of financial lease receivables was incurred mainly by the provision made for financial lease receivables in group; as at 31 December 2017, the Group posted the balance of financial lease receivables at RMB349.8 million, representing a 24.0% increase, or RMB67.7 million, as compared with RMB282.1 million as at 31 December 2016.
- 於2017年，本集團針對委託貸款提取的資產減值損失為人民幣32.6百萬元，與2016年提取的資產減值損失人民幣35.1百萬元相比，基本相當；
- 於2017年，應收保理款的資產減值損失為人民幣9.2百萬元，主要是對應收保理款項按照組合基準計提撥備所致；截至2017年12月31日，本集團應收保理款項餘額為人民幣1,659.9百萬元，較2016年12月31日應收保理款項餘額人民幣602.2百萬元，增加人民幣1,057.7百萬元，增幅175.6%；及
- 於2017年，應收融資租賃款的資產減值損失為人民幣0.7百萬元，主要是對應收融資租賃款按照組合計提撥備所致。截至2017年12月31日，本集團應收融資租賃款項餘額為人民幣349.8百萬元，較2016年12月31日應收融資租賃款項餘額人民幣282.1百萬元，增加人民幣67.7百萬元，增幅24.0%。

For the asset quality of credit guarantee and micro and small loans business, please see page 27 to 109 in this report.

有關信用擔保業務和小微貸款業務的資產質量，請參閱本報告第27頁至109頁。

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管理層討論與分析

Operating expenses

營運支出

The table below sets out operating expenses of the Group for the year of 2017:

下表載列本集團於2017年的營運支出：

		For the year ended 31 December 截至12月31日止年度			
		2017 2017年		2016 2016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 佔比%	Amount 金額	% of total 佔比%
Remunerations	員工薪酬	439.5	55.5	425.7	53.0
— Equity-settled share-based payment	— 以權益結算的股份支付	38.8	4.9	56.4	7.0
Tax and surcharges	稅金及附加	16.5	2.1	32.2	4.0
Operating lease charges in respect of buildings	房屋經營租賃費用	80.0	10.1	88.8	11.1
Depreciation and amortization expenses	折舊及攤銷開支	40.1	5.1	43.8	5.5
Others	其他	215.3	27.2	212.2	26.4
Total	合計	791.4	100.0	802.7	100.0

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In 2017, the Group reported operating expenses of RMB791.4 million, a 1.4% cut, or RMB11.3 million, as compared with RMB802.7 million recorded in 2016. This was owing to a drop in “tax and surcharges” following the “replacement of business tax by value-added tax”, effective from May 2016. If this factor was left out, operating expenses would be RMB774.9 million in 2017, very close as compared with RMB770.5 million in 2016. In particular:

- If the remunerations incurred by “equity-settled share-based payment” were excluded, remunerations paid by the Group to the staff would be RMB400.7 million in 2017, a 8.5% rise, or RMB31.4 million, from RMB369.3 million in 2016; from the first half of 2016, the Group has been beefing up the talent pool for the development of new business lines, such as financial asset management, capital investment and management; in the meantime, the Group has continually optimized human resources, reinforced risk management, offered extra rewards to high-performing institutions and teams, and incurred extra labor cost accordingly. In 2017, the Group continued to optimize its workforce mix, to meet the ever growing demand. As at 31 December 2017, the Group had 1,774 staff members, and the headcount reduced by 5.3% from 1,874 persons as at 31 December 2016; and
- In 2017, other operating expenses were RMB215.3 million, similar to that of RMB212.2 million recorded in 2016. In 2017, the Group continued to adopt cost optimization management measures to control expenses. As a result, various expenses as a percentage of total operating expenses remained stable without drastic fluctuations.

於2017年，本集團營運支出為人民幣791.4百萬元，較2016年人民幣802.7百萬元，減少人民幣11.3百萬元，降幅1.4%，該下降主要是與「稅金及附加」類稅金的下降相關，這是因為自2016年5月開始的「營業稅改增值稅」政策變化導致稅金及附加減少。剔除該因素影響，2017年營運支出總額為人民幣774.9百萬元，與2016年營運支出總額人民幣770.5百萬元相比，基本相當。其中：

- 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，2017年，本集團員工薪酬總額為人民幣400.7百萬元，較2016年員工薪酬總額人民幣369.3百萬元相比增加人民幣31.4百萬元，增幅8.5%；自2016年上半年開始，本集團開始為新業務板塊如金融資產管理、資本投資及管理的發展儲備人員；同時，本集團持續進行人員優化，強化風險管理的同時向業績優秀的機構、團隊提供超額獎勵，客觀上使得人力成本增加。2017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2017年12月31日，全集團員工人數合計為1,774名，較2016年12月31日員工人數1,874名，減少5.3%；及
- 於2017年，其他營運支出為人民幣215.3百萬元，與2016年其他營運支出人民幣212.2百萬元相比，基本相當，無重大變化。2017年，本集團持續採取成本優化管理措施，嚴控各項費用開支，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。

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管理層討論與分析

SELECTED ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

節選合併現金流量表項目

The following table sets forth the summary extracted from the Group's consolidated cash flow statement for the year ended 31 December 2017:

下表載列本集團截至2017年12月31日止年度的合併現金流量表的摘選概要：

		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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Net cash (used in)/generated from operating activities	經營活動(使用)/產生的現金淨額	(453.6)	34.4	(1,418.6)
Net cash used in investing activities	投資活動所用的現金淨額	(1,394.4)	(1,252.9)	11.3
Net cash generated from financing activities	籌資活動所產生的現金淨額	772.2	1,925.5	(59.9)
Net (decrease)/increase in cash and cash equivalents	貨幣資金(減少)/增加淨額	(1,075.8)	707.0	(252.2)
Cash and cash equivalents at the beginning of the year	年初貨幣資金餘額	3,512.0	2,803.9	25.3
Change in exchange rate	匯率變動	0.2	1.1	(81.8)
Cash and cash equivalents at the end of the year	年末貨幣資金餘額	2,436.4	3,512.0	(30.6)

Net cash used in operating activities

經營活動所用的現金淨額

In 2017, the amount of net cash used in operating activities was RMB453.6 million, inclusive of:

於2017年，本集團於經營活動中所用的現金淨額為人民幣453.6百萬元，主要包括：

1. RMB678.7 million guarantee and consulting fee received by the credit guarantee section; 2. RMB1,000.0 million interest and handling fee derived from loans granted to SMEs; 3. RMB286.2 million net increase in loans and advances extended to SMEs; 4. RMB1,057.7 million net increase in cash paid related to factoring;	1. 本集團信用擔保業務收取擔保費及諮詢費計人民幣678.7百萬元； 2. 本集團中小企業貸款業務收取利息及手續費人民幣1,000.0百萬元； 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286.2百萬元； 4. 本集團支付保理業務相關的現金淨增加人民幣1,057.7百萬元；

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5. RMB409.3 million salaries, insurance and benefits paid for employees; and
6. RMB168.6 million income tax, business tax, VAT and miscellaneous surcharges paid.

Net cash used in investing activities

In 2017, the amount of net cash used in investing activities was RMB1,394.4 million, inclusive of:

1. RMB85.0 million used to acquire fixed assets and intangible assets;
2. RMB67.6 million paid for investment in associates;
3. RMB647.1 million paid by the capital investment and management segment for new investments and RMB800.0 million paid by time deposit which will be mature in more than 3 months;
4. RMB185.6 million investment recovered in cash.

Net cash generated from financing activities

In 2017, the amount of net cash raised in financing activities was RMB772.2 million, inclusive of:

1. RMB909.0 million net proceeds from public offering of asset-backed securities in 2017;
2. RMB1,750.5 million net increase in fund raised by borrowings from banking and other financial institutions;
3. RMB222.2 million cash dividends paid;
4. RMB438.3 million interest paid for borrowings.

5. 本集團為員工支付的薪金及相關保險、福利支出人民幣409.3百萬元；及
6. 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168.6百萬元。

投資活動所用的現金淨額

於2017年，本集團於投資活動中所用的現金淨額為人民幣1,394.4百萬元，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85.0百萬元；
2. 對聯營企業投資支付的現金合計金額為人民幣67.6百萬元；
3. 資本投資及管理業務分部對外新增投資支付的現金合計為人民幣647.1百萬元以及超過三個月的定期存款人民幣800.0百萬元；
4. 收回投資收到的現金為人民幣185.6百萬元。

籌資活動產生的現金淨額

於2017年，本集團於籌資活動中所募集的現金淨額為人民幣772.2百萬元，主要包括：

1. 於2017年通過資產支持證券化模式公開發行債券共募集資金淨額計人民幣909.0百萬元；
2. 通過銀行類金融機構、其他類型金融機構借款籌集資金淨增加額為人民幣1,750.5萬元；
3. 分配股利所支付的現金人民幣222.2百萬元；
4. 支付借款利息支出人民幣438.3百萬元。

Management Discussion and Analysis

管理層討論與分析

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 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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Assets	資產			
Cash and cash equivalents	貨幣資金	2,436.4	3,512.0	(30.6)
Time and restricted bank deposits	定期及受限銀行存款	1,678.6	1,051.9	59.6
Trade and other receivables	應收及其他應收款項	1,940.5	1,551.5	25.1
Receivables for factoring business	應收保理款	1,643.1	594.6	176.3
Loans and advances to customers	發放貸款及墊款	7,741.1	7,625.4	1.5
financial assets measured at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	50.0	—	—
Available-for-sale financial assets	可供出售金融資產	733.6	333.5	120.0
Property, plant and equipment	物業、廠房及設備	442.7	434.5	1.9
Intangible assets	無形資產	25.1	6.2	304.8
Interest in associates	長期股權投資－聯營企業	1,112.0	985.5	12.8
Interest in joint ventures	長期股權投資－合營企業	8.6	20.0	(57.0)
Goodwill	商譽	9.7	11.2	(13.4)
Deferred tax assets	遞延所得稅資產	447.5	428.7	4.4
Reposessed assets	抵債資產	291.4	248.5	17.3
Finance lease receivables	應收融資租賃款	346.3	279.2	24.0
Total assets	總資產	18,906.6	17,082.7	10.7
Liabilities	負債			
Interest-bearing borrowings	計息借款	2,883.6	1,205.9	139.1
Financial assets sold under repurchase agreement	賣出回購金融資產	868.8	1,168.3	(25.6)
Deferred income	未到期責任準備金	697.2	639.4	9.0
Provisions for guarantee losses	擔保賠償準備金	377.3	350.6	7.6
Customer pledged deposits	存入保證金	112.9	17.2	556.4
Accruals and other payables	應計及其他應付款	1,423.9	2,381.3	(40.2)
Current tax liabilities	當期所得稅負債	203.4	185.6	9.6
Debts securities issued	應付債券	4,267.9	3,655.3	16.8
Total liabilities	總負債	10,835.0	9,603.6	12.8
NET ASSETS	資產淨值	8,071.6	7,479.1	7.9

Management Discussion and Analysis

管理層討論與分析

Cash and cash equivalents

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

貨幣資金

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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Cash on hand	庫存現金	0.1	0.1	—
Cash at banks	銀行存款	2,436.3	3,511.9	(30.6)
Total	合計	2,436.4	3,512.0	(30.6)

Cash and cash equivalents include cash on hand and at banks. As at 31 December 2017, the balance of cash and cash equivalents came in at RMB2,436.4 million, a decrease of 30.6%, or RMB1,075.6 million, from RMB3,512.0 million as at 31 December 2016. In 2017, the Group worked with other financial institutions to raise funds by obtaining borrowings and offering asset-backed securities. From the second half of 2017, the capital market became liquidity-strained, and the Group tried to improve liquidity management by applying flexible and variable cash management and asset allocation policies. At the same time, in order to increase the efficiency of fund utilisation, the Group invested part of its funds as time deposit under the condition of meeting the liquidity requirement, such portion of time deposit is not included in the above balance of cash and cash equivalents.

貨幣資金主要包括本集團庫存現金及銀行存款。於2017年12月31日，本集團貨幣資金餘額為人民幣2,436.4百萬元，較2016年12月31日餘額人民幣3,512.0百萬元，減少人民幣1,075.6百萬元，降幅30.6%。於2017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。自2017年下半年開始，資金市場流動性逐步趨緊，本集團採取靈活多變的現金管理及資產配置策略，提升流動性管理水平。同時，為了提高資金使用收益，本集團在滿足流動性需求的情況下，將部分資金投資於定期存款，該部分定期存款未包含在上述貨幣資金餘額中。

Management Discussion and Analysis

管理層討論與分析

Trade and other receivables

The trade and other receivables of the Group consist of receivables for default payments under credit guarantee, prepayments and interest receivables. The following table sets forth the breakdown of trade and other receivables 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、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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Receivables for default payments	應收違約付款	1,045.5	1,373.1	(23.9)
Trade receivables	應收賬款	11.7	8.6	36.0
Less: allowance for default payment receivables	減：應收違約付款準備金	(454.0)	(743.8)	(39.0)
Subtotal	小計	603.2	637.9	(5.4)
Interest receivables	應收利息	280.9	153.6	82.9
Receivables for assets disposal	應收資產轉讓款	546.0	598.0	(8.7)
Other prepayments, deposits and other receivables	其他預付款項、押金及 其他應收款項	510.4	162.0	215.1
Subtotal	小計	1,337.3	913.6	46.4
Total	總計	1,940.5	1,551.5	25.1

As at 31 December 2017, the balance of default payment receivable was RMB1,045.5 million, a 23.9% decrease as compared with RMB1,373.1 million as at 31 December 2016. In 2017, the Group paid RMB281.7 million cumulatively on behalf of defaulting clients, a 27.0% drop, or RMB104.3 million, as compared with RMB386.0 million in 2016.

於2017年12月31日，應收違約付款餘額為人民幣1,045.5百萬元，較2016年12月31日應收違約付款餘額人民幣1,373.1百萬元，降幅為23.9%。2017年，本集團共計為違約客戶累計代償金額合計為人民幣281.7百萬元，較2016年累計代償金額人民幣386.0百萬元減少104.3百萬元，降幅27.0%。

Management Discussion and Analysis

管理層討論與分析

In 2017, the Group tightened risk management measures and their frequency of guarantee clients monitoring, monitoring guarantors throughout the lifecycle and redoubled efforts on reverse guarantee, management of collaterals and recovery of indemnities. In 2017, the Group recovered RMB224.6 million in cash from defaulting clients cumulatively, a 44.0% rise, or RMB68.6 million, from RMB156.0 million in 2016; meanwhile, the Group wrote off RMB426.2 million worth of indemnities receivable in total.

As at 31 December 2017, the balance of default payment receivable was RMB1,045.5 million, corresponding to the balance of provision at RMB454.0 million. The provision coverage was 43.4%, down 10.8 percentage points as compared with 54.2% as at 31 December 2016. The Group received adequate collaterals from clients, heightened the haircut rate and accelerated disposal; the Group assessed the recoverability of indemnities receivable on an item-by-item basis, mainly based on reverse mortgage provided by borrowers, compared the present value of potentially recoverable amount and indemnified amount and charged the difference to current loss from asset impairment.

As at 31 December 2017, the balance of other prepayments, deposits and other receivables was RMB510.4 million, a 215.1% jump, or RMB348.4 million, from RMB162.0 million as at 31 December 2016. The main reason is that the RMB140.0 million amount due from associates were recovered in January 2018. Moreover, the Group began to deregister a subsidiary located at Xi'an from January 2017 and refunded capital contributions to minority shareholders to the amount of RMB140.0 million. As at 31 December 2017, the Group had not yet received the deregistration approval from the Administration of Industry and Commerce, so this amount was stated under other receivables again.

2017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。2017年，本集團累計從違約客戶處回收現金人民幣224.6百萬元，較2016年累計收回金額人民幣156.0百萬元，增加68.6百萬元，增幅44.0%；同時，2017年，本集團共計核銷應收代償款人民幣426.2百萬元。

於2017年12月31日，應收違約付款餘額為人民幣1,045.5百萬元，對應的準備金餘額為人民幣454.0百萬元，整體準備金率為43.4%，較2016年12月31日整體準備金率54.2%下降10.8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2017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510.4百萬元，較2016年12月31日餘額人民幣162.0百萬元，增長人民幣348.4百萬元，增幅215.1%，主要是由於2017年，本集團應收聯營公司款項人民幣140.0百萬元，此款項已於2018年1月收回。以及本集團2017年1月開始註銷一家位於西安的附屬公司並退還少數股東出資款人民幣140.0百萬元，截止2017年12月31日尚未獲得工商管理局註銷審批文件，因此將此款項回調至其他應收款項列示。

Management Discussion and Analysis

管理層討論與分析

Receivables for factoring business

The following tables sets forth the receivables for factoring business of the Group as at the dates indicated:

應收保理款

下表載列本集團於所示日期的應收保理款：

		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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Receivables for factoring business	應收保理款	1,659.9	602.2	175.6
Less: allowance for doubtful debts	減：壞賬準備	(16.8)	(7.6)	121.1
Total	合計	1,643.1	594.6	176.3

The Group has constantly enhanced its creditability and made use of transfer of accounts receivable and commercial bill discount instruments appropriately to meet the funding needs of SMEs. In 2017, the cumulative amount of receivables for factoring business was RMB5.77 billion. As at 31 December 2017, the net balance of receivables for factoring business arising from factoring of accounts receivable provided by the Group to clients was RMB1,643.1 million, a 176.3% jump, or RMB1,048.5 million, as compared with the net balance as at 31 December 2016.

本集團利用不斷增強的綜合信用能力，合理利用應收賬款轉讓、商業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2017年度，應收賬款保理業務累計發生額為人民幣57.7億元。於2017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淨額為人民幣1,643.1百萬元，較2016年12月31日淨額增長1,048.5百萬元，增幅176.3%。

Management Discussion and Analysis

管理層討論與分析

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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Unlisted debt investment	非上市債權投資	252.0	—	—
Listed debt investment	上市債權投資	9.3	—	—
Unlisted equity investments	非上市股權投資	288.7	153.3	88.3
Listed equity investments	上市股權投資	133.6	145.1	(7.9)
Wealth management products	理財產品組合	50.0	35.1	42.5
Total	合計	733.6	333.5	120.0

As at 31 December 2017, the value of unlisted debt investment was RMB252.0 million and that of listed debt investment RMB9.3 million.

As at 31 December 2017, the Group's equity investment in unlisted companies (independent third parties) was worth RMB288.7 million, a 88.3% growth, or RMB135.4 million, from RMB153.3 million as at 31 December 2016. The growth mainly resulted from an increase in external investment made by the capital investment and management section.

As at 31 December 2017, the Group's equity investment in listed companies was worth RMB133.6 million, a decrease of 7.9%, or RMB11.5 million, from RMB145.1 million as at 31 December 2016. The drop arose from fair value changes.

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：

於2017年12月31日，本集團投資的非上市債權人民幣252.0百萬元，投資上市債權人民幣9.3百萬元。

於2017年12月31日，本集團投資的非上市公司（獨立第三方公司）股權人民幣288.7百萬元，較2016年12月31日餘額人民幣153.3百萬元，增長人民幣135.4百萬元，增幅88.3%，其增長主要來源於資本投資及管理業務分部對外投資增加所致。

於2017年12月31日，本集團投資上市股權投資人民幣133.6百萬元，較2016年12月31日餘額人民幣145.1百萬元，減少人民幣11.5百萬元，降幅7.9%，其減少主要系公允價值變動引起所致。

Management Discussion and Analysis

管理層討論與分析

In 2017, the Group further strengthened capital management and while maintaining sufficient liquidity, improved returns on capital employed by investing a small amount of transiently idle funds in principal-protected wealth management products and debt instruments offered by commercial banks.

於2017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及債權工具，以提高資金使用效率。

Interest in associates

長期股權投資－聯營企業

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

下表載列本集團於所示日期的長期股權投資－聯營企業：

		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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Interest in associates	長期股權投資－ 聯營企業	1,112.0	985.5	12.8
Total	合計	1,112.0	985.5	12.8

The interest in associates is mainly investment in Fumin Bank. In 2016, the Group established Chongqing Fumin Bank Co., Ltd. with six institutions. The Group injected RMB900.0 million into Fumin Bank, for an equity share of 30%. Upon completion of capital injection, the Company became the largest shareholder of Fumin Bank. Since the Group has significant influence in Fumin Bank, Fumin Bank as an associate of the Group is accounted for under the equity method. Fumin Bank has formally started business in August 2016.

長期股權投資－聯營企業主要是對富民銀行的投資於2016年，本集團與境內六家機構共同發起設立重慶富民銀行股份有限公司，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。

Management Discussion and Analysis

管理層討論與分析

Interest in joint ventures

The following table sets forth the Group's interest in joint ventures 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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Interest in joint ventures	長期股權投資－ 合營企業	8.6	20.0	(57.0)
Total	合計	8.6	20.0	(57.0)

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

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：

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。

Reposessed assets

The following table sets forth the reposessed assets 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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Land and buildings	土地及建築物	257.5	220.4	16.8
Others	其他	33.9	28.1	20.6
Total	合計	291.4	248.5	17.3

抵債資產

下表載列本集團於所示日期的抵債資產：

Management Discussion and Analysis

管理層討論與分析

Reposessed assets mainly are land and buildings recovered from defaulting clients of the Group's guarantee business. As at 31 December 2017, the balance of reposessed assets was RMB291.4 million, a 17.3% increase, or RMB42.9 million, from RMB248.5 million as at 31 December 2016. The Group has implemented scientific recovery measures against defaulting clients and applied strict performance assessment to motivate the project team. This resulted in a significant increase in reposessed assets recovered in 2017.

抵債資產主要為本集團從擔保違約客戶處回收的土地及建築物。於2017年12月31日，抵債資產餘額為人民幣291.4百萬元，較2016年12月31日人民幣248.5百萬元，增長42.9百萬元，增幅為17.3%。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2017年收回的抵債資產大幅增加。

Finance lease receivables

應收融資租賃款

The table below presents financial lease receivables of the Group as at the dates indicated:

下表載列本集團於所示日期的應收融資租賃款：

		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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Finance lease receivables	應收融資租賃款	394.2	324.1	21.6
Less: unearned finance lease income	減：未實現融資收益	(44.4)	(42.1)	5.5
Present value of minimum finance lease receivables	最低融資租賃收款額	349.8	282.0	24.0
Less: allowance for impairment losses	減：減值準備	(3.5)	(2.8)	25.0
Net balance	淨額	346.3	279.2	24.0

As at 31 December 2017, the net balance of finance lease receivables which is generated from finance lease services provided by the Group to clients was RMB346.3 million, representing an increase of RMB67.1 million or 24.0% as compared to that as at 31 December 2016.

於2017年12月31日，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淨額為人民幣346.3百萬元，較2016年12月31日增長人民幣67.1百萬元，增幅24.0%。

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Interest-bearing borrowings

As at 31 December 2017, interest-bearing borrowings of the Group grossed RMB2,883.6 million. The following table sets out a breakdown of interest-bearing borrowings of the Group as at the dates indicated as follows:

		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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Bank loans	銀行貸款			
– Secured by properties of the Group	– 以本集團物業作抵押	127.0	61.0	108.2
– Pledged	– 質押	440.0	–	–
– Unsecured	– 無抵押	765.5	144.9	428.3
Subtotal	小計	1,332.5	205.9	547.2
Other borrowings	其他借款	1,551.1	1,000.0	55.1
Total	合計	2,883.6	1,205.9	139.1

The table below lists the maturity mix of interest-bearing borrowings 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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Due within one year	1年以內	1,499.3	61.0	2,357.9
Due between one year and two years	1年至2年以內	–	2.0	(100.0)
Due between two years and five years	2年至5年以內	1,257.3	1,142.9	10.0
Due over five years	5年以上	127.0	–	–
Total	合計	2,883.6	1,205.9	139.1

計息借款

於2017年12月31日，本集團計息借款總額為人民幣2,883.6百萬元。下表載列本集團於所示日期的計息借款明細：

下表載列本集團於所示日期計息借款的到期日：

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As at 31 December 2017, bank borrowings to the amount of RMB127.0 million were secured by mortgage of properties owned by the Group. As at 31 December 2017, the carrying value of properties held in mortgage grossed RMB184.0 million (2016: RMB191.0 million).

The Group built up its ability in “asset-end” organization and provided highly liquid and qualified assets like receivables for factoring business to commercial banks as collaterals, to obtain new borrowings and expand the source of funding. In 2017, the Group paid all interest-bearing borrowings prior to due date and was free from any default record. As at 31 December 2017, the annual interest rate of interest-bearing borrowings outstanding ranged between 2.09% and 8.50%.

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

Financial assets sold under repurchase agreement

The table below presents financial assets sold under repurchase agreement held by 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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Benefit rights of loans and advances to customers	發放貸款及墊款收益權	436.1	1,021.8	(57.3)
Benefit rights of receivables for factoring business	應收保理款收益權	432.7	146.5	195.4
Total	合計	868.8	1,168.3	(25.6)

As at 31 December 2017, the balance of the Group's financial assets sold under repurchase agreement was RMB868.8 million, representing a decrease of RMB299.5 million or 25.6% as compared with that as at 31 December 2016. It was mainly attributed to the borrowings and issuance of asset-backed securities that reduced the financial assets sold under repurchase agreement.

於2017年12月31日，金額為人民幣127.0百萬元的銀行借款以本集團持作自用物業作為抵押。於2017年12月31日，抵押物業的賬面總值為人民幣184.0百萬元（2016年：人民幣191.0百萬元）。

於2017年，本集團不斷提升「資產端」的組織能力，並以高流動性、符合資格的應收保理賬款類資產作位質押物業押予商業銀行，獲得新的借款以進一步擴大資金來源。於2017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2017年12月31日，本集團未償還計息借款的年利率介於2.09%至8.50%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2017年12月31日，本集團賣出回購金融資產款餘額為人民幣868.8百萬元，較2016年12月31日下降人民幣299.5百萬元，降幅為25.6%，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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管理層討論與分析

Provisions for guarantee losses

The following table sets forth the Group's provisions for guarantee losses 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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Provisions for guarantee losses	擔保賠償準備金	377.3	350.6	7.6
Total	合計	377.3	350.6	7.6

As at 31 December 2017, the balance of provisions for guarantee losses was RMB377.3 million, a 7.6% increase, or RMB26.7 million, from 31 December 2016. Of which:

- As at 31 December 2017, the outstanding guarantee balance was RMB46,465.0 million, up 51.7%, or RMB15,834.1 million, as compared with RMB30,630.9 million as at 31 December 2016. It included RMB10,000 million transferred out because the Group terminated re-guarantee with reguarantors and a RMB5,128.6 million increase in project performance guarantee. In spite of the rising balance of risk liability, the risk portfolio of credit guarantee has been on the decline, due to the growing weight of bond guarantee and project performance guarantee of lower credit risk in the total risk liability outstanding.

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：

於2017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377.3百萬元，較2016年12月31日增加人民幣26.7百萬元，增幅7.6%。其中：

- 於2017年12月31日，擔保責任餘額為人民幣46,465.0百萬元，較2016年12月31日擔保業務規模人民幣30,630.9百萬元增加人民幣15,834.1百萬元，增幅為51.7%。其中主要包括本集團主動解除與再擔保機構開展的再擔保業務轉出金額人民幣10,000百萬元，以及工程履約擔保增長人民幣5,128.6百萬元。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、工程履約擔保等業務佔整體風險責任餘額的比例在增加。

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As at 31 December 2017, the outstanding bond guarantee balance was RMB23,350.0 million, representing 50.3% of the outstanding credit guarantee balance.

As at 31 December 2017, the outstanding project performance guarantee was RMB7,820.5 million, up 190.5%, or RMB5,128.6 million, from that as at 31 December 2016. The outstanding performance guarantee balance as a percentage of the outstanding credit guarantee balance rose to 16.8% as at 31 December 2017, from 8.8% as at 31 December 2016.

A sharp drop in the cumulative amount and default rate under guarantee business happened in 2017 compared with that in 2016. Meanwhile, owing to changes in risks associated with the portfolio of guarantee business, the overall provision rate for guarantee edged down to 0.8% as at 31 December 2017 from 1.1% as at 31 December 2016.

Accruals and other payables

A breakdown of accruals and other payables of the Group as at the dates indicated is provided as follows:

2017年12月31日，債券擔保業務在保餘額為人民幣23,350.0百萬元，佔信用擔保業務餘額的比例為50.3%。

2017年12月31日，工程履約擔保在保餘額為人民幣7,820.5百萬元，較2016年12月31日在保餘額增加人民幣5,128.6百萬元，增幅達190.5%。履約擔保業務餘額佔信用擔保業務餘額的比例由2016年12月31日的8.8%上升至2017年12月31日的16.8%。

於2017年的擔保業務累計代償金額和代償率與2016年相比均大幅下降，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2016年12月31日的1.1%下降至2017年12月31日的0.8%。

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：

		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)		2017 2017年	2016 2016年	(%) Change 變動(%)
Accrued staff cost	應付職工薪酬	77.1	85.7	(10.0)
Interest payables	應付利息	84.6	75.6	11.9
Other interest-bearing liabilities	其他付息負債	924.2	1,763.6	(47.6)
Other payables	其他應付款	281.1	373.1	(24.7)
Subtotal	小計	1,367.0	2,298.0	(40.5)
Value-added tax and other surcharges payable	應付增值稅及其他附加費	1.4	4.7	(70.2)
Withholding individual income tax payable	應付扣繳個人所得稅	3.9	3.8	2.6
Receipts in advance	預收賬款	51.6	74.8	(31.0)
Total	合計	1,423.9	2,381.3	(40.2)

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As at 31 December 2017, the balance of accruals and other payables of the Group was RMB1,423.9 million, down 40.2%, or RMB957.4 million, from that as at 31 December 2016. As at 31 December 2017, other interest-bearing debts outstanding amounted to RMB924.2 million, reducing RMB839.4 million compared with that as at 31 December 2016, because of the following reasons:

- As at 31 December 2017, other interest-bearing debts of the Group included a RMB213.4 million increase in consolidated interest held by limited partners in partnerships as compared with RMB642.0 million as at 31 December 2016 to RMB855.4 million.
- The Group transferred some assets to independent third parties in the form of asset benefit right transfer, but the Group made promise on principal and yield to investors, so these assets were consolidated and stated under Accruals and Other Payables. As at 31 December 2017, the balance was RMB68.8 million, reducing RMB1,052.8 million as compared with RMB1,121.6 million as at 31 December 2016.

Debts securities issued

A breakdown of debts securities issued by the Group as at the dates indicated is provided as follows:

於2017年12月31日，本集團應計及其他應付款餘額為人民幣1,423.9百萬元，較2016年12月31日減少人民幣957.4百萬元，降幅40.2%。其中：於2017年12月31日，其他付息負債餘額為人民幣924.2百萬元，較2016年12月31日減少人民幣839.4百萬元，其減少主要來自於以下方面：

- 於2017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855.4百萬元，較2016年12月31日人民幣642.0百萬元，增長人民幣213.4百萬元。
- 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2017年12月31日此類業務餘額為人民幣68.8百萬元，較2016年12月31日該類業務餘額人民幣1,121.6百萬元，減少人民幣1,052.8百萬元。

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)		2017 2017年	2016 2016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	1,493.7	1,491.4	0.2
Fixed rate corporate bonds maturing in November 2019 (Note)	2019年11月到期的固定 利率公司債券(註)	850.4	894.7	(5.0)
Assets backed securities payable – senior tranches	資產支持證券—優先級	1,923.8	1,269.2	51.6
Total	合計	4,267.9	3,655.3	16.8

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The Group issued company bonds and raised RMB1.5 billion and RMB0.9 billion at the coupon rate of 6.1% and 5.6% in June and November of 2015. The proceeds were mostly used to provide entrusted loans to affiliates and help them repay borrowings to financial institutions and replenish their working capital.

In 2017, the Group transferred RMB2.07 billion micro loans to a structured entity and then the structured entity issued asset-backed securities to investors. Meanwhile, the Group held all subprime portions of the Products and provided guarantee for all senior portions. Since the Group retains almost all risks and rewards pertaining to this asset class, the underlying financial assets do not qualify for de-recognition and the Group continues to recognize the said assets in its “balance sheet”. The RMB1.92 billion proceeds from such transfer were presented under “asset-backed securities payable”.

Note:

The Company issued RMB900 million worth of phase-II bond of four-year maturity in November 2015 (SSE abbreviation: 14 Hanhua 02). This bond has a flat annual rate of 5.6% and requires annual payment of interest. The Company has the right to raise the coupon rate for the rest days till maturity at the end of the second year. After the Company releases an announcement on its decision to raise the coupon rate or not and if yes, the amount of raise, investors have the right to register resale of the bonds held by them at the price of RMB100 per bond (interest-free) totally or partially on the resale registration date (18 September 2017 – 20 September 2017).

In view of the situation of the bond market and performance of the Company, the Company decided to raise the coupon rate of “14 Hanhua 02” by 100BP to 6.6%, and keep it unchanged for the rest two years till maturity (from 3 November 2017 to 3 November 2019). The Company released the Announcement on Adjusting the Coupon Rate of “14 Hanhua 02” Company Bond at SSE on 12 September 2017.

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。

於2017年，本集團將人民幣20.7億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，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19.2億元轉讓款在「應付資產支持證券」中列示。

註：

本公司在2015年11月發行的第二期債券（上交所簡稱：14瀚華02），發行規模人民幣9億元，債券期限為4年。此債券採用單利按年計息，固定利率為5.6%，每年付息一次。本公司有權於本期債券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，投資者有權在回售申報日（即2017年9月18日－2017年9月20日），將其持有的債券全部或部分進行回售申報登記，回售的價格為人民幣100元／張（不含利息）。

結合債券市場狀況及本公司經營情況，經公司研究決定，本公司選擇將「14瀚華02」債券的票面利率上調100BP至6.6%，本期債券後2年（2017年11月3日至2019年11月3日）票面利率為6.6%並保持不變。本公司於2017年9月12日在上海證券交易所發佈「瀚華金控股份有限公司關於「14瀚華02」公司債券票面利率調整的公告」。

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According to bond resale registration data provided by Shanghai branch of China Securities Depository and Clearing Company Limited, there were 46,035 valid lots of resale of "14 Hanhua 02" this time and the volume resold was RMB46,035,000 (interest-free). On 3 November 2017, the payment for resale of 14 Hanhua 02 was effected. After that, the volume of 14 Hanhua 02 listed and traded at SSE was 853,965 lots (at the face value of RMB853,965,000).

Gearing Ratio

As at 31 December 2017 and 31 December 2016, the gearing ratio (calculated by sum of interest-bearing borrowings, financial assets sold under repurchase agreement and debt securities issued, net of cash and cash equivalents, over total equity) was 59.3% and 36.8% respectively. During 2017, the Group raised RMB1.13 billion, RMB0.55 billion and RMB0.75 billion of funds in the form of bank borrowings, other loans, asset-backed securities respectively, which caused the increase of liabilities and gearing ratio.

Capital expenditure

The table below shows the Group's capital expenditure 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)

Capital expenditures	資本開支

The Group's capital expenditure mainly comprises long-term rent paid for new business outlets along with business expansion, and spending on IT hardware and system acquired and vehicles bought. The capital expenditure was RMB99.5 million in 2017, up 33.2%, or RMB24.8 million, from RMB74.7 million in 2016. The additional capital expenditure mainly arose from the acquisition of office buildings for self-use by the Group in Anhui, Guangdong and Beijing.

