



Min Xin Holdings Limited
閩信集團有限公司

Stock Code 股份代號 : 222



2017
ANNUAL REPORT 年報

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公司資料 CORPORATE INFORMATION

董事會

執行董事：

彭錦光 (主席)
王非 (副主席)
劉承 (總經理)

非執行董事：

劉倫
韓孝捷

獨立非執行董事：

葉啟明
史習陶
蘇合成
張文海 (2017年4月1日委任)

審核委員會

張文海 (主席，2017年4月1日委任)
史習陶 (主席，2017年4月1日辭任
及繼續擔任審核委員會成員)

葉啟明
蘇合成

薪酬委員會

葉啟明 (主席)
史習陶
蘇合成
劉承
陳廣宇

提名委員會

彭錦光 (主席)
葉啟明
史習陶
蘇合成

BOARD OF DIRECTORS

Executive Directors:

PENG Jin Guang (Chairman)
WANG Fei (Vice Chairman)
LIU Cheng (General Manager)

Non-executive Directors:

LIU Lun
HON Hau Chit

Independent Non-executive Directors:

IP Kai Ming
SZE Robert Tsai To
SO Hop Shing
CHEUNG Man Hoi (appointed on 1 April 2017)

AUDIT COMMITTEE

CHEUNG Man Hoi (Chairman, appointed on 1 April 2017)
SZE Robert Tsai To (Chairman, resigned on 1 April 2017
and continues to serve as a member
of the audit committee)

IP Kai Ming
SO Hop Shing

REMUNERATION COMMITTEE

IP Kai Ming (Chairman)
SZE Robert Tsai To
SO Hop Shing
LIU Cheng
CHAN Kwong Yu

NOMINATION COMMITTEE

PENG Jin Guang (Chairman)
IP Kai Ming
SZE Robert Tsai To
SO Hop Shing

授權代表

彭錦光
侯寶萍
葉啟明 (彭錦光替任代表)

公司秘書

侯寶萍

核數師

羅兵咸永道會計師事務所

法律顧問

的近律師行

主要往來銀行

廈門國際銀行股份有限公司
澳門國際銀行股份有限公司
集友銀行有限公司
中國銀行(香港)有限公司
中國民生銀行股份有限公司
交通銀行股份有限公司

股份過戶登記處

卓佳標準有限公司
香港
皇后大道東 183 號
合和中心 22 樓

註冊辦事處

香港中環
紅棉道 8 號
東昌大廈 17 樓

股份代號

00222

公司網址

<http://www.minxin.com.hk>

AUTHORISED REPRESENTATIVE

PENG Jin Guang
HAU Po Ping
IP Kai Ming (alternate to PENG Jin Guang)

COMPANY SECRETARY

HAU Po Ping

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISOR

Deacons

PRINCIPAL BANKERS

Xiamen International Bank Co., Ltd.
Luso International Banking Limited
Chiyu Banking Corporation Limited
Bank of China (Hong Kong) Limited
China Minsheng Banking Corp., Ltd.
Bank of Communications Co., Ltd.

SHARE REGISTRAR

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

REGISTERED OFFICE

17th Floor, Fairmont House
8 Cotton Tree Drive
Central, Hong Kong

STOCK CODE

00222

COMPANY'S WEBSITE

<http://www.minxin.com.hk>

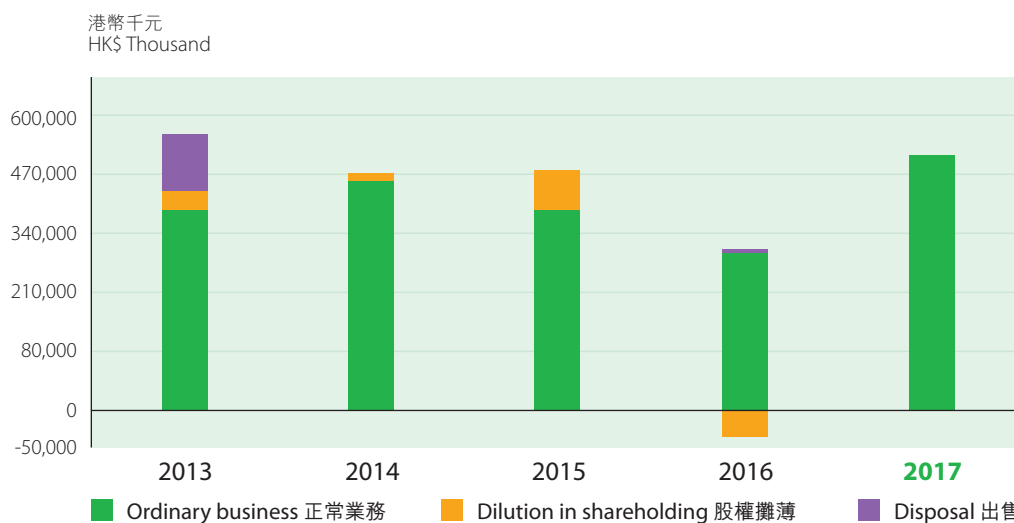
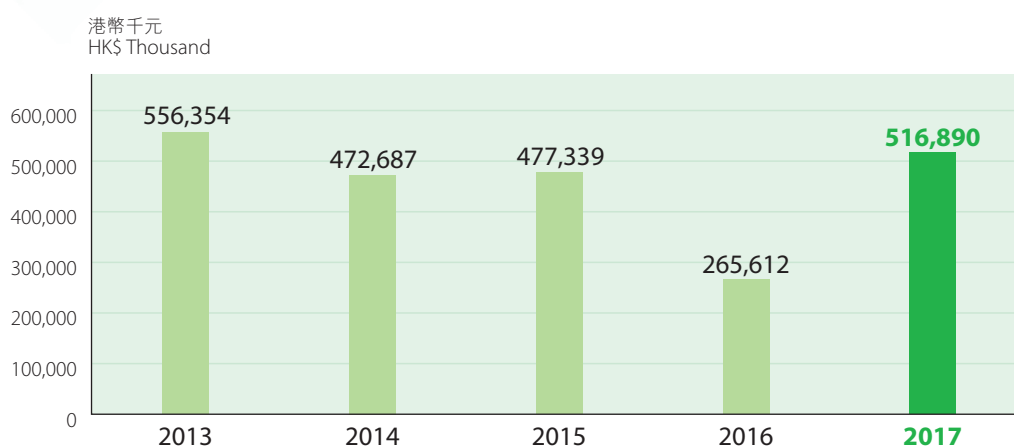
五年財務摘要

FIVE-YEAR FINANCIAL SUMMARY

		2013	2014	2015	2016	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
業績	Results					
除稅前溢利	Profit before taxation	574,614	491,202	486,020	272,087	536,923
所得稅支出	Income tax expense	(18,260)	(18,515)	(8,681)	(6,475)	(20,033)
本公司股東應佔 本年度溢利	Profit for the year attributable to shareholders of the Company	<u>556,354</u>	<u>472,687</u>	<u>477,339</u>	<u>265,612</u>	<u>516,890</u>

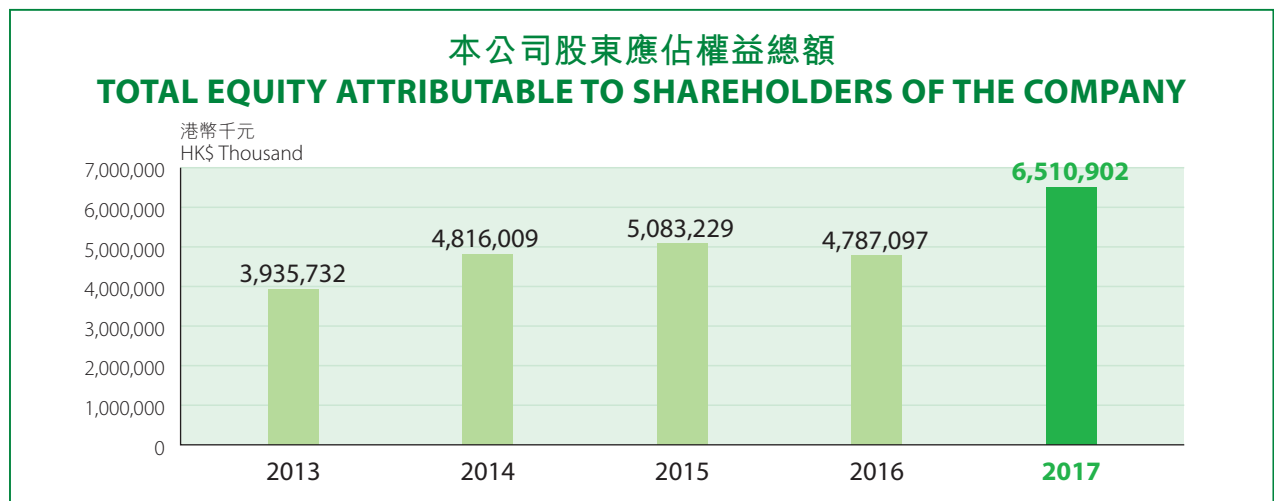
本公司股東應佔溢利

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY



五年財務摘要
FIVE-YEAR FINANCIAL SUMMARY

		2013	2014	2015	2016	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產淨值	Net assets					
物業、機器及設備	Property, plant and equipment	20,404	20,122	19,061	17,999	16,878
無形資產	Intangible assets	-	-	-	-	2,504
投資物業	Investment properties	154,825	165,762	179,215	170,536	169,818
聯營公司	Associates	2,468,663	2,945,890	3,263,977	4,082,002	4,842,032
可供出售金融資產	Available-for-sale financial assets	452,522	770,129	728,713	551,158	503,514
持至到期日金融資產	Held-to-maturity financial assets	-	-	-	3,091	3,119
客戶貸款及應收利息	Loans to customers and interest receivable	-	-	1,519	436	39
再保險資產	Reinsurance assets	2,097	3,402	2,479	4,420	213
預付款	Prepayments	-	-	1,549	1,500	180
遞延所得稅資產	Deferred income tax assets	376	4,281	6,746	10,767	10,150
流動資產	Current assets	1,209,443	1,668,361	1,684,713	1,497,393	1,693,972
流動負債	Current liabilities	(305,125)	(686,001)	(226,823)	(928,549)	(467,330)
銀行貸款	Bank borrowings	-	-	(502,116)	(552,774)	(198,131)
保險合約	Insurance contracts	(21,896)	(27,707)	(33,844)	(38,268)	(37,659)
遞延所得稅負債	Deferred income tax liabilities	(45,577)	(48,230)	(41,960)	(32,614)	(28,397)
資產淨值	Net assets	3,935,732	4,816,009	5,083,229	4,787,097	6,510,902
權益總額	Total equity					
股本	Share capital	459,429	891,135	891,135	891,135	1,715,377
其他儲備金	Other reserves	1,595,645	1,716,858	1,501,099	1,036,270	1,628,236
保留溢利	Retained profits					
擬派股息	Proposed dividend	22,971	22,971	22,971	22,971	47,781
其他	Others	1,857,687	2,185,045	2,666,165	2,836,721	3,119,508
於其他全面收益確認及於權益賬累計與持作出售的資產有關的款項	Amount recognised in other comprehensive income and accumulated in equity relating to assets held for sale	-	-	1,859	-	-
本公司股東應佔權益總額	Total equity attributable to shareholders of the Company	3,935,732	4,816,009	5,083,229	4,787,097	6,510,902



主席報告書

CHAIRMAN'S STATEMENT

本人謹代表董事會欣然匯報，本集團於2017年實現滿意的增長，財務業績超過2016年水平。

受惠於正面的投資環境及充裕的流動資金，國際經濟於2017年錄得合理增長。中國內地經濟在「新常態」發展時期實現平穩增長，惟國內市場持續經濟去槓桿化已呈現長期投資增長的減速。

我們於2017年取得滿意的成績。股東應佔溢利達港幣51,689萬元，增長94.6%，每股基本盈利港幣96.3仙，上升67.7%。

董事會議決建議派發2017年度末期股息每股港幣8仙，比2016年度的每股港幣5仙上升60%。

本公司以供股方式按每持有十股現有普通股股份獲發三股供股股份之基準，按每股供股股份港幣6元之認購價於2017年6月14日發行137,828,596股新普通股股份。在本公司控股股東貴信有限公司（「貴信」）的全力支持下，我們已籌集得資金淨額約港幣82,424萬元以加強資本基礎。貴信以供股包銷商身份，除認購暫定獲配發的66,601,980股供股股份外，並認購未獲承購的供股股份總數66,944,303股。完成供股後，貴信持有本公司59.53%的權益。

本集團的最重要投資，廈門國際銀行（「廈銀」）於2017年貢獻本集團業績約93.4%。雖然我們所持廈銀的股權於2016年年底由10.6289%被攤薄至9.7635%，但本集團於2017年攤佔廈銀業績比2016年的港幣47,092萬元上升9%至港幣51,323萬元。廈銀的資產負債表實現穩健增長，一方面源於內部高速增長，另一方面是因為收購集友銀行有限公司（「集友」）的控制性股權。然而，由於人民幣資金成本上升令息差收窄對盈利帶來影響。

On behalf of the Board, I am pleased to report that the Group has achieved a satisfactory growth in 2017 and the financial results exceeded those of 2016.

The international economy experienced reasonable growth in 2017 benefitting from the positive investment environment and abundant liquidity. The economy in Mainland China achieved a steady growth in the 'new normal' era of development, but the ongoing economic deleveraging on the domestic market has seen a slowdown in the long-term growth of investment.

We achieved satisfactory results in 2017. Profit attributable to shareholders grew by 94.6% to HK\$516.89 million and basic earnings per share increased by 67.7% to 96.3 HK cents.

The Directors have resolved to recommend a final dividend of 8 HK cents per share for 2017, an increase of 60% as compared with 5 HK cents per share in 2016.

The Company has issued 137,828,596 new ordinary shares on 14 June 2017 by way of a rights issue on the basis of three rights shares for every ten existing ordinary shares at a subscription price of HK\$6 per rights share. We have raised net proceeds of about HK\$824.24 million to strengthen our capital base benefitting from the full support given by our controlling shareholder, Vigour Fine Company Limited ("Vigour Fine"). Vigour Fine has acted as the underwriter to the rights issue and acquired totalling 66,944,303 untaken rights shares in addition to 66,601,980 rights shares provisionally allotted to it. Vigour Fine held 59.53% interest in the Company after the completion of the rights issue.

Xiamen International Bank ("XIB"), the most significant investment of the Group, has contributed about 93.4% of the results of the Group in 2017. The Group's share of results of XIB was HK\$513.23 million in 2017, an increase of 9% as compared to HK\$470.92 million in 2016, despite the dilution of our shareholding interest in XIB from 10.6289% to 9.7635% at the end of 2016. XIB has achieved solid growth in its balance sheet partly by rapid organic growth and partly because of the acquisition of the majority shareholding interest in Chiyu Banking Corporation Limited ("CYB"). However, profitability was affected by narrowed interest margin due to the rise in the cost of Renminbi funding.

廈銀已逐步實現其策略發展計劃，憑藉於中國內地、香港及澳門的廣泛網絡，為大中華地區客戶提供個性化及便利的服務。廈銀將繼續在快速轉變的市場環境中迅速應對商業機會，為股東帶來長遠價值。

我們一直竭盡全力以收回中國內地小額貸款業務的不良貸款。我們於2017年成功收回逾期客戶貸款本金人民幣2,341萬元，並於年內撥回相關貸款的減值準備人民幣1,139萬元。於2017年12月31日，減值準備對客戶貸款及應收利息總額比率為91.8%，比2016年年底的87%上升4.8個百分點。

我們的保險業務於2017年經歷一段艱難時期。於扣除承保業務的管理支出後，2017年錄得承保虧損港幣574萬元，主要由於年內澳門保險業務受到颱風天鴿的影響令申索情況惡化所致。

我們於2016年開展汽車貿易業務，並於2017年取得快速增長。我們於2017年向獨立第三方購買汽車的代價總額為人民幣134,175萬元。2017年的汽車貿易合同銷售達人民幣87,575萬元，截至2017年12月31日止年度，我們就汽車貿易錄得銷售收入人民幣70,503萬元。我們將繼續謹慎發展汽車貿易業務，並會穩步將業務拓展至不同地區。

我們的資本基礎得到加強，資產質量亦維持滿意水準。總資產為港幣72.4億元，比2016年年底的港幣63.4億元增加14.2%。作為以投資為基礎的公司，我們的銀行業務總資產於2017年12月31日佔本集團資產總額的66.2%，而銀行業務貢獻本集團2017年度股東應佔溢利的93.4%。年內經香港金融管理局批准後，本公司現為集友小股東控權人之一。

XIB has gradually achieved its strategic development plan to provide personalised and convenient services to customers in the Greater China region through its extensive network in Mainland China, Hong Kong and Macau. XIB will continue to respond swiftly to business opportunities in fast-moving market environment and deliver long-term value for shareholders.

We have made every effort to recover non-performing loans of our micro credit business in Mainland China. We have recovered overdue loans principal of RMB23.41 million from our customers in 2017 and impairment allowances related to those loans of RMB11.39 million was written back during the year. The allowances to total loans to customers and interest receivable ratio was 91.8% at 31 December 2017, an increase of 4.8 percentage points as compared to 87% at the end of 2016.

Our insurance business experienced a difficult time in 2017. We have recorded an underwriting loss after charging management expenses for underwriting business of HK\$5.74 million in 2017, which was mainly due to the deteriorated claims experience of Macau insurance business affected by Typhoon Hato during the year.

We have started our business of trading in motor vehicles in 2016 and achieved a rapid growth in 2017. We have acquired motor vehicles from independent third parties in the aggregate of RMB1,341.75 million in 2017. Our contract sales for trading in motor vehicles were RMB875.75 million in 2017, in which we have recorded revenue from trading in motor vehicles of RMB705.03 million for the year ended 31 December 2017. We will continue to develop our motor vehicles trading business prudently and expand our business into different locations steadily.

Our capital base has been strengthened and the asset quality of the Group remains satisfactory. Total assets stood at HK\$7.24 billion, representing an increase of 14.2% as compared to HK\$6.34 billion at the end of 2016. As an investment-based Company, total assets of our banking business accounted for 66.2% of the Group's total assets at 31 December 2017 and results contributed by banking business represented 93.4% of the Group's profit attributable to shareholders in 2017. The Company is one of the minority shareholder controllers of CYB pursuant to the approval from Hong Kong Monetary Authority during the year.

主席報告書 CHAIRMAN'S STATEMENT

展望明年，我們將繼續提升資產質量，並會根據中央政府的經濟政策制定我們的業務發展舉措。我們將持續努力發展具盈利能力和合理收益率的貿易業務，並採取積極主動的舉措抓住業務和市場發展新商機，為股東帶來穩定和長期的價值。

主席
彭錦光

香港，2018年3月28日

Looking at the year ahead, we will continue to enhance asset quality and align our business initiatives with the economic policies set out by Central Government. We will make ongoing efforts to develop profitable trading business with reasonable yields and take a proactive approach to seize new opportunities for business and market development in order to deliver stable and long-term value for shareholders.

PENG Jin Guang
Chairman

Hong Kong, 28 March 2018

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧

中國內地經濟環境持續改善，2017年經濟增長較預期為佳，達到6.9%，比2016年的6.7%上升0.2個百分點。

經營業績

本集團實現股東應佔溢利港幣51,689萬元，比2016年的港幣26,561萬元增加港幣25,128萬元或94.6%。本年度每股基本盈利港幣96.3仙，比2016年的港幣57.42仙增加港幣38.88仙或67.7%。

本集團於2017年實現滿意的表現，反映包括(i)應佔廈銀業績比2016年度增加港幣4,231萬元；(ii)客戶貸款及應收利息減值虧損比2016年度大幅減少港幣15,817萬元；及(iii)缺少因本公司所持廈銀股權於2016年12月由10.6289%被攤薄至9.7635%的一次性虧損港幣4,042萬元的累計影響。

金融服務

本集團的金融服務業務包括於中國內地經營小額貸款業務及透過持有的主要聯營公司廈銀、集友及澳門國際銀行（「澳銀」）（統稱「廈銀集團」）分別於中國內地、香港及澳門經營銀行業務。

本集團的金融服務業務於2017年錄得稅後利潤港幣48,690萬元，比2016年的港幣27,562萬元上升76.7%。該滿意的表現反映包括(i)應佔廈銀業績比2016年度增加港幣4,231萬元；(ii)客戶貸款及應收利息減值虧損比2016年度大幅減少港幣15,817萬元；及(iii)缺少因本公司所持廈銀股權於2016年12月由10.6289%被攤薄至9.7635%的一次性虧損港幣4,042萬元的累計影響。

BUSINESS REVIEW

The economic conditions continued to improve in Mainland China with the better-than-expected growth of 6.9% achieved in 2017, which was picked up by 0.2 percentage points as compared to 6.7% in 2016.

Operating Results

The Group achieved profit attributable to shareholders of HK\$516.89 million, representing an increase of HK\$251.28 million or 94.6%, as compared to HK\$265.61 million in 2016. Basic earnings per share for the year was 96.3 HK cents, an increase of 38.88 HK cents or 67.7%, as compared to 57.42 HK cents in 2016.

The satisfactory performance achieved by the Group in 2017 reflected the cumulative effect of (i) the increase in share of results of XIB of HK\$42.31 million as compared to that of 2016; (ii) the significant decrease in charge for impairment loss on loans to customers and interest receivable of HK\$158.17 million as compared to that of 2016; and (iii) the lack of the one-off loss of HK\$40.42 million for the dilution of the Company's shareholding in XIB from 10.6289% to 9.7635% in December 2016.

Financial Services

The financial services business of the Group includes the provision of micro credit business in Mainland China and the engagement of banking business through its major associates, XIB, CYB and Luso International Bank ("LIB") (collectively "XIB Group") in Mainland China, Hong Kong and Macau respectively.

The Group's financial services business reported a profit after tax of HK\$486.9 million in 2017, an increase of 76.7% as compared to HK\$275.62 million in 2016. The satisfactory performance reflected the cumulative effect of (i) the increase in share of results of XIB of HK\$42.31 million as compared to that of 2016; (ii) the significant decrease in charge for impairment loss on loans to customers and interest receivable of HK\$158.17 million as compared to that of 2016; and (iii) the lack of the one-off loss of HK\$40.42 million for the dilution of the Company's shareholding in XIB from 10.6289% to 9.7635% in December 2016.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

金融服務 (續)

銀行業務

受惠於正面的宏觀環境，加上完善的分行網絡和科技設施，廈銀創造更多機會在大中華市場提供方便易用的金融服務。

按中國會計準則要求編制的廈銀稅後利潤人民幣45.4億元，比2016年稅後利潤人民幣38.2億元，增加人民幣7.2億元或18.7%。有關增長一部分來自年內收購集友所貢獻的業績。受到人民幣資金成本上升令息差收窄所影響，淨利息收入於2017年上升1.7%。手續費及佣金淨收入比2016年度上升79.2%。

於2017年12月31日，總資產比2016年年底的人民幣5,635.3億元，上升26.4%至人民幣7,124.1億元。客戶貸款由2016年年底的人民幣2,140.8億元上升33.1%至人民幣2,850億元。在貸款組合大幅增長的同時，廈銀繼續保持良好的資產質量，不良貸款率低於1%。客戶存款由2016年年底的人民幣4,042.7億元，上升16.4%至人民幣4,706.6億元。

年內收購集友的控制性股權不僅提供理想的資產負債表增長，而且還提高營運表現及業績。廈銀將進一步強化集友的營運基礎，重新確立與廈銀集團一致的策略重點。

廈銀為其中一家於中國內地、香港及澳門提供全面金融服務的中資銀行。憑藉在大中華地區相對繁榮的城市建立廣泛的分行網絡，廈銀已準備好提升跨境銀行服務及加強客戶服務體驗。此將有助吸納新客戶及開展新業務，並長遠為股東增值。

BUSINESS REVIEW (Continued)

Financial Services (Continued)

Banking Business

Benefitted from the positive macro conditions, coupled with the well-established branch network and technological infrastructures, XIB has created more opportunities to offer convenient and easy to use financial services in the Greater China market.

XIB reported a profit after tax prepared in accordance with the PRC Accounting Standards of RMB4.54 billion, an increase of RMB0.72 billion or 18.7%, as compared to RMB3.82 billion in 2016. Such increase was partly derived from the results contributed by CYB acquired during the year. Net interest income was affected by the narrowed interest margin due to the rise in the cost of Renminbi funding and grew by 1.7% in 2017. Net fee and commission income grew by 79.2% as compared to that of 2016.

At 31 December 2017, the total assets grew by 26.4% to RMB712.41 billion as compared to RMB563.53 billion at the end of 2016. Gross loans to customers were RMB285 billion, an increase of 33.1% as compared to RMB214.08 billion at the end of 2016. XIB substantially grew its loans portfolio while continuing to uphold good asset quality with non-performing loan ratio less than 1%. Total deposits from customers were up 16.4% to RMB470.66 billion from RMB404.27 billion at the end of 2016.

The acquisition of the majority shareholding interest in CYB during the year not only provides robust balance sheet growth but also boosts operating performance and results. XIB will further consolidate the operations of CYB by re-establishing the strategic priorities in line with those of XIB Group.

XIB becomes one of the Chinese banks that offer comprehensive financial services in Mainland China, Hong Kong and Macau. Supported by the extensive branches and sub-branches network set up in the more prosperous cities in the Greater China region, XIB is ready to enhance cross-border banking services and enrich customer services experience. This facilitates the acquisition of new customers and development of new business and in the long-term delivers value for shareholders.

業務回顧 (續)

BUSINESS REVIEW (Continued)

金融服務 (續)

Financial Services (Continued)

小額貸款業務

Micro Credit Business

本公司一家全資附屬公司三明市三元區閩信小額貸款有限公司(「閩信小貸」)，專門從事為福建省三明市的中小企業及個人提供小額貸款服務。

Sanming Sanyuan District Minxin Micro Credit Company Limited (“Minxin Micro Credit”), a wholly-owned subsidiary of the Company, is engaged in the provision of micro loans to small and medium-sized enterprises and individuals in Sanming City, Fujian Province.

閩信小貸於2017年仍然面對充滿挑戰的經營環境。三明市的中小型企業面對營運資金短缺加上再融資能力不足，導致經營環境困難。閩信小貸於年內一直竭盡全力以收回信貸質量惡化的貸款組合。閩信小貸的不良貸款比率於2017年12月31日已幾乎達至100%。

The operating environment of Minxin Micro Credit remained challenging in 2017. Shortage of operating funds coupled with limited re-financing capacity faced by the small and medium size enterprises in Sanming City led to difficult operating conditions. Minxin Micro Credit made every effort to recover the deteriorated loans portfolio during the year. The non-performing loan ratio of Minxin Micro Credit was almost 100% at 31 December 2017.

於2017年12月31日，客戶貸款為人民幣25,282萬元(等值港幣30,362萬元)，較2016年年底的人民幣27,623萬元(等值港幣30,837萬元)減少8.5%。該等客戶貸款主要為抵押、質押及擔保貸款。基於拖欠利息和本金還款的情況，及根據於2017年底各逾期貸款客戶的信貸質量、抵押物的價值，閩信小貸已計提客戶貸款及應收利息減值準備總額人民幣24,143萬元(等值港幣28,995萬元)。閩信小貸一直竭盡全力以收回信貸質量惡化的貸款組合，於2017年收回逾期貸款本金人民幣2,341萬元(等值港幣2,811萬元)及於年內撥回相關貸款的減值準備人民幣1,139萬元(等值港幣1,368萬元)。於2017年12月31日，減值準備對客戶貸款及應收利息總額比率為91.8%，比2016年年底的87%提高4.8個百分點。

At 31 December 2017, loans to customers were RMB252.82 million (equivalent to HK\$303.62 million), a decrease of 8.5% from RMB276.23 million (equivalent to HK\$308.37 million) at the end of 2016. These loans mainly comprised secured, pledged and guaranteed loans. Minxin Micro Credit had made impairment allowances on loans to customers and interest receivable totalling RMB241.43 million (equivalent to HK\$289.95 million) in view of the default in interest payment and principal repayment and based on the credit quality of the respective overdue loans to customers and the value of the collaterals pledged at the end of 2017. Minxin Micro Credit made every effort to recover the deteriorated loans portfolio and overdue loans principal of RMB23.41 million (equivalent to HK\$28.11 million) was recovered in 2017 and the impairment allowances related to those loans of RMB11.39 million (equivalent to HK\$13.68 million) were written back during the year. The allowances to total loans to customers and interest receivable ratio was 91.8% at 31 December 2017, was up 4.8 percentage points as compared with 87% at the end of 2016.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

金融服務 (續)

小額貸款業務 (續)

扣除計提已減值貸款的利息收入，閩信小貸於年內錄得客戶貸款利息收入人民幣30萬元（等值港幣35萬元），比2016年的人人民幣413萬元（等值港幣487萬元）減少92.7%，主要由於不良貸款未履行支付利息。閩信小貸於2017年撥回減值準備人民幣815萬元（等值港幣938萬元），2016年則計提減值準備人民幣11,387萬元（等值港幣13,417萬元）。得益於撥回減值準備，閩信小貸於2017年錄得稅後溢利人民幣377萬元（等值港幣434萬元），2016年則為稅後虧損人民幣10,924萬元（等值港幣12,871萬元）。

閩信小貸將繼續主動積極管理資產質量及收回不良貸款。閩信小貸將進一步審視可行的法律行動以應對拖欠債務的借款人，以取得抵押資產的所有權。

保險業務

本公司一家全資附屬公司閩信保險有限公司（「閩信保險」）於香港及澳門承保一般保險業務。

閩信保險於2017年錄得毛保費收入港幣5,564萬元，比2016年的港幣6,133萬元下跌9.3%，主要為香港保險市場的毛保費收入大幅下跌。澳門的保險業務表現良好，毛保費收入於2017年錄得11.6%的增幅。香港保險業務表現較弱，2017年毛保費收入下跌40.3%。

BUSINESS REVIEW (Continued)

Financial Services (Continued)

Micro Credit Business (Continued)

Excluding the interest income accrued on impaired loans, Minxin Micro Credit reported interest income from loans to customers of RMB0.3 million (equivalent to HK\$0.35 million) during the year, a decrease of 92.7% as compared to RMB4.13 million (equivalent to HK\$4.87 million) in 2016, mainly due to the default in interest payment of non-performing loans. Minxin Micro Credit has written back net impairment allowances of RMB8.15 million (equivalent to HK\$9.38 million) in 2017, as compared to a provision of RMB113.87 million (equivalent to HK\$134.17 million) in 2016. Benefitted from the write back of impairment allowances, Minxin Micro Credit recorded a profit after tax of RMB3.77 million (equivalent to HK\$4.34 million) in 2017, as compared to a loss after tax of RMB109.24 million (equivalent to HK\$128.71 million) in 2016.

Minxin Micro Credit will remain proactive in managing asset quality and non-performing loans recovery. Minxin Micro Credit will further examine the available legal actions against delinquent borrowers in order to take possession of the pledged assets.

Insurance Business

Min Xin Insurance Company Limited ("Min Xin Insurance"), a wholly-owned subsidiary of the Company, underwrites general insurance businesses in Hong Kong and Macau.

Min Xin Insurance recorded gross insurance premium of HK\$55.64 million in 2017, declined by 9.3% as compared to HK\$61.33 million in 2016, mainly due to the significant decrease in gross insurance premium in Hong Kong market. The Macau insurance business performed well and achieved 11.6% growth in gross insurance premium in 2017. The operating results of Hong Kong insurance business was relatively weak and the gross insurance premium decreased by 40.3% in 2017.

業務回顧 (續)

保險業務 (續)

於扣除承保業務的管理費用前，承保溢利比2016年的港幣935萬元下跌66.7%至港幣312萬元，主要由於年內澳門保險業務受到颱風天鴿的影響令申索情況惡化所致。於扣除承保業務的管理支出後，閩信保險於2017年錄得承保虧損港幣574萬元，比2016年的港幣159萬元上升262.3%。

閩信保險於2017年錄得稅後虧損港幣6萬元，2016年則錄得稅後利潤港幣384萬元，主要受到承保溢利及投資物業重估收益大幅下跌所致。

閩信保險將繼續分配足夠資源以擴大其澳門銀保業務及謹慎抓住香港保險市場的新業務機會。

汽車貿易

本公司一家全資附屬公司福建閩信投資有限公司(「福建閩信」)從事(當中包括)汽車貿易業務。

福建閩信於2016年開展汽車貿易業務，並於2017年實現快速發展。福建閩信於2017年向獨立第三方購買汽車的代價總額為人民幣134,175萬元(等值港幣161,137萬元)，當中總額為人民幣43,752萬元(等值港幣52,544萬元)的採購將於呈報日後交貨。截至2017年12月31日止年度，汽車貿易的合同銷售達人民幣87,575萬元(等值港幣105,173萬元)。

BUSINESS REVIEW (Continued)

Insurance Business (Continued)

Underwriting profit before deducting management expenses for underwriting business decreased by 66.7% to HK\$3.12 million as compared to HK\$9.35 million in 2016, mainly due to the deteriorated claims experience of Macau insurance business affected by Typhoon Hato during the year. Min Xin Insurance recorded an underwriting loss of HK\$5.74 million in 2017, increased by 262.3% as compared to HK\$1.59 million in 2016, after charging management expenses for underwriting business.

Min Xin Insurance recorded a loss after tax of HK\$0.06 million in 2017, as compared to a profit after tax of HK\$3.84 million in 2016, mainly due to the significant decrease in underwriting profit and gain on revaluation of investment properties.

Min Xin Insurance will continue to allocate sufficient resources to expand its Macau bancassurance business and seize new business opportunities in Hong Kong insurance market prudently.

Trading in Motor Vehicles

Fujian Minxin Investments Co., Ltd. ("Fujian Minxin"), a wholly-owned subsidiary of the Company, among others, engages in the trading in motor vehicles business.

Fujian Minxin has started trading in motor vehicles business in 2016 and achieved a rapid growth in 2017. Fujian Minxin has acquired motor vehicles from independent third parties in the aggregate of RMB1,341.75 million (equivalent to HK\$1,611.37 million) in 2017, of which some purchases in the aggregate of RMB437.52 million (equivalent to HK\$525.44 million) were scheduled to deliver after the reporting date. Contract sales for trading in motor vehicles were RMB875.75 million (equivalent to HK\$1,051.73 million) for the year ended 31 December 2017.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

汽車貿易 (續)

截至2017年12月31日止年度，汽車銷售收入及汽車銷售成本分別為人民幣70,503萬元（等值港幣82,711萬元）及人民幣69,797萬元（等值港幣81,882萬元）。計入汽車貿易業務的直接成本後，毛利為人民幣628萬元（等值港幣737萬元）。截至2017年12月31日止年度，汽車貿易業務產生的稅後溢利為人民幣396萬元（等值港幣465萬元）。福建閩信將繼續謹慎發展汽車貿易業務，並穩步將業務拓展至不同地區。

物業發展及投資

本集團的物業發展及投資業務主要包括中國內地的房地產開發業務及出租若干投資物業。物業發展及投資業務於2017年錄得稅後利潤港幣85萬元，比較2016年的稅後虧損港幣303萬元，當中主要因為物業重估虧損減少。

近年來受到新辦公樓的供應影響，福建省福州市甲級寫字樓的市場租金普遍下降。本集團位於福州市的商業物業及車位（「福州物業」）的租用率及月租金受到影響。本集團於2017年錄得租金收入人民幣379萬元，比2016年的人人民幣488萬元下跌22.3%。於2017年12月31日，福州物業的公平值為人民幣6,080萬元，比2016年年底的人人民幣7,044萬元下跌13.7%。本集團於2017年錄得公平值虧損港幣562萬元及扣除遞延稅後公平值虧損港幣195萬元，比較2016年的公平值虧損港幣1,688萬元及扣除遞延稅後公平值虧損港幣654萬元，均大幅減少。

BUSINESS REVIEW (Continued)

Trading in Motor Vehicles (Continued)

The revenue from the sale of motor vehicles and cost of motor vehicles sold were RMB705.03 million (equivalent to HK\$827.11 million) and RMB697.97 million (equivalent to HK\$818.82 million) respectively for the year ended 31 December 2017. Gross profit amounted to RMB6.28 million (equivalent to HK\$7.37 million) after taking into account direct costs attributable to trading in motor vehicles business. The profit after tax generated from trading in motor vehicles business was RMB3.96 million (equivalent to HK\$4.65 million) for the year ended 31 December 2017. Fujian Minxin will continue to develop its motor vehicles trading business prudently and expand its business into different locations steadily.

Property Development and Investment

The property development and investment business of the Group mainly comprises the real estate development business and the leasing of certain investment properties in Mainland China. In 2017, the property development and investment business reported a profit after tax of HK\$0.85 million as compared to a loss after tax of HK\$3.03 million in 2016, mainly due to decrease in the revaluation loss of investment properties.

The market rental of grade-A offices in Fuzhou, Fujian Province has generally declined due to supply of new office towers in recent years. The occupancy rate and monthly rental of the commercial properties and parking spaces in Fuzhou (the "Fuzhou Property") of the Group were affected. The Group recorded a rental income of RMB3.79 million in 2017, was down 22.3% as compared to RMB4.88 million in 2016. At 31 December 2017, the fair value of the Fuzhou Property was RMB60.8 million, a decrease of 13.7% as compared to the fair value of RMB70.44 million at the end of 2016. The Group recorded a fair value loss of HK\$5.62 million and a fair value loss after deferred tax of HK\$1.95 million in 2017, both were decreased significantly as compared to a fair value loss of HK\$16.88 million and a fair value loss after deferred tax of HK\$6.54 million in 2016.

業務回顧 (續)

於華能國際電力股份有限公司的投資
(「華能A股」)

2017年12月31日上證綜合指數比2016年底上升約6.6%。然而，華能國際電力股份有限公司(「華能」)的A股收市競買價由2016年12月31日的每股人民幣7.05元下降至2017年12月31日的每股人民幣6.17元。本集團根據華能A股收市競買價評估的華能A股之公平值為港幣50,351萬元(等值人民幣41,926萬元)。於2017年，本集團已於其他全面收益內確認公平值變動產生的虧損港幣3,000萬元(2016年：港幣17,738萬元)，並在股東權益的投資重估儲備金內分開累計。

華能A股作為本集團長期持有的可供出售金融資產，為本集團持續帶來滿意的股息收入。於年內，華能派發2016年度末期股息每股人民幣0.29元。本集團年內錄得股息收入人民幣2,029萬元(等值港幣2,321萬元)，比2016年收取2015年度末期股息每股人民幣0.47元，錄得股息收入人民幣3,288萬元(等值港幣3,831萬元)，減少38.3%。

華能已公布按中國會計準則編制的2017年年度業績，營業收入同比上升10.4%，惟由於2017年煤炭價格同比大幅上漲，營業成本同比上升25.1%。2017年錄得股東應佔溢利人民幣17.9億元，比2016年的人幣103.8億元下跌82.7%。本年度每股收益人民幣0.11元，比2016年每股收益人民幣0.68元下跌83.8%。

BUSINESS REVIEW (Continued)

Investment in Huaneng Power International, Inc.
(“Huaneng A-Shares”)

At 31 December 2017, the Shanghai Composite Index increased by about 6.6% as compared to that at the end of 2016. However, the closing bid price per A-Share of Huaneng Power International, Inc. (“Huaneng”) as quoted on the Shanghai Stock Exchange declined from RMB7.05 per share at 31 December 2016 to RMB6.17 per share at 31 December 2017. The fair value of the Huaneng A-Shares measured with reference to the closing bid price per A-Share of Huaneng stood at HK\$503.51 million (equivalent to RMB419.26 million). In 2017, the Group recorded a loss of HK\$30 million (2016: HK\$177.38 million) arising from the change in its fair value in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

Being classified as a long-term available-for-sale financial asset of the Group, Huaneng A-Shares continues to generate a satisfactory dividend income to the Group. During the year, Huaneng paid a final dividend for 2016 of RMB0.29 per share. The Group recorded dividend income totalling RMB20.29 million (equivalent to HK\$23.21 million) during the year, a decrease of 38.3% as compared to the final dividend for 2015 of RMB0.47 per share totalling RMB32.88 million (equivalent to HK\$38.31 million) recorded by the Group in 2016.

Huaneng has announced its 2017 annual results under the PRC Accounting Standards. Its operating revenue increased by 10.4% as compared to that of 2016, however, its operating expenses increased by 25.1% as compared to that of 2016, which was mainly due to coal price rose drastically in 2017. Its profit attributable to shareholders was RMB1.79 billion in 2017, decreased by 82.7% as compared to RMB10.38 billion in 2016. Earnings per share was RMB0.11 for the year, a decline of 83.8% as compared to RMB0.68 per share in 2016.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧

每股資產淨值

本集團一直堅持並貫徹審慎的財務策略，以保持健康的財務狀況水平。本公司以供股方式按每持有十股現有普通股股份獲發三股供股股份之基準，按每股供股股份港幣6元之認購價於2017年6月14日發行137,828,596股新普通股股份。按2017年12月31日的已發行股本597,257,252股（2016年：459,428,656股）計算，於2017年12月31日，每股資產淨值港幣10.9元（2016年：港幣10.42元）。

總負債佔權益比率及流動比率

年內以供股方式籌集資金淨額約港幣82,424萬元加強了本集團的財務狀況水平。於2017年12月31日，本集團總負債為港幣73,152萬元（2016年：港幣155,221萬元），總負債為本公司股東應佔權益的11.2%（2016年：32.4%）。於2017年12月31日，本集團流動資產及流動負債分別為港幣169,397萬元（2016年：港幣149,739萬元）及港幣46,733萬元（2016年：港幣92,855萬元），流動比率為3.6倍（2016年：1.6倍）。

借款及資產抵押

本集團以短期及中期基準監控其流動資金需要，並於適當時為本集團的借款安排重新融資。

於2017年12月31日，本集團的本地銀行貸款合共港幣55,688萬元，較2016年12月31日的港幣136,323萬元減少港幣80,635萬元。根據貸款文件所載的定期還款日期，銀行貸款全部於兩年內到期，其中港幣35,688萬元須於一年內償還及港幣20,000萬元須於一年至兩年內償還。本集團的銀行貸款均為港幣，以浮動利率計息。於2017年12月31日，實際年利率介乎4.2厘至4.3厘（2016年：3.3厘至4厘）。

FINANCIAL REVIEW

Net Asset Value per Share

The Group adheres to the principle of prudent financial management and strives to maintain a healthy financial position. The Company has issued 137,828,596 new ordinary shares on 14 June 2017 by way of a rights issue on the basis of three rights shares for every ten existing ordinary shares at a subscription price of HK\$6 per rights share. Based on 597,257,252 shares in issue at 31 December 2017 (2016: 459,428,656 shares), the net asset value per share was HK\$10.9 at 31 December 2017 (2016: HK\$10.42).

Total Liabilities to Equity Ratio and Current Ratio

The financial position of the Group has been strengthened due to net proceeds of about HK\$824.24 million raised by way of a rights issue during the year. At 31 December 2017, the total liabilities of the Group were HK\$731.52 million (2016: HK\$1,552.21 million) and the ratio of total liabilities to total equity attributable to shareholders of the Company was 11.2% (2016: 32.4%). At 31 December 2017, the current assets and current liabilities of the Group were HK\$1,693.97 million (2016: HK\$1,497.39 million) and HK\$467.33 million (2016: HK\$928.55 million) respectively with a current ratio of 3.6 (2016: 1.6).

Borrowings and Charged Assets

The Group monitors its liquidity requirement on a short to medium term basis and arranges refinancing of the Group's borrowings as appropriate.

At 31 December 2017, the Group's borrowings from local banks totalling HK\$556.88 million, a decrease of HK\$806.35 million as compared to HK\$1,363.23 million at 31 December 2016. The maturity profile of the bank loans based on the scheduled repayment dates set out in the loan facilities is spread over a period of two years, with HK\$356.88 million repayable within one year and HK\$200 million repayable more than one year but within two years. The bank loans of the Group are in Hong Kong dollars and subject to floating interest rates. The effective interest rate at 31 December 2017 ranged from 4.2% to 4.3% (2016: 3.3% to 4%) per annum.