根據中國證券登記結算有限責任公司上海分公司提供的債券回售申報數據，「14瀚華02」債券本次回售申報有效數量為46,035手，回售金額為人民幣46,035,000元（不含利息）。2017年11月3日為「14瀚華02」債券回售申報的資金發放日，本次回售實施完畢後，「14瀚華02」債券在上海證券交易所上市並交易的數量為853,965手（面值853,965,000元）。

資產負債率

於2017年12月31日及2016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，除以權益總額）分別為59.3%及36.8%。於2017年，本集團通過銀行借款、其他貸款及資產證券化的形式分別募集資金人民幣11.3億元、人民幣5.5億元及人民幣7.5億元，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

2017 2017年	2016 2016年	(%) Change 變動(%)

99.5	74.7	33.2

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。2017年資本開支人民幣99.5百萬元，較2016年人民幣74.7百萬元，增長人民幣24.8百萬元，增幅33.2%。主要是因為本集團在安徽、廣東及北京購買自用辦公樓。

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CAPITAL COMMITMENT AND CONTRACTUAL OBLIGATION

資本承擔及合約責任

Capital commitment

資本承擔

The table below shows the Group's capital commitment relating to acquisition of fixed assets as at the dates indicated (mainly properties, machine and vehicles) :

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		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2017 2017年	2016 2016年	(%) Change 變動(%)
Commitments in respect of purchase of fixed assets – contracted for	收購固定資產所作出的承擔－已訂約	10.1	1.0	910.0

As at 31 December 2017, the amount of capital commitment was RMB10.1 million, a 910.0% jump, or RMB9.1 million, as compared with RMB1.0 million as at 31 December 2016. It was caused by remodelling of business outlets.

於2017年12月31日資本承擔人民幣10.1百萬元，較2016年12月31日人民幣1.0百萬元，增長人民幣9.1百萬元，增幅910.0%，主要系營業網點改造所致。

Operating lease commitment

經營租賃承擔

The Group rents some office properties from third-party guarantors under irrevocable operating lease. The table below presents future minimum lease payment payable by the Group under irrevocable operating lease as at the dates indicated:

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		
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		2017 2017年	2016 2016年	(%) Change 變動(%)
Due within one year (including one year)	一年以內（包括一年）	65.8	87.4	(24.7)
Due after one year but within three years (including three years)	一年後但三年以內（包括三年）	20.8	66.1	(68.5)
Due after three years	三年以上	2.0	2.5	(20.0)
Total	合計	88.6	156.0	(43.2)

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The Group saw a decline in operating lease commitment as at 31 December 2017 because its business segments and outlets continued to optimize cost management, and the Group purchased offices for self-use in Beijing, Guangdong and Anhui, which reduces office in rental the future.

Intra-group liabilities

As at 31 December 2017, the Group guaranteed the following liabilities of certain members of the Group:

1. an aggregate of RMB1,000.0 million of borrowings from specific institutions by the Group's subsidiaries in the SME lending segment, and borrowings of RMB375.1 million by the Group's subsidiaries in the partnership finance business segment;
2. an aggregate amount of RMB1,923.7 million of asset-backed securities which were accounted for as "debts securities issued" issued to specific institutions by the Group's subsidiaries in the SME lending segment;
3. an aggregate of RMB433.0 million of the sales of benefit rights of loans under repurchase agreement by the Group's subsidiaries in the SME lending and partnership finance business segments.

As at 31 December 2017, none of the liabilities of the Group's credit guarantee subsidiaries was guaranteed by any other entity within the Group.

本集團於2017年12月31日的經營租賃承擔下降主要是因為業務版塊、經營網點持續採取成本優化管理措施，以及本集團陸續在北京、廣東、安徽購買自用辦公樓，減少了未來辦公室租金開支。

集團內公司負債

於2017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. 本集團信貸業務附屬公司向特定機構的借款總額人民幣1,000.0百萬元，本集團夥伴金融業務集群附屬公司的借款人民幣375.1百萬元。
2. 本集團信貸業務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1,923.7百萬元；
3. 本集團信貸業務附屬公司及夥伴金融業務集群附屬公司做出的貸款收益權賣出回購交易總額人民幣433.0百萬元。

於2017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。

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As none of the credit guarantee affiliates has taken in any fund from any other legal entity of the Group and all credit guarantee affiliates are limited liability companies under the law of the PRC, the Company is liable for the debts of only one credit guarantee affiliate (to the extent of the capital contribution of the Group). Should any credit guarantee affiliate of the Group fail to pay any contingent liability under outstanding guarantee, the Group's liability under such outstanding guarantee will not have negative impact on the business and performance of other entities of the Group.

As at 31 December 2017, the balance of guarantee liability assumed by credit guarantee affiliates of the Group for micro and small loans extended by microfinance affiliates was RMB660.2 million (31 December 2016: RMB851.6 million). In its consolidated financial statements, the Group deemed the micro loans extended by microfinance affiliates as loans and advances extended, and the aforesaid amount was not included in the balance of credit guarantee of the Group to avoid duplicate computation and overestimation of credit risk assumed by the Group. Should relevant credit guarantee affiliates be liquidated or bankrupt, these loans will not be protected by guarantee and microfinance affiliates will be threatened by higher potential credit risk. As loans guaranteed by credit guarantee affiliates are individually insignificant and widely distributed, the Group believes any of these micro loans ceasing to be protected by guarantee by credit guarantee affiliates will not have material impact on the business and performance of other affiliates.

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，而因各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2017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660.2百萬元（2016年12月31日：人民幣851.6百萬元）。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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CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

Capital structure

Our share capital was RMB4,600.0 million as at 31 December 2017, made up of 3,430,000,000 domestic shares and 1,170,000,000 H shares, at a face value of RMB1.00 per share.

Liquidity and capital resources

We meet working capital and other capital needs with capital contributions from shareholders, bank borrowings, bond issue, cash inflow from operating activities and proceeds from IPO. Our working capital and other capital needs are related to micro loans and entrusted loans, default payment, margins maintained at banks, and other working capital needs.

As at 31 December 2017, we had cash and cash equivalents to the amount of RMB2,436.4 million. For the year ended 31 December 2017, the Group did not use any financial instrument for hedging purpose.

Indebtedness

Our debts grew as a result of business expansion. As at 31 December 2017, we had a total of RMB8,020.3 million borrowings outstanding, of which RMB7,695.6 million had fixed interest rates. The annual interest rates are between 2.09% and 8.50%, and the due dates fall between 13 January 2018 and 3 December 2032. As at 31 December 2017, we had been paying the principal and interest of all debts on time.

資本架構、流動資金及財務資源

資本架構

於2017年12月31日，我們的股本為人民幣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。

流動資金及資本資源

我們主要以股東的股權出資、銀行借款、發行債券、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。我們的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2017年12月31日，我們的貨幣資金為人民幣2,436.4百萬元。截至2017年12月31日止年度，本集團並無利用任何金融工具作對沖用途。

債務

我們的債務因業務擴充而增加，於2017年12月31日，我們的未償還借款總額為人民幣8,020.3百萬元，其中固定利率借款為人民幣7,695.6百萬元。年利率介於2.09%至8.50%之間，借款到期日由2018年1月13日至2032年12月3日。於2017年12月31日我們的債務本金及利息均按期正常償還。

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Off-balance sheet arrangements

We are a party to contracts associated with off-balance-sheet risks in day-to-day business activities. The contractual value reflects the maximum credit loss risk we assume to the extent of our involvement in credit guarantee. As at 31 December 2017, we had guarantee outstanding to the amount of RMB46,465.0 million.

We have no off-balance-sheet arrangement other than those disclosed above.

Foreign exchange risk exposure

The Group is free from material foreign exchange risk as it concludes deals in Renminbi.

Major investment

In April 2017, the Group, as the promoter, jointly established Fu'an Asset with three domestic companies. Fu'an Asset has a registered capital of RMB1,000.0 million, of which the Group contributed RMB550.0 million and held 55.0% equity interest of Fu'an Asset. As at 30 June 2017, all shareholders of Fu'an Asset had made contribution in cash in accordance with the relevant requirements under the investors' agreement. On 4 July 2017, Fu'an Asset obtained the approval of operation from the regulators and the filing with the CBRC was completed on 2 January 2018.

On 1 December 2016, the Group, as the lead promoter, entered into a joint venture contract with one onshore company and two offshore companies (the “Investors”) in relation to the establishment of 瀚華證券有限責任公司 (Hanhua Kingsway Securities Co., Ltd*) (the “JV Securities Company”). On 20 January 2017, the Company and the Investors entered into a supplemental agreement to the Joint Venture Contract to incorporate certain provisions in the proposed articles of association of the JV Securities Company to the Joint Venture Contract and to enhance the original parts of the provisions. For details, please refer to the announcements of the Company dated 1 December 2016, 6 December 2016, 20 January 2017 and 12 January 2018 respectively.

資產負債表外安排

我們於日常業務過程中為附有資產負債表外風險的合約的訂約方。合約金額反映我們於信用擔保業務的參與程度及我們所承受的最大信用虧損風險。於2017年12月31日，我們的未履行擔保額合共為人民幣46,465.0百萬元。

除上文披露外，我們並無其他資產負債表外安排。

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。

重大投資

於2017年4月，本集團作為發起人，與境內其他三家公司合資設立富安資產。富安資產的註冊資本為人民幣1,000.0百萬元，本集團以人民幣550.0百萬元出資並持有富安資產55.0%的權益。截至2017年6月30日，富安資產各股東已按照出資人協議的相關要求，完成貨幣資金出資。富安資產已於2017年7月4日獲得監管機構批復，獲准開業，並於2018年1月2日完成在中國銀監會備案。

於2016年12月1日，本集團作為主發起人，與一家境內公司及兩家境外公司（「各出資方」）就設立瀚華證券有限責任公司（「合資證券公司」）共同訂立合資合同。於2017年1月20日，本公司與各出資方訂立合資合同之補充協議，將合資證券公司章程（草案）中的部分條款加載合資合同並對原有部分條款進行完善，有關詳情請參閱日期分別為2016年12月1日、2016年12月6日、2017年1月20日及2018年1月12日之公告。

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Major acquisition and disposal

On 12 July 2017, the Group disposed of its 80% equity interest in Beijing Hanhua Information Service Co., Ltd. to Shandong Financial Assets Exchange Co., Ltd. at a transaction price of RMB8.5 million. Upon the completion of the transaction, the Group held 20% equity interest of Beijing Hanhua Information Service Co., Ltd. The above transaction was completed on 15 August 2017.

On 15 December, 2017, the Group sold its 100% equity in Beijing Laitou Information Services Co., Ltd to Shenzhen Yumeiling Trade Co., Ltd for a consideration of RMB35.0 million. Following the deal, the Group has no interest in Beijing Laitou Information Services Co., Ltd.

Pledge of assets

As at 31 December 2017, the Group had buildings to the carrying value of RMB184.0 million put in pledge for bank loans.

Contingent liabilities

The Group had no significant contingent liability as at 31 December 2017 other than the off-balance sheet arrangements disclosed in page 148.

重大收購及出售

於2017年7月12日，本集團將所持有的北京瀚華信息服務有限公司的80%的股權以人民幣8.5百萬元為交易價格出售給山東金融資產交易中心有限公司。該交易完成後，本集團持有北京瀚華信息服務有限公司20%的股權。上述交易已於2017年8月15日完成交割。

於2017年12月15日，本集團將所持有的北京來投信息服務有限公司的100%的股權以人民幣35.0百萬元為交易價格出售給深圳玉梅玲貿易有限公司。該交易完成後，本集團不再持有北京來投信息服務有限公司股權。

抵押資產

於2017年12月31日，本集團帳面價值人民幣184.0百萬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148頁披露的資產負債表外安排，於2017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

INFORMATION TECHNOLOGY

The Company persisted with the principle of integrating information technology with business strategies, 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 led by president has been set up among management to coordinate and monitor major decisions and projects, creating a normalized decision-making mechanism for informatization establishment.

Informatization planning

Based on the strategy target of establishing a Chinese model for inclusive finance in the world, the Company will push forward the formulation of a dynamic plan which clearly defines that the focus for 2017 to 2018 should be placed on the establishment of frame system of mixed cloud platforms, management and governance of data assets, constant optimization of various business platforms, with the view to supporting strategic implementation and reinforcing control and operating efficiency of the Company.

The preliminarily completed private cloud platform has achieved co-sharing among internal computing resource pool, network resource pool and storage resource pool, offering flexible, efficient and safe resource management method for internal system platform. In order to make full use of computing and storage capability of highly flexible and quickly accessible public clouds, as well as rich middleware resources, reduce resource pressure and operation and maintenance costs of internal private clouds, the Company preliminarily explored the fusion mechanism of private clouds and public ones, and built a preliminary framework of mixed clouds.

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

在以總裁為核心的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。

信息化規劃

圍繞本公司打造世界普惠金融中國樣本的戰略目標，在既有信息化規劃基礎上，推進規劃工作的滾動編製，明確2017年至2018年重點推動混合雲平台的框架體系建立、數據資產的管理與治理，持續推動各類業務平台的優化，支持本公司戰略執行，加強本公司管控與運營效率。

初步搭建完成的私有雲平台實現了內部計算資源池、網絡資源池、存儲資源池的共享，為內部系統平台提供了靈活、高效及安全的資源管理方式。為了充分利用高彈性的、可快速獲取的公有雲的計算、存儲能力以及豐富的中間件資源，減少內部私有雲平台的資源壓力和運行維護成本，初步探索私有雲與公有雲的融合機制，搭建混合雲的初步框架。

Management Discussion and Analysis

管理層討論與分析

The processing and analysis of various business system data are achieved by the finished data warehouse, data market and in-memory BI analysis tools. With a view to further protecting and improving the value of data assets, the Company used data warehouse to put together and store all history data, and sort out, complement and transform data on a standard basis, thus forming a quick and effective access mechanism and avoiding sinking of data assets.

The Company established an agile development mechanism for business system, so as to ensure it could adjust and add business system functions based on business development changes in a timely manner. The Company used data mining related technologies to analyze the data in the data warehouse, thus forming a strong support for business decision-making.

Establishment of information systems

In 2017, the Company has stepped up the building of the information systems in accordance with the needs of the Group's management activities, business development and innovation.

By virtue of professional consultancy capacity of financial technology company, the Company provided systematic integration advice of partner cluster business. With the help of professional technical skills of financial technology company, the Company completed the development, testing, deployment and other construction works of new partner cluster business system. Based on integrated management of guarantee, factoring, leasing and bills businesses, the Company improved the process efficiency of business project management and risk control ability.

已經建立完成的數據倉庫、數據市集以及內存式BI分析工具，實現了對各業務系統數據的處理和分析。為了進一步實現對數據資產價值的保護和提升，利用數據倉庫對所有歷史數據進行全面的歸集和存儲，對數據進行標準化整理、補遺和轉化，並形成快捷有效的訪問機制，避免數據資產的沉沒。

建立業務系統敏捷開發機制，確保能夠根據業務發展變化及時調整和補充業務系統功能。利用數據挖掘相關技術對數據倉庫的數據進行分析，形成輔助業務決策的有力支撐。

信息系統建設

2017年，本公司根據本集團管控、業務發展和創新需要，加快推進各信息系統的建設工作。

借助金融行業科技公司的專業諮詢能力，提供了夥伴集群業務系統化整合的建議，借助金融行業科技公司的專業技術能力，完成了夥伴集群新業務系統的開發、測試、部署等建設工作。在整合擔保、保理、租賃、票據等業務綜合管理的基礎上，提升了業務項目管理的流程效率和風險控制能力。

Management Discussion and Analysis

管理層討論與分析

In order to be in line with the development and adjustment of credit business, the Company integrated accounting function of various business systems so as to form a uniform accounting platform and achieve unified supporting for accounting aspects of various business. The Company also integrated the signing and lending functions of various business systems so as to form a uniform signing platform and achieve unified supporting for signing and lending aspects of various business. The system maintenance costs were reduced, and the efficiency of business operation was improved. In order to strengthen risk control effect, a new decision-making engine platform was introduced, in a bid to fully promote the building and application of automatic risk control rules. With a view to avoid the disadvantage of fund payments and collections, a new fund settlement platform was introduced, which could connect to multiple payment channels, thus achieving automatic routing mechanism of multiple payment channels and 24/7 payment and collection functions. By visual analysis and report self-design in SAS data analysis platform, co-sharing, standardization and normalization of data was realized in credit business, and the traditional and experiential decision-making mechanism was transformed into data-based decision-making mechanism.

Based on data bus platform, the Company achieved interface building and standardization, normalization and safety of management, and effectively saved costs.

配合信貸業務的發展和調整，整合多個業務系統的核算功能，形成統一核算平台，集中實現對各類業務核算方面的支撐，整合多個業務系統的簽約放款功能，形成統一簽約平台，集中實現對各類業務簽約和放款方面的支撐。在降低系統維護成本的基礎上，提高了業務運行的效率。為了加強風險控制的效能，引入全新的決策引擎平台，全面推行自動化風控規則的搭建和應用。為了規避資金收付的短板，引入全新的資金結算平台，同時對接多個支付渠道，實現多支付渠道自動路由機制，實現7*24小時的款項收付能力。利用SAS數據分析平台的可視化分析、報表自助設計等能力，信貸業務實現了數據的共享、標準化和規範化，將傳統的經驗型決策機制轉換為數據型決策機制。

借助企業數據總線平台，實現接口搭建和管理的標準化、規範化和安全性，並有效節省成本。

Management Discussion and Analysis

管理層討論與分析

Establishment of information technology infrastructure

Along with adjustment of corporate business strategies and organizational structure, the traditional infrastructure management model was not adapted to the development needs. In 2017, the Company primarily completed the construction of Hanhua private cloud on the basis of virtualization technology, so that the infrastructure platform could be expanded online, the flexibility of resource allocation could be strengthened, the set-up of hosts and database could achieve templated quick deployment, and the new applications and expansion cycle of system resources could be greatly reduced. The establishment of Hanhua private cloud lays a solid foundation for connection with public cloud and for realization of technical structure of Hanhua mixed cloud in the future.

Information technology management capabilities

In 2017, the Company developed and published the new version of information safety management regulations by optimizing and adjusting the original ones, in order to enhance all employees' safety management awareness and improve the standardization of employees' safety operations. The Company also prepared technology stacks, technical decision rules, front-office, back-office, safety, and database development rules, in a bid to improve the control of software development standardization and narrow the differentiation of technologies of software development.

Based on the completed private cloud platform, the Company sorted out and published infrastructure management regulations, technical standards and tool standards again. The Company standardized infrastructure platform management works, clarified the duties and responsibilities of infrastructure, and improved the efficiency and stability of infrastructure platform's operations, ensuring smooth informatization construction of Hanhua infrastructure structure platform. The Company stepped up efforts to ensure normal release, stable operation and standardized maintenance of projects, so as to satisfy project system resource demands and maximize the safety of systems.

信息科技基礎設施建設

隨著公司業務戰略和組織架構的調整，傳統的基礎設施管理模式已不適應發展的需要。2017年，借助虛擬化技術初步完成瀚華私有雲的建設，基礎架構平台可在線擴展、資源調配靈活性得以加強，主機及數據庫創建實現模板化快速部署，系統資源新建申請及擴容週期極大縮減。瀚華私有雲的建立也為將來與公有雲互聯進而實現瀚華混合雲的技術架構奠定了堅實的基礎。

信息科技管理能力

2017年，為了提升全員安全管理意識，對原有的信息安全管理規範進行優化和調整，制定並發佈新一版的信息安全管理規範，進一步提升了對員工安全操作方面的規範化。為了提升公司對軟件開發規範性的控制，制定了全公司範圍應用的技術棧，技術決策規範，前端、後端、安全、數據庫開發規範，降低軟件開發實現技術的差異化。

基於搭建完成的私有雲平台，重新梳理並發佈基礎架構管理規範、技術標準和工具規範。規範基礎架構平台管理工作，明確基礎架構平台管理的工作職責，提升基礎架構平台運行的高效性與穩定性，保障瀚華基礎架構平台信息化建設工作的順利開展。確保項目正常上線、穩定運行、規範運維，確保滿足項目系統資源需求且最大化系統安全性。

Management Discussion and Analysis

管理層討論與分析

Human resources

In 2017, talents are still one of the most valuable assets of Hanhua Financial, which need meticulous care. The Company has always been committed to forging the high standards of “kindness, diligence, integrity, self-discipline and responsibility”, in a bid to cultivate a professional team. As of 31 December 2017, the total number of employees of the Group is 1,774, all of whom served in Mainland China and Hong Kong.

The Company pays high attention in corporate culture building and staff care, continuously pushes culture development and attaches great importance to employees’ real needs. Currently, the corporate culture focusing on the theme of “trust, simplicity and sharing” has been blended in various activities. For the year ended 31 December 2017, the Company prepared flowers and chocolates on women’s day, and painting experience activity for women employees, organized such activities as “Recording Your Body Exercise”, “Baby Show on Children’s Day”, “Making a Wish on Chung Yeung Festival”, and introduced an array of caring and culture health events, such as “Life Fitness Self-Test” and “Liver Protection Day”. Those measures helped the comprehensive career, mental and physical development of the employees, and received positive feedbacks from them. The Company was awarded “Regional Best Employer” and other honors.

In terms of employees’ development, by focusing on corporate strategy and business transformation, the Company continuously updates talents strategies. Based on the corporate value of “creating value for enterprise, facilitating employees’ development” and with an aim of cultivating talents equipped with five value standards, i.e., “kindness, diligence, integrity, self-discipline and responsibility”, the Company made a series of “enforceable, executable and evaluable” talents development plans. The Company continued to expand employees’ business knowledge and skills, put emphasis on management team building, stepped up efforts to prepare more trainings for middle-level and senior employees, so as to optimize and upgrade talents’ cultivation framework, system, platform and management mechanism. Through constant perfection of E-learning platform and in combination of face-to-face teaching, online learning and action learning, a good culture atmosphere was created by respecting knowledge and putting emphasis on talents.

人力資源

在2017年，「人才」依然是瀚華金控最為重要且精心培育的資源之一，公司始終致力於打造「善良、勤奮、誠信、自律、擔當」的高標準、專業化人才團隊。截至2017年12月31日，本集團在崗員工總數為1,774人，於中國內地及香港任職。

本公司高度重視企業文化建設與員工關懷，推動文化持續發展，關注員工真實需求。目前，以「信用、簡單、共享」為核心的企業文化已融入企業各項活動中。截至2017年12月31日止年度，策劃並組織實施了三八婦女節向女員工發放鮮花巧克力及女員工「油畫體驗」活動，組織春季「你的微拍塑形記錄」、「六一寶寶秀」、「重陽點亮心願」等活動，推送「活法體質自測」和「護肝日」等一系列員工關懷和文化健康活動。幫助員工事業、身心全面發展的一系列舉措贏得了員工的好評，並獲得區域最佳僱主等榮譽。

在員工發展方面，圍繞公司戰略和業務轉型，瀚華人才戰略持續升級，秉持「為企業創造價值，為員工發展賦能」的價值理念，以培養「善良、勤奮、誠信、自律、擔當」五大價值觀標準的人才為目標，制定了一系列「可實施、可落地、可評估」的人才發展計劃。公司不斷強化員工的業務知識普及與職場技能提升，關注管理梯隊建設加大對中高職級員工的培訓發展力度，在實踐中優化升級人才培養體系、制度、平台和管理機制。通過E-learning平台建設的持續優化，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。

Management Discussion and Analysis

管理層討論與分析

In terms of compensation and performance, the Company continued to promote employees' career with two development paths, helped employees to identify personal development plan. Through regular person-post matching, rank adjustment and evaluation, the Company realized dynamic linkage among performance, rank and compensation, creating a performance culture of positive natural selection, leading employees to align with corporate targets and to develop together with the Company. With the help of professional advisory body, the Company obtained information related with compensations and benefits of peer companies in the market, so as to provide a reference on the Company's compensation strategies and improve the fairness and competitiveness of compensations and benefits.

In terms of information management tools, the Company continued to update the human resources information system and realized online management of whole process in models such as data management and analysis, performance management, recruitment management, compensations and benefits calculation and payment, employees' learning and training. Thus, the managers, human resources department and employees are closely connected, the costs of communication and management are reduced, the efficiency and satisfaction are improved, and the comprehensive competitiveness of the Company is increased. In 2017, the credit group promoted the informatisation construction system and model construction for the building of the professional infrastructure system fit for financial groups, and developed customer-centred and automatic business capabilities, so as to lower the cost and headcount of the Group.

Relevant basic data:

As of 31 December 2017, the total number of employees of the Group is 1,774.

By education: The number of employees with a bachelor's degree or above is 1,489, accounting for 84% and that of employees with an associate degree or below is 285, accounting for 16%.

By functional department: The number of employees in business lines is 890, accounting for 50%; that of employees in back-office and supporting positions is 884, accounting for 50%.

在績效與薪酬管理方面，持續推進職業雙通道發展路徑，幫助員工制定個人發展計劃，通過定期的人崗匹配、職級調整評估，實現了績效、職級與薪酬的動態聯動，營造能者上、庸者下的組織績效文化，引導員工與公司目標一致，共同發展。借助專業諮詢機構了解市場同業薪酬福利水平，為公司的薪酬策略提供參考，提高薪酬福利的公平性、競爭力。

在信息化工具方面，人力資源信息化系統持續更新，在數據管理與分析、績效管理、招聘錄用管理、薪酬福利計算與支付、員工學習與培訓等模塊均實現了全流程線上管理，使企業管理者、人力資源部門與員工更加緊密地連接在一起，降低了溝通、管理成本，提高了效率與滿意度，增強了企業的綜合競爭力。2017年，信貸集團推動信息化建設體系與模式建設，構建符合金融集團的專業基礎設施體系、建設以客戶為中心的自動化業務能力，幫助本集團成本降低、人員減少。

相關基礎數據：

於2017年12月31日，集團在崗員工總數為1,774人。

按學歷劃分：本科及以上為1,489人，佔比84%，大專及以下為285人，佔比16%。

按所屬功能性部門劃分：業務線員工為890人，佔比50%；後台行政等支持人員884人，佔比50%。

Management Discussion and Analysis

管理層討論與分析

PROSPECTS

In 2017, with the joint efforts of all staff, the Company's various operating indicators have achieved steady growth. Looking forward to 2018, we will continue to exert efforts in the following aspects:

Firstly, the partnership finance business segment will further integrate financing guarantee, financial factoring, commercial bill and finance lease and other businesses, rely on the extensive financial licenses, national business network, flexible and efficient operating mechanism to constantly open up and create new types of financial services products and models. In particular, firstly, it will further develop the industry and seek for suitable scenarios to vigorously develop supply chain finance. It will focus on reaching to high-quality and creditworthy core enterprises, and providing financial services to their upstream and downstream sectors, such as trade receivables financing, notes financing and order financing to upstream suppliers, and logistics financing, warehouse receipt financing and buyer's credit to downstream distributors. This will place financial services in the industry chain and scenarios, thereby turning uncontrollable risks of individual enterprise into controllable risks assumed by enterprises in the entire supply chain and enhancing the organisation and management capabilities of the asset side. Secondly, based on the concept of partnership finance, it will further promote the integration of industry and finance, and foster capital cooperation with high-quality enterprises. Through the "capital+credit" model, it will establish an industrial platform of investment and financing which enables in-depth integration between financial capital and industrial capital. Both parties will then exert their respective advantages to achieve mutual benefits and common development.

前景展望

2017年在全體員工的共同努力下公司各項經營指標穩步回升。展望2018年，我們將在以下幾方面繼續發力：

第一，伙伴金融業務集群版塊，將進一步整合融資擔保、金融保理、商業票據和融資租賃等業務，依托豐富的金融牌照、分佈全國的經營網絡、靈活高效的運營機制不斷開拓創新金融服務產品和模式，具體來說，一是繼續往產業中走，尋找場景，大力發展供應鏈金融，聚焦營銷信用資質較好的優秀核心企業，為其上下游提供金融服務，例如針對上游供應商提供應收賬款融資、票據融資、訂單融資，針對下游經銷商提供物流融資、倉單融資和買方信貸等，從而通過將金融服務置於產業鏈條和場景中，將單個企業的不可控風險轉變為供應鏈企業整體的可控風險，進一步提升資產端的組織和管理能力。二是以夥伴金融為理念，深入推進產融結合，與優秀企業開展資本合作，以「資本+信貸」的方式，打造產業投融資平台，讓金融資本和產業資本深度融合，雙方發揮各自優勢，實現互惠互利共同發展。

Management Discussion and Analysis

管理層討論與分析

Secondly, the micro-credit business segment. After nearly three years of transformation, we adopted the development theme of “focused model for capability building” in 2017. We have established the product-driven and technology-centred business model and the accompanying integrated services capabilities. In 2018, we will leverage the opportunities from tightening supervision of the industry and market regulations to focus on development and enhance core capabilities, thereby achieving quality growth. First, it will focus on micro and small economies and general consumers. Through the batch and customised model, we will offer distinctive credit services to target consumers in the niche industrial chain and specific consumption scenarios. Second, in order to develop new business model, it will adopt a customer-centred approach and capitalise on the extensive licenses of Hanhua Financial to offer credit facilities, credit and information comprehensive financial services that enhance customers’ loyalty and added value. Third, it will push forward R&D and application of mobile Internet technology and information technology, where it will boost risk control, management and service capabilities with technology and conduct business through mobile and smart devices in 2018.

Thirdly, for the capital investment and management business, Hanhua Capital will seize the opportunity in the PRC direct financing market and enhance the presence in the equity investment market with the focus on Pre-IPO, NEEQ investment, private issue of listed companies, mergers and acquisitions, joint investment with other institutions and post-investment services. It will concentrate on high-end manufacturing, geriatric care, culture and education, energy saving and environmental protection, biopharmaceuticals and smart technology. Relying on the diversified and comprehensive financial platform of Hanhua Financial, it will give full play to comparative advantages and provide integrated financial support to investees, which will facilitate the full-scale integration between equity investment service and debt service, capital and industry, as well as fund and resources.

第二，小額信貸業務板塊。經過近三年的轉型和2017年以「模式聚焦、能力構建」為主題的發展，我們已經構建了以產品驅動、科技引領為核心的業務模式和與之配套的綜合服務能力，2018年我們將借助行業監管加強、市場逐步規範的契機，進一步聚焦發展，提升核心能力，實現有質量增長。一是聚焦小微經濟體和普通消費者，以批量定制模式為細分產業鏈、特定消費場景上的目標客群提供有特色的信貸服務；二是以客戶為中心，發揮瀚華綜合牌照優勢，創新業務模式，為客戶提供信貸、信用、信息綜合金融服務，提升客戶粘性和附加值；三是繼續加大移動互聯網技術和信息科技的研發和使用，通過科技賦能提升風控能力、管理能力和服務能力，2018年將實現所有業務移動化、智能化處理。

第三，資本投資及管理板塊，瀚華資本將進一步搶抓中國直接融資市場機遇，繼續加大股權投資市場的佈局，聚焦Pre-IPO，新三板股權投資、上市公司定增、兼併收購、與其他機構聯合投資及投後服務等，重點關注高端製造、養老健康、文化教育、節能環保、生物醫藥和智能科技等領域。同時依托瀚華多元化綜合金融平台，發揮比較優勢，為被投企業提供綜合金融支持，實現股權投資服務和債權服務的融合，資本與產業的融合，資金與資源的全方位融合。

Management Discussion and Analysis

管理層討論與分析

Fourthly, for the asset management business, Liaoning Fu'an Financial Assets Management Co., Ltd was officially opened in July 2017 and filed with the China Banking Regulatory Commission in January 2018. Fu'an Asset was established at the perfect time. Under the backdrop of economic restructuring and supply-side reform, the non-performing assets industry is facing huge market opportunities. Fu'an Asset will seize market opportunities as the first local AMC under mixed ownership in Liaoning Province. Taking advantages of Hanhua Financial's comprehensive financial platform, financial services for the entire industry chain, effective synergy between business segments, and innovation of flexible models and mechanisms, it will develop "non-performing assets business + corporate finance services + other assets management" as the main business direction, while revitalizing assets to create new value, so as to support the transformation and upgrade of the real industries.

第四，資產管理業務方面，遼寧富安金融資產管理公司已於2017年7月正式開業，2018年1月獲銀監會備案。富安資產的成立生逢其時。在經濟結構轉型和供給側改革的大背景下，不良資產行業面臨巨大的市場機遇作為遼寧省首家混合所有制地方AMC，富安資產將充分把握市場機遇，依托瀚華金控綜合金融平台優勢、全產業鏈金融服務優勢、各業態高效協同聯動優勢、靈活的模式創新、機制創新優勢，以「不良資產業務+企業金融服務+其他資產管理」為主要業務方向，盤活資產，創造新價值，助力實體產業轉型升級。

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 Guoxiang (Chairman)
Mr. Wang Dayong (Vice Chairman)
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. Liu Bolin

Independent Non-executive Directors

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

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（董事長）
王大勇先生（副董事長）
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
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

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Executive Directors

Mr. Zhang Guoxiang, aged 53, has been the chairman of the Board and an executive Director of the Company since March 2013. Mr. Zhang has been working in the Group since the Company's establishment in 2004, served as our president from March 2013 to March 2016. He served as the president of Hanhua Guarantee Limited Company from August 2004 to August 2009, also served as the president of Hanhua Guarantee Co., Ltd. from August 2009 to April 2015. He has been the chairman of the board of directors of Hanhua Guarantee from August 2009 to March 2017.

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.

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 Chong qing 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.

執行董事

張國祥先生，53歲，自2013年3月至今為本公司董事長、執行董事。張先生自本公司於2004年成立以來一直在本集團工作，自2013年3月至2016年3月為本公司總裁。他於2004年8月至2009年8月為瀚華擔保有限公司總裁，自2009年8月至2015年4月為瀚華擔保股份有限公司總裁，自2009年8月至2017年3月為瀚華擔保董事長。

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。

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。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Zhang acted as a member of the third, the fourth and the fifth committee of the CPPCC of Chongqing since December 2007, has been the vice president of Chongqing New Class Professional Union (重慶市新專聯) since 2008 and 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 was 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 has been a member of the executive committee of Chongqing Federation of Industry & Commerce (重慶市工商聯) since 2012. He was the vice chairman of China Financial Guarantee Association (中國融資擔保協會) from January 2013 to August 2016, 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, and the vice chairman of Chongqing General Chamber of Commerce (重慶市總商會) since July 2017.

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 Annual and 2016 Annual Chinese Excellent Inclusive Financier (2015年度、2016年度中國卓越普惠金融家), one of the "Top Ten Person of the Year in Micro Finance in 2016" (2016年度中國微金融十大年度人物) and one of the "innovative financial character excellence award in 2016" (2016年度創新金融人物卓越獎).

張先生自2007年12月至今歷任中國人民政治協商會議重慶市第三屆、第四屆及第五屆委員會委員，2008年擔任重慶市新專聯副會長，2010年11月獲選為全國工商聯經濟委員會第十屆成員，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，自2012年起為重慶市工商聯執委，自2013年1月至2016年8月任中國融資擔保業協會副會長，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月至今擔任瀋陽市人民政府智庫專家，自2016年8月至今擔任重慶富民銀行股份有限公司的董事長，自2017年7月起擔任重慶市總商會副會長。

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年度、2016年度「中國卓越普惠金融家」稱號，2016年度「中國微金融十大年度人物」稱號及2016年度「創新金融人物卓越獎」。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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 PRC in October 1997.

Mr. Zhang is one of our controlling shareholders.

Mr. Wang Dayong, aged 51, has been the vice-chairman of the Board and an executive Director of the Company since March 2016. He 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. since 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 and the chairman of Fu'an Financial Asset since May 2017.

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國人力資源和社會保障部認可的金融中級資格。

張先生為我們其中一名控股股東。

王大勇先生，51歲，自2016年3月起為本公司副董事長及執行董事。他於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，王先生自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，於2017年5月起擔任遼寧富安資產董事長。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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. Cui Weilan, aged 46, 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. He 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.

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。

崔巍嵐先生，46歲，自2015年3月起為本公司執行總裁，自2015年5月起為本公司執行董事，自2016年3月起為本公司總裁。他於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 54, has been a non-executive Director of the Company since March 2013.

Mr. Tu had 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, and has been the director of Loncin Holdings Co., Ltd. since 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. 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, had served as the chairman of the board of Chiho Environmental Group Limited, a company whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 976) from April 2015 to July 2017, and has been an executive director of Chiho Environmental Group Limited since April 2015.

非執行董事

涂建華先生，54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2013年12月起擔任隆鑫控股有限公司董事。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，自2014年4月起擔任渝商投資集團股份有限公司董事長，自2015年4月至2017年7月擔任齊合環保集團有限公司（該公司股份於香港聯交所上市（股份代號：976））董事會主席，2015年4月至今擔任齊合環保集團有限公司執行董事。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Tu acted as the deputy to the 11th and the 12th National People's Congress, a member of the 13th committee of CPPCC, the deputy to the Second, the Third and the Fourth Chongqing Municipal People's Congress, an executive committee and standing committee member of China Federation of Industry & Commerce (全國工商聯), the chairman of Chongqing Federation of Industry & Commerce and the president of the General Chamber of Commerce.

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

Mr. Duan Xiaohua, aged 43, has been a non-executive Director of the Company since June 2013.

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 of Shanghai Fenghua Group Co., Ltd. (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) from October 2012 to September 2017, a director of Shanghai Fenghua Group Co., Ltd. (上海豐華(集團)股份有限公司) 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, a non-executive director of Chongqing Rural Commercial Bank Co., Ltd. since August 2014, and has served as assistant to the president and the chief financial officer of Loncin Holdings Co., Ltd..

涂先生擔任第十一屆及第十二屆全國人民代表大會代表；第十三屆全國政協委員；第二屆、第三屆及第四屆重慶市人民代表大會代表，全國工商聯執委、常委；重慶市工商聯主席，總商會會長。

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。

段曉華先生，43歲，自2013年6月起為本公司非執行董事。

在加入本集團之前，段先生自2012年2月至2012年10月擔任隆鑫控股財務總監，於2012年10月至2017年9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，於2012年10月至今擔任上海豐華（集團）股份有限公司董事。

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，自2017年9月起擔任隆鑫控股有限公司總裁助理兼財務總監。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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.

Ms. Liu Jiaoyang, aged 39, has been a non-executive Director of the Company since March 2013. She joined the Group in August 2009 and was a non-executive director of Hanhua Guarantee from August 2009 to April 2015. She has been the director of Chongqing Fumin Bank Co., Ltd. since August 2016.

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 43, has been a non-executive Director of the Company since March 2013. She joined the Group in March 2011 and served as a non-executive director of Hanhua Guarantee from March 2011 to April 2015.

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 31, 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, and served as a non-executive director of Hanhua Guarantee from March 2011 to April 2015.

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。

劉驕楊女士，39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，自2009年8月至2015年4月擔任瀚華擔保股份非執行董事，自2016年8月起擔任重慶富民銀行股份有限公司董事。

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，43歲，自2013年3月起為本公司非執行董事。她於2011年3月加入本集團，自2011年3月至2015年4月擔任瀚華擔保股份非執行董事。

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，31歲，自2013年3月起為本公司非執行董事。她於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，自2011年3月至2015年4月擔任瀚華擔保股份非執行董事。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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.

Mr. Feng Yongxiang, aged 47, has been a non-executive Director of the Company since March 2013. He joined the Group in August 2009 and was a non-executive director of Hanhua Guarantee from August 2009 to April 2015.

Prior to joining the Group, he worked for Chongqing Yayu Business and Commerce Development Co., Ltd. (重慶雅域商貿發展有限公司) 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.

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。

馮永祥先生，47歲，自2013年3月起為本公司非執行董事。他於2009年8月加入本集團，自2009年8月至2015年4月擔任瀚華擔保股份非執行董事。

在加入本集團之前，他自2005年5月至2010年1月期間任職重慶雅域商貿發展有限公司副總經理，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. Liu Bolin, aged 32, has been a non-executive Director of the Company since June 2013. 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.

Independent Non-executive Directors

Mr. Bai Qinxian, aged 77, 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 the Fifth Sessions 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.

劉博霖先生，32歲，自2013年6月起為本公司非執行董事。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。

獨立非執行董事

白欽先先生，77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，並自此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，包括國務院第四屆及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。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Deng Zhaoyu, aged 71, 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: 1339), 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: 2328), from July 2003 to October 2006.

Mr. Qian Shizheng, aged 65, has been an independent non-executive Director of the Company since June 2013. 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: 363), 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 a Hong Kong Stock Exchange (Stock Code: 6837), and the director of Shanghai Pudong Development Bank and Shanghai Industrial Urban Development Group Limited, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 0563).

鄧昭雨先生，71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。

在加入本集團之前，鄧先生自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：1339））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：2328））擔任監事會主席。

錢世政先生，65歲，自2013年6月起為本公司獨立非執行董事。在加入本集團之前，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：363））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。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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 Chengtong Holding Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600649), an independent director of Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600663), 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), an independent director of Shanghai Laiyifen Holding Limited, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 603777), an independent director of Spring Airlines Co. Ltd., the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601021), an independent director of Asia Cuanon Technology (Shanghai) Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 603378).

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.

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（該公司股份於上海證券交易所上市（股票代碼：600649））、上海陸家嘴金融貿易區開發股份有限公司獨立董事（該公司股份於上海證券交易所上市（股票代碼：600663））、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及上海證券交易所上市（股份代碼：1528及601828））獨立非執行董事，上海來伊份股份有限公司（該公司股份於上海證券交易所上市（股票代碼：603777））獨立董事，春秋航空股份有限公司獨立董事（該公司股份於上海證券交易所上市（股票代碼：601021））、亞視創能科技（上海）股份有限公司獨立董事（該公司股份於上海證券交易所上市（股票代碼：603378））。

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 68, has been an independent non-executive Director of the Company since June 2013.

Mr. Ng is currently a director of Bank of China (Hong Kong) Trustees Limited, the director of the BOCHK Charitable Foundation and the director of The Hong Kong Mortgage Corporation Limited, an independent non-executive director of Grand Brilliance Group Holdings Limited, an independent non-executive director of Smartone Telecommunications Holdings Limited whose shares are listed on Hong Kong Stock Exchange (Stock Code: 315) and Nine Dragons Paper (Holdings) Limited, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 2689). Mr. Ng resigned as the vice chairman of the Chiyu Banking Corporation Limited on March 2017 and the independent non-executive director of MTR Corporation Limited in May 2017, the shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 66).

Mr. Ng is currently a member to various boards and committees, including the Hong Kong Deputy to the 10th, 11th, 12th and 13th 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 48, has been an independent non-executive Director of the Company since June 2013.

Mr. Yuan has been a member of the standing committee of Chongqing People's Congress since January 2013. He has also been the vice chairman of the Revolutionary Committee of Chongqing Municipal since July 2012, and an arbitrator of the China International Economic and Trade Arbitration Commission since May 2011.

吳亮星先生，68歲，自2013年6月起為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，中銀香港慈善基金董事，香港按揭證券有限公司董事，君百延集團控股有限公司獨立非執行董事，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：315））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。吳先生於2017年3月辭任集友銀行副董事長，於2017年5月辭任香港鐵路有限公司（該公司股份於香港聯交所上市（股份代號：66））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、第十二屆及第十三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，48歲，自2013年6月起為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 and the vice president of Chongqing Lawyers Association. 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, 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. (長安汽車金融有限公司).

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.

曾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,現擔任重慶市人民政府特邀監察員,重慶市律師協會副會長,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,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,長安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 Ruping (Chairman of the Board of Supervisors)
Ms. Qin Yong
Mr. Chen Zhonghua

Mr. Li Ruping, aged 61, 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 joining the Group, 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 47, 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..

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（監事會主席）
秦湧女士
陳中華先生

李如平先生，61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。

在加入本集團之前，李先生自1998年10月至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，47歲，自2016年3月起為本公司監事。她於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。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Prior to joining the Group, 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.

Mr. Chen Zhonghua, aged 43, 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, general manager of the information and technology department and marketing officer of Hanhua Credit. In addition, he was a supervisor of Hanhua Guarantee from August 2009 to April 2015, and the standing deputy general manager of Sichuan Micro-credit and deputy general manager of Sichuan Hanhua from January 2013 to January 2015. 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.

在加入本集團之前，秦女士自1991年8月至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。

陳中華先生，43歲，自2013年3月起為本公司監事。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、瀚華信貸市場總監等。此外，他自2009年8月至2015年4月擔任瀚華擔保股份監事，自2013年1月至2015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。在加入本集團之前，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
Mr. Wang Dayong
Mr. Cui Weilan
Mr. Zhou Xiaochuan
Mr. Luo Xiaobo
Ms. Li Jing
Mr. Wang Feng
Mr. Yuan Guoli
Mr. Ren Weidong
Mr. Wang Yan
Mr. Li Xuan (Appointed on 30 June 2017)
Mr. Cheng Xiaoqin (Appointed on 26 March 2018)

Details about Mr. Zhang Guoxiang, Mr. Wang Dayong and Mr. Cui Weilan biography are set out on pages 160 to 163 of this report.

Mr. Zhou Xiaochuan, aged 43, has been a vice president of the Company since March 2013 and the executive president of the Company since March 2018. He is in charge of partnership finance business of the Company. Mr. Zhou joined the Group in March 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. He has been a director of Chongqing Re-guarantee Co., Ltd. since August 2015.

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
王大勇先生
崔巍嵐先生
周小川先生
羅小波先生
李晶女士
王峰先生
袁國利先生
任為棟先生
王巖先生
李軒先生（於2017年6月30日委任）
程曉勤先生（於2018年3月26日委任）

有關張國祥先生、王大勇先生及崔巍嵐先生履歷的詳情載於本報告第160頁至第163頁。

周小川先生，43歲，自2013年3月起為本公司副總裁，自2018年3月起為本公司執行總裁。他負責本集團伙伴金融業務集群。他於2008年3月加入本集團，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有限公司的副總裁，現任瀚華擔保股份有限公司董事長、總裁。自2015年8月起擔任重慶市再擔保有限責任公司董事。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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.

Mr. Luo Xiaobo, aged 38, has been a vice president of the Company since March 2013, responsible for the credit business of the Group. He joined the Group in November 2004 and held various positions, including chief operating officer. He was also 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. (重慶鉑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.

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。

羅小波先生，38歲，自2013年3月起為本公司的副總裁，負責本集團信貸業務。他於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，羅先生自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月就職於重慶鉑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 47, has been a vice president of the Company since August 2014. Before joining the Group, Ms. Li was a 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 49, has been a 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.

李晶女士，47歲，自2014年8月起為本公司的副總裁。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，49歲，自2015年7月起為本公司的副總裁。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。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Yuan Guoli, aged 48, has been a vice president of the Company since 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.

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 40, has been the financial director and general manager of capital finance department of the Company since March 2013. He is in charge of capital finance headquarters and administrative office of our Company. He joined the Group in February 2009 and had served as the general manager of the finance headquarters of Hanhua Guarantee. He has been the secretary of the board of directors of the Company since September 2015 and a vice president of the Company since March 2018.

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).

袁國利先生，48歲，自2016年起為本公司的副總裁。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。

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，40歲，自2013年3月起為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。他於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，自2018年3月起擔任本公司的副總裁。

在加入本集團之前，任先生自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，自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。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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 PRC. He was admitted as an affiliated member of The Association of International Accountants in April 2008.

Mr. Wang Yan, aged 47, has been the strategic cooperation director of the Company since July 2016. He 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, he has also been a vice president of Hanhua Guarantee 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.

Mr. Li Xuan, aged 44, has been a vice-president of the Company since June 2017. Mr. Li joined the Group in July 2011 and served as the general manager of the credit market department of Hanhua Guarantee and marketing director of the Company. He was the executive director of the internet financial group of Hanhua Financial between February 2015 and October 2016. Since October 2016, he has been the president of Chongqing Damei Infrastructure Development Co., Ltd..

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。

王巖先生, 47歲,自2016年7月起為本公司的戰略合作總監。他於2014年4月加入本集團,歷任北京公司總經辦常務副總經理、總經理,亦自2015年4月起為瀚華擔保的副總裁。

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。

李軒先生, 44歲,自2017年6月起為本公司的副總裁。他於2011年7月加入本集團,擔任的職務包括瀚華擔保股份信貸市場部總經理及本公司營銷總監,自2015年2月至2016年10月擔任瀚華金控互聯網金融集團執行總裁,2016年10月至今任重慶大美基業發展有限公司總裁。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Prior to joining the Group, Mr. Li has been an engineer of the information technology department of the Chongqing Branch of China Life Insurance from January 1997 and March 2001 and the manager of the information technology department, operation director, manager of the customer service department, general manager of the group insurance business management department and director of group insurance business of the Chongqing Branch of China Pacific Life Insurance Co., Ltd. from April 2001 and June 2011.

Mr. Li obtained his degree in applied computer science from Southwest Normal University in July 1993 and obtained his bachelor's degree in finance and economics from Sichuan Province Party Committee University in December 1996.

Mr. Cheng Xiaoqin, aged 41, has been a vice president of the Company since March 2018. Mr. Cheng joined the Group in December 2004 and served as the general manager of the risk management department, the general manager of Sichuan Hanhua Financing Guarantee Co., Ltd., the general manager of Sichuan Micro-credit Co., Ltd. and the marketing director of the Company. From February 2015 and January 2018, he was a vice president of Hanhua Guarantee.

Prior to joining the Group, Mr. Cheng has been the manager of the credit business division of the Chongqing Wanzhou Branch of Bank of China from July 2000 and May 2003 and the manager of the credit business division of the Chongqing Branch of Bank of China from June 2003 and December 2004.

Mr. Cheng obtained his bachelor's degree in economics from Nanjing Agricultural University, majoring in monetary banking in July 2000. He is current studying for an EMBA at the National School of Development of Peking University.

在加入本集團之前，李先生自1997年1月至2001年3月擔任中國人壽重慶分公司信息技術部工程師，自2001年4月至2011年6月在中國太平洋人壽保險股份有限公司重慶分公司工作，先後任信息技術部經理、運營總監、客戶服務部經理、團險業務管理部總經理、團險業務總監等多項職務。

李先生於1993年7月獲西南師範大學計算機應用專業專科學歷，於1996年12月獲得中共四川省委黨校財政金融專業學士學位。

程曉勤先生，41歲，自2018年3月起為本公司的副總裁。他於2004年12月加入本集團，擔任的職務包括風險管理部總經理、四川瀚華融資擔保有限公司總經理、兼任四川小額貸款有限公司總經理及本公司市場總監，自2015年2月至2018年1月擔任瀚華擔保副總裁。

在加入本集團之前，程先生自2000年7月至2003年5月擔任中國銀行重慶萬州分行信貸業務經理，自2003年6月至2004年12月擔任中國銀行重慶分行信貸業務經理。

程先生於2000年7月獲南京農業大學貨幣銀行學專業經濟學學士學位，現於北京大學國家發展研究院EMBA就讀。

Corporate Governance Report

企業管治報告

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 Hong Kong Stock Exchange (the “**Listing Rules**”). For the year ended 31 December 2017, the Company has complied with the Code Provisions.

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 second session of the Board has established four 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**”) and the risk management committee (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 2017.

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2017年12月31日止年度，本公司已遵守守則條文。

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，第二屆董事會成立四個董事會委員會，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**」）及風險管理委員會（「**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2017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。

Corporate Governance Report

企業管治報告

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 2017, 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 the 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2017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楊女士的表哥外，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 2017 is as follows:

所有董事於截至2017年12月31日止年度接受培訓情況如下：

Name of Directors

董事姓名

Contents of Training

接受培訓內容

Executive Directors:

Mr. Zhang Guoxiang
Mr. Wang Dayong
Mr. Cui Weilan

執行董事：

張國祥先生
王大勇先生
崔巍嵐先生

B、C
B、C
B、C

Non-executive Directors:

Mr. Tu Jianhua
Mr. Duan Xiaohua
Ms. Liu Jiaoyang
Ms. Liu Tingrong
Ms. Wang Fangfei
Mr. Feng Yongxiang
Mr. Liu Bolin

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
劉博霖先生

B、C
B、C
A、B、C
B、C
B、C
B、C
B、C

Independent non-executive Directors:

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

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

B、C
B、C
A (speaker) (主講)、B、C
B、C
A、B、C

Notes:

註：

- A: Trainings on corporate governance of listed companies, directors' duties and the relevant matters organized by the Hong Kong Stock Exchange or securities regulatory authorities etc;
- B: Special training, seminars, forums and conferences on topics such as economics, finance and corporate management;
- C: Reading materials related to requirements on corporate governance, directors' duties and internal control and risk management, etc..

- A: 香港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: 經濟、財務、企業管理等方面的專題培訓、講座、論壇及會議；
- C: 閱讀企業管治、董事責任、內部監控及風險管理等規定。

Corporate Governance Report

企業管治報告

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. During the year ended 31 December 2017, Mr. Zhang Guoxiang has been the chairman of the second session of the Board and Mr. Cui Weilan has been the president of the Company. Mr. Zhang and Mr. Cui lead by example, perform their duties, commit to maintain the high standards of corporate governance for the Company.

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.

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.

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2017年12月31日止年度張國祥先生擔任本公司第二屆董事會董事長，崔巍嵐先生擔任本公司總裁。張先生與崔先生以身作則，各司其職，致力維持公司高水準企業管治。

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。

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。

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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.

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 2017, 7 Board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

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。

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稿本會／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2017年12月31日止年度期間，董事會曾舉行7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 Meeting Held 出席／已舉行之董事會會議次數
Mr. Zhang Guoxiang	張國祥先生	7/7
Mr. Wang Dayong	王大勇先生	7/7
Mr. Cui Weilan	崔巍嵐先生	7/7
Mr. Tu Jianhua	涂建華先生	6/7
Mr. Duan Xiaohua	段曉華先生	7/7
Ms. Liu Jiaoyang	劉驕楊女士	7/7
Ms. Liu Tingrong	劉廷榮女士	7/7
Ms. Wang Fangfei	王芳霏女士	7/7
Mr. Feng Yongxiang	馮永祥先生	7/7
Mr. Liu Bolin	劉博霖先生	7/7
Mr. Bai Qinxian	白欽先先生	6/7
Mr. Deng Zhaoyu	鄧昭雨先生	7/7
Mr. Qian Shizheng	錢世政先生	7/7
Mr. Ng Leung Sing	吳亮星先生	7/7
Mr. Yuan Xiaobin	袁小彬先生	7/7

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For the year ended 31 December 2017, 1 general meeting of the Company was held and the attendance of the individual Directors at the meeting is set out in the table below:

截至2017年12月31日止年度期間，本公司曾舉行1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 General Meetings Held 出席／已舉行之股東大會次數
Mr. Zhang Guoxiang	張國祥先生	1/1
Mr. Wang Dayong	王大勇先生	1/1
Mr. Cui Weilan	崔巍嵐先生	1/1
Mr. Tu Jianhua	涂建華先生	1/1
Mr. Duan Xiaohua	段曉華先生	1/1
Ms. Liu Jiaoyang	劉驕楊女士	1/1
Ms. Liu Tingrong	劉廷榮女士	1/1
Ms. Wang Fangfei	王芳霏女士	1/1
Mr. Feng Yongxiang	馮永祥先生	1/1
Mr. Liu Bolin	劉博霖先生	1/1
Mr. Bai Qinxian	白欽先先生	1/1
Mr. Deng Zhaoyu	鄧昭雨先生	1/1
Mr. Qian Shizheng	錢世政先生	1/1
Mr. Ng Leung Sing	吳亮星先生	1/1
Mr. Yuan Xiaobin	袁小彬先生	1/1

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. Having made specific enquiry with all the Directors and Supervisors, they have confirmed their compliance with the relevant standards stipulated in the Model Code for the year ended 31 December 2017.

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。經向全體董事及監事作出具體查詢後，全體董事及監事確認，彼等截至2017年12月31日止年度期間已遵守標準守則所載之規定標準。

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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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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 2017 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 Directors) for the year ended 31 December 2017 is as follows:

Remuneration Range (RMB) 薪酬範圍（人民幣）

2,000,000 and over 2,000,000	2,000,000元及以上
1,000,000 to 1,999,999	1,000,000元至1,999,999元
Below 1,000,000	1,000,000元以下

Note: As Mr. Cheng Xiaoqin was appointed as a vice president in 2018, his remuneration in 2017 is not included.

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 2017, 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2017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2017年12月31日止年度，已付予高級管理層（包括三名董事）的薪酬如下：

Number of People 人數

8
1
2

註：因程曉勤先生為2018年年內任命為副總裁，其2017年度的薪酬未在統計範圍內。

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2017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）、劉驕楊女士（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。

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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 Hong Kong Stock Exchange and the Company.

For the year ended 31 December 2017, 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 2016;
2. The resolution regarding the annual report (draft) of the Company for the year 2016;
3. The resolution regarding the internal control report (draft) of the Company for the year 2016;
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香港聯交所及本公司網站可供查閱。

截至2017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2016年度財務報告（草稿）的議案；
- 2、關於本公司2016年年度報告（草稿）的議案；
- 3、關於本公司2016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；

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5. The resolution of considering and approving the internal control evaluation report (draft) of the Company in the first quarter of 2017;
6. The resolution regarding the reviewed consolidated financial statements of the Company for the six months ended 30 June 2017 and the review report of the consolidated financial statements;
7. The interim report (draft) and the announcement of interim results (draft) of the Group for the six months ended 30 June 2017; and
8. The resolution of considering and approving the internal control evaluation report of the Company in the first three quarters of 2017.

The attendance of the Audit Committee members is set out in the table below:

- 5、關於審議本公司2017年一季度內部控制評價報告（草稿）的議案；
- 6、關於本公司截至2017年6月30日止六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；
- 7、關於本公司截至2017年6月30日止六個月的中期業績報告（草稿）及中期業績公告（草稿）的議案；及
- 8、關於審議本公司關於2017年前三季度內部控制評價報告的議案。

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	錢世政先生	4/4
Ms. Liu Jiaoyang	劉驕楊女士	4/4
Mr. Yuan Xiaobin	袁小彬先生	4/4

NOMINATION AND REMUNERATION COMMITTEE

For the year ended 31 December 2017, 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.

提名與薪酬委員會

截至2017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。

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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 (including executive 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 2017, 2 meetings of the Nomination and Remuneration Committee were held. The matters under discussion and examination included:

1. The resolution regarding the Board structure, number and composition of the Company; and
2. The resolution regarding the cancellation of Mr. Wang Xinhan as a candidate for the Director of Operations of the Company.

The attendance of the Nomination and Remuneration Committee members is set out in the table below:

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（包括執行董事）、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2017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、關於審議公司董事會架構、人數和組成的議案；及
- 2、關於取消王新漢為公司運營總監候選人的議案。

提名與薪酬委員會成員出席會議的情況載於下表：

Name		Attendance/Number of Nomination and Remuneration Committee meetings held 出席／ 已舉行提名與薪酬委員會會議次數
姓名		
Mr. Deng Zhaoyu	鄧昭雨先生	2/2
Mr. Zhang Guoxiang	張國祥先生	2/2
Mr. Bai Qinxian	白欽先先生	2/2

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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 2017, 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2017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。

Corporate Governance Report

企業管治報告

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.

For the year ended 31 December 2017, 1 meeting of the Strategic Investment Committee was held. The matters under discussion and examination included:

1. The resolution regarding the establishment of Chongqing Technical Elements Exchange Center Company Limited.

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。

截至2017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、關於發起設立重慶科技要素交易中心有限公司的議案。

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. Wang Dayong	王大勇先生	1/1

Corporate Governance Report

企業管治報告

THE RISK MANAGEMENT COMMITTEE

For the year ended 31 December 2017, 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 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 2017, 1 meeting of the Risk Management Committee was held. The matters under discussion and examination included:

1. The resolution regarding the risk assessment report of the Company for 2017.

The attendance record of the Risk Management Committee members is set out in the table below:

風險管理委員會

截至2017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。

風險管理委員會的書面職權範圍於聯交所及本公司網站可供查閱。

截至2017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、關於審議本公司2017年度風險評估報告的議案。

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 出席／ 已舉行風險管理委員會會議次數
姓名		
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

Corporate Governance Report

企業管治報告

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2017 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.

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.

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.

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 278 to 281 of this report.

董事有關財務報表的財務申報責任

董事明白彼等須編製本公司截至2017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。

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。

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。

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278頁至281頁的獨立核數師報告。

Corporate Governance Report

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:

In July 2017, Mr. Li Xuan, the president of Chongqing Damei Infrastructure Development Co., Ltd., a subsidiary of the Company has been appointed as a vice president of the Company.

In March 2018, each of Mr. Ren Weidong, the financial director and the secretary and the joint company secretary of the Board Company and Mr. Cheng Xiaoqin, a vice president of Hanhua Guarantee, has been appointed as a vice president of the Company.

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：

2017年6月，本公司附屬公司重慶大美基業發展有限公司總裁李軒先生獲聘為本公司副總裁。

2018年3月，本公司財務總監、董事會秘書及聯席公司秘書任為棟先生，以及本公司附屬公司瀚華擔保股份有限公司副總裁程曉勤先生擔任本公司副總裁。

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. Risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board 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。風險管理與內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

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。

Corporate Governance Report

企業管治報告

Based on the business nature of the Group, the Company established the risk management special committee at its 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.

The Group 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。

本集團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。

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企業管治報告

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 2017. The Board 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、日常管理等相關的各類規章制度，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，協同公司內部審計部，對本公司2017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。董事會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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企業管治報告

AUDITORS' REMUNERATION

For the year ended 31 December 2017, 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 RMB4.83 million, and amounts paid for non-auditing services amounted to RMB1.30 million, totaling RMB6.13 million.

An analysis on the remuneration paid or payable to KPMG, and the remuneration paid or payable to other accounting firms for the provision of annual auditing services to the Company's subsidiaries is as follows:

Services by the Auditors

核數師的服務項目

Amount (RMB)

金額(人民幣)

Auditing services:	核數服務：	
Annual auditing services	年度核數服務	4,830,000
Non-auditing services:	非核數服務：	
Other audit related services	其他審計相關的服務	1,300,000
Total	總計	6,130,000

核數師酬金

截至2017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4.83百萬元，就非核數服務已付人民幣1.30百萬元，合共為人民幣6.13百萬元。

已付或應付予畢馬威會計師事務所及為本公司附屬公司提供年度審計服務的其他會計師事務所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。任為棟先生為本公司聯席秘書之一。

Corporate Governance Report

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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, an associate director of TMF 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 2017.

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 Committees 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，本公司亦委聘達盟香港有限公司（公司秘書服務提供商）副董事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2017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 Company has not amended its Articles of Association during the year ended 31 December 2017, the latest version of the Company's Articles of Association has been published on our Company's website (www.hanhua.com) and the Hong Kong 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 on the Company's Website.

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。本公司於截至2017年12月31日年度並無修改章程，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)及香港聯交所網站內，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 Hong Kong 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香港聯交所網站刊登。

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 headquarter 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）。

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環境、社會及管治報告

This report is the annual report prepared by Hanhua Financial Holding Co., Ltd. (herein referred to as the “**Company**”; together with its subsidiaries, the “**Group**”) (Stock Code: 3903) to fulfil the requirements of the Environmental, Social and Governance Reporting Guide contained in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”). This report covers the financial year commenced on 1 January 2017 and ended on 31 December 2017 (the “**Reporting Period**”) and unless otherwise specified, including all companies within the Group. It aims to introduce the work of the Company in environmental, social and governance aspects to its shareholders. Please refer to the Corporate Governance Report in the Annual Report of 2017 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. The Company wishes to take advantage of this opportunity to rationalize its performance in social responsibility, clarify basic ideas in social responsibility and the roles of the Company and stakeholders, including investors, employees, customers, partners, regulators and community, in sustainable development.

The Company strives to communicate with investors, employees, customers, industry peers, partners, intermediate service providers and other stakeholders. It endeavors to build a sound cooperation mechanism with them and work together for mutual growth and win-win results.

Major

stakeholder	Communication channel
Regulators	Respond to the nation's call and implement regulatory policy Enhance operational and management performance Support the development of real economy Implement the requirements of regulators Regular 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）為滿足香港聯合交易所有限公司（「**香港聯交所**」）上市規則附錄二十七《環境、社會及管治報告指引》要求所編製的年度報告。本報告涵蓋2017年1月1日至2017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，請參閱本公司2017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。本公司希望藉此機會梳理公司在履行社會責任各方面的表現，清晰本公司在社會責任方面的基本理念，以及清晰本公司與投資者、員工、客戶、合作機構、監管機構及社區等利益相關方在本公司可持續發展中發揮的作用。

本公司重視與投資者、員工、客戶、同業機構、合作夥伴及其他中介服務機構等利益相關方的溝通，主張與利益相關方建立起共同努力、共同成長、共享成果的良好合作機制。

主要利益

相關方	溝通途徑
監管機構	響應國家號召，落實監管政策 提升經營管理績效 支持實體經濟發展 落實監管機構要求 定期匯報工作

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Major stakeholder	Communication channel	主要利益相關方	溝通途徑
Investors	Annual/interim results presentations on a regular basis General meeting to update investors on our operation Website maintenance to ensure investors' timely access to the latest information of the Company Routine research, interaction and visit	投資者	定期舉辦年度／中期業績發佈會 召開股東大會，更新投資者對公司運營的了解 維護本公司網站，保障投資者及時獲取本公司最新信息 日常本公司調研，互動走訪
Employees	Induction training to encourage exchange between new recruits and department heads Establishment of the online learning platform "Hanhua Inclusive Finance E-Academy" Conclusion meeting and annual spring meeting on a regular basis Attend meetings, seminars and training sessions organized by external parties Performance management evaluation	員工	開展員工入職培訓，幫助新員工與各部門負責人交流 搭建線上學習平台，瀚華普惠金融E學堂 定期舉辦工作總結會議和迎春年會 參與社會機構舉辦的會議、座談、培訓 績效管理評估
Customers	Website, official WeChat account and other online channels Customer visit and site visit Seminar, conference and appreciation meeting	客戶	網站、微信公眾號等互聯網渠道 走訪客戶，進行項目考察 座談會、研討會、答謝會
Community	Promote financial literacy Active donation Assist the disadvantaged groups Participation in voluntary service	社區	開展金融教育 積極參與捐贈 扶助弱勢群體 開展志願服務
Industry peers	Join trade associations and industry forums Study visit to industry peers	同業機構	加入行業協會，參加行業論壇 到同業公司拜訪、考察
Partners	Centralized procurement in an open, transparent and fair manner Procurement management system combining online and offline channels	合作夥伴	公開、透明、公正地集中採購 線上、線下相結合的採購管理系統

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Hanhua Financial is committed to promoting the in-depth integration between the financial sector and industrial sector. Through the three major service platforms of “Equity + Credit + Transaction”, it provides professional, safe and controllable one-stop customized solution for integration between industry and finance. With the vision of “Establishing a Chinese model for inclusive finance in the world”, Hanhua Financial adheres to the principles of “openness, cooperation and sharing” in “providing excellent financial services and pursuing mutual growth with clients”.

We have established a diversified financial service system, which comprises guarantee, micro-credit, leasing, assets trading, factoring, private bank, insurance brokerage, asset management, equity investment and notes services, so as to provide financing guarantee, finance leasing, commercial bill, financial factoring and other financial services to SMEs. We also offer micro and small loans, consumer credit, wealth management and insurance services to individual customers. Besides, we set up Chongqing Fumin Bank which is the first private bank in Central and Western China, to reconstruct the PRC inclusive financial sector from point to line, to surface then to the general practices. We aim to build a leading inclusive financial enterprise in China and establish an open-ended “smart people + finance platform” that combines outstanding industrial partners and teams with the platform of Chongqing Fumin Bank, thereby developing innovative financial model.

瀚華金控以助推金融與產業的深度融合為己任，通過「股權、債權、交易」三大平台服務體系，為客戶提供專業、安全、可控的一站式定制化產融解決方案。瀚華金控以「打造世界普惠金融中國樣本」為願景，以「開放、合作、共享」為理念，堅持「提供卓越金融服務，與客戶共同成長」的使命。

我們建立了多元化的金融服務體系，包括擔保、小額信貸、租賃、資產交易、保理、民營銀行、保險代理、資產管理、股權投資及票據服務領域，為中小企業提供融資擔保、融資租賃、商業匯票、金融保理等多種金融服務；我們為個人提供小微信貸、消費信貸、財富管理、保險等多種金融服務；我們設立了中國中西部第一家民營銀行，重慶富民銀行股份有限公司，富民銀行以從點到線，從線到面，從面到生態，重構中國普惠金融的生態體系，打造中國領先的普惠金融生態企業為目標，以「智慧人+金融平台」打造開放平台，把優秀實業夥伴和團隊與重慶富民銀行平台相結合，共創新金融模式。

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Key indicators of our social responsibility and environmental performance in 2017 are as follows:

2017年我們梳理主要的社會責任、環境等指標如下表：

KEY PERFORMANCE INDICATORS

關鍵績效指標

	Performance Indicator 績效指標	Amount 金額／數量	Unit 單位
Economic responsibility 經濟責任	Total assets 總資產額	18,906.6	RMB' million 人民幣百萬元
	Net profit 淨利潤	313.4	RMB' million 人民幣百萬元
	Owner's Equity 所有者權益	8,071.6	RMB' million 人民幣百萬元
	Effective tax 實現稅收	270.3	RMB' million 人民幣百萬元
Environmental responsibility 環境責任	Vehicle emission 汽車的排放量	219,751.5	g 克
	Total greenhouse gas emission 溫室氣體排放總量	73,496.8	kg 千克
	Power consumption 耗電量	886,341.0	kWh 千瓦時
	Water consumption 耗水量	7,318.0	m ³ 立方米
	Paper consumption 耗紙量	2.1	tons 噸

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	Performance Indicator 績效指標	Amount 金額／數量	Unit 單位
Social responsibility 社會責任	Total number of employees 僱員總數	1,774	people 人
	Percentage of female employees 女性僱員佔比	46	%
	Percentage of employees with a bachelor's degree or above 本科及以上僱員佔比	84	%
	(Each of the above as at 31 December 2017) 以上各項截至2017年12月31日當天)		
	Employee training session 僱員培訓班數	117	times 次
	Training hours of employees 僱員培訓時長	40,470.3	hours 小時
	Satisfaction of training 僱員培訓滿意度	90	%

In 2017, the Company conducted a comprehensive materiality assessment to identify the impact of the Company's business operation on the economy, environment and society and topics of concern of investors. We identified the following 15 material issues in this assessment, which have been stated in this report:

2017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15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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Note: Material issues: 1. vehicle emission, 2. total greenhouse gas emission, 3. power consumption, 4. water consumption, 5. paper consumption, 6. employment, 7. health and safety, 8. development and training, 9. labor practices, 10. supply chain management, 11. product responsibility, 12. anti-corruption, 13. community, 14. internal control, 15. risk management.