財務回顧 (續)

借款及資產抵押 (續)

於2017年12月31日，有抵押部分的銀行貸款以本集團存放於借款銀行的銀行存款人民幣4,100萬元（等值港幣4,924萬元）（2016年：人民幣4,100萬元，等值港幣4,577萬元），及賬面淨值港幣992萬元（2016年：港幣1,018萬元）的自用辦事處物業作抵押。

除此以外，本集團的其他資產於2017年及2016年12月31日均無抵押。

負債比率

於2017年12月31日，本集團資本負債比率（總銀行貸款除以資產淨值）為8.5%（2016年：28.3%）。

現金狀況

本集團之銀行存款附有當時市場利率之利息。於2017年12月31日，本集團之銀行存款總額為港幣130,058萬元（2016年：港幣127,440萬元），其中港幣存款佔18.8%，人民幣存款佔79.8%及其他貨幣存款佔1.4%（2016年：港幣存款佔5.5%，人民幣存款佔93.3%及其他貨幣存款佔1.2%）。

根據香港保險業監管局（「香港保監局」）之規定，受其監管的一家附屬公司需經常將為數不少於港幣1,600萬元之資金以保險業監管局賬戶名義撥為銀行存款。於2017年12月31日，該附屬公司於香港一家銀行以保險業監管局賬戶名義存放港幣1,600萬元（2016年：人民幣1,390萬元，等值港幣1,552萬元及港幣200萬元）之定期存款以符合有關規定。該附屬公司亦維持澳門幣1,410萬元（等值港幣1,369萬元）、人民幣400萬元（等值港幣480萬元）及港幣960萬元（2016年：澳門幣1,410萬元，等值港幣1,369萬元、人民幣368萬元，等值港幣410萬元及港幣120萬元）之銀行存款以符合澳門《保險活動管制法例》之若干規定。

FINANCIAL REVIEW (Continued)

Borrowings and Charged Assets (Continued)

At 31 December 2017, the secured portion of the bank loans were secured by the Group's bank deposits of RMB41 million (equivalent to HK\$49.24 million) (2016: RMB41 million, equivalent to HK\$45.77 million) placed with the lending banks and the self-use office building with a net book value of HK\$9.92 million (2016: HK\$10.18 million).

Save for the above, no other assets of the Group were pledged at 31 December 2017 and 2016 respectively.

Gearing Ratio

At 31 December 2017, the gearing ratio of the Group (total bank borrowings divided by total net assets) was 8.5% (2016: 28.3%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. At 31 December 2017, the total bank deposits of the Group amounted to HK\$1,300.58 million (2016: HK\$1,274.4 million) of which 18.8% were in Hong Kong Dollars, 79.8% in Renminbi and 1.4% in other currencies (2016: 5.5% in Hong Kong Dollars, 93.3% in Renminbi and 1.2% in other currencies).

Pursuant to the requirements from the Insurance Authority in Hong Kong (the "HKIA"), a subsidiary shall maintain at all times a portion of its funds of not less than HK\$16 million in the name of Insurance Authority account in bank deposits. At 31 December 2017, that subsidiary has placed fixed deposits of HK\$16 million (2016: RMB13.9 million, equivalent to HK\$15.52 million and HK\$2 million) in the name of Insurance Authority account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP14.1 million (equivalent to HK\$13.69 million), RMB4 million (equivalent to HK\$4.8 million) and HK\$9.6 million (2016: MOP14.1 million, equivalent to HK\$13.69 million, RMB3.68 million, equivalent to HK\$4.1 million and HK\$1.2 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

管理層討論及分析

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財務回顧 (續)

現金狀況 (續)

根據中國內地的法律及法規，一家附屬公司於2017年12月31日存放人民幣200萬元（等值港幣240萬元）（2016年：人民幣874萬元，等值港幣976萬元）的銀行存款作為向當地法院申請保全違約客戶的財產的保證金。

匯率波動風險

本集團在香港、中國內地及澳門經營業務，面對的匯率風險主要來自港元及人民幣的匯率波動。由於港元和人民幣均執行有管理的浮動匯率制度，因此本集團以定期形式檢視和監控匯率波動風險，並於有需要時考慮對沖重大外幣風險。本集團於年內並沒有簽訂任何旨在減低外匯風險的衍生工具合約。

資本承擔

於2017年12月31日，本集團有關物業、機器及設備及投資物業的資本承擔總額港幣63萬元（2016年：港幣19萬元）。

或然負債

於2017年及2016年12月31日，本集團並無重大或然負債。

FINANCIAL REVIEW (Continued)

Cash Position (Continued)

Pursuant to the laws and regulations in Mainland China, a subsidiary has placed bank deposits of RMB2 million (equivalent to HK\$2.4 million) at 31 December 2017 (2016: RMB8.74 million, equivalent to HK\$9.76 million) to guarantee the application to the local court for property preservation right against default customers.

Risk of Exchange Rate Fluctuation

The Group operates in Hong Kong, Mainland China and Macau, the exposure in exchange rate risks mainly arises from currency fluctuation between Hong Kong Dollars and Renminbi. As the Hong Kong Dollars and Renminbi are both under managed floating systems, the Group reviews and monitors periodically its foreign currency exposure and considers hedging significant foreign currency exposure should the need arise. The Group did not enter into any derivative contracts aimed at minimising exchange rate risks during the year.

Capital Commitments

At 31 December 2017, the Group's capital commitments relating to property, plant and equipment and investment properties amounted to HK\$0.63 million (2016: HK\$0.19 million).

Contingent Liabilities

At 31 December 2017 and 2016, the Group had no significant contingent liabilities.

僱員及薪酬政策

於 2017 年 12 月 31 日，本集團共有 74 名僱員。僱員的薪酬以個別僱員的表現及資歷釐定。本集團亦為僱員提供其他福利，包括退休福利及醫療福利。

本集團視人力資源為寶貴資產。本集團為員工提供各種僱員福利及不同類型的團體活動。為激勵僱員提升和發展彼等的專業知識和技能，本集團為僱員提供在職培訓及工作坊，並鼓勵僱員參加與彼等工作相關的研討會和培訓，有關費用由本集團資助。本集團亦為員工舉辦了多元化的活動，包括聖誕聯歡會及公司全體旅行。

客戶關係

對於本集團的保險業務，我們致力與經紀人及代理人建立良好的長期合作關係。有需要時，本集團可向經紀人及代理人提供保險產品連同定價理念和其他指引。我們的承保人員定期探訪經紀人及代理人以維持良好關係。對於經紀人及代理人查詢有關保險產品及其他相關事宜，我們的理賠和客戶服務人員會迅速而謹慎地處理和回應。

環境政策

作為一家具社會責任的企業，本集團繼續支持環保措施，保護天然資源。我們高度重視業務活動對環境造成的影響，並藉安裝節能照明以減少能源消耗。此外，本集團亦積極鼓勵員工在辦公室節約用電、食水及紙張等措施，如電子存檔和廢紙重用。

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2017, the Group had 74 employees. The remuneration of the employees is based on individual merits and experience. The Group also provides other benefits to the employees including retirement benefits and medical scheme.

The Group regards human resources as its valuable assets. The Group offers numerous employee benefits and group activities to our staff members. To motivate our employees to enhance and develop their professional knowledges and skills, the Group provides on-the-job trainings and workshops for our employees as well as encourages them to attend seminars and trainings with topics of relevance to their jobs and duties funded by the Group. The Group also organises recreational outings on topics such as Christmas party and company trip.

CUSTOMER RELATIONSHIPS

With respect to the Group's insurance business, we are committed to establish a good long-term business relationship with our brokers and agents. Insurance products together with the pricing philosophy and other guidelines will be provided to the brokers and agents if needed. Our underwriters will visit our brokers and agents regularly to maintain a good relationship. Our claims and customer service staff will swiftly and carefully manage and respond to our brokers' and agents' enquiries in relation to the insurance products and other related matters.

ENVIRONMENTAL POLICY

Being a responsible corporate citizen, the Group continues to support the environmental protection initiatives to conserve the natural resources. We place a high priority on minimisation of the environmental impact of our business activities by promoting energy-efficient lighting to reduce energy consumption. In addition, we actively encourage staff members to consume less energy, water and paper, such as e-filings and paper recycling in our offices.

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遵守法例及法規

合規乃本集團企業管治的重要部份。我們確切理解因違反監管要求而可能引致的合規風險。就董事會所知，本集團在重要層面已遵守所有與其業務及經營有關的相關法例及法規。

主要風險及不明朗因素

本集團的業務、財務狀況、經營業績及前景可能受多種風險及不明朗因素所影響。本集團於下文所識辨的主要風險及不明朗因素並不詳盡或全面，且除下列者外，亦可能存在本集團未知的，或目前未必屬於重大但日後可能變成重大的其他風險及不明朗因素。

保險及財務風險

本集團的營業活動承受著多種保險風險及財務風險，包括市場風險（外匯風險、價格風險及利率風險）、信貸風險及流動資金風險。有關本集團的保險風險及財務風險承擔詳情載列於綜合財務報表註釋4。

業務風險

銀行業務

廈銀集團的增長取決於影響中國內地、香港及澳門的宏觀經濟因素，包括國內生產總值增長、通脹水平、相關銀行及金融產品的法律及法規變化、宏觀調控政策的變動、市場流動性、信貸政策的變動、貸款需求的變動以及金融改革及利率市場化進程。廈銀集團可能因上述一個或多個因素或其他因素的不利變動而無法維持自身的增長率，從而對其財務狀況、經營業績及前景造成重大不利影響。

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance is an integral part of the Group's corporate governance and we are aware of the potential risks of regulatory non-compliance. As far as the Board is aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

KEY RISKS AND UNCERTAINTIES

The Group's businesses, financial condition, results of operations and prospects may be affected by a number of risks and uncertainties. The following key risks and uncertainties identified by the Group are not exhaustive or comprehensive, and there may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Insurance and Financial Risks

The Group's business activities expose it to a variety of insurance risk and financial risks including market risk (foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The details of the Group's insurance risk and financial risks exposure are set out in Note 4 to the consolidated financial statements.

Business Risks

Banking Business

The growth of XIB Group depends on the macroeconomic factors that affect Mainland China, Hong Kong and Macau, including the growth of gross domestic product, inflation levels, changes in laws and regulations related to banks and financial products, changes in macroeconomic control policies, market liquidity, changes in credit policies, changes in loan demands as well as progress of financial reform and interest rate liberalisation. XIB Group may be unable to maintain its growth rate as a result of an adverse change in any one or more of the above factors or other factors, which could have a material and adverse effect on its financial condition, results of operations and prospects.

主要風險及不明朗因素 (續)

業務風險 (續)

小額貸款業務

根據中國內地的相關法律及法規，閩信小貸不獲准向非三明市居民客戶提供任何貸款。由於閩信小貸的業務活動僅限於三明市，其增長機會及經營業績將取決於三明市的經濟穩定及繁榮。若三明市的經濟有顯著惡化，可能對其貸款客戶的償還能力產生不利影響，而實際上，可能對閩信小貸的財務狀況及經營業績造成重大不利影響。

保險業務

香港及澳門的保險市場受嚴格規管。在香港及澳門經營保險業務的公司須分別從香港保監局及澳門金融管理局（「澳門金管局」）獲得授權，並須符合香港保監局及澳門金管局不時訂立的規定。有關授權只會給予符合《保險業條例》及澳門《保險活動管制法例》所載若干規定的保險公司。遵守適用法律、規則及法規可能令本集團的保險業務受限制，並需要本集團動用大量資源及時間以進行有關合規行動。新訂或經修訂的法律、規則及法規可能不時推行，而有關變動可能對本集團在香港及澳門的保險業務造成重大不利影響。

本集團設立及維持準備金以覆蓋已呈報及未呈報索償的估計損失及相關費用。估計的準備金可能受到若干變數的影響，例如賠付處理程序、通脹、遺失賠償及立法及法規的變動。此等變數大多不能直接計量，特別是按預測基準，且屬本集團控制範圍之外。因此，儘管於計算準備金時採用精算分析，惟實際賠償款項可能與估計的準備金有重大差別。倘本集團的準備金不足而須於未來期間增加，對本集團的保險業務會造成不利影響。

KEY RISKS AND UNCERTAINTIES (Continued)

Business Risks (Continued)

Micro Credit Business

Pursuant to the relevant laws and regulations in Mainland China, Minxin Micro Credit is not permitted to grant any loan to non-resident customers in Sanming City. As the business operations of Minxin Micro Credit is restricted to Sanming City, its growth opportunities and operating results will depend on the stability and prosperity of economy of Sanming City. If there is significant deterioration of the economy in Sanming City, it may have adverse effect on the repayment ability of its customers, and indeed, the financial condition and results of operations of Minxin Micro Credit may be adversely affected.

Insurance Business

The insurance industries in Hong Kong and Macau are highly regulated. Companies carrying on insurance business in Hong Kong and Macau must obtain authorisation from HKIA and Autoridade Monetária De Macau (the "AMCM") respectively and are subject to the requirements imposed by HKIA and AMCM from time to time. Authorisation will only be granted to insurers when certain requirements under the Insurance Ordinance and Macau Insurance Companies Ordinance are met. Compliance with applicable laws, rules and regulations may restrict the operations of the Group's insurance business and requires the Group to deploy significant resources and to devote considerable time to such compliance efforts. New or revised laws, rules and regulations may be introduced from time to time and such changes may have an adverse effect on the insurance business of the Group in Hong Kong and Macau.

The Group establishes and maintains reserves to cover estimated losses and associated expenses for reported and unreported claims. Reserves estimated can be affected by various variables, such as changes in claims handling procedures, inflation, missing claims and legislative and regulatory changes. Most of these variables are not directly quantifiable, particularly on a prospective basis, and are outside the Group's control. As a result, actual claims payments may differ significantly from the reserves estimated, despite the use of actuarial analysis in calculating reserves. If the Group's reserves are inadequate and need to be increased in future periods, the results of the Group's insurance business would be adversely affected.

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主要風險及不明朗因素 (續)

業務風險 (續)

汽車貿易

汽車貿易市場具高度競爭性。福建閩信在定價策略及產品組合方面面對強烈的競爭。競爭對手可能具備某些競爭優勢，包括較強的品牌認知度、更廣的產品組合及全面的售後服務，以及更廣闊的地區覆蓋。福建閩信如無法保持競爭力將對汽車貿易業務的經營業績造成重大影響。

物業投資

月租金及出租率將視乎多種因素而定，包括但不限於寫字樓的現有供求狀況、中國內地經濟狀況以及物業質素。本集團無法保證能夠按現行市場月租金在短期內覓得新租戶或促成新租約或續訂現有租約。

本集團須於各呈報期末重估投資物業，並於綜合損益表內確認公平值變動。本集團無法保證市況變動將繼續產生相若或相同水平的重估收益或虧損，或本集團的投資物業公平值將不會進一步下降。

華能A股

華能於上海證券交易所上市，華能A股被分類為本集團長期持有的可供出售金融資產。華能A股的股息收入受各種因素影響，且非本集團所能控制，包括但不限於華能的經營業績、流動資金狀況及股息政策。

KEY RISKS AND UNCERTAINTIES (Continued)

Business Risks (Continued)

Trading in Motor Vehicles

The trading in motor vehicles market is highly competitive. Fujian Minxin faces intense competition in terms of pricing strategy and product mix offered. The competitors may have certain competitive advantages including stronger brand recognition, broader product portfolio and comprehensive after-sales service and wider geographical coverage. The failure to remain competitive by Fujian Minxin will have a material effect on the results of operations of the trading in motor vehicles business.

Property Investment

The monthly rental and the occupancy rate will depend on various factors, including but not limited to prevailing supply and demand conditions of office building, economic conditions of Mainland China as well as the quality of the properties. There is no assurance that the Group is able to look for new tenants within a short period of time or procure new leases or renew existing leases at the prevailing market monthly rental.

The Group is required to revalue its investment properties at the end of each reporting period and the change in fair value is recognised in the consolidated income statement. There is no assurance that changes in market conditions will continue to generate gains or losses on revaluation at similar level or at same level, or there will be no further decline in the fair value of the Group's investment properties.

Huaneng A-Shares

Huaneng is listed on the Shanghai Stock Exchange and Huaneng A-Shares is classified as a long-term available-for-sale financial asset of the Group. The dividend income from Huaneng A-Shares is affected by various factors which are beyond the Group's control, including but not limited to the results of operations, liquidity position and dividend policy of Huaneng.

主要風險及不明朗因素 (續)

業務風險 (續)

華能A股 (續)

本集團須於各呈報期末以公平值計量華能A股，公平值變動於其他全面收益內確認，並在股東權益的投資重估儲備金內分開累計。華能A股的公平值根據華能的A股收市競買價計量。華能的A股收市競買價可能反覆波動，並受各種因素影響，且非本集團所能控制，包括但不限於華能的經營業績、股票市場的投資者情緒或信心，以及中國內地的經濟狀況。

未來展望

受惠於環球經濟環境轉好，中國內地於2017年的經濟增長較預期為佳。展望明年，中央政府已將2018年的經濟增長目標定為約6.5%，預示在「新常態」發展時期對經濟呈現更溫和增長的容忍度。

本集團將繼續專注改善資產質量，同時重新確立現有業務的策略重點及鞏固現有業務的日常營運水平。本集團將持續努力發展具盈利能力並達到合理收益率的貿易業務。本集團相信，憑藉在中國內地、香港和澳門設立的完善網絡，廈銀將繼續加強服務範圍及銷售能力，並為股東貢獻合理的回報。

作為以投資為基礎且財務狀況良好的公司，本集團將根據中央政府的經濟政策制定我們的業務發展舉措。本集團將繼續採取積極主動的舉措，在“一帶一路”倡議下抓住具盈利能力的新商機和市場發展，為股東帶來穩定和長期的價值。

KEY RISKS AND UNCERTAINTIES (Continued)

Business Risks (Continued)

Huaneng A-Shares (Continued)

The Group is required to measure Huaneng A-Shares at its fair value at the end of each reporting period and the change in fair value is recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve. The fair value of Huaneng A-Shares is measured with reference to the closing bid price per A-Share of Huaneng. The closing bid price of A-Share of Huaneng may be volatile and is affected by various factors which are beyond the Group's control, including but not limited to the results of operations of Huaneng, investor sentiment or confidence in the stock market and changes in economic conditions of Mainland China.

PROSPECTS

Mainland China achieved a better-than-expected economic growth in 2017 backed by the positive shift in global economic conditions. Looking at the year ahead, the Central Government has set an economic growth target of about 6.5% for 2018, indicating tolerance for a more moderate rate of expansion in the “new normal” era of development.

The Group will continue to focus on asset quality enhancement as well as the re-establishment of strategic priorities and the consolidation of operations of existing business. The Group will make ongoing efforts to develop profitable trading business with reasonable yields. The Group believes that XIB will continue to strengthen its service scope and distribution capabilities backed by the well-established branch network in Mainland China, Hong Kong and Macau and contribute reasonable returns for shareholders.

As an investment-based company with sound financial position, the Group will align our business initiatives with the economic policies set by the Central Government. The Group will continue to take a proactive approach to grasp new business opportunities and market development under “One Belt, One Road” initiative in a profitable manner in order to deliver stable and long-term value for shareholders.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

彭錦光先生，55歲，於2016年4月25日獲委任為本公司之執行董事、董事會主席、常務董事委員會及提名委員會主席，以及本公司之授權代表。彭先生具大學學歷，經濟學學士，以及中國大陸高級會計師和高級講師職稱。彭先生長期從事企業管理工作，有豐富的企業管理、財務管理及資本運作經驗。彭先生曾擔任為本公司控股股東福建省投資開發集團有限責任公司之總經理、黨委副書記及副董事長，廈門國際銀行股份有限公司之董事，廈門航空有限公司之董事及興業銀行股份有限公司（證券代碼：601166）之監事。彭先生曾擔任福建寧德財經學校教研室主任及教務科科長，福建投資開發總公司會計核算中心主任、副總會計師、總經理助理及總會計師，中海福建天然氣有限公司財務總監以及福建省投資開發集團有限責任公司之副總經理及總會計師。彭先生曾於2012年6月18日至2014年8月26日擔任本公司之執行董事及副主席。

EXECUTIVE DIRECTORS

Mr Peng Jin Guang, aged 55, has been appointed as an Executive Director, the Chairman of the Board, the Chairman of the Executive Committee and the Nomination Committee and an authorised representative of the Company with effect from 25 April 2016. Mr Peng is a university graduate and holds a Bachelor's Degree in Economics. He is a Senior Accountant and Senior Lecturer in Mainland China. He has spent a substantial period of time in corporate management and has extensive experience in corporate, financial and capital management. He was the General Manager, the Deputy Secretary of the Party Committee and the Vice Chairman of Fujian Investment & Development Group Co., Ltd., a controlling shareholder of the Company, the Director of Xiamen International Bank Co., Ltd., the Director of Xiamen Airlines and the Supervisor of Industrial Bank Co., Ltd. (Stock code: 601166). He has previously assumed the positions of the Director of the Teaching and Research Section and the Chief of the Academic Affairs Office of Fujian Ningde Finance and Economics School, Director of Accounting Center, Deputy Chief Accountant, Assistant General Manager and Chief Accountant of Fujian Investment and Development Corporation, the Financial Controller of CNOOC Fujian Natural Gas Co., Ltd., and the Deputy General Manager and the Chief Accountant of Fujian Investment & Development Group Co., Ltd.*. Mr Peng has also assumed the positions of an Executive Director and the Vice Chairman of the Company for the period from 18 June 2012 to 26 August 2014.

董事及高級管理人員個人簡歷 BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事 (續)

王非先生，51歲，自2014年8月起獲委任為本公司的執行董事、副董事長及常務董事委員會成員。王先生持有工商管理碩士及經濟學博士學位，具中國大陸高級經濟師職稱。王先生在企業發展及管理、金融投資管理及管理創投公司等方面具有豐富經驗。他曾擔任海峽金橋財產保險股份有限公司之董事長、福建投資企業公司投資管理部副總經理、福建國際信託投資公司發展研究部副總經理、福建投資企業集團公司發展部總經理及金融投資管理部總經理、福建省投資開發集團有限責任公司總經理助理、廈門金龍汽車集團股份有限公司（證券代碼：600686）之董事以及多間創投公司之董事長。王先生現時為福建省投資開發集團有限責任公司之副總經理及貴信有限公司之董事兼董事長，該兩間公司均為本公司之主要股東。王先生現時為興業證券股份有限公司（證券代碼：601377）之董事，一間上海證券交易所上市公司。王先生亦為廈門國際銀行股份有限公司之董事、海峽滙富產業投資基金管理有限責任公司之董事及副董事長、福建省創新創業投資管理有限責任公司之董事長、永誠財產保險股份有限公司之董事及福建省產業股權投資基金有限公司之董事長。

EXECUTIVE DIRECTORS (Continued)

Mr WANG Fei, aged 51, has been appointed as an Executive Director, the Vice Chairman and a member of the Executive Committee of the Company since August 2014. Mr Wang holds a Master's Degree in Business Administration and a Doctorate Degree in Economics. He is a Senior Economist in Mainland China. Mr Wang has extensive experience in corporate development and management, financial investment management as well as venture capital management. He has previously assumed the positions of the Chairman of Haixia Goldenbridge Insurance Co., Ltd.*, the Deputy General Manager of Investment Management Department of Fujian Investment and Enterprise Corporation, the Deputy General Manager of Development and Research Department of Fujian International Trust and Investment Corporation, the General Manager of Development Department, the General Manager of Financial Investment Management Department of Fujian Investment & Enterprise Holdings Corporation, the Assistant to General Manager of Fujian Investment & Development Group Co., Ltd., a Director of Xiamen King Long Motor Group Co., Ltd. (Stock code: 600686) and the Chairman of various venture capital companies. Mr Wang is currently the Deputy General Manager of Fujian Investment & Development Group Co., Ltd. and the Director and the Chairman of Vigour Fine Company Limited, both of which are substantial shareholders of the Company. Mr Wang is currently a Director of Industrial Securities Co., Ltd. (Stock code: 601377), a company listed on the Shanghai Stock Exchange. Mr Wang is also a Director of Xiamen International Bank Co., Ltd., a Director and the Vice Chairman of Haixia Capital Management Co., Ltd.*, the Chairman of Fujian Innovation Venture Investment Management Co., Ltd., the Director of Alltrust Property Insurance Company Ltd. and the Chairman of Fujian Property Investment Fund Company Ltd.*.

* The English transliteration of the Chinese name in this Annual Report, where indicated, is included for the information purpose only, and should not be regarded as the official English name of such Chinese name.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事 (續)

劉承先生，57歲，自2013年6月起獲委任為本公司的非執行董事，並於2014年8月26日起獲委任為本公司常務副總經理，和改任為本公司執行董事，其後自2014年9月27日起獲委任為本公司總經理、常務董事委員會及薪酬委員會成員。劉先生具有中國大陸高級經濟師職稱，在投資管理、企業管理以及物流的投資經營管理等方面具有豐富經驗。劉先生曾擔任福建中閩國貿發展公司總經理助理和副總經理、福州智和經貿有限公司總經理、福建中閩天然氣汽車加氣站項目籌建辦主任、城市燃氣籌備組組長、福建中閩海油燃氣有限責任公司總經理，以及福建省投資開發集團有限責任公司燃氣投資經營管理部總經理及能源投資經營管理部總經理。劉先生現時為閩信保險有限公司及福建閩信投資有限公司之董事長，以及本公司若干附屬公司之董事。他亦為貴信有限公司及Samba Limited之董事，該兩家公司均為本公司之主要股東。

EXECUTIVE DIRECTORS (Continued)

Mr LIU Cheng, aged 57, has been appointed as a Non-executive Director of the Company since June 2013 and has been re-designated as an Executive Director of the Company following his appointment as the Executive Deputy General Manager of the Company on 26 August 2014. He has been appointed as the General Manager, a member of the Executive Committee and the Remuneration Committee of the Company on 27 September 2014. Mr Liu is a Senior Economist in Mainland China. He has extensive experience in investment management, corporate management and logistics management. Mr Liu has previously assumed the positions of an Assistant to General Manager and the Deputy General Manager of Fujian Zhong Min International Trade Development Company, the General Manager of Fujian Zhi He Trading Co., Ltd., the Director of the preparatory group for Fujian Zhong Min Natural Gas Vehicle Filling Station, Leader of the preparatory group for the urban natural gas project, General Manager of CNOOC Fujian Gas Co., Ltd., the General Manager of the Gas Investment and Management Division and the General Manager of the Energy Investment and Management Division of Fujian Investment & Development Group Co., Ltd.. Mr Liu is currently the Chairman of Min Xin Insurance Company Limited and Fujian Minxin Investments Co., Ltd., and directors of certain subsidiaries of the Company. He is also a Director of Vigour Fine Company Limited and Samba Limited, both of which are substantial shareholders of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

非執行董事

劉倫先生，45歲，於2015年12月18日獲委任為本公司的非執行董事。劉先生於特華博士後科研工作站完成應用經濟學科的博士後研究工作，持有特華博士後科研工作站的博士後證書。劉先生亦持有中國農業大學農業經濟管理學科管理學博士、新疆農業大學農業經濟及管理學科管理學碩士，以及石河子大學貿易經濟學科經濟學學士。劉先生具中國大陸金融學副研究員職稱。劉先生現時為本公司主要股東福建省投資開發集團有限責任公司金融資本部副總經理。彼曾擔任中國工商銀行新疆分行項目信貸部信貸經理、北京農村商業銀行總行三農授信風險管理部高級經理、銀通投資諮詢公司研究信息部之高級研究員、雲南昆明市晉寧縣政府副縣長及煙台銀行戰略發展部總經理。

韓孝捷先生，43歲，於2016年3月30日獲委任為本公司的非執行董事。韓先生現時是冠城大通股份有限公司（「冠城大通」，證券代碼：600067）之董事總經理，該公司於上海證券交易所上市。韓先生於2004年12月加入冠城大通擔任董事副總經理，並於2006年4月獲委任為冠城大通之董事總經理。韓先生現時為福建省青年商會副會長、福建省房地產協會開發委員會副會長及福州市政治協商委員會常委。

NON-EXECUTIVE DIRECTORS

Mr LIU Lun, aged 45, has been appointed as a Non-executive Director of the Company with effect from 18 December 2015. Mr Liu has completed a Postdoctoral research study in applied economics at Tehua Postdoctoral Programme and holds a Certificate of Postdoctoral of Tehua Postdoctoral Programme. Mr Liu also holds a Doctorate Degree in Management of Agricultural Economics from China Agricultural University, a Master's Degree in Management of Agricultural Economics from Xinjiang Agricultural University and a Bachelor's Degree in Economics from Shihezi University. Mr Liu is an Associate Researcher in Finance in Mainland China. Mr Liu is currently the Deputy General Manager of the Ministry of Finance Capital of Fujian Investment & Development Group Co., Ltd., a substantial shareholder of the Company. He has previously assumed the positions of Credit Manager of Credit Department (Project) of Industrial and Commercial Bank of China, Xinjiang Branch, the Senior Manager of Agro-Credit Risk Management Department of Head Office of Beijing Rural Commercial Bank, the Senior Researcher of Information Research Department of Yin Tong Investment Consultant Company, the Deputy County Mayor of the Government of Jinning Xian, Kunming City, Yunnan and the General Manager of Strategic Development Department of Yantai Bank.

Mr HON Hau Chit, aged 43, has been appointed as a Non-executive Director of the Company with effect from 30 March 2016. Mr Hon is currently the Managing Director of Citychamp Dartong Company Limited ("Citychamp Dartong", Stock code: 600067), a company listed in the Shanghai Stock Exchange. Mr Hon joined Citychamp Dartong in December 2004 as Deputy Managing Director and then appointed as the Managing Director since April 2006. Mr Hon is currently the Vice Chairman of Fujian Youth Chamber of Commerce, the Vice Chairman of Development Committee of Fujian Real Estate Association and a member of Standing Committee of Fuzhou Municipal Committee of Chinese People's Political Consultative Conference.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

獨立非執行董事

葉啟明先生，66歲，自1998年7月起獲委任為本公司之獨立非執行董事，並為本公司薪酬委員會主席，以及審核委員會和提名委員會成員。葉先生現時為廈門國際銀行股份有限公司的監事會主席及澳門國際銀行的董事會高級顧問，並為香港銀行學會以及香港董事學會的資深會員，於銀行界及財經界具逾40年豐富經驗。他亦為澳門中華總商會會董。葉先生持有香港浸會大學公司管治與董事學理學碩士學位。

史習陶先生，77歲，自1999年5月起獲委任為本公司之獨立非執行董事。史先生自2017年4月1日起辭任本公司審核委員會主席，但繼續擔任審核委員會成員。史先生亦為本公司薪酬委員會和提名委員會成員。史先生為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員，曾為一間國際會計師行合夥人，執業逾20年。史先生現時為香港多間上市公司之獨立非執行董事，包括香港中旅國際投資有限公司（股份代號：308）、大新銀行集團有限公司（股份代號：2356）、大新金融集團有限公司（股份代號：440）、合興集團控股有限公司（股份代號：47）、Nanyang Holdings Limited（股份代號：212）及新華滙富金融控股有限公司（股份代號：188）。

蘇合成先生，70歲，自2004年9月起獲委任為本公司之獨立非執行董事，亦是本公司審核委員會、薪酬委員會及提名委員會之成員。蘇先生為香港執業律師，蘇合成律師行之高級合夥人。蘇先生持有倫敦大學法學士，香港城市大學及中國人民大學法學碩士，北京大學法學博士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr IP Kai Ming, aged 66, has been appointed as an Independent Non-executive Director of the Company since July 1998. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr Ip is currently the Chairman of the Supervisory Board of Xiamen International Bank Co., Ltd. and the Senior Advisor to the Board of Directors of Luso International Banking Limited. He is a fellow member of both the Hong Kong Institute of Bankers and the Hong Kong Institute of Directors, and has over 40 years' extensive experience in banking and finance. He is also a Director of the Macao Chamber of Commerce. Mr Ip has a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University.

Mr SZE Robert Tsai To, aged 77, has been appointed as an Independent Non-executive Director of the Company since May 1999. Mr Sze resigned as the Chairman of the Audit Committee with effect from 1 April 2017 and continue to serve as a member of the Audit Committee. Mr Sze is also a member of the Remuneration Committee and the Nomination Committee of the Company. Mr Sze is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and was a partner of an international firm of accountants with which he practised for over 20 years. Mr Sze is currently an Independent Non-executive Director of a number of Hong Kong listed companies including China Travel International Investment Hong Kong Limited (Stock Code: 308), Dah Sing Banking Group Limited (Stock Code: 2356), Dah Sing Financial Holdings Limited (Stock Code: 440), Hop Hing Group Holdings Limited (Stock Code: 47), Nanyang Holdings Limited (Stock Code: 212) and Sunwah Kingsway Capital Holdings Limited (Stock Code: 188).

Mr SO Hop Shing, aged 70, has been appointed as an Independent Non-executive Director of the Company since September 2004. He is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr So is a practicing solicitor and senior partner of Tang and So, Solicitors and Notaries. Mr So is the holder of Bachelor of Laws Degree from the University of London, Master of Laws Degree from the City University of Hong Kong and The People's University of China, and Doctor of Laws Degree from Peking University.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

獨立非執行董事（續）

張文海先生，47歲，自2017年4月起獲委任為本公司之獨立非執行董事，並為本公司審核委員會主席。張先生現時為五洲國際控股有限公司（股份代號：1369）之公司秘書，一間於香港聯交所主板上市的公司。2011年至2012年及2009年至2012年，張先生分別擔任綠地香港控股有限公司（原名盛高置地（控股）有限公司）（股份代號：337）之執行董事及首席財務官。2007年至2008年，張先生擔任玖龍紙業（控股）有限公司（股份代號：2689）之集團財務總監。2000年至2003年，張先生擔任天津發展控股有限公司（股份代號：882）之集團財務總監及公司秘書，該等公司均於香港聯交所主版上市。

張先生於1993年畢業於香港理工大學，持有會計學（榮譽）文學士，並於2003年取得香港中文大學工商管理碩士學位。張先生亦為特許公認會計師公會資深會員及香港會計師公會會員。彼在專業會計、業務諮詢及企業管理方面擁有超過20年經驗。

高級管理人員

張帆先生，於2013年8月加入本公司出任副總經理之職。張先生畢業於廈門大學國際金融專業，持有經濟學學士學位，具有中國大陸經濟師職稱，張先生在財務管理和投資管理具有逾23年豐富經驗，他現時為閩信保險有限公司及福建閩信投資有限公司之董事，閩港控股有限公司（股份代號：181）之非執行董事，並為三明市三元區閩信小額貸款有限公司之董事長，以及本公司主要股東 Samba Limited 之董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr CHEUNG Man Hoi, aged 47, has been appointed as an Independent Non-executive Director of the Company since April 2017. Mr. Cheung is the Chairman of Audit Committee of the Company. Mr Cheung is currently the Company Secretary of Wuzhou International Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1369). Mr. Cheung was the Executive Director and Chief Financial Officer of Greenland Hong Kong Holdings Limited (formerly known as SPG Land (Holdings) Limited) (Stock Code:337) from 2011 to 2012 and from 2009 to 2012 respectively, the Group Financial Controller of Nine Dragons Paper (Holdings) Limited (Stock Code: 2689) from 2007 to 2008 and the Group Financial Controller and Company Secretary of Tianjin Port Development Holdings Limited (Stock Code: 882) from 2000 to 2003, all of which are listed on the Main Board of the Hong Kong Stock Exchange.

Mr Cheung graduated from Hong Kong Polytechnic University with a Bachelor of Arts (Hons) in Accountancy in 1993 and the Chinese University of Hong Kong with a MBA degree in 2003. Mr Cheung is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has accumulated over 20 years of experience in professional accounting, business consulting and corporate management.

SENIOR MANAGEMENT

Mr ZHANG Fan, joined the Company as Deputy General Manager in August 2013. He graduated from the Xiamen University in International Finance, holds a Bachelor of Economics Degree. He is an Economist in Mainland China and has over 23 years' extensive experience in financial management and investment management. He is currently a Director of Min Xin Insurance Company Limited and Fujian Minxin Investments Co., Ltd., a Non-executive Director of Fujian Holdings Limited (Stock Code: 181) and the Chairman of Sanming Sanyuan District Minxin Micro Credit Company Limited. He is also a Director of Samba Limited, a substantial shareholder of the Company.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

高級管理人員 (續)

陳廣宇先生，為本公司副總經理兼財務總監。陳先生於2000年4月加入本公司，並分別於2004年7月出任副財務總監、2008年1月出任財務總監及2014年3月出任副總經理。陳先生持有商業學(會計)學士學位，並為會計師和特許公認會計師公會資深會員，以及澳大利亞和新西蘭保險與金融學會 (ANZIIF) 資深準會員。他亦為香港董事學會會員及風險管理協會技術專家。於加入本公司前，陳先生曾於數家香港上市公司任職。他現時為本公司薪酬委員會成員、本公司福州代表處之首席代表，以及本公司全資附屬公司閩信保險有限公司、福建閩信投資有限公司和三明市三元區閩信小額貸款有限公司之董事。

吳徐斌先生，於2017年6月加入本公司出任副總經理之職。他持有牛津大學工程、經濟與管理碩士學位，並持有經美國專案管理學會認證之項目管理師之證照及經中國海洋石油集團有限公司認證之高級項目經理資格。吳先生在項目管理方面具有豐富經驗。他現時為閩信保險有限公司之代理行政總監，該公司為本公司全資附屬公司。

翁衛建女士，於2018年1月加入本公司出任總稽核之職。她畢業於閩江大學財務專科及華東政法大學法學本科，並持有中國大陸高級會計師職稱。翁女士在風險管控、會計核算、資產管理和金融管理等方面逾25年豐富經驗。她現時為閩信保險有限公司、福建閩信投資有限公司及三明市三元區閩信小額貸款有限公司之監事，該等公司均為本公司全資附屬公司。

SENIOR MANAGEMENT (Continued)

Mr CHAN Kwong Yu, is the Deputy General Manager and Financial Controller of the Company. Mr Chan joined the Company in April 2000 and was appointed as Deputy Financial Controller in July 2004, Financial Controller in January 2008 and Deputy General Manager in March 2014 respectively. He holds a Bachelor of Commerce Degree in Accounting, and is a Certified Public Accountant, a Fellow of the Association of Chartered Certified Accountants and Senior Associate of Australian and New Zealand Institute of Insurance and Finance (ANZIIF). He is also a member of The Hong Kong Institute of Directors and Technical Specialist of the Institute of Risk Management. Before joining the Company, Mr Chan has worked for various listed companies in Hong Kong. He is currently a member of the Remuneration Committee of the Company and the Chief Representative of the Fuzhou Representative Office of the Company and the Director of Min Xin Insurance Company Limited, Fujian Minxin Investments Co., Ltd. and Sanming Sanyuan District Minxin Micro Credit Company Limited, wholly-owned subsidiaries of the Company.

Mr WU Xubin, joined the Company as Deputy General Manager in June 2017. He holds a Master Degree in Engineering, Economics and Management from University of Oxford and he is certified as Project Management Professional by Project Management Institute (USA) and Construction Project Manager (Senior) by China National Offshore Oil Corporation. Mr Wu has extensive experiences in project management. He is currently the Acting Chief Executive of Min Xin Insurance Company Limited, which is a wholly-owned subsidiary of the Company.

Ms WENG Wei Jian, joined the Company as Group Chief Auditor in January 2018. She graduated in the major of finance and accounting from Minjiang University and in the major of law from East China University of Political Science and Law. She is a Senior Accountant in Mainland China. Ms. Weng has over 25 years' extensive experience in risk management and control, accounting, assets management and financial management. She is currently the Supervisor of Min Xin Insurance Company Limited, Fujian Minxin Investments Co., Ltd. and Sanming Sanyuan District Minxin Micro Credit Company Limited, all of which are wholly-owned subsidiaries of the Company.

企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治常規

本公司董事會（「董事會」）致力達致高水平之企業管治以實現本公司業務目標及持續性發展。本公司已採用載於香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四之企業管治守則（「企管守則」）所載的原則及守則條文。

董事認為，除下文所披露者外，本公司於2017年12月31日止年度內已遵守企管守則：

企管守則第A.4.1條規定，非執行董事的委任應有指定任期，並須接受重新選舉。本公司的非執行董事並沒有指定的任期，但他們須按本公司組織章程細則的規定在股東週年大會上輪值退任及膺選連任。

董事會

董事會的組成及職能

本公司董事會現時由合共九位董事組成，包括三位執行董事、兩位非執行董事以及四位獨立非執行董事。

以下為本公司董事會於2017年12月31日的成員名單：

執行董事 Executive Directors

彭錦光 (主席)
PENG Jin Guang (Chairman)

王非 (副主席)
WANG Fei (Vice Chairman)

劉承 (總經理)
LIU Cheng (General Manager)

非執行董事 Non-executive Directors

劉倫
LIU Lun

韓孝捷
HON Hau Chit

獨立非執行董事 Independent Non-executive Directors

葉啟明
IP Kai Ming

史習陶
SZE Robert Tsai To

蘇合成
SO Hop Shing

張文海
(於2017年4月1日委任)
CHEUNG Man Hoi
(appointed on 1 April 2017)

CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the “Board”) of the Company is committed to achieving a high standard of corporate governance for achieving business objectives and sustainable development of the Company. The Company has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In the opinion of the Directors, the Company has complied with the CG Code throughout the year ended 31 December 2017 save as disclosed below:

CG Code A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. The Non-executive Directors of the Company are not appointed for a specific term, but they are subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

BOARD OF DIRECTORS

Board Composition and Functions

The Board of the Company currently comprises a total of nine members, with three Executive Directors, two Non-executive Directors and four Independent Non-executive Directors.

As at 31 December 2017, the composition of the Board of the Company was as follow:

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

董事會的組成及職能 (續)

自2017年1月1日開始，董事會若干變動載列如下：

張文海先生獲委任為獨立非執行董事，自2017年4月1日起生效。

目前董事會的成員組合已代表了一個在技能、經驗及資歷上保持均衡的董事會。執行董事及非執行董事在金融投資及管理、企業發展及管理方面具備豐富經驗，而四位獨立非執行董事具備適當之學術及專業資歷，以及在銀行、會計及法律方面經驗豐富，此等豐富經驗為本公司帶來廣泛的商務機會，為本公司的未來長遠發展作出貢獻。

董事會已制定了一項實現董事會多元化的政策（「董事會多元化政策」），以加強董事會的有效性及企業管治。本公司從多方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。目前董事會由符合本公司業務要求的多元化董事會成員所組成。

BOARD OF DIRECTORS (Continued)

Board Composition and Functions (Continued)

Since 1 January 2017, there has been a change in the Board as set out below:

Mr CHEUNG Man Hoi was appointed as an Independent Non-executive Director with effect from 1 April 2017.

The composition of the current Board members represents a balanced mixture of skills, experiences and qualifications. The Executive Directors and Non-executive Directors have extensive experiences in financial investment and management, corporate development and management whilst the four Independent Non-executive Directors possess appropriate academic and professional qualifications and have experiences in banking, accounting and legal which would contribute to the long term development of the Company by bringing in a wide range of business, banking, accounting, financial and legal experiences to the Board.

The Board has established a policy of diversity on the Board (the "Board Diversity Policy") aims at enhancing the Board effectiveness and corporate governance. Board diversity has been considered from a number of aspects, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The current Board consists of a diverse mixture of Board members appropriate to the requirement of the business of the Company.

董事會 (續)

董事會的組成及職能 (續)

最新的董事會成員名單包括各董事擔任的角色和職能，以及彼等是否獨立非執行董事已登載於本公司及聯交所網站內。各位董事之最新簡歷載列於本年報之「董事及高級管理人員個人簡歷」一節內。

董事會負責制定本集團的整體目標及策略，並持續監管及評估本集團的營運及財務表現。董事會亦負責決定年度預算及業務計劃、重大交易、新董事的委任、重新委任或董事的調任，以及股息分派及會計政策等事宜。董事會已將推行業務策略及管理本集團日常業務運作之權力及職責轉授予總經理及常務董事委員會督導下之高級管理層執行。

非執行董事（包括獨立非執行董事）透過提供獨立、富建設性及有根據的意見對本公司制定策略及政策作出正面及富建設性的貢獻。他們透過定期出席董事會及其出任的董事委員會積極參與會務，以其技能、專業知識及經驗對董事會及董事委員會作出貢獻。

全體董事均須向本公司披露於其他公眾公司或組織擔任的職位，以及其他重大委任及專業資格。

BOARD OF DIRECTORS (Continued)

Board Composition and Functions (Continued)

The Company has maintained an updated list of Directors and their roles and functions and whether they are Independent Non-executive Directors on the websites of the Company and the Stock Exchange. The updated biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" in this Annual Report.