註：重要性議題：1.汽車的排放量，2.溫室氣體排放總量，3.耗電量，4.耗水量，5.耗紙量，6.僱傭，7.健康與安全，8.發展與培訓，9.勞工準則，10.供應鏈管理，11.產品責任，12.反貪污，13.社區，14.內部控制，15.風險管理

A. ENVIRONMENTAL PROTECTION

In compliance with the provisions under the Environmental Protection Law of the People's Republic of China, the Securities and Futures and Companies Legislation (Uncertified Securities Market Amendment) Ordinance 2015 and other applicable laws and regulations, the Company actively adopts measures to improve environmental management while encouraging staff to reduce pollution and waste during work to minimize the environmental impact of the Company's business as well as its products and service.

As most of the Company's operation takes place in the office, the Company is committed to minimizing the impact from office work on the environment by means of green office initiatives, including:

- Promoting office automation and establishing coordinated office platform and the business management system, human resources management system, financial management system, capital management system, reimbursement system and knowledge management system; focusing on advancing the credit and standard finance business platform, partnership finance business platform, data analysis and management platform and private cloud infrastructure platform; and establishing standard management procedure to boost operational efficiency.

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》等適用法律法規的規定，積極推行改善環境管理的措施，鼓勵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：

- 進一步推進公司辦公自動化，搭建協同辦公平台，建立業務管理系統、人力資源管理系統、財務管理系統、資金管理系統、報銷系統及知識管理系統等辦公系統，重點推動信貸及標準金融業務平台、夥伴集群業務平台、數據分析與管理平台及私有雲基礎架構平台等，規範管理流程，提高運營效率。

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- Encouraging employees to give priority to online office system, reduce paper consumption at work, and recycle used paper; adopting video and telephone conferencing to reduce consumption arising from accommodation and transportation of employees when attending offsite meetings; setting operating hours, maximum and minimum temperatures of air-conditioners for different seasons; promoting environmentally-friendly habits such as turning off lightings when not in use, saving water, and turning off air conditioners after meetings or office hours; encouraging employees to reduce food portion at canteens to avoid wastage.

As at 31 December 2017, the Company's major environmental data (covering Chongqing Headquarters region, excluding other branches in Mainland China and institutions in Hong Kong region) are as follows:

Emission aspect

Vehicle emission ¹	Nitrogen oxides (NO _x) emission	200,172.2 g
	Sulfur oxides (SO _x) emission	399.0 g
	Particulate emission	19,180.3 g
Total greenhouse gas emission ²	Emission of carbon dioxide (CO ₂) equivalent	64,055.1 kg
	Emission of methane (CH ₄) equivalent	144.2 kg
	Emission of nitrous oxide (N ₂ O) equivalent	9,297.5 kg

- 鼓勵員工優先選擇線上辦公系統，減少辦公用紙的消耗，對廢舊紙張進行重複利用；提倡採用電視電話會議，減少異地員工參會所產生的住宿及交通等消耗；針對不同季節設置空調開放時間、限定最高溫度及最低溫度；倡議員工養成隨手關燈、節約用水，會議結束後、無人辦公時及時關閉空調等設備的良好習慣；號召員工食堂用餐時節約糧食，杜絕浪費。

截至2017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：

排放物層面

汽車的排放量 ¹	氮氧化物(NO _x)排放量	200,172.2克
	硫氧化物(SO _x)排放量	399.0克
	顆粒排放量	19,180.3克
溫室氣體排放總量 ²	二氧化碳(CO ₂)當量排放	64,055.1千克
	甲烷(CH ₄)當量排放	144.2千克
	氧化亞氮(N ₂ O)當量排放	9,297.5千克

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Use of resources aspect

Power consumption	886,341.0 kWh
Water consumption	7,318.0 m ³
Paper consumption	2.1 tons

Note 1: Due to the business nature of the Company, exhaust emission mainly comprises vehicle emission.

In 2017, total mileage of vehicles was approximately 226,183.3 km and gasoline consumption was 27,142 liters.

All the Company's cars are light vehicles running on gasoline. The emission factors of nitrogen oxides (NO_x), sulfur oxides (SO_x) and particulates are 0.885g/km, 0.0147g/liter and 0.0848g/km respectively.

Note 2: Due to the business nature of the Company, the emission of greenhouse gases comprises mainly the emission as a result of fuel combustion from mobile sources, i.e., greenhouse gas emission of vehicles.

Note 3: The Company's cars are powered by unleaded gasoline. Emission factors of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are 2.36 kg/liter, 0.000253 kg/liter and 0.001105 kg/liter.

Note 4: As part of the real properties at the Chongqing headquarters of the Company were leased to other parties as places of business, there are difficulties in calculating the intensity of resources consumption for each building.

資源使用層面

耗電量	886,341.0千瓦時
耗水量	7,318.0立方米
耗紙量	2.1噸

註1：由於本公司業務性質，廢氣排放主要是指汽車的排放。

2017年度，車輛行駛總里程約為226,183.3公里，消耗汽油量為27,142公升。

本公司車輛均為輕型汽車，使用汽油為燃料，計算採用的氮氧化物(NO_x)排放係數為0.885克／公里，硫氧化物(SO_x)排放係數為0.0147克／公升，顆粒排放係數為0.0848克／公里。

註2：由於本公司業務性質，溫室氣體排放主要統計流動源的燃料燃燒所致的溫室氣體排放，即汽車的溫室氣體排放。

註3：本公司車輛使用無鉛汽油為燃料，二氧化碳(CO₂)排放係數為2.36千克／公升，甲烷(CH₄)排放係數為0.000253千克／公升，氧化亞氮(N₂O)排放係數為0.001105千克／公升。

註4：由於本公司重慶總部部分物業出租給其他方作為辦公經營場所，難以以每幢建築物計算資源使用的密度指針。

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Due to the business nature of the Company, the environmental impact of the Company's operation is mainly caused by vehicle emission and indirect greenhouse gas emission from electricity and water consumption. The Company is not aware of any significant generation of hazardous waste, non-hazardous waste and product packaging materials as a result of operation activities. It did not encounter any problems in sourcing water as well.

The Company will continue to implement the above measures on energy saving, wastes recycle and reuse as well as office automation, while conducting studies on and implementing other environmental protection measures.

B. SOCIAL

The Company values talents and is devoted to recruiting and retaining high-caliber employees for its own sustainable growth. The Company values and treats staff as equals, safeguards their rights and offers them opportunities of training and development, hence employees can perform to the best of their ability.

1. Employment and Labor Practices:

(1) Employment:

As at 31 December 2017, the Company had a total of 1,774 employees in Mainland China and Hong Kong. In terms of education background, 1,489 employees (84%) have a bachelor's degree or above, and 285 employees (16%) have received post-secondary education and below. In terms of lines of work, 890 employees (50%) are business line personnel, while 884 employees (50%) are back office and administrative support staff.

鑒於公司業務性質，本公司經營活動對環境的影響主要表現在汽車的排放，對電力、水的消耗造成間接溫室氣體排放。本公司經營活動並不知悉有任何有害廢棄物、無害廢棄物、產品包裝材料的重大產生，本公司在求取水源上亦尚未遇見任何問題。

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，一直致力為本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：

截至2017年12月31日，本公司在職員工總數為1,774人，於中國內地及香港任職。按學歷劃分：本科及以上1,489人，佔比84%，大專及以下285人，佔比16%。按所屬系統劃分：業務條線890人，佔比50%；後台行政等支持人員884人，佔比50%。

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In strict compliance with applicable laws and regulations including the Labor Law of the PRC, the Labor Contract Law of the PRC, the Implementation Regulation of the Labor Contract Law of the PRC, the Law on Safeguarding Women's Interests and Rights of the PRC and the Hong Kong Employment Ordinance, the Company upholds the principle of gender equality. As at 31 December 2017, the gender ratio of employees was 5.4:4.6 (male to female). We had 816 female employees. The Company treats all employees equally and do not take into consideration their national origin, race, nationality, religion, age, sexual orientation, political affiliation, marital status and other social identity in recruitment, treatment and promotion.

In the course of recruitment, the Company treats job applicants equally and does not discriminate them on the grounds of national origin, race, nationality, gender, religion, age, sexual orientation, political affiliation, marital status and other social identity. It establishes employment relations based on legal, fair and equal negotiation.

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》、《中華人民共和國勞動合同法實施條例》、《中華人民共和國婦女權益保障法》、香港《僱傭條例》等適用法律法規，堅持兩性平等原則。截至2017年12月31日，公司在職員工的男女性別比例為：5.4:4.6，女性員工為816人。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、政治派別及婚姻狀況等社會身份而影響其錄用、待遇及晉升等。

本公司在招聘活動中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、政治派別及婚姻狀況等社會身份而影響其錄用，在合法、公平及平等協商的基礎上建立勞動關係。

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The Company maintains strict compliance with relevant national and regional requirements for termination of employment relations. As to employees' voluntary resignation, the Company negotiates with employees on an equal footing and respects their decisions. Termination of labor contracts, termination negotiation, dismissal and other procedures are conducted in accordance with laws. For dismissal due to employees' violation of laws, regulations and rules, the Company will proceed as permitted by laws and regulations and with reference to the Company's "Employee Manual".

In 2017, the Company implemented the "dual career leaders" grade structure in full swing. Based on the Grade Structure and Promotion Management Measures of Hanhua Financial and their respective implementation rules, all business units performed routine grade structure review and promotion in an orderly manner, so that management personnel and professional personnel can pursue growth and development in their fields.

The Company has set up a lawful, complying, objective and fair salary system for all positions to guarantee that employees' salary matches his/her contribution. The Company has a legal and fair salary structure in place and fixes employee salary based on agreement with the employee upon equal negotiation, which is higher than the minimum salary stipulated by local laws. It offers performance bonus according to employee's performance as well. The Company invests human resources cost based on profit performance to ensure win-win situation and equality between its gains and the interests of its staff.

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僱，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。

2017年，本公司全面推行「職業雙通道」職級體系，各單位根據金控公司的職務職級與晉升晉級管理辦法，以及各自製定的實施細則，有序開展日常職級審視與晉升晉級工作，使得管理序列和專業序列的人員在各自領域內都能有所提升和發展。

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。公司制定有合法兼顧公平的薪酬結構，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。

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The Company has a well-established welfare system, we provide social insurance and housing provident fund to employees and they are entitled to social security benefits according to laws. In addition, the Company offers integrated welfares including health check, commercial insurance, allowance based on service year, work lunch and subsidy. Employees' families are also offered some of these benefits.

(2) Health and Safety:

The Company has always attached importance to employees' occupational health and safety. It complies with applicable laws and regulations, including the Labor Law of the PRC, the Labor Contract Law of the PRC and the Implementation Regulations of the Labor Contract Law of the PRC in establishing and maintaining a safe, healthy and people-oriented office environment to guarantee employees' interests and rights. In 2017, there was no work-related death or serious injury.

According to the legal requirements of national and regional governments, the Company practices a working hour system of no more than 8 working hours a day and no more than 40 hours a week. Meanwhile, in the interest of staff's work-life balance, we safeguard their rights to reasonable holiday and provide them with various kinds of vacations and holidays, e.g., public holiday leave, statutory holidays, annual leave, marital leave, maternity leave and paternity leave, nursing leave, funeral leave, sick leave, absence leave and work-related injury leave.

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，本公司為員工提供健康體檢、商業保險、司齡津貼、工作午餐或補貼等綜合化的福利項目，部分福利項目將饋贈給員工家屬。

(2) 健康與安全：

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》及《中華人民共和國勞動合同法實施條例》等適用法律法規，建立並維持安全、健康及人性化的辦公環境，確保員工權益。2017年度，未發生因公死亡或嚴重受傷的案例。

本公司按照國家、地區政府的法規要求，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，如公休日、法定節假日、年休假、婚假、產假及陪產假、哺乳假、喪假、病假、事假及工傷假等。

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The Company attaches great importance to organizational culture and employee care, and pursues the synergy between these two elements. It pays attention to staff's physical and mental wellbeing, ongoing development of corporate culture and employees' actual needs. Currently, it has integrated the corporate culture centering on "credibility, simplicity and sharing" in a wide range of corporate events.

In 2017, to improve employees' physical and mental health, the Company planned and organized the flowery chocolate giveaway and oil painting workshop for female employees on the Women's Day on 8 March 2017. It also held the "Weipai Fitness Record" event in spring, "June 1 baby Show" and "Light up your Dream for Chongyang" campaign, and promoted a series of staff care, cultural and health activities such as "Huofar Health Self-check" and "Liver Care Day". In recognition of employees' long-term contribution, the Company granted five-year and ten-year service awards each quarter to boost staff's sense of honour and pride. In order to encourage honest practices and self-discipline for the anti-corruption culture of the Company, it held the "Anti-corruption Education Seminar".

The Company took initiatives to organize a diversity of activities, which only enriched employees' lives, but also developed the corporate culture of "credibility, simplicity and sharing". As a result, happiness and loyalty to the organization are enhanced, thereby building a positive brand reputation that help attract talents.

本公司高度重視組織文化建設與員工關懷，寓組織文化於員工關懷，以員工關懷促文化凝聚。關心員工身心健康，關注文化持續發展，關注員工真實需求。目前，以「信用、簡單、共享」為核心的企業文化已融入企業各項活動中。

2017年，本公司為促進員工身心全面發展，策劃並組織實施了三八婦女節向女員工發放鮮花巧克力及女員工「油畫體驗」活動，組織春季「你的微拍塑形記錄」、「六一寶寶秀」、「重陽點亮心願」等活動，推送「活法體質自測」和「護肝日」等一系列員工關懷和文化健康活動；為充分認可員工的長期貢獻，提升員工榮譽感、自豪感，每季度組織實施五年、十年員工服務獎活動；為持續推進本公司廉政文化建設，提高員工的廉潔自律意識，開展了《廉政建設知識講座》。

本公司積極開展各項活動，不僅豐富了員工生活，更有力地塑造了公司「信用、簡單、共享」的組織文化，提升了員工的工作幸福感與組織向心力，對外形成了良好的文化品牌效應，提升本公司的人才吸引力。

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(3) Development and Training:

The Company highly values staff development and self-transcendence. Therefore, it continuously improves their professional competitiveness and comprehensive quality. The Company believes that staff is the very core “capital” of enterprise and talent training and development is the “driving force” for sustainable development.

In 2017, the Company focused on strategic and business transformation. Adhering to the concept of “creating value for enterprise and facilitating staff development”, it continued to upgrade the talent strategy and developed a set of “feasible, practical and measurable” staff development plan targeted to nurture “kindness, diligence, honesty, self-discipline and commitment”. The plan started from enhancing employees’ professional skills to business knowledge and skills, then moved on to reserving management talents and nurturing key members. In implementation of the plan, the Company optimized and upgraded the talent nurture system, rules, platform and management mechanism. In the last year, a total of 117 training sessions (including online and offline sessions) were held for 68,429 people in 40,470.3 hours (approximately 1,686 days), with an average satisfaction rate of over 90%.

(3) 發展與培訓：

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。本公司堅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「原動力」。

2017年，圍繞公司戰略和業務轉型，人才戰略持續升級，秉持「為企業創造價值，為員工發展賦能」的價值理念，以培養「善良、勤奮、誠信、自律、擔當」五大價值觀標準的人才為目標，制定了一系列「可實施、可落地、可評估」的人才發展計劃。從員工的職業化素養提升到業務知識、技能的修煉，再到管理梯隊的建設及核心骨幹的培養，本公司在實踐中優化升級人才培養體系、制度、平台和管理機制。全年共開培訓班數117（包含線上和線下），共培訓68,429人次，培訓時長40,470.3小時（約1,686天），培訓滿意度平均達90%以上。

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The Company aimed high in terms of talent nurture. In 2017, it commenced the full-cycle dynamic management and nurture mode for core talents in the “Sail at High Speed” program. In the same year, it joined hands with Apro Korea to arrange “reciprocal visits of professionals”, kick-starting the cross-country and cross-border exchange between top-notch talents. The continuous exploration and innovation for staff development will be beneficial to nurturing financial professionals with global vision, who are able to lead the inclusive financial sector.

(4) Labor Standards:

The Company strictly complies with the Labor Law of the PRC, the Labor Contract Law of the PRC, the Law on Safeguarding Women’s Interests and Rights of the PRC, the Law on the Protection of Minors of the PRC, the Special Rules on Labor Protection of Female Employees of the PRC, the Employment Promotion Law of the PRC and other applicable laws and regulations, as well as the local labor standards where employees are located. For recruitment and staff administration, the Company treats all staff fairly and equally based on national and local regulations. It applies no discriminatory policy and has never refused to hire job applicants on the ground that they are “carriers of infectious diseases”. Prior to the establishment of employment relations, it carries out strict identity screening and has never hired minors. The relationship between the Company and employees is fair and equal. Employees’ service to the Company is subject to laws and their consent.

本公司向著更高的人才培養目標，2017年開展的「航行加速度」開啟了核心人才的全週期動態管理和培養模式，同年與韓國亞富路集團「互派專業人士互訪」項目拉開了跨國／跨界的人才交流帷幕。在人才培養的持續探索和創新下本公司將培養更多具有國際視野並能引領普惠金融前行的職業金融家。

(4) 勞工準則：

本公司一貫遵守《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》、《中華人民共和國未成年人保護法》、《中華人民共和國女職工勞動保護特別規定》及《中華人民共和國就業促進法》等適用法律法規，以及僱員所在地的勞工準則。在人員招募及員工管理方面，遵從國家及地方規定，平等及公平對待所有員工，無歧視性政策，不存在以「是傳染病原攜帶者」為由拒絕錄用的情形。在僱傭關係建立之前，確保嚴格的身份篩查，無聘用未成年人的案例。本公司與僱員之間是公平、平等的關係，是否在本公司工作取決於法律是否允許、僱員是否願意。

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2. Operating Practices:

(1) Supply Chain Management:

The Company maintains cooperation relations with a number of suppliers which provide diverse goods, equipment, materials and services. Suppliers of the Company must operate business in a responsible manner and maintain compliance with our environmental, social and governance standards.

In terms of office supplies procurement, the Company combines online and offline procurement, strictly controls process and chooses the best after comparing different suppliers. The equal, harmonious and mutual-trusting cooperation with suppliers allows the Company to better manage potential environmental and social risks and improve operational efficiency.

In 2017, the Company was not aware of any actual or potential significant negative influence due to misconduct of suppliers in business ethics, environmental protection and labor measures.

(2) Product Responsibility:

The Company is committed to providing outstanding customer experience and ensuring that the provision of products and services is legal, effective and safe.

2、營運慣例：

(1) 供應鏈管理：

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地運營業務，遵循本公司的環境、社會及管治準則。

在採購辦公用品方面，本公司堅持採用線下和線上相結合的方法，嚴格把控流程，採取多家比較原則，擇優選用。本公司與供應商建立平等、和諧及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，並提高運營效益。

2017年度，本公司並不知悉有任何供應商因商業道德及環境保護及勞工措施不當造成任何重大實際及潛在的負面影響。

(2) 產品責任：

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、有效及安全。

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The Company possesses a substantial amount of information of corporate and individual customers due to its business nature. Thus, it attaches great importance to protecting customer information in compliance with the Anti-Unfair Competition Law of the PRC and other applicable laws and regulations relating to health and safety, advertising, labelling and privacy matters of products and services and the redress method. It also adopted the following protective measures:

- I. Enhance customers' self-protection awareness and avoid information leakage from the source. In the course of business promotion and processing, we properly conduct warning of information security so that customers are able to develop clear understanding of the danger of information security breach, learn how to strengthen information protection and identify the authenticity of suggestive information, and know about information theft and how to deal with information leakage, etc.. As a result, customers develop adequate precaution awareness to avoid leakage of personal information in their daily life. For example, we remind customers to take cancelled contracts, receipts and certificates with company seals with them and not to throw them away, so that people with malicious intent will not have access to them, which prevents hidden risks. For documents of unsuccessful business application, we will return related documents provided by customers or timely destroy them upon customers' request.

由於本公司業務性質，本公司擁有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》等有關產品和服務的健康與安全、廣告、標籤及私隱及補救方法的適用法律法規，並通過如下措施進行保護：

- I. 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，使客戶明確了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、認識信息盜竊手段及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及票證帶走，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，如果業務申請未通過，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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II. Strengthen internal management to formulate a long-lasting mechanism. On one hand, the Company has optimized customer information management mechanism, formulated standards for collection, utilization and storage management of customers' information and set limitation on operators' access to information and contents according to authorization and roles in the business system. For example, customer managers only have access to the related information of customers over whom they are authorized to manage; middle and back office personnel proceed with desensitization of information not related to risk management, such as customers' phone number; the Company keeps customers' personal data properly and forbids access by unrelated personnel. For the personal credit system in particular, it also sets up special position of credit search for designated personnel. It keeps borrowing records with regards to the borrowing authorization and scope strictly in compliance with file access requirements.

III. Enhance position management, strictly identify positions handling customer information and confidential materials and forbid unrelated personnel to have access to confidential information. Strictly regulate resigned staff's hand-over of files involving customer information and demand them to sign the "Resigned Staff Confidentiality Promise".

II. 加強內部管理，形成長效機制。一方面本公司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；本公司妥善保管客戶個人資料，不得隨意給無關人員調閱，尤其是個人徵信系統，設置徵信查詢專崗，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。

III. 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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IV. Enhance monitoring and accountability, conduct irregular review on the standardization of customer file keeping and access as well as detect and rectify hazards and loopholes in customer information management work in a timely manner. Any “inside men” collecting customer information illegally and selling individual information to criminals will be severely punished and reported to judicial authority (according to the Amendment to the Criminal Law of the People’s Republic of China (VII), any leakage or illegal sales of individual information and files by internal employees in finance and other industries shall be sentenced to imprisonment or penalty). Effectively eliminate the non-compliance with regulations and misconduct so as to block loopholes of leakage of confidential information by means of monitoring and accountability.

V. Strengthen customer information security and confidentiality management with technological approach.

First, management of secured computers and secured information system. Confidential information must be stored and processed in secured computers or secured information system. Secured computers shall be registered for record and labeled while secured information system shall meet the requirement of hierarchical protection, both of which are strictly forbidden to connect to the Internet and other public information networks.

IV. 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。

V. 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. Secured mobile storage medium storing confidential information must not be used in unsecured computers or unsecured information systems; use of unsecured mobile storage medium to store and process confidential information is forbidden. If no protective measures complying with requirements are taken, it is strictly prohibited to exchange information between secured computers or secured information systems and the Internet or other public information networks. Connecting mobile and individual's medium or electronic device to secured computers or secured information system is strictly prohibited.

Third, we have established the internal network, external network and non-military region segregation on the business system network level by means of security devices so as to realize secured and controllable visit of the Internet. We have also set up intrusion inspection, loophole screening and log auditing on the application level to ensure stable operation of each system and avoid the loss and tampering of customer information, while establishing the comprehensive information security system to ensure that daily customer behavior is secured and compliant.

Fourth, we have established the data warehouse for data centralization, as well as data analysis and presentation through BI, which prevents data leakage.

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及處理涉密信息；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、漏洞掃描及日誌審計，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。

其四，搭建數據倉庫，實現數據集中，數據分析和呈現通過BI完成，避免了明細數據的洩露。

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(3) Anti-corruption:

The Company adopts zero tolerance principle in the war against corruption and other non-compliances. Upholding business ethics, it formulated the “Employee Manual”, and required employees to participate in business ethics training and enter into the “Integrity Building Undertaking Letter” at orientation for strict conduct regulation. For the advancement of integrity culture building, the Company held the “Anti-corruption Education Seminar” to encourage honest practices and self-discipline.

During the Reporting Period, the Company was not involved in any corruption litigation against the Company or its staff.

3. Community:

Since its establishment, the Company has been dedicated to serving SMEs and disadvantaged groups, stayed committed to public welfare activities, undertaken corporate social responsibilities and made great contributions to disaster relief, helping the disabled and elderly and supporting education. We assist others with concrete actions and promote the spreading of positive energy in society with our own efforts.

The Chongqing Branch of Hanhua Guarantee Co., Ltd., a subsidiary of the Company, organized the public welfare activity named “Care for Children with Special Needs•Spread the Love with Hanhua”. The company sent washing machine and sports equipment to Leyi Integrated Kindergarten (a special school) and played games to interact closely with teachers and students. Through which, participants learnt more about the daily lives and learning conditions of children with special needs and showed support to the disadvantaged group. Our management also places great emphasis on social responsibility. Apart from joining charitable activities, it also participated in public events.

(3) 反貪污:

本公司對反貪污及其他違紀行為採取零容忍原則，重視職業道德建設，制定了《員工手冊》等相關規範，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。為持續推進公司廉政文化建設，提高員工的廉潔自律意識，本公司開展了《廉政建設知識講座》。

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：

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、助殘扶老及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。

本公司附屬擔保股份公司重慶分公司開展了主題為「關愛特殊兒童•瀚華將愛傳播」的公益活動，向樂一融合幼兒園（特殊兒童學校）贈送了洗衣機及體育運動器材，與學校師生親密接觸，通過近距離的遊戲，了解特殊兒童的生活與學習，傳達了對特殊群體的關愛。

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The senior management of the Company is committed to social responsibility. In addition to participating in social welfare activities, they also joined a wide range of public events.

In 2017, Mr. Zhang Guoxiang, the Chairman of the Company, attended the 4th China Smart City (International) Innovation Conference organised by the NDRC, and delivered a speech titled “Eco-city before Smart City”. He also spoke at the contract signing ceremony for strategy cooperation with the United Nations Maritime and Continental Silk Road Cities Alliance Smart City & New Industry Committee (UNMCSR-SNC). At the Financial Development and Complete Revitalisation of Northeast China High-level Forum, he spoke on the “Construction of Demonstrative Inclusive Finance Project in Liaoning to Support Revitalisation of Northeast China”. He attended the opening ceremony of the Yunus Center of Renmin University of China cum Social Innovation and Entrepreneurship Forum of Renmin University of China, where he exchanged ideas with Dr. Muhammad Yunus, who was the winner of the 2006 Nobel Peace Prize. He also had in-depth discussion about the commercial feasibility of inclusive finance with experts and industry leaders in this area.

本公司領導層亦十分重視踐行社會責任，除了參與社會公益活動，還積極投身公眾活動。

本公司高層管理人員亦十分重視踐行社會責任，除了參與社會公益活動，還積極投身各種公眾活動。2017年，公司董事長張國祥先生參加了國家發改委主辦的第四屆中國智慧城市（國際）創新大會，並發表題為《智慧城鎮首先是生態城鎮》的講話；在與聯合國海陸絲綢之路城市聯盟智慧城市與新興產業委員會（簡稱UNMCSR-SNC）達成戰略合作的簽約儀式上發表演講；在「金融發展與東北全面振興高層論壇」，發表題為《遼寧打造普惠金融支持東北振興樣本》的演講；出席中國人民大學尤努斯中心成立儀式暨中國人民大學社會創新創業論壇，與2006年度諾貝爾和平獎得主穆罕默德·尤努斯博士深入交流，並和多位普惠金融領域專家及行業領袖一起就普惠金融的商業可持續性探索進行了深度探討。

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Mr. Zhou Xiaochuan, the executive president of the Company, was invited by the Finance Office of Shandong Province to the “2017 Conference on Senior Management Training and Development Experience Exchange for Financial Guarantee Industry in Shandong”, where he spoke on “Business Innovation and Idea of Financial Guarantee Companies under the New Norm-Exploration and Practice of Hanhua Financial”. He was invited by the All-China Federation of Industry and Commerce to speak on “Investment and Financing and Risk Management of Micro and Small Enterprises” for the heads of leading micro and small enterprises in Sichuan and Chongqing. During the interview of Financial Times and China Financial Guarantee Magazine, he gave interpretation on the Regulations on the Supervision and Administration of Financing Guarantee Companies and promoted the healthy development of the industry.

Mr. Luo Xiaobo, the vice president of the Company, attended the 2nd meeting of the 1st member meeting of China Micro-credit Companies Association cum Industry Sustainability Seminar, where he shared Hanhua’s experience in “Credit+” exploration and practice. He joined the “Inclusive Finance” Training Session of PICC and shared the Group’s experience in inclusive finance practice. He also joined the 2017 China Financial Forum organised by China Micro-credit Companies Association, and the 2017 China Inclusive Finance International Forum held by Renmin University of China, China Banking Association and China Micro-credit Companies Association.

公司執行總裁周小川先生應山東省金融工作辦公室邀請，出席山東省2017年融資擔保行業高管培訓暨發展經驗交流會議，並在會上做了題為《新常態下融資擔保公司業務創新與思考-瀚華金融的探索與實踐》的主題演講；受全國工商聯邀請，為川渝地區市場一線的小微企業負責人作了主題為《小微企業投融資與風險管理》的演講交流；接受金融時報專訪，接受中國融資擔保雜誌專訪，解讀《融資擔保公司監督管理條例》，促進行業健康發展。

公司副總裁羅小波先生參加中國小額貸款公司協會第一屆會員代表大會第二次會議暨行業可持續發展推進會，進行了瀚華「信貸+」探索與實踐的經驗分享；參加人保集團「普惠金融」主題培訓會，進行了瀚華普惠金融實踐經驗的分享；參加中國小額貸款公司協會主辦的2017年中國金融論壇；參加中國人民大學、中國銀行業協會、中國小額貸款公司協會主辦的2017中國普惠金融國際論壇。

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C. CORPORATE GOVERNANCE

The Company strictly complies with applicable laws and regulations including the Company Law of the PRC and the Hong Kong Companies Ordinance. It is committed to maintaining high-level corporate governance. It makes decisions and plans through professional committees of the Board and related professional committees and special work teams under the operation level of the Company. It has also established related mechanism and system centering on human resources management, financial resources management, technological resource management, information resource management, corporate culture building and risk control system. This is to facilitate the formulation of a common set of behavioural guidelines for supervision of daily work performance and to ensure the business operation system, resources and personnel are in line with the safety, efficiency, green and harmony standards.

1. Internal control

The Company has set standards for key areas of control at the company level, including corporate governance structure, organizational structure and delegation of authority, corporate culture, employee code of conduct, human resources policy, the organizational structure of internal audit and anti-corruption mechanism.

C. 企業管治

本公司嚴格遵守《中華人民共和國公司法》、香港《公司條例》等適用法律法規，致力維持高水平的企業管治，本公司通過董事會下設的各專業委員會以及本公司經營層下設立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、綠色及和諧的要求。

1、內部控制

本公司在公司層面的關鍵控制領域，包括公司治理結構、組織機構設置與權責分配、企業文化、員工行為守則、人力資源政策、內部審計機構設置及反舞弊機制等方面都做了相關規範。

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(1) Corporate governance structure

The Company has established the effective corporate governance structure comprising the general meeting (as the highest authority), the Board (as the decision-making body), the Board of Supervisors (as the supervisory body) and the management (as the executive body), and formulated the rules of procedures and decision-making procedures of these governance bodies. The Board has established the Audit Committee, the Nomination and Remuneration Committee, the Strategic Investment Committee and the Risk Management Committee. Under the leadership of the Board, these four committees assist the Board in fulfilling its responsibilities or provide recommendation and advice to the Board for decision making, which significantly enhances the reasonableness, feasibility and efficiency of the decision making of Board. On behalf of the general meeting, the Board of Supervisors supervises the operation and financial matters of the Company, and the legality of duty performance of the Directors, general manager and other senior management, so as to safeguard the legal rights of the Company and the Shareholders.

(2) Employee code of conduct

The Company has set and strictly implemented clear standards of staff's code of conduct, information security, confidentiality and non-competition management, award and penalty management, communication and exchange management.

(1) 公司治理結構

本公司構建了以股東大會為最高權力機構、董事會為決策機構、監事會為監督機構、管理層為執行機構的有效公司治理架構，明確規定了各治理主體的議事規則與決策程序。董事會下設審計委員會、提名與薪酬委員會、戰略投資委員會及風險管理委員會四個專門委員會，在董事會領導下，協助董事會履行其職權或為董事會決策提供建議及諮詢意見，有效提高董事會決策的合理性、可行性及高效性。本公司監事會代表股東大會對本公司經營、財務以及董事、總經理及其他高級管理人員履行職責的合法性進行監督，維護本公司及股東的合法權益。

(2) 員工行為守則

本公司就員工職業操守、信息安全、保密及競業禁止管理、獎懲管理、溝通與交流管理等方面做了明確的規範並嚴格執行。

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(3) *Anti-corruption procedure*

The Company has established the whistleblowing mechanism at various level, which comprises a wide range of channels for employees to report their concerns to the upper level. Our staff is obliged to report on potential corruption or non-compliance to the management as appropriate, and the management (including the Board and the Audit Committee) shall timely respond to such report and carry out necessary investigation and assessment.

(4) *Human resources procedure*

The Company has expressly defined the management standards for various areas, including organizational structure, human resources policy, human resources recruitment, human resources training and human resources management.

(5) *Corporate culture*

The Company attaches great importance to the establishment and promotion of corporate culture, and emphasizes the role of the management in taking the lead. In 2017, the Company proposed the development strategy of “pursuing growth amidst change and stability”. We responded to changes with changes and focused on future development. We stayed true to our essence and mission at the start and adhered to the corporate culture that we built in over a decade. The Company pushed forward the establishment of the anti-corruption culture, and encouraged honest practices and self-discipline among employees, which effectively developed the corporate culture of “trust, simplicity and sharing”.

(3) *反舞弊程序*

本公司建立了不同層面的檢舉揭發機制，該機制向員工提供了向上匯報的各種渠道，公司員工有責任也有義務就其所知曉的潛在的舞弊或違規事件向適當的管理層匯報，管理層（包括董事會、審計委員會）應就所接收到的匯報及時的反饋並開展必要的調查及評估。

(4) *人力資源程序*

本公司就組織架構、人力資源政策、人力資源招聘、人力資源培訓及人力資源管理等方面，明確在不同方面的管理要求。

(5) *企業文化*

本公司高度重視企業文化的建設和宣貫，強調管理層帶頭模範作用。2017年，本公司提出在變與不變中成長的發展思路，以變應變，聚變未來，但我們堅持本質不變、初心不變，本公司發展十餘年積澱的文化不變。公司持續推進公司廉政文化建設，提高員工的廉潔自律意識，有力的塑造了本公司「信用、簡單、共享」的組織文化。

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(6) Risk identification, assessment and management

The Company has gradually built up a set of effective risk control system, which enables timely identification and comprehensive assessment of potential risks. It also considers relevant measures to prevent risks, or mitigate or transfer the impact of such risks.

(7) Business plans and analysis of operating results

At the end of each year, our planned finance department prepared a comprehensive budget proposal for the next year based on the strategic development plan for the coming year. Upon the approval of the comprehensive budget proposal, the Company will perform resources allocation and target decomposition from the perspectives of business groups and functional departments, and determine operating targets in resources allocation, cost control, risk control and taxable profit. The Company's operating management department is responsible for analysis of operating results and performance appraisal.

(8) Company policy and procedure

The Company has developed procedures for rules, policies and standardization, which set out the requirements for establishment and update of systems and procedures, the transition from old to new systems and policies, and the interpretation of contradictions.

(6) 風險識別、評估與管理

本公司已經逐步建立了一套行之有效的風險控制體系，使得公司能夠適時識別所面臨的潛在風險，並對潛在風險進行全面的評估並考慮採取相應的措施預防風險，或減低、轉移風險所帶來的影響。

(7) 經營計劃與經營業績分析

本公司計劃財務部每年底結合本公司下一年的戰略發展規劃，編制下一年度的全面預算方案，全面預算方案審批通過後，本公司將全面預算方案從業務集團及職能部門兩個維度進行了資源分配和目標分解，並下達了包括資源配置、成本控制、風險控制及考核利潤等經營指標。本公司運營管理部負責經營業績分析及績效的考核。

(8) 公司政策與流程

本公司建立了制度政策與標準化的流程，明確了制度、流程的建立及更新要求，新舊制度政策的銜接，以及相悖內容的解釋方式等內容。

Environmental, Social and Governance Report

環境、社會及管治報告

(9) Internal control

In terms of the management process and business process, the Company takes into account major internal controls such as the separation of duties of key positions, assets security, suitable authority and approval, so as to ensure the effectiveness of key process control.

(10) Information and communication

Internal communication refers to the exchange of information regarding the business operation and management within departments, between departments and between the headquarters and its branches through internal reporting, regular meeting and routine meeting. Such exchange takes place throughout the entire process of information processing, allowing individuals and the Group to meet expectation and perform duties in a timely manner. The Company has set up the information system for corporate development and formulated relevant management standard to ensure its smooth operation. It also enhances communication effectiveness through the system. In addition to internal communication, the Company pays attention to external communication as well. It has established the “Administrative Rules for Information Disclosure” for the principle, content, job duties and procedures of information disclosure, as well as management and accountability in relation to inside information and insiders.

(9) 內部控制活動

在管理流程及業務流程層面，本公司考慮關鍵崗位職責分離、資產安全、適當的授權與審批等重要的內部控制，以保證關鍵流程控制得有效實施。

(10) 信息與溝通

內部溝通包括各部門內部、部門之間、總部與各下屬公司之間通過內部報告、定期會議、例會等形式傳遞業務經營管理等信息，溝通貫穿於信息處理的整個過程中，適時處理個人和團體的期望與職責。本公司已建立符合公司發展需要的信息系統，並制定了信息系統相關管理規範，確保本公司信息系統的穩定運行，並充分利用信息系統提高溝通的有效性。除公司內部溝通外，在外部溝通方面，本公司已制定「信息披露管理辦法」，對信息披露的原則、信息披露的內容、信息披露中相關主體職責、信息披露的程序、內幕信息及其知情人管理以及責任追究等進行了規定。

Environmental, Social and Governance Report

環境、社會及管治報告

2. Risk management

The Company promotes green loans as a part of its strategy. It stepped up support to green economy, low-carbon economy and circular economy, prevented environmental and social risks, and improved its environmental and social performance, thereby optimizing the asset structure, upgrading service standards and pursuing a new growth model.

Overall objectives: to implement the concept of green economy, guide enterprises through the credit system, focus on supporting the development of the green industry, uphold the veto system based on environmental assessment for allocation of finance facility, and regulate energy-saving and green initiatives.

Specific measures are:

- I. The Company will establish the comprehensive environmental and social risk management system, optimize credit policy system and procedure management, and identify, measure, monitor and control the environmental and social risks in the credit business effectively. Environmental and social risks refer to potential environmental and social hazards and relevant risks arising from construction, production and operation activities of customers of financial institutions and their material related parties, including environmental and social issues relating to energy consumption, pollution, land, health, safety, resettlement, ecological protection and climate change.

2、風險管理

本公司從戰略高度推進環保信貸，加大對綠色經濟、低碳經濟、循環經濟的支持，防範環境和社會風險，提升自身的環境和社會表現，並以此優化資產結構，提高服務水平，促進發展方式轉變。

總體目標為：踐行環保金融理念，通過信貸制度有效引導企業行為，重點支持綠色產業發展，堅持融資授信投向環境評價的一票否決制度，規範自身節能環保行為。

具體措施為：

- 一、建立健全環境和社會風險管理體系，完善信貸政策制度和流程管理，有效識別、計量、監測、控制信貸業務活動中的環境和社會風險。環境和社會風險是指金融機構的客戶及其重要關聯方在建設、生產及經營活動中可能給環境和社會帶來的危害及相關風險，包括與耗能、污染、土地、健康、安全、移民安置、生態保護及氣候變化等有關的環境與社會問題。

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- II. It will make full use of the business opportunities from national energy saving and emission reduction strategy to push forward financial innovation and actively develop new financial products relating to energy saving and emission reduction. It will closely monitor key projects recognized by the state, including energy saving projects, renewable energy projects, water pollution treatment projects, sulphur dioxide treatment, pilot projects on circular economy, conservation and recycling of water resources, integrated recycling of resources, waste recycling, clean production, demonstration and promotion of research and industrialization of energy saving and emission reduction technology, energy saving technology service system and environmental industries. Taking into consideration credit risk assessment, cost compensation mechanism and favourable government policy, the Company will meet financing needs of selected projects.
- III. The Company will provide credit support to enterprises and projects that cause immaterial environmental and social risks, have achieved significant progress in energy saving and emission reduction and were recognized, recommended and encouraged by national competent authorities.
- IV. The Company will maintain a list of borrowers with material energy consumption and pollution risks. It will enhance credit management by putting enterprises subject to intensive monitoring of national and regional energy saving and emission reduction authorities, and enterprises which, in the opinion of the Company, pose great energy consumption and pollution risks on the risk control list. It will take actions to communicate with the authorities in charge of energy saving and emission reduction, so as to readily assess the progress of energy saving and emission reduction target and environmental compliance for updating the list.
- 二、充分利用國家實施節能減排戰略帶來的業務發展機遇，加強金融創新，積極開發與節能減排有關的創新金融產品。及時跟蹤國家確定的節能重點工程、再生能源項目、水污染治理工程、二氧化硫治理、循環經濟試點、水資源節約利用、資源綜合利用、廢棄物資源化利用、清潔生產、節能減排技術研發和產業化示範及推廣、節能技術服務體系、環保產業等重點項目，綜合考慮信貸風險評估、成本補償機制和政府扶持政策等因素，有重點地給予融資需求的滿足。
- 三、對環境和社會風險影響輕微，節能減排效果顯著並得到國家主管部門表彰、推薦、鼓勵的企業和項目，在同等條件下，可給予授信支持。
- 四、對存在重大耗能和污染風險的授信企業實行名單式管理，被國家和地方節能減排主管部門列為重點監控的企業，或公司判斷其存在重大耗能、污染風險的授信企業列入風險控制名單加強授信管理。主動與節能減排主管部門溝通，及時了解企業的節能減排目標完成情況和環保合規情況，不斷更新企業名單。

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 2017.

CORPORATE INFORMATION

The Company was incorporated in the PRC on 13 March 2013 as a company with limited liability. The Company's H-shares (the "H Shares") were listed on the Hong Kong 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 2017 are set out in the Consolidated Statement of Profit or Loss on page 282 of this report.

董事會報告

董事會謹此向股東提呈本集團截至2017年12月31日止年度報告以及經審核財務報表。

公司資料

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（「H股」）於2014年6月19日在香港聯交所上市。

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2017年12月31日止年度的業績載於本報告第282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 2017 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 245 to 246. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2017 can be found in this Report of the Board of Directors on pages 247. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 9 to 22 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 258, page 201 and page 259, respectively. The above discussions constitute part of this Report of the Board of Directors.

FINAL DIVIDEND

The Board recommended the dividend payment of RMB4 cents per Share (2016: RMB4 cents per Share) to the Shareholders with ratio of around 65%. It is expected that the dividend payment will be despatched to the Shareholders before 25 July 2018. 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 2017, which is based on the Company's actual distributable profit as at 28 February 2018. The reason and details on the basis of its actual distributable profit as at 28 February 2018 are set out and available in the paragraph headed "Distributable Reserves" on page 240 of this Report of the Board of Directors.

業務審視

本集團於截至2017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，載於本董事會報告中第245頁至第246頁。本董事會報告第247頁刊載了於2017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。本董事會報告第9頁至第22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，分別刊於本董事會報告中第258頁、第201頁及第259頁，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（2016年：每股人民幣0.04元），分派比率約為65%，預計末期股息將約於2018年7月25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2017年12月31日止財務年度的末期股息，以本公司於2018年2月28日實際可分配利潤為基礎。有關其以2018年2月28日實際可分配利潤為基礎之原因和詳情載列於本董事會報告第240頁之「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 the PRC 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。

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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 9 of this report. This summary does not form part of the audited consolidated financial statements.

USE OF PROCEEDS FROM LISTING

The 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, prior to 2017, all the proceeds from listing have been used.

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9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所得款項淨額合共約為人民幣1,438.6百萬元並以本公司日期為2014年6月3日的招股章程所披露的方式動用，至2017年前，上市所得資金已使用完畢。

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 55.9% of the bank financing we guaranteed. The largest banking partner accounted for 14.2% 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 2017, 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 2017 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 2017 are set out on pages 286 to 287 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55.9%，最大合作銀行提供由本集團擔保的融資總額為14.2%。

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2017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2017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2017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286頁至287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 286 to 287 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 2017 was unable to be distributed to the Company before 31 December 2017, the balance of the actual distributable profit of the Company as at 31 December 2017 was negative. The subsidiaries have distributed their profit for 2017 and undistributed profit for the previous years in January to February 2018, 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 2017 to the Shareholders based on the actual distributable profit as at 28 February 2018.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2017 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286頁至287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2017年度實際可分配利潤於2017年12月31日之前分配予本公司，截止2017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2018年1至2月分別對2017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2018年2月28日實際可分配利潤為基礎向股東分配截至2017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2017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。

Report of the Board of Directors

董事會報告

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。

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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.

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0.00065億元，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。

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The Company issued RMB900 million worth of phase-II bond of four-year maturity in November 2015 (SSE abbreviation: 14 Hanhua 02). This bond has a flat annual rate of 5.6% and requires annual payment of interest. The Company has the right to raise the coupon rate for the rest days till maturity at the end of the second year. After the Company releases an announcement on its decision to raise the coupon rate or not and if yes, the amount of raise, investors have the right to register resale of the bonds held by them at the price of RMB100 per bond (interest-free) totally or partially on the resale registration date (18 September 2017 – 20 September 2017).

In view of the situation of the bond market and performance of the Company, the Company decided to raise the coupon rate of “14 Hanhua 02” by 100BP to 6.6%, and keep it unchanged for the rest two years till maturity (from 3 November 2017 to 3 November 2019). The Company released the Announcement on Adjusting the Coupon Rate of “14 Hanhua 02” Company Bond at SSE on 12 September 2017.

According to bond resale registration data provided by Shanghai branch of China Securities Depository and Clearing Company Limited, there were 46,035 valid lots of resale of “14 Hanhua 02” this time and the volume resold was RMB46,035,000 (interest-free). On 3 November 2017, the payment for resale of 14 Hanhua 02 was effected. After that, the volume of 14 Hanhua 02 listed and traded at SSE was 853,965 lots (at the face value of RMB853,965,000).

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2017, the Company did not enter into any equity-linked agreements.

本公司在2015年11月發行的第二期債券（上交所簡稱：14瀚華02），發行規模人民幣9億元，債券期限為4年。此債券採用單利按年計息，固定利率為5.6%，每年付息一次。本公司有權於本期債券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，投資者有權在回售申報日（即2017年9月18日－2017年9月20日），將其持有的債券全部或部分進行回售申報登記，回售的價格為人民幣100元／張（不含利息）。

結合債券市場狀況及本公司經營情況，經公司研究決定，本公司選擇將「14瀚華02」債券的票面利率上調100BP至6.6%，本期債券後2年（2017年11月3日至2019年11月3日）票面利率為6.6%並保持不變。本公司於2017年9月12日在上海證券交易所發佈「瀚華金控股份有限公司關於「14瀚華02」公司債券票面利率調整的公告」。

根據中國證券登記結算有限責任公司上海分公司提供的債券回售申報數據，「14瀚華02」債券本次回售申報有效數量為46,035手，回售金額為人民幣46,035,000元（不含利息）。2017年11月3日為「14瀚華02」債券回售申報的資金發放日，本次回售實施完畢後，「14瀚華02」債券在上海證券交易所上市並交易的數量為853,965手（面值853,965,000元）。

股票掛鉤協議

截至2017年12月31日止年度，本公司並無訂立任何股票掛鉤協議。

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 2017 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2017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

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In 2015, the Scheme was gradually implemented in accordance with the relevant procedures. 5,738,623 H shares of the Company were acquired from the market.

As at the date of this report, all of the above 5,738,623 H shares were unlocked and vested to individuals.

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 2017, 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 during the year.

於2015年，該項計劃按照相關程序逐步得到實施。按此，從公開市場購買了本公司5,738,623股H股。

截至本報告日期，所有上述的5,738,623股H股已解禁並歸屬於個人。

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2017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。

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Market Risk Management

Based on its exposure to the specific market risks, the Company established stringent industrial and regional credit policy. In respect of the industrial credit policy, it conformed to the national industrial policies and industry development trends, selected the best sectors and made dynamic adjustment. In respect of the regional credit policy, it has taken into account of the local credit market conditions, regional risk level, competition level to control the scale and use of the credit facility. Coupled with differentiated pricing administrative measures based on customer classification, scale of single transaction, and income-to-cost ratio, this enabled “better than average management, preventive system and revenue converging cost”.

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

本公司針對自身面臨市場風險的特點，制定了嚴格的行業和區域授信政策，行業選擇上順應國家產業政策和行業發展趨勢，擇優採納並動態更新，區域管理上綜合考慮當地信貸市場環境、區域風險水平、競爭程度，控制授信額度的投放規模和投向，輔以基於客戶分級、單筆業務規模、收入成本比的差異化價格管理辦法，實現「優於平均、防範系統、收益覆蓋」的管理效果。

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 2018, 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 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.

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 2017 and as at the date of this report.

報告期後事項

利潤分配

經董事會決議，計劃以截至2018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。

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2017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。

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董事會報告

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.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of executive Directors and non-executive Directors renewed the service contract with the Company on 19 June 2017, for a term of three years from 19 June 2017.

Each of independent non-executive Directors entered into the appointment letter on 19 June 2017, for a term of three years from 19 June 2017.

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 2017.

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。

董事及監事服務合約

各執行董事、非執行董事已於2017年6月19日與本公司續訂服務合同，由2017年6月19日起計為期三年。

各獨立非執行董事均已於2017年6月19日續簽委任函，任期自2017年6月19日起計為期三年。

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2017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。

Report of the Board of Directors

董事會報告

INTERESTS IN COMPETING BUSINESS

Except as disclosed in this report, during the year ended 31 December 2017, 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.

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 2017.

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.

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.

於競爭業務的權益

截至2017年12月31日止年度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。

管理合同

截至2017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。

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 2017.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2017, the interests or short positions of the Directors, supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required, (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept under section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix 10 to the Listing Rules were as follows:

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2017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、監事及主要行政人員於股份、相關股份及債權證中擁有的權益及淡倉

於2017年12月31日，本公司董事、監事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中持有須(a)根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例之該等條文被當作或被視為持有之權益及淡倉）；或(b)須記入根據證券及期貨條例第352條存置之登記冊內之好倉或淡倉權益；或(c)根據上市規則附錄十所載的標準守則須通知本公司及聯交所之權益或淡倉列載如下：

Report of the Board of Directors

董事會報告

(i) Interests in the Company

(ii) 於本公司的權益

Name of Shareholder 股東名稱	Position 職位	Class of share 股份類別	Nature of interests 權益性質	No. of shares held 持有股份數目 (Shares) (股)	Approximate percentage in relevant class of share 佔有關股份類別之概約百分比 (%) ⁽⁵⁾	Approximate percentage in total share capital 佔股本總數之概約百分比 (%) ⁽⁶⁾
Tu Jianhua ⁽¹⁾ 涂建華 ⁽¹⁾	Director 董事	Domestic Share 內資股	Interests of controlled corporation/others 受控法團權益 / 其他	1,497,458,628 (Long position) (好倉)	43.66	32.55
Wang Fangfei ⁽²⁾ 王芳霏 ⁽²⁾	Director 董事	Domestic Share 內資股	Interests of controlled corporation 受控法團權益	231,532,653 (Long position) (好倉)	6.75	5.03
Zhang Guoxiang ⁽³⁾ 張國祥 ⁽³⁾	Director 董事	Domestic Share 內資股	Beneficial owner/ Interests of controlled corporation 實益擁有人 / 受控法團權益	298,038,709 (Long position) (好倉)	8.69	6.48
		H Shares H股	Beneficial owner 實益擁有人	585,971 (Long position) (好倉)	0.05	0.01
Wang Dayong ⁽⁴⁾ 王大勇 ⁽⁴⁾	Director 董事	Domestic Share 內資股	Beneficial owner 實益擁有人	2,058,742 (Long position) (好倉)	0.06	0.04
		H Shares H股	Beneficial owner 實益擁有人	360,443 (Long position) (好倉)	0.03	0.008
Cui Weilan ⁽⁴⁾ 崔巍嵐 ⁽⁴⁾	Director 董事	Domestic Share 內資股	Beneficial owner 實益擁有人	2,058,742 (Long position) (好倉)	0.06	0.04
		H Share H股	Beneficial owner 實益擁有人	648,005 (Long position) (好倉)	0.06	0.01
Liu Jiaoyang 劉驕楊	Director 董事	Domestic Share 內資股	Beneficial owner 實益擁有人	441,159 (Long position) (好倉)	0.01	0.01
Liu Bolin ⁽⁵⁾ 劉博霖 ⁽⁵⁾	Director 董事	Domestic Share 內資股	Interests of controlled corporation 受控法團權益	120,000,000 (Long position) (好倉)	3.50	2.61

Report of the Board of Directors

董事會報告

Name of Shareholder 股東名稱	Position 職位	Class of share 股份類別	Nature of interests 權益性質	No. of shares held 持有股份數目 (Shares) (股)	Approximate percentage in relevant class of share 佔有關股份類別之概約百分比 (%) ⁽⁵⁾	Approximate percentage in total share capital 佔股本總數之概約百分比 (%) ⁽⁶⁾
Li Ruping 李如平	Supervisor 監事	Domestic Share 內資股	Beneficial owner 實益擁有人	2,205,795 (Long position) (好倉)	0.06	0.05
Chen Zhonghua 陳中華	Supervisor 監事	Domestic Share 內資股	Beneficial owner 實益擁有人	441,159 (Long position) (好倉)	0.01	0.01
Qin Yong 秦湧	Supervisor 監事	Domestic Share 內資股	Beneficial owner 實益擁有人	588,212 (Long position) (好倉)	0.02	0.01

Notes:

- Mr. Tu Jianhua directly holds 98% of the equity interest of Loncin Group Co., Ltd. ("Loncin Group"), which directly holds 98% of the equity interest of Loncin Holdings Co., Ltd. ("Loncin Holdings"). Mr. Tu Jianhua also directly holds 2% of the remaining equity interest of Loncin Holdings.

Accordingly, Mr. Tu Jianhua is deemed to be interested in the 1,202,188,780 Domestic Shares held by Loncin Holdings. Based on the voting arrangement with Chongqing Huitai Investment Co., Ltd. ("Huitai"), Mr. Tu Jianhua is deemed to be able to exercise the voting rights of the 295,269,848 Domestic Shares held by Huitai.

附註：

- 涂建華先生直接持有隆鑫集團有限公司(「隆鑫集團」)的98%股權，而隆鑫集團則直接持有隆鑫控股有限公司(「隆鑫控股」)的98%股權。涂建華先生亦直接持有隆鑫控股的餘下2%股權。

因此，涂建華先生被視作於隆鑫控股持有的1,202,188,780股內資股中持有權益。根據與重慶慧泰投資有限公司(「慧泰」)的投票安排，涂建華先生被視作能夠行使慧泰持有的295,269,848股內資股的投票權。

Report of the Board of Directors

董事會報告

2. Ms. Wang Fangfei directly holds 55% of the equity interest of Chongqing Jiulong Investment Co., Ltd. (“**Chongqing Jiulong**”), which directly holds 231,532,653 Domestic shares. Accordingly, Ms. Wang Fangfei is deemed to be interested in the 231,532,653 Domestic Shares held by Chongqing Jiulong.
 3. Mr. Zhang Guoxiang directly holds approximately 66.4% of the equity interest of Huitai, which directly holds 295,269,848 Domestic Shares of the Company. Accordingly, Mr. Zhang Guoxiang is deemed to be interested in the 295,269,848 Domestic Shares held by Huitai. Mr. Zhang Guoxiang also directly holds 2,768,861 Domestic Shares of the Company.
 4. Mr. Zhang Guoxiang, Mr. Wang Dayong and Mr. Cui Weilan acquired the H Shares through the Scheme.
 5. Mr. Liu Bolin directly holds 75% equity interest of Sichuan Hongrun Trading Co., Ltd., which directly holds 120,000,000 Domestic Shares of the Company. Accordingly, Mr. Liu Bolin is deemed to be interested in 120,000,000 Domestic Shares held by Sichuan Hongrun Trading Co., Ltd.
 6. As at 31 December 2017, the issued Domestic Shares and the H Shares of the Company were 3,430,000,000 Shares and 1,170,000,000 Shares, respectively.
 7. As at 31 December 2017, there were 4,600,000,000 Shares of the Company in issue.
- 2、王芳霏女士直接持有重慶九龍投資有限公司(「**重慶九龍**」)的55%股權，而重慶九龍則直接持有本公司231,532,653股內資股。因此，王芳霏女士被視作在重慶九龍持有的231,532,653股內資股中擁有權益。
 - 3、張國祥先生直接持有慧泰的約66.4%股權，而慧泰則直接持有本公司295,269,848股內資股。因此，張國祥先生被視作於慧泰持有的295,269,848股內資股中擁有權益。張國祥先生亦直接持有本公司2,768,861股內資股。
 - 4、張國祥先生、王大勇先生及崔巍嵐先生分別透過計劃持有本公司H股股份。
 - 5、劉博霖先生直接持有四川泓潤商貿有限公司的75%股權，而四川泓潤商貿有限公司則直接持有本公司120,000,000股內資股。因此，劉博霖被視作於四川泓潤商貿有限公司持有的120,000,000股內資股中擁有權益。
 - 6、於2017年12月31日，本公司已發行內資股3,430,000,000股及H股1,170,000,000股。
 - 7、於2017年12月31日，本公司共有4,600,000,000股已發行股份。

Report of the Board of Directors

董事會報告

Save as disclosed above, as at 31 December 2017, none of the Directors, supervisors or the chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which are required (i) to be recorded in the register required to be kept under section 352 of the SFO; or (ii) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Interests in associated corporations

None of the Directors, supervisors or the chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of associated corporations (within the meaning of Part XV of SFO) of the Company.

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.

除上文披露者外，於2017年12月31日，概無本公司董事、監事及最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有(i)登記於根據證券及期貨條例第352條須予存置的登記冊內，或(ii)根據標準守則須另行知會本公司及聯交所的任何權益或淡倉。

(ii) 於相聯法團的權益

概無董事、監事或本公司最高行政人員在本公司相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中擁有任何權益或淡倉。

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

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

主要股東於股份及相關股份之權益及淡倉

As at 31 December 2017, the persons (not being a Director, supervisor or chief executive of the Company) or corporations having interests or short positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under section 336 of the SFO and who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

於2017年12月31日，於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司及聯交所披露之權益或淡倉，或記入根據證券及期貨條例第336條須置存之登記冊內之權益或淡倉，或被視作於附有權利可於任何情況下在本公司股東大會投票之任何類別股本之面值中直接及／或間接擁有5%或以上之權益之人士（並非本公司董事、監事及主要行政人員）或公司列載如下：

Name of Shareholder 股東名稱	Class of share 股份類別	Nature of interests 權益性質	No. of shares held 持有股份數目 (share) (股)	Approximate percentage in relevant class of share 佔有關股份類別之概約百分比 (%) ⁽⁴⁾	Approximate percentage in total share capital 佔股本總數之概約百分比 (%) ⁽⁵⁾
Loncin Holdings ⁽¹⁾⁽³⁾ 隆鑫控股 ⁽¹⁾⁽³⁾	Domestic Share 內資股	Beneficial owner/others 實益擁有人／其他	1,497,458,628 (Long position) (好倉)	43.66	32.55
Loncin Group ⁽²⁾⁽³⁾ 隆鑫集團 ⁽²⁾⁽³⁾	Domestic Share 內資股	Interests of controlled corporation/others 受控法團權益／其他	1,497,458,628 (Long position) (好倉)	43.66	32.55
Huitai 慧泰	Domestic Share 內資股	Beneficial owner 實益擁有人	295,269,848 (Long position) (好倉)	8.61	6.42
Chongqing Jiulon 重慶九龍	Domestic Share 內資股	Beneficial owner 實益擁有人	231,532,653 (Long position) (好倉)	6.75	5.03
Wang Mingyue 汪明月	Domestic Share 內資股	Beneficial owner 實益擁有人	269,824,593 (Long position) (好倉)	7.87	5.87

Report of the Board of Directors

董事會報告

Notes:

1. Loncin Holdings directly holds 1,202,188,780 Domestic Shares of the Company. Based on the voting arrangement with Huitai, Loncin Holdings is deemed to be able to exercise the voting rights of the 295,269,848 Domestic Shares held by Huitai.
2. Loncin Group directly holds 98% of the equity interest of Loncin Holdings, which directly holds 1,202,188,780 Domestic Shares of the Company. Accordingly, under the SFO, Loncin Group is deemed to be interested in the 1,202,188,780 Domestic Shares held by Loncin Holdings. Based on the voting arrangement with Huitai, Loncin Group is deemed to be able to exercise the voting rights of the 295,269,848 Domestic Shares held by Huitai.
3. The 1,472,458,628 Shares held by Loncin Group and Loncin Holdings are of the same interest and duplicated each other.
4. As at 31 December 2017, the issued Domestic Shares and the H Shares were 3,430,000,000 Shares and 1,170,000,000 Shares, respectively.
5. As at 31 December 2017, there were 4,600,000,000 Shares of the Company in issue.

附註：

- 1、隆鑫控股直接持有本公司1,202,188,780股內資股。根據與慧泰的投票安排，隆鑫控股被視作能夠行使慧泰持有的295,269,848股內資股投票權。
- 2、隆鑫集團直接持有隆鑫控股的98%股權，而隆鑫控股則直接持有本公司1,202,188,780股內資股。因此，根據證券及期貨條例，隆鑫集團被視作在隆鑫控股持有的1,202,188,780股內資股中擁有權益。根據與慧泰的投票安排，隆鑫集團被視作能夠行使慧泰持有的295,269,848股內資股投票權。
- 3、隆鑫集團及隆鑫控股之1,497,458,628股內資股涉及同一份權益，並互相重迭。
- 4、於2017年12月31日，本公司已發行內資股3,430,000,000股及H股1,170,000,000股。
- 5、於2017年12月31日，本公司共有4,600,000,000股已發行股份。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2017, there was no purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries.

購入、出售或贖回本公司上市證券

截至2017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。

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.

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。

Report of the Board of Directors

董事會報告

CONTRACTS OF SIGNIFICANCE

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.

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 259.

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**").

重大合約

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。

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259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。

Report of the Board of Directors

董事會報告

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 2017.

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 to the Listing Rules, the Company prepared the “Environmental, Social and Governance Report”, which is set out from page 205 to page 234 of this report.

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2017年12月31日止年度，控股股東並無違反不競爭承諾。

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。2017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205頁至第234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, the Basic Norms of Enterprise Internal Control, Interim Measures for the Administration of Financing Guarantee Companies, Guiding Opinions of China Banking Regulatory Commission and People's Bank of China on Pilot Projects of Small Loan Companies, Guidance on Promoting the Healthy Development of Internet Finance in the PRC 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

In 2017, the material related party transactions of the Company, details of which are set out in note 38 to the financial statement, were all fully exempt transactions as defined under Rule 14A.09 and Rule 14A.76 and Rule 14A.95 of the Listing Rules. Among which, related parties including Nanjing Yuanqing Construction Co., Ltd.* (南京源慶建設有限公司), Ninghengrun Tourism Development Company* (寧恆潤旅遊發展公司), Liaoning Guoxin International Travel Agency Co., Ltd.* (遼寧國信國際旅行社有限公司) and Shenyang Huishengming International Trade Co., Ltd.* (沈陽匯盛明國際貿易有限公司) were shareholders of insignificant subsidiaries; each of the percentage ratios of the transactions with Yugao Investment Group Co., Ltd.* (渝高投資集團股份有限公司), which was a related party, was within the limit of full exemption. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

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

2017年度，本公司重大關聯方交易詳細內容參見財務報表附註38均屬於上市規則14A.09、14A.76及14A.95項下獲得全面豁免的交易：其中關聯方南京源慶建設有限公司、寧恆潤旅遊發展公司、遼寧國信國際旅行社有限公司、沈陽匯盛明國際貿易有限公司為非重大附屬公司股東；與關聯方渝高投資集團股份有限公司交易各項百分比率均符合全面豁免比例。本公司確認，其已根據上市規則第14A章遵守披露規定。

Report of the Board of Directors

董事會報告

CHARITABLE DONATIONS

During the year ended 31 December 2017, the Group made charitable and other donations in a total amount of RMB30,000.

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 2017.

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 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.

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.

慈善捐款

截至2017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三萬元。

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2017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。

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。

Report of the Board of Directors

董事會報告

AUDITORS

The consolidated financial statements for the year ended 31 December 2017 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 2018 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

26 March 2018

* For identification purpose only

核數師

畢馬威會計師事務所已審核截至2017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2018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

2018年3月26日

* 僅供識別

Report of the Board of Supervisors

監事會報告

REPORT OF THE BOARD OF SUPERVISORS

In 2017, pursuant to the requirements set out in the PRC 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 performance of duties by the Board and senior management of the Company, thus effectively contributing to the optimization of governance of the Company 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 2017, the Board of Supervisors convened 2 regular meetings in which the Board of Supervisors summarized its work throughout the year and reviewed the interim report, and attended 1 general meeting and 7 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 gained 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, and oversaw capital management of the Company, and the management of insiders of inside information.

監事會報告

2017年，本公司監事會（「**監事會**」）按照中國《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，為完善本公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、 依法律法規召開監事會會議。2017年，共召開監事定期會議2次，總結年度監事會工作情況，審議中期報告，列席股東大會1次，列席董事會7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、高級管理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.

- 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。

INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON RELEVANT MATTERS

監事會就有關事項發表的獨立意見

Lawful Operation of the Company

公司依法經營情況

During the year ended 31 December 2017, the business activities of the Company complied with the PRC 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.

截至2017年12月31日止年度內，本公司的經營活動符合中國《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相關法律法規、章程或損害公司及股東利益的行為。

Authenticity of Financial Report

財務報告的真實性

The financial statements of the Company for the year ended 31 December 2017 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.

本公司截至2017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。

Use of Proceeds

募集資金使用情況

During the year ended 31 December 2017, the application of proceeds for specific projects was consistent with the uses as stated in the Prospectus dated 3 June 2014.

截至2017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。

Report of the Board of Supervisors

監事會報告

Material Investments by the Company

Significant Investments

In April 2017, the Group, as the sponsor, founded Fu'an Asset with three other domestic companies. Fu'an Asset has a registered capital of RMB1,000.0 million. The Group invested RMB550.0 million for a 55.0% stake in Fu'an Asset. As at 30 June 2017, all shareholders of Fu'an Asset had completed capital contributions as required by the contributor agreement. Fu'an Asset received the permission from the regulator and started business on 4 July 2017.

On 1 December 2016, the Group, as the sponsor, founded Hanhua Kingsway Securities Co., Ltd) with one domestic company and two foreign companies, and inked a joint venture contract. On 20 January 2017, the Company and the contributors signed a supplementary agreement to the joint venture contract and refined some clauses of the Articles of Association of the securities joint venture by incorporating the joint venture contract. For details, please see the announcements dated 1 December 2016, 6 December 2016, 20 January 2017 and 12 January 2018.

Significant Acquisitions and Disposal

On 12 July 2017, the Group sold its 80% equity in Beijing Hanhua Information Services Co., Ltd to ShanDong Financial Assets Exchange for a consideration of RMB8.5 million. Following the deal, the Group retains a 20% interest in Beijing Hanhua Information Services Co., Ltd. The deal was settled on 15 August 2017.

On 15 December 2017, the Group sold its 100% equity in Beijing Laitou Information Services Co., Ltd to Shenzhen Yumeiling Trade Co., Ltd for a consideration of RMB35.0 million. Following the deal, the Group has no interest in Beijing Laitou Information Services Co., Ltd..

公司重大投資

重大投資

於2017年4月，本集團作為發起人，與境內其他3家公司合資設立富安資產。富安資產的註冊資本為人民幣1,000.0百萬元，本集團以人民幣550.0百萬元出資並持有富安資產55.0%的權益。截至2017年6月30日，富安資產各股東已按照出資人協議的相關要求，完成貨幣資金出資。富安資產已於2017年7月4日獲得監管機構批復，獲准開業。

於2016年12月1日，本集團作為主發起人，與一家境內公司及兩家境外公司就設立瀚華證券有限責任公司共同訂立合資合同。於2017年1月20日，本公司與各出資方訂立合資合同之補充協議，將合資證券公司章程（草案）中的部分條款加載合資合同並對原有部分條款進行完善，有關詳情請參閱日期分別為2016年12月1日、2016年12月6日及2017年1月20日及2018年1月12日之公告。

公司收購及出售

於2017年7月12日，本集團將所持有的北京瀚華信息服務有限公司的80%的股權以人民幣8.5百萬元的交易價格出售給山東金融資產交易中心有限公司。該交易完成後，本集團持有北京瀚華信息服務有限公司20%的股權。上述交易已於2017年8月15日完成交割。

於2017年12月15日，本集團將所持有的北京來投信息服務有限公司的100%的股權以人民幣35.0百萬元的交易價格出售給深圳玉梅玲貿易有限公司。該交易完成後，本集團不再持有北京來投信息服務有限公司股權。

Report of the Board of Supervisors

監事會報告

For the year ended 31 December 2017, the Company and its subsidiaries invested and established a total of 14 subsidiaries, including Hunan Hanpeng Business Consulting Co., Ltd. (湖南瀚鵬商務諮詢有限公司), Khorgas Hanhua Equity Investment and Management Co., Ltd. (霍爾果斯瀚華股權投資管理有限公司), 瀋陽票據資產交易中心有限責任公司 (Shenyang Billet Exchange Co., Ltd.), 重慶大美慧融教育科技有限責任公司 (Chongqing Damei Huirong Education Technology Co., Ltd). These subsidiaries were mainly engaged in the registration, pledge, enquiry and custody of commercial papers, and information consultation of computer software development and child development; provision of child play services.