The Board is responsible for determining the Group's overall objectives and strategies, on-going monitoring and evaluating its operating and financial performance. It also decides on matters such as annual budgets and business plans, major transactions, appointment of new Directors, re-appointment or re-designation of Directors, and dividend distribution and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to senior management under the supervision of the General Manager and the Executive Committee of the Board.

Non-executive Directors (including the Independent Non-executive Directors) have made positive and constructive contributions to the development of the Company's strategies and policies through independent, constructive and informed advices. They gave the Board and the Board Committees on which they served the benefit of their skills, expertise and experiences through regular attendance and active participation.

All Directors are required to disclose to the Company their offices held in other public companies or organizations and other major appointments and professional qualifications.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

董事會的組成及職能 (續)

為了促使全體董事能盡量出席會議，定期董事會會議的日期一般會預先計劃。每位董事均獲邀提出任何擬在會議中討論和動議的事項。全套董事會的會議文件或董事委員會的會議文件將至少在董事會會議或董事委員會會議的預訂開會日期前3天發送給所有董事或董事委員會成員。管理層亦會向董事會及董事委員會提供充足的資料及解釋，以使各董事能夠在董事會及董事委員會審批議案前，在財務和其他信息方面作出有根據的評估。會議紀錄的初稿和最終稿會分別發送給全體董事及董事委員會成員征求意见和紀錄。

全體董事均可及時查閱本公司的業務文件和資料。此外，管理層向全體董事會成員提供對本公司的業務表現、狀況及前景作出平衡及可理解的評估並有充分細節的月度更新報告，以供董事會及每名董事履行其上市規則的職責。董事會及個別董事亦可以獨立及自行接觸本公司的高級管理人員。

董事如需要可尋求獨立專業意見，費用由本公司支付。本公司亦已為董事及行政人員安排適當之董事及行政人員責任保險，以保障董事及行政人員因企業行為而引起之法律責任。

BOARD OF DIRECTORS (Continued)

Board Composition and Functions (Continued)

Board meetings are normally scheduled in advance to facilitate fullest possible attendance. Each Director is invited to present any businesses that he wishes to discuss or propose at such meetings. Full Board papers or Board Committee papers will be sent to all Directors or Board Committee members at least three days before the intended date of the Board meeting or Board Committee meeting. Management also supplies the Board and the Board Committees with sufficient information and explanations so as to enable them to make an informed assessment of financial and other information put before the Board and the Board Committees for review and approval. Draft and final versions of minutes are circulated to all the Directors and Board Committee members for their comments and records respectively.

All Directors can access to appropriate business documents and information about the Company on a timely basis. Furthermore, management provides all Board members with monthly updates which give a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under the Listing Rules. The Board and each Director has separate and independent access to senior management of the Company.

Directors may choose to seek independent professional advice at the Company's expense, if necessary. The Company has arranged appropriate insurance covering on directors' and officers' liabilities in respect of legal actions against them arising from corporate activities.

董事會 (續)

BOARD OF DIRECTORS (Continued)

董事會的組成及職能 (續)

Board Composition and Functions (Continued)

於 2017 年，本公司共舉行了九次董事會會議及兩次股東大會。各位董事之個別出席紀錄載列如下：

In 2017, nine Board meetings and two general meetings were held. The individual attendance of each Director is set out below:

		會議次數 出席／舉行 Number of Meeting attended/held	
		董事會 Board Meeting	股東大會 General Meeting
執行董事			
Executive Directors			
彭錦光先生 (主席及 提名委員會主席)	Mr PENG Jin Guang (Chairman and Chairman of the Nomination Committee)	7/9	1/2
王非先生 (副主席)	Mr WANG Fei (Vice Chairman)	8/9	1/2
劉承先生 (總經理)	Mr LIU Cheng (General Manager)	9/9	2/2
非執行董事			
Non-executive Directors			
劉倫先生	Mr LIU Lun	8/9	2/2
韓孝捷先生	Mr HON Hau Chit	3/9	0/2
獨立非執行董事			
Independent Non-executive Directors			
史習陶先生 (審核委員會主席， 於 2017 年 4 月 1 日辭任)	Mr SZE Robert Tsai To (Chairman of the Audit Committee, resigned on 1 April 2017)	8/9	2/2
葉啟明先生 (薪酬委員會主席)	Mr IP Kai Ming (Chairman of the Remuneration Committee)	7/9	2/2
蘇合成先生	Mr SO Hop Shing	7/9	2/2
張文海先生 (董事，於 2017 年 4 月 1 日委任)	Mr CHEUNG Man Hoi (Director, appointed on 1 April 2017)	3/4	2/2
(審核委員會主席， 於 2017 年 4 月 1 日委任)	(Chairman of the Audit Committee, appointed on 1 April 2017)		

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

企業管治職能

董事會負責制訂本公司企業管治政策。於年內，董事會制定及檢討本公司的企業管治政策及實務，並提出建議如下：

- 制訂及檢討本公司的企業管治政策及常規；
- 檢討和監察董事和高級管理人員的培訓及持續專業發展；
- 檢討和監察本公司法律和監管要求的合規政策及常規；
- 制定、檢討及監察董事及僱員的行為守則及合規指引（如有）；及
- 檢討本公司的企業管治報告對企業管治守則及披露要求的合規情況。

主席及行政總裁

本公司董事會主席（「主席」）及現任總經理（以行政總裁之身分行事）之職務由不同人士擔任，以使董事會運作及本集團日常業務管理的職責得以有效區分。

主席其中一項主要職能為領導董事會，確保董事會以符合本集團最佳利益的方式行事。主席確保董事會有效運作及履行應有職責，並就每項重要及適當事務進行及時討論。主席已將擬定每次董事會會議議程之職責轉授總經理。

BOARD OF DIRECTORS (Continued)

Corporate Governance Functions

The Board is responsible for determining the corporate governance policies of the Company. During the year, the Board developed and reviewed the Company's policies and practices on corporate governance and made recommendations as below:

- To develop and review the Company's policies and practices on corporate governance;
- To review and monitor the training and continuous professional development of directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the directors and employees; and
- To review the Company's compliance with the code of corporate governance and disclosure requirements in the Corporate Governance Report.

Chairman and Chief Executive

The positions of the Chairman of the Board (the "Chairman") and the existing General Manager (acting in the capacity of Chief Executive) of the Company are held by separate individuals with a view to maintain an effective segregation of duties regarding management of the Board and the day-to-day management of the Group's businesses.

One of the important roles of the Chairman is to provide leadership to the Board to ensure that the Board acts in the best interests of the Group. The Chairman ensures that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. The Chairman has delegated the responsibility for drawing up the agenda for each Board meeting to the General Manager.

董事會 (續)

主席及行政總裁 (續)

本公司總經理帶領高級管理人員負責本集團的日常營運管理。總經理連同常務董事委員會及在高級管理人員的協助下負責管理本集團的業務，包括實施董事會採納之策略，並就本集團整體營運向董事會負上全責。

於年內，除定期召開的董事會會議外，主席亦與非執行董事（包括獨立非執行董事）在沒有執行董事出席的情況下舉行會議。

獨立非執行董事之獨立性

每位獨立非執行董事已就其獨立性向本公司提交週年獨立性確認書及已根據上市規則第 3.13 條之指引進行評估。本公司認為所有獨立非執行董事皆符合獨立性指引，並根據該指引條文屬獨立人士。

為進一步加強問責，任何重選獨立非執行董事其任期已超過九年的議案需要以獨立決議案形式由本公司股東審議通過。董事會會評估該等獨立非執行董事的獨立性，然後在通函內說明董事會認為該等獨立非執行董事仍屬獨立人士的原因，並向股東推薦對該等獨立非執行董事的重選投贊成票。

BOARD OF DIRECTORS (Continued)

Chairman and Chief Executive (Continued)

Senior management is responsible for the day-to-day management and operations of the Group under the leadership of the General Manager of the Company. The General Manager, working with the Executive Committee and supported by senior management, is responsible for managing the businesses of the Group, including implementation of strategies adopted by the Board and assuming full accountability to the Board for the operations of the Group.

During the year, apart from regular Board meetings, the Chairman also held meetings with the Non-executive Directors (including Independent Non-executive Directors) without the Executive Directors present.

Independence of Independent Non-executive Directors

Each of the Independent Non-executive Directors has made an annual confirmation of independence to the Company and the independence has been assessed in accordance with the guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all the Independent Non-executive Directors meet the independence guidelines and are independent in accordance with the terms of the guidelines.

To further enhance accountability, any re-election of an Independent Non-executive Director who has served the Board for more than nine years will be subject to a separate resolution to be approved by shareholders of the Company (the "Shareholders"). The Board will assess the independence of the Independent Non-executive Directors and state in the circular the reasons why the Board considers the Independent Non-executive Directors are still independent and the recommendation to the Shareholders to vote in favor of the re-election of such Independent Non-executive Directors.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

委任、重選和罷免

根據本公司組織章程細則，三分之一本公司董事需於每屆股東週年大會上輪值退任並接受股東重選。此外，每名董事須至少每三年輪值退任一次。因填補臨時空缺而獲委任的董事須於本公司下屆股東大會接受股東重選。而作為董事會新增成員而獲委任的董事須於下屆股東週年大會上接受股東重選。

有關2018年股東週年大會上輪值告退的董事資料，將刊載於通函連同2018年股東週年大會通告內。

非執行董事的任期

本公司的非執行董事並沒有按企管守則第A.4.1條的規定有指定任期，但他們須按本公司組織章程細則的規定在股東週年大會上輪值退任及膺選連任。

董事的持續專業發展

本公司鼓勵所有董事參與持續專業發展，發展並更新其知識及技能，以確保其對董事會作出有見識及合適的貢獻。於2017年，本公司為董事及高級管理人員安排了一次研討會，主題涵蓋財務和稅務盡職調查。

BOARD OF DIRECTORS (Continued)

Appointment, Re-election and Removal

In accordance with the Articles of Association of the Company, one-third of the Directors are required to retire from office by rotation for re-election by the Shareholders at an annual general meeting. In addition, every Director is subject to retirement by rotation at least once every three years. New appointment to fill a causal vacancy is subject to re-election by the Shareholders at the next general meeting and new appointment as an addition to the Board is subject to re-election by the Shareholders at the next annual general meeting of the Company following his appointment.

Details of retirement by rotation of the Director at the annual general meeting of the Company for the year 2018 (the "2018 AGM") will be stated in the circular and accompanied by the notice of the 2018 AGM.

Term of appointment of Non-executive Directors

The Non-executive Directors of the Company have not been appointed for a specific term as required by CG Code A.4.1 but they are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Articles of Association of the Company.

Directors' Continuous Professional Development

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. In 2017, the Company has arranged one seminar for the Directors and senior management with topics covering the financial and tax due diligence.

董事會 (續)

BOARD OF DIRECTORS (Continued)

董事的持續專業發展 (續)

Directors' Continuous Professional Development (Continued)

於年內，各董事出席研討會的出席紀錄載列如下：

The attendance records of each Director in attending the seminars during the year is set out below:

		出席研討會 Attending seminars	閱讀有關法規的最新規定 Reading regulatory updates
執行董事	Executive Directors		
彭錦光先生 (主席)	Mr PENG Jin Guang (Chairman)	-	✓
王非先生 (副主席)	Mr WANG Fei (Vice Chairman)	✓	✓
劉承先生 (總經理)	Mr LIU Cheng (General Manager)	✓	✓
非執行董事	Non-executive Directors		
劉倫先生	Mr LIU Lun	✓	✓
韓孝捷先生	Mr HON Hau Chit	-	✓
獨立非執行董事	Independent Non-executive Directors		
史習陶先生	Mr SZE Robert Tsai To	✓	✓
葉啟明先生	Mr IP Kai Ming	✓	✓
蘇合成先生	Mr SO Hop Shing	✓	✓
張文海先生 (於2017年4月1日委任)	Mr CHEUNG Man Hoi (appointed on 1 April 2017)	✓	✓

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會權力的轉授

董事會成立了四個委員會，分別是常務董事委員會、審核委員會、薪酬委員會及提名委員會。每個董事委員會有其職權範圍，清晰界定委員會成員的權力和職權以履行其職責。

常務董事委員會

董事會已將推行業務策略及管理本集團日常業務運作之權力及職責轉授常務董事委員會。該委員會現時由董事會三位執行董事組成，即彭錦光先生（主席）、王非先生及劉承先生。

審核委員會

審核委員會由四名獨立非執行董事組成，由張文海先生（於2017年4月1日委任）擔任主席，張文海先生在專業會計、業務諮詢及企業管理方面擁有超過20年經驗。其他成員包括史習陶先生、葉啟明先生和蘇合成先生。

史習陶先生曾任審核委員會主席，直至於2017年4月1日委任張文海先生為獨立非執行董事及審核委員會主席。

審核委員會的職權範圍已登載於本公司網站及聯交所網站內。

DELEGATION BY THE BOARD

The Board has established four Board Committees, namely Executive Committee, Audit Committee, Remuneration Committee and Nomination Committee. Each of the Board Committees has its terms of reference with defined powers and authorities given to the Committee members to discharge their duties.

Executive Committee

The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the Executive Committee which currently consists of three Executive Directors, namely Mr PENG Jin Guang (Chairman), Mr WANG Fei and Mr LIU Cheng.

Audit Committee

The Audit Committee comprises four Independent Non-executive Directors and is chaired by Mr CHEUNG Man Hoi (appointed on 1 April 2017). Mr CHEUNG Man Hoi has accumulated over 20 years of experience in professional accounting, business consulting and corporate management. The other members are Mr SZE Robert Tsai To, Mr IP Kai Ming and Mr SO Hop Shing.

Mr SZE Robert Tsai To was the Chairman of the Audit Committee until 1 April 2017 followed by the appointment of Mr CHEUNG Man Hoi as the Independent Non-executive Director and the Chairman of the Audit Committee.

The Company has maintained the terms of reference of the Audit Committee on its website and the website of the Stock Exchange.

董事會權力的轉授 (續)

審核委員會 (續)

審核委員會負責委任外聘核數師、審閱本集團之財務資料、監察本集團之財務申報、風險管理和內部監控系統，以及審閱本集團中期及全年業績，並向董事會作出批准建議。審核委員會成員定期審閱財務申報，風險管理及內部監控事宜，在履行職責時可不受限制地與本公司之外聘核數師及內部審計師接觸。本公司會向審核委員會提供充足的資源以履行其職責，包括但不限於取得法律或其他獨立專業意見 (如有需要)，費用由本公司支付。

於年內，審核委員會履行了 (其中包括) 以下職責：

- 審閱及與外聘核數師討論截至2016年12月31日止年度的全年業績和截至2017年6月30日止6個月期間的中期業績，並向董事會推薦建議審批；
- 檢討並從管理層獲得關於中期及全年業績的闡釋，當中包括與前會計期間變動的原因、採納新會計政策的影響以及上市規則及相關法規的合規情況；
- 檢討本集團內部審計部門的工作，以及有關內部審計報告提及之調查結果和建議；
- 審閱2017年度的內審工作計劃；
- 就本公司外聘核數師的委任向董事會提供建議；
- 審閱2017年度的審計工作計劃；

DELEGATION BY THE BOARD (Continued)

Audit Committee (Continued)

The Audit Committee is responsible for the appointment of external auditor, reviewing the Group's financial information and providing oversight of the Group's financial reporting, risk management and internal control system. It is also responsible for reviewing the interim and annual results of the Group prior to recommending them to the Board for approval. Members of the Audit Committee meet regularly to review financial reporting, risk management and internal control matters and to perform such duties it has unrestricted access to both the Company's external and internal auditors. Sufficient resources are provided to the Audit Committee to discharge its duties including but not limited to obtaining legal or other independent professional advice (if necessary) at the Company's expense.

During the year, the Audit Committee has performed, inter alia, the following:

- reviewed and discussed with external auditor the annual results for the year ended 31 December 2016 and the interim results for the six months ended 30 June 2017 and recommended to the Board for approval respectively;
- reviewed and obtained explanation from management on the interim and annual results, including causes of changes from the previous accounting period, effects on the application of new accounting policies, and compliance with the Listing Rules and relevant legislation;
- reviewed the activities of the Group's internal audit function and its findings and recommendations as laid down in the internal audit reports;
- reviewed the internal audit plan for the year 2017;
- recommended to the Board regarding the appointment of the Company's external auditor;
- reviewed the audit plan for the year 2017;

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會權力的轉授 (續)

審核委員會 (續)

- 考慮本公司在會計及財務匯報職能方面的資源、員工專業資格及經驗的足夠性，以及員工培訓課程及預算；及
- 至少每年在管理層不出席的情況下與外聘核數師舉行會議一次，以討論任何因核數工作產生的事宜及核數師想提出的其他事項。

審核委員會於2017年舉行了三次會議，每位成員出席紀錄載列如下：

DELEGATION BY THE BOARD (Continued)

Audit Committee (Continued)

- considered the adequacy of resources, professional qualifications and experience of staffs of the Company's accounting and financial reporting function, and their training programs and budget; and
- held meetings with the external auditor, at least annually, in the absence of management, to discuss matters relating to any issues arising from the audit and any other matters the auditor may wish to raise.

In 2017, the Audit Committee held three meetings, and the attendance records of individual committee members are set out below:

會議次數
出席／舉行
**Number of
Meetings
attended/held**

張文海先生 (主席，
於2017年4月1日委任)
史習陶先生 (主席，
於2017年4月1日辭任)
葉啟明先生
蘇合成先生

Mr. CHEUNG Man Hoi (*Chairman,
appointed on 1 April 2017*) 2/2
Mr SZE Robert Tsai To (*Chairman,
resigned on 1 April 2017*) 3/3
Mr IP Kai Ming 3/3
Mr SO Hop Shing 3/3

薪酬委員會

薪酬委員會由五位成員組成，其中大部份成員為獨立非執行董事。薪酬委員會由獨立非執行董事葉啟明先生出任主席，其他成員包括史習陶先生、蘇合成先生、劉承先生及陳廣宇先生。

Remuneration Committee

The Remuneration Committee comprises five committee members, the majority of whom are Independent Non-executive Directors. The Remuneration Committee is chaired by Mr IP Kai Ming who is an Independent Non-executive Director, the other members are Mr SZE Robert Tsai To, Mr SO Hop Shing, Mr LIU Cheng and Mr CHAN Kwong Yu.

薪酬委員會的職權範圍已登載於本公司及聯交所網站內。薪酬委員會負責就本公司的薪酬政策，以及就訂立及審議本公司的執行董事及高級管理人員的特定薪酬方案，向董事會提出建議。

The Company has maintained the terms of reference of the Remuneration Committee on its website and the website of the Stock Exchange. The Remuneration Committee is responsible for making recommendations to the Board regarding the Company's remuneration policy, and the formulation and review of the specific remuneration packages of all Executive Directors and senior management of the Company.

董事會權力的轉授 (續)

薪酬委員會 (續)

於年內，薪酬委員會履行了 (其中包括) 以下職責：

- 檢討本公司員工薪酬調整之建議，並向董事會推薦審批；
- 檢討發放獎金予高級管理人員之建議，並向董事會推薦審批；
- 檢討2017年度董事袍金，並向董事會推薦審批；及
- 考慮新委任董事的董事袍金，並向董事會推薦審批。

薪酬委員會於2017年度舉行了一次會議，每位成員出席紀錄載列如下：

DELEGATION BY THE BOARD (Continued)

Remuneration Committee (Continued)

During the year, the Remuneration Committee has performed, inter alia, the following:

- reviewed the proposal for salary adjustments to its employees and recommended the same to the Board for approval;
- reviewed the proposal for payment of bonus to senior management and recommended the same to the Board for approval;
- reviewed the Directors' fees for the year of 2017 and recommended the same to the Board for approval; and
- considered the Director's fee for the newly appointed Director and recommended the same to the Board for approval.

In 2017, the Remuneration Committee held one meeting, and the attendance records of individual committee members are set out below:

		會議次數 出席／舉行 Number of Meetings attended/held
葉啟明先生 (主席)	Mr IP Kai Ming (Chairman)	1/1
史習陶先生	Mr SZE Robert Tsai To	1/1
蘇合成先生	Mr SO Hop Shing	1/1
劉承先生	Mr LIU Cheng	1/1
陳廣宇先生	Mr CHAN Kwong Yu	1/1

有關董事之薪酬詳情已按個別基準披露，並載列於本集團綜合財務報表註釋10。截至2017年12月31日，本公司支付予高級管理人員的酬金按酬金範圍載列如下：

Details of the remuneration of Directors are disclosed on an individual basis and are set out in Note 10 to the consolidated financial statements of the Group. The remuneration payable to senior management of the Company by band for the year ended 31 December 2017 was as follows:

		人數 Number of Individuals
港幣 500,001 元 – 港幣 1,000,000 元	HK\$500,001 – HK\$1,000,000	1
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	2
港幣 3,000,001 元 – 港幣 3,500,000 元	HK\$3,000,001 – HK\$3,500,000	2

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會權力的轉授 (續)

提名委員會

提名委員會由四位成員組成，其中大部份成員為獨立非執行董事。提名委員會由本公司主席彭錦光先生擔任主席，其他成員包括葉啟明先生、史習陶先生及蘇合成先生。

提名委員會的職權範圍已登載於本公司及聯交所網站內。

提名委員會的主要職責為檢討董事會的架構、人數及組成，物色具備合適資格可擔任董事的人士，以及評核獨立非執行董事之獨立性。

於年內，提名委員會履行了（其中包括）以下職責：

- 根據董事會多元化政策檢討董事會的架構、人數及組成（其中包括但不限於技能、知識及經驗等因素），並於每年作出匯報；
- 檢討及評核獨立非執行董事之獨立性；
- 檢討及向董事會推薦委任新董事；及
- 檢討及向董事會推薦於2017年股東週年大會上重選退任董事。

DELEGATION BY THE BOARD (Continued)

Nomination Committee

The Nomination Committee comprises four committee members, the majority of whom are Independent Non-executive Directors. The Nomination Committee is chaired by Mr PENG Jin Guang, the Chairman of the Company, and the other members are three Independent Non-executive Directors, Mr IP Kai Ming, Mr SZE Robert Tsai To and Mr SO Hop Shing.

The Company has maintained the terms of reference of the Nomination Committee on its website and the website of the Stock Exchange.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, identify individuals suitably qualified to become members of the Board, and assess the independence of Independent Non-executive Directors.

During the year, the Nomination Committee has performed, inter alia, the following:

- reviewed the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board in accordance with the Board Diversity Policy and reported to the Board annually;
- reviewed and assessed the independence of the Independent Non-executive Directors;
- reviewed and recommended to the Board for appointment of new Directors; and
- reviewed and recommended to the Board for the proposed re-election of the retiring Directors at the annual general meeting held in 2017.

董事會權力的轉授 (續)

提名委員會 (續)

提名委員會於 2017 年舉行了一次會議，各位成員之個別出席紀錄載列如下：

DELEGATION BY THE BOARD (Continued)

Nomination Committee (Continued)

In 2017, the Nomination Committee held one meeting, and the attendance records of individual committee members are set out below:

		會議次數 出席／舉行 Number of Meetings attended/held
彭錦光先生 (主席)	Mr PENG Jin Guang (<i>Chairman</i>)	1/1
葉啟明先生	Mr IP Kai Ming	1/1
史習陶先生	Mr SZE Robert Tsai To	1/1
蘇合成先生	Mr SO Hop Shing	1/1

董事的證券交易及股份權益

遵守標準守則

本公司已採納一套自行制定關於董事進行證券交易的操守準則，其條款不低於上市規則附錄十所載之「上市公司董事進行證券交易的標準守則」（「標準守則」）的規定。本公司所有董事均確認其於 2017 年 12 月 31 日止年度全年已遵守標準守則所規定的標準及本公司有關董事進行證券交易的操守準則。

董事的股份權益

董事於 2017 年 12 月 31 日持有本公司股份權益已於本年報內董事會報告之「董事權益」一節中披露。

DIRECTORS' SECURITIES TRANSACTIONS AND SHARE INTERESTS

Compliance with Model Code

The Company has adopted its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 - Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to the Listing Rules. All Directors of the Company have confirmed that they have complied with the required standard as set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the year ended 31 December 2017.

Share Interests of Directors

Details of Directors' interests in shares of the Company as at 31 December 2017 have been disclosed in the section headed "Directors' Interests" in the Report of the Directors of this Annual Report.

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財務報告

董事知悉彼等須負責按持續經營基準編制財務報表，並於需要時輔以假設或條件。本公司之財務報表是根據上市規則、公司條例（香港法例第622章）「公司條例」，以及香港公認會計原則及慣例編制。董事選擇及貫徹應用合適的會計政策，並作出審慎及合理的判斷和估計。外聘核數師羅兵咸永道會計師事務所的申報責任聲明載列於本年報之「獨立核數師報告」內。

董事竭力確保在年報、中期報告、內幕資料公告及其他按上市規則及其他法定要求的披露，對本公司的狀況及前景作出平衡、清晰及可理解之評估。

風險管理及內部監控

董事會在審核委員會的協助下對於維持本集團穩固有效的風險管理及內部監控系統承擔整體責任。於2017年，董事會通過審核委員會及內部審計部門，對本集團風險管理及內部監控系統進行了年度檢討。年度檢討由本集團內部審計部門統籌，透過高級管理人員及各業務和營運部門進行自我評估，內部審計部對檢討過程及結果進行獨立的檢查及後評工作。2017年的年度風險管理及內部監控系統檢討詳情載於本年報第53至59頁之「風險管理及內部監控披露報告」內並已向審核委員會及董事會匯報。

內部監控系統旨在提供合理而非絕對的保證，以防出現重大錯誤陳述或損失，並管理而非完全消除系統失敗的風險，以及協助達致本集團的目標。

FINANCIAL REPORTING

Directors acknowledge their responsibility for preparing the financial statements on a going concern basis, with supporting assumptions or qualifications as necessary. The Company's financial statements are prepared in accordance with the Listing Rules, the Companies Ordinance (Chapter 622, Laws of Hong Kong) (the "Companies Ordinance") and also the accounting principles and practices generally accepted in Hong Kong. Appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable. A statement by the external auditor, PricewaterhouseCoopers, about their reporting responsibilities is included in the "Independent Auditor's Report" in this Annual Report.

The Directors endeavor to ensure a balanced, clear and understandable assessment of the Company's position and prospects in annual reports, interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory requirements.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board, with the assistance of the Audit Committee, has the responsibility for maintaining good and effective risk management and internal control system of the Group. In 2017, the Board, through the Audit Committee and Internal Audit Department, conducted an annual review of the Group's risk management and internal control system. The annual review was co-ordinated by the Group's Internal Audit Department, and the Internal Audit Department has carried out independent examination and other post-assessment work on the review process and results after self-assessment by senior management and each business and operational unit. The annual review of risk management and internal control system for the year 2017 has been reported to the Audit Committee and the Board, details of which as set out in the "Risk Management and Internal Control Report" in pages 53 to 59 of this Annual Report.

The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's objectives.

風險管理及內部監控 (續)

內部審計充當本集團內部監控的一個主要監察角色，並定期向審核委員會和總經理匯報，意見可直達董事會。其可不受約束地對本集團的所有業務和內部監控進行檢討。同時亦對審核委員會或高級管理人員所識別的關注領域進行特別審計。審核委員會可在沒有主席或高級管理人員參與的情況下，不受限制及直接聯絡內部審計部門主管。

因國內其他工作安排，吳玉琦女士擔任本公司總稽核至2017年12月31日及翁衛建女士於2018年1月31日起接替吳玉琦女士獲委任為本公司總稽核。

環境、社會及管治

本集團致力承擔社會責任以及秉承集團的可持續性發展理念，並對2017年集團在環境、社會及企業管治方面所做的工作以及績效進行了年度回顧，詳情載於本年報第60至82頁之「環境、社會及管治報告」內。此報告亦同時回應各權益人所關注的重要議題，以為各權益人提供互動溝通平台，促進相互理解。

核數師之酬金

本集團已支付或應付外聘核數師關於2017年度核數服務，查證工作（有關本公司的中期財務報表），特定委聘的專業服務以及稅務及諮詢服務分別為港幣2,388,000元，港幣360,000元，港幣600,000元及港幣150,000元。

核數師於財務報表之責任

羅兵咸永道會計師事務所就其對股東之申報責任載於本年報第95至107頁之「獨立核數師報告」內。

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

Internal Audit plays a major role in monitoring the internal control of the Group and reports regularly to the Audit Committee and the General Manager and has direct access to the Board. It has unrestricted access to review all aspects of the Group's activities and internal controls. It also conducts special audits on areas of concern identified by the Audit Committee or senior management. The Audit Committee has free and direct access to the Head of Internal Audit Department without reference to the Chairman or senior management.

Ms WU Yu Qi acted as the Chief Auditor of the Company until 31 December 2017 due to her other work commitments in Mainland China and Ms WENG Wei Jian was appointed as the Chief Auditor of the Company in place of Ms WU Yu Qi with effect from 31 January 2018.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is also committed to social responsibilities and its philosophies of sustainable development, and has conducted an annual review on the efforts and achievements made by the Group for environmental, social and governance issues in 2017, details of which as disclosed in the "Environmental, Social and Governance Report" on pages 60 to 82 of this Annual Report, which also serves as a platform for communication with all equity owners by making responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

AUDITOR'S REMUNERATION

The fees paid or payable to the external auditor for statutory audit services, attestation work (in relation to interim financial statements issued by the Company), professional services for special engagement, and tax and consultancy services were HK\$2,388,000, HK\$360,000, HK\$600,000 and HK\$150,000 respectively for the year 2017.

Auditor's Responsibilities for Financial Statements

The reporting responsibilities of PricewaterhouseCoopers to the Shareholders are set out in the "Independent Auditor's Report" on pages 95 to 107 of this Annual Report.

企業管治報告 CORPORATE GOVERNANCE REPORT

公司秘書

全體董事均可向公司秘書諮詢有關意見和服務。侯寶萍小姐（「侯小姐」）為本公司之公司秘書兼授權代表，彼為本公司之全職僱員。公司秘書向董事會主席報告有關董事會管治事宜，並負責確保遵守董事會程序及促進董事與股東及管理層溝通。於回顧年度內，侯小姐已參與逾 15 小時之專業培訓，以更新其技能及知識。公司秘書已遵守上市規則第 3.29 條的相關專業培訓要求。

股東權利

召開股東大會（「股東大會」）

持有佔全體有權在股東大會上表決的成員的總表決權最少 5% 的股東可有權呈請本公司董事召開本公司股東大會。

該要求：

- (a) 須述明有待在股東大會上處理的事務的一般性質；
- (b) 可包括多份格式相近的文件；
- (c) 可包含可在股東大會上恰當地動議並擬在股東大會上動議的決議文本；
- (d) 須經提出該要求的人認證；及
- (e) 可採用印本形式或以電子形式送交本公司。

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. Ms HAU Po Ping (“Ms Hau”) is the Company Secretary and an Authorised Representative of the Company, she is the full time employee of the Company. The Company Secretary reports to the Chairman on the Board governance matters, and is responsible for ensuring that the Board procedures are followed, and for facilitating communications among Directors as well as with the Shareholders and the management. During the period under review, Ms Hau undertook over 15 hours of professional training to update her skills and knowledge. The Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS’ RIGHTS

Convening a General Meeting (“GM”)

The Shareholder(s) representing at least 5% of the total voting rights of all the members having a right to vote at general meetings may request Directors of the Company to call the GM of the Company.

The request:

- (a) must state the general nature of the business to be dealt with at the GM;
- (b) may consist of several documents in like form;
- (c) may include the text of a resolution that may properly be moved and is intended to be moved at the GM;
- (d) must be authenticated by the person or persons making it; and
- (e) may be sent to the Company in hard copy form or in electronic form.

股東權利 (續)

召開股東大會 (「股東大會」)(續)

該要求須經本公司之股份過戶登記處核實及獲得其確認該要求為適當及合乎程序後，公司秘書將通知董事於收取該要求的日期後的21日內召開股東大會。該股東大會須在召開股東大會的通知的發出日期後的28日內舉行。

如董事未能於收到該要求日期起計21日內召開股東大會，要求召開股東大會的股東或佔全體該等股東總表決權的一半以上的任何股東，可自行召開股東大會，但任何據此召開之股東大會，不得於該要求日期起計3個月期限屆滿後舉行。

由該等股東召開之會議，須盡可能按董事召開有關會議的同樣方式召開。

本公司將付還因董事沒有妥為召開股東大會而引致股東自行召開股東大會招致的任何合理開支。

有關更多的詳細資料，請各股東參考公司條例第566條至568條之規定。

動議股東週年大會的決議 (「股東週年大會」)

股東可要求本公司向有權收到股東週年大會通知的股東，發出關於可在該股東週年大會上恰當地動議並在該股東週年大會上動議的決議通知。該等股東須代表：

- (a) 佔全體有權在該要求有關股東週年大會上，就該決議表決的股東的總表決權最少2.5%的股東；或
- (b) 最少50名有權在該要求有關股東週年大會上就該決議表決的股東。

SHAREHOLDERS' RIGHTS (Continued)

Convening a General Meeting ("GM") (Continued)

The request will be verified with the Company's share registrar and upon their confirmation that the request is proper and in order, the Company Secretary will notify the Directors to proceed to convene the GM within 21 days from the date of the receipt of the request. Such GM must be held on a date not more than 28 days after the date of the notice convening the GM.

If the Directors fail to convene the GM within 21 days from the date of the receipt of the request, the Shareholders who requested the GM, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene the GM. Any GM so convened shall not be held after the expiration of three months from the date of the receipt of the request.

The GM so convened by the Shareholder(s) concerned shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

Any reasonable expenses incurred by the Shareholder(s) concerned by reason of the failure of the Directors duly to convene a meeting shall be reimbursed to such Shareholder(s) by the Company.

For further details, the Shareholders are kindly requested to refer to Sections 566 to 568 of the Companies Ordinance.

Moving a Resolution at an Annual General Meeting ("AGM")

The Shareholders may request the Company to give, to shareholders of the Company entitled to receive notice of the AGM, notice of resolution that may properly be moved and is intended to be moved at the AGM. Such Shareholders must represent:

- (a) at least 2.5% of the total voting rights of all the Shareholders who have a right to vote on the resolution at the AGM to which the requests relate; or
- (b) at least 50 Shareholders who have a right to vote on the resolution at the AGM to which the requests relate.

企業管治報告 CORPORATE GOVERNANCE REPORT

股東權利 (續)

動議股東週年大會的決議 (「股東週年大會」) (續)

該要求 (i) 可採用印本形式或電子形式送交本公司；(ii) 須指出有待發出通知所關乎的決議；(iii) 須經所有提出該要求的人認證；及 (iv) 須於有關股東週年大會舉行前的 6 個星期之前，或，如在上述時間之後送抵，有關股東週年大會的通知發出之時。

此外，該要求須經本公司之股份過戶登記處核實及獲得其確認該要求為適當及合乎程序後，公司秘書將通知董事將該項決議案包括在股東週年大會的議程內。

本公司須就該決議發出通知書按發出股東週年大會的通知的同樣方式；及在發出該股東週年大會通知的同時，或之後，在合理切實可行的範圍內盡快自費將決議的通知文本送交每名有權收到股東週年大會通知的股東。

有關更多的詳細資料，請各股東參考公司條例第 615 條及 616 條之規定。

於股東大會上傳閱陳述書

如本公司股東希望於股東大會上表達其對於有待決議的事宜或其他有待處理事務的意見，可就該事宜或事務提交一份字數不多於 1,000 字的陳述書，要求本公司向有權收到股東大會通知的本公司股東傳閱他們的書面陳述書。該等股東須代表：

- (a) 佔全體有相關表決權股東的總表決權最少 2.5% 的股東；或
- (b) 最少 50 名有相關表決權的股東。

SHAREHOLDERS' RIGHTS (Continued)

Moving a Resolution at an Annual General Meeting ("AGM") (Continued)

The request (i) may be sent to the Company in hard copy form or electronic form; (ii) must identify the resolution of which notice is to be given; (iii) must be authenticated by the person or persons making it; and (iv) must be received by the Company not later than 6 weeks before the AGM to which the request relates; or if later, the time at which notice is given of that meeting.

In addition, the request will be verified with the Company's share registrar and upon their confirmation that the request is proper and in order, the Company Secretary will notify the Directors for including the resolution in the agenda for the AGM.

The Company is required to give notice of the resolution at the Company's own expense to each shareholder of the Company entitled to receive notice of the AGM in the same manner as the notice of AGM; and at the same time as, or as soon as reasonably practicable after, it gives notice of AGM.

For further details, the Shareholders are kindly requested to refer to Sections 615 and 616 of the Companies Ordinance.

Circulation of Statement at General Meetings

If the Shareholders would like to express their views to a matter mentioned in a proposed resolution or other business to be dealt with at the GM, they can submit a written statement of not more than 1,000 words with respect to that matter or business and request the Company to circulate their written statement to the Shareholders entitled to receive notice of the GM. Such Shareholders must represent:

- (a) at least 2.5% of the total voting rights of all the Shareholders having the relevant right to vote at the meeting; or
- (b) at least 50 Shareholders having the relevant right to vote at the meeting.

股東權利 (續)

於股東大會上傳閱陳述書 (續)

相關股東表決權利指 (i) 就關乎某被提出的決議所述的事宜的陳述書而言，在有關要求所關乎的股東大會上就該決議表決的權利；及 (ii) 就任何其他陳述書而言，在有關要求所關乎的股東大會上表決的權利。

有關被提出的陳述書 (i) 可採用印本形式或電子形式送交本公司；(ii) 須指出將予傳閱的陳述書；(iii) 須經所有提出該要求的人認證；及 (iv) 須以該要求所關乎的股東大會前最少 7 日送交本公司。

該要求須經本公司之股份過戶登記處核實並獲得其確認該要求為適當及合乎程序後，本公司將按下述條件向每名有權收取大會通知的股東傳閱該陳述書：

- (a) 如關於股東週年大會的要求及被提出的陳述書及時送交本公司，使本公司在發出股東週年大會通知的同時送交該陳述書的文本。在其他情況下，相關股東須在不遲於股東週年大會前 7 日，向本公司存放一筆足以支付本公司傳閱該陳述書的費用的款項；
- (b) 如關於股東大會（股東週年大會除外）的要求，相關股東須在不遲於股東大會前 7 日，向本公司存放一筆足以支付本公司傳閱該陳述書的費用的款項。

有關更多的詳細資料，請各股東參考公司條例第 580 條至 582 條之規定。

此外，股東可於股東大會上提名某位人士（並非依輪值退任之本公司董事）參與選舉成為本公司董事。上述提名之程序，已上載至本公司之網站 (www.minxin.com.hk)。

SHAREHOLDERS' RIGHTS (Continued)

Circulation of Statement at General Meetings (Continued)

The Shareholders having the right to vote mean (i) in relation to a proposed statement concerning a matter mentioned in a proposed resolution, a right to vote on that resolution at the meeting to which the requests relate; and (ii) in relation to any other statement, a right to vote at the meeting to which the requests relate.

The request to circulate a statement (i) may be sent to the Company in hard copy form or in electronic form; (ii) must identify the statement to be circulated; (iii) must be authenticated by the person or persons making it; and (iv) must be received by the Company at least 7 days before the meeting to which the request relates.

The request will be verified with the Company's share registrar and upon their confirmation that the request is proper and in order, the Company will circulate the statement to each shareholder of the Company entitled to receive notice of the meeting provided that:

- (a) if the request relates to the AGM and the proposed statement is received in time to enable the Company to send a copy of the statement at the same time as it gives notice of AGM. Otherwise, the Shareholders concerned have deposited a sum reasonably sufficient to meet the Company's expenses in circulating the statement submitted by the Shareholders concerned not later than 7 days before the AGM;
- (b) if the request relates to the GM (other than the AGM), the Shareholders concerned have deposited a sum reasonably sufficient to meet the Company's expenses in circulating the statement submitted by the Shareholders concerned not later than 7 days before the GM.

For further details, the Shareholders are kindly requested to refer to Sections 580 to 582 of the Companies Ordinance.

Further, the Shareholder may propose a person other than a retiring Director of the Company for election as a Director of the Company at the GM. The procedures for such proposal are available on the website of the Company (www.minxin.com.hk).

企業管治報告 CORPORATE GOVERNANCE REPORT

股東權利 (續)

向董事會提出查詢

股東可將彼等提請董事會關注之事宜，以書面提出，並連同其聯絡資料送交本公司之註冊辦事處或電郵至 mxhl.enquiry@minxin.com.hk，註明公司秘書收。

股東通訊政策

本公司採納的股東通訊政策，冀透過不同的正式渠道有效提升本公司之股東、董事會與高級管理人員之間的傳訊，讓股東能平等地及時掌握本公司之公開資料。

憲章文件

本公司的組織章程細則已登載於本公司及聯交所網站內。截至2017年12月31日止年度內概無任何修訂。

SHAREHOLDERS' RIGHTS (Continued)

Putting Enquiries to the Board

Shareholders may send their enquiries requiring the Board's attention in writing together with his/her contact details addressing to the registered office of the Company or by email to mxhl.enquiry@minxin.com.hk for the attention of the Company Secretary.

SHAREHOLDERS COMMUNICATION POLICY

The Company adopted a Shareholders Communication Policy aims at enhancing the efficiency of communication amongst the Shareholders, the Board and senior management of the Company through various official channels so that the Shareholders can access the Company's public information equally in a timely manner.

CONSTITUTIONAL DOCUMENTS

The Company's Articles of Association is posted on the websites of the Company and the Stock Exchange. There has been no change during the year ended 31 December 2017.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

董事會全面負責維持穩健有效的風險管理及內部監控體系，並檢討成效，保障股東投資及集團資產。為此，本集團管理層負責設立風險管理及內部監控系統，以合理（而非絕對）保證不會出現嚴重失實或損失，並管理或降低（而非消除）未能達到業務目標的風險。

於回顧年度，本集團遵守上述原則與守則條文C.2.1至C.2.5及建議最佳常規C.2.6至C.2.7，概述如下：

風險管理框架

本集團制定風險管理框架，明確了風險管理的目標、風險偏好、風險監控預警體系以及報告機制，以確保集團及其附屬子公司識別、評估、管理、監控及呈報本集團的所有重大風險，並上報高級管理層、審核委員會及董事會。該計畫的根本宗旨為促進股東價值增長，確保履行對權益持有人的承諾及維護本集團聲譽。

風險管理架構及三道防線模式

本集團採用系統化的風險管理方法，建立自上而下的管理機制。目前風險管理組織架構包含董事會和管理層、各業務部門、合規監管部及內審稽核。

- 董事會（或下屬審核委員會）為風險管理的最高指導單位，負責評估本集團達成策略目標時所願意接納的風險，確保建立及維持有效的風險管理及內部監控系統。

The Board of Directors (Board) has the overall responsibility for maintaining the effectiveness of internal controls, risk management systems, and reviewing their effectiveness to safeguard shareholders' investments and Group's assets. The senior management of the Group is charged with the responsibility to design and implement an internal control and risk management system which can provide a reasonable but not absolute assurance against material misstatement or loss, and also manage rather than eliminate the risk of failure to achieve business objectives.

During the year under review, the Group complies with the above Principles and Code Provisions C.2.1 to C.2.5 and Recommended Best Practices C.2.6 and C.2.7 in its internal control and risk management practices. The details are summarized as follows:

RISK MANAGEMENT FRAMEWORK

The Group has established a risk management framework to define its risk management objectives, risk appetite, risk monitoring and risk reporting mechanism to enable the group and its subsidiaries to identify, assess, monitor and manage material risks which are reported to senior management, Audit Committee and the Board. The ultimate goals of this framework are to enhance the return to shareholders, fulfill the company's commitment to stakeholders and preserve the group's reputation.

RISK MANAGEMENT FRAMEWORK AND "THREE LINES OF DEFENSE" MODEL

The Group adopts a systematic risk management approach to implement a top-down management mechanism. The current risk management organizational structure includes the Board of directors, management, business divisions, the compliance management department and the internal audit departments.