Internal Control

During the year ended 31 December 2017, 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 2017".

Opinions on Performance Assessment of Directors, Supervisors and Senior Management of the Company

During the year ended 31 December 2017, 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

23 March 2018

截至2017年12月31日止年度內，本公司及其本公司下屬各子公司投資新設湖南瀚鵬商務諮詢有限公司，霍爾果斯瀚華股權投資管理有限公司，瀋陽票據資產交易中心有限責任公司，重慶大美慧融教育科技有限責任公司等14家子公司，經營範圍主要涉及商業票據的登記、質押、查詢和托收及計算機軟件開發、兒童潛能開發信息諮詢；提供兒童遊樂服務等板塊。

內部控制情況

截至2017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《2017年度內部控制評價報告》無異議。

對本公司董事、監事、高級管理人員履職情況

截至2017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

2018年3月23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.

(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 266 to 444, which comprise the consolidated statement of financial position as at 31 December 2017, 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 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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266至444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2017年12月31日的合併財務狀況表,截至2017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,該合併財務報表已經按照香港會計師公會頒佈的《香港財務報告準則》,真實而公允地反映了貴集團2017年12月31日的財務狀況以及貴集團2017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 (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “Code”) 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佈的《香港審計準則》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

關鍵審計事項是我們根據職業判斷，認為對本期財務報表審計最為重要的事項。這些事項的應對以對財務報表整體進行審計並形成審計意見為背景，我們不對這些事項單獨發表意見。

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 306, 307, 308, 309, 310, 311, 326 and 327.

請參閱合併財務報表附註14、15、16、17和27以及第306、307、308、309、310、311、326及327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.

發放貸款及墊款、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 individual cash flow assessments and 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，導致其具有估計不確定性的最重要因素是管理層採用的個別評估的未來現金流量和組合評估模型。

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:

與評估貸款及應收款項減值和擔保賠償準備金相關的審計程序中包括以下程序：

- 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 general controls and application controls, including controls over access to these systems and controls over data and change management;
- 了解和評價與貸款及應收款項和擔保的審批、記錄、監控以及信用評級流程、評估減值準備和擔保賠償準備金計算相關的關鍵財務報告內部控制的設計和運行的有效性。對於上述流程中用於處理交易的關鍵系統，我們利用本所信息技術專家的工作，評價與這些系統相關的信息技術一般控制和應用控制的設計和運行的有效性，包括對這些系統的訪問控制和對數據和變更管理的控制等；

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發生了減值，或擔保業務出現了違約或潛在違約事件時，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、時間和方式會對最終的可收回金額產生重大影響，進而影響資產負債表日的減值準備和擔保賠償準備金的金額。

- 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貸款評級報告餘額和用於評估擔保賠償準備金的擔保台賬餘額與總賬記錄的一致性。同時，從貸款評級報告和擔保台賬中採用抽樣方法選取樣本，比對相關的貸款和擔保合同及其他相關資料，以評價管理層貸款評級報告和擔保台賬中的信息列報情況；

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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

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 occurrences 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受到外部宏觀環境和貴集團內部的信用風險管理策略的影響。貴集團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（即從減值或違約事件的發生到實際識別減值或違約事件的時間間隔）及其他調整因素。

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.

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管理層判斷，同時其對貴集團的經營成果會產生重要影響，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。

- 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，評價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」類的貸款和被認定為「高違約風險」的擔保的樣本進行信貸審閱；

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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、評價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、評價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；及

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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

- 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;
- 評價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，我們審慎評價涉及管理層判斷的輸入參數，尋求外部證據，並將貴集團其他內部記錄進行對比。作為這些程序的一部分，我們考慮貴集團在模型中對於關鍵估計和輸入參數相對於以前期間所做的調整，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減值或違約的事件發生到實際識別減值或違約事件的全週期來評價衍化期。基於上述因素，我們對按照組合計提的減值準備和擔保賠償準備金的計算進行了覆核。

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 312 and 313.
請參閱合併財務報表附註19以及第312和313頁的會計政策。

The Key Audit Matter

關鍵審計事項

The Group's financial instruments at 31 December 2017 comprised financial assets measured at fair value through profit or loss, listed and unlisted available-for-sale debt and equity securities, private fund and wealth management products issued by commercial banks.

貴集團於2017年12月31日的金融工具包括以公允價值計量且其變動計入當期損益的金融資產、上市和非上市的可供出售債務和權益工具、私募基金以及商業銀行發行的理財產品。

At 31 December 2017 the fair value of the Group's financial instruments was RMB783.6 million of which RMB142.9 million and RMB640.7 million were classified under the fair value hierarchy as level 1 and 3 financial instruments respectively.

與2017年12月31日，貴集團金融工具的公允價值為人民幣783.6百萬元，其中，分類為第一層次和第三層次公允價值計量的金融工具的公允價值分別為人民幣142.9百萬元和人民幣640.7百萬元。

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;
- 了解和評價貴集團與估值、獨立價格驗證、前後臺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；
- 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，評價第一層次公允價值計量的金融工具的估值；

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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, valuation models and valuation report, if any, issued by an independent licensed valuer. The above valuation results 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、估值模型和以獨立有資質的估值師出具的估值報告（如有）為基礎。以上估值結果需要大量的輸入值。部分輸入值來源於能夠可靠獲取的流通市場數據。當可觀察的輸入值無法可靠獲取時，即第三層次公允價值計量的金融工具的情形下，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。

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次公允價值計量的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 result from the report issued by an independent licensed valuer and 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 independent licensed valuer's report and the Group's valuations. This included comparing the independent licensed valuer's and 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;
- 利用本所估值專家的工作，評價貴集團或貴集團聘請的獨立有資質的估值師對特定的第三層次公允價值的金融工具所使用的估值模型，同時，選取樣本，對公允價值屬於第三層次公允價值計量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或貴集團聘請的獨立有資質的估值師的估值模型與我們了解的行業通行估值方法進行比較，測試估值的輸入值以及建立平行估值模型進行重估；
- 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.
- 評價財務報表的相關披露是否符合相關會計準則的披露要求，適當反映了貴集團的金融工具估值風險。

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 293, 294 and 295.
請參閱合併財務報表附註42以及第293、294及295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, or act as a sponsor to, a structured entity through issuing asset-backed securities, trust plans and initiating partnerships.

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、信託計劃和設立合伙企業，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.

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。

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適當；
- 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對其執行下列審計程序：
 - 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、內部設立檔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；

Independent Auditor's Report

獨立核數師報告

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 2017, the amount of consolidated structured entities which the Group had consolidated was RMB2,779.1 million.

於2017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2,779.1百萬元。

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。

- inspecting 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;
- 檢查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、傭金的支付和收益的分配等，以評價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；
- inspecting 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;
- 檢查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。

Independent Auditor's Report

獨立核數師報告

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

The directors are responsible for the other information. The other information comprises all the information included in the annual reports, 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資訊，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資訊，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。

Independent Auditor's Report

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佈的《香港財務報告準則》的規定及香港《公司條例》的披露要求編制合併財務報表，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。

編制合併財務報表時，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，除非董事已計畫對貴集團進行清算、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。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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。

合理保證是高水準的保證，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，設計和實施審計程式以應對這些風險，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資訊獲取充分、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

26 March 2018

我們與審計委員會就計畫的審計範圍、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專案合夥人是梁達明。

畢馬威會計師事務所

香港執業會計師
香港中環
遮打道10號
太子大廈8層

2018年3月26日

Consolidated Statement of Profit or Loss

合併損益表

For the year ended 31 December 2017 • 截至2017年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

		Note 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Guarantee and consulting fee income	擔保費及諮詢費收入		633,543	759,041
Re-guarantee expenses	再擔保費用		(2,157)	(3,671)
Net guarantee and consulting fee income	擔保及諮詢費淨收入		631,386	755,370
Interest and handling fee income	利息及手續費收入		1,376,053	1,113,081
Interest and commission expenses	利息及手續費支出		(563,910)	(388,705)
Net interest and handling fee income	利息及手續費淨收入		812,143	724,376
Net fee and interest income	淨手續費及利息收入	2	1,443,529	1,479,746
Other revenue	其他收入	3	61,321	34,753
(Provisions)/reversal for guarantee losses	(計提)/轉回擔保賠償準備金	27	(26,731)	39,741
Impairment losses	資產減值損失	4	(264,291)	(372,915)
Operating expenses	營運支出	5(a)	(791,441)	(802,697)
Net foreign exchange gain	匯兌淨收益		217	1,052
Other net losses	其他虧損淨額	5(b)	(3,494)	(2,481)
Share of profits of associate	對聯營企業確認的投資收益		2,690	638
Share of losses of a joint venture	對合營企業確認的投資損失		(1,395)	(3)
Profit before taxation	稅前利潤		420,405	377,834
Income tax	所得稅	6	(106,995)	(94,347)
Profit for the year	本年利潤		313,410	283,487
Attributable to:	歸屬於：			
Shareholders of the company	本公司股東		262,821	241,710
Non-controlling interests	非控制性權益		50,589	41,777
Profit for the year	本年利潤		313,410	283,487
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)	11	0.06	0.05

The notes on pages 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

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 2017 • 截至2017年12月31日止年度
(Expressed in RMB) (以人民幣列示)

			2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
	Note 附註			
Profit for the year		本年利潤	313,410	283,487
Other comprehensive income for the year (after tax and reclassification adjustments)		本年其他綜合收益 (除稅及作出重新分類調整後)		
Item that may be reclassified subsequently to profit or loss		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：公允價值變動淨額		
	10		27,407	(10,367)
Exchange differences on translation of financial statements of overseas subsidiaries	10	換算海外附屬公司財務報表的匯兌差額	1,065	(3,028)
Total comprehensive income for the year		本年綜合收益合計	341,882	270,092
Attributable to:		歸屬於：		
Shareholders of the company		本公司股東	291,293	228,315
Non-controlling interests		非控制性權益	50,589	41,777
Total comprehensive income for the year		本年綜合收益合計	341,882	270,092

The notes on pages 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

Consolidated Statement of Financial Position

合併財務狀況表

For the year ended 31 December 2017 • 截至2017年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

			31 December 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
	Note 附註			
Assets		資產		
Cash and cash equivalents	12	貨幣資金	2,436,411	3,512,005
Time and restricted bank deposits	13	定期及受限銀行存款	1,678,623	1,051,941
Trade and other receivables	14	應收及其他應收款項	1,940,509	1,551,514
Receivables for factoring business	15	應收保理款項	1,643,071	594,604
Loans and advances to customers	16	發放貸款及墊款	7,741,071	7,625,407
Finance lease receivables	17	應收融資租賃款	346,299	279,244
Financial assets measured at fair value through profit or loss		以公允價值計量且其變動計入當期損益的金融資產	50,000	—
Available-for-sale financial assets	19	可供出售金融資產	733,609	333,521
Repossessed assets		抵債資產	291,368	248,480
Property, plant and equipment	20	物業廠房及設備	442,747	434,483
Intangible assets	21	無形資產	25,093	6,234
Interest in associates	22	長期股權投資－聯營企業	1,111,974	985,462
Interest in joint ventures	23	長期股權投資－合營企業	8,601	19,995
Goodwill	24	商譽	9,720	11,190
Deferred tax assets	32(b)	遞延所得稅資產	447,534	428,669
Total assets		資產總計	18,906,630	17,082,749
Liabilities		負債		
Interest-bearing borrowings	25	計息借款	2,883,560	1,205,905
Financial assets sold under repurchase agreement	26	賣出回購金融資產	868,792	1,168,306
Deferred income		未到期責任準備金	697,206	639,374
Provisions for guarantee losses	27	擔保賠償準備金	377,327	350,596
Customer pledged deposits	28	存入保證金	112,944	17,191
Accruals and other payables	29	應計及其他應付款項	1,423,916	2,381,352
Current tax liabilities	32(a)	當期所得稅負債	203,360	185,637
Debts securities issued	30	應付債券	4,267,892	3,655,265
Total liabilities		負債合計	10,834,997	9,603,626
NET ASSETS		淨資產	8,071,633	7,479,123

The notes on pages 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

Consolidated Statement of Financial Position (Continued)

合併財務狀況表 (續)

For the year ended 31 December 2017 • 截至2017年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

			31 December 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
		Note 附註		
CAPITAL AND RESERVES	資本及儲備	33		
Share capital	股本		4,600,000	4,600,000
Reserves	儲備		2,385,952	2,240,881
Total equity attributable to shareholders of the company	本公司股東應占股本總額		6,985,952	6,840,881
Non-controlling interests	非控制性權益	34	1,085,681	638,242
TOTAL EQUITY	權益合計		8,071,633	7,479,123

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

經董事會批准及授權於2018年3月26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 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

Consolidated Statement of Changes in Equity

合併股東權益變動表

For the year ended 31 December 2017 • 截至2017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占							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	Exchange reserve 外幣報表折算差額	Surplus reserve 盈餘公積	General reserve 一般風險準備	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	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)(iv) 附註33(d)(iv)	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 2017:	於2017年1月1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
Changes in equity for 2017:	2017年權益變動										
Profit for the year	淨利潤	-	-	-	-	-	-	262,821	262,821	50,589	313,410
Other comprehensive income	其他綜合收益	-	-	27,407	1,065	-	-	-	28,472	-	28,472
Total comprehensive income	綜合收益合計	-	-	27,407	1,065	-	-	262,821	291,293	50,589	341,882
Capital injection in subsidiaries from non-controlling interests	附屬公司非控制性權益注資	-	-	-	-	-	-	-	-	450,000	450,000
Equity-settled share-based payment	以權益結算的股份支付	-	-	38,828	-	-	-	-	38,828	-	38,828
Purchase equity interest from non-controlling interests	自非控制性權益收購股權	-	-	(1,050)	-	-	-	-	(1,050)	(15,000)	(16,050)
Appropriation to surplus reserve	提取盈餘公積	-	-	-	-	27,783	-	(27,783)	-	-	-
Appropriation to general reserve	提取一般風險準備	-	-	-	-	-	13,062	(13,062)	-	-	-
Cash dividends paid to the equity shareholders of the company (Note 33(b))	向本公司股東支付之現金股息	-	-	-	-	-	-	(184,000)	(184,000)	-	(184,000)
Cash dividends paid to non-controlling interests	向非控制性權益支付之現金股息	-	-	-	-	-	-	-	-	(38,150)	(38,150)
Balance at 31 December 2017	2017年12月31日的餘額	4,600,000	1,270,924	457,813	(1,963)	110,567	303,034	245,577	6,985,952	1,085,681	8,071,633

The notes on pages 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

Consolidated Statement of Changes in Equity (Continued)

合併股東權益變動表(續)

For the year ended 31 December 2017 • 截至2017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占								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	Exchange reserve 外幣報表折算差額	Surplus reserve 盈餘公積	General reserve 一般風險準備	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	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)(iv) 附註33(d)(iv)	Note 33(d)(iii) 附註33(d)(iii)	Note 33(d)(iv) 附註33(d)(iv)	Note 33(d)(iv) 附註33(d)(iv)		Note 34 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 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

Consolidated Cash Flow Statement

合併現金流量表

For the year ended 31 December 2017 • 截至2017年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

			2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
	Note 附註			
Operating activities		經營活動		
Cash (used in)/generated from operations		經營活動(使用)/產生的現金		
	12(b)		(343,006)	163,706
PRC income tax paid		支付的所得稅款	(110,657)	(129,319)
Net cash (used in)/generated from operating activities		經營活動(使用)/產生現金淨額	(453,663)	34,387
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	297	746
Proceeds from sale of investments		收回投資所得款項	198,691	135,122
Dividends received from available-for-sale financial assets		收到其他投資分紅	8,310	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	(84,968)	(74,653)
Payments on investment in associates		投資聯營企業支付的款項	(67,633)	(924,770)
Payments on investment in joint venture		投資合營企業支付的款項	—	(10,000)
Payments on other investments		支付其他投資的款項	(1,449,067)	(382,805)
Net cash used in investing activities		投資活動使用現金淨額	(1,394,370)	(1,252,925)

The notes on pages 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

Consolidated Cash Flow Statement (Continued)

合併現金流量表 (續)

For the year ended 31 December 2017 • 截至2017年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

			2017	2016
			2017年	2016年
	Note		RMB'000	RMB'000
	附註		人民幣千元	人民幣千元
Financing activities		籌資活動		
Proceeds from capital injection from non-controlling interests		吸收投資收到的現金 非控制性權益的注資	450,000	—
Proceeds from new borrowings	12(c)	取得借款收到的現金	1,750,487	1,148,932
Proceeds from financial assets sold under repurchase agreement	12(c)	賣出回購金融資產收到的現金	657,021	1,155,480
Proceeds from the issuance of debt securities	12(c)	發行債券所得款項	908,950	1,269,156
Repayment of borrowings	12(c)	償還借款本金支付的現金	(72,832)	(243,027)
Repayment of bonds	12(c)	償還債券支付的現金	(309,035)	—
Interest paid	12(c)	償還借款利息支付的現金	(438,276)	(349,565)
Dividends paid to equity shareholders of the company		向本公司股東支付的股息	(184,000)	(230,000)
Dividends paid to non-controlling interests		向非控制性權益支付的股息	(38,150)	(49,094)
Repurchase of assets with repurchase agreement	12(c)	回購賣出回購資產支出的現金	(956,535)	(1,375,651)
Purchase of equity interests of subsidiaries from non-controlling interests		自非控制性權益收購股權支付的現金	(16,050)	—
Prepayment to non-controlling interest's capital in a subsidiary to be liquidated		預付給正在清算子公司的少數股東股本的現金	(140,000)	—
Proceeds from other financing activities	12(c)	其他籌資活動收到的現金	213,436	599,375
Repayment of other financing activities	12(c)	其他籌資活動償還的現金	(1,052,794)	—
Net cash generated from financing activities		籌資活動產生的現金淨額	772,222	1,925,606

The notes on pages 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

Consolidated Cash Flow Statement (Continued)

合併現金流量表（續）

For the year ended 31 December 2017 • 截至2017年12月31日止年度
(Expressed in Renminbi ("RMB")) (以人民幣列示)

			2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		Note 附註		
Net (decrease)/increase in cash and cash equivalents	貨幣資金（減少）／增加淨額		(1,075,811)	707,068
Cash and cash equivalents at 1 January	1月1日貨幣資金		3,512,005	2,803,885
Effect of foreign exchange rate changes	外匯匯率變動影響		217	1,052
Cash and cash equivalents at 31 December	12月31日貨幣資金	12(a)	2,436,411	3,512,005

The notes on pages 291 to 444 form part of these financial statements.

第291頁至444頁所載附註構成本財務報告的一部分。

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布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 2017 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 financial instruments classified as available-for-sale or designated at fair value through profit & loss (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) 財務報表的編制基準

截至2017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 several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in Note 12(c) to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, *Statement of cash flows: Disclosure initiative*, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(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.

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。這些修訂對本集團的會計政策沒有影響。但為了滿足香港財務報告第7號準則對現金流量披露要求企業提供能夠滿足財務報表使用者評估由籌資活動引起的負債的變化的披露，包括現金流和非現金流的變化。這些額外的披露已載於附註12(c)。

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。

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)

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 unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

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

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)

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。

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 (see Note 1(e)).

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（見附註1(e)）。

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分（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分、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過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。

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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)

(e) Associates and joint ventures (Continued)

In all other cases, when the Group 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使用年限不同，則該項目各部份成本將按合理基準分配，每部份分開折舊。資產的可使用年期及剩餘價值（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

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

融資租賃是指無論所有權最終是否轉移但實質上轉移了與資產所有權有關的全部風險和報酬的租賃。經營租賃是指除融資租賃以外的其他租賃。

(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。

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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)

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；

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)

- 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。

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

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。

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)

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。

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)

- 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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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 (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

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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)

(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，金融負債或其一部分才能終止確認。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。

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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)

(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

(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)

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。

— 計算可回收金額

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

(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)

– 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).

– 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.

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）。

– 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。

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 (Continued)

(ii) Impairment of other assets (Continued)

– Reversals of impairment losses (Continued)

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.

(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)

(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 (續)

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。

(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

(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)

(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認，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。

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財務報表附註

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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題有關，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復核。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。

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)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income tax (Continued)

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

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)

此外，由分配股利產生的所得稅費用在應付相關股利的義務被確認時確認。

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。

Notes to the Financial Statements

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中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。

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)

(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。

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)

(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。

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)

(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。

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)

(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。

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)

(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構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、貸款及代理服務。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)

		2017 2017年 RMB'000 人民幣千元	2016 2016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	553,622	724,706
Performance guarantee and consulting fee income	履約擔保及諮詢費收入	79,253	33,710
Litigation guarantee and consulting fee income	訴訟擔保及諮詢費收入	668	625
		633,543	759,041
Less: Re-guarantee expenses	減:再擔保費用	(2,157)	(3,671)
Net guarantee and consulting fee income	擔保及諮詢費淨收入	631,386	755,370
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	1,078,136	962,590
– Factoring business	– 保理業務	168,527	56,487
– Cash at banks	– 銀行存款	60,908	50,745
– Finance lease receivables	– 融資租賃業務	31,644	13,602
– Time and restricted bank deposits	– 定期及受限銀行存款	13,547	16,870
– Other interest and handling fee income	– 其他利息及手續費收入	23,291	12,787
		1,376,053	1,113,081

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)

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interest and commission expenses arising from:	利息及手續費支出來自：		
– Debts securities issued	– 應付債券	(217,967)	(190,667)
– Borrowings from non-bank institutions	– 非銀行機構借貸	(133,646)	(66,488)
– Financial assets sold under repurchase agreements	– 賣出回購金融資產	(94,212)	(80,043)
– Borrowings from banks	– 銀行借貸	(14,142)	(9,249)
– Other Interest and commission expenses	– 其他利息及手續費支出	(103,943)	(42,258)
		(563,910)	(388,705)
Net interest and handling fee income	利息及手續費淨收入	812,143	724,376
Net fee and interest income	淨手續費及利息收入	1,443,529	1,479,746

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 2017 and 2016. 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.

本集團擁有多元化的客戶基礎，於截至2017年及2016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。

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)

3 OTHER REVENUE

3 其他收入

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Government grants	政府補助	23,428	15,619
Rentals income from property sub-leases	資產再租賃的租金收入	11,133	7,161
Gain on disposal of long-term investments	處置長期股權投資的收益	8,127	—
Gain on disposal of available-for-sale financial assets	處置可供出售金融資產的收益	8,665	5,121
Dividend income from available-for-sale financial assets	可供出售金融資產的股息收入	8,310	3,436
Others	其他	1,658	3,416
		61,321	34,753

4 IMPAIRMENT LOSSES

4 減值損失

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 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))	135,997	213,724
Loans and advances to customers (Note 16(f))	發放貸款及墊款 (附註16(f))	116,915	149,141
Receivables for factoring business (Note 15(b))	應收保理款 (附註15(b))	9,213	7,220
Goodwill	商譽	1,470	—
Financial lease receivables (Note 17)	應收融資租賃款 (附註17)	696	2,830
		264,291	372,915

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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)

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：

		2017 2017年 RMB'000 人民幣千元	2016 2016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	336,964	301,960
– Contributions to retirement schemes	– 養老保險	63,499	66,688
– Equity-settled share-based payment expenses	– 以股權結算的股份支付開支	38,828	56,403
– Termination Benefits	– 辭退福利	209	680
Operating lease charges in respect of buildings	房屋經營租賃費用	79,963	88,780
Travel expenses	差旅費	55,279	56,459
Depreciation expenses	折舊費用	37,090	42,028
Office expenses	辦公費	22,839	31,989
Tax and surcharges	稅金及附加	16,529	32,229
Entertainment expenses	業務招待費	15,904	13,091
Advertising expenses	廣告費	13,981	10,995
Meeting fee	會議費	7,655	14,165
Auditors' remuneration	審計費	6,130	5,930
Amortisation expenses	攤銷費用	2,955	1,848
Others	其他	93,616	79,452
		791,441	802,697

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:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備淨損失	22	109
Others	其他	3,472	2,372
		3,494	2,481

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:

		2017 2017年 RMB'000 人民幣千元	2016 2016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	128,380	171,344
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	(21,385)	(76,997)
		106,995	94,347

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:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit before taxation	稅前利潤	420,405	377,834
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)	33,925	21,504
Effect of non-deductible expenses	不可抵扣支出的稅務影響	2,045	1,485
Effect of unused tax losses not recognised	不可利用稅務損失的影響	71,205	70,148
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	(180)	1,210
Actual income tax expense	所得稅費用合計	106,995	94,347

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., 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%.

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、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責任公司及霍爾果斯市惠微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 Sichuan 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 2017 and 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 15% during the years ended 31 December 2017 and 9% during the years ended 31 December 2016, respectively.

Beijing Hanhua Internet Technology Co., Ltd. is a qualified software enterprise since 12 May, 2014, and is therefore entitled to exempt from PRC income tax in the first and the second years from the first- profitable year, and is 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 26 January, 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)

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2017年及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2017年及2016年12月31日止年度享有優惠稅率分別為15%和9%。

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)條以及《公司(披露董事利益資料)規例》第二部份披露如下：

		2017 2017年					
		Director's fees	Salaries allowances and benefits in kind	Discretionary bonuses	Sub-total	Share-based payment (Note)	Total
		董事費	薪酬、津貼及其他福利	獎金	小計	以權益結算的股份支付(附註)	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Chairman	主席						
Zhang Guoxiang	張國祥	-	2,508	2,449	4,957	25,765	30,722
Vice Chairman	副主席						
Wang Dayong	王大勇	-	1,712	1,460	3,172	1,619	4,791
Executive director	執行董事						
Cui Weilan	崔巍嵐	-	2,258	2,130	4,388	1,619	6,007
Non-executive directors	非執行董事						
Tu Jianhua	涂建華	-	-	-	-	-	-
Duan Xiaohua	段曉華	-	-	-	-	-	-
Liu Jiayang	劉驕揚	-	-	132	132	-	132
Liu Tingrong	劉廷榮	-	-	-	-	-	-
Wang Fangfei	王芳霏	-	-	-	-	-	-
Feng Yongxiang	馮永祥	-	-	-	-	-	-
Liu Bolin	劉博霖	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事						
Bai Qinxian	白欽先	-	173	-	173	-	173
Deng Zhaoyu	鄧昭雨	-	173	-	173	-	173
Qian Shizheng	錢世政	-	173	-	173	-	173
Ng Leung Sing	吳亮星	-	173	-	173	-	173
Yuan Xiaobin	袁小彬	-	173	-	173	-	173
Supervisors	監事						
Li Ruping	李如平	-	780	420	1,200	1,681	2,881
Chen Zhonghua	陳中華	-	306	209	515	-	515
Qin Yong	秦湧	-	165	103	268	-	268
		-	8,594	6,903	15,497	30,684	46,181

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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)

7 董事和監事薪酬 (續)

		2016 2016年					
		Director's fees	Salaries allowances and benefits in kind	Discretionary bonuses	Sub-total	Share- based payment (Note) 以權益結算的 股份支付 (附註)	Total
		董事費 RMB'000 人民幣千元	薪酬、津貼及 其他福利 RMB'000 人民幣千元	獎金 RMB'000 人民幣千元	小計 RMB'000 人民幣千元	合計 RMB'000 人民幣千元	合計 RMB'000 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 13 March 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)	劉驕陽 (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
Supervisors	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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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)

Note: These represent the estimated value of share-based payment granted to the directors under the Company's incentive scheme. The value of these share-based payment is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 1(n)(ii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in Note 31.

There were no amounts paid during the years ended 31 December 2017 and 2016 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 2017 and 2016.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2016: three) are directors whose emoluments are disclosed in Note 7.

The aggregate of the emoluments in respect of the other two (2016: two) individuals are as follows:

7 董事和監事薪酬 (續)

附註： 該金額代表以權益結算的股份支付的評估價值。以權益結算的股份支付是根據本公司的股權激勵計劃向公司董事授予。該評估價值是根據附註1(n)(ii)所列關於以權益結算的股份支付的會計政策計算所得。

已授予的股份支付的具體信息，包括主要條款和數量，已在附註31披露。

本集團於截至2017年及2016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2017年及2016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(2016年：三名)為本公司董事，彼等的酬金已於附註7披露。

剩餘兩名(2016年：兩名)個人的薪酬總額載列如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Salaries and other emoluments	工資和其他薪酬	2,963	2,817
Discretionary bonuses	獎金	3,150	1,879
Equity settled share-based payment expenses	以股權結算以股份為基礎付款開支	2,611	3,793
		8,724	8,489

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 (2016: two) individuals with the highest emoluments are within the following bands:

		2017 2017年 Number of individuals 人數	2016 2016年 Number of individuals 人數
RMB 人民幣			
Nil – 6,000,000	無–6,000,000	2	2

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 2017 and 2016.

兩名最高薪酬人士(2016年：兩名)的薪酬分佈如下：

於截至2017年及2016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 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of RMB283.0 million (2016: profit of RMB248.4 million) which has been dealt with in the financial statements of the Company (see Note 33(a)).

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283.0百萬元(2016年為收益人民幣248.4百萬元)，而該等收益已於本公司財務報表中處理(見附註33(a))。

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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)

10 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

10 其他綜合收益

(a) 其他綜合收益各部份的稅務影響

		2017 2017年			2016 2016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	29,927	(2,520)	27,407	(12,432)	2,065	(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	1,065	-	1,065	(3,028)	-	(3,028)
Other comprehensive income	其他綜合收益	30,992	(2,520)	28,472	(15,460)	2,065	(13,395)

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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)

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:

		2017 2017年 RMB'000 人民幣千元	2016 2016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)	262,821	241,710
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)	0.06	0.05

(i) Weighted average number of ordinary shares

		2017 2017年 RMB'000 人民幣千元	2016 2016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

There were no dilutive potential ordinary shares during the years ended 31 December 2017 and 2016, and therefore, diluted earnings per share are the same as the basic earnings per share.

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：

(ii) 普通股的加權平均數

於截至2017年及2016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
		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash in hand	庫存現金	75	101
Cash at banks	銀行存款	2,436,336	3,511,904
Cash and cash equivalents in the consolidated cash flow statements	合併現金流量表的貨幣資金	2,436,411	3,512,005

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 2017, cash at banks deposited in related parties was amounted to RMB356.9 million (31 December 2016: RMB933.4 million) (see Note 38(c)).

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2017年12月31日，銀行存款中有人民幣356.9百萬元（2016年12月31日人民幣933.4百萬元）存放於關聯方（見附註38(c)）。

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 (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 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
Profit before taxation	稅前利潤	420,405	377,834
Adjustments for:	調整：		
Impairment losses	資產減值損失	264,291	372,915
Provisions/(reversal) for guarantee losses	提取／(轉回)擔保賠償準備金	26,731	(39,741)
Depreciation and amortisation	折舊及攤銷費用	40,045	43,876
Loss on sale of property, plant and equipment	處置物業、廠房及設備損失	22	109
Interest expenses	利息支出	459,967	346,447
Share of profits of associate	對聯營企業確認的投資收益	(2,690)	(638)
Share of losses of a joint venture	對合營企業確認的投資損失	1,395	3
Equity-settled share-based payment	以權益結算的股份支付	38,828	56,403
Foreign exchange gain	匯兌收益	(217)	(1,052)
Dividend income from other investments	其他投資的股息收入	(8,310)	(3,435)
Gain on sale of investments	其他投資的處置收益	(16,792)	(5,121)
Changes in working capital	營運資金變動：		
Decrease in time and restricted bank deposits	定期及受限銀行存款減少	174,444	348,120
Increase in loans and advances to customers	發放貸款及墊款增加	(286,162)	(643,072)
Increase in receivables for factoring business	應收保理款項增加	(1,057,680)	(383,871)
Increase in trade and other receivables	應收及其他應收款項增加	(425,992)	(836,691)
Increase/(decrease) in customer pledged deposits	存入保證金增加／(減少)	95,753	(9,906)
(Decrease)/increase in accruals and other payables	應計及其他應付款項(減少)／增加	(67,044)	541,526
Cash (used in)/generated from operations	經營活動(使用)／產生的現金	(343,006)	163,706

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 (CONTINUED)

12 貨幣資金 (續)

(c) Reconciliation of liabilities arising from financing activities:

(c) 籌資活動引起的負債調節表：

		Interest-bearing borrowing	Financial assets sold under repurchase agreement 賣出回購金融資產	Debts securities issued 應付債券	Other interest-bearing liabilities 其他計息負債	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	MB'000 人民幣千元	RMB'000 人民幣千元 (Note (29)) (附註(29))	RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	1,205,905	1,168,306	3,655,265	1,763,555	7,793,031
Changes from financing cash flow	籌資活動現金流變動					
Proceeds from new borrowings	取得借款收到的現金	1,750,487	—	—	—	1,750,487
Proceeds from financial assets sold under repurchase agreement	賣出回購金融資產收到的現金	—	657,021	—	—	657,021
Proceeds from the issuance of debt securities	發行債券所得款項	—	—	908,950	—	908,950
Repayment of borrowings	償還借款本金支付的現金	(72,832)	—	—	—	(72,832)
Repayment of bonds	償還債券支付的現金	—	—	(309,035)	—	(309,035)
Interest paid	償還借款利息支付的現金	(130,813)	(102,208)	(205,255)	—	(438,276)
Repurchase of assets with repurchase agreement	回購賣出回購資產支出的現金	—	(956,535)	—	—	(956,535)
Proceeds from other financing activities	其他籌資活動收到的現金	—	—	—	213,436	213,436
Repayment of other financing activities	償還其他籌資活動支付的現金	—	—	—	(1,052,794)	(1,052,794)
Total changes from financing cash flows	籌資活動現金流變動總額	1,546,842	(401,722)	394,660	(839,358)	700,422
Other changes:	其他變動					
(Increase)/decrease of Interest payable	應付利息的(增加)/減少	(16,975)	7,996	—	(28,856)	(37,835)
Interest expenses (Note (2))	利息費用(附註(2))	147,788	94,212	217,967	28,856	488,823
Total other changes	其他變動總額	130,813	102,208	217,967	—	450,988
At 31 December 2017	於2017年12月31日	2,883,560	868,792	4,267,892	924,197	8,944,441

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)

13 TIME AND RESTRICTED BANK DEPOSITS

The balance represents the deposits at banks for the credit guarantees that the Group provides to third parties for their borrowing from banks and the deposits at banks whose maturities are above 3 months.

13 定期及受限銀行存款

所有定期及受限銀行存款為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以及期限在三個月以上的定期存單。

14 TRADE AND OTHER RECEIVABLES

14 應收及其他應收款項

		31 December 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
Receivables for default payments (Note 14(a))	應收代償款 (附註14(a))	1,045,456	1,373,059
Trade receivables (Note 14(c))	應收賬款 (附註14(c))	11,655	8,614
Less: allowance for doubtful debts (Note 14(b))	減：壞賬準備 (附註14(b))	(454,040)	(743,758)
		603,071	637,915
Interest receivables	應收利息	280,862	153,556
Receivables for assets disposal	應收資產轉讓款	546,000	598,000
Other prepayments, deposits and other receivables	其他預付款項、押金及 其他應收款項	510,576	162,043
		1,940,509	1,551,514

As at 31 December 2017, except for deposits of RMB28.6 million (2016: RMB28.7 million), all of the remaining other prepayment, deposits and other receivables are expected to be recovered or recognized as expense within one year.