- The Board of Directors (or Audit Committee) is the highest steering committee and has the responsibility of determining the risk appetite and maintaining an effective risk management and internal control systems.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險管理架構及三道防線模式 (續)

- 集團管理層負責制定風險策略、風險政策、風險管理架構及建立風險管理文化，執行及監察風險管理及內部監控系統。
- 合規監管部協助管理層搭建風險管理框架，分析集團面臨的主要風險，並定期準備風險管理報告。
- 內審稽核對風險管理及內部監控系統安排稽核和監察活動，並作出獨立性評估。

本集團以全面風險管理為導向，把風險管理各項要求融入集團及附屬子公司的管理和業務流程中。

RISK MANAGEMENT FRAMEWORK AND “THREE LINES OF DEFENSE” MODEL (Continued)

- The Group’s senior management is responsible for developing risk strategies, risk policies, risk management frameworks, promoting risk management culture as well as maintaining the effectiveness of the risk management and internal control systems.
- The Group’s senior management is responsible for developing risk strategies, risk policies, risk management frameworks, promoting risk management culture as well as maintaining the effectiveness of the risk management and internal control systems.
- The internal audit conducts independent assessments on the effectiveness of risk management and internal control systems through audit and internal audit activities.

The Group and its affiliated subsidiaries implement comprehensive risk management through embedding risk control measures into their daily operations and business processes.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險管理架構及三道防線模式 (續)

RISK MANAGEMENT FRAMEWORK AND
“THREE LINES OF DEFENSE” MODEL
(Continued)

<p>第一道防線 FIRST LINE OF DEFENSE</p>	<p>各個業務部門為集團各業務單元風險管理的第一道防線。負責在業務開展過程遵守並落實集團風險偏好，同時也承擔風險識別、評估和風險控制的第一責任，制定部門規章制度，規範業務流程，並定期進行合規自查，向合規管理部門報告風險管理資訊，支援並配合合規管理部門監測和評估，各部門與企業負責人負責重大風險管理策略和解決方案的具體實施。</p> <p>Business divisions serve as the first line of defense to manage the risk in each business units within the Group. They are responsible for the execution process of business development while complying with the Group’s risk appetite and also assume the primary responsibility of risk identification, assessment and control. They also formulate departmental rules and regulations, standardize business processes, conducting self-assessed compliance reviews on a regular basis; reporting risk management information to the Compliance Management Department, supporting and cooperating with them in conducting and monitoring related assessments. The respective department heads and senior management of the group are responsible for the implementation of risk management strategies and solutions.</p>
<p>第二道防線 SECOND LINE OF DEFENSE</p>	<p>合規監管部門為風險管理的第二道防線。對各重大風險管理策略和解決方案實施情況開展過程監控，並將面臨的超出風險限額重大風險提出預警，定時向管理層、審計委員會和董事會彙報。</p> <p>The Compliance Management Department acts as the second line of defense and is responsible for the monitoring of significant risks and its respective mitigation progress while addressing any exceedance over the group’s risk tolerance and reporting its findings to the senior management, audit committee and the Board of Directors on a regular basis.</p>
<p>第三道防線 THIRD LINE OF DEFENSE</p>	<p>審計部門，包括內審稽核部與外部審計機構，作為第三道防線，在董事會及審核委員會領導下對集團內部監控系統的充足程度、有效性進行檢查評價並提出改進要求。</p> <p>The audit units, including internal audit and external auditor, act as the third line of defense. The Board of Directors and its audit committee are responsible for leading the group in evaluating the adequacy and the effectiveness of the group’s internal control system, requesting for enhancements where appropriate.</p>

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險偏好體系

本集團初步制定了全集團的風險偏好體系，風險偏好體系主要圍繞五個核心維度展開：保持充足的資本、維持充裕的流動性、保證良好的聲譽、滿足監管與合規管理要求、收益與風險相匹配。風險偏好陳述報告基於風險偏好，綜合彙報所制定的風險指標以及風險限額，並報請管理層審查，再報請董事會審批。

風險管理流程

本集團採用下述風險管理步驟進行風險管理：

- 步驟 1：風險識別 — 識別集團及附屬子公司所面臨的重要風險源以及風險類別；
- 步驟 2：風險分析 — 對所面臨的風險進行評估；
- 步驟 3：風險監控 — 基於識別的重要風險以及風險偏好體系，制定重要風險監控指標並定期監測風險變化；
- 步驟 4：風險報告 — 總結風險管理分析的結果，向集團管理層、董事會彙報。報告概述以下各項：

- 風險指標及限額的執行情況；
- 風險評估

RISK APPETITE FRAMEWORK

A group-wide risk appetite system is formulated across the whole organization and base itself on five core principles: securing capital adequacy; maintaining a strong liquidity position; preserving reputation for the group; complying with laws and regulations; matching between risks and returns. A risk appetite statement report summarizes the key risk indicators and risk limits which are based on the defined risk appetites. The Group's risk appetite statement report is presented to the senior management for review and subsequently submitted to the Board for approval on an annual basis.

RISK MANAGEMENT PROCESS

The Group adopts the following risk management steps:

- Step 1: Risk Identification — identify the significant sources and types of risks faced by the Group and affiliated subsidiaries.
- Step 2: Risk Analysis — Evaluate the existing risks;
- Step 3: Risk Monitoring — Basing on the significant risk and risk appetite, set up key risk indicators for monitoring all identified material risks and update the change of material risks on a regular basis;
- Step 4: Risk Reporting — Summarize and analyze the results of the risk management and report the results to the senior management and the Board. The report also outlines the following items:

- Implementations of key risk indicators and risk limits;
- Risk assessment.

風險管理及內部監控披露報告 RISK MANAGEMENT AND INTERNAL CONTROL REPORT

本集團所面臨的重大風險

根據本集團 2017 年的風險管理流程，下列各項視為本集團面臨的重大風險：

投資風險

本集團目前的長期投資主要是廈門國際銀行（「廈銀」），對長期投資風險本集團主要通過提名董事以及對長期投資業績的持續監控等方式管理。

保險風險

保險合約的風險是指發生保險事故的可能性及由此產生的賠償金額的不確定性的風險。本集團透過其承保策略、賠償處理及再保險安排等方式控制有關風險。

信用風險

本集團的信用風險主要歸屬於客戶貸款、再保公司的信用風險、風險、債券投資違約風險以及汽車貿易交易的交割風險等。目前三明市三元區閩信小額貸款有限公司全面停止新貸款業務，同時加大不良貸款清收力度。就保險業務中再保公司的信用風險而言，閩信保險公司（「閩信保險」）選擇資信狀況良好的再保險公司進行分保以控制在信用風險方面的承擔。對於債券投資，本集團主要投資為信用評級 A- 以上的債券，本集團董事會及管理層為汽車貿易交易的交割風險制定了風險限額，嚴控交易對手的授信風險。

SIGNIFICANT RISKS FACED BY THE GROUP

According to the Group's risk management process, the following types of risks which are significant to the Group in 2017:

INVESTMENT RISK

The Group's primary long-term investment focuses on Xiamen International Bank ("XIB"). In respect of long-term investment risk management, the main measures are to nominate directors to the board of XIB and to closely monitor its financial performance.

INSURANCE RISK

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty on the amount of the resulting claim. The Group manages the insurance risk through its underwriting strategy, adequate reinsurance arrangements and claims handling.

CREDIT RISK

The Group's sources of credit risk are primarily attributable to micro credit loans to customers, reinsurance company's credit risk, default risk of bond investment and settlement risk of motor trading. Regarding to the micro credit loans business, Sanming Sanyuan District Minxin Micro Credit Company ceased all new micro credit loan businesses and took aggressive actions to recover non-performing loans. To control the credit risk of the reinsurance company undertaken by the Min Xin Insurance Company ("MinXin Insurance"), MinXin Insurance carefully chose reinsurance companies possessing good credit status as reinsurance service providers. For bond investments, the Group mainly invests in bonds with A- or above credit ratings. To better control the counterparty risk on motor trading business, the Board and its senior management established a risk limit on settlement risk to define the maximum credit risk exposure that the group is willing to undertake in the motor trading transactions.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

市場風險

市場風險是指因為利率、市場價格及其他市場價格相關因素波動導致出現虧損的風險。本集團的風險管理目標是在提高股東價值的同時，確保風險控制在集團可承受範圍。

操作風險

操作風險指由不完善或有問題的內部程式、員工和資訊科技系統，以及外部事件所造成損失的風險。操作風險的管控主要通過有效的職責分工與牽制、關鍵環節建立正式的規章制度等方式控制。

內幕消息及披露

本集團制定《內幕消息披露政策》，對內幕消息的定義、內幕消息及披露的要求、董事會及高級管理層對於內幕信息管理承擔的角色及職責、處理及發佈內幕消息的程式及內部監控、對外溝通等方面進行了嚴格規範。內幕消息披露公告須由董事會或經其授權的高級人員審批。

內部監控

本集團內部監控旨在提高營運效力與效率，確保資產不會被濫用及未經授權處理，維持恰當的會計紀錄及真實公平的財務報表，並確保遵守相關法律及規定。

MARKET RISK

Market risk refers to the risk of losses in positions arising from adverse movement in interest rate, market prices and other related market price factors. The Group's market risk management objective is to enhance shareholder's value while maintaining risk exposures within acceptable limits.

OPERATIONAL RISK

Operational risk refers to the risk of loss caused by inadequate or failed internal procedures, employees, information systems, as well as external events. The operational risks can be mainly controlled through effective segregation of duties and the establishment of formal rules and regulations for key processes.

INSIDE INFORMATION AND DISCLOSURE

The Group has formulated the "Insider Information Disclosure Policy" to define the definition of insider information, the requirements for the release of insider information, the roles and responsibilities of the Board and senior management for insider information management, the internal control procedures for the public communication. The announcement of the release of insider information shall be submitted to the Board or an authorized officer for approval.

INTERNAL CONTROL

The Group's internal controls are designed to improve the operational efficiency, prevent misuse of the assets and process without proper authorization, maintain proper accounting records to deliver a true and fair view for the financial statements, and comply with the laws and regulations.

風險管理及內部監控披露報告 RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險管理及內部監控的檢討

在遵守有關守則條文方面，董事會以及其下屬審核委員會就財務、營運及合規控制和風險管理功能等方面，對本集團及其附屬公司於截至2017年12月31日年度的內部監控系統進行檢討，具體如下：

於回顧年度，董事會已檢討本集團風險管理框架包括風險管理目標，風險偏好體系、風險監控和風險彙報。

於回顧年度，本集團董事會認為本集團已不斷完善其風險管理及內部監控體系，務求使風險管理方式更加規範，包括建立集團風險偏好系統、風險指標和風險限額，風險監控等。

本集團將會繼續加強管理企業風險管理及內部監控框架和執行情況，以符合守則條文及行內最佳實務。

RISK MANAGEMENT AND INTERNAL CONTROL REVIEW

The Board of Directors and the Audit Committee reviewed the internal control system of the Group and its subsidiaries for the year ended 31 December 2017 on the aspects of financial, operational, compliance and risk management functions, details of which are summarized below:

In 2017, the Board reviewed the Group's risk management framework which contained risk management objectives, risk appetite system, risk monitoring and risk reporting.

In 2017, the Board of directors was of the opinion that the Group had been improving its risk management and internal control systems which standardized the risk management practices in establishing the risk appetite, risk indicators, risk limits and risk monitoring.

The Group will target to meet the standard of best practices stated in the Provision Code by strengthening its force on the implementation of the risk management and internal control framework.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

關於本環境、社會及管治報告

本「環境、社會及管治報告」旨在回顧2017年閩信集團有限公司（以下簡稱「本集團」、「閩信集團」或「我們」）在環境、社會及企業管治方面所做的工作以及績效，披露集團承擔社會責任做出的實踐以及集團的可持續性發展理念，同時回應各權益人所關注的重要議題，為各權益人提供互動溝通平台，促進相互理解。

本環境、社會及管治報告編寫遵循香港聯交所主板上市規則附錄二十七「環境、社會及管治報告指引」，覆蓋時間由2017年1月1日至2017年12月31日。本環境、社會及管治報告所覆蓋的組織範圍主要為閩信集團及其下3家附屬公司。

本環境、社會及管治報告所有數據來自問卷調查、評價訪談、政府機構所發佈的有關本集團的公開信息、正式文件及數據。本集團承諾報告內容不存在任何虛假記載、誤導性陳述或者重大遺漏，並努力保證本報告內容的平衡性、真實性與完整性。

ABOUT THIS ESG REPORT

This “Environmental, Social and Governance Report” (“ESG Report”) serves as a review on the efforts and achievements made by Min Xin Holdings Limited (the “Group”, “Min Xin Holdings” or “we”) for environmental, social and governance issues in 2017. This ESG Report discloses the Group’s practice for its commitment to social responsibilities and its philosophies of sustainable development. As a platform for communication with all equity owners, this ESG Report also makes responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

This ESG Report has been prepared in accordance with Appendix 27 of the Main Board Listing Rules “Environmental, Social and Governance Reporting Guide”, which covers the period from 1 January 2017 to 31 December 2017. The entities covered in this ESG Report mainly include Min Xin Holdings and its three subsidiaries.

All information in this ESG Report comes from surveys, assessments and interviews, government information available to the public and official documents or statistics of the Group. The Group undertakes that this ESG Report contains no false records, misrepresentations or material omissions, and is committed to ensure the fairness, truthfulness and completeness of this ESG Report.

環境、社會及管治報告
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

權益人參與溝通及重要議題評估

STAKEHOLDER ENGAGEMENT AND COMMUNICATION AND MATERIALITY ASSESSMENT

本集團強調社會各界的信任與支持對企業可持續發展的重要性，十分重視與權益人的溝通與交流，建立了多元化的溝通對話平台與機制，積極主動傾聽來自政府及監管機構、股東、員工、供應商、客戶以及社會公眾的聲音，致力盡可能滿足其期望與訴求。

The Group emphasizes the importance of trust and support of all sectors of society to the sustainable development of the Group. Accordingly, the Group attaches great importance to maintaining communication and interaction with the stakeholders by establishing diversified platforms and mechanisms of communications. The Group has been actively collecting opinions and suggestions from government and regulatory authorities, the Shareholders, employees, suppliers, customers and the general public so as to meet their expectations and demands as far as possible.

權益人 Stakeholder	溝通渠道 Communication Channel	期望與訴求 Concern and Demand	回應與反饋 Response and Feedback
政府及監管機構 Government and regulatory authorities	合規管理； 主動納稅； 政策執行。 Compliance matters management; Actively paying tax; Complying with policies.	依法經營與納稅； 支持經濟發展。 Carry out its operation and pay tax in accordance with laws; Support economic development.	接受稅務檢查； 遵守當地法規、商業道德並促進經濟發展。 Subject to tax examination; Comply with local regulations and commercial ethnics, and make contribution to local economic development.
股東 Shareholders	股東大會； 定期的匯報工作； 直接溝通。 General meeting; Regular reporting; Direct communication.	確保企業獲得持續的收益，保證投入資本安全； 確保企業信息披露的完整、真實、及時、有效性。 Ensure sustainable income and safe investments; Ensure the completeness, truthfulness, timeliness and validity of corporate information disclosure.	逐漸提高經營管理、管治與風險管理水平，為投資者創造持續的、穩健上升的長久價值回報；建立科學合理高效的企業治理架構，規範及完善信息披露制度。 Gradually enhance its operating management, governance and risk management to deliver continuous and steadily rising investment return over the long term; establish a scientific, reasonable and efficient corporate governance framework to regulate and refine information disclosure system.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

權益人參與溝通及重要議題評估 (續)

STAKEHOLDER ENGAGEMENT AND COMMUNICATION AND MATERIALITY ASSESSMENT (Continued)

權益人 Stakeholder	溝通渠道 Communication Channel	期望與訴求 Concern and Demand	回應與反饋 Response and Feedback
員工 Employees	員工大會； 定期績效考核； 直接溝通； 團建活動。 Town hall meeting; Regular performance assessment; Direct communication; Team-building activities.	公平競爭與晉升發展的機會；健 康安全的工作環境；薪酬與福利 得到保障。 Fair competition and prospect of promotion and development; Healthy and safe working place; Security of remuneration and benefits.	良好的工作環境；完善的薪資 福利及晉升體系；組織多樣化 的文體活動。 Good working place; Comprehensive systems of remuneration, benefits and promotion; Organize various cultural and recreational activities.
供應商 Suppliers	全面管理招投標程 序；按合同開展項 目；定期審核及評 估。 Comprehensive management of bidding and tendering; Carry out projects in accordance with contracts; Assessment of suppliers regularly.	公平、公開、公正的招標程序； 誠信經營。 Fair, open and just bidding; Committed to integrity.	建立《採購管理辦法》以規範招 標招商程序； Develop Administrative Rules on Procurement to regulate procedures relating to bidding and business solicitation;
客戶 Customers	滿意度調查； 客戶交流。 Carry out investigation of customer satisfaction; Maintain interactions and other ways of communication with our customers.	高品質的產品及服務，客戶及消 費者的各項權益得到保障。 Provide quality products and services to protect various rights of customers and consumers.	以客戶滿意度為第一標準，提 供精良品質的產品與優質服務 並建立規範的制度以保護信息 及隱私。 Put customers' satisfaction as first priority in providing quality products and services, and develop regulatory systems for protection of information and privacy.

環境、社會及管治報告
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

權益人參與溝通及重要議題評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

權益人 Stakeholder	溝通渠道 Communication Channel	期望與訴求 Concern and Demand	回應與反饋 Response and Feedback
社會公眾 General public	媒體報道； 公益活動； 企業官網。 Media coverage, Charity activities, Corporate website.	積極參與公益活動，承擔企業社會責任。 To be proactive in corporate social responsibility by actively participating in charity activities.	創造就業機會、加強社區投資建設。 Provide jobs and expand community investment.

本集團根據「環境、社會及管治報告指引」規定，組織邀請內外部權益人參與重要性評估調查，通過此項工作進一步瞭解權益人的期望與訴求，加強與各權益人的進一步溝通，提升本環境、社會及管治報告的針對性和回應性，同時展現出了閩信集團在推動可持續發展工作的積極態度以及所做出的努力。

調研工作主要通過問卷調查、組織必要的小組討論、並有針對性地進行訪談等形式開展，綜合考慮各權益人重視程度以及對本集團業務的重大相關性程度，確定了本集團在環境、社會及管治方面的重要性議題矩陣（如圖1：重要性議題矩陣所示），並識別出十大重要議題（如圖2：十大重要議題所示）。閩信集團將根據「環境、社會及管治報告指引」的相關指引要求，基於評定出來的十大關鍵重要議題在本年度報告中逐一給予真實、具有針對性的回應。

The Group organized and implemented various surveys on importance for internal and external stakeholders in accordance with the relevant guidelines as contained in “Environmental, Social and Governance Reporting Guide”. Through these efforts, we refined the relevancy of responses in this ESG Report as we gained a better understanding of expectations and needs of stakeholders and strengthened our communication with various stakeholders. These surveys also demonstrate our activeness in promoting sustainable development and the efforts we made.

These surveys were conducted mainly by questionnaires, interview, group discussions as necessary and targeted calls. We considered priorities of major concerns of the stakeholders and materiality of these concerns to our businesses to develop the materiality matrix of the Group in the areas of environmental, social and governance (as shown in Chart 1: Materiality Matrix). We also identified ten major concerns (as shown in Chart 2: Ten Major Concerns). Min Xin Holdings will make realistic and targeted responses to the ten major concerns so decided in this Annual Report in accordance with the relevant guidelines and requirements contained in “Environmental, Social and Governance Reporting Guide”.

環境、社會及管治報告

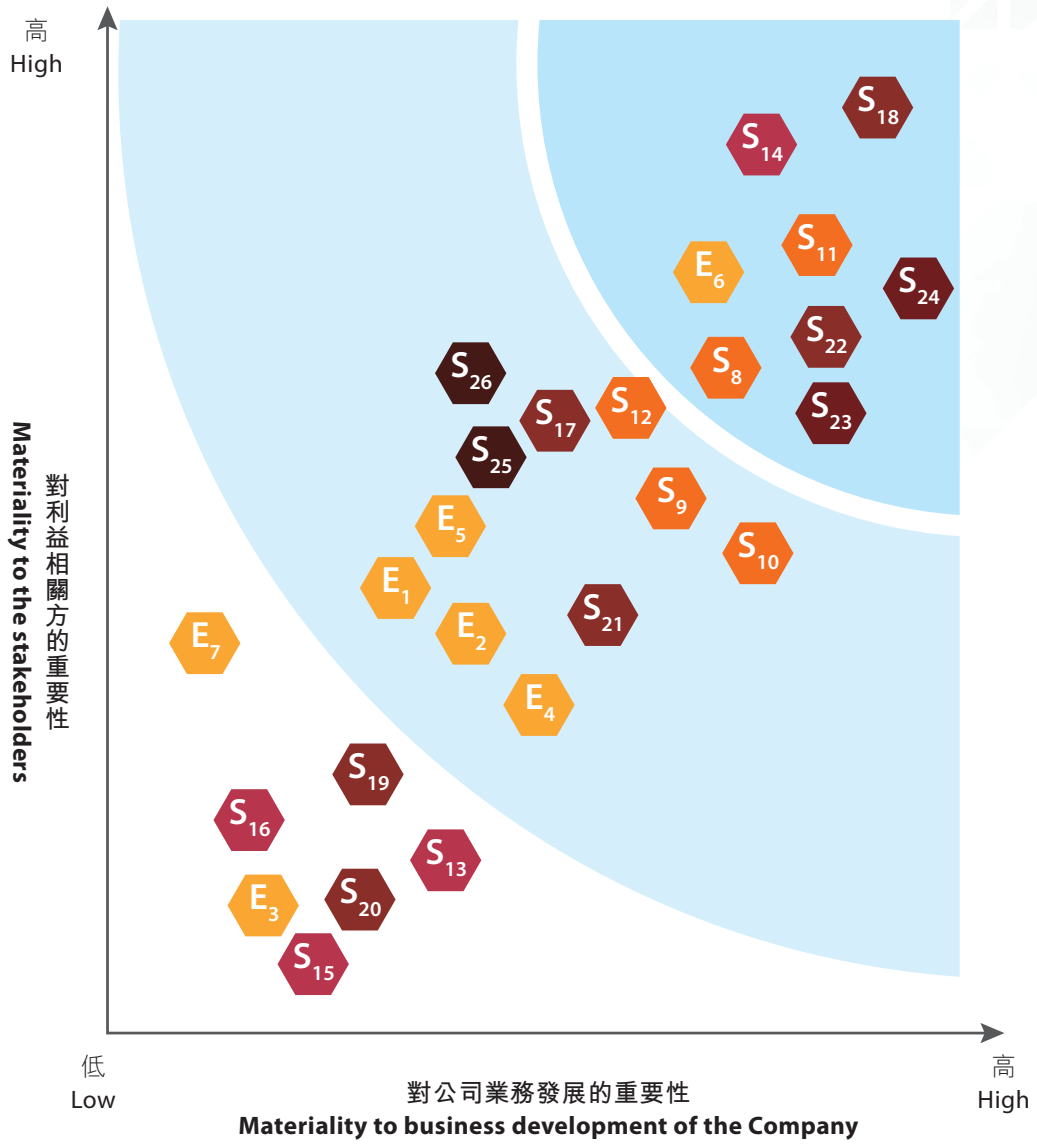
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

權益人參與溝通及重要議題評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

重要性議題矩陣 Materiality Matrix		
環境 Environment	E ₁	氣體及溫室氣體排放 Air and greenhouse gas emissions
	E ₂	污水處理 Sewage treatment
	E ₃	土地利用、污染及修復 Land use, pollution and restoration
	E ₄	廢棄物處理 Waste treatment
	E ₅	能源使用 Energy use
	E ₆	水資源使用 Water use
	E ₇	其他原料使用 Use of other raw materials
僱傭及勞工常規 Employment and labour practices	S ₈	僱員組成 Composition of employees
	S ₉	員工薪酬待遇及福利 Remuneration packages and benefits of the employees
	S ₁₀	職業健康與安全 Occupational health and safety
	S ₁₁	僱員發展及培訓 Development and training of employees
	S ₁₂	防止童工及強制勞工 Preventing child and forced labour
供應鏈管理 Supply chain management	S ₁₃	供應商地區分佈 Suppliers by geographical region
	S ₁₄	供應商選擇、產品及服務評估 Selection of suppliers and assessment of their products and services
	S ₁₅	供應商勞工情況評估 Assessment of working conditions of the suppliers
	S ₁₆	供應商環保情況評估 Environmental protection assessment of the suppliers
產品責任 Product responsibility	S ₁₇	產品和服務的健康與安全 Health and safety relating to products and services
	S ₁₈	客戶滿意度 Customers satisfaction
	S ₁₉	合理的營銷及推廣 Acceptable marketing and promotion
	S ₂₀	維護知識產權 Observing and protecting intellectual property rights
	S ₂₁	質量檢定及產品回收 Quality assurance and product recall
	S ₂₂	保護消費者資料及私隱 Protection of consumer data and privacy
反貪污 Anti-corruption	S ₂₃	防止賄賂、勒索、欺詐及洗黑錢 Preventing bribery, extortion, fraud and money laundering
	S ₂₄	反貪污政策、措施及舉報機制 Anti-corruption policies and measures and whistle-blowing
社區投資 Community investment	S ₂₅	就業務對當地社區的影響進行溝通，評估並制定發展計劃 Communication, assessment and development plans relating to the impact of business to the local community
	S ₂₆	社區投資 Community investment

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環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

於2017年,本集團的主要業務及營商環境沒有重大變化,以下十大重要議題與2016年的相同:

There being no material change in the principal activities of the Group and operating environment in 2017, the below Ten Major Concerns are the same as 2016:

十大重要議題 Ten Major Concerns		
排序 No.	主要範疇 Major Areas	十大重要議題 Ten Major Concerns
1	社會 – 產品責任 Social-Product responsibility	S18 客戶滿意度 S18 Customers satisfaction
2	社會 – 僱傭及勞工常規 Social-Employment and labour practices	S11 僱員發展及培訓 S11 Development and training of employees
3	社會 – 供應鏈管理 Social-Supply chain management	S14 供應商選擇、產品及服務評估 S14 Selection of suppliers and assessment of their products and services
4	社會 – 反貪污 Social-Anti-corruption	S24 反貪污政策、措施及舉報機制 S24 Anti-corruption policies and measures and whistle-blowing
5	環境 Environment	E6 水資源使用 E6 Water use
6	社會 – 僱傭及勞工常規 Social-Employment and labour practices	S12 防止童工及強制勞工 S12 Preventing child and forced labour
7	社會 – 產品責任 Social-Product responsibility	S22 保護消費者資料及隱私 S22 Protection of consumer data and privacy
8	社會 – 反貪污 Social-Anti-corruption	S23 防止賄賂、勒索、欺詐及反洗錢 S23 Preventing bribery, extortion, fraud and money laundering
9	社會 – 僱傭及勞工常規 Social-Employment and labour practices	S8 僱員組成 S8 Composition of employees
10	社會 – 僱傭及勞工常規 Social-Employment and labour practices	S9 員工薪酬及福利待遇 S9 Remuneration packages and benefits of the employees

一. 環境

本集團始終致力於保護環境，並清楚認識環境的可持續發展對業務可持續運營的重要性。本集團不斷踐行生態文明理念，在減少集團業務運營對環境的影響的同時，不斷推廣綠色環保方案，提升員工的環保意識，倡導員工積極參與環境保護。我們將繼續秉承集團的環保方針，致力在運營上精益求精，提高效率，推動綠色經濟的發展，降低對環境的影響。

本集團嚴格遵守香港及其業務所在地區關於環境的法律及法規。於2017年內，並未發生任何環境相關的重大違規事宜。

本集團加強排放物的管理，儘量減少廢氣及溫室氣體排放、向土地的排污、有害及無害廢物的產生。

廢氣及溫室氣體排放

本集團主要從事金融服務、保險、汽車貿易、物業發展及投資以及策略投資，因而不涉及任何直接廢氣排放。

I. ENVIRONMENT

The Group is committed to protecting the environment and notices the importance of sustainable development of the environment for sustainable operations. We constantly make practice of ecological civilization concept. We not only reduce the environmental impact but also promote the green environmental protection plan, improve the staff's environmental protection consciousness, and advocate employees to take an active part in environmental protection. The Group continues to uphold the environmental policy while striving to achieve excellence in operation, improve efficiency, promote the development of green economy and reduce the impact on the environment.

The Group strictly complies with environmental laws and regulations of Hong Kong and areas where its business is carried out. There were no material non-compliance issues involving the Group with regard to environment during 2017.

The Group maintains strict control of emissions and tries its best to reduce emissions, greenhouse gases, pollutants to the soil and the production of hazardous and harmless wastes.

Air and Greenhouse Gas Emissions

The Group is primary engaged in financial services, insurance, trading in motor vehicles, property development and investment and strategic investment, and as such do not involve any direct activity in the air emissions.

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一. 環境 (續)

廢氣及溫室氣體排放 (續)

截至2017年12月31日止，本集團的溫室氣體排放量如下：

溫室氣體排放範圍 Scope of Greenhouse Gas Emissions	排放來源 Emission Sources	排放量 (以千克二氧化碳當量計) Emission (in kg of CO ₂ e)
範圍一 Scope 1		
直接排放 Direct Emission	不適用 N/A	—
範圍二 Scope 2		
間接排放 Indirect Emission	購電 Purchased Electricity	65,884
範圍三 Scope 3		
其他間接排放 Other Indirect Emission	員工乘坐飛機出外公幹 Business air travel by employees	12,831
總計 Total		78,715

於報告期內，本集團之主要業務營運所排放之二氧化碳當量溫室氣體為78,715 千克。年度排放強度為單位面積4.91 千克二氧化碳當量。

有害及無害廢棄物

本集團辦公室所在之主要業務營運並無涉及任何有害廢棄物。我們產生115 公斤無害廢棄物（主要為廢紙），平均每名僱員產生1.9 公斤；及729 公斤一般辦公室廢物，平均每名僱員產生13 公斤。

I. ENVIRONMENT (Continued)

Air and Greenhouse Gas Emissions (Continued)

As at 31 December 2017, the Group's greenhouse gas emissions are as follows:

There were 78,715 kg of carbon dioxide equivalent (CO₂e) greenhouse gases emitted from the key operation of the Group in the reporting period. The annual emission intensity was 4.91 kg of carbon dioxide equivalent per unit area of office.

Hazardous and Non-hazardous Wastes

No hazardous waste was involved with the key operation of the Group which was office based. 115 kg of non-hazardous waste (mainly paper waste) was generated (1.9 kg per employee), and 729 kg of general office waste was generated (13 kg per employee).

一. 環境 (續)

排放物

本集團制定了「辦公室環保節能措施」以指導全體員工保護環境與節約資源，鼓勵踐行節能環保的企業文化。於2017年，本集團實施了以下環保措施：

- 為減少員工差旅出行對環境的影響，推行電話、視頻會議等溝通方式，減少不必要的公務旅程；
- 鼓勵員工乘坐公共交通上班，減少機動車的尾氣排放；
- 辦公室內擺放植物，淨化空氣，美化環境；
- 鼓勵員工參與如「全球熄燈一小時」等減碳活動，以提高員工對環保的意識；
- 倡導垃圾分類，並定期清理辦公垃圾。

I. ENVIRONMENT (Continued)

Emissions

The Group formulated “Environmental Protection and Energy Saving Measures” to guide all staff to protect environment and save resources, encouraging the practice of enterprise culture of energy conservation and environmental protection. We have taken the following environmental protection measures in 2017:

- We reduced the environmental impact of their business travelling by using telephone and video conference, so as to cut unnecessary business trips.
- The Group encouraged its employees to take public transportation to work so as to reduce the exhaust gases of motor vehicles.
- We put the plant in the office to purify air and beautify the environment.
- We encouraged employees to participate in carbon reduction activities such as “Global Lights Out an Hour”, in order to improve staff awareness of environmental protection.
- The Group encouraged garbage classification and cleaned up ordinary garbage on a regular basis.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

一. 環境 (續)

資源使用與環境保護

本集團重視並鼓勵節約、高效利用資源並加強回收循環利用，推廣「物盡其用」、「廢物利用」及「循環再用」的三大環保原則，防止資源浪費。

電力

本集團之主要業務營運於報告期內耗用電力 83,397 千瓦時，每人每月耗用電力 2,127 千瓦時，單位面積耗電量為每人每月 4.3 千瓦時。

水

於報告期內，本集團之主要業務營運耗用約 918 立方米辦公室用水，人均耗水每人每月為 83.2 立方米，單位面積耗水每人每月為 2.56 立方米。

本集團截至 2017 年 12 月 31 日止共回收廢紙 2 公斤；碳粉盒／墨盒 56 個及電腦 1 台。

本集團對員工進行日常環保宣導，在日常工作中提倡節約用電、用紙、建立低碳辦公的企業文化。此外，本集團在日常運營中實施以下節能措施：

- 通過張貼海報等方式，提醒員工在午膳時段或外出工作、開會時，關掉部分照明系統、電腦或顯示屏，並於下班時儘量全面關閉電源，提高員工的節能意識；

I. ENVIRONMENT (Continued)

Use of Resources and Environment Protection

The Group attaches great importance to encourage saving and efficient use of resources and strengthen recycling use, and promote the three environmental protection principles such as "Making the Best Use of Everything", "Making Good Use of Waste Materials" and "Recycling" in order to prevent the resources wasting.

Electricity

The key operation of the Group consumed 83,397 kWh of electricity during the reporting period, electricity consumption of each person per month was 2,127 kWh, electricity consumption of each unit area of office per month was 4.3 kWh.

Water

During the reporting period, the key operation of the Group consumed approximately 918 cubic meters of water for office use, water consumption of each person per month was 83.2 cubic meters, water consumption of each unit area of office per month was 2.56 cubic meters.

As at 31 December 2017, the Group recycled 2 kilograms of waste paper, 56 toner cartridges and cartridges, and 1 computer.

The Group offers guidance on environmental protection to its staff and strives to develop a low-carbon corporate culture by encouraging electricity and paper conservation in daily work. Besides, we promotes the following actions in daily operation.

- We reminded employees to turn off part of the lighting system, computer or display screen when they went out to work, participated in meeting and enjoyed lunch via poster. While employees getting off work, we reminded them to turn off the power supply as much as possible, so as to improve the staff's energy saving consciousness.

一. 環境 (續)

資源使用與環境保護 (續)

- 鼓勵員工自備環保餐具，避免使用一次性餐具；
- 在辦公區域統一採用 LED 燈具，進一步降低能量消耗；
- 鼓勵員工將紙箱、膠袋、信封循環再用，定期將已損壞電器等交予回收商進行處理；
- 實施辦公用紙雙面打印，並循環利用使用過的紙張，同時鼓勵員工多使用電子文件取代實體文件；
- 辦公區域安裝節水設備，並張貼節水標識，減少水資源浪費。

通過一系列環保節能措施，本集團在經營過程中不斷提升資源使用效益，減少不必要的資源浪費，從而降低對環境的影響。

I. ENVIRONMENT (Continued)

Use of Resources and Environment Protection (Continued)

- The Group encouraged employees to bring their own eco friendly tableware, avoiding the use of disposable tableware.
- We had LED lights installed in the office areas, which would help to further reduce energy consumption.
- The Group encouraged employees to recycle cartons, plastic bags and envelope and regularly sent damaged electrical appliances to recyclers for processing.
- We encouraged printing on both sides of the paper and recycling of used paper and encouraged employees to use electronic files instead of physical documents.
- The Group installed water-saving equipment in the office, and posted water-saving logo to reduce the waste of water resources.

Through a series of environmental protection and energy saving measures, the Group are continuously improving the efficiency of resource utilization and reducing unnecessary waste of resources, so as to reduce the impact on the environment.

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二. 社會

本集團志在營造一個和諧共榮的利益共同體，從僱傭及勞工常規、營運慣例及社區參與等方面促進集團與投資者、員工、客戶、供貨商、社區、公眾及政府等在內的相關社會組織和個體的和諧共榮，實現包括企業收益在內的社會綜合效益。

僱傭

本集團嚴格遵守香港及其業務所在地區的相關法律法規，制定了一系列僱傭相關的內部政策，以規範集團對招聘及晉升、薪酬與解僱、福利及待遇、發展與培訓、平等及多元化的管理工作。

本集團積極保障員工的基本權益，建立了完善的薪酬體系，同時提供了多項醫療保險。員工除法定節假日外，亦享受產假、考試假、年假等帶薪假期。

本集團以績效為導向，根據專業資質與工作表現決定員工的晉升與職業發展，為員工提供了平等的工作環境和實現事業夢想的廣闊舞台。

II. SOCIETY

The Group is committed to building up a harmonious community of common interests and promoting harmony and prosperity between the Group and the relevant social organizations and individuals, including our investors, employees, customers, suppliers, community, the public and the government through employment and labour practices, business practices and community participation, aiming to achieve comprehensive social benefits including corporate earnings.

Employment

The Group strictly complies with relevant laws and regulations of Hong Kong and areas where its business is carried out. We have formulated a series of internal policy related to employment to specify the management of work of the Group for hiring and promotion, salary and layoff, welfare, development and training, and the equality and diversity.

The Group protect the basic rights and benefits of employees actively, establish the perfect compensation system, and provide a number of health insurance. Employees enjoy maternity leave, exam holiday, annual leave and other paid holidays in addition to the statutory holidays.

The Group adheres to the concept of performance oriented, decides employee's promotion and career advancement according to the professional qualifications and work performance, and we provide employees equal work environment and a broad stage to fulfill their career dreams.

二. 社會 (續)

僱傭 (續)

本集團秉持公正、公平及多元化的用人風格，逐步建立並完善了人才招聘機制，以工作經驗、技術技能、工作表現為關鍵指標決定人員的僱傭。不以性別、年齡、地域、國籍、種族、宗教信仰、性取向、身體殘疾、婚姻狀況等歧視員工。截至2017年12月31日，本集團及附屬子公司員工總數為74人，詳情如下：

II. SOCIETY (Continued)

Employment (Continued)

The Group gradually sets up and optimizes its evaluation mechanism for recruitment under the hiring principle of justice, equality and diversification, and decides who to hire based on their work experience, technical skills and work performance instead of their gender, age, region, nationality, race, religious beliefs, sexual orientation, physical disability and marital status. As of 31 December 2017, the total number of the employees of the Group and its subsidiaries was 74 and the details are as below:

	2017
僱員總數 Number of employees	
<i>(按性別劃分) (By gender)</i>	
男 Male	39
女 Female	35
<i>(按年齡組別劃分) (By age group)</i>	
20-30 歲 years old	20
31-40 歲 years old	20
41-50 歲 years old	21
51-60 歲 years old	13
<i>(按地區) (By region)</i>	
香港及澳門 Hong Kong and Macau	50
中國大陸 Mainland China	24
<i>(按職級) (By grading)</i>	
高級管理層 Senior Management	11
中級管理層 Middle Management	14
普通職員 General Staff	49

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二. 社會 (續)

僱傭 (續)

僱員流失

截至2017年12月31日止年度，本集團員工的流失情況如下：

II. SOCIETY (Continued)

Employment (Continued)

Employee turnover

During the year ended 31 December 2017, the details of employee turnover are as follows:

		2017	
僱員流失比率 Employee turnover rate (按年齡組別劃分) (By age group)		地區 Region	
		香港及澳門 Hong Kong and Macau %	中國大陸 Mainland China %
20-30 歲 years old		27	20
31-40 歲 years old		32	10
41-50 歲 years old		23	20
51-60 歲 years old		18	0
(按地區) (By region)		性別 Gender	
		男 Male %	女 Female %
香港及澳門 Hong Kong and Macau		32	68
中國大陸 Mainland China		50	50
未來5年內合資格退休的僱員人數 Number of employees eligible to retire within the next 5 year		5	

二. 社會 (續)

健康與安全

作為一個具有社會責任感的綜合性企業，本集團關愛員工的身心健康，倡導工作與生活的平衡。

本集團致力為員工提供安全舒適的工作環境，實施在辦公室內禁煙禁酒、定期清洗及消毒地毯、滅蟲、更換過濾器及清洗飲水機等措施。

為保障員工健康及安全，我們為全體僱員設立醫療保險計劃及辦公室內放置急救箱，並定期參與應急演習。

本集團多次組織員工參加提升身心健康的培訓，通過講座與研討會的方式幫助員工樹立良好的身心健康理念，全方位幫助員工緩解壓力、改善情緒、樹立積極心態、建立良好的職場及家庭關係。

我們組織了多樣化的文體活動，增強了團隊凝聚力和積極性。例如集團在2017年組織了聖誕聯歡會及公司全體旅行，豐富了員工的日常生活。於2017年內，因工作關係而死亡的人數為0。

發展及培訓

立足建設與發展優質的人力資源，本集團構建了科學的人才培養體系，促進員工與企業的共同成長。

II. SOCIETY (Continued)

Health and Safety

As a comprehensive enterprise with a commitment to social responsibility, the Group have concern about staff's physical and mental health, advocating balance between work and life.

Dedicated to provide the employees with a safe and pleasant work environment, the Group implemented no smoking policy and no alcohol policy in the office, regular cleaning and disinfection of carpets, pest control, filter replacement and cleaning of bottled water cooler.

In order to safeguard the health and safety of all the employees, we also set up medical insurance plan and place first aid kit in the office, and regularly participate in emergency exercises.

The Group has organized employees to attend training to develop sound physical and mental health many times. Also, we helped employees to set up a good physical and mental health concept through lectures and seminars, and helped staff to relieve stress, improve mood, build up a positive mental attitude, and establish a good relation between work and family.

We organized a variety of recreational activities to enhance the team cohesion and motivation. For example, the group organized a Christmas party and company trip in 2017, enriching the daily life of employees. During 2017, none of our employees died for work.

Development and Training

With the intention of building and developing committed human resource, the Group set up a scientific personnel training system and staff development to promote mutual growth of employees and enterprise.

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二. 社會 (續)

發展及培訓 (續)

本集團鼓勵員工參與培訓，令他們能夠培養及更新其知識及技能。截至2017年12月31日，本集團員工參與培訓的詳情如下：

		2017
僱員完成培訓總時數	Total number of hours of training completed by employees	266
<i>(按培訓類別) (By type of training)</i>		
外辦培訓課程時數	Number of hours of External training	102
公司內部培訓時數	Number of hours of Internal training	164

(按性別劃分) (By region)

	性別 Gender		
	男 Male	女 Female	
每名僱員平均培訓時數	Average hours of training per employee	1.95	5.43
接受培訓僱員百分比	Percentage of employees who received training	28%	43%

(按僱員類別) (By employee category)

	高級管理層	中級管理層	普通職員	
	Senior Management	Middle Management	General Staff	
每名僱員平均培訓時數	Average hours of training per employee	9.27	2.43	2.65
接受培訓僱員百分比	Percentage of employees who received training	64%	21%	33%

本集團通過組織培訓講座等形式，提升不同職級員工的通用與專業知識技能。本集團鼓勵員工參與培訓。本集團尊重員工的發展與職業規劃，為每一位員工提供充分施展才華與激發潛力的平台。我們鼓勵員工結合集團發展需求，充分發揮自身優勢，實現個人事業抱負。員工可就個人職業發展規劃，與部門主管進行一對一溝通，獲取專業的指導意見。

II. SOCIETY (Continued)

Development and Training (Continued)

The Group encourages employees to participate in training so as to develop and refresh their knowledge and skills. As at 31 December 2017, the details of staff training participation of the Group are as follows:

The Group promote general knowledge and professional skills of employees of different level by organizing training seminars and other forms of activities. The Group encourage employees to participate in training. The Group respects the staff development and career planning, and provides a platform to show talent and inspire potential for each employee. We encourage employees to give full play to their own advantages, achieving personal career aspirations combining development needs of the Group. Employees can enjoy one-on-one communication about personal career development plan with the head of department to get professional guidance.

二. 社會 (續)

勞工準則

本集團嚴格遵守香港及其業務所在地區的勞工相關法律法規，積極保障員工的基本權益，尊重與維護人權，杜絕使用童工和強制勞動等行為。同時，本集團定期監察僱傭人員信息及數據，以防範使用童工及強迫勞工等任何違規事宜。本報告期內，本集團未發生相關違法違例事件。

供應鏈管理

本集團倡導誠信經營，重視維護與供應商的良好合作關係，攜手共創未來。

集團建立統一的「採購管理辦法」，規範供應商選聘流程，以專業資質、產品質量、服務能力、價格等為依據對供應商進行篩選與評估。具體的供應商管理要求如下：

- 立項招標工作在實施過程中須遵循資質審查原則、公開原則、公平競爭原則、公正原則、誠實信用原則及集中購買原則。
- 招標組織人員及投標方必須以誠實、守信的態度實施招標工作，投標人不得與招標人或者其他投標人串通投標，不得擅自放棄中標項目。
- 上述要求有效防範了招標人員不履職和不正確履職情況的發生，建立和營造廉潔自律的氛圍以及誠信經營的企業文化。

II. SOCIETY (Continued)

Labour Standards

The Group strictly complies with the laws and regulations of Hong Kong and areas where its business is carried out in relation to employment, so as to protect the basic rights and interests of employees, respect and safeguard human rights, prevent child labour and forced labour. Meanwhile, the Group regularly monitors the employment related information and data in order to prevent violation of any laws and regulations in relation to, among other things, child labour and forced labour. During the reporting period, there were no non-compliance and contravention involving the Group with regard to employment.

Supply Chain Management

The Group attaches great importance to the joint development with other enterprises or institutions as well as growing together with its suppliers and partners.

The Group establishes a unified regulation of “Administrative Rules on Procurement” to regulate supplier selection process. And we focus on professional qualifications, product quality, service capabilities, and price as to choose and assess our suppliers. The management requirement of suppliers in details are as follows:

- The project tendering must follow the principles of qualification verification, openness, fair competition, justice, honesty and integrity as well as centralised purchase by the Group.
- Tender organisers and bidders must handle the tender in an honest and trustworthy manner. Conspiracy is strictly prohibited between the tender organisers and bidders and the winning bidder must not abandon the project without a proper reason.
- The abovementioned requirement effectively prevents the tender handlers of the Group from not properly performing their duties and helps to establish and create an atmosphere of integrity and discipline and corporate culture of operation in good faith.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

供應鏈管理 (續)

同時，我們定期維護合格供應商名錄，確保供應鏈的有效運行。

我們主要的供應商包括太平再保險有限公司、根寧翰保險公估(香港)有限公司、羅兵咸永道會計師事務所、的近律師行等公司。2017年，本集團及附屬子公司主要的供應商類型如下：

II. SOCIETY (Continued)

Supply Chain Management (Continued)

At the same time, we maintain qualified supplier list on a regular basis to ensure the effective operation of the supply chain.

Our main suppliers include Taiping Reinsurance Company Limited, Cunningham Lindsey (Hong Kong) Limited, PricewaterhouseCoopers, Deacons and so on. The types of main suppliers of the Group and its subsidiaries in 2017 are as follows.

供應商類別 Types of Supplier	所採購的服務/產品 Services/Products	已識別的主要社會與環境影響因素 Main Social and Environmental Factors Identified
保險業務服務 Insurance business services	保險產品銷售、理賠、再保等 Insurance product sales, claims and reinsurance, etc.	合規、營運慣例 Compliance and operational practices
法律等專業諮詢服務 Legal and other professional advisory services	法律諮詢、審計等 Legal advice, audit, etc.	合規、營運慣例 Compliance and operational practices
電子產品等 Electronic products, etc.	硬件(電腦、打印機)及軟件等 Hardware (computer, printer) and software, etc.	環境 Environment
設計、印刷等 Design, printing, etc.	活動承辦、印刷品等 Activities to undertake, printing, etc.	合規、營運慣例 Compliance and operational practices

供應商數目(按地區) Number of supplier (By region)	2017
香港及澳門 Hong Kong and Macau	15
中國大陸 Mainland China	9

二. 社會 (續)

產品責任

本集團嚴格遵守香港及其業務所在地區的保險、貸款及貿易相關法律法規。我們堅持以客戶滿意度為第一檢驗標準，注重保護客戶私隱，致力為客戶及消費者提供優質的產品與服務體驗。

本集團以滿足客戶需求為目標，建立內部管理體系，優化服務流程，為客戶提供優質、可靠的服務。本集團高度重視客戶的意見及建議。針對保險客戶的投訴處理，我們嚴格執行「客戶投訴指引」的規定流程，在第一時間向客戶提供明確的解決方案，及時回應客戶需求。與此同時，本集團組織「如何處理客戶投訴」的專項培訓，指導員工換位思考，在日常工作中從客戶的角度出發，提升客戶滿意度。

集團高度重視對客戶隱私的保護。我們確保客戶個人及商業數據的妥善運用，僅限用於獲授權的商業用途，並僅有業務相關員工方可獲取。我們採用多種安全技術和程序，以保護用戶信息資源不被未經授權的訪問、使用和洩漏。

II. SOCIETY (Continued)

Product Responsibility

The Group complies strictly with the laws and regulations of Hong Kong and areas where its business is carried out in relation to insurance, loans and trade. We always take customer satisfaction as the No.1 standard for testing the quality of our products, take notice of protecting customer privacy and strive to provide our customers and consumers with quality products and excellent service.

In order to meet customer demand, the Group establishes internal management system and optimizes the service process to provide customers with high quality and reliable service. In order to deal with the complaints of insurance customers, we strictly implement the process provided in the "Customer Complaints Guidelines" of the provisions of the process, to provide customers with a clear solution in time. At the same time, the Group organizes the special training of "How to Deal with Customers' Complaints" to instruct staff in working from the customer's perspective and enhance customer satisfaction.

The Group attaches great importance to the protection of customer privacy. We ensure that our customers' personal data and business data are used only for authorized commercial purposes and are only available to business-related employees. We use a variety of security technologies and procedures to protect user information resources from unauthorized access, use and leakage.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

產品責任 (續)

閩信集團附屬子公司依據各家公司業務特性規範並管理其產品質量。閩信保險有限公司嚴格按照香港及澳門的財產保險產品設立要求制定標準化產品，為客戶提供全面的財產保險業務，服務質量深受合作銀行與客戶的認同。三明市三元區閩信小額貸款有限公司以「敬業、樂群、共贏」為經營理念，以追求股東、員工、客戶和社會的共同滿意為目標，專業服務小微企業，支持地方經濟的行為指導，服務產品包括質押貸、信用貸、聯保貸、保證貸及抵押貸等。憑藉出眾的產品與優質的服務，公司2017年被評為三明市中小微企業公共服務示範平台，是全市唯一入選的融資服務示範平台。福建閩信投資有限公司積極進取，開拓創新，與福清江陰港銀河國際汽車進出口貿易有限公司達成戰略夥伴關係，開展平行進口汽車貿易項目，採購的汽車深受市場青睞。

截至2017年12月31日止年度，本集團沒有任何因安全與健康理由而須回收的產品及沒有接獲任何關於產品及服務的投訴。

II. SOCIETY (Continued)

Product Responsibility (Continued)

The subsidiaries of Min Xin Holdings manage their product quality according to their business characteristics. Min Xin Insurance Company Limited develops standardized products and provides customers with comprehensive property insurance business in strict accordance with the Hong Kong and Macao property insurance product requirements. The quality of service is highly acknowledged by our co-operative banks and customers. Sanming City Sanyuan District Minxin Small Loans Limited takes "Dedicated, Friendly, Win-Win" as its business philosophy. The company is in pursuit of the common satisfaction of the Shareholders, employees, customers and the community. Meanwhile, the company provides professional services for small micro-enterprises and supports the local economy's behavioral guidance. The service products include pledge loans, credit loans, joint loans, guaranteed loans and mortgage loans. With outstanding products and quality service, the company was rewarded as Model Public Service Platform for Small and Medium-Sized Enterprises in Sanming City in 2017 and was the only selected financing services model platform in the city. Fujian Minxin Investment Co., Ltd. is proactive, pioneering and innovative. The company and Fuqing Jiangyin Port Galassia International Automobile Imp. & Exp. Trade Co., Ltd. reached a strategic partnership and carried out parallel import car trade projects. And the cars are favored by the market.

During the year ended 31 December 2017, the Group did not recall any product due to safety and health reasons and did not receive any complaint related to the product and service.

二. 社會 (續)

反貪污

本集團在經營過程中堅持誠信經營，嚴格遵循香港以及運營所在地區的相關法律法規，杜絕任何形式的貪污受賄行為。不論是在香港、澳門以及其他地區，所有董事及員工在執行本公司業務時，均不可向任何人士索取、接受或提供賄賂。在執行本集團任何業務時，董事及職員必須遵守香港《防止賄賂條例》。

於2017年，為了加強員工對常見的貪污陷阱的防範意識，本集團邀請了香港廉政公署前來舉辦「防貪講座」。此講座向員工介紹「防止賄賂條例」以及相關法規，並提供防貪建議。

此外，於報告期內，並未發生涉及本集團及員工關於貪污、賄賂、勒索、欺詐及洗黑錢方面的訴訟個案。

集團制定了「僱員提出可能不正當行為的政策」，以監察員工在日常運營中的操守及行為。另外，本集團在《員工手冊》中申明了員工利益衝突管理，規範了員工在集團營運過程中行為紅線和禁區。若員工發現違規事項，可向相關部門主管或總經理做出舉報。總經理負責對舉報事件進行調查，並出具書面調查結果。我們對所有舉報信息實行嚴格保密。

每年，集團內部通過自我審查保護本集團與相關權益人的利益。本集團亦聘請獨立審計師對集團進行外部審計，通過內部檢查和外部審計預防和控制本集團發生舞弊或不道德行為。

II. SOCIETY (Continued)

Anti-corruption

The Group adheres to the integrity of business, complies strictly with the laws and regulations of the relevant jurisdictions of Hong Kong and areas where its business is carried out, to prevent any form of corruption and bribery. All directors and staff are prohibited from soliciting, accepting or offering any bribe in conducting the Company's business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the Group, they must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong.

In 2017, to enhance staff awareness of the common pitfalls of corruption, the Group invited the Independent Commission Against Corruption of Hong Kong to come to our company to organize an "Anti-corruption Seminar" on the Prevention of Bribery Ordinance and relevant laws and regulations and provided advice on corruption prevention to the employees.

In addition, there were no litigations involving the Group and its employees with regard to corruption during the reporting period.

The Group has formulated a policy of "Possible Misconduct Raised by Employee" to monitor the conduct of employees in their daily operations. In addition, the Group states in the Employee Handbook that how to manage employees' conflicts of interest, and it specifies employees' red lines and restricted areas in daily operations. If misconduct is spotted, anyone can inform the relevant department manager or general manager. The general manager is responsible for investigating the reported incidents and issuing written findings. All communications will be processed in a confidential manner.

Each year, the Group protects the benefits of the Group and the relevant stakeholders through self-inspection. The Group also hires independent auditors to conduct external audits on the Group as to prevent and control fraud or wrongdoings through internal inspections and external audits.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

社區投資

本集團以「回饋社會」作為企業發展理念，積極履行企業公民責任，並鼓勵支持員工參與各類公益慈善活動。

於年內，本集團參與了香港公益金的「公益金便服日」，員工們身穿便服參加並捐款港幣 5,000 元。本集團亦於年內捐款澳門幣 100,000 元予澳門工會聯合總會以作颱風「天鴿」過後澳門風災善後之用。本集團將繼續投放資源於社會活動，在不斷追求業務發展的同時，積極參與慈善活動。

本集團經常活躍於社會公益事業的各個角落，希望以自己行動的一小步，喚起社會愛心的一大步。本集團將保持優良的企業文化，積極參與社區開發建設並貢獻社會。

II. SOCIETY (Continued)

Community Investment

The Group takes the “Rewarding the Community” as its enterprise development concept, fulfills corporate citizenship and encourages staff to participate in various charity activities.

During the year, the Group participated in the “Dress Casual Day” organised by the Community Chest of Hong Kong. Employees were wearing casual clothes to participate and made a donation of HK\$5,000. The Group also donated MOP\$100,000 to Macao Federation of Trade Unions for disaster recovery in Macau after Typhoon Hato during the year. The Group will continue to commit resources to social activities and play an active role in participating in charitable activities while constantly pursuing business development.

The Group plays an active role in social welfare undertakings, hoping to take a small step in their own actions to form a major step forward to arouse social love. The Group will maintain a good corporate culture, and actively participate in community development and community contribution.

董事會報告

REPORT OF THE DIRECTORS

董事會同寅謹將截至2017年12月31日止年度報告及已經審核財務報表呈覽。

主要業務

本公司之主要業務為投資控股，而本公司及其附屬公司（「本集團」）主要從事金融服務、保險、汽車貿易、物業發展及投資以及策略投資。本公司之主要附屬公司及聯營公司之主要業務及其他摘要分別載於綜合財務報表註釋39及18。

本集團在本年度之主要業務和經營地區分析載於綜合財務報表註釋5。

業務回顧

本集團的主要業務討論及分析及根據公司條例附表5須予披露的業務回顧（其中包括對業務的中肯審視及本集團面對的主要風險及不明朗因素的討論）載於本年報第6頁至第23頁的「主席報告書」及「管理層討論及分析」內。上述兩節乃本報告之一部分。

業績及分配

本集團截至2017年12月31日止年度之業績載於第108頁。本公司董事會議決於2018年6月13日（星期三）舉行之股東週年大會（「2018年股東週年大會」）上建議派發截至2017年12月31日止年度之末期股息每股港幣8仙，合共港幣47,780,580.16元（2016年：末期股息每股港幣5仙，合共港幣22,971,432.80元）。如獲通過，上述股息將於2018年7月3日或之前派發。

The Directors hereby present their report together with the audited financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the Company and its subsidiaries (the "Group") are principally engaged in financial services, insurance, trading in motor vehicles, property development and investment and strategic investment. The principal activities and other particulars of the principal subsidiaries and associates are set out in Notes 39 and 18 to the consolidated financial statements respectively.

The analysis of the principal activities and geographical locations of the operations of the Group for the year are set out in Note 5 to the consolidated financial statements.

BUSINESS REVIEW

The discussion and analysis of the principal activities of the Group and other business review as required to be disclosed by Schedule 5 to the Companies Ordinance, including a fair review of the business and a discussion of the principal risks and uncertainties facing the Group, is set out in the "Chairman's Statement" and "Management Discussion and Analysis" on pages 6 to 23 of this Annual Report. The above two sections form part of this report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out on page 108. The Board of the Company has resolved to recommend at the forthcoming Annual General Meeting of the Company to be held on Wednesday, 13 June 2018 (the "2018 AGM") the payment of a final dividend of 8 HK cents per share totaling HK\$47,780,580.16 for the year ended 31 December 2017 (2016: final dividend of 5 HK cents per share totaling HK\$22,971,432.80). The proposed dividend, if approved, will be paid on or before 3 July 2018.

董事會報告

REPORT OF THE DIRECTORS

記錄日期

為確定出席2018年股東週年大會並在會上投票的資格，本公司將在2018年6月8日（星期五）至2018年6月13日（星期三），包括首尾兩天在內，暫停辦理股份過戶登記手續。為確保享有出席2018年股東週年大會並在會上投票的資格，所有填妥的股份過戶文件連同有關股票，務請於2018年6月7日（星期四）下午4時30分前送達本公司股份過戶登記處卓佳標準有限公司辦理登記手續，地址為香港皇后大道東183號合和中心22樓。

暫停辦理股份過戶登記手續

擬派發截至2017年12月31日止年度的末期股息須待本公司股東在2018年股東週年大會上批准後方可作實。為確定收取擬派末期股息的資格，本公司將在2018年6月21日（星期四）至2018年6月22日（星期五），包括首尾兩天在內，暫停辦理股份過戶登記手續。為確保享有擬派末期股息，所有填妥的股份過戶文件連同有關股票，務請於2018年6月20日（星期三）下午4時30分前送達本公司股份過戶登記處卓佳標準有限公司辦理登記手續，地址為香港皇后大道東183號合和中心22樓。

五年財務摘要

本集團過去五個財政年度之業績、資產淨值及權益總額摘要載於第4頁及第5頁。

儲備金

本集團及本公司於年內之儲備金變動分別載於第112頁及綜合財務報表註釋38(a)。

RECORD DATE

For the purpose of determining the entitlement to attend and vote at the 2018 AGM, the register of members of the Company will be closed from Friday, 8 June 2018 to Wednesday, 13 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2018 AGM, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 June 2018.

CLOSURE OF REGISTER OF MEMBERS

The proposed final dividend for the year ended 31 December 2017 is subject to the approval by the Shareholders at the 2018 AGM. For the purpose of determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 21 June 2018 to Friday, 22 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 20 June 2018.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, net assets and total equity of the Group for the last five financial years is set out on pages 4 and 5.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out on page 112 and in Note 38(a) to the consolidated financial statements respectively.

物業、機器及設備

本集團之物業、機器及設備變動詳情載於綜合財務報表註釋 15。

持有之主要物業權益

本集團持有之主要物業權益詳情載於第 264 頁。

股本

本公司之股本詳情載於綜合財務報表註釋 33(a)。

可供分配之儲備

於 2017 年 12 月 31 日，本公司根據公司條例第 6 部之規定計算之可供分配儲備為港幣 560,460,000 元 (2016 年：港幣 479,690,000 元)。

董事

於年內及截至本報告日期，在職之本公司董事芳名載於本年報第 2 頁內。

按照本公司組織章程細則第 94 及 95 條規定，王非先生、劉倫先生及蘇合成先生將於 2018 年股東週年大會上輪值退任，並表示如再度獲選，願意繼續連任。

本公司的非執行董事並沒有指定的任期，但他們須按本公司組織章程細則的規定在股東週年大會上輪值退任及膺選連任。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group is set out in Note 15 to the consolidated financial statements.

PRINCIPAL PROPERTY INTERESTS HELD

Details of the principal property interests held by the Group are set out on page 264.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 33(a) to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2017, calculated under Part 6 of the Companies Ordinance amounted to HK\$560,460,000 (2016: HK\$479,690,000).

DIRECTORS

The names of the Directors who have served the Company during the year and up to the date of this report are set out on page 2 of this Annual Report.

In accordance with Articles 94 and 95 of the Articles of Association of the Company, Mr WANG Fei, Mr LIU Lun and Mr SO Hop Shing will retire by rotation at the 2018 AGM and, being eligible, offer themselves for re-election.

The Non-executive Directors of the Company are not appointed for a specific term, but they are subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company.

董事會報告 REPORT OF THE DIRECTORS

董事 (續)

擬於2018年股東週年大會上膺選連任之董事概無與本公司訂立任何在無須作出賠償下本公司不可於一年內終止之服務合約。

本公司已接獲各獨立非執行董事根據聯交所之上市規則第3.13條規定就其獨立性提交週年確認書，而本公司亦認為所有獨立非執行董事均為本公司獨立人士（定義見上市規則）。

董事個人簡歷

本公司之董事之個人簡歷載於本年報之「董事及高級管理人員個人簡歷」內。

董事資料的變更

根據上市規則第13.51B(1)條的規定，自本公司2017年中期報告刊發後，有關須予披露之本公司之董事資料之變更詳列如下：

張文海先生，本公司之獨立非執行董事，自2017年8月23日起辭任五洲國際控股有限公司（股份代號：1369）之首席財務官。

韓孝捷先生，本公司之非執行董事，自2017年1月11日起獲委任為福州市政治協商委員會常委。

彭錦光先生，本公司之執行董事及董事會主席，自2018年3月1日起辭任福建省投資開發集團有限責任公司之總經理、黨委副書記及副董事長。

DIRECTORS (Continued)

None of the Directors who are proposed for re-election at the 2018 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation.

The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules of the Stock Exchange and the Company considers all the Independent Non-executive Directors are independent as defined in the Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the Directors of the Company are set out in the “Biographical Details of Directors and Senior Management” section of this Annual Report.

CHANGE IN THE INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of the Directors of the Company required to be disclosed since the publication of 2017 interim report of the Company is set out below:

Mr CHEUNG Man Hoi, an Independent Non-executive Director of the Company, has resigned as the Chief Financial Officer of Wuzhou International Holdings Limited (Stock Code: 1369) with effect from 23 August 2017.

Mr HON Hau Chit, a Non-executive Director of the Company, has been appointed as a member of Standing Committee of Fuzhou Municipal Committee of Chinese People’s Political Consultative Conference with effect from 11 January 2017.

Mr PENG Jin Guang, an Executive Director and the Chairman of the Board of the Company, has resigned as the General Manager, the Deputy Secretary of the Party Committee and the Vice Chairman of Fujian Investment & Development Group Co., Ltd. with effect from 1 March 2018.

附屬公司董事

於年內及截至本報告日期，出任本公司附屬公司董事會的董事芳名載列如下：

劉承先生
張帆先生
陳廣宇先生
陳芬女士
陳國光先生（附註1）
熊安台先生
畢波先生（附註2）
張燕南先生
郭祥先生
吳嘉志先生
錢文榮先生

附註：

1. 陳國光先生辭任董事，自2018年2月10日起生效。
2. 畢波先生辭任董事，自2017年12月31日起生效。

董事權益

於2017年12月31日，本公司董事及行政總裁在本公司及其相聯法團（按證券及期貨條例（「證券及期貨條例」）第XV部所指的定義）的股份、相關股份及債券中擁有根據證券及期貨條例第352條須予備存的登記冊所記錄或根據上市規則之標準守則須知會本公司及聯交所之權益及淡倉如下：

DIRECTORS OF SUBSIDIARIES

The names of the Directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report are set out below:

Mr LIU Cheng
Mr ZHANG Fan
Mr CHAN Kwong Yu
Ms CHEN Fen
Mr CHAN Kwok Kwong (Note 1)
Mr SHIUNG An Tai
Mr BI Bo (Note 2)
Mr ZHANG Yannan
Mr GUO Xiang
Mr NG Ka Chi
Mr QIAN Wen Rong

Notes:

1. Mr CHAN Kwok Kwong has resigned as a director with effect from 10 February 2018.
2. Mr BI Bo has resigned as a director with effect from 31 December 2017.

DIRECTORS' INTEREST

At 31 December 2017, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules were as follows:

於本公司普通股份之好倉 Long Position in Ordinary Shares of the Company

董事姓名 Name of Director	權益性質 Nature of interests	持有股份數量 Number of shares held	約佔發行股本之百分比 Approximately Percentage of the issued share capital of the Company
葉啟明 IP Kai Ming	個人權益 Personal interest	865,800	0.14%

董事會報告

REPORT OF THE DIRECTORS

董事權益 (續)

除上文所披露者外，於2017年12月31日止，本公司董事及行政總裁概無在本公司或其任何相聯法團（按證券及期貨條例第XV部所指的定義）的股份、相關股份或債券中擁有任何須根據證券及期貨條例第352條須予備存的登記冊所記錄或根據標準守則須知會本公司及聯交所之權益或淡倉；而本公司之董事或彼等之配偶或18歲以下之子女於年內亦無持有任何權利以認購本公司的證券或已行使該等權利。

本公司及各附屬公司於年內任何期間概無簽訂任何本公司董事可藉收購本公司或任何其他法人團體之股份或債券而取得利益之協議。

董事於競爭業務之權益

本公司所有執行董事及非執行董事已確認彼等於年內概無直接或間接擁有對本集團業務構成或可能構成競爭並須根據上市規則第8.10條予以披露之業務權益。

董事於重大交易、安排及合約之權益

於本年度任何期間或年結時，本公司或其任何附屬公司概無就構成本公司重要業務進行或簽訂任何本公司董事或彼等有關連的實體直接或間接擁有重大權益的交易、安排或合約。

DIRECTORS' INTEREST (Continued)

Save as disclosed above, as at 31 December 2017, none of the Directors and Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and none of the Directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

All Executive Directors and Non-executive Directors of the Company have confirmed that they did not have any interests in business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACT

No transaction, arrangement or contract (that is significant in relation to the Company's business) to which the Company or any of its subsidiaries was a party and in which a Director of the Company or an entity connected with a Director had, directly or indirectly, a material interest, subsisted at the end of the year or at any time during the year.

獲准許的彌償條文

本公司的組織章程細則列明，在公司條例的規限下，本公司每名董事有權就有關其在執行及履行其職責時或與之相關所招致之一切成本、收費、損失、開支及負債獲本公司的彌償。本公司已為董事及高級職員安排投保董事及高級職員責任保險，受保條款及範圍每年進行檢討及續保。

主要股東權益

於2017年12月31日止，根據本公司按證券及期貨條例第336條規定須予備存的登記冊中載錄，持有本公司股份及相關股份權益或淡倉之主要股東（本公司董事及行政總裁除外）如下：

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that, subject to the Companies Ordinance, every Director of the Company is entitled to be indemnified by the Company against all costs, charges, losses, expense and liabilities incurred by him in the execution and discharge of his duties or in relation thereto. The Company has arranged directors and officers liability insurance for its Directors and Officers. The terms and extent of the coverage are reviewed and renewed annually.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 31 December 2017, substantial Shareholders (other than Directors and Chief Executive of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follow:

公司名稱 Name of Corporation	身份 Capacity	附註 Notes	持有股份數量 Number of shares held	佔本公司 已發行股本 百分比 Percentage of the issued share capital of the Company
Samba Limited ("Samba")	實益擁有人 Beneficial Owner	1	144,885,000 (好)(L)	24.26% (好)(L)
貴信有限公司（「貴信」） Vigour Fine Company Limited ("Vigour Fine")	實益擁有人及受控法團權益 Beneficial Owner and Interest of Controlled Corporation	1	355,552,883 (好)(L)	59.53% (好)(L)
福建省投資開發集團有限 責任公司（「福建投資集團」） Fujian Investment & Development Group Co., Ltd. ("FIDG")	受控法團權益 Interest of Controlled Corporation	2	355,552,883 (好)(L)	59.53% (好)(L)

董事會報告
REPORT OF THE DIRECTORS

主要股東權益 (續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS
(Continued)

公司名稱 Name of Corporation	身份 Capacity	附註 Notes	持有股份數量 Number of shares held	佔本公司 已發行股本 百分比 Percentage of the issued share capital of the Company
冠城鐘錶珠寶有限公司 (「冠城鐘錶」) Citychamp Watch & Jewellery Group Limited ("Citychamp")	實益擁有人 Beneficial Owner	3	88,150,000 (好)(L)	14.76% (好)(L)
朝豐有限公司(「朝豐」) Full Day Limited ("Full Day")	受控法團權益 Interest of Controlled Corporation	3	88,150,000 (好)(L)	14.76% (好)(L)
信景國際有限公司 (「信景國際」) Sincere View International Limited ("Sincere View")	實益擁有人及受控法團權益 Beneficial Owner and Interest of Controlled Corporation	3	99,398,000 (好)(L)	16.64% (好)(L)
韓國龍 HON Kwok Lung	受控法團權益 Interest of Controlled Corporation	4	99,398,000 (好)(L)	16.64% (好)(L)
林淑英 LAM Suk Ying	配偶的權益 Interest of Spouse	4	99,398,000 (好)(L)	16.64% (好)(L)

主要股東權益 (續)

附註：

1. Samba 持有本公司 144,885,000 股股份權益。貴信為 Samba 的控股股東，被視為擁有 Samba 於本公司所持 144,885,000 股股份的權益。貴信亦直接持有本公司 210,667,883 股股份。
2. 福建投資集團直接持有貴信的全部已發行股本，被視為擁有本公司 355,552,883 股股份權益。
3. 冠城鐘錶持有本公司 88,150,000 股股份權益。冠城鐘錶是信景國際及朝豐所控制的法團，故此，信景國際及朝豐各自被視為擁有本公司 88,150,000 股股份權益。信景國際亦直接持有本公司 11,248,000 股股份。
4. 韓國龍先生（「韓先生」）持有朝豐的全部已發行股本，彼亦是信景國際的控股股東，韓先生被視為擁有本公司 99,398,000 股股份權益。林淑英，韓先生之配偶，被視為擁有本公司 99,398,000 股股份權益。

好：好倉

除上文所披露者外，於 2017 年 12 月 31 日止，本公司並無收到任何人士（本公司董事及行政總裁除外）知會其股份或相關股份擁有根據本公司按證券及期貨條例第 336 條須予備存的登記冊所記錄之淡倉。

購入、出售或贖回股份

本公司及其附屬公司於本年度內並無購回、出售或贖回任何本公司之已發行股份。

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Notes:

1. 144,885,000 shares of the Company was held by Samba. Vigour Fine was the controlling shareholder of Samba and was deemed to be interested in the 144,885,000 shares of the Company held by Samba. Vigour Fine also directly held 210,667,883 shares of the Company.
2. FIDG directly held the entire issued share capital of Vigour Fine and was deemed to be interested in the 355,552,883 shares of the Company.
3. 88,150,000 shares of the Company was held by Citychamp. Citychamp was the controlled corporation of each of Sincere View and Full Day and each of Sincere View and Full Day was deemed to be interested in the 88,150,000 shares of the Company. Sincere View also directly held 11,248,000 shares of the Company.
4. Mr HON Kwok Lung ("Mr Hon") held the entire issued share capital of Full Day and was the controlling shareholder of Sincere View, Mr Hon was deemed to be interested in the 99,398,000 shares of the Company. Ms LAM Suk Ying, the spouse of Mr Hon, was deemed to be interested in the 99,398,000 shares of the Company.

L: Long position

Save as disclosed above, at 31 December 2017, the Company had not been notified by any persons (other than Directors and Chief Executive of the Company) who had short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's issued shares during the year.

董事會報告 REPORT OF THE DIRECTORS

管理合約

於年內，本公司已與本公司的控股股東貴信續訂年度管理協議，貴信同意向本公司提供管理服務，包括提供董事予本公司董事會。於年內已支付予貴信之管理費為港幣1,880,000元。

王非先生及劉承先生，亦為貴信之董事而被視為於上述交易有利益關係。

除上述外，本公司於年內並無簽訂或存在任何有關本公司全盤或其中重大部份業務之管理及行政合約。

除上文所披露者外，本公司於年內並無與其控股股東貴信簽訂任何重要合約。

主要客戶及供應商

於年內，本集團從五大供應商處購買其產品及服務少於百分之三十，而售予五大客戶的產品及服務亦少於百分之三十。

銀行貸款

本集團於2017年12月31日之銀行貸款詳情載於綜合財務報表註釋31。

遵守保險業條例

本公司之全資附屬公司閩信保險受保險業監管局之監管，並須符合保險業條例有關已收或應收毛保費收入總額的最高限額的規定條文。

MANAGEMENT CONTRACTS

During the year, the Company had renewed the annual management agreement with Vigour Fine, the controlling Shareholder, whereby Vigour Fine agreed to provide management services to the Company which included the provision of Directors to the Board of the Company. A management fee of HK\$1,880,000 had been paid to Vigour Fine during the year.

Messrs WANG Fei and LIU Cheng deemed to be interested in the above transaction by virtue of their being directors of Vigour Fine.

Except for the above, there were no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company entered into or existed during the year.

Save as disclosed above, there was no contract of significant entered into between the Company and Vigour Fine, the controlling Shareholder, during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its products and services from its 5 largest suppliers and sold less than 30% of its products and services to its 5 largest customers.

BANK BORROWINGS

Details of the bank borrowings of the Group at 31 December 2017 are set out in Note 31 to the consolidated financial statements.

COMPLIANCE WITH INSURANCE ORDINANCE

Min Xin Insurance, a wholly-owned subsidiary of the Company, is subject to the supervision of the Insurance Authority and is required to comply with the relevant provision of Insurance Ordinance in relation to the maximum limit on the amount of gross premium income received or receivable.

關連交易

本集團於截至2017年12月31日止年度內進行的重大關連方交易詳情載於綜合財務報表註釋18(b)、18(f)、37(a)、37(b)、37(c)及37(d)內，惟此等關連方交易按上市規則規定不須披露為關連交易。

其他亦構成上市規則所指之關連交易之關連方交易載於綜合財務報表註釋6(a)及10(a)(iii)內。

上市規則第13.21條之持續披露規定

根據本公司與若干本地銀行簽訂的（定期貸款授信函），本公司承諾將促使本公司的控股股東福建投資集團，且福建投資集團同意及確認，於定期貸款授信函期內維持持有本公司（無論直接或間接）已發行股本不少於35%的實益權益。違反這項承諾將構成違約事件，而本公司在定期貸款授信函項下的所有到期未償還金額（包括本金及利息）可變為即時到期及應付。

公眾持股量

根據本公司所得的公開資料顯示及就其董事所知，於本報告日期，本公司維持根據上市規則所訂明的公眾持股量。

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2017, which are not required to be disclosed under the Listing Rules as connected transactions, are disclosed in Notes 18(b), 18(f), 37(a), 37(b), 37(c) and 37(d) to the consolidated financial statements.

Other related party transactions, which also constitute connected transactions under the Listing Rules, are disclosed in Notes 6(a) and 10(a)(iii) to the consolidated financial statements.

CONTINUING DISCLOSURE REQUIREMENT PURSUANT TO RULE 13.21 OF THE LISTING RULES

Pursuant to the term loan facilities entered into between the Company and certain banks in Hong Kong, the Company undertook it will procure FIDG, the controlling shareholder of the Company, and FIDG agreed and confirmed, to maintain (whether directly or indirectly) not less than 35% beneficial interests in the issued share capital of the Company during the term of the term loan facilities. Breach of such undertaking will constitute an event of default and all amounts (including principal and interest) due and owing by the Company to the banks under the term loan facilities shall become immediately due and payable.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this report, the Company had maintained the prescribed public float under the Listing Rules.

董事會報告

REPORT OF THE DIRECTORS

核數師

本年度綜合財務報表已經由羅兵咸永道會計師事務所（「羅兵咸」）審核，該核數師將退任本公司核數師，自本公司擬於2018年6月13日星期三舉行之2018年股東週年大會結束起生效，此乃由於廈門國際銀行（「廈銀」）之核數師於2017年由羅兵咸更換為畢馬威，及為便於本公司與廈銀之間的審計安排。本公司核數師之更換將在成本和審計過程方面提高效率及有效性，這將符合本公司及其股符合本公司及其股東的整體最佳利益。

董事會，在本公司審核委員會建議下，決議建議緊隨羅兵咸退任後委任畢馬威為本公司之新任核數師，其任期直至本公司下一屆股東週年大會結束為止，惟須依據股東於股東週年大會的批准方可作實。

董事會代表

主席
彭錦光

香港，2018年3月28日

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers ("PwC") who will retire as the auditor of the Company with effect from the conclusion of the 2018 AGM to be held on Wednesday, 13 June 2018, in order to facilitate the audit arrangements between the Company and Xiamen International Bank ("XIB") due to the change of auditor of XIB from PwC to KPMG in 2017. The change of auditor of the Company will enhance the efficiency and effectiveness of the audit in terms of both cost and audit process which would be in the best interests of the Company and its Shareholders as a whole.

The Board has resolved, with the recommendation of the audit committee of the Company, to propose the appointment of KPMG as the new auditor of the Company following the retirement of PwC and to hold office until conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the AGM.

On behalf of the Board

PENG Jin Guang
Chairman

HONG KONG, 28 March 2018

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

致閩信集團有限公司股東
(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第108至263頁閩信集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況表和截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表註釋,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。

TO THE SHAREHOLDERS OF MIN XIN HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Min Xin Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 108 to 263, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the 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 Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

關鍵審計事項

關鍵審計事項是根據我們的職業判斷，認為對當期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 與廈門國際銀行及其附屬公司（合稱「廈銀集團」）有關的關鍵審計事項
- 三明市三元區閩信小額貸款有限公司（「閩信小貸」）客戶貸款及應收利息之減值準備

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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.

Key audit matters identified in our audit are summarised as follows:

- Key Audit Matters in relation to Xiamen International Bank and its subsidiaries ("XIB Group")
- Impairment allowances on loans to customers and interest receivable of Sanming Sanyuan District Minxin Micro Credit Company Limited ("Minxin Micro Credit")

關鍵審計事項
Key Audit Matters

與廈銀集團有關的關鍵審計事項
Key Audit Matters in relation to XIB Group

請參閱集團綜合財務報表註釋 3(f)
(關鍵會計估計及判斷) 及註釋 18
Refer to Note 3(f) (critical accounting
estimates and judgment) and Note 18 to
the Group's consolidated financial statements

貴集團所持廈銀集團約 9.7635% 的股份採用權益法進行核算。截至二零一七年十二月三十一日止年度，貴集團應佔廈銀集團之稅後溢利為約港幣 51,323 萬元，截至二零一七年十二月三十一日，貴集團應佔廈銀集團之資產淨值為約港幣 479,764 萬元。下文說明的數額為廈銀集團綜合財務報表內的數字（即按百分之百基準）。

The Group's approximately 9.7635% shareholding in XIB Group is accounted for under the equity method. The Group's share of the profit after tax from XIB Group for the year ended 31 December 2017 was approximately HK\$513.23 million and the Group's share of XIB Group's net assets was approximately HK\$4,797.64 million as at 31 December 2017. The amounts noted below are those in the XIB Group's consolidated financial statements (i.e. on a 100% basis).

在我們審計貴集團綜合財務報表的涵義下，與貴集團應佔廈銀集團之稅後溢利及資產淨值有關的關鍵審計事項概述如下：

In the context of our audit of the Group's consolidated financial statements, the key audit matter relating to the Group's share of the profit after tax and net assets of XIB Group is summarised below:

我們的審計如何處理關鍵審計事項
How our audit addressed the Key Audit Matters

廈銀集團是貴集團的重要聯營公司，其由非本所核數師（「廈銀核數師」）審計。我們曾與廈銀核數師會面，討論他們識別的審計風險和審計方法，並審閱他們的工作底稿，和討論他們的工作結果。連同他們按照我們的指示向我們匯報的結果，我們認定所執行的審計工作和取得的憑證，就我們的目的而言是充足的。我們已與廈銀核數師及貴公司管理層會面，並商討和評估與廈銀集團有關的關鍵審計事項對集團綜合財務報表的影響。

XIB Group is a significant associate of the Group and is audited by a non-PwC auditor ("the XIB Auditor"). We have met with the XIB Auditor and discussed their identified audit risks and audit approach and have reviewed their working papers and discussed with them the results of their work. Together with their reporting to us in accordance with our instructions, we have determined that the audit work performed and evidence obtained were sufficient for our purpose. We have met with the XIB Auditor and the Company's management and have discussed with them and evaluated the impact on the Group's consolidated financial statements of the key audit matters relating to XIB Group.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

關鍵審計事項 Key Audit Matters

與廈銀集團有關的關鍵審計事項 (續) Key Audit Matters in relation to XIB Group (Continued)

貸款、墊款及應收款項類投資減值測試 – 截至二零一七年十二月三十一日，廈銀集團之貸款、墊款及應收款項類投資餘額（扣除減值準備）為約人民幣41,416,297萬元（等值約港幣49,738,902萬元），佔廈銀集團總資產比例為約58.14%。因此，貸款、墊款及應收款項類投資質量對貴集團綜合財務報表中應佔廈銀集團之稅後溢利及資產淨值有重大影響。

Impairment assessment of loans and advances and investments in receivables – The aggregated balances (net of impairment allowances) of loans and advances and investments in receivables of XIB Group amounted to approximately RMB41,416.297 million (equivalent to approximately HK\$49,738.902 million) as at 31 December 2017, representing approximately 58.14% of total assets of XIB Group. In this regard, the quality of loans and advances and investments in receivables has a material impact on the share of the profit after tax and net assets of XIB Group in the Group's consolidated financial statements.

貸款、墊款及應收款項類投資減值準備反映了廈銀集團管理層於呈報日對貸款、墊款及應收款項類投資可能產生的減值損失作出的最佳估計。

Impairment allowances for loans and advances and investments in receivables represent best estimates made by XIB Group's management for the impairment losses that may arise from loans and advances and investments in receivables at the reporting date.

我們的審計如何處理關鍵審計事項 How our audit addressed the Key Audit Matters

對廈銀集團貸款、墊款及應收款項類投資減值測試執行的程序包括：

The procedures performed in relation to impairment assessment of loans and advances and investments in receivables of XIB Group included:

- 驗證廈銀集團識別及量化貸款、墊款及應收款項類投資減值的方法是否恰當並得到一貫應用。
Verifying whether XIB Group's method for identification and quantification of impairment of loans and advances and investments in receivables is appropriate and the method has been applied consistently;
- 了解、評估及測試廈銀集團與貸款、墊款及應收款項類投資減值測試相關的控制的設計及運作控制；此等控制包括及時識別出個別已減值貸款、墊款及應收款項類投資的控制，確定組合計提貸款、墊款及應收款項類投資減值相關關鍵模型輸入值、假設、參數和計算的控制。
Understanding, evaluating and testing the design and operations of controls over XIB Group on impairment assessment of loans and advances and investments in receivables; these controls include those over timely identification of individually impaired loans and advances and investments in receivables, determination of key model inputs, assumptions, parameters and calculation of impairment allowances for loans and advances and investments in receivables on a collective basis;

關鍵審計事項
Key Audit Matters

與廈銀集團有關的關鍵審計事項 (續)
Key Audit Matters in relation to XIB Group
(Continued)

個別金額重大的貸款、墊款及應收款項類投資，應當個別進行減值測試。個別金額不重大的貸款、墊款及應收款項類投資，可以個別進行減值測試，或包括在具有類似信用風險特徵的資產組合中進行減值測試。個別測試未發生減值的金融資產，包括個別金額重大和不重大的金融資產，應當包括在具有類似信用風險特徵的金融資產組合中再進行減值測試。

Loans and advances and investments in receivables that are individually significant are assessed individually for impairment. Loans and advances and investments in receivables that are not individually significant are assessed individually for impairment or are included in the asset group with similar credit risk characteristics and are collectively assessed for impairment. If no objective evidence of impairment exists for an individually assessed loans and advances and investments in receivables, whether significant or not, it is included in a group of financial assets with similar credit risk characteristics and is collectively assessed for impairment.

我們的審計如何處理關鍵審計事項
How our audit addressed the Key Audit Matters

- 測試貸款組合的質量，以評估廈銀集團管理層是否及時識別已發生減值的貸款、墊款及應收款項類投資。
Testing the quality of loan portfolios to assess XIB Group's management's timely identification of impaired loans and advances and investments in receivables;
- 個別計提減值準備時，評估貸款、墊款及應收款項類投資，以確認是否已及時識別損失事件。若已確認減值，評估由廈銀集團管理層編制的用於估計減值準備金額的貸款、墊款及應收款項類投資之未來現金流量的預測和假設；以及
Where impairment allowances were provided for on an individual basis, assessing loans and advances and investments in receivables to ascertain whether the loss event had been identified in a timely manner. Where impairment had been identified, assessing the forecasts and assumptions of future cash flows of the loans and advances and investments in receivables prepared by XIB Group's management which are used to estimate the amount of the impairment allowances; and
- 組合計提減值準備時，評估廈銀集團管理層在當前經濟環境下採用的減值模型，以反映貸款、墊款及應收款項類投資的信用風險；通過參考可獲取的歷史數據及行業資訊等信息，評估廈銀集團管理層在其減值模型中採用的關鍵假設、輸入值和參數，如組合分拆、歷史損失、損失識別期間、特定行業、地區和宏觀經濟環境下進行的風險調整等。
Where impairment allowances were provided for on a collective basis, assessing the impairment model used by XIB Group's management under current economic environment to reflect the credit risk in the loans and advances and investments in receivables; Assessing key assumptions, inputs and parameters used by XIB Group's management in its impairment model such as segmentation of portfolio, historical loss, loss identification period, adjustments for risks in specific industries, regions and macro-economic environment, taking reference to available historical data, industry information and etc..

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

關鍵審計事項 Key Audit Matters

與廈銀集團有關的關鍵審計事項 (續) Key Audit Matters in relation to XIB Group (Continued)

我們的審計如何處理關鍵審計事項 How our audit addressed the Key Audit Matters

我們發現，在我們審計貴集團綜合財務報表的涵義下，廈銀集團管理層就貸款、墊款及應收款項類投資之減值損失作出的估計及判斷已獲所得憑證的支持。關於關鍵會計估計及判斷的披露詳見集團綜合財務報表第 168 頁之註釋 3(f)。

We found that, in the context of our audit of the Group's consolidated financial statements, the estimates and judgement of XIB Group's management in respect of the impairment allowances on its loans and advances and investments in receivables was supported by the available evidence. The critical accounting estimates and judgement have been appropriately disclosed in Note 3(f) to the Group's consolidated financial statements on page 168.