於2017年12月31日，除押金人民幣28.6百萬元（於2016年12月31日為人民幣28.7百萬元）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。

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

(a) Ageing analysis:

As at 31 December 2017 and 2016, 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 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
Within 1 year	一年以內	215,233	376,949
Over 1 year but less than 2 years	一至二年	204,755	418,517
Over 2 years but less than 3 years	二至三年	324,120	363,199
Over 3 years but less than 4 years	三至四年	234,534	129,934
Over 4 years but less than 5 years	四至五年	28,803	84,460
Over 5 years	五年以上	38,011	—
		1,045,456	1,373,059
Less: allowance for doubtful debts	減：壞賬準備	(454,040)	(743,758)
		591,416	629,301

14 應收及其他應收款項

(a) 賬齡分析：

於截至2017年和2016年12月31日，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：

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 receivables for default payments:

Impairment losses in respect of 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 receivables for default payments directly (see Note 1(j)(ii)).

The movement in the allowance for doubtful debts during the years ended 31 December 2017 and 2016, including both specific and collective loss components, is as follows:

		31 December 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
At 1 January	於1月1日	743,758	652,285
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)	135,997	213,724
Disposals during the year	年內處置	—	(117,030)
Recoveries	收回已核銷	441	389
Write-off	本年核銷	(426,156)	(5,610)
At 31 December	於12月31日	454,040	743,758

At 31 December 2017, the Group's receivables for default payments of RMB1,045.5 million (2016: RMB1,373.1 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 RMB454.0 million (2016: RMB743.8 million) were recognised.

14 應收及其他應收款項 (續)

(b) 應收代償款減值：

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代償款核銷（見附錄1(j)(ii)）。

以下為截至2017年及2016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）：

於2017年12月31日，本集團有人民幣1,045.5百萬元（於2016年12月31日為人民幣1,373.1百萬元）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2017年12月31日作出人民幣454.0百萬元（於2016年12月31日為人民幣743.8百萬元）的個別壞賬準備。

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)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Trade receivables that are not impaired:

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	31 December 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
Neither past due nor impaired	11,655	8,614

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

14 應收及其他應收款項 (續)

(c) 未減值的應收款項：

對既未個別計提也未組合計提的應收款項的賬齡分析如下：

	31 December 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
Neither past due nor impaired	11,655	8,614

未逾期未減值的應收款項與一系列從未有違約歷史的客戶相關。

15 RECEIVABLES FOR FACTORING BUSINESS

15 應收保理款

	31 December 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
Receivables for factoring business (Note 15(a))	1,659,924	602,244
Less: allowance for doubtful debts (Note 15(b))	(16,853)	(7,640)
	1,643,071	594,604

Receivables for factoring business included financial assets sold repurchase agreements amounting to RMB432.7 million (2016: RMB146.5 million) as at 31 December 2017 (see Note 26).

截至2017年12月31日，應收保理款中包括賣出回購合約下質押的賬面值為人民幣432.7百萬元（2016年12月31日：人民幣146.5百萬元）（見附註26）。

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)

15 RECEIVABLES FOR FACTORING BUSINESS (CONTINUED)

(a) Ageing analysis:

As at 31 December 2017 and 2016, the aging analysis of receivables for factoring business, based on the invoice date and net of allowance for doubtful debts, is as follows:

		At 31 December 於12月31日 2017 2017年 RMB'000 人民幣千元	At 31 December 於12月31日 2016 2016年 RMB'000 人民幣千元
Within 1 year	一年以內	1,651,234	602,244
Over 1 year but less than 2 years	一至二年	8,690	–
		1,659,924	602,244
Less: Allowance for doubtful debts	減：壞賬準備	(16,853)	(7,640)
		1,643,071	594,604

15 應收保理款 (續)

(a) 賬齡分析：

根據發票日期及壞賬準備淨值對應收保理款的賬齡在2017年及2016年12月31日的分析如下：

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)

15 RECEIVABLES FOR FACTORING BUSINESS (CONTINUED)

(b) Impairment of receivables for factoring 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 2017 and 2016, 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（見附註1(j)(ii)）。

以下為截至2017年及2016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 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
At 1 January	於1月1日	7,640	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）	9,213	7,220
At 31 December	於12月31日	16,853	7,640

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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)

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 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
Micro-lending	小微企業貸款	2,277,440	3,929,547
Retail loans	個人貸款	3,043,883	2,376,815
Personal consumption loans	個人消費貸款	2,744,061	1,668,666
Loans to individual business proprietor	個體工商戶貸款	—	39,643
Gross loans and advances to customers	發放貸款及墊款總額	8,065,384	8,014,671
Less: Allowances for impairment losses	減：貸款減值準備		
– Individually assessed	一個別計提	(64,296)	(56,222)
– Collectively assessed	一組合計提	(260,017)	(333,042)
Total allowances for impairment losses	貸款減值準備總額	(324,313)	(389,264)
Net loans and advances to customers	發放貸款及墊款淨額	7,741,071	7,625,407

Loans and advances to customers included loans under repurchase agreements, amounting to RMB436.1 million (2016: RMB1,021.8 million) as at 31 December 2017 (See Note 26).

於2017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帳面價值為人民幣436.1百萬元（於2016年12月31日為人民幣1,021.8百萬元）（見附註26）。

Loans and advances to customers included loans of RMB2,068.9 million arising from the consolidation of structured entities which issued micro loan backed securities to institutional investors by the Group as at 31 December 2017 (31 December 2016: RMB1,460.0 million) (See Note 42).

於2017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帳面價值為人民幣2,068.9百萬元（於2016年12月31日為人民幣1,460百萬元）（見附註42）。

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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)

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 2017		31 December 2016	
		2017年12月31日		2016年12月31日	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Real estate	房地產	491,536	6.09%	1,086,820	13.56%
Construction	建築業	450,485	5.59%	709,244	8.85%
Wholesale and retail	批發和零售業	430,126	5.33%	813,914	10.16%
Leasing and commercial services	租賃和商業服務業	326,870	4.05%	367,280	4.58%
Manufacturing	製造業	250,694	3.11%	557,398	6.95%
Others	其他	327,729	4.07%	434,534	5.42%
Micro-lending and loans to individuals business proprietor	小微企業貸款和個體工商戶貸款	2,277,440	28.24%	3,969,190	49.52%
Personal consumption loans	個人消費貸款	2,744,061	34.02%	1,668,666	20.82%
Retail loans	個人貸款	3,043,883	37.74%	2,376,815	29.66%
Gross loans and advances to customers	發放貸款及墊款總額	8,065,384	100.00%	8,014,671	100.00%
Less: Allowances for impairment losses	減：貸款減值準備	(324,313)		(389,264)	
Net loans and advances to customers	發放貸款及墊款淨額	7,741,071		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)

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 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 人民幣千元
Secured loans	抵質押貸款	3,493,776	1,916,062
Unsecured loans	無擔保貸款	2,454,526	2,385,421
Guaranteed loans	保證貸款	2,117,082	3,713,188
Gross loans and advances to customers	發放貸款及墊款總額	8,065,384	8,014,671
Less: Allowances for impairment losses	減：貸款減值準備		
– Individually assessed	一個別計提	(64,296)	(56,222)
– Collectively assessed	一組合計提	(260,017)	(333,042)
Total allowances for impairment losses	貸款減值準備總額	(324,313)	(389,264)
Net loans and advances to customers	發放貸款及墊款淨額	7,741,071	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)

(d) Overdue loans analysed by overdue period

		31 December	31 December
		12月31日	12月31日
		2017	2016
		2017年	2016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)	212,230	173,075
Overdue more than 3 months to 6 months (inclusive)	逾期3個月至6個月 (含6個月)	87,764	197,164
Overdue more than 6 months to one year (inclusive)	逾期6個月至1年 (含1年)	137,234	121,134
Overdue more than one year	逾期1年以上	256,867	114,835
		694,095	606,208

Overdue loans represent loans, of which the whole or part of the principal or interest were overdue for one day or more.

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 2017 於2017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	2,173,305	5,916	98,219	104,135	2,277,440
Retail Loans	個人貸款	2,909,108	109,522	25,253	134,775	3,043,883
Personal consumption loans	個人消費貸款	2,744,061	-	-	-	2,744,061
Gross loans and advances to customers	發放貸款及墊款總額	7,826,474	115,438	123,472	238,910	8,065,384
Less: Allowances for impairment losses	減：貸款減值準備	(164,516)	(95,501)	(64,296)	(159,797)	(324,313)
Net loans and advances to customers	發放貸款及墊款淨額	7,661,958	19,937	59,176	79,113	7,741,071

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)

(e) Analysed by methods for assessing allowances for impairment losses (Continued)

(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 2016 於2016年12月31日				
		Impaired loans and advances 已減值貸款及墊款			Subtotal	Total
		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		
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)

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 2017 於2017年12月31日				
		Impaired loans and advances 已減值貸款及墊款			Subtotal 小計	Total 合計
		Allowance for loans and advances 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	195,856	137,186	56,222	193,408	389,264
(Reversal)/charge for the year (Note 4)	本年(轉回)/計提(附註4)	(31,340)	109,116	39,139	148,255	116,915
Write-offs	本年核銷	-	(155,558)	(31,086)	(186,644)	(186,644)
Recoveries	收回已核銷貸款及墊款	-	4,757	21	4,778	4,778
As at 31 December	於12月31日	164,516	95,501	64,296	159,797	324,313

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)

(f) Movements of allowances for impairment losses (Continued)

16 發放貸款及墊款 (續)

(f) 發放貸款及墊款減值準備變動 (續)

		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 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	Subtotal 小計 RMB'000 人民幣千元	Total 合計 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)

(g) Analysed by credit quality

(g) 按信貸質量的分佈列示如下

		31 December 12月31日 2017 2017年 RMB'000 人民幣千元	31 December 12月31日 2016 2016年 RMB'000 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	7,371,289	7,387,698
Overdue but not impaired	已逾期末減值	455,185	366,057
Impaired	已減值	238,910	260,916
		8,065,384	8,014,671
Less: Allowances for impairment losses	減：發放貸款及墊款		
Neither past due nor impaired	未逾期末減值	(130,685)	(172,725)
Overdue but not impaired	已逾期末減值	(33,831)	(23,131)
Impaired	已減值	(159,797)	(193,408)
		(324,313)	(389,264)
Net balance	淨額		
Neither past due nor impaired	未逾期末減值	7,240,604	7,214,973
Overdue but not impaired	已逾期末減值	421,354	342,926
Impaired	已減值	79,113	67,508
		7,741,071	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)

17 FINANCE LEASE RECEIVABLES

17 應收融資租賃款

		31 December 2017 於2017年 12月31日 RMB'000 人民幣千元	31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Finance lease receivables	應收融資租賃款	394,237	324,183
Less: unearned finance lease income	減：未實現融資收益	(44,412)	(42,109)
Present value of minimum finance lease receivables	最低融資租賃收款額	349,825	282,074
Less: allowance for impairment losses	減：減值準備	(3,526)	(2,830)
Net balance	淨額	346,299	279,244

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如下：

		At 31 December 2017 於2017年12月31日			At 31 December 2016 於2016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
		應收 融資租賃款	未實現 融資收益	最低 融資租賃 收款	應收 融資租賃款	未實現 融資收益	最低 融資租賃 收款
		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	195,162	(21,985)	173,177	99,649	(12,944)	86,705
1 year to 2 years	1年至2年	122,444	(13,794)	108,650	93,801	(12,184)	81,617
2 years to 3 years	2年至3年	58,859	(6,631)	52,228	56,063	(7,282)	48,781
3 years to 5 years	3年至5年	17,772	(2,002)	15,770	74,670	(9,699)	64,971
		394,237	(44,412)	349,825	324,183	(42,109)	282,074
Less: allowance for impairment losses	減：減值準備			(3,526)			(2,830)
				346,299			279,244

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盡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			Particulars of paid in capital as at 31 December 2017 於2017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／成立的 日期及地點	At 31 December 2017 於2017年 12月31日	At 31 December 2016 於2016年 12月31日		
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. ("Chongqing Micro-credit") (重慶市瀚華小額貸款有限責任公司) (重慶小貸)	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. ("Sichuan Micro-credit") (四川瀚華小額貸款有限公司) (四川小貸)	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
Shenyang Financial and Commercial Development District Hanhua Technology Micro-credit Co., Ltd. (瀋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

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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)

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 2017 於2017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／成立的 日期及地點	At 31 December 2017 於2017年 12月31日	At 31 December 2016 於2016年 12月31日		
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%	50,000	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. ("Hanhua Internet") (北京瀚華網路科技有限公司) (瀚華科技)	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%	91.00%	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	100.00%	100.00%	100,000	SME lending 中小企業貸款
Hanhua Internet Financing Services (Shenzhen) Co., Ltd. ("Hanhua Internet Financing") (瀚華互聯網金融服務(深圳)有限公司) (瀚華互聯網)	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	70.00%	60.00%	106,050	SME lending 中小企業貸款

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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)

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／成立的 日期及地點	At 31 December 2017 於2017年 12月31日	At 31 December 2016 於2016年 12月31日	Particulars of paid in capital as at 31 December 2017 於2017年12月31日 實收資本的詳情	Principal activity 主要業務
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%	100.00%	300,000	SME lending 中小企業貸款
Heilongjiang Hanhua Internet Micro-credit Co., Ltd. (黑龍江瀚華互聯網小額貸款 有限責任公司)	Harbin 17 November 2014 哈爾濱2014年11月17日	100.00%	100.00%	80,000	SME lending 中小企業貸款
Liaoning Fu'an Financial Assets Management Ltd. ("Fu'an AMC") (遼寧富安金融資產管理有限公司) (遼寧富安)	Shenyang 9 May 2017 瀋陽2017年5月9日	55.00%	—	550,000	Assets management 資產管理
Xi'an Micro-credit Co., Ltd. ("Xi'an Micro-credit") (西安瀚華小額貸款有限公司) (「西安小貸」)(Note) (附註)	Xi'an 12 September 2013 西安2013年9月12日	65.00%	65.00%	260,000	SME lending 中小企業貸款

Note: As at 31 December 2017, Xi'an Micro-credit was in the process of termination.

附註：截至2017年12月31日，西安小貸處於清算過程中。

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。

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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)

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following table lists out the information relating to subsidiaries of the Group which has a material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-Company elimination:

18 對附屬公司的投資 (續)

下表列出擁有重要非控股權益(NCI)的本集團子公司的有關信息。這些財務信息未進行任何集團內部合併抵消：

		Sichuan Micro-credit 四川小貸		Chongqing Micro-credit 重慶小貸		Fu'an AMC 遠寧富安		Xi'an Micro-credit 西安小貸	
		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
NCI percentage	NCI佔比	38.57%	38.57%	14.00%	14.00%	45.00%	-	35.00%	35.00%
Total assets	總資產	1,462,643	1,214,557	2,171,384	2,346,251	1,017,619	-	415,767	439,323
Total liabilities	總負債	641,392	429,405	1,539,021	1,725,851	5,646	-	2,801	9,751
Net assets	淨資產	821,251	785,152	632,363	620,400	1,011,973	-	412,966	429,572
Carrying amount of NCI	NCI賬面價值	316,768	302,844	88,531	86,856	455,388	-	144,538	150,350
Revenue	收入	150,252	115,572	310,659	229,477	27,773	-	170	39,067
Profit for the year	本年利潤	90,433	51,230	72,277	47,961	11,974	-	(7,161)	25,661
Total comprehensive income for the year	本年綜合收益總額	90,433	51,230	72,277	47,961	11,974	-	(7,161)	25,661
Attributable to NCI	歸屬於NCI	34,881	19,760	10,119	6,715	5,388	-	(2,506)	8,981
Cash dividend paid to NCI	向NCI支付的現金股利	20,957	23,870	8,444	11,850	-	-	3,306	9,573
Cash flows from operating activities	經營活動產生的 現金流	375,216	(384,859)	67,116	(400,702)	(132,009)	-	(13,261)	263,603
Cash flows from investing activities	投資活動產生的 現金流	110,971	(17,570)	173,923	(226,272)	(689,884)	-	410,192	(139,638)
Cash flows from financing activities	籌資活動產生的 現金流	(495,177)	327,244	(355,545)	734,279	1,000,000	-	(400,000)	(150,063)

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 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Available-for-sale equity instrument	可供出售權益工具		
– Listed	– 上市	133,612	145,165
– Unlisted	– 非上市	288,706	153,296
Available-for-sale debt instrument	可供出售債務工具		
– Listed	– 上市	9,341	–
– Unlisted	– 非上市	251,950	–
Wealth management products (Note)	理財產品 (附註)	50,000	35,060
		733,609	333,521

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	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 2016	於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
Transfer 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 and 1 January 2017	於2016年12月31日及 2017年1月1日	365,538	29,331	57,882	89,346	52,127	594,224
Additions	本期增加	22,676	2,595	5,561	12,867	16,836	60,535
Transfers to intangible assets	轉撥至無形資產	—	—	—	—	(14,862)	(14,862)
Disposals	處置	—	(1,045)	(812)	—	—	(1,857)
At 31 December 2017	於2017年12月31日	388,214	30,881	62,631	102,213	54,101	638,040
Accumulated depreciation:	累計折舊：						
At 1 January 2016	於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 and 1 January 2017	於2016年12月31日及 2017年1月1日	(38,607)	(20,362)	(35,909)	(64,863)	—	(159,741)
Charge for the year	本年計提	(12,028)	(2,423)	(10,762)	(11,877)	—	(37,090)
Written back on disposals	處置撥回	—	878	660	—	—	1,538
At 31 December 2017	於2017年12月31日	(50,635)	(21,907)	(46,011)	(76,740)	—	(195,293)
Net book value:	賬面淨值：						
At 31 December 2017	於2017年12月31日	337,579	8,974	16,620	25,473	54,101	442,747
At 31 December 2016	於2016年12月31日	326,931	8,969	21,973	24,483	52,127	434,483

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 2017 and 2016.

21 無形資產

於截至2017年及2016年12月31日止年度，本集團的所有無形資產為軟件。

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Cost	成本		
At the beginning of the year	於年初	12,156	8,301
Additions	本年增加	21,814	3,855
At the end of the year	於年末	33,970	12,156
Less: Accumulated amortisation	減：累計攤銷		
At the beginning of the year	於年初	(5,922)	(4,074)
Charge for the year	本年計提	(2,955)	(1,848)
At the end of the year	於年末	(8,877)	(5,922)
Net book value	賬面淨額		
At the end of the year	於年末	25,093	6,234
At the beginning of the year	於年初	6,234	4,227

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, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
聯營企業名稱	組織結構	主要經營地	股本 RMB'000 人民幣千元	集團實際 持股	直接持股	間接持股	主營業務
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.

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，這些企業均為非上市公司，無法獲得其市值信息。

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)

Summarized financial information of the material associates reconciled to the carrying amounts in the consolidated financial statements are disclosed below:

將聯營企業的主要財務信息及與合併財務報表賬面價值的調節披露如下：

		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	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Gross amount of the associate	聯營企業的總金額				
Total assets	資產總計	18,362,760	7,432,471	1,517,268	738,740
Total liabilities	負債合計	(15,350,150)	(4,430,671)	(1,311,355)	(538,234)
Net assets	淨資產	3,012,610	3,001,800	205,913	200,506
Revenue	收入	269,535	35,086	37,938	22,063
Post-tax profit or loss	稅後利潤/虧損	10,808	1,800	5,408	326
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	3,012,610	3,001,800	205,913	200,506
Group's effective interest	本集團實際持股	30%	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	903,783	900,540	61,774	60,152
Carrying amount in the consolidated financial statements	對聯營企業的 投資的賬面價值	903,783	900,540	61,774	60,152

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)

Aggregate information of associates that are not individually material:

單家非重要聯營公司的匯總信息如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	合併財務報表中單家非重要聯營公司的賬面價值總額	146,417	24,770
Aggregate amounts of the Group's share of those associates'	本集團佔該聯營公司當期損益合計份額		
Loss from continuing operations	來自持續運營的損失	(127)	—
Other comprehensive income	其他綜合收益	—	—
Total comprehensive income	綜合收益合計	(127)	—

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	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
合營企業名稱	組織結構	主要經營地	股本	集團實際持股	直接持股	間接持股	主營業務
			RMB'000 人民幣千元				
Chongqing Gongkang Enterprise Management Co., Ltd. ("Gong Kang") (重慶共康企業管理有限公司) (「共康」)	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

Gong Kang, the only joint venture in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

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：

作為本集團唯一的合營企業，共康，是一家非上市公司，無法獲得其公開市場報價。

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 (CONTINUED)

Summarised financial information of Gong Kang and a reconciliation to the carrying amount in the consolidated financial statements are disclosed below:

23 長期股權投資－合營企業 (續)

共康的財務信息概要及與合併財務報表賬面價值的調節披露如下：

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Gross amounts of Gong Kang	共康總金額		
Total assets	總資產	281,968	99,999
Total liabilities	總負債	264,766	80,000
Equity	所有者權益	17,202	19,990
Included in the above assets and liabilities:	包含於上述資產和負債：		
Cash and cash equivalents	現金及現金等價物	4,154	92
Financial liabilities (excluding trade and other payables and provisions)	金融負債 (不包括應付及其他 應付款項及撥備)	176,400	80,000

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 (CONTINUED)

23 長期股權投資－合營企業 (續)

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Revenue	收入	-	-
Profit from continuing operations	來自持續經營的利潤	(2,799)	(6)
Total comprehensive income	綜合收益合計	(2,799)	(6)
Included in the above profit:	包含於上述利潤：		
Interest and commission expenses	利息和手續費支出	176	-
		2017 2017年 RMB'000 人民幣百萬元	2016 2016年 RMB'000 人民幣百萬元
Reconciled to the Group's interest in Gong Kang	本集團對共康投資的調節表		
Gross amount of Gong Kang's net assets	共康淨資產	17,202	19,990
Group's effective interests	本集團實際持股	50%	50%
Group's share of Gong Kang's net assets	本集團按持股比例計算的 淨資產份額	8,601	9,995
Carrying amount in the consolidated financial statements	對合營企業的投資的 賬面價值	8,601	9,995

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 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Cost	成本		
At the beginning and the end of the year	於年初／末	11,190	11,190
Accumulated impairment losses:	累計資產減值損失：		
At the beginning of the year	於年初	-	-
Impairment loss	資產減值損失	(1,470)	-
At the end of the year	於年末	(1,470)	-
Carrying amount	賬面值		
At the end of the year	於年末	9,720	11,190
At the beginning of the year	於年初	11,190	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)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified as follows:

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Zhongli Insurance Sales Co., Ltd. ("Zhongli Insurance")	中利保險銷售有限公司 (中利保險)	9,720	9,720
Beijing Beiniu Technology Co., Ltd. ("Beijing Beiniu")	北京貝牛科技有限公司 (北京貝牛)	—	1,470
		9,720	11,190

On 6 February 2015, Hanhua Internet, a wholly-owned subsidiary of the company, acquired 100% equity interests of 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 Hanhua Internet. 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 Hanhua Internet.

24 商譽 (續)

含商譽現金流產生單元的減值測試

商譽按本集團已識別出的現金流產生單元 ("CGU") 分配如下：

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，收購時點向北京貝牛支付的對價高於其可辨認淨資產公允價值1.47百萬元，由瀚華科技確認為商譽。

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)

Impairment tests for cash-generating units containing goodwill (Continued)

On 31 August 2015, Hanhua Internet Financing, a wholly-owned subsidiary of the Company, acquired 95% equity interests of 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 Financing. 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 Financing.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond five-year period are extrapolated using an estimated weighted average growth rate, which is consistent with the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate, which reflects specific risks relating to the acquired subsidiaries.

Based on the result of the impairment testing, RMB1.47 million of impairment losses on goodwill have been recognised for the year.

24 商譽 (續)

含商譽現金流產生單元的減值測試 (續)

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，收購時點向中利保險支付的對價高於其可辨認淨資產公允價值人民幣9.72百萬元，由瀚華互聯網確認為商譽。

「現金流產生單元」可回收金額基於可利用的價值計算而來。該計算使用的現金流是經管理層批准的對未來五年現金流的預測值，超過五年期限的現金流則按與該行業報告預測一致的增長率進行加權平均計算。該增長率不超過行業長期平均增長率。同時，可回收金額按能夠反映該附屬公司對應風險的折現率折現得到。

基於減值測試結果，本年對商譽計提了人民幣1.47百萬元資產減值損失。

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
		2017	2016
		2017年	2016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	1,499,331	61,000
After 1 year but within 2 years	1年至2年	–	1,973
After 2 years but within 5 years	2年至5年	1,384,229	1,142,932
		2,883,560	1,205,905

The interest-bearing borrowings were secured as follows:

		31 December	31 December
		2017	2016
		2017年	2016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))	銀行借款 (附註(i))		
– Unsecured	– 無擔保	765,502	144,905
– Secured by properties of the Group (Note (ii))	– 本集團物業抵押 (附註(ii))	127,000	61,000
– Secured by other assets of the Group (Note (iii))	– 本集團其他資產質押 (附註(iii))	440,000	–
		1,332,502	205,905
Other loans (Note (iv))	其他借款 (附註(iv))		
– Unsecured	– 無擔保	1,551,058	1,000,000
		2,883,560	1,205,905

25 計息借款

計息借款按償還剩餘期限分析如下：

	31 December	31 December
	2017	2016
	2017年	2016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	1,499,331	61,000
After 1 year but within 2 years	–	1,973
After 2 years but within 5 years	1,384,229	1,142,932
	2,883,560	1,205,905

計息借款按擔保方式分析如下：

	31 December	31 December
	2017	2016
	2017年	2016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))		
– Unsecured	765,502	144,905
– Secured by properties of the Group (Note (ii))	127,000	61,000
– Secured by other assets of the Group (Note (iii))	440,000	–
	1,332,502	205,905
Other loans (Note (iv))		
– Unsecured	1,551,058	1,000,000
	2,883,560	1,205,905

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 2017 and 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 RMB184.0 million as at 31 December 2017 (2016: RMB191.0 million).
- (iii) The bank loans are secured by receivables for factoring business and bank deposits owned by the Group. The aggregate carrying value amounted to RMB140.0 million and RMB300.0 million respectively as at 31 December 2017.
- (iv) Other loans bear interest at a range from 5.8% to 8.5% per annum. They are unsecured and repayable by 31 December 2020.

25 計息借款 (續)

附註：

- (i) 所有本集團的銀行借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2017年及2016年12月31日，均無違約情況。
- (ii) 該銀行借款由本集團建築物抵押。於2017年12月31日，抵押物業的總賬面值為人民幣184.0百萬元（2016年12月31日為人民幣191.0百萬元）。
- (iii) 該銀行借款由本集團應收保理款票據和定期存單質押。於2017年12月31日，抵押物的賬面價值分別為人民幣140.0和人民幣300.0百萬元。
- (iv) 其他借款的年息率介於5.8%到8.5%之間，為無擔保並且最遲須於2020年12月31日償還。

26 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENT

26 賣出回購金融資產

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Benefit rights of loans and advances to customers	發放貸款及墊款收益權	436,053	1,021,811
Benefit rights of receivables for factoring business	應收保理款收益權	432,739	146,495
		868,792	1,168,306

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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)

26 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENT (CONTINUED)

Details of the carrying values of underlying assets of financial assets under repurchased agreement are set out in Note 16(a) and Note 15.

26 賣出回購金融資產(續)

賣出回購金融資產的相關資產賬面價值詳情載於附註16(a)和附註(15)。

27 PROVISIONS FOR GUARANTEE LOSSES

27 擔保賠償準備金

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
At the beginning of the year	年初	350,596	390,337
Charge/(Reversal) for the year	本年計提／(轉回)	26,731	(39,741)
At the end of the year	年末	377,327	350,596

28 CUSTOMER PLEDGED DEPOSITS

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.

28 存入保證金

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

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 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	77,114	85,737
Interest payables	應付利息	84,603	75,625
Other interest-bearing liabilities (Notes)	其他計息負債(附註)	924,197	1,763,555
Other payables	其他應付款項	281,120	373,104
Financial liabilities measured at amortised cost	按攤銷成本計算金融負債	1,367,034	2,298,021
Value-added tax and other surcharges payable	增值稅及其他附加費	1,436	4,693
Withholding individual income tax payable	預扣應交個人所得稅	3,889	3,816
Receipts in advance	預收賬款	51,557	74,822
Total	合計	1,423,916	2,381,352

Notes:

附註：

- (i) During the year ended 31 December 2017, loans and advances amounted to RMB68.8 million (31 December 2016: RMB1,121.6 million) were transferred to independent third parties by the Group with the same consideration. 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 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.

- (i) 截至2017年12月31日，本集團向獨立的第三方平價轉讓人民幣68.8百萬元的貸款及墊款（2016年12月31日：人民幣1,121.6百萬元）。同時，本集團對這筆轉讓提供保本付息收益的承諾。由於該交易不滿足金融資產終止確認條件，因此轉讓的貸款在合併層面需要進行確認，相應收到的轉讓款在其他計息負債中列示。

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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)

29 ACCRUALS AND OTHER PAYABLES (CONTINUED)

Notes: (Continued)

- (ii) The remaining other interest-bearing liabilities represents third party investors' interest of RMB855.4 million (31 December 2016: RMB641.5 million) in the consolidated structured entities (see Note (42)).

29 應計及其他應付款 (續)

附註：(續)

- (ii) 本集團其他計息負債中包含合並的有限合伙人在合伙企業中享有的權益人民幣855.4百萬元(2016年12月31日：人民幣641.5百萬元)(詳情載於附註42)。

30 DEBTS SECURITIES ISSUED

30 應付債券

			31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
	Note 附註			
Fixed rate corporate bonds maturing in June 2020	2020年到期的固定利率公司債	(i)	1,493,708	1,491,380
Fixed rate corporate bonds maturing in November 2019	2019年到期的固定利率公司債	(ii)	850,441	894,730
Assets backed securities payable-senior tranches	應付優先級資產支持證券	(iii)	1,923,743	1,269,155
At the end of the year	於年末		4,267,892	3,655,265

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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)

30 DEBTS SECURITIES ISSUED (CONTINUED)

Notes:

- (i) Fixed rate corporate bonds with nominal value RMB1,500.0 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 2017, the fair value of corporate bonds amounted to RMB1,497.2 million.

- (ii) Fixed rate corporate bonds with nominal value RMB900.0 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, investors have an option to redeem all or part of the debts held at the nominal amounts. On 3 November 2017, the Group increased the coupon rate to 6.60% per annum for the remaining duration and repurchased RMB46.1 million of the bonds.

As at 31 December 2017, the fair value of corporate bonds amounted to RMB856.4 million.

- (iii) During the year ended 31 December 2017, RMB2,068.9 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 RMB1,923.7 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日發行的固定利率公司債券面值人民幣1,500百萬元，期限為五年期。債券票面年利率為6.10%。本集團在第三年末有上調票面利率的選擇權。在本集團公告是否上調票面利率後，投資者可以要求本集團按面值贖回所持的全部或部分債券。

截至2017年12月31日，此公司債券的公允價值為人民幣1,497.2百萬元。

- (ii) 於2015年11月3日發行的固定利率公司債券面值人民幣900百萬元，期限為四年期。票面利率為5.60%。本集團在第二年末有上調票面利率的選擇權。在本集團公告是否上調票面利率後，投資者可以要求本集團按面值贖回所持的全部或部分債券。於2017年11月3日，本集團已上調本債券後續期限的票面利率至6.60%，並回購債券本金46.1百萬元。

截至2017年12月31日，此公司債券的公允價值為人民幣856.4百萬元。

- (iii) 於截至2017年12月31日止年度，本集團將人民幣2,068.9百萬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援證券（「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1,923.7百萬元轉讓款在應付資產支持證券中列示。

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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

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。

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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)

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)

31 以權益結算的股份支付(續)

(b) The number and weighted average exercise prices of share awards are as follows:

(b) 股權激勵的數量和平均行權價如下：

		2017 2017年		2016 2016年	
		Weighted average exercise price 平均行權價 RMB 人民幣	Number of shares 股份數量	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	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	0.42	270,269,848
Exercisable at the end of the year	年末可行權	0.42	168,918,655	0.42	135,134,924

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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)

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) 股權激勵的公允價值及假設

本公司以授出股份期權而換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。本公司在對股份支付計劃進行會計處理時，是將其視為股份支付計劃池而不是以單獨授予人基礎進行會計核算。股份支付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。授予日後發生的因被授予人離開瀚華集團時，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重慶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 2017 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	1.77
Share price (RMB)	現行股價(人民幣)	2.26	2.26
Exercise price (RMB)	行權價格(人民幣)	0.53	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%	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	7.53 years年
Expected dividend yield	預計股利	1.3%	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%	1.45%

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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)

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) 股權激勵的公允價值及假設(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。

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:

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：

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016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	185,637	143,612
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))	128,380	171,344
Income tax paid during the year	本年已繳納所得稅	(110,657)	(129,319)
Balance of income tax payable at the end of the year	年末應交所得稅結餘	203,360	185,637

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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)

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				Deferred tax liabilities		
		遞延所得稅資產				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	Net
Deferred tax arising from:	遞延稅項產生自：	資產減值損失撥備	應付職工薪酬	責任準備金及預收賬款	金融資產的公允價值變動	合計	金融資產的公允價值變動	淨額
		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
At 1 January 2016	2016年1月1日	244,528	4	105,206	–	349,738	(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)	2,065
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	327,434	110	99,191	2,098	428,833	(164)	428,669
Recognised to the consolidated statement of profit or loss (Note 6(a))	於合併損益表確認 (附註6(a))	23,186	67	(1,868)	–	21,385	–	21,385
Charged to reserves (Note 10(a))	計入公積金 (附註10(a))	–	–	–	(87)	(87)	(2,433)	(2,520)
At 31 December 2017	於2017年12月31日	350,620	177	97,323	2,011	450,131	(2,597)	447,534

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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 has not recognised deferred tax assets in respect of cumulative tax losses of RMB1,175.2 million (2016: RMB892.8 million) at 31 December 2017, 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2017年12月31日的累計可抵扣虧損為人民幣1,175.2百萬元（2016年為人民幣892.8百萬元）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:

(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：

		Share capital 股本 RMB'000 人民幣千元 Note 33(c) 附註33(c)	Share premium 股份溢價 RMB'000 人民幣千元 Note 33(d)(i) 附註33(d)(i)	Capital reserve 資本公積 RMB'000 人民幣千元 Note 33(d)(ii) 附註33(d)(ii)	Surplus reserve 盈餘公積 RMB'000 人民幣千元 Note 33(d)(iii) 附註33(d)(iii)	Accumulated losses 未彌補虧損 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Balance at 1 January 2016	2016年1月1日的餘額	4,600,000	1,091,555	346,196	53,303	(114,390)	5,976,664
Changes in equity for 2016:	2016年的權益變動：						
Profit for the year and total comprehensive income	淨收益及綜合收益總額	-	-	-	-	248,392	248,392
Appropriation to surplus reserve	提取盈餘公積	-	-	-	29,481	(29,481)	-
Equity-settled share-based payment	以權益結算的股份支付	-	-	56,405	-	-	56,405
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)
Balance at 31 December 2016 and 1 January 2017:	2016年12月31日及2017年1月1日的餘額：	4,600,000	1,091,555	402,601	82,784	(125,479)	6,051,461
Changes in equity for 2017:	2017年的權益變動：						
Profit for the year and total comprehensive income	淨收益及綜合收益總額	-	-	-	-	282,959	282,959
Appropriation to surplus reserve	提取盈餘公積	-	-	-	27,783	(27,783)	-
Equity-settled share-based payment	以權益結算的股份支付	-	-	38,828	-	-	38,828
Cash dividends paid to the equity shareholders of the company	向本公司股東支付之現金股息	-	-	-	-	(184,000)	(184,000)
Balance at 31 December 2017	2017年12月31日的餘額	4,600,000	1,091,555	441,429	110,567	(54,303)	6,189,248

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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)

(b) Dividends

In accordance with the resolution of the Company's board of directors' meeting held on 26 March 2018, the proposed dividends appropriations for the year ended 31 December 2017 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 19 May 2017, the 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.