關鍵審計事項
Key Audit Matters

閩信小貸客戶貸款及應收利息之
減值準備
Impairment allowances on loans to
customers and interest receivable of
Minxin Micro Credit

請參閱集團綜合財務報表註釋3(c)
(關鍵會計估計及判斷)及註釋26
Refer to Note 3(c) (critical accounting
estimates and judgment) and Note 26 to
the Group's consolidated financial statements

截至二零一七年十二月三十一日，閩信小貸（貴公司一家全資附屬公司）客戶貸款及應收利息總額為約人民幣26,313萬元（等值約港幣31,601萬元），佔貴集團總資產比例為約4.36%。管理層就客戶貸款及應收利息計提的減值準備為約人民幣24,143萬元（等值約港幣28,995萬元）。減值準備佔客戶貸款及應收利息總額的比率為91.75%。因此，閩信小貸客戶貸款及應收利息之質量對貴集團綜合財務報表中稅後溢利及資產淨值有重大影響。

As at 31 December 2017, the balance of total loans to customers and interest receivable of Minxin Micro Credit, a wholly-owned subsidiary of the Company, amounted to approximately RMB263.13 million (equivalent to approximately HK\$316.01 million), representing approximately 4.36% of the Group's total assets. Impairment allowances on loans to customers and interest receivable amounting to approximately RMB241.43 million (equivalent to approximately HK\$289.95 million), were provided by management. The impairment allowances to total loans to customers and interest receivable ratio was 91.75%. In this regard, the quality of Minxin Micro Credit's loans to customers and interest receivable has a material impact on the profit after tax and net assets in the Group's consolidated financial statements.

我們的審計如何處理關鍵審計事項
How our audit addressed the Key Audit Matters

對閩信小貸客戶貸款及應收利息之減值測試執行的程序包括：
The procedures performed in relation to impairment assessment of loans to customers and interest receivable of Minxin Micro Credit included:

- 驗證閩信小貸識別及量化客戶貸款及應收利息減值的方法是否恰當並得到一貫應用；
Verifying whether Minxin Micro Credit's method for identification and quantification of impairment of loans to customers and interest receivable is appropriate and the method has been applied consistently;
- 了解、評估及測試閩信小貸客戶貸款及應收利息之減值測試相關的控制的設計及運作控制；
Understanding, evaluating and testing the design and operations of controls over Minxin Micro Credit on impairment assessment of loans to customers and interest receivable;
- 測試貸款組合的質量，以評估管理層是否已及時識別已發生減值的貸款；
Testing the quality of loan portfolios to assess management's timely identification of impaired loans;
- 個別計提減值準備時，評估客戶貸款及應收利息，以確認是否已及時識別損失事件。若已確認減值，評估由管理層編制的用於估計減值準備金額的客戶貸款及應收利息之未來現金流量的預測和假設；以及
Where impairment allowances were provided for on an individual basis, assessing loans to customers to ascertain whether the loss event had been identified in a timely manner. Where impairment had been identified, assessing the forecasts and assumptions of future cash flows of the loans to customers and interest receivable prepared by management which are used to estimate the amount of the impairment allowances; and

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

關鍵審計事項 Key Audit Matters

閩信小貸客戶貸款及應收利息之 減值準備 (續)

Impairment allowances on loans to customers and interest receivable of Minxin Micro Credit (Continued)

貴集團設有信貸管理政策並持續監控所承受的信貸風險。貴集團已於呈報日檢視未償還客戶貸款及應收利息以評估是否有客觀證據證明客戶貸款及應收利息出現減值。評估客戶貸款時會集中於客戶的具體情況（如財務背景及償還能力）以及客戶經營所處的經濟環境，及管理層對個別客戶的信譽可靠度的判斷。

The Group has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. The Group has reviewed the outstanding loans to customers and interest receivable at the reporting date to assess whether there is objective evidence that an impairment of loans to customers and interest receivable has been incurred. The evaluation is focused on the information specific to the customers (such as the financial background and ability to repay) as well as the economic environment in which the customers operate and management's judgement on the creditworthiness of individual customer.

此等評估均需管理層作出重大判斷。

All of these assessments involve significant judgement made by management.

我們的審計如何處理關鍵審計事項 How our audit addressed the Key Audit Matters

關鍵審計事項
Key Audit Matters

閩信小貸客戶貸款及應收利息之
減值準備 (續)
Impairment allowances on loans to
customers and interest receivable of
Minxin Micro Credit (Continued)

我們的審計如何處理關鍵審計事項
How our audit addressed the Key Audit Matters

- 參考最新可獲取的第三方估值，根據當前宏觀經濟環境、市場狀況、特定地區近期交易價格進行調整，並考慮抵押物變現的成本和時間價值等，以評估管理層的抵押物估值方法和預估抵押物可變現淨值時所採用的關鍵假設的適當性。

Assessing the methodologies used for valuation of collaterals prepared by management, the appropriateness of the key assumptions adopted in estimating realisable values for collaterals, with reference to the latest available external valuations, adjusted for the current macro-economic environment, market situation, recent transaction prices for the specific location as well as considering the cost and time value in realisation of collaterals.

我們發現，在我們審計貴集團綜合財務報表的涵義下，管理層就客戶貸款及應收利息之減值損失作出的估計及判斷已獲得憑證的支持。關於關鍵會計估計及判斷的披露詳見集團綜合財務報表第 165 頁之註釋 3(c)。

We found that, in the context of our audit of the Group's consolidated financial statements, the management's estimates and judgement in respect of impairment allowances on loans to customers and interest receivable were supported by the available evidences. The critical accounting estimates and judgement have been appropriately disclosed in Note 3(c) to the Group's consolidated financial statements on page 165.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

年報內的其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

Other Information in the Annual Report

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

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

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

Responsibilities of Directors for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and 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 of the Company 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 Audit Committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）按照香港《公司條例》第405條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

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. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance 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 judgment and maintain professional skepticism throughout the audit. We also:

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

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

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

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

核數師就審計綜合財務報表承擔的責任 (續)

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是楊尚圓。

羅兵咸永道會計師事務所
執業會計師

香港，二零一八年三月二十八日

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

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 Yeung Sheung Yuen, Shirley.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2018

綜合損益表

CONSOLIDATED INCOME STATEMENT

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

			2017	2016
		註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
營業額	Turnover	5	921,510	134,379
收入總額	Total revenues	5	960,046	154,563
其他收益／(虧損)－淨額	Other gains/(losses)－net	6	25,803	(64,948)
營業收入總額	Total operating income		985,849	89,615
銷售成本	Costs of sales		(819,733)	-
保險業務產生的 賠償淨額及佣金 費用	Net insurance claims incurred and commission expenses incurred on insurance business	7	(53,293)	(48,026)
客戶貸款及應收利息 減值虧損撥回／ (扣除)	Write back of/(charge for) impairment loss on loans to customers and interest receivable	26	3,393	(154,777)
銷售及分銷成本	Selling and distribution costs		(1,214)	-
行政及其他費用	Administrative and other expenses		(58,947)	(51,425)
營業開支總額	Total operating expenses		(929,794)	(254,228)
營業溢利／(虧損)	Operating profit/(loss)	8	56,055	(164,613)
融資成本	Finance costs	9	(37,056)	(35,001)
應佔聯營公司業績	Share of results of associates		517,924	471,701
除稅前溢利	Profit before taxation		536,923	272,087
所得稅支出	Income tax expense	11	(20,033)	(6,475)
本年度溢利	Profit for the year	12	516,890	265,612
股息	Dividend			
－ 末期股息	－ Final dividend	13	47,781	22,971
			港仙 HK CENTS	港仙 HK CENTS (重列) (Restated)
每股盈利	Earnings per share			
基本及攤薄	Basic and diluted	14	96.30	57.42
每股股息	Dividend per share			
－ 末期股息	－ Final dividend		8	5

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
本年度溢利	Profit for the year	516,890	265,612
其他全面收益	Other comprehensive income		
其後可能重新分類至損益表 的項目：	Items that may be reclassified subsequently to income statement:		
可供出售投資重估儲備金	Available-for-sale investment revaluation reserve		
在權益賬扣除的公平值變動	Fair value changes charged to equity	(29,946)	(177,342)
遞延所得稅	Deferred income tax	(41)	29
出售時撥回	Released on disposal	(10,265)	(207)
一家聯營公司權益被攤薄 時撥回	Released on dilution of interest in an associate	-	3,793
		(40,252)	(173,727)
外匯折算儲備金	Exchange translation reserve		
換算海外附屬公司及聯營 公司的財務報表所產生 的匯兌差額	Exchange differences arising on translation of the financial statements of foreign subsidiaries and associates	399,654	(294,456)
出售一家聯營公司時撥回	Released on disposal of an associate	-	136
出售一家分類為持作出售 的聯營公司時撥回	Released on disposal of an associate classified as held for sale	-	(1,804)
一家聯營公司權益被攤薄 時撥回	Released on dilution of interest in an associate	-	22,311
		399,654	(273,813)
應佔聯營公司的其他全面 收益	Share of other comprehensive income of associates	(139,080)	(91,233)
經扣除稅項後的本年度 其他全面收益	Other comprehensive income for the year, net of tax	220,322	(538,773)
本年度全面收益總額	Total comprehensive income for the year	737,212	(273,161)

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2017年12月31日結算 As at 31 December 2017

			2017	2016
	註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
非流動資產	Non-current assets			
物業、機器及設備	Property, plant and equipment	15	16,878	17,999
無形資產	Intangible assets	16	2,504	-
投資物業	Investment properties	17	169,818	170,536
聯營公司	Associates	18	4,842,032	4,082,002
可供出售金融資產	Available-for-sale financial assets	19	503,514	551,158
持至到期日金融資產	Held-to-maturity financial assets	20	3,119	3,091
客戶貸款及應收利息	Loans to customers and interest receivable	26	39	436
再保險資產	Reinsurance assets	25	213	4,420
預付款	Prepayments		180	1,500
遞延所得稅資產	Deferred income tax assets	32	10,150	10,767
			5,548,447	4,841,909
流動資產	Current assets			
存貨	Inventories	21	89,946	-
可供出售金融資產	Available-for-sale financial assets	19	-	6,592
應收款項類投資	Investments in receivables	22	132,105	-
遞延取得成本	Deferred acquisition costs	23	16,868	16,670
保險應收款	Insurance receivable	24	10,854	14,120
再保險資產	Reinsurance assets	25	6,099	3,527
客戶貸款及應收利息	Loans to customers and interest receivable	26	26,026	41,144
應收一家聯營公司股息	Dividend receivable from an associate		-	118,123
其他應收賬款	Other debtors		6,324	4,266
預付貸款	Advance payment		99,480	8,216
其他預付款及按金	Other prepayments and deposits		1,437	2,652
抵債資產	Repossessed assets		3,940	2,566
按公平值透過損益列賬的金融資產	Financial assets at fair value through profit or loss	27	304	5,108
現金及銀行結存	Cash and bank balances	28	1,300,589	1,274,409
			1,693,972	1,497,393
流動負債	Current liabilities			
保險合約	Insurance contracts	29	49,991	55,508
保險應付款	Insurance payable	30	7,250	10,904
其他應付賬款及應計費用	Other creditors and accruals		29,579	25,028
銀行貸款	Bank borrowings	31	354,141	800,645
應付本期稅項	Current income tax payable		26,369	36,464
			467,330	928,549
流動資產淨值	Net current assets		1,226,642	568,844
總資產減流動負債	Total assets less current liabilities		6,775,089	5,410,753

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2017年12月31日結算 As at 31 December 2017

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
	註釋 Note		
非流動負債	Non-current liabilities		
銀行貸款	Bank borrowings	198,131	552,774
保險合約	Insurance contracts	37,659	38,268
遞延所得稅負債	Deferred income tax liabilities	28,397	32,614
		<u>264,187</u>	<u>623,656</u>
資產淨值	Net assets	<u>6,510,902</u>	<u>4,787,097</u>
股本	Share capital	1,715,377	891,135
其他儲備金	Other reserves	1,628,236	1,036,270
保留溢利	Retained profits		
擬派股息	Proposed dividend	47,781	22,971
其他	Others	3,119,508	2,836,721
本公司股東應佔權益 總額	Total equity attributable to shareholders of the Company	<u>6,510,902</u>	<u>4,787,097</u>

彭錦光
董事

PENG Jin Guang
Director

劉承
董事

LIU Cheng
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

		其他儲備金 Other reserves										
		股本	額外 權益工具	法定 儲備金	普通 儲備金	資本 儲備金	投資重估 儲備金	租賃樓房 重估儲備金	外匯折算 儲備金	其他 儲備金 總額	保留溢利	股東權益 總額
		Share capital	Additional equity instrument	Statutory reserve	General reserve	Capital reserve	Investment revaluation reserve	Leasehold buildings revaluation reserve	Exchange translation reserve	Total other reserves	Retained profits	Total equity
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2016年1月1日	At 1 January 2016	891,135	-	615,709	60,491	358,128	561,345	3,192	(95,907)	1,502,958	2,689,136	5,083,229
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	-	(283,881)	-	(254,892)	(538,773)	265,612	(273,161)
股息	Dividend	-	-	-	-	-	-	-	-	-	(22,971)	(22,971)
出售一家分類為持作出售的聯營公司時撥回	Released on disposal of an associate classified as held for sale	-	-	(55)	-	-	-	-	-	(55)	55	-
一家聯營公司權益被攤薄時撥回(註釋18(c))	Released on dilution of interest in an associate (Note 18(c))	-	-	(62,587)	(5,824)	(28,646)	-	-	-	(97,057)	97,057	-
調撥	Transfers	-	-	154,895	14,302	-	-	-	-	169,197	(169,197)	-
於2016年12月31日	At 31 December 2016	891,135	-	707,962	68,969	329,482	277,464	3,192	(350,799)	1,036,270	2,859,692	4,787,097
組成如下：	Representing:											
2016年擬派股息	2016 proposed dividend	-	-	-	-	-	-	-	-	-	22,971	22,971
其他	Others	891,135	-	707,962	68,969	329,482	277,464	3,192	(350,799)	1,036,270	2,836,721	4,764,126
於2016年12月31日	At 31 December 2016	891,135	-	707,962	68,969	329,482	277,464	3,192	(350,799)	1,036,270	2,859,692	4,787,097
於2017年1月1日	At 1 January 2017	891,135	-	707,962	68,969	329,482	277,464	3,192	(350,799)	1,036,270	2,859,692	4,787,097
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	-	(150,128)	-	370,450	220,322	516,890	737,212
以供股方式發行之新普通股股份，扣除股份發行費用後之淨額(註釋33(a)(i))	Issuance of new ordinary shares by way of rights issue, net of share issue expenses (Note 33(a)(i))	824,242	-	-	-	-	-	-	-	-	-	824,242
一家聯營公司之附屬公司發行次級額外一級資本債券	Issuance of subordinated additional tier 1 capital securities by a subsidiary of an associate	-	192,214	-	-	-	-	-	-	192,214	-	192,214
股息	Dividend	-	-	-	-	-	-	-	-	-	(29,863)	(29,863)
一家聯營公司註銷一家附屬公司時撥回	Released on dissolution of a subsidiary by an associate	-	-	-	(70)	474	-	-	-	404	(404)	-
調撥	Transfers	-	-	163,449	15,577	-	-	-	-	179,026	(179,026)	-
於2017年12月31日	At 31 December 2017	1,715,377	192,214	871,411	84,476	329,956	127,336	3,192	19,651	1,628,236	3,167,289	6,510,902
組成如下：	Representing:											
2017年擬派股息	2017 proposed dividend	-	-	-	-	-	-	-	-	-	47,781	47,781
其他	Others	1,715,377	192,214	871,411	84,476	329,956	127,336	3,192	19,651	1,628,236	3,119,508	6,463,121
於2017年12月31日	At 31 December 2017	1,715,377	192,214	871,411	84,476	329,956	127,336	3,192	19,651	1,628,236	3,167,289	6,510,902

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
經營活動現金 (流出)／流入淨額	Net cash (outflow)/inflow from operations		
已收利息	Interest received	34,421	23,117
已付利息	Interest paid	(31,482)	(28,278)
已付其他借貸成本	Other borrowing costs paid	(1,400)	-
已付稅項	Tax paid	(35,357)	(5,973)
		(161,979)	22,413
經營業務活動現金 (流出)／流入淨額	Net cash (outflow)/inflow from operating activities	(195,797)	11,279
投資活動	Investing activities		
根據保險業監管機構規定而存放之銀行存款	Placement of bank deposits pursuant to insurance regulatory requirements	(7,582)	(1,526)
提取／(存放)有限制之銀行存款	Withdrawal/(placement) of restricted bank deposits	8,100	(9,757)
提取／(存放)原到期日超過三個月之銀行存款	Withdrawal/(placement) of bank deposits with original maturity over three months	32,946	(30,586)
聯營公司增資擴股	Capital contribution in associates	-	(796,119)
購入可供出售金融資產	Purchase of available-for-sale financial assets	(27,060)	(94,458)
購入持至到期日金融資產	Purchase of held-to-maturity financial assets	-	(3,101)
購入應收款項類投資	Purchase of investment receivables	(129,215)	-
購入物業、機器及設備	Purchase of property, plant and equipment	(205)	(430)
已收一家聯營公司股息	Dividend received from an associate	250,075	-
出售一家聯營公司	Sale of an associate	-	2,174
出售一家分類為持作出售的聯營公司	Sale of an associate classified as held for sale	-	12,819
出售可供出售金融資產	Sale of available-for-sale financial assets	50,887	87,386
出售物業、機器及設備	Sale of property, plant and equipment	17	6
		177,963	(833,592)
投資活動現金 流入／(流出)淨額	Net cash inflow/(outflow) from investing activities	177,963	(833,592)
融資活動前現金流出 淨額	Net cash outflow before financing activities	(17,834)	(822,313)

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

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

		2017	2016
	註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
融資活動	Financing activities		
以供股方式發行之新普通股 股份所得款項淨額	Net proceeds from issuance of new ordinary shares by way of rights issue	824,242	–
取得銀行貸款	Bank loans obtained	–	853,795
償還銀行貸款	Bank loans repaid	(806,352)	(122,608)
派發股息	Dividend paid	(29,863)	(22,971)
		<u> </u>	<u> </u>
融資活動現金 (流出) / 流入淨額	Net cash (outflow)/inflow from financing activities	(11,973)	708,216
		<u> </u>	<u> </u>
現金及現金等價物減少	Decrease in cash and cash equivalents	(29,807)	(114,097)
1月1日結存之現金及 現金等價物	Cash and cash equivalents at 1 January	1,129,111	1,325,520
匯率變動之影響	Effect of foreign exchange rates changes	85,243	(82,312)
		<u> </u>	<u> </u>
12月31日結存之現金及 現金等價物	Cash and cash equivalents at 31 December	1,184,547	1,129,111
		<u> </u>	<u> </u>
現金及現金等價物結餘 分析	Analysis of the balances of cash and cash equivalents		
現金及銀行結存	Cash and bank balances	1,300,589	1,274,409
減：根據保險業監管機構 規定而存放之銀行 存款	Less: Bank deposits placed pursuant to insurance regulatory requirements	(44,093)	(36,511)
有限制之銀行存款	Restricted bank deposits	(51,635)	(55,527)
原到期日超過三個月 之銀行存款	Bank deposits with original maturity over three months	(20,314)	(53,260)
		<u> </u>	<u> </u>
		1,184,547	1,129,111
		<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 一般資料

閩信集團有限公司（「本公司」）及其附屬公司（此後統稱「本集團」）主要從事金融服務、保險、汽車貿易、物業發展及投資以及策略投資。

本公司為一家在香港註冊成立的有限公司。本公司註冊地址為香港中環紅棉路8號東昌大廈17樓。本公司的股份在聯交所主板上市。

本公司董事認為本公司之直接控股公司為貴信（一家在香港註冊成立的有限公司），而最終控股公司為福建投資集團（一家在中華人民共和國成立的公司）。

本綜合財務報表已於2018年3月28日獲董事會批准刊發。

2 主要會計政策

編制本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編制基準

本集團的綜合財務報表是根據香港會計師公會頒布的香港財務報告準則（「香港財務報告準則」）（其統稱指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（「詮釋」）、及香港公認會計原則及香港《公司條例》之規定編制。本綜合財務報表亦符合上市規則之適用披露規定。

1 GENERAL INFORMATION

Min Xin Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively refer to as the “Group”) are principally engaged in financial services, insurance, trading in motor vehicles, property development and investment and strategic investment.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is 17th Floor, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong. The Company is listed on the Main Board of the Stock Exchange.

The directors of the Company consider that Vigour Fine, a limited liability company incorporated in Hong Kong, is the immediate holding company of the Company and FIDG, a company established in the People’s Republic of China, is the ultimate holding company of the Company.

These consolidated financial statements have been approved for issue by the Board of Directors on 28 March 2018.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collectively refer to all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (“Ints”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and have been aligned with accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Listing Rules.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.1 編制基準 (續)

除以下資產及負債是以公平值列賬外，本綜合財務報表已按照歷史成本法編制，有關詳情載列於下列會計政策：

- 可供出售金融資產
- 按公平值透過損益列賬的金融資產及金融負債（包括衍生金融工具）
- 投資物業

持作出售的非流動資產及出售組合及抵債資產按賬面值或公平值扣除出售成本兩者中之較低者入賬。

編制符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團會計政策過程中行使其判斷。雖然此等估計是根據管理層對當時情況及活動所知而作出，但實際結果可能有別於此等估計。

有關管理層作出的估計及判斷須不斷檢討。若修訂只影響該修訂期間，會計估計的修訂於該修訂期內確認；或如該修訂影響本期間及未來會計期間，則於修訂期內及未來會計期間確認。

涉及高度判斷性或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估計的範疇，在註釋3中披露。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The consolidated financial statements have been prepared under the historical cost convention except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- available-for-sale financial assets
- financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss
- investment properties

Non-current assets and disposal groups held for sale and repossessed assets are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and judgement made by management 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.

The areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更

本集團已採納下列香港會計師公會頒布的新準則及準則修訂。採納此等新準則及準則修訂對本綜合財務報表並無影響或構成重大影響。

- 修訂香港會計準則第7號 披露動議
- 修訂香港會計準則第12號 就未變現虧損確認遞延稅項資產
- 2014 – 2016週期的香港財務報告準則的年度改進：修訂香港財務報告準則第12號，於其他實體權益的披露

截至本綜合財務報表刊發日期，香港會計師公會已頒布多項新準則及準則修訂；該等新準則及準則修訂於截至2017年12月31日止會計年度尚未生效，亦沒有在本綜合財務報表內提早採納如下：

- 香港財務報告準則第9號 金融工具
- 香港財務報告準則第15號 來自客戶合約之收入
- 香港財務報告準則第16號 租賃
- 香港財務報告準則第17號 保險合約
- 修訂香港會計準則第28號 於聯營公司及合營公司之長期權益
- 修訂香港會計準則第40號 投資物業轉讓
- 修訂香港財務報告準則第2號 股份支付交易的分類和計量

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

The Group has adopted the following new standards and amendments to standards issued by the HKICPA which had insignificant or no effect on these consolidated financial statements.

- Amendments to HKAS 7 Disclosure Initiative
- Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to HKFRSs 2014 – 2016 Cycle: Amendments to HKFRS 12, Disclosure of Interests in Other Entities

Up to the date of issuance of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards which are not yet effective for the accounting year ended 31 December 2017 and which have not been early adopted in these consolidated financial statements as follows:

- HKFRS 9 Financial Instruments
- HKFRS 15 Revenue from Contracts with Customers
- HKFRS 16 Leases
- HKFRS 17 Insurance Contracts
- Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures
- Amendments to HKAS 40 Transfers of Investment Property
- Amendments to HKFRS 2 Classification and Measurement of Share-Based Payment Transactions

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更 (續)

- 修訂香港財務報告準則第4號 應用香港財務報告準則第9號「金融工具」於香港財務報告準則第4號「保險合約」
- 修訂香港財務報告準則第9號 具有負補償之預付款項特性
- 修訂香港財務報告準則第10號及香港會計準則第28號 投資者與其聯營公司或合營公司之間之資產出售及注資
- 香港(國際財務報告詮釋委員會) – 詮釋第22號 外幣交易及預付代價
- 香港(國際財務報告詮釋委員會) – 詮釋第23號 所得稅處理的不確定性
- 2014 – 2016週期的香港財務報告準則的年度改進
 - 修訂香港財務報告準則第1號，首次採納香港財務報告準則
 - 修訂香港會計準則第28號，投資聯營公司及合營公司
- 2015 – 2017週期的香港財務報告準則的年度改進

本集團正評估初始應用該等新準則及準則修訂對相關期間的影響，於本綜合財務報表刊發日期仍未能量化其影響。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

- Amendments to HKFRS 4 Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
- Amendments to HKFRS 9 Prepayment Features with Negative Compensation
- Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- HK(IFRIC) – Interpretation 22 Foreign Currency Transactions and Advance Consideration
- HK(IFRIC) – Interpretation 23 Uncertainty over Income Tax Treatments
- Annual Improvements to HKFRSs 2014 – 2016 Cycle
 - Amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards
 - Amendments to HKAS 28, Investments in Associates and Joint Ventures
- Annual Improvements to HKFRSs 2015 – 2017 Cycle

The Group is in the process of making an assessment of what the impact of these new standards and amendments to standards is expected to be in the period of initial application but it is impracticable to quantify the effect as at the date of issuance of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準

本綜合財務報表包括截至12月31日本公司及各附屬公司(統稱「本集團」)的財務報表及本集團應佔聯營公司的權益。

(a) 附屬公司及非控股權益

附屬公司指本集團對其擁有控制權的實體(包括結構性實體)。當本集團具有承擔或享有參與有關實體所得之可變回報的風險或權利,並能透過其在該實體的權力影響該等回報,則本集團對該實體具有控制權。於評估本集團是否有權力時,僅考慮(本集團及其他訂約方所持有的)實質性權利。

附屬公司由控制權開始生效當日起直至控制權終止當日止期間在綜合財務報表內綜合結算。附屬公司的會計政策已按需要於綜合財務報表內作出改變,以確保與本集團採用的政策一致。

本集團以收購會計法作為業務合併的入賬方法。收購附屬公司的轉讓代價根據所給予資產、所產生的負債及本集團發行股本權益的公平值計算。轉讓代價包括或然代價協議方式產生的任何資產或負債的公平值。收購相關成本於產生時支銷。在業務合併中所收購的可識辨資產以及所承擔的負債及或然負債,首先以彼等於收購日期的公平值計量。就業務合併的任何非控股權益,本集團可選擇按公平值或非控股權益應佔附屬公司可識辨資產淨值的比例計量。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries (together referred to as the "Group") and the Group's interests in associates made up to 31 December.

(a) Subsidiaries and non-controlling interests

Subsidiaries are entities (including structured 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.

Subsidiaries are consolidated into the consolidated financial statements from the date that control commenced until the date that control ceases. Accounting policies of subsidiaries have been changed, where necessary, in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's identifiable net assets.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(a) 附屬公司及非控股權益 (續)

本集團在一家附屬公司的所有權權益變動並未引致失去控制權時，便須以權益入賬，並在綜合權益賬調整控股權益及非控股權益的數額以反映相關權益的變動情況，但不調整商譽及不會在綜合損益表內確認收益或虧損。

當本集團失去附屬公司的控制權時，即以出售該附屬公司的整體權益入賬，相關收益或虧損於綜合損益表內確認。失去控制權當日於該前附屬公司之任何餘下權益需重新以公平值計量，此數額視為金融資產初始確認的公平值（註釋 2.9(a)），或（如適用）視為投資聯營公司的初始確認成本（註釋 2.3(b)）。另外，任何之前於綜合全面收益表內確認有關該附屬公司的數額將猶如本集團已直接出售相關資產或負債而記賬。這可理解為當本集團失去附屬公司的控制權時，之前於綜合全面收益表內確認的數額重新分類至綜合損益表或直接記入保留溢利。

公司間內部交易、結餘及由公司間內部交易產生的任何未實現溢利於編制綜合財務報表時全數對銷。由公司間內部交易產生的未實現虧損亦按未實現溢利的方式對銷，但以沒有減值證據者為限。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(a) 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 changes in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised in the consolidated income statement.

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 the consolidated income statement. 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 (Note 2.9(a)) or, when appropriate, the cost on initial recognition of an investment in an associate (Note 2.3(b)). In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in consolidated statement of comprehensive income are reclassified to the consolidated income statement or transferred directly to retained profits when the Group loses control of the subsidiary.

Intra-company transactions, balances and unrealised profits arising from intra-company transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-company transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(a) 附屬公司及非控股權益 (續)

非控股權益指並非由本公司直接或間接應佔一家附屬公司之權益，本集團並未與此等權益持有人達成任何額外條款，而此等條款將導致本集團整體就此等權益承擔一項符合金融負債定義的合約義務。

非控股權益在綜合財務狀況表之股東權益中列示，但與本公司股東的應佔權益分開。非控股權益應佔本集團年內業績，則於綜合損益表及綜合全面收益表內列作非控股權益與本公司股東之間對本年度總盈虧及全面收益總額之分配。

非控股權益持有人的貸款及其他對此等持有人的合約義務根據註釋 2.21 或 2.22 按其債務性質在綜合財務狀況表內以金融負債列示。

在本公司之財務狀況表內，於附屬公司之投資按成本值扣除減值虧損（註釋 2.11(b)）列賬，但如分類為持作出售（或包括在分類為持作出售的出售組合內）（註釋 2.18）的投資則除外。附屬公司之業績由本公司按已收及應收股息入賬。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

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

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the 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 statement of financial position in accordance with Notes 2.21 or 2.22 depending on the nature of the liability.

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less impairment losses (Note 2.11(b)), unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.18). The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司

聯營公司指本集團對其管理發揮重大影響力的實體，包括參與其財務及經營決策，但並不控制或共同控制其管理。

聯營公司投資在綜合財務報表內以權益會計法入賬，但如分類為持作出售（或包括在分類為持作出售的出售組合內）（註釋2.18）則除外。根據權益會計法，有關投資初始以成本確認，並按本集團應佔投資對象於收購日的可識辨資產淨值的公平值超過投資成本（如有）的數額而調整。其後，有關投資按本集團於購入後應佔投資對象資產淨值的變動及有關投資減值虧損而調整（註釋2.4及2.11(b)）。綜合損益表反映收購日超過成本的數額，本集團購入後應佔有關投資對象之年度除稅後溢利及減值虧損，而本集團購入後應佔有關投資對象之年度除稅後其他全面收益項目則於綜合全面收益表內確認。有關投資對象的會計政策已按需要於綜合財務報表內作出調整，以確保與本集團採用的政策一致。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates

An associate is an entity in which the Group has significant influence, but not control or joint control over its management, including participation in the financial and operating policy decisions.

Investments in associates are accounted for in the consolidated financial statements under the equity method, unless they are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.18). Under the equity method, the investments are initially recognised at cost, adjusted for any excess of the Group's share of the acquisition-date fair value of the investees' identifiable net assets over the cost of the investments (if any). Thereafter, the investments are adjusted for the post-acquisition changes in the Group's share of the investees' net assets and any impairment losses relating to the investments (Notes 2.4 and 2.11(b)). The consolidated income statement includes the 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, 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 comprehensive income. The accounting policies of the investees have been aligned, where necessary, in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司 (續)

當本集團應佔聯營公司的虧損超過其權益時，超出的虧損將不被確認，而本集團應佔該投資對象之權益將被減少至零，惟本集團對投資對象已作出法律或推定的義務或已替該公司償付承擔則除外。為此，本集團應佔聯營公司權益指按權益會計法計算的投資賬面值，及實質上構成本集團對該聯營公司淨投資的長期權益。

本集團與其聯營公司之間交易而產生之未實現溢利及虧損按本集團佔投資對象權益的數額對銷，惟若未實現虧損提供已轉讓資產的減值證據，則須立即於綜合損益表內確認。

當本集團失去聯營公司的重大影響力時，即以出售該投資對象的整體權益入賬，相關收益或虧損於綜合損益表內確認。失去重大影響力當日於該前投資對象之任何餘下權益需重新以公平值計量，此數額視為金融資產初始確認的公平值（註釋2.9(a)）。另外，任何之前於綜合全面收益表內確認有關該投資對象的數額將猶如本集團已直接出售相關資產或負債而記賬。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates (Continued)

When the Group's share of losses exceeds its interests in an associate, the Group's interests are 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 interests in an associate are the carrying amount of the investments under the equity method together with the Group's long-term interests that in substance form part of the Group's net investments in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interests in the investees, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated income statement.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in the consolidated income statement. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2.9(a)). In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that investee are accounted for as if the Group had directly disposed of the related assets or liabilities.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司 (續)

當聯營公司的所有權權益減少，但仍保留重大影響力時，該投資對象的減少權益即以出售入賬，相關收益或虧損於綜合損益表內確認。另外，只有之前於綜合全面收益表內確認與所有權權益減少有關的數額按比例重新分類至綜合損益表（如適用）。

在本公司之財務狀況表內，於聯營公司之投資按成本值扣除減值虧損（註釋2.11(b)）列賬，分類為持作出售（或包括在分類為持作出售的出售組合內）（註釋2.18）則除外。聯營公司之業績由本公司按已收及應收股息入賬。

2.4 商譽

商譽指：

- (i) 轉讓代價的公平值、被收購者之任何非控股權益數額及本集團之前持有被收購者之股份權益之公平值的總計；超出
- (ii) 本集團應佔被收購者於收購日期的可識辨資產及負債的公平淨值的數額。

當第(ii)項的數額高於第(i)項時，超出的金額立即在綜合損益表內確認為議價收購的收益。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates (Continued)

When the ownership interest in an associate is reduced but significant influence is retained, it is accounted for as a disposal of the interest reduced in that investee, with a resulting gain or loss being recognised in the consolidated income statement. In addition, only a proportionate share of the amounts previously recognised in consolidated statement of comprehensive income relating to that reduction in ownership interest is reclassified to consolidated income statement where appropriate.

In the Company's statement of financial position, the investments in associates are stated at cost less impairment losses (Note 2.11(b)), unless they are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.18). The results of associates are accounted for by the Company on the basis of dividend received and receivable.

2.4 Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in 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 the consolidated income statement as a gain on a bargain purchase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.4 商譽 (續)

商譽按成本值扣除累計減值虧損列賬。業務合併產生的商譽分配至預計會從相關業務合併獲取效益的各現金產生單位或現金產生單位的組合，並須每年作減值測試（註釋2.11(b)）。

在年度內出售現金產生單位，計算出售收益或虧損時計入任何可歸屬購入商譽的金額。

2.5 物業、機器及設備

所有物業、機器及設備（包括持作自用的租賃土地及土地使用權）皆按歷史成本值扣除累計折舊和減值虧損列賬。歷史成本包括收購該資產直接應佔的開支。

其後成本只有在與該資產有關的未來經濟利益很有可能流入本集團，而該資產的成本能可靠計量時，才計入在資產的賬面值或確認為獨立資產（按適用）。所有其他維修及保養成本在產生的期間於損益表內支銷。

物業、機器及設備的報廢或出售所產生的收益或虧損，乃指出售有關資產所得款項淨額與資產賬面值之間的差額，並於報廢或出售當日於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.4 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 (Note 2.11(b)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the gains or losses on disposal.

2.5 Property, plant and equipment

All property, plant and equipment, including leasehold land and land use rights held for own use, are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent expenditure is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that asset will flow to the Group and the cost of that asset can be measured reliably. All other repair and maintenance costs are expensed in the income statement during the period in which they are incurred.

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment is determined by comparing the net sale proceeds with the carrying amount and is recognised in the income statement on the date of retirement or disposal.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.5 物業、機器及設備 (續)

物業、機器及設備於其估計可使用年期内，將其成本減去預計剩餘價值（如有）撇銷，採用的年折舊率如下：

(a) 直線法

持作自用的 租賃土地及 土地使用權	按租約尚餘年期
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持作自用樓宇	按租約尚餘年期或 三十年兩者中之 較短者計算
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電腦設備	20% – 50%
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(b) 餘額遞減法

傢俬、裝修及 辦事處設備	10% – 20%
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汽車	20% – 25%
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資產的剩餘價值及可使用年期於各呈報日審閱及進行適當調整。若資產賬面值高於其估計可收回價值，將立即調減至可收回價值（註釋2.11(b)）。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, over their estimated useful lives at the following annual rates:

(a) Straight-line method

Leasehold land and land use rights held for own use	Over the unexpired term of the lease
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Buildings held for own use	Over the shorter of the unexpired term of the lease and 30 years
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Computer equipment	20% – 50%
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(b) Reducing balance method

Furniture, fixtures and office equipment	10% – 20%
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Motor vehicles	20% – 25%
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An asset's residual value and useful life are reviewed, and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11(b)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.6 無形資產

無形資產 (包括電腦系統) 皆按歷史成本值扣除累計攤銷和減值虧損列賬。歷史成本包括收購該資產直接應佔的開支。

與保養電腦系統相關的成本在產生的期間於損益表內支銷。

無形資產的攤銷按其估計可用年期4年內按直線法確認。

無形資產的報廢或出售所產生的收益或虧損，乃指出售有關資產所得款項淨額與資產賬面值之間的差額，並於報廢或出售當日於損益表內確認。

無形資產的攤銷期限及攤銷方法於各呈報日審閱及進行適當調整。若無形資產賬面值高於其估計可收回價值，將立即調減至可收回價值 (註釋 2.11(b))。

2.7 投資物業

投資物業指為賺取租金收入或資本增值或兩者兼備而擁有或持有之土地或樓宇或兩者兼備，且並非由本集團內的公司佔用。投資物業包括以營業租約持有的土地及以融資租賃持有的樓宇。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.6 Intangible assets

Intangible assets which comprise computer system are stated at historical cost less accumulated amortisation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Costs associated with maintaining computer system are expensed in the income statement during the period in which they are incurred.

Amortisation of intangible assets is recognised on a straight-line basis over their estimated useful lives of 4 years.

Gain or loss arising from the retirement or disposal of an item of intangible asset is determined by comparing the net sale proceeds with the carrying amount and is recognised in the income statement on the date of retirement or disposal.

The amortisation period and the amortisation method for an intangible asset are reviewed, and adjusted, if appropriate, at each reporting date. An intangible asset's carrying amount is written down immediately to its recoverable amount if the intangible asset's carrying amount is greater than its estimated recoverable amount (Note 2.11(b)).

2.7 Investment properties

Investment properties are land or buildings, or both which are owned or held to earn rental income or for capital appreciation or both, and are not occupied by the companies within the Group. They comprise land held under operating leases and buildings held under finance leases.

2 主要會計政策 (續)

2.7 投資物業 (續)

以營業租約持有的土地，如符合投資物業其餘定義，會按每項物業的基準劃歸為投資物業。分類為投資物業的營業租約下的土地猶如其為融資租賃而記賬。

投資物業初始按其成本計量，包括相關的交易成本。在初始確認後，投資物業按公平值列賬。公平值根據活躍市場價格計算並在有需要時，就個別資產的性質、地點或狀況的任何差異作出調整。如沒有此項資料，本集團利用其他估值方法，例如較不活躍市場的近期價格或折現現金流預測法。為繼續用作為投資物業而正在重建或市場已變得不活躍的投資物業，繼續按公平值計量。

其後成本只有在與該項目有關的未來經濟利益很有可能流入本集團，而該項目的成本能可靠計量時，才計入在資產的賬面值中。所有其他維修及保養成本在產生的期間內於損益表內支銷。

投資物業的公平值變動及出售收益或虧損在損益表的「其他收益／（虧損）－淨額」內確認。

當一項持作自用的物業因用途變更而重新分類為投資物業時，於重新分類為投資物業之日，持作自用物業重新分類為投資物業前的賬面值與根據註釋2.5計量的公平值所產生的任何差額確認如下：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Investment properties (Continued)

Land held under operating leases are classified and accounted for as investment property on a property-by-property basis when the rest of the definition of investment property is met. The operating lease of land classified as investment property is accounted for as if it was a finance lease.

Investment properties are measured initially at their costs, including related transaction costs. After initial recognition, investment properties are carried at fair value. Fair value is based on active market prices and adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the income statement during the period in which they are incurred.

Changes in fair value and gain or loss on disposal of an investment property are recognised in the income statement as part of "Other gains/(losses) – net".

When a property held for own use is reclassified to investment property following a change in its use, any difference arising at the date of reclassification between the carrying amount of the property held for own use immediately prior to the reclassification and its fair value measured in accordance with Note 2.5 is recognised as below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.7 投資物業 (續)

- (a) 若物業的賬面值於重估時增加，該增加於其他全面收益內確認，並在股東權益的租賃樓房重估儲備金內分開累計。
- (b) 若物業的賬面值於重估時減少，該減少於損益表內確認。

投資物業其後出售時，於租賃樓房重估儲備金確認的重估盈餘可直接撥入保留溢利。

若一項投資物業變為業主自用物業，該物業被重新分類為持作自用物業，根據註釋 2.5 其於重新分類之日的公平值作為會計入賬的等同成本。

2.8 抵債資產

抵債資產乃本集團通過法庭程序或借款人自願交出擁有權收回的抵押品資產。

抵債資產初始按公平值入賬。相關未償還貸款及應收利息，連同相關的減值準備於綜合財務狀況表內終止確認。抵債資產毋須計算折舊或攤銷。

抵債資產其後按資產賬面值與公平值扣除出售成本兩者中之較低者計量。當一項抵債資產的公平值扣除出售成本低於其賬面值時，減值虧損於損益表內確認。

當一項抵債資產出售時，銷售所得款項淨額與資產賬面值之間的差額於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Investment properties (Continued)

- (a) If the carrying amount of the property is increased as a result of the revaluation, the increase shall be recognised in other comprehensive income and accumulated separately in equity in the leasehold buildings revaluation reserve.
- (b) If the carrying amount of the property is decreased as a result of the revaluation, the decrease shall be recognised in the income statement.

On subsequent disposal of the investment property, the revaluation surplus recognised in the leasehold buildings revaluation reserve may be transferred directly to retained profits.

If an investment property becomes owner-occupied, it is reclassified as a property held for own use and its fair value at the date of reclassification becomes its deemed cost for subsequent accounting in accordance with Note 2.5.

2.8 Repossessed assets

Repossessed assets are collateral assets taken by the Group through court proceedings or voluntary delivery of possession by the borrowers.

Repossessed assets are initially recognised at fair value, and the related outstanding loans and interest receivable together with the related impairment allowances are derecognised from the consolidated statement of financial position. Repossessed assets are not depreciated or amortised.

Repossessed assets are subsequently measured at the lower of carrying amount and fair value less costs to sell. When the fair value less costs to sell is lower than the carrying amount of a repossessed asset, an impairment loss is recognised in the income statement.

When a repossessed asset is disposed of, the difference between the net sale proceeds and the carrying amount is recognised in the income statement.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.9 金融資產

(a) 初始確認

本集團將其金融資產分類如下：按公平值透過損益列賬、貸款及應收款、持至到期日及可供出售。分類方式視乎購入金融資產的目的而定。管理層在初始確認時釐定金融資產的分類。

當本集團成為金融工具合約其中一方時確認金融資產。定期購入及出售的金融資產在交易日確認，交易日指本集團承諾購入或出售該資產之日。

金融資產初始按公平值確認，而公平值一般與交易價相同。如金融資產不屬於按公平值透過損益列賬，則包括直接歸屬於購入之金融資產的交易成本。對於按公平值透過損益列賬的金融資產的交易成本於損益表內即時支銷。

(b) 分類及計量

(i) 按公平值透過損益列賬

此類別包括持作買賣及初始確認時被指定按公平值透過損益列賬的金融資產，但不包括沒有市場報價及其公平值不能可靠計量的股權工具的投資。

持作買賣的金融資產乃在購入時主要用作在短期內出售，或屬可識辨金融資產組合的一部分，而該組合是整體管理的，及有證據顯示近期有短期出售以賺取利潤的模式。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets

(a) Initial recognition

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Group recognises financial assets on the date it becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the assets.

Financial assets are initially recognised at fair value, which normally will be equal to the transaction price plus, in case of financial assets not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets at fair value through profit or loss are expensed in the income statement immediately.

(b) Classification and measurement

(i) At fair value through profit or loss

This category comprises financial assets held for trading, and those designated at fair value through profit or loss upon initial recognition, but exclude those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Financial assets held for trading are financial assets acquired principally for the purpose of selling in the short term, or are part of a portfolio of identified financial assets that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.9 金融資產 (續)

(b) 分類及計量 (續)

(i) 按公平值透過損益列賬 (續)

不符合採用對沖會計法 (註釋 2.10) 的衍生金融工具 (「衍生工具」) 以持作買賣工具入賬。衍生工具以本集團訂立衍生工具合約當日的公平值初始確認，其後按其公平值重新計量。衍生工具的公平值變動即時在損益表的「其他收益／(虧損)－淨額」內確認。

金融資產在以下情況於初始確認時指定為按公平值透過損益列賬：

- 該資產在內部是按公平值管理、評估及呈報的；或
- 該指定可抵銷或大幅度減低可能產生的會計錯配。

若一項金融資產包含一項或多項嵌入式衍生工具，本集團可將該整個合成合約指定為一項按公平值透過損益列賬的金融資產，除非：

- 嵌入式衍生工具沒有重大地改變該金融資產應有的現金流；或者
- 將嵌入式衍生工具從金融資產內分開是被禁止的。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(b) Classification and measurement (Continued)

(i) At fair value through profit or loss (Continued)

Derivative financial instruments (“derivatives”) that do not qualify for hedge accounting (Note 2.10) are accounted for as trading instruments. Derivatives are initially recognised at fair value on the date derivative contracts are entered into by the Group and are subsequently re-measured at their fair values. Changes in their fair values are recognised immediately in the income statement within “Other gains/(losses) – net”.

Financial assets are designated at fair value through profit or loss upon initial recognition when:

- the assets are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

If a financial asset contains one or more embedded derivatives, the Group may designate the entire hybrid contract as a financial asset at fair value through profit or loss unless:

- the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the financial asset; or
- the separation of the embedded derivative(s) from the financial asset is prohibited.

2 主要會計政策 (續)

2.9 金融資產 (續)

(b) 分類及計量 (續)

(i) 按公平值透過損益列賬 (續)

在此類別的金融資產其後按公平值列賬。公平值變動盈虧列入產生期間的損益表的「其他收益／(虧損)－淨額」內。於出售時，出售所得款項淨額與賬面值的差額於產生期間列入損益表的「其他收益／(虧損)－淨額」內。股息收入於本集團收取款項的權利被確立時在損益表內確認為「其他收入」部分。

在此類別的金融資產若為持作買賣或預期將於呈報日後十二個月內變現，則分類為流動資產。

(ii) 貸款及應收款

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等款項在本集團直接向債務人提供金錢、貨品或服務而無意買賣該應收款時產生。

貸款及應收款主要包括客戶貸款及應收款項類投資。

貸款及應收款按實際利息法計算攤銷成本並扣除減值虧損(如適用)列賬(註釋2.11(a)(i))。

在此類別的金融資產分類為流動資產，但由呈報日起計超過十二個月到期或預期會變現者，則分類為非流動資產。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(b) Classification and measurement (Continued)

(i) At fair value through profit or loss (Continued)

Financial assets under this category are subsequently carried at fair value. Gains or losses arising from changes in the fair value are included in the income statement within "Other gains/(losses) – net" in the period in which they arise. Upon disposal, the difference between the net sale proceeds and the carrying value is included in the income statement within "Other gains/(losses) – net" in the period in which they arise. Dividend income is recognised in the income statement as part of "Other revenues" when the Group's right to receive payment is established.

Financial assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the reporting date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables.

Loans and receivables mainly comprise loans to customers and investments in receivables.

Loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2.11(a)(i)).

Financial assets in this category are classified as current assets except for those with maturities greater than twelve months after the reporting date or are expected to be realised after twelve months from the reporting date which are classified as non-current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.9 金融資產 (續)

(b) 分類及計量 (續)

(iii) 持至到期日

持至到期日金融資產為有固定或可釐定付款以及固定到期日的非衍生金融資產，而本集團管理層有明確意向及能力持有至到期日。

持至到期日金融資產按實際利息法計算攤銷成本並扣除減值虧損（如適用）列賬（註釋2.11(a)(ii)）。

在此類別的金融資產分類為流動資產，但到期日由呈報日起計超過十二個月者，則分類為非流動資產。

(iv) 可供出售

可供出售金融資產為被指定為此類別或並非分類為任何上述其他三種類別的非衍生金融資產。它包括計劃作不定期限持有的金融資產，但可能因應流動資金之需要或市場環境轉變而出售。

可供出售金融資產按公平值列賬，但不包括沒有活躍市場報價且其公平值不能夠可靠計量的股權證券，其按成本扣除減值虧損（如適用）列賬（註釋2.11(a)(iii)）。除減值虧損及貨幣性資產（如債務證券）的外匯盈虧須在損益表內確認外，因公平值變動而產生之未實現盈虧於其他全面收益內確認，並在股東權益的投資重估儲備金內分開累計。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(b) Classification and measurement (Continued)

(iii) Held-to-maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2.11(a)(ii)).

Financial assets in this category are classified as current assets except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other three categories above. They include financial assets intended to be held for an indefinite period of time, but which may be sold in response to need for liquidity or changes in the market environment.

Available-for-sale financial assets are carried at fair value except for investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less impairment losses, if any (Note 2.11(a)(iii)). Unrealised gains or losses arising from changes in the fair value are recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve, except for impairment losses and foreign exchange gains or losses on monetary items such as debt securities which are recognised in the income statement.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.9 金融資產 (續)

(b) 分類及計量 (續)

(iv) 可供出售 (續)

可供出售金融資產於出售時，其出售盈虧包括出售所得款項淨額與賬面值的差額，以及曾經確認為其他全面收益之累計公平值調整須由股東權益重新分類而轉入損益表。

除非管理層有意在呈報日起計十二個月內出售該項金融資產，否則在此類別的金融資產分類為非流動資產。

(c) 終止確認

當從金融資產收取現金流量的權利經已到期或經已轉讓，及本集團已將擁有權的所有風險和回報實際轉讓後，金融資產即終止確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(b) Classification and measurement (Continued)

(iv) Available-for-sale (Continued)

When the available-for-sale financial assets are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments which are previously recognised in other comprehensive income shall be reclassified from equity to the income statement.

Financial assets in this category are classified as non-current assets unless management intends to dispose of the financial assets within twelve months from the reporting date.

(c) De-recognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.9 金融資產 (續)

(d) 公平值的計量原則

金融工具的公平值是根據呈報日之市場報價 (競買價) 釐定，但未減除將來的估計出售成本。

如沒有公開的最新交易價格或認可交易所的市場報價，或從經紀／交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平值按估值模式估值，而該估值模式可提供與市場實際交易般可靠的估計價格。

當採用折現現金流模式，估計未來現金流按管理層的最佳估計及採用的折現率是在呈報日適用於類似條款的工具的市場利率。當採用其他定價模式時，輸入資料是在呈報日的市場價格資料。

2.10 對沖會計法

本集團並未對可能有資格符合作為現金流量對沖或公平值對沖之衍生工具採用對沖會計法。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(d) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices (bid prices) at the reporting date without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the reporting date.

2.10 Hedge Accounting

The Group does not adopt hedge accounting for derivatives which may qualify as eligible cash flow hedges or fair value hedges.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.11 資產減值

(a) 金融資產

本集團在各呈報日評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。惟當有客觀證據證明於初始確認資產後發生一宗或多宗事件導致減值情況出現(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產之估計未來現金流構成可合理估計的影響，有關金融資產才算出現減值及產生減值虧損。證明某項或某組金融資產已出現減值的客觀證據包括本集團察覺到有關以下虧損事件的明顯證據：

- 發行人或承擔人出現重大財政困難；
- 違反合約如逾期或拖欠支付利息或本金；
- 本集團向發行人或承擔人基於經濟或法律理由就其財政困難而給予在一般情況下放款人不予考慮的優惠條件；
- 發行人或承擔人很有可能破產或進行其他財務重組；
- 因財務困難而導致某項金融資產失去活躍市場；或
- 可觀察的資料顯示某組金融資產自初始確認入賬後，其估計之未來現金流量出現重大跌幅，儘管未能確定有關跌幅是來自組別內哪項個別金融資產，而有關資料包括：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment of assets

(a) Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or a group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group granting to the issuer or obligor, for economic or legal reasons relating to their financial difficulty, a concession that a lender would not otherwise consider;
- it becoming probable that the issuer or obligor will enter into bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including:

2 主要會計政策 (續)

2.11 資產減值 (續)

(a) 金融資產 (續)

- 該組別內借款人的付款狀況出現逆轉；或
- 該組別內資產拖欠情況與有關的國家或當地經濟狀況配合。

(i) 貸款及應收款

若有客觀證據證明按攤銷成本列賬的貸款及應收款出現減值虧損，則以金融資產的賬面值與按金融資產原來的實際利率折算之估計未來現金流量（不包括未產生的日後信貸虧損）所得的現值差額計算減值虧損。倘貸款按浮動利率計息，用於計算任何減值虧損之折現率則為合約下釐定的當時實際利率。在實際運作上，本集團可能採用可觀察之市場價格來釐定工具的公平值。

此虧損會透過使用備付賬在金融資產之賬面值內扣除並於損益表內確認。

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連（例如債務人信貸評級改善），則以往確認的減值虧損透過調整備付賬撥回，撥回的金額於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment of assets (Continued)

(a) Financial assets (Continued)

- adverse changes in the payment status of borrowers in the group; or
- national or local economic conditions that correlate with defaults on the assets in the group.

(i) Loans and receivables

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment loss on the basis of an instrument's fair value using an observable market price.

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

2 主要會計政策 (續)

2.11 資產減值 (續)

(a) 金融資產 (續)

(ii) 持至到期日

若有客觀證據證明按攤銷成本列賬的持至到期日金融資產出現減值虧損，則以金融資產的賬面值與按金融資產原來的實際利率折算之估計未來現金流量（不包括未產生的日後信貸虧損）所得的現值差額計算減值虧損。倘持至到期日金融資產按浮動利率計息，用於計算任何減值虧損之折現率則為合約下釐定的當時實際利率。在實際運作上，本集團可能採用可觀察之市場價格來釐定工具的公平值。

此虧損會透過使用備付賬在金融資產之賬面值內扣除並於損益表內確認。

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連（例如債務人信貸評級改善），則以往確認的減值虧損透過調整備付賬撥回，撥回的金額於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment of assets (Continued)

(a) Financial assets (Continued)

(ii) Held-to-maturity

If there is objective evidence that an impairment loss on held-to-maturity financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a held-to-maturity financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment loss on the basis of an instrument's fair value using an observable market price.

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.11 資產減值 (續)

(a) 金融資產 (續)

(iii) 可供出售

對於分類為可供出售的股權證券，若股權證券公平值大幅度或長期跌至低於其成本值，會被考慮股權證券是否已經出現減值。

若有客觀證據證明可供出售金融資產出現減值，已在投資重估儲備金內確認的累計虧損重新分類至損益表。在損益表內確認的累計虧損乃按收購成本（扣除任何本金償付及攤銷）與當時公平值的差額減該金融資產之前在損益表內確認的任何減值虧損計算。

就按成本列賬的無報價可供出售股權證券而言，減值虧損按股權證券的賬面值與類似金融資產按現時市場回報率折算之估計未來現金流量所得的現值（如折算的影響為重大）差額計算。

在損益表內確認的可供出售股權證券減值虧損不會從損益表撥回。其後該等資產的公平值出現任何增加均直接於全面收益表內確認，並在股東權益的投資重估儲備金內分開累計。再者，已於損益表內確認減值虧損後進一步出現的任何減值均即時於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment of assets (Continued)

(a) Financial assets (Continued)

(iii) Available-for-sale

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the equity securities below their cost is considered in determining whether the assets are impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in the investment revaluation reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discount is material.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in statement of comprehensive income and accumulated separately in equity in the investment revaluation reserve. Furthermore, any further decline in value after an impairment loss had been recognised in the income statement should be recognised immediately in the income statement.

2 主要會計政策 (續)

2.11 資產減值 (續)

(a) 金融資產 (續)

(iii) 可供出售 (續)

若在較後期間，可供出售債務證券的公平值增加，而該增加是可客觀地與損益表內確認減值虧損後發生的事件有關連，撥回的減值虧損於損益表內確認。

(b) 其他非金融資產

本集團在各呈報日評估是否有跡象顯示一項非金融資產經已出現減值。無限定使用年期或尚未可供使用之資產無需攤銷，但最少每年就減值進行測試。當有事件出現或情況改變顯示賬面值可能無法收回時就資產進行減值檢討。

如任何此等跡象存在，或須對非金融資產進行年度減值測試時，則估計該資產的可收回金額。可收回金額以資產之公平值扣除出售成本或使用價值兩者之較高者為準。在評估使用價值時，估計未來現金流量會按照能反映當時市場對貨幣時間值和資產特定風險的評估的稅前折現率，折現至其現值。如果資產所產生的現金流入基本上並非獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產組合（即一個現金產生單位）來釐定可收回金額。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment of assets (Continued)

(a) Financial assets (Continued)

(iii) Available-for-sale (Continued)

If, in a subsequent period, the fair value of an available-for-sale debt securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the reversal of impairment loss is recognised in the income statement.

(b) Other non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset is impaired. Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are at least tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If any such indication exists, or when annual impairment testing for a non-financial asset is required, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of an asset's 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 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.11 資產減值 (續)

(b) 其他非金融資產 (續)

當資產或其所屬的現金產生單位的賬面值超過可收回金額時，於損益表內確認減值虧損。在確認現金產生單位的減值虧損時，首先減少已分配至該現金產生單位的任何商譽的賬面值，其後再按比例減少該單位內其他資產的賬面值，但資產的賬面值不可減少至低於其個別公平值扣除出售成本或其使用價值（如能釐定）。

之前已確認的商譽減值虧損不會在較後期間撥回。只有當釐定資產之可收回價值的估計改變時，之前已確認的其他資產減值虧損方可撥回，惟撥回的金額不得超過以往期間假設該資產並無確認減值虧損而應已釐定的賬面值（扣除任何攤銷或折舊）。撥回的減值虧損於其產生期間撥入損益表內。

(c) 中期財務報告及減值

根據上市規則，本集團須按香港會計準則第34號「中期財務報告」編制有關年度首六個月的中期財務報告。於中期期末，本集團採用的減值測試、確認方法以及撥回準則皆與財政年度完結時所用的相同（註釋2.11(a)及2.11(b)）。

於中期期間確認有關商譽和按成本值入賬之可供出售股權證券和無報價股權證券的減值虧損不會於下一期間轉回。即使若在中期期間相關的財政年度完結時評估減值，而毋須確認任何虧損或只有些微虧損，情況亦同樣不變。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment of assets (Continued)

(b) Other non-financial assets (Continued)

An impairment loss is recognised in the income statement for the amount by which 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 any goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Previously recognised impairment losses on goodwill are not reversed in subsequent periods. Previously recognised impairment losses on other assets are reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any amortisation or depreciation), had no impairment loss been recognised against the asset in prior periods. Reversal of impairment loss is credited to the income statement in the period in which it arises.

(c) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting", in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year (Notes 2.11(a) and 2.11(b)).

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

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.12 保險合約分類

本集團簽發轉移保險風險的合約。

保險合約乃轉移重大保險風險的合約。本集團界定重大保險風險為有可能須於投保事件發生時支付的賠償較並無發生投保事件時須支付的賠償高最少 10% 以上。

2.13 保險合約

(a) 分類

保險合約按風險年期，以及條款及條件是否固定作出分類。

本集團簽發的短期保險合約為意外傷亡及財產保險合約。

意外傷亡保險合約保障本集團客戶因進行合法活動而導致對第三者造成損害的風險。賠償包括合約及非合約事故，兩者皆受到保障。通常提供的保障是為僱主向受工傷僱員負起工傷意外的法定補償責任（僱主責任），及為個人及商業客戶向第三者的人身傷害或財物損毀負起的法定補償責任（公眾責任）。

財產保險合約主要向本集團客戶就其財產損毀或財產遺失的價值而作出賠償。客戶於其物業內進行商業活動，如因在承保物業內不能進行營業活動導致的盈利損失亦可得到賠償（營業中斷保障）。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Insurance contracts classification

The Group issues contracts that transfer insurance risk.

Insurance contracts are those contracts that transfer significant insurance risk. The Group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

2.13 Insurance contracts

(a) Classification

Insurance contracts are classified depending on the duration of risk and whether or not the terms and conditions are fixed.

Short-term insurance contracts issued by the Group are casualty and property insurance contracts.

Casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.13 保險合約 (續)

(a) 分類 (續)

賠償及損失調整費用於發生時於損益表內扣減，有關數額乃根據對合約持有人或第三者（因合約持有人引致損害）負上的估計賠償責任。此等費用包括截至呈報日為止已發生事故（即使仍未呈報予本集團）所產生的直接及間接理賠成本。本集團不以貼現方法計算其未付賠償責任。未付賠償責任根據對已呈報本集團的個別個案進行評估，而已發生但未呈報的索償則就統計分析作出估計，至於較為複雜的索償，會估計可能受外來因素（例如法庭裁決）影響的預期最終成本。

(b) 遞延取得成本

佣金及其他取得成本與獲得新訂合約及續保現有合約相關，且因合約業務不同而有所差異，乃資本化為無形資產－遞延取得成本。所有其他成本於產生時列作開支。遞延取得成本其後於賺取保費之合約期內予以攤銷。

(c) 負債充足性測試

於各呈報日進行負債充足性測試是為保證扣除相關遞延取得成本後的合約負債的充足性。進行該等測試時，按未來合約現金流量、賠付處理及行政費用的現時最佳估計予以評估。任何不足額隨即於損益表內扣除，而扣除方式為先沖銷遞延取得成本，再為負債充足性測試產生的損失作出撥備（未滿期風險撥備）。任何因上述測試而沖銷的遞延取得成本不可於其後復原。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 Insurance contracts (Continued)

(a) Classification (Continued)

Claims and loss adjustment expenses are charged to the income statement as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the reporting date even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate costs of more complex claims that may be affected by external factors (such as court decisions).

(b) Deferred acquisition costs (“DAC”)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset, DAC. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts as premium is earned.

(c) Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses are used. Any deficiency is immediately charged to the income statement initially by writing off DAC and subsequently by establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision). Any DAC written off as a result of this test cannot subsequently be reinstated.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.13 保險合約 (續)

(d) 持有再保險合約

本集團與再保險人訂立合約，據此本集團簽發的一項或多項合約獲損失補償，並符合註釋2.12保險合約分類的要求，此等合約分類為持有再保險合約。不符合此項分類要求的合約分類為金融資產。本集團簽發的保險合約，其合約持有人為另一保險人（分入再保險）的列入綜合財務狀況表的「保險合約」內。

本集團根據其再保險合約享有的利益以再保險資產入賬。此等資產包括再保險人短期欠款，以及相關再保險合約產生的預期賠償及利益的較長期應收款。可向再保險人攤回的款項或欠再保險人款項的計量方法與再保險合約相關的款項一致，並根據每項再保險合約的條款計算。再保險責任主要為再保險合約的應付保費，並按再保險合約條款列作開支，並列入綜合財務狀況表的「保險應付款」內。

本集團定期評估其再保險資產有否減值。若再保險資產已減值的客觀證據存在的話，本集團將其再保險資產賬面值減至其可收回金額，並於綜合損益表內確認減值虧損。本集團收集客觀證據以確定其再保險資產有否減值，減值虧損依據註釋2.11(a)(i)貸款及應收款採用的相同程序計算。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 Insurance contracts (Continued)

(d) Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts in Note 2.12 are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included as "Insurance contracts" in the consolidated statement of financial position.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense over the terms of reinsurance contracts and are included as "Insurance payable" in the consolidated statement of financial position.

The Group assesses its reinsurance assets for impairment on a regular basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the consolidated income statement. The Group gathers the objective evidence that a reinsurance asset is impaired and calculates the impairment losses using the same processes adopted for loans and receivables as described in Note 2.11(a)(i).

2 主要會計政策 (續)

2.13 保險合約 (續)

(e) 與保險合約有關的應收款及應付款

應收款及應付款於到期時入賬。此等款額包括欠代理人、經紀及保險合約持有人款項或此等人士的欠款。

若保險應收款已減值的客觀證據存在的話，本集團將其保險應收款賬面值減至其可收回金額，並於綜合損益表內確認減值虧損。本集團收集客觀證據以確定其保險應收款有否減值，減值虧損依據註釋 2.11(a)(i) 貸款及應收款採用的相同程序計算。

(f) 損餘及代位權付還

若干保險合約容許本集團出售已取得財產（通常已損毀）以結清索償（損餘）。本集團亦有權向第三者追索部分或全部費用（代位權）。

估計損餘追償於計量索償保險責任時作為備抵項目，而損餘財產則於保險責任結清時確認為其他資產。備抵項目的金額為出售財產時可合理收回的金額。

代位權付還亦於計量索償保險責任時作為備抵項目，並於保險責任結清時確認為其他資產。備抵項目的金額為評估透過訴訟可向第三責任人收回的金額。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 Insurance contracts (Continued)

(e) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable to its recoverable amount and recognises that impairment loss in the consolidated income statement. The Group gathers the objective evidence that an insurance receivable is impaired and calculates the impairment losses using the same processes adopted for loans and receivables as described in Note 2.11(a)(i).

(f) Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (salvage). The Group may also have the right to pursue third parties for payment of some or all costs (subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the amount assessed that can be recovered from the action against the liable third party.

2 主要會計政策 (續)

2.14 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。

成本按適當的特定辨識基準計算，並包括所有採購成本及其他促使存貨達致其目前所在地及狀況之費用。

可變現淨值乃根據日常業務過程中之估計售價，扣除完工及銷售所需之估計成本。

當存貨出售時，其賬面值於相關收益確認期間列作開支。存貨撇減至可變現淨值之任何金額及所有存貨虧損均於撇減或虧損發生期間列作開支。任何撥回金額於撥回發生期間內確認為開支之扣減。

2.15 土地使用權

中國內地的所有土地均屬國有，並不存在個人擁有權。根據香港會計準則第2號「存貨」的規定，持作發展供出售的土地使用權的地價款分類為存貨，並按成本或可變現淨值兩者中之較低者列賬。土地使用權於開始發展時調撥入供出售發展中物業。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.14 Inventories

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

Cost is calculated on specific identification basis as appropriate and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is based on the estimated selling price in the ordinary course of business less the estimated costs to be incurred to completion and disposal.

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

2.15 Land use rights

All land in Mainland China is state-owned and no individual ownership right existed. The premiums paid for the land use rights held for development for sale are classified as inventories in accordance with HKAS 2 "Inventories" and measured at the lower of cost and net realisable value. Land use rights are transferred to properties under development for sale upon commencement of development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.16 供出售發展中物業

供出售發展中物業列入流動資產並按成本或可變現淨值兩者中之較低者列賬。可變現淨值乃參考以日常業務過程中出售物業的估計銷售所得款項減去估計浮動營銷費用及預期落成成本或管理層根據現行市場情況估計後釐定。

物業開發成本包括土地使用權、於正常營運週期內開發期間產生的建築成本、資本化融資成本及專業費用。物業開發成本於落成時調撥入已落成供出售物業。

2.17 已落成供出售物業

於呈報日仍未出售的已落成供出售物業按成本或可變現淨值兩者中之較低者列賬。

成本包括未售出物業應佔發展成本。可變現淨值乃參考以日常業務過程中出售物業的估計銷售所得款項減去估計浮動營銷費用或管理層根據現行市場情況估計後釐定。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.16 Properties under development for sale

Properties under development for sale are included in current assets and stated at the lower of cost and net realisable value. Net realisable value is determined by reference to estimated sale proceeds of the properties sold in the ordinary course of business less estimated variable selling expenses and anticipated costs to completion, or by management's estimates based on prevailing market conditions.

Development costs of properties comprise land use rights, construction costs, capitalised finance costs and professional fees incurred during the development period of a normal operating cycle. On completion, the development costs of properties are transferred to completed properties held for sale.

2.17 Completed properties held for sale

Completed properties held for sale are completed properties remaining unsold at the reporting date and are stated at the lower of cost and net realisable value.

Cost comprises development cost attributable to the unsold properties. Net realisable value is determined by reference to estimated sale proceeds of the properties sold in the ordinary course of business less estimated variable selling expenses, or by management's estimates based on prevailing market conditions.

2 主要會計政策 (續)

2.18 持作出售的非流動資產 (或出售組合)

若非流動資產 (或出售組合) 的賬面值主要透過出售收回而並非透過繼續使用收回，及該資產 (或出售組合) 可在現況下出售的話，則分類為持作出售類別。

在初始分類為持作出售類別前，非流動資產 (及在出售組合內所有每項資產及負債) 的賬面值按適用的香港財務報告準則計量。資產初始分類為持作出售類別及至售出時，非流動資產 (以下所述之若干資產除外) 或出售組合會以賬面值或公平值扣除出售成本兩者中之較低者入賬。遞延稅項資產、金融資產 (於附屬公司及聯營公司的投資除外)、保險合約及投資物業，即使分類為持作出售，亦會繼續按註釋2的會計政策計量。

只要非流動資產被分類為持作出售，或被列入分類為持作出售之出售組合，該非流動資產即不予計提折舊或攤銷。

若先前已分類為持作出售類別或被列入分類為持作出售之出售組合的非流動資產不再符合上述確認標準，本集團以該資產未分類為持作出售類別前的賬面值 (經調整該資產假設未分類為持作出售類別而應已入賬的折舊、攤銷或重估的數額) 或其後決定不出售之日該資產的可收回金額兩者中之較低者計量。

本集團就停止分類為持作出售的非流動資產於其後決定不出售之日，在持續營運所得的收入內計入任何所需調整。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.18 Non-current assets (or disposal groups) held for sale

A non-current asset (or disposal group) is classified as held for sale if the carrying amount is recovered principally through a sale transaction rather than through a continuing use and the asset (or disposal group) is available for sale in its present condition.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets (and all individual assets and liabilities in the disposal group) shall be measured in accordance with applicable HKFRSs. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. Deferred tax assets, financial assets (other than investments in subsidiaries and associates), insurance contracts and investment properties, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

If a non-current asset previously classified as held for sale, or included in a disposal group that is classified as held for sale no longer met the recognition criteria stated above, the Group measures that asset at the lower of its carrying amount before that asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluation that would have been recognised had that asset not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell.

The Group includes any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale in income from continuing operations at the date of the subsequent decision not to sell.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.19 其他應收賬款

其他應收賬款初步以公平值確認，其後按實際利息法計量的攤銷成本，扣除減值虧損列賬（如有）。

2.20 現金及現金等價物

現金及現金等價物包括銀行結存、庫存現金、銀行通知存款、由投資日起計原到期日為三個月或以下的現金投資，扣除銀行透支。

2.21 金融負債 — 貸款

貸款初步按公平值並扣除產生的交易成本確認。交易成本為取得、發行或出售某項金融負債直接所佔的新增成本，包括支付予借款人的費用和佣金。貸款其後按實際利息法計量的攤銷成本列賬；初步確認的公平值與贖回價值的任何差額，連同任何利息及應付費用，於貸款期間內在損益表內確認。

除非本集團有無條件權利將負債的結算遞延至呈報日後最少十二個月，否則貸款分類為流動負債。

2.22 金融負債 — 應付賬款及應付款

應付賬款及應付款初步以公平值確認。除了財務擔保負債根據註釋2.23計量外，應付賬款及應付款其後按實際利息法計量的攤銷成本列賬。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.19 Other debtors

Other debtors are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less impairment losses, if any.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, deposits held at call with banks, cash investments with original maturity of three months or less from the date of investment less bank overdrafts.

2.21 Financial liabilities – Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial liability, including fees and commissions paid to the borrowers. Borrowings are subsequently stated at amortised cost with any difference between the amount initially recognised and redemption value is recognised in the income statement over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

2.22 Financial liabilities – Creditors and payables

Creditors and payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with Note 2.23, creditors and payables are subsequently measured at amortised cost using the effective interest method.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.23 財務擔保負債

財務擔保合約是指發行人(即擔保人)須於擔保受益人(「持有人」)因某一指定債務人未能根據債務工具的條款支付到期債務而蒙受損失時，向持有人償付指定款項的合約。

財務擔保合約以合約簽發當日的公平值加上直接歸屬於簽發擔保的交易成本於財務報表內初始確認。其後本集團之責任按根據香港會計準則第37號「撥備、或然負債及或然資產」釐定需償付現有責任的最佳估計開支的現值與初始確認之金額減確認之累計攤銷，兩者中之較高者計量。財務擔保合約負債的變動則於損益表內確認。

2.24 撥備

當本集團因已發生的事件須承擔現有之法律性或推定性的責任，很有可能需要經濟利益流出以償付責任，且金額已經可靠估計，需就有關責任作出撥備。如有多項類似責任，其需要在償付中經濟利益流出的可能性，根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的經濟利益流出的可能性極低，仍須確認撥備。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.23 Financial guarantee liabilities

Financial guarantees are contracts that require the issuer (i.e., the guarantor) to make specified payments to reimburse 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.

Financial guarantees are initially recognised in the financial statements at fair value plus transaction costs that are directly attributable to the issue of the guarantees on the date that the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less cumulative amortisation recognised. Any changes in the liabilities relating to financial guarantees are taken to the income statement.

2.24 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow of economic benefits will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow of economic benefits with respect to any one item included in the same class of obligations may be small.

2 主要會計政策 (續)

2.24 撥備 (續)

撥備採用稅前利率按照預期需償付有關責任的開支的現值計量，該利率反映當時市場對貨幣時間值和有關責任特定風險的評估。隨著時間過去而增加的撥備確認為利息開支。

當本集團預計撥備款可獲償付，例如有保險合約作保障，則將償付款確認為一項獨立資產，惟只能在償付款可實質地確定時確認。

2.25 或然負債及或然資產

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要經濟利益的流出，或責任金額未能可靠地計量而未有入賬。

或然負債不會被確認，但會在綜合財務報表註釋中披露。假若經濟利益的流出之可能性改變導致很可能出現流出，此等負債將被確認為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於很有可能收到經濟利益時在綜合財務報表註釋中披露。當實質確定流入時確認為資產。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.24 Provisions (Continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.25 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic benefits will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow of economic benefits occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When the inflow is virtually certain, an asset is recognised.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.26 外幣換算

(a) 功能貨幣及列賬貨幣

包含在綜合財務報表中本集團各實體的會計項目，均以該實體經營所在的主要經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表以港元呈報，港元為本公司的功能及列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計價的貨幣資產和負債以收市匯率換算產生的匯兌盈虧在損益表內確認。

非貨幣金融資產及負債（例如持有按公平值透過損益列賬的股權工具）的換算差額在損益表內呈報為公平值盈虧的一部分。非貨幣項目（例如分類為可供出售金融資產的股權投資）的換算差額包括在其他全面收益內，並在股東權益的投資重估儲備金內分開累計。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gains or losses in the income statement. Translation differences on non-monetary items, such as equity investments classified as available-for-sale financial assets, are included in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.26 外幣換算 (續)

(c) 集團公司

所有集團實體的功能貨幣(當中沒有嚴重通脹貨幣經濟體的貨幣)與本公司的列賬貨幣不同的,其業績和財務狀況按如下方法換算為列賬貨幣:

- 財務狀況表內的資產和負債按該財務狀況表日期的收市匯率換算;
- 損益表內的收入和支出按平均匯率換算,除非此平均匯率並不代表交易日期匯率的累計影響的合理約數。在此情況下,收支項目按交易日期的匯率換算;及
- 所有由此產生的匯兌差額確認為權益的獨立組成部分。

換算海外業務的淨投資所產生的匯兌差額在其他全面收益內確認,並在股東權益的外匯折算儲備金內分開累計。當一項海外業務作出部分處置或出售時,與該出售的海外業務有關的累計匯兌差額由股東權益重新分類至損益表,並計入出售盈虧的一部分。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債,並按收市匯率換算。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- assets and liabilities in their statement of financial position are translated at the closing rate at the date of that statement of financial position;
- income and expenses in their income statement are translated at average exchange rates, unless these average exchange rates are not a reasonable approximation of the cumulative effect of the rates prevailing at the transaction dates. In such case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of the net investments in foreign operations are recognised in other comprehensive income and accumulated separately in equity in the exchange translation reserve. When a foreign operation is partially disposed of or sold, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of that foreign entity and translated at the closing rate.

2 主要會計政策 (續)

2.27 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債的變動。本期稅項及遞延稅項資產和負債的變動在損益表內確認，而與在其他全面收益內或直接在股東權益內確認的項目有關者則分別在其他全面收益內或直接在股東權益內確認。

本期稅項為本年度對應課稅收入按呈報日已生效或基本上已生效的稅率計算的預計應付稅項，並包括以往年度的應付稅項的任何調整。

遞延稅項資產及負債是因納稅基礎計算的資產及負債與作財務申報之賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異而產生。遞延稅項資產也包括未使用的稅損及稅項抵免。

除了某些有限的例外情況外，所有遞延稅項負債及未來很可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在該可扣稅之暫時性差異預期轉回之同一期間內轉回，或在由該遞延稅項資產產生的稅損可以收回或留存之期間內轉回。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計該稅損或稅免可使用之期間內轉回時，會計入該等差異。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.27 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 income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case they 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 substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

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

2 主要會計政策 (續)

2.27 所得稅 (續)

在有限的例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始確認時不影響會計及應課稅溢利的資產或負債（須不是業務合併的一部分）、及有關投資附屬公司的暫時性差異，就應課稅差異而言，本集團可控制該差異轉回的時間而該差異在可見將來不大可能會轉回；而就不可扣稅差異而言，除非該差異在可見將來很可能會轉回。

就根據註釋 2.7 的會計政策以公平值列賬的投資物業而言，本集團按該物業在呈報日以賬面值出售的適用稅率計算其遞延稅項，但如該物業為可折舊，且按其差不多全部經濟利益可隨時間過去而非通過出售而消耗的商業模式持有則除外。在其他所有情況下，確認遞延稅項的金額是根據該資產及負債的賬面值的預期收回或結算的方式，按在呈報日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作貼現。

遞延稅項資產的賬面值於各呈報日重新檢視，對很可能不再有足夠的應課稅溢利以實現相關稅務利益時予以扣減。被扣減的遞延稅項資產於很可能有足夠的應課稅溢利時轉回。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.27 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 and liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment property is carried at its fair value in accordance with the accounting policy set out in Note 2.7, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of that investment property at its carrying value at the reporting date unless that investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in that investment property over time, rather than through sale. In all other case, 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 substantially enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting date 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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.27 所得稅 (續)

本期稅項與遞延稅項結餘及其變動之數額會分別列示而不會相互抵銷。本集團只會在有合法權利可將本期稅項資產與負債抵銷及符合以下附帶條件的情況下，才會將本期稅項資產與負債作出抵銷及將遞延稅項資產與負債作出抵銷：

- 就本期稅項資產及負債而言，本集團計劃以淨額基準結算，或同時將資產變現及償還負債；或
- 就遞延稅項資產及負債而言，其涉及同一稅務機關對同一個應課稅實體徵收所得稅所產生。

2.28 股本

直接歸屬於發行新股或認股權的新增成本在權益內列為所得款的減少（扣除稅項）。

2.29 收入確認

收入按已收或應收對價的公平值計量。收入不包括增值稅或其他銷售稅，並根據估計的客戶退貨、折扣和其他類似折扣減少。如果經濟利益很有可能流向本集團，且收入和成本能夠可靠地計量，則收入在損益表內確認如下：

(a) 利息收入

利息收入採用實際利息法按時間比例基準確認。倘應收款出現減值，本集團會將賬面值減至可收回款額，即估計的未來現金流量按該工具之原實際利率貼現，並繼續將貼現計算並確認為利息收入。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.27 Income tax (Continued)

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

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on the same taxable entity.

2.28 Share capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.29 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue excludes value added tax or other sales taxes and is reduced for estimated customer returns, rebates and other similar allowances. 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 income statement as follows:

(a) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.29 收入確認 (續)

(b) 投資物業租金收入

除非有更具代表性的基準衡量從租賃資產獲取利益的模式，否則營業租約之租金收入按該租期所涵蓋的年期以等額分期於損益表內確認。營業租約協議所涉及的獎勵措施均在損益表內確認為租賃淨收款總額的組成部分。

(c) 股息收入

股息收入在股東收取款項的權利被確立時予以確認。

(d) 短期保險合約

短期保險合約的毛保費於承保日確認收入。

已賺保費於承保期間按比例以收入入賬。於合約生效期內已收取與呈報日未滿期風險有關的部分保費列為未滿期保費責任。保費以扣除佣金前之數額列賬。

(e) 管理費

管理費在提供服務時入賬。

(f) 汽車銷售

當汽車擁有權的重大風險和回報已轉移給買方，只要本集團既不保留管理權（管理層的參與程度通常與擁有權相關），也沒有已售汽車的有效控制權，汽車銷售收入予以確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.29 Revenue recognition (Continued)

(b) Rental income from investment properties

Rental income receivable under operating leases is recognised in the income statement in equal installments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable.

(c) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(d) Short-term insurance contracts

Gross premiums from the sale of short-term insurance contracts are recorded when written.

Earned premiums are recognised as revenue proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

(e) Management fee

Management fee is recognised upon the provision of services.

(f) Sales of motor vehicles

Revenue from sales of motor vehicles is recognised when the significant risks and rewards of ownership of the motor vehicles have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the motor vehicles sold.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.29 收入確認 (續)

(g) 物業銷售

在日常業務過程中所得的物業銷售收入於有關物業的回報和風險轉移予買家時(即當有關物業的建築已經完成及該等物業已移交予買家,以及可合理地確保收回有關應收款)予以確認。

(h) 政府補貼

於能夠合理確定本集團將會獲得政府補貼,並且將符合所有附帶條件時,政府補貼初步於綜合財務狀況表內確認。補償本集團開支的補貼按系統基準在開支發生的同一期間於綜合損益表內確認為收入。

2.30 借貸成本

借貸成本於產生年度在損益表內支銷,但如該等成本是直接因收購、興建或製造需時甚久方可達到其預定用途或出售的資產,則會轉化為資本性開支入賬。

作為合資格資產成本一部分的借貸成本在該資產的開支正在產生、借貸成本正在產生及為準備該資產作為預定用途或出售的所需活動正在進行時開始資本化。當大部分為準備該合資格資產作為預定用途或出售的所需活動已被中斷或完成時,借貸成本資本化亦暫停或終止。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.29 Revenue recognition (Continued)

(g) Sales of properties

Revenue from sales of properties in the ordinary course of business is recognised when the risks and rewards of the respective properties are transferred to the buyers, which is when the construction of relevant properties has been completed and the properties have been delivered to the buyers and collectability of related receivables is reasonably assured.

(h) Government grants

Government grants are recognised in the consolidated 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 expenses incurred are recognised as income in the consolidated income statement on a systematic basis in the same periods in which the expenses are incurred.

2.30 Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being 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.

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 ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.31 營業租約

營業租約是指擁有資產之所有回報及風險實質上由出租人保留之租約。營業租賃 (包括租賃土地) 款額在扣除收取自出租人之任何優惠金後，於租約期內以直線法在損益表內支銷。

2.32 僱員福利

(a) 短期僱員福利

薪金及年終花紅於僱員提供相關服務之年度支付或計提。當支付或償付有所遞延而其影響為重大時，此等款額按其現值入賬。

(b) 退休福利成本

本集團以強制性、合約性或自願性方式向公開或私人管理的退休計劃供款。此等計劃是本集團支付固定供款的界定供款退休計劃，本集團作出供款後，即無額外付款責任。若該基金並無持有足夠資產向所有僱員就其在當期及以往期間的服務支付福利，本集團亦無法定或推定責任支付額外供款。

本集團的供款在應付時確認為僱員福利開支，且可由全數歸屬供款前離開計劃的僱員所放棄的供款而減少。預付供款若可現金退款或可減少未來付款則確認為資產。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.31 Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases (including those for leasehold land) net of any incentives received from the lessor are charged to the income statement on a straight-line basis over the lease periods.

2.32 Employee benefits

(a) Short-term employee benefits

Salaries and annual bonuses are paid or accrued in the year in which the associated services are rendered by employees. When payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(b) Retirement benefit costs

The Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. These pension plans are defined contribution schemes which the Group pays fixed contributions and has no further payment obligations once the contributions have been paid. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services rendered in the current and prior periods.

The Group's contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2 主要會計政策 (續)

2.32 僱員福利 (續)

(c) 僱員假期福利

僱員應享有的年假於累計予僱員時確認。截至呈報日已計提因僱員已提供服務而享有之年假所引致的估計負債。

僱員應享有的病假及分娩假於發生時才予以確認。

(d) 以股份為基礎的補償

本集團一家聯營公司營運一項現金結算的股份支付計劃(「股權增值權計劃」)。根據該計劃，股權增值權計劃在完成等待期內的服務和達到規定業績條件以後才可行權。該聯營公司承擔的負債的公平值變動已於其損益表內確認。

(e) 終止服務權益

當本集團在僱員正常退休日期前終止其聘用，或當僱員接受自願遣散以換取有關福利時，終止服務權益即須支付。本集團在可證明承諾如下時確認終止服務權益：根據一項詳細的正式計劃終止現有僱員的僱用；或因為提出一項要約以鼓勵自願遣散而提供的終止服務權益(沒有撤回的實際可能性)。超過呈報日後十二個月支付的福利貼現為現值。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.32 Employee benefits (Continued)

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Share-based compensation

An associate of the Group sets up a cash-settled share-based payment plan, namely Share Appreciation Rights ("SAR"). According to the plan, SAR is not vested until fulfilling services in the vesting period and meeting required performance. The changes in fair value of liability incurred have been recognised in the income statement by that associate.

(e) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan or providing termination benefits as a result of an offer made to encourage voluntary redundancy without realistic possibility of withdrawal. Benefits falling due more than twelve months after the reporting date are discounted to present value.

2 主要會計政策 (續)

2.33 分部報告

在本綜合財務報表列報的經營分部及各分部項目金額，於定期向本集團最高行政管理層提供的財務資料中識辨。管理層依據該等財務資料分配資源予本集團的不同業務及地區，以及評核該等業務和地區的表现。

就財務報表而言，個別重大的經營分部不會總計，惟分部有類似經濟特性及在產品或服務性質、生產程序性質、客戶類別和等級、用作銷售產品或提供服務之方法以及監管環境性質方面相類似則除外。並非個別重大的經營分部倘符合大部分此等標準，則該等經營分部可能會總計。

2.34 股息分派

分派予本公司股東的股息在股息獲批准分派期內於本集團及本公司的財務報表內列為負債。

2.35 關聯方

在編制本綜合財務報表時，關聯方指與本集團有關連之人士或實體。

- (a) 某人士或其近親家庭成員被視為與本集團有關連，如該人士：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員的成員。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.33 Segment reporting

Operating segments, and the amounts of each segment item reported in these consolidated financial statements, are identified from the financial information 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 or 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.

2.34 Dividend distribution

Dividend distribution to the shareholders of the Company is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved for distribution.

2.35 Related parties

For the purposes of these consolidated financial statements, a related party is a person or entity that is related to the Group.

- (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.

2 主要會計政策 (續)

2.35 關聯方 (續)

(b) 如符合任何下列情況，某實體被視為與本集團有關連：

- (i) 該實體與本集團皆為同一集團的成員（指各自的母公司、附屬公司及同系附屬公司互相有關連）。
- (ii) 某實體為另一實體的聯營公司或合營公司（或為某集團成員的聯營公司或合營公司，而另一實體為該集團的成員）。
- (iii) 兩個實體皆為同一第三方的合營公司。
- (iv) 某實體為第三實體的合營公司，而另一實體為該第三實體的聯營公司。
- (v) 該實體為提供福利予本集團僱員或本集團關聯實體的僱員的離職後福利計劃。
- (vi) 該實體由註釋 2.35(a) 定義的人士所控制或共同控制。
- (vii) 在註釋 2.35(a)(i) 中定義的人士對該實體有重大影響力或為該實體（或該實體母公司）的主要管理人員的成員。

某人士的近親家庭成員指預期可影響該人士或受該人士影響他們與該實體處事的家庭成員。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.35 Related parties (Continued)

(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 a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in Note 2.35(a).
- (vii) a person identified in Note 2.35(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).