(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2018年5月19日董事會會議審議通過，本公司2017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2017年3月27日股東大會會議審議通過，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。

(c) 股本

股本均已發行和繳足。

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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)

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 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 providing a range of loan and services to the small sized and micro enterprises ("SME enterprises") 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 1.0% 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1.0%。

(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。

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)

(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 2017 and 2016.

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2017年及2016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／及信用貸款業務的需要的決策由董事釐定。

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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)

34 NON-CONTROLLING INTERESTS

34 非控制性權益

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Liaoning Fu'an Financial Assets Management Ltd.	遼寧富安金融資產管理有限公司	455,388	—
Sichuan Hanhua Micro-credit Co., Ltd.	四川瀚華小額貸款有限公司	316,768	302,844
Xi'an Hanhua Micro-credit Co., Ltd.	西安市瀚華小額貸款有限公司	144,538	150,350
Chongqing Hanhua Micro-credit Co., Ltd.	重慶市瀚華小額貸款有限公司	88,532	86,857
Others	其他	80,455	98,191
		1,085,681	638,242

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:

Partnership finance business

Based on the Group's operation network across the country, this segment mainly provides integrated financial services and solutions to a range of small sized and micro enterprises ("SME enterprises"). These services includes credit guarantee business and capital business (capital business mainly includes accounts receivables for factoring business, bill discount business, finance lease, and entrusted loans), financial assets management, and other services.

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：

伙伴金融業務集群

以本集團位於全國的經營網絡，主要面向廣大中小企業客戶提供綜合性金融服務解決方案，主要包括信用擔保、資金業務（資金業務主要包括應收賬款保理、票據貼現、融資租賃、委託貸款）、金融資產管理以及其他服務。

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)

35 SEGMENT REPORTING (CONTINUED)

SME lending

With the Group's microfinance companies established in Chongqing, Chengdu, Tianjin, Shenyang, Nanning, Guiyang, Nanjing, Harbin and Shenzhen as its networks, this segment provides micro, distributed and integrated financial services and solutions to individuals.

Capital investment and management

This segment provides capital investment services to a range of SME enterprises that have growth potential and value, by utilization of fund under their ownership and raising funds through cooperation with external institutions.

Others

This segment represents the aggregation of other business lines and the operational results that undertake management functions of the headquarters and cannot be completely divided into any of the above segments.

(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.

35 分部報告 (續)

信貸業務

以本集團通過設立於重慶、成都、天津、沈陽、南寧、貴陽、南京、哈爾濱及深圳的小額貸款公司為網絡，主要面向廣大個人提供小額、分散的綜合性金融服務解決方案。

資本投資及管理業務

利用自有資金，以及通過與外部機構合作募集資金，向具有成長空間和增長價值的廣大中小企業提供資本投資服務。

其他分部

指承擔總部管理職能以及無法完全劃分為上述任一分部的其他業務條線及經營業績。

(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。

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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)

(a) Segment results, assets and liabilities (Continued)

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 amortization 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 2017:

The Group has further restructured the assessment and management on business segments and optimized the resource allocation at Group level during the reporting period. The Group has integrated guarantee and entrusted loan business, factoring business and leasing business into Partnership finance business, separated Capital investment and management from others.

Compared to the prior years, the current segment structure better reflects current management model of the Group. The comparative figures for the year ended 31 December 2016 have been restated accordingly.

35 分部報告 (續)

(a) 分部利潤、資產及負債 (續)

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2017年分部業績、資產和負債披露方式變更的說明：

本集團在報告期內進一步優化業務分部的評估、管理和資源分配。本集團將擔保及委托貸款業務、保理業務和租賃業務合並為伙伴集群業務，從其他業務中剝離出資本投資及管理業務。

與以往列報方式相比，新披露方式更好地反映了本集團當期的管理模式。因此，截至2016年12月31日止期間的比較數據已重述。

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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)

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 2017 截至2017年12月31日止年度				
		Partnership finance business 伙伴金融 業務集群 RMB'000 人民幣千元	SME Lending 信貸業務 RMB'000 人民幣千元	Capital investment and management 資本投資及 管理業務 RMB'000 人民幣千元	Others 其他分部 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Net guarantee and consulting fee income	擔保及諮詢費淨收入	631,386	-	-	-	631,386
Net interest and handling fee income/(expense)	利息及手續費淨收入／(支出)	378,954	559,954	18,220	(144,985)	812,143
Reportable segment income/(expense)	分部收入／(支出)	1,010,340	559,954	18,220	(144,985)	1,443,529
Other net income	其他收入淨額	40,477	2,956	10,985	4,704	59,122
Provisions for guarantee losses	提取擔保賠償準備金	(26,731)	-	-	-	(26,731)
Impairment losses	資產減值損失	(171,815)	(84,280)	(6,726)	(1,470)	(264,291)
Operating expenses	營運支出	(321,859)	(219,852)	(8,682)	(241,048)	(791,441)
Net foreign exchange Gain	匯兌淨收益	-	-	-	217	217
Reportable segment profit/(losses) before taxation	分部稅前利潤／(損失)	530,412	258,778	13,797	(382,582)	420,405

		At 31 December 2017 於2017年12月31日				
		Partnership finance business 伙伴金融 業務集群 RMB'000 人民幣千元	SME Lending 信貸業務 RMB'000 人民幣千元	Capital investment and management 資本投資及 管理業務 RMB'000 人民幣千元	Others 其他分部 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment assets	分部資產	9,985,855	6,324,838	784,054	1,364,349	18,459,096
Segment liabilities	分部負債	3,485,531	3,312,234	868,630	3,168,602	10,834,997

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 2016 於2016年12月31日				
		Partnership finance business 伙伴金融 業務集群 RMB'000 人民幣千元	SME Lending 信貨業務 RMB'000 人民幣千元	Capital investment and management 資本投資及 管理業務 RMB'000 人民幣千元	Others 其他分部 RMB'000 人民幣千元	Total 合計 RMB'000 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)	414,000	452,819	(410)	(142,033)	724,376
Reportable segment income/ (expense)	分部收入／(支出)	1,169,370	452,819	(410)	(142,033)	1,479,746
Other net income	其他收入淨額	21,587	2,136	5,939	3,245	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	(258,814)	(114,044)	(57)	-	(372,915)
Operating expenses	營運支出	(324,056)	(221,723)	(2,228)	(254,690)	(802,697)
Net foreign exchange gain	匯兌淨收益	-	-	-	1,052	1,052
Reportable segment profit/ (losses) before taxation	分部稅前利潤／(損失)	647,828	119,188	3,244	(392,426)	377,834

		At 31 December 2016 於2016年12月31日				
		Partnership finance business 伙伴金融 業務集群 RMB'000 人民幣千元	SME Lending 信貨業務 RMB'000 人民幣千元	Capital investment and management 資本投資及 管理業務 RMB'000 人民幣千元	Others 其他分部 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment assets	分部資產	9,755,572	5,429,340	164,240	1,304,928	16,654,080
Segment liabilities	分部負債	3,202,689	3,125,525	643,074	2,632,338	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)

(b) Reconciliation of reportable segment assets

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Assets	資產		
Reportable segment assets	分部資產	18,459,096	16,654,080
Deferred tax assets	遞延所得稅資產	447,534	428,669
Consolidated total assets	資產合計	18,906,630	17,082,749

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 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 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。

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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 guarantees issued and outstanding are analysed by type as follows:

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)

在保餘額按其種類分析如下：

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Traditional financing guarantees	傳統融資擔保	10,516,340	8,925,161
Bond guarantees	債券擔保	23,350,000	20,250,000
Financing guarantees	融資擔保	33,866,340	29,175,161
Re-guarantee	再擔保	—	(10,000,000)
Subtotal	小計	33,866,340	19,175,161
Performance guarantees	履約擔保	12,263,546	10,947,027
Litigation guarantees	訴訟擔保	335,091	508,741
Maximum amount guarantee	擔保餘額	46,464,977	30,630,929
Less: customer pledged deposits	減：存入保證金	(112,944)	(17,191)
Net guarantee exposure	淨擔保風險	46,352,033	30,613,738

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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, factoring business and leasing business

The Group adopts the same pre-approval, review and credit approval risk management system for credit risk arising from micro-lending business, factoring business and leasing business. During the post-transaction monitoring process, the Group conducts a visit of customers within one month after disbursement of loans and receivables, and conducts on-site inspection on a semi-annual basis. The review focuses on the use of loans and receivables, the financial and operational conditions of the borrowers or the progress of projects and status of the collateral.

The Group adopts a risk classification approach to manage its portfolio risk of loans and receivables. Loans and receivables are generally classified as normal, special mention, substandard, doubtful and loss according to their levels of risk. Substandard, doubtful and loss loans and receivables are considered to be impaired loans and receivables. 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、保理業務及租賃業務的信用風險

本集團就小貸業務、保理業務及租賃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。

本集團採用風險分類方法監控發放貸款及墊款、應收保理款和應收融資租賃款風險狀況。發放貸款及墊款、應收保理款和應收融資租賃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應收款項。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，該貸款及應收款項被界定為已減值貸款及應收款項。已減值貸款及應收款項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, factoring business and leasing business (Continued)

The core definitions of the five categories of loans and advances to customers, finance lease receivables and receivables for factoring business are set out below:

Normal:	Borrowers can honour the terms of their principal and interest. 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 principal and interest, although repayment may be adversely affected by specific factors.
Substandard:	Borrowers' ability to service their principal and interest are 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 recognized even when collateral or guarantees are invoked.
Loss:	Principal and interest of loans and receivables 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、保理業務及租賃業務的信用風險 (續)

五類發放貸款及墊款、應收融資租賃資產及應收保理款業務的主要定義載列如下：

正常類：	借款人能夠履行合約，沒有足夠理由懷疑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, factoring business and leasing 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 and receivables is expected to decrease, and the amount can be estimated, the loan and receivables are 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、保理業務及租賃業務的信用風險 (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及應收款項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及應收款項已減值，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質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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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, factoring business and leasing 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, factoring, finance lease 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、保理業務及租賃業務的信用風險 (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。

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)

(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 assets and liabilities as at the end of the year:

本集團於年末資產及負債的利率風險概況如下：

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016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	601,166	1,058,299
– Time and restricted bank deposits	– 定期及受限 銀行存款	1,621,316	681,947
– Loans and advances to customers	– 發放貸款及墊款	7,741,071	7,625,407
– Available-for-sale financial assets	– 可供出售金融資產	9,341	–
– Receivables for factoring business	– 應收保理款	1,643,071	594,604
– Finance lease receivables	– 應收融資租賃款	346,299	279,244
		11,962,264	10,239,501
Financial liabilities	金融負債		
– Interest-bearing borrowings	– 計息借款	(2,558,862)	(1,001,973)
– Financial assets sold under repurchase agreement	– 賣出回購 金融資產	(868,792)	(1,168,306)
– Debts securities issued	– 應付債券	(4,267,892)	(3,655,265)
– Other interest-bearing liabilities	– 其他計息負債	(924,197)	(1,763,555)
		(8,619,743)	(7,589,099)
Net	淨值	3,342,521	2,650,402

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)

(b) Interest rate risk (Continued)

(i) Interest rate profile (Continued)

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016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	1,835,170	2,453,605
– Time and restricted bank deposits	– 定期及受限 銀行存款	57,307	369,994
		1,892,477	2,823,599
Financial liabilities	金融負債		
– Interest-bearing borrowings	– 計息借款	(324,698)	(203,932)
Net	淨值	1,567,779	2,619,667
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	96.37%	97.38%

36 財務風險管理及金融工具的公允價值 (續)

(b) 利率風險 (續)

(i) 利率風險概況 (續)

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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 2017, 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 RMB7.8 million (2016: RMB13.1 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2017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7.8百萬元（於2016年12月31日為人民幣13.1百萬元）。

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)

(c) Liquidity risk (Continued)

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:

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)

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 2017 於2017年12月31日							
		Indefinite 無限期 RMB'000 人民幣千元	Repayable on demand 實時償還 RMB'000 人民幣千元	Within three months 三個月內 RMB'000 人民幣千元	Between three months and one year 三個月至一年 RMB'000 人民幣千元	Between one year and five years 一年至五年 RMB'000 人民幣千元	More than five years 五年以上 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	
Financial assets	金融資產								
Cash and cash equivalents	貨幣資金	-	1,497,795	938,616	-	-	-	2,436,411	
Time and restricted bank deposits	定期及受限銀行存款	-	400,100	56,008	410,833	811,480	202	1,678,623	
Trade and other receivables	應收及其他應收款項	-	1,164,611	720,548	8,336	43,123	-	1,936,618	
Receivables for factoring business	應收保理款	-	5,713	925,559	525,117	186,682	-	1,643,071	
Loans and advances to customers	發放貸款及墊款	324,603	175,865	739,121	2,472,063	4,029,419	-	7,741,071	
Financial assets measured at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	-	50,000	-	-	-	-	50,000	
Available-for-sale financial assets	可供出售金融資產	422,318	206,950	50,000	45,000	9,341	-	733,609	
Finance lease receivables	應收融資租賃款	-	-	42,210	129,098	174,991	-	346,299	
Total	合計	746,921	3,501,034	3,472,062	3,590,447	5,255,036	202	16,565,702	
Financial liabilities	金融負債								
Customer pledged deposits	存入保證金	-	11,446	20,246	64,335	13,572	3,345	112,944	
Interest-bearing borrowings	計息借款	-	-	451,313	1,048,018	1,257,229	127,000	2,883,560	
Financial assets sold under repurchase agreement	賣出回購金融資產款	-	25,000	186,000	657,792	-	-	868,792	
Debts securities issued	應付債券	-	-	-	260,383	4,007,509	-	4,267,892	
Accruals and other payables	應計及其他應付款項	-	-	394,733	39,800	49,702	805,685	1,289,920	
Total	合計	-	36,446	1,052,292	2,070,328	5,328,012	936,030	9,423,108	
Net	淨值	746,921	3,464,588	2,419,770	1,520,119	(72,976)	(935,828)	7,142,594	
Guarantee issued	提供的融資擔保								
Maximum amount guaranteed*	擔保上限金額*	-	13,734	2,969,499	14,899,394	7,997,430	20,471,976	46,352,033	

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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)

		At 31 December 2016 於2016年12月31日						Total 合計
		Indefinite 無限期 RMB'000 人民幣千元	Repayable on demand 實時償還 RMB'000 人民幣千元	Within three months 三個月內 RMB'000 人民幣千元	Between three months and one year 三個月至一年 RMB'000 人民幣千元	Between one year and five years 一年至五年 RMB'000 人民幣千元	More than five years 五年以上 RMB'000 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
Time and restricted bank deposits	定期及受限銀行存款	-	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	賣出回購金融資產款	-	-	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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(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)

(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 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：

		2017 Contractual undiscounted cash flow 2017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 於12月31日
		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
Customer pledged deposits	存入保證金	-	11,446	20,246	64,335	13,572	3,345	112,944
Interest-bearing borrowings	計息借款	-	-	498,993	1,142,518	1,433,413	217,814	2,883,560
Financial assets sold under repurchase agreement	賣出回購金融資產	-	25,672	197,671	670,736	-	-	894,079
Debts securities issued	應付債券	-	-	45,259	484,788	4,480,126	-	5,010,173
Accruals and other payables	應計及其他應付款項	-	-	397,913	45,845	74,039	805,764	1,289,920
Total	合計	-	37,118	1,160,082	2,408,222	6,001,150	1,026,923	10,633,495

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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)

		2016 Contractual undiscounted cash flow 2016年末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	Total	Carrying amount at 31 December 於12月31日
		無限期 RMB'000 人民幣千元	實時償還 RMB'000 人民幣千元	三個月內 RMB'000 人民幣千元	三個月至一年 RMB'000 人民幣千元	一年至五年 RMB'000 人民幣千元	五年以上 RMB'000 人民幣千元	合計 RMB'000 人民幣千元	賬面價值 RMB'000 人民幣千元
Customer pledged deposits	存入保證金	-	10,380	500	1,586	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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(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

公允價值層次

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次分類的金融工具公允價值。公允價值計量的三個層次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層次估值：只採用第1層次輸入數據（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層次估值：採用第2層次輸入數據（即未能達到第1層次的可觀察輸入數據）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層次估值：使用重大不可觀察輸入數據計量的公允價值

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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 and financial assets measured at fair value through profit or loss. 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)

公允價值層次 (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 2017 categorised into 於2017年12月31日之公允價值計量歸類為			
		Fair value at 31 December 2017 於2017年 12月31日之 公允價值 RMB'000 人民幣千元	Level 1 第1層級 RMB'000 人民幣千元	Level 2 第2層級 RMB'000 人民幣千元	Level 3 第3層級 RMB'000 人民幣千元
Recurring fair value measurements 經常性公允價值計量					
Financial assets measured at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	50,000	-	-	50,000
Available-for-sale debt instrument:	可供出售債務工具：				
- Listed	- 上市	9,341	9,341	-	-
- Unlisted	- 非上市	251,950	-	-	251,950
Available-for-sale equity instrument:	可供出售權益工具：				
- Listed	- 上市	133,612	133,612	-	-
- Unlisted	- 非上市	288,706	-	-	288,706
Wealth management products	理財產品	50,000	-	-	50,000

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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)

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)

公允價值層次 (續)

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 第1層級 RMB'000 人民幣千元	Level 2 第2層級 RMB'000 人民幣千元	Level 3 第3層級 RMB'000 人民幣千元

Recurring fair value measurements 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

The movement during the year in the balance of Level 3 fair value measurements is as follows:

第3層次公允價值計量結餘於期內變動如下：

		31 December 2017 2017年12月31日 RMB'000 人民幣千元	31 December 2016 2016年12月31日 RMB'000 人民幣千元
At 1 January	於1月1日	188,356	106,886
Payment for purchases	購買	533,907	457,050
Net unrealised gains or losses recognised in other comprehensive income during the year	本年於其他綜合收益確認的未實現收益	29,927	(12,432)
Proceeds from sales	贖回	(111,534)	(363,148)
At 31 December	於12月31日	640,656	188,356

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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)

During the years ended 31 December 2017 and 2016, 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 unlisted available-for-sale equity instruments and financial assets measured at fair value through profit or loss, which are classified under fair value hierarchy at level 3 financial instruments. These financial instruments are valued based on a combination of market data, internal valuation models and valuation report, if any, issued by an independent licensed valuer. The models incorporate various non-observable assumptions such as discount rate reflecting specific risks relating to the financial instruments and average volatilities for the related business, etc.

(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 amortized cost are not materially different from their fair values as at 31 December 2017 and 2016.

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2017年12月31日及2016年12月31日止年度，無第三層次轉入或轉出的情況。

(ii) 對重大不可觀察輸入值的金融資產的估計

以重大不可觀察輸入值估值的金融資產主要為被認為歸入第三層次的非上市可供出售權益工具及以公允價值計量且其變動計入當期損益的金融資產。這些金融工具的估值以市場數據、內在估值模型和以獨立有資質的估值師出具的估值報告(如有)為基礎。模型考慮了各種不可觀察假設，如反映有關金融工具的特定風險和相關業務的平均波動率的貼現率等。

(iii) 按公允價值以外列賬之金融資產及負債之公允價值

於2017年12月31日及2016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

37 承擔

(a) Capital commitments outstanding at 31 December 2017 not provided for in the financial statements were as follows:

(a) 於2017年12月31日並未於財務報表中反映的資本承擔額如下：

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016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	9,966	1,038

(b) At 31 December 2017, the total future minimum lease payments under non-cancellable operating leases of properties are payable as follows:

(b) 於2017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：

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Within 1 year (inclusive)	一年內(含一年)	65,750	87,371
After 1 year but within 3 years (inclusive)	一年至三年(含三年)	20,809	66,086
Over 3 years	三年以上	2,007	2,456
Total	合計	88,566	155,913

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 (CONTINUED)

- (b) At 31 December 2017, 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.

37 承擔 (續)

- (b) 於2017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 MATERIAL RELATED PARTY TRANSACTIONS

- (a) Transactions with key management personnel remuneration

38 重大關聯方交易

- (a) 與關鍵管理人員之間的交易

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Key management personnel remuneration (Note (i))	關鍵管理人員薪酬 (附註(i))	67,885	78,870

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.

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 (CONTINUED)

(b) Transactions with related parties other than key management personnel

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Guarantee and consulting fee income	擔保費及諮詢費收入	567	371
Interest and handling fee income	利息及手續費收入	4,373	—
Acquisition of equity interests in subsidiaries	收購附屬公司股權	—	3,200
Disposal of subsidiary	處置子公司股權	8,492	—
Additions of other receivables	新增其他應收款項	4,303	620
Decrease of other receivables	收回其他應收款項	(620)	—
Additions of other payables	新增其他應付款項	(626)	(2,073)
Decrease of other payables	減少其他應付款項	310	334
Addition of loans and advances to customers	發放貸款及墊款	130,000	—
Repayment of loans and advances to customers	收回貸款及墊款	(80,000)	—
Providing guarantee	對外擔保	87,000	30,000
Releasing guarantee	對外解除擔保	(110,000)	(5,000)
Other revenue	其他收入	6,812	5,942

(c) Balances with related parties other than key management personnel

(c) 與除關鍵管理人員以外的關聯方之間的交易於資產負債日的餘額

		31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Assets	資產		
Cash and cash equivalents (Note 12(a))	貨幣資金 (附註12(a))	356,889	933,449
Trade and other receivables	應收及其他應收款項	4,303	620
Loans and advances to customers	發放貸款及墊款	50,000	—
Liabilities	負債		
Accruals and other payables	應計及其他應付款項	2,389	2,073
Off balance sheet	表外業務		
Outstanding guarantee	對外擔保	7,000	30,000

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 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Assets	資產		
Cash and cash equivalents	貨幣資金	117,438	101,368
Trade and other receivables	應收及其他應收款項	305,345	13,838
Loans and advances to customers	發放貸款及墊款	500,000	1,188,000
Interest in associate	長期股權投資－聯營企業	979,319	914,417
Investments in subsidiaries	長期股權投資－附屬公司	7,555,449	7,236,724
Property, plant and equipment	物業、廠房及設備	4,659	5,443
Intangible assets	無形資產	544	1,147
Reposessed assets	抵債資產	206	206
Total assets	總資產	9,462,960	9,461,143
Liabilities	負債		
Interest-bearing borrowings	計息借款	500,000	—
Accruals and other payables	應計及其他應付款項	429,563	1,023,572
Debts securities issued	應付債券	2,344,149	2,386,110
Total liabilities	總負債	3,273,712	3,409,682
NET ASSETS	資產淨值	6,189,248	6,051,461
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	4,600,000	4,600,000
Reserves	儲備	1,589,248	1,451,461
TOTAL EQUITY	權益合計	6,189,248	6,051,461

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

經董事會批准及授權於2018年3月26
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 judgment 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資料顯示應收款項、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，亦包括可觀察資料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資料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 judgment 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帳面值不能收回，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。長期資產的帳面值會定期覆核，以評估可收回金額是否低於帳面值。倘可收回金額低於帳面值，則帳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，並需就收益水準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帳面值有重大影響，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 amortized 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 amortization 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、並考慮行業資訊及市場資料後釐定。

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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)

40 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(e) Tax

Determining income tax provisions involves judgment 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 utilized, management's judgment 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 2017

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 2017 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2017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2017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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(Expressed in RMB'000 unless otherwise indicated) • (除文意另有所指外，均以人民幣千元列示)

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

41 於截至2017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
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
Amendments to HKAS 40, <i>Investment property: Transfers of investment property</i> 香港財務報告準則第40號(修訂)，投資性房地產：投資性房地產的轉讓	1 January 2018 2018年1月1日
HK(IFRIC) 22, <i>Foreign currency transactions and advance consideration</i> 香港(國際財務報告解釋委員會)第22號，外匯交易及預付／預收對價	1 January 2018 2018年1月1日
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i> 香港(國際財務報告解釋委員會)第23號，所得稅處理的不確定性	1 January 2019 2019年1月1日

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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)

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

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. While the assessment has been substantially completed for HKFRS 9, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

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.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018.

41 於截至2017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)

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。雖然對於香港財務報告準則第9號的評估已基本完成，但由於迄今完成的評估是基於本集團目前可獲得的信息，因此準則初步採納時的實際影響可能與評估有所不同。本集團也可能在準則首次應用於截至2018年6月30日止6個月的中期財務報告之前，識別出進一步影響。本集團也可能在該財務報告生效前，變更其會計政策的選擇，包括過渡時期的會計政策選擇。

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號將取代現有的有關金融工具會計處理方法的香港會計準則第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。

香港財務報告準則第9號將於2018年1月1日起會計年度及之後的會計年度生效。本集團計劃使用豁免權，不重述比較期信息，並將相關過渡調整計入2018年1月1日所有者權益期初餘額。

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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)

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

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. 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. The Group has assessed its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

41 於截至2017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）

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)以公允價值計量且其變動計入其他綜合收益(FVOCI)：

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。不論企業採用何種業務模式，權益工具投資一般均分類為以公允價值計量且其變動計入當期損益的金融資產。唯一的例外情況是，如果該證券並非為交易而持有，且企業不可撤銷地選擇將該證券指定為以公允價值計量且其變動計入其他綜合收益的金融資產。若一項權益工具投資被指定為以公允價值計量且其變動計入其他綜合收益，則僅有該證券的股利收入可以計入當期損益。該證券的處置收益／虧損將計入其他綜合收益且不得結轉計入當期損益。本集團經評估後認為，當前以攤余成本計量的金融資產及以公允價值計量且其變動計入當期損益的金融資產，在採用新金融工具準則後將繼續保持各自現有的分類及計量方式不變。

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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)

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (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 has the option to irrevocably designate as FVTOCI (without recycling) on transition to HKFRS 9. The Group plans not to elect this designation option for any of the investments held on 1 January 2018 and will recognize any fair value changes in respect of these investments in profit or loss as they arise. This will give rise to a change in accounting policy as currently the Group recognizes the fair value changes of available-for-sale equity investments 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)(i) and 1(j)(ii). This change in policy will have no impact on the Group's net assets and total comprehensive income, but will increase volatility in profit or loss. Upon the initial adoption of HKFRS 9, fair value gains of RMB17.4 million related to the available-for-sale investments will be transferred from the fair value reserve to retained profits at 1 January 2018.

41 於截至2017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)

(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，本集團可以選擇將這些股權投資不可撤銷地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）。本集團計畫不將2018年1月1日時點持有的任何投資指定為該分類，並將於這些投資的公允價值發生變動時在利潤表中確認。這將導致會計政策發生變化，因為按本集團目前的會計政策，如附註1(j)(i)和1(j)(ii)列示，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將其重分類至損益。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，但將加劇損益的波動性。與可供出售投資有關的公允價值變動收益人民幣17.4百萬元將於2018年1月1日首次採納香港財務報告準則第9號後，由公允價值變動資本公積重分類至留存收益。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

(a) Classification and measurement (Continued)

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2017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)

(a) 分類及計量(續)

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 2017 (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 recognize and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. The Group expects that the application of the expected credit loss model will result in earlier recognition of credit losses.

(c) Hedge accounting

HKFRS 9 does not fundamentally change the requirements relating to measuring and recognizing ineffectiveness under HKAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting. The Group currently does not have any hedge business and therefore it expects that the hedge accounting will not impact its consolidated financial statement upon adoption of HKFRS 9.

Based on a preliminary assessment, if the Group were to adopt IFRS 9 at 31 December 2017, the Group's net assets would decrease by less than 2.4% as a result of the new requirements on classification and measurement, and impairment as compared with that recognised under IAS 39.

41 於截至2017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)

(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。本集團預計採用預期信用損失模型會導致提前確認信用損失。

(c) 套期會計

香港財務報告準則第9號並未從根本上改變香港會計準則第39號下關於計量和確認無效性的相關要求，但對符合套期會計的交易類型引入了更大的靈活性。本集團目前沒有開展任何套期業務，因此採用香港財務報告準則第9號後套期會計對合併財務報表沒有影響。

根據初步評估，倘若本集團於2017年12月31日採納香港財務報告準則第9號，分類計量與減值的新規定與HKAS 39相比，將使本集團的淨資產下降不超過2.4%。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 15, Revenue from contracts with customers

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 assessment completed to date, the Group has identified the following areas which are expected to be affected:

(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;

41 於截至2017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

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：

(a) 收入確認之時間

本集團收入確認政策列示於附註1(r)。目前，提供服務產生的收入在服務期間內確認，而銷售貨物所得的收入通常在與所售貨物有關的風險和回報已轉移於客戶時確認。

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；

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 15, Revenue from contracts with customers (Continued)

(a) Timing of revenue recognition (Continued)

- (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.

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.

41 於截至2017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)

- (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) 當主體之履約並未創造對實體而言具替代用途之資產，且該主體隊迄今完成之履約付款具有可執行權力時。

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) 就銷售貨物或提供服務確認收入。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。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 15, Revenue from contracts with customers (Continued)

(a) Timing of revenue recognition (Continued)

The Group plans to elect to use the cumulative effect transition method for the adoption of HKFRS 15 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018. As allowed by HKFRS 15, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. And the Group expects that the transition adjustment to be made up on the initial adoption of HKFRS 15 will not be material.

HKFRS 16, Leases

As disclosed in Note 1(i), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

41 於截至2017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)

本集團計劃採用累積影響過渡方法採納香港財務報告準則第15號，並將於2018年1月1日確認首次採用的累計影響作為對權益期初餘額的調整。根據香港財務報告準則第15號的規定，本集團計劃將新規定僅適用於2018年1月1日前尚未完成的合約。本集團預期初步採納香港財務報告準則第15號作出的過渡性調整將不重大。

香港財務報告準則第16號租賃

如附註1(i)所列示，本集團目前將租賃分類為融資租賃和經營租賃，並根據其劃分來進行不同的會計處理。在某些租賃中，本集團為出租人，其餘則為承租人。

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41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 16, Leases (Continued)

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in Note 37(b), at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB88.6 million for properties, which is payable between 1 and 3 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

41 於截至2017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16號租賃 (續)

關於出租人的權利與義務的會計處理，香港財務報告準則第16號的執行並不會帶來重大影響。然而，一旦採用香港財務報告準則第16號，承租人將不再區分融資租賃與經營租賃。基於權宜，承租人將會對幾乎所有的租賃作類似融資租賃的會計處理，例如，在租賃開始日，承租人將最低租賃付款額現值確認並作為租賃負債的入帳價值，同時確認相應的「使用權」資產。該租賃資產和負債進行初始確認後，不同於現行準則下的經營租賃在租賃期間以系統的基礎確認租賃費用，承租人將會在期末確認租賃負債的利息費用和租賃資產的折舊費用。實際執行中，承租人也可對短期租賃（租賃期少於或等於12個月）和價值較低的資產租賃選擇豁免，仍在租賃期間以系統的基礎確認租賃費用。

香港會計準則第16號將會在很大程度上影響本集團作為承租人對目前劃分為經營租賃的物業、廠房及設備的會計處理。新會計模型的實行將會導致資產端與負債端的增長，並影響租賃期間損益表中費用的確認時點。如附註37(b)所披露，於2017年12月31日，本集團根據不可撤銷經營租賃確定的未來最低租賃付款金額為人民幣88.6百萬元，於報告日後1至3年支付。一旦採納香港財務報告準則第16號，部分款項可能因此需確認為租賃負債及相應的使用權資產。考慮到基於權宜的適用性及扣除折現影響從現在到採納香港會計準則第16號期間任一租約的開始和終止的調整後，本集團需要做進一步的詳盡評估，以確定採納香港會計準則第16號之後源於經營租賃承擔引起的新的租賃資產和負債的金額。

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)

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

HKFRS 16, Leases (Continued)

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transition options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt the standard retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

42 CONSOLIDATED STRUCTURED ENTITY

The Group has consolidated structured entities which issued micro loan backed securities and trust plans ("the Product") of RMB2,068.9 million at 31 December 2017 (31 December 2016: RMB1,460.0 million) 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 required the senior tranches.

41 於截至2017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16號租賃 (續)

香港財務報告準則第16號於2019年1月1日或之後的會計年度起生效。該準則提供了不同的過渡選項和實用的權宜之計，其中包括繼承先前評估對現有安排是或包含租賃的判斷的權宜之計。如果選擇這種實用的權宜之計，本集團將僅將香港財務報告準則第16號中的新租賃定義應用於首次採納新定義當日或之後訂立的合約。如果沒有選擇該權宜之計，本集團將需要使用新定義重新評估所有關於哪些現有合同是或包含租賃的決策。根據本集團是選擇採用追溯性標準還是按照經修訂的追溯方法確認在初始採納新定義日對期初權益的累計影響調整，本集團可能需要也可能不需要重述與重新評估引起的會計結果變動有關的對比信息。

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和信託計畫（「產品」）。該產品2017年12月31日發行規模為人民幣2,068.9百萬元（2016年12月31日：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。

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)

42 CONSOLIDATED STRUCTURED ENTITY (CONTINUED)

The Group has consolidated structured entities which initiated partnerships of RMB855.4 million at 31 December 2017 (31 December 2016: RMB641.5 million). The Group has the right to variable returns from its involvement and has the ability to affect its returns through its power over the entity and the Group provided financial guarantee against the limited liabilities partners that required the fixed returns.

As at 31 December 2017, the above structured entities consolidated by the Group amounted to RMB2,779.1 million (31 December 2016: RMB1,911.1 million).

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 2017.

44 SUBSEQUENT EVENTS

According to the resolution of the Company's board of directors meeting on 26 March 2018, the details of dividends appropriation is set out in Note 33(b).

42 合併的結構化實體 (續)

納入本集團合併財務報表範圍的結構化主體包括設立的合夥企業。截至2017年12月31日已發起的合夥業務規模為人民幣855.4百萬元(2016年12月31日：人民幣641.5百萬元)。本集團因參與該等主體的營運而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，且本集團向獲取固定回報的有限責任合夥人提供財務擔保。

於2017年12月31日，納入本集團合併財務報表範圍的結構化主體餘額為人民幣2,779.1百萬元(2016年12月31日：人民幣1,911.1百萬元)。

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2017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2018年3月26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)。