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.

3 關鍵會計估計及判斷

在編制財務報表時，管理層必須對未來作出估計和假設，此等估計和假設將影響本綜合財務報表呈報的資產、負債、收入及支出。估計和假設的應用如因管理層的判斷有所改變或因應實際環境的演變而有所改變，會引致本集團的財務狀況及業績有所不同。

估計和判斷會被持續評估，並根據過往經驗和其他因素（包括在有關情況下相信為合理的對未來事件的預測）進行評價。本集團認為，於編制本綜合財務報表時已作出適當假設和估計，因此在各個重要層面，本綜合財務報表均能公平地反映本集團的財務狀況和業績。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets, liabilities, revenues and expenses in these consolidated financial statements. The application of assumptions and estimates means that any changes of them, either due to changes of management's judgement or the evolvement of the actual circumstances, would cause the Group's financial position and results to differ.

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group believes that the assumptions and estimates that have been made in the preparation of these consolidated financial statements are appropriate and that these consolidated financial statements therefore present fairly the Group's financial position and results in all material respects.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

在未來十二個月很大機會導致資產和負債的賬面值作出重大調整風險的估計和假設討論如下。

(a) 投資物業公平值的估計

本集團所持投資物業公平值的最佳證據為在活躍市場相類似的租賃或其他合約的當時價格。若沒有此等資料，本集團在一系列合理的公平值估計範圍內釐定有關金額。在作出判斷時，本集團會考慮多方面的資料，包括在活躍市場不同性質、狀況或地點的物業的當時價格（或受限於不同租賃或其他合約），經調整以反映此等差別；或在較不活躍市場相類似物業的近期價格，附帶調整以反映該等價格出現的交易日期後經濟狀況的任何變動。於2017年12月31日，本集團的投資物業公平值約港幣16,982萬元（註釋17）。

(b) 於廈銀的投資

本公司持有廈銀約9.7635%股權。儘管本公司持有廈銀的投票權少於20%，但本公司於廈銀董事會內有兩名代表，以及透過在廈銀董事會設立的委員會代表參與政策制定程序，因此本公司認為其有能力對廈銀的財務及營運決策行使重大影響力。因此，本公司認為廈銀將繼續被分類為本公司的聯營公司，而其所持廈銀的權益將繼續按照香港財務報告準則以權益會計法入賬（註釋18）。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are discussed below.

(a) Estimate of fair value of investment properties

The best evidence of fair value of investment properties held by the Group is current prices in an active market for similar lease or other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making this judgement, the Group considers information including current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts) adjusted to reflect those differences, or recent prices of similar properties in less active markets with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. As at 31 December 2017, the fair value of the Group's investment properties was approximately HK\$169.82 million (Note 17).

(b) Investment in XIB

The Company holds approximately 9.7635% shareholding in XIB. The Company considered that it has the ability to exercise significant influence over the financial and operating policy decisions of XIB through its two representatives on the board of directors of XIB as well as the participation in policy-making processes through the representations in committees set up by the board of directors of XIB even though the Company holds less than 20% of the voting power of XIB. Accordingly, the Company considers that XIB will continue to be classified as an associate of the Company and the Company's interest in XIB will continue to be accounted for using equity method in accordance with the HKFRSs (Note 18).

3 關鍵會計估計及判斷 (續)

(c) 貸款及墊款減值準備

本集團定期審閱貸款組合，並評估其是否出現減值情況，並在出現減值情況時評估減值的具體情況。減值的客觀證據包括顯示單筆貸款預計未來現金流出現大幅減少之可觀察資料、顯示貸款組合借款人的支付狀況發生不利變化的可觀察資料（例如，借款人不按規定還款），或出現了可能導致組合內貸款違約的國家或地方經濟狀況的不利變化等。個別貸款的減值準備金額為預期可收取的未來現金流按原實際利率貼現的現值。當運用組合方式評估貸款組合的減值準備時，對具有相類似的信用風險特徵和客觀減值證據的貸款組合資產，本集團管理層根據與該貸款組合具有類似信用風險特徵的資產的歷史虧損經驗確定，並根據反映當前經濟狀況的可觀察資料進行調整。本集團管理層定期審閱對未來現金流的金額和時間進行估計所使用的方法和假設，以減少估計貸款減值準備和實際貸款減值準備情況之間的差異。在實際運作上，本集團可能採用組合方式並根據市場過往的經驗來評估貸款組合的減值準備。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(c) Impairment allowances on loans and advances

The Group reviews its loan portfolios to assess impairment regularly, and would further assess impairment when there are indications of impairment. Objective evidence of impairment includes observable data indicating that there is a measurable decrease in the estimated future cash flows from an individual loan, observable data indicating that there has been an adverse change in the payment status of borrowers in a group (e.g., payment delinquency or default), or national or local economic conditions that correlated with defaults on assets in the group. The individual impairment allowance is based upon best estimate of the present value of cash flows which are expected to be received discounted at the original effective interest rate. When assessing the impairment allowances of a loan portfolio under the collective evaluation method, management of the Group uses estimates based on historical loss experience, which subjects to adjustments according to observable data to reflect the current economic conditions for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when estimating expected future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any difference between estimated impairment allowances and actual impairment allowances. As a practical expedient, the Group may assess the impairment allowances of a loan portfolio under the collective evaluation method on the basis of the market historical experience.

3 關鍵會計估計及判斷 (續)

(d) 意外傷亡及財產保險合約負債

就意外傷亡及財產保險合約而言，須對於呈報日已呈報索償預期最終成本及於呈報日已發生但未呈報（「已發生但未呈報」）索償預期最終成本作出估計。確立最終賠償的成本可能耗時甚長，故就若干保單而言，已發生但未呈報索償責任構成了綜合財務狀況表中保險責任的主要部分。未決賠償的最終成本乃通過使用多種標準的保險精算賠款預測方法作出估計，如Bornhuetter-Ferguson（「BF」）法。

與該等方法相關的主要假設為過往的賠償發展經驗可用於預測未來的賠償發展，從而得出最終賠償成本。因此，該等方法根據分析過往年度的發展及預期虧損比率來推斷已付及已發生的虧損發展、平均每宗賠償的成本及賠償數目。歷史賠償發展主要按事故年度、重大業務類別及賠償種類作出分析。重大賠償通常單獨作出考慮，按照理賠師估計的金額計提或進行單獨預測，以反映其未來發展。使用的假設隱含在歷史賠償發展數據並用於預測。為評估過往趨勢在多大程度上不適用於未來（例如反映一次性事件，公眾對賠償的態度、經濟條件、賠償通脹水平、司法決定及立法等外部或市場因素的變動，以及產品組合、保單條件及賠償處理程序等內部因素的變動），會使用額外定性判斷，以在考慮了所有涉及的不確定因素後，在各種可能的結果中呈列出很可能的估計最終賠償成本。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(d) Casualty and property insurance contract liabilities

For casualty and property insurance contracts, estimates have to be made for both the expected ultimate costs of claims reported at the reporting date and for the expected ultimate costs of claims incurred but not reported (“IBNR”) at the reporting date. It may take a significant period of time before the ultimate claims costs can be established with certainty and for some type of policies, IBNR claims form the majority of the insurance liabilities in the consolidated statement of financial position. The ultimate costs of outstanding claims are estimated by using a range of standard actuarial claims projection techniques, such as the Bornhuetter-Ferguson (“BF”) method.

The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average cost per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident year, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value if loss adjustor estimates or separately projected in order to reflect their future development. The assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (for example to reflect one-off occurrence, changes in external or market factors such as public attitudes of claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures), so as to arrive at the estimated ultimate costs of claims that present the likely outcome from the range of possible outcomes, taking into account of all the uncertainties involved.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

(e) 當期所得稅及遞延所得稅

本集團須在不同司法權區繳納所得稅。在釐定所得稅撥備及繳納有關稅金的時間安排時，需要作出重大判斷。於日常業務過程中，可能出現多項涉及未能確切釐定最終稅務的交易及計算。如此等事件的最終稅務結果與最初記錄的金額不同，此等差額將影響稅務釐定期內的所得稅和遞延所得稅撥備。於2017年12月31日，本集團的遞延所得稅負債約港幣2,840萬元（註釋32）。若實際適用稅率差異為1%，遞延所得稅負債將增加或減少約港幣105萬元。

(f) 一家聯營金融機構的關鍵會計估計及判斷

本集團的主要聯營金融機構，廈銀集團，主要在中國內地、香港及澳門經營銀行業務（註釋18）。其根據中國會計準則編制法定綜合財務報表時採用的若干關鍵會計估計及判斷敘述如下：

— 金融工具公平值

對於無法獲得活躍市場報價的金融工具，廈銀集團使用了估值模式計算其公平值。估值模式包括折現現金流分析和模式等。在實際操作中，折現現金流模式盡可能地只使用可觀察資料，但是廈銀集團管理層仍需要對如交易雙方信貸風險、市場波動性及相關性等因素進行估計。若上述因素的假設發生變化，金融工具公平值的評估將受到影響。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(e) Current income tax and deferred income tax

The Group is subject to income tax in various jurisdictions. Significant judgement is required in determining the amounts of the provision for income tax and the timing of the payment of the related income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provisions for current income tax and deferred income tax in the period in which such determination is made. As at 31 December 2017, the Group had deferred income tax liabilities of approximately HK\$28.4 million (Note 32). The deferred income tax liabilities will increase or decrease by approximately HK\$1.05 million if the actual applicable tax rate differs by 1%.

(f) Critical accounting estimates and judgement of an associated financial institution

The Group's major associated financial institution, XIB Group, is principally conducted banking business in Mainland China, Hong Kong and Macau (Note 18). In preparing its statutory consolidated financial statements in accordance with the PRC Accounting Standards, certain critical accounting estimates and judgement have been applied as described below:

— Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by XIB Group using valuation techniques. Valuation techniques used include discounted cash flows analysis and models. To the extent practical, models use only observable data, however areas such as credit risks (both own and counterparty), volatilities and correlations require management of XIB Group to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

3 關鍵會計估計及判斷 (續)

(f) 一家聯營金融機構的關鍵會計估計及判斷 (續)

— 貸款及墊款及應收款項類投資減值準備

廈銀集團定期審閱貸款及墊款及應收款項類投資組合，並評估其是否出現減值情況，並在出現減值情況時評估減值的具體情況。減值的客觀證據包括顯示單筆貸款及墊款或應收款項類投資預計未來現金流出現大幅減少的可觀察資料、顯示貸款及墊款及應收款項類投資組合借款人的支付狀況發生不利變化的可觀察資料 (例如，借款人不按規定還款)，或出現了可能導致組合內貸款及墊款及應收款項類投資違約的國家或地方經濟狀況的不利變化等。個別貸款及墊款及應收款項類投資的減值準備金額為預期可收取的未來現金流按原實際利率貼現的現值。當運用組合方式評估貸款及墊款及應收款項類投資組合的減值準備時，對具有相類似的信用風險特徵和客觀減值證據的貸款及墊款及應收款項類投資組合資產，廈銀集團管理層根據與該貸款及墊款及應收款項類投資組合具有類似信用風險特徵的資產的歷史虧損經驗確定，並根據反映當前經濟狀況的可觀察資料進行調整。廈銀集團管理層定期審閱對未來現金流的金額和時間進行估計所使用的方法和假設，以減少估計貸款及墊款及應收款項類投資減值準備和實際貸款及墊款及應收款項類投資減值準備情況之間的差異。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(f) Critical accounting estimates and judgement of an associated financial institution (Continued)

— Impairment allowances on loans and advances and investments in receivables

XIB Group reviews its loans and advances and investments in receivables portfolios to assess impairment regularly, and would further assess impairment when there are indications of impairment. Objective evidence of impairment includes observable data indicating that there is a measurable decrease in the estimated future cash flows from an individual loan and advance or investments in receivables, observable data indicating that there has been an adverse change in the payment status of borrowers in a group (e.g., payment delinquency or default), or national or local economic conditions that correlated with defaults on assets in the group. The individual impairment allowance is based upon best estimate of the present value of cash flows which are expected to be received discounted at the original effective interest rate. When assessing the impairment allowances of a loan and advance and investments in receivables portfolio under the collective evaluation method, management of XIB Group uses estimates based on historical loss experience, which subjects to adjustments according to observable data to reflect the current economic conditions for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when estimating expected future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any difference between estimated impairment allowances and actual impairment allowances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

(f) 一家聯營金融機構的關鍵會計估計及判斷 (續)

— 分類為可供出售的股權投資估值

非上市股權投資的公平值由一家獨立專業評估師採用市場比較法作出估值。根據與投資對象從事相類似行業的多家上市公司的市場比率(例如市盈率及市賬率)及投資對象的歷史財務資料, 廈銀集團管理層為公平值的估值目的, 對反映投資對象情況所需的適當調整作出估計和判斷, 包括投資對象的繳足股本與上市公司股份比較下的流動貼現率。公平值變動已記入綜合全面收益表內, 並在股東權益的投資重估儲備金內分開累計。

— 商譽減值準備的估計

根據收購成本及集友可識辨淨資產的公平值, 廈銀集團確認收購集友約64.31%股權於收購日產生綜合商譽。在評估綜合商譽的減值時, 集友現金產生單位的可收回金額根據使用價值計算確定。計算使用價值時, 廈銀集團須估計集友現金產生單位的未來現金流預測(根據高級管理層作出的判斷和假設所擬定的財務預算而釐定)和稅前折現率, 從而計算現值。根據廈銀集團管理層於2017年12月31日作出的評估, 該綜合商譽並無減值虧損。然而, 由於廈銀集團管理層就未來現金流預測而作出的關鍵假設可能會有變動, 因此, 有關假設的不利變動或會導致賬面值超過其可收回金額。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(f) Critical accounting estimates and judgement of an associated financial institution (Continued)

— Valuation of equity investments classified as available-for-sale

The fair value of an unlisted equity investment has been estimated using a market comparison approach by an independent professional valuer. Based on the market ratio (e.g., price/earning and price/book ratios) of a number of listed companies engaged in similar industries as the investee and the investee's historical financial information, management of XIB Group makes estimates and judgement on the appropriate adjustments required to reflect the circumstances of the investee, including the liquidity discount applicable to the paid-up capital of the investee as compared to those of the shares of a listed company, for fair value estimation purposes. The fair value changes is accounted for in the consolidated statement of comprehensive income and accumulated separately in equity in the investment revaluation reserve.

— Estimation of impairment allowance on goodwill

XIB Group has recognised a consolidated goodwill on acquisition of approximately 64.31% shareholding in CYB at the date of acquisition based on the costs of acquisition and the fair value of identifiable net assets of CYB. In assessing the impairment of the consolidated goodwill, the recoverable amount of CYB cash-generating units is determined based on the value in use calculation. The value in use calculation requires XIB Group to estimate the future cash flow projections of CYB cash-generating units based on financial budgets covering judgment and assumptions made by senior management and the pre-tax discount rate in order to calculate the present value. Based on the impairment assessment performed by XIB Group on such consolidated goodwill at 31 December 2017, no impairment loss was recognised. However, as key assumptions on which XIB Group's management has made in respect of future cash flow projections are subject to change, an adverse change in the assumptions could cause the carrying amount to exceed its recoverable amount.

4 保險及財務風險管理

4.1 保險及財務風險因素

本集團的營業活動承受著多種的保險風險及財務風險，包括市場風險（包括外匯風險、價格風險及利率風險）、信貸風險及流動資金風險。本註釋總結本集團的這些風險承擔，以及其管理的目標、政策與程序及量度這些風險的方法。

本集團的投資政策是在可控制的風險水平內，以既能滿足本集團流動資金需要，又能取得最佳投資回報的方式，審慎投資其資金。本集團的整體風險管理專注於財務市場的難預測性及尋求盡量減低對本集團財務表現的潛在不利影響。

董事會代表著股東的利益，是本集團風險管理的最高決策機構，並對風險管理負最終責任。董事會已採納評估及批准重大投資決定的程序。基於其金融資產及金融負債的性質，本集團主要按質量方式監察其所承擔的風險。

總經理（「總經理」）負責管理本集團各類風險，審批詳細的風險管理政策，並在董事會授權範圍內審批重大風險承擔或交易。其他管理團隊成員負責協助總經理履行對各類風險的日常管理職責。

本集團建立了一套內部控制系統，包括設立權責分立清晰的組織架構，以監察業務運作是否符合既定政策、程序及限額。適當的匯報機制足以確保監控職能獨立於業務範疇，同時機構內有足夠的職責分工，有助營造適當的內部控制環境。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT

4.1 Insurance and financial risk factors

The Group's business activities expose it to a variety of insurance risk and financial risks including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. This note summarises the Group's exposure to these risks, as well as its objectives, policies and processes for managing and the methods used to measure these risks.

The Group's investment policy is to prudently invest its funds in a manner which satisfies the Group's liquidity requirements and generates optimal returns to the Group within a manageable risk level. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance.

The Board, representing the interest of shareholders, is the highest decision making authority of the Group and has the ultimate responsibility for risk management. The Board has adopted procedures for evaluating and approving significant investment decisions. Given the nature of the Group's financial assets and liabilities, their risk exposures are monitored by the Group primarily on a qualitative basis.

The General Manager ("GM") is responsible for managing the Group's various types of risks, approving detailed risk management policies, and approving material risk exposures or transactions within his authority delegated by the Board. The other members of the management team assist the GM in fulfilling his responsibilities for the day-to-day management of risks.

The Group has put in place an internal control system, including establishment of the Group's organisation structure that sets adequately clear lines of authority and responsibility for monitoring compliance with policies, procedures and limits. Proper reporting lines also provide sufficient independence of the control functions from the business areas, as well as adequate segregation of duties throughout the organisation which helps to promote appropriate internal control environment.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險

本集團簽發轉移保險風險的合約。本節概括說明此等風險及本集團對有關風險控制的方式。

任何一份保險合約的風險是指發生保險事故的可能性及由此產生的賠償金額的不確定性的風險。由於保險合約的固有性質，其風險屬不規則的風險，因此為不可預料的風險。

如保險合約組合應用定價及撥備的或然性原則，本集團面臨的主要風險是實際賠償金額超過已計提保險責任的賬面值。這種風險在索賠頻率或賠付的嚴重程度超過估計的情況下均可能出現。由於保險事故屬不規則的，故此實際賠償宗數及金額將與採用統計技術設定的水平每年均有所不同。

經驗證明相類似的保險合約組合越大，其相對之預期結果可變性越低。另外，較多元化的合約組合較不容易受組合中某部分的變動而使整體受到影響。

保險風險上升的因素包括未有將風險的種類及金額、地區以及覆蓋行業分散所致。

(i) 賠償的頻率及嚴重程度

賠償的頻率及嚴重程度可以受多項因素影響。最主要為蒙受損毀的賠償程度增加，及向法院提出申訴的不活躍或長時期潛在的個案增加。估計的通貨膨脹亦為一重大因素，此乃由於此等個案一般需要頗長時間才得以解決。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk

The Group issues contracts that transfer insurance risk. This section summarises these risks and the way the Group manages such risks.

The risks under any one insurance contract are the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, these risks are random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the amount of the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual numbers and amounts of claims will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(i) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered and the increase in number of cases coming to court that were inactive or latent for a long period of time. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(i) 賠償的頻率及嚴重程度 (續)

本集團透過其承保策略、足夠的再保險安排及賠償處理等方式控制有關風險。

承保策略用意在於確保承保風險可以在風險種類及金額、行業及地區等方面充分地分散。

承保設有限額以執行適當的風險挑選準則。例如，本集團有權重新定價、取消或不續保一份合約，亦可施加自負額及有權拒絕支付欺詐索償。保險合約亦使本集團有權向第三者追索部分或全部費用（代位權）。除法例規定外，本集團的策略限制任何個別保單的風險總額超出某一數額。

再保險協議包括臨時再保險、比例合約及超額損失再保險範圍。此等再保險協議使本集團不會遭受保險損失淨值總額高於指定總額的損失。在整體的再保險計劃以外，如有需要時，本集團會安排為個別風險增加額外再保險保障。

有關按地區分析的已承擔保險在再保險前後之保險風險的集中度歸納如下，並以保險合同產生的保險責任（毛額及再保險後淨額）的賬面值作參考：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(i) Frequency and severity of claims (Continued)

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geographical location.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right to re-price, cancel or not to renew a contract, it can impose deductibles and it has the right to reject the payment of fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (subrogation). Unless the legislation requires, the Group's strategy limits the total exposure of any individual policy to a certain amount.

The reinsurance arrangements include facultative, proportional treaties and excess of loss coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses more than the prescribed amount. In addition to the overall reinsurance program, additional reinsurance protection for any individual risk will be arranged when necessary.

The concentration of insurance risk before and after reinsurance by territory in relation to type of insurance accepted is summarised below, with reference to the carrying amounts of the insurance liabilities (gross and net of reinsurance) arising from insurance contracts:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(a) 保險風險 (續)

(a) Insurance risk (Continued)

(i) 賠償的頻率及嚴重程度 (續)

(i) Frequency and severity of claims (Continued)

		2017				
		汽車 Motor	一般 法律責任 General liability	意外 及健康 Accident and health	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross					
香港	Hong Kong	23,270	33,103	484	211	57,068
澳門	Macau	6,112	974	2,196	21,300	30,582
保險責任總值，毛額	Total insurance liabilities, gross	<u>29,382</u>	<u>34,077</u>	<u>2,680</u>	<u>21,511</u>	<u>87,650</u>
淨額	Net					
香港	Hong Kong	20,679	29,851	481	139	51,150
澳門	Macau	6,009	925	1,911	21,343	30,188
保險責任總值，淨額	Total insurance liabilities, net	<u>26,688</u>	<u>30,776</u>	<u>2,392</u>	<u>21,482</u>	<u>81,338</u>

		2016				
		汽車 Motor	一般 法律責任 General liability	意外 及健康 Accident and health	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross					
香港	Hong Kong	23,245	43,898	407	391	67,941
澳門	Macau	3,698	1,345	1,685	19,107	25,835
保險責任總值，毛額	Total insurance liabilities, gross	<u>26,943</u>	<u>45,243</u>	<u>2,092</u>	<u>19,498</u>	<u>93,776</u>
淨額	Net					
香港	Hong Kong	20,816	40,000	406	246	61,468
澳門	Macau	3,174	1,391	1,626	18,170	24,361
保險責任總值，淨額	Total insurance liabilities, net	<u>23,990</u>	<u>41,391</u>	<u>2,032</u>	<u>18,416</u>	<u>85,829</u>

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源

保險合約的賠償於發生索償時支付。本集團須為所有於合約期內發生的保險事故負責，即使損失於合約期完結後才發現。由於賠償於一段長時間才能結清，故此對已發生但未呈報的索償提撥較大的準備金。此等合約的現金流量的金額及產生的時間受到若干變數的影響。此等變數主要與個別合約持有人的潛在風險及採用的風險管理程序有關。此等合約的賠償為給予蒙受人身傷害的金錢賠償。有關賠償為一次整筆清付的付款，按受傷人士因意外而損失的收入及康復費用的現值計算。

估計賠償成本包括結清索償產生的直接費用，扣除預計代位權價值及其他可收回款項。本集團採取所有合理措施確保其對所承擔的賠償風險獲得適當的資料。但是，由於提撥賠償準備金的不確定性，最終結果可能證明與最初提撥的責任不同。此等合約的責任包括於呈報日就已發生但未呈報的索償提撥的準備金、就已呈報但未賠付的索償提撥的準備金，及就未滿期風險提撥的準備金。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments

Claims on insurance contracts are payable on a claim-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of claims provision relates to incurred but not reported claims. There are several variables that affect the amounts and timing of cash flows from these contracts. These mainly relate to the inherent risks by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered. Such awards are lump-sum payments that are calculated as the present value of the lost of earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated costs of claims include direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liabilities established. The liabilities for these contracts comprise provisions for IBNR, provisions for reported claims not yet paid and provisions for unexpired risks at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源 (續)

於計算未付賠償 (已呈報及未呈報) 的估計成本時，本集團的估計技術以損失率基準估計 (損失率定義為於某一特定財政年度內與此等索償有關的保險賠償的最終成本與已賺保費之間的比率) 結合採用根據實際賠償經驗預先釐定的公式作出的估計，而實際賠償經驗的比重將隨著時間的流逝增加。

對已發生但未呈報的索償的估計，比已呈報予本集團的索償 (索償事故資料為可知的) 的成本估計，受到不確定性程度的限制較大。在估計已發生但未呈報的索償金額時，是需要預估未來賠償成本、相關賠償費用及運用模式模擬賠償責任結果從而計算合理的賠償準備金及未滿期風險。這些模式是很多法律、社會和經濟影響力的縮影，但可能未必完全適合所分析的保險業務種類。可以確定的是將來真正的賠款和賠償費用不會完全如預計般吻合，並有可能嚴重偏離估計。

於估計已呈報但未賠付的索償成本責任時，本集團考慮從理賠師所得知的任何資料及於以往期間相類似特性的已結清索償成本資料而作出估計。考慮到大額索償的發展及發生率對組合內其他索償的潛在破壞影響，大額索償以個別個案作出獨立評估或預計。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments (Continued)

In calculating the estimated costs of unpaid claims (both reported and not reported), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate costs of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and estimates based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the costs of settling claims already notified to the Group, where information about the claim event is available. In estimating the amounts of IBNR which make reasonable provisions for the claims and the unexpired risks, it is necessary to project future claims costs and associated claims expenses and simulate the outcomes of claims liabilities using models. These models are simplified representation of many legal, social and economic forces and may not be entirely appropriate for the types of insurance business being analysed. It is certain that actual future claims and claims expenses will not develop exactly as projected and may vary significantly from the projections.

In estimating the liabilities for the costs of reported claims not yet paid the Group considers any information available from loss adjusters and information on the costs of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源 (續)

在可能的情況下，本集團採用多項技術對所需撥備程度作出估計。這對預計趨勢的固有經驗提供較佳的理解。利用多種方法作出的預計亦有助於估計可能發生的結果。選取最合適的估計技巧已計入業務類別的特性及每個意外年度的發展程度。

(iii) 決定假設的方法

本集團使用多項統計方法，考慮不同的假設以估計最終賠償成本。每個業務類別於每一事故年度所採用的結果，取決於評估最適合分析歷史發展的方法。在若干情況下，同一業務類別於個別事故年度或事故年度組別會選用不同的方法或綜合不同方法從而作出估計。

於估計本集團的汽車及勞工保險組合的賠償責任時，應用已付及已發生的損失發展法，並以BF法增補。至於其他保險組合類別，預測賠償責任的方法採用已發生的損失發展法。

預測最終賠償成本採用已付及已發生的損失發展模式，而BF法則依據從估計損失比率至經驗比率逐步發展的預測。BF法應用於較近期的事故年度，因為採用已付及已發生的損失發展模式，可能產生不太準確的結果。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments (Continued)

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

(iii) Process used to decide on assumptions

The Group uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate costs of claims. The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, different techniques or combination of techniques have been selected for individual accident year or group of accident years within the same class of business.

In estimating the claims liabilities of the Group's motor and employees' compensation insurance portfolio, the paid and incurred loss development methods supplemented by BF method are applied. For other classes of insurance portfolio, the incurred loss development method is used to project the claims liabilities.

The paid and incurred loss development methods are used to project the ultimate costs of the claims, and the BF method relies on a gradual transition from an estimated loss ratio to an experience-rated development. BF method is applied to the more recent accident years, for which the paid and incurred loss development methods may yield less accurate results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表

估計方法的合理性以不同情況的敏感度分析進行測試。給予蒙受人身傷害的金錢賠償及僱主責任賠償的改變對估計此等保險合約所使用的假設最為關鍵。

本集團相信就此等賠償計提的責任於呈報日是足夠的。但此等賠償的成本如增加百分之十將需要確認額外損失約港幣520萬元(2016年：約港幣510萬元)(已扣除再保險)。

上述對除稅前溢利的影響並未計入其他變數的改變，此乃由於此等變數被視為較不重要。有關評估及個別變數的相對重要性可能於將來有所改變。

除了進行情況測試外，保險責任的發展提供了本集團估計最終賠償價值能力的基準。下表闡明本集團的汽車及勞工保險組合於每一事故年度估計未決賠償淨額於接續呈報日的變動情況。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables

The reasonableness of the estimation process is tested by an analysis of sensitivity around different scenarios. The change in the monetary awards granted for bodily injury suffered and also the employers' liabilities claims are the most critical to the assumptions used to estimate the liabilities for these insurance contracts.

The Group believes that the liabilities for these claims carried at the reporting date are adequate. However, an increase of 10% in the costs of these claims would require the recognition of an additional loss of approximately HK\$5.2 million (2016: approximately HK\$5.1 million) net of reinsurance.

The impact on the profit before taxation described above does not take into account of changes in other variables, as they are considered to be less material. Such an assessment and the relative materiality of individual variable may change in the future.

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of net claims outstanding of the Group's motor and employees' compensation insurance portfolio for each accident year has changed at successive reporting dates.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表 (續)

汽車保險

事故年度	Accident year	2013	2014	2015	2016	2017	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
估計最終賠償成本 於事故年底	Estimate of ultimate claims costs at end of accident year	7,427	7,359	7,549	10,067	16,593	
一年後	one year later	6,642	6,324	6,831	7,497		
二年後	two years later	6,074	5,274	5,211			
三年後	three years later	4,512	3,952				
四年後	four years later	4,215					
當期估計之累計賠償	Current estimate of cumulative claims	4,215	3,952	5,211	7,497	16,593	37,468
至今累計付款	Cumulative payment to date	(4,038)	(3,736)	(2,841)	(4,340)	(3,381)	(18,336)
		177	216	2,370	3,157	13,212	19,132
2013年度前之責任	Liabilities in respect of prior years before 2013						595
							19,727

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables (Continued)

Motor insurance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表 (續)

勞工保險

事故年度	Accident year	2013	2014	2015	2016	2017	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
估計最終賠償成本 於事故年底	Estimate of ultimate claims costs at end of accident year	6,577	9,294	11,965	8,981	19,723	
一年後	one year later	5,972	10,214	12,051	6,224		
二年後	two years later	4,948	7,210	7,503			
三年後	three years later	5,890	5,477				
四年後	four years later	3,343					
當前估計之累計賠償	Current estimate of cumulative claims	3,343	5,477	7,503	6,224	19,723	42,270
至今累計付款	Cumulative payment to date	(3,467)	(4,359)	(1,880)	(4,665)	(111)	(14,482)
		(124)	1,118	5,623	1,559	19,612	27,788
2013年度前之責任	Liabilities in respect of prior years before 2013						2,020
							29,808

本集團為若干短期保險產品訂立一系列有效的分保合同，且近數年一直保持不變。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables (Continued)

Employees' compensation insurance

The Group has in place a series of effective reinsurance covers on a number of short-term insurance products that have remained unchanged in recent years.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險

市場風險是指因為市場息率及價格波動導致出現虧損的風險。風險包括因為外匯匯率、利率、股票價格及商品價格波動引致的潛在損失。

本集團的風險管理目標是在提高股東價值的同時，確保風險控制在可接受的水平之內。本集團規定必須在董事會批准的限定交易工具類別內進行投資，從而控制市場風險，並確保全面識別、正確量度及充分監控所有的風險。

(i) 外匯風險

外匯風險是因匯率之不利變動導致以外幣計價的投資出現虧損的風險。本集團主要在香港及中國內地營運，故此承受已確認以人民幣計量的資產和負債以及海外業務的淨投資產生的外匯風險。

對於並非按有關業務的功能貨幣列賬的應收款、應付款及現金結存而言，本集團於有需要時會以即期匯率買賣外幣來應付短期失衡，確保應收款、應付款及現金結存的風險淨值維持於可接受水平。

本集團的貸款按貸款實體的功能貨幣計價。因此，管理層預期本集團的貸款不涉及任何重大貨幣風險。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk

Market risk is the risk of loss that results from movements in market rates and prices. The risk includes potential losses arising from changes in foreign exchange rates, interest rates, equity prices and commodity prices.

The Group's risk management objective is to enhance shareholders' value by maintaining risk exposures within acceptable limits. The Group's control of market risk is based on restricting individual operation to invest within a list of permissible instruments authorised by the Board to ensure all risks arising are thoroughly identified, properly measured and adequately controlled.

(i) Foreign exchange risk

Foreign exchange risk is the risk of loss due to adverse movements in foreign exchange rates relating to investments denominated in foreign currencies. The Group mainly operates in Hong Kong and Mainland China and is exposed to foreign exchange risk arising from recognised assets and liabilities and net investments in foreign operations measured in Renminbi ("RMB").

In respect of receivables, payables and cash balances held in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Group's borrowings are in the functional currency of the entity taking out the loans. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險 (續)

下表列示本集團於呈報日確認的並非以有關實體的功能貨幣計量的資產和負債所承受的外匯風險：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The following table details the Group's exposure to foreign exchange risk arising from recognised assets and liabilities measured in a currency other than the functional currency of the entity to which they relate at the reporting date:

		2017	2016
		人民幣千元 RMB'000	人民幣千元 RMB'000
可供出售金融資產	Available-for-sale financial assets	419,263	499,066
應收一家聯營公司股息	Dividend receivable from an associate	-	105,812
其他應收賬款	Other debtors	2,093	1,345
現金及銀行結存	Cash and bank balances	182,838	165,688
其他應付賬款及應計費用	Other creditors and accruals	(9,075)	(8,847)
應付本期稅項	Current income tax payable	(20,929)	(31,510)
		574,190	731,554

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險 (續)

下表列示本集團於呈報日因應匯率出現的合理可能變動而承受重大風險對本集團的除稅後溢利 (及保留溢利) 及權益其他組成部分產生的大約影響：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The following table indicates the approximate changes in the Group's profit after taxation (and retained profits) and other components of equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the reporting date:

		2017			2016		
		外匯兌換率 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響	外匯兌換率 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響
		Increase/ (decrease) in foreign exchange rate	Effect on profit after taxation and retained profits	Effect on other components of equity	Increase/ (decrease) in foreign exchange rate	Effect on profit after taxation and retained profits	Effect on other components of equity
		百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000
人民幣	Renminbi	5 (5)	9,303 (9,303)	25,176 (25,176)	5 (5)	12,977 (12,977)	27,857 (27,857)

上述敏感度分析乃假設匯率變動已於呈報日發生及已於呈報日重新計量本集團持有的金融工具之外匯風險，而所有其他變數 (特別是利率) 則維持不變。

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred and had been applied to re-measure those financial instruments held by the Group which expose to foreign exchange risk at the reporting date, and that all other variables, in particular interest rate, remained constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險 (續)

所載變動指管理層對直至下一個年度呈報日止期間匯率出現的合理可能變動的評估。就此而言，管理層假設港元與美元間的聯繫匯率將不會受到美元兌其他貨幣任何重大匯率變動的影響。上表呈列的分析結果代表本集團各實體按各自功能貨幣計量的除稅後溢利及權益，為呈列目的而按呈報日的匯率換算為港元時的整體影響。2016年的分析按相同基準進行。

就以人民幣計價的投資對象的投資，本集團也承受所產生的外匯風險。

(ii) 價格風險

本集團對在綜合財務狀況表內分類為持至到期日金融資產、可供出售金融資產或按公平值透過損益列賬的金融資產的投資承受股權證券的價格風險。

本集團持有的抵債資產亦承受商品價格風險。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date. In this respect, it is assumed that the pegged rate between the Hong Kong Dollars and the United States Dollars would be materially unaffected by any changes in movement in value of the United States Dollars against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on profit after taxation and equity of each of the Group's entities measured in the respective functional currencies, translated into Hong Kong Dollars at the exchange rate ruling at the reporting date for presentation purposes. The analysis is performed on the same basis for 2016.

The Group is also exposed to foreign exchange rate risk from its investments in investees which are in Renminbi.

(ii) Price risk

The Group is exposed to equity price risk on investments held by the Group classified in the consolidated statement of financial position as held-to-maturity financial assets, available-for-sale financial assets or financial assets at fair value through profit or loss.

The Group is also exposed to commodity price risk on repossessed assets held by the Group.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(ii) 價格風險 (續)

本集團持作買賣的股權投資於聯交所上市。購入或出售買賣證券的決定乃根據個別證券相對於有關指數的表現及本集團對流動資金的需要。可供出售組合內的投資包括於聯交所及上海證券交易所上市的股權投資。上市股權投資的選擇乃根據其長期升值潛力，並定期監察其實際表現是否符合預期。

下表列示本集團於呈報日因應相關股票市場指數出現的合理可能變動而承受重大風險對本集團的除稅後溢利（及保留溢利）及權益其他組成部分產生的大約影響：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(ii) Price risk (Continued)

The Group's equity investments held for trading are listed on the Stock Exchange. Decisions to buy or sell trading securities are based on the performance of individual security compared to that of the index and the Group's liquidity needs. Investments held in the available-for-sale portfolio comprise equity investments listed on the Stock Exchange and the Shanghai Stock Exchange. The listed equity investments have been chosen based on their long term growth potential and are monitored regularly for performance against expectations.

The following table indicates the approximate changes in the Group's profit after taxation (and retained profits) and other components of equity in response to reasonably possible changes in the relevant stock market index for listed investments to which the Group has significant exposure at the reporting date:

	2017			2016		
	相關風險變數 上升／(下跌) Increase/ (decrease) in the relevant risk variance	對除稅後溢利及 保留溢利的影響 Effect on profit after taxation and retained profits	對權益其他 組成部分的影響 Effect on other components of equity	相關風險變數 上升／(下跌) Increase/ (decrease) in the relevant risk variance	對除稅後溢利及 保留溢利的影響 Effect on profit after taxation and retained profits	對權益其他 組成部分的影響 Effect on other components of equity
	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000
上市投資之 相關股市 指數 Stock market index in respect of listed investments						
恒生指數 Hang Seng Index	5 (5)	15 (15)	- -	5 (5)	252 (252)	30 (30)
上海綜合指數 Shanghai Composite Index	5 (5)	- -	25,298 (25,298)	5 (5)	- -	27,332 (27,332)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(ii) 價格風險 (續)

敏感度分析已假設相關股票市場指數的合理可能變動已於呈報日發生及已於呈報日計量存在之股權證券之價格風險。在假設所有其他變數維持不變下，本集團的股權投資的公平值將根據與相關股票市場指數之歷史掛鈎關係而變動，本集團持有的所有可供出售投資不會因為相關股票市場指數可能出現的合理下跌（所有其他變數維持不變）而被視為出現減值。所載變動指管理層對直至下一個年度呈報日止期間相關股票市場指數出現的合理可能變動的評估。2016年的分析按相同基準進行。

(iii) 現金流量及公平值利率風險

公平值利率風險指由於市場利率變動，導致金融工具價值出現波動的風險。現金流量利率風險指由於市場利率變動，導致金融工具的未來現金流量出現波動的風險。

本集團的有息資產及負債主要包括固定或浮動利率之銀行存款、應收款項類投資、場外債券（「場外債券」）及銀行貸款，令本集團承擔公平值利率風險及現金流量利率風險。本集團主要透過將此等資產及負債的到期日維持於短期至中期內以控制有關風險，並監控市場利率走勢以便本集團能於利率變動逆轉時作出相應反應。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(ii) Price risk (Continued)

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index had occurred and had been applied to the exposure to equity price risk in existence at the reporting date. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index, that none of the Group's available-for-sale investments would be considered impaired as a result of a reasonably possible decrease in the relevant stock market index, and that all other variables remained constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index over the period until the next reporting date. The analysis is performed on the same basis for 2016.

(iii) Cash flow and fair value interest rate risks

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest bearing assets and liabilities mainly comprise bank deposits, investments in receivables, over-the-counter ("OTC") bond and bank borrowings bore in fixed or floating rates which expose the Group to fair value interest rate risk and cash flow interest rate risk. The Group manages these risks primarily through maintaining the maturity profile of these assets and liabilities within a short to medium period and monitoring the market interest rate movements so that the Group can react accordingly when there are adverse interest rate movements.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(iii) 現金流量及公平值利率風險 (續)

下表列示本集團於呈報日的借貸淨額的利率概況。為此，本集團將「借貸淨額」定義為有息金融負債減相關有息投資（不包括持作短期流動資金的現金）：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

The following table details the interest rate profile of the Group's net borrowings at the reporting date. For this purpose the Group defines "net borrowings" as being interest-bearing financial liabilities less related interest-bearing investments (excluding cash held for short-term working capital purposes):

		2017		2016	
		實際利率 Effective interest rate	賬面值 Carrying amount	實際利率 Effective interest rate	賬面值 Carrying amount
		厘 %	港幣千元 HK\$'000	厘 %	港幣千元 HK\$'000
浮動利率	Variable rate				
港元銀行貸款	HK Dollars bank borrowings	4.2 – 4.3	552,272	3.3 – 4.0	1,353,419
減：已抵押人民幣 存款	Less: Renminbi bank deposits pledged	3.7 – 3.8	(49,239)	2.9 – 3.0	(45,770)
			<u>503,033</u>		<u>1,307,649</u>

於2017年12月31日，如浮動利率銀行貸款的利率整體上調或下調100個基點，而所有其他變數維持不變，估計本集團之除稅後溢利及保留溢利將會減少或增加約港幣422萬元（2016年：約港幣749萬元）。

At 31 December 2017, it is estimated that a general increase or decrease of 100 basis points in interest rates of floating rates bank borrowings, with all other variables held constant, would decrease or increase the Group's profit after taxation and retained profits by approximately HK\$4.22 million (2016: approximately HK\$7.49 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(iii) 現金流量及公平值利率風險 (續)

上述敏感度分析已假設利率變動已於呈報日發生及已於呈報日計量本集團持有的浮動利率金融工具之利率風險。上調或下調100個基點為管理層對直至下一個年度呈報日止期間利率出現的合理可能變動的評估。2016年的分析按相同基準進行。

(c) 信貸風險

本集團承受的信貸風險，是指顧客或交易對手將無法或不願意履行其責任償還欠付本集團款項的風險。本集團的信貸風險主要歸屬於客戶貸款及應收利息、保險相關應收款、場外債券、應收款項類投資及其他應收款。

本集團承受的信貸風險主要受各顧客的個別特性影響。

就保險相關應收款及其他應收款而言，本集團透過審查交易對手、持續監察及取得交易對手提供的抵押品而限制其所承受的信貸風險。

該等應收款須符合本集團設定之財務要求，並於有需要時由第三者向本集團出具擔保。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

The sensitivity analysis above has been determined assuming that the changes in interest rates had occurred and had been applied to the exposure to interest rate risk for financial instruments with variable interest rates held by the Group at the reporting date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible changes in interest rates over the period until the next reporting date. The analysis is performed on the same basis for 2016.

(c) Credit risk

The Group is exposed to credit risk, which is the risk that a customer or counterparty will be unable to or unwilling to fulfill its repayment obligations for amounts due to the Group. The Group's credit risk is primarily attributable to loans to customers and interest receivable, insurance related receivables, OTC bond, investments in receivables and other receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

In respect of the insurance related receivables and other receivables, the Group limits its exposure to credit risk by screening the counterparties, on-going monitoring and acquiring collateral from counterparties.

Those receivables are required to meet the Group's established financial requirements and the Group will obtain third party guarantees when it considered necessary.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(c) 信貸風險 (續)

為減低本集團承受客戶貸款產生的信貸風險及交易對手風險，本集團制定有關小額貸款業務的目標、信貸管理政策、監察及管理該等風險的程序，同時制定貸款審批程序的詳細政策及手續。

因應小額貸款的業務性質，本集團已就貸款審批事項設立三級貸款審批委員會制度，各級貸款審批委員會按既定權限負責審批貸款。業務部負責貸款組合的日常監管，參考不同標準，包括客戶的經營業績、財務狀況及信譽程度，提供的擔保，抵押品種類及金額，客戶風險集中情況，同時根據信貸管理政策對客戶進行定期現場檢查。風險控制部負責監控及評估客戶的信貸風險、客戶提供的擔保及抵押物的登記，及不定期進行現場檢查，以及對逾期貸款進行催收工作。本集團內部稽核負責審查貸款審批程序及信貸控制政策及程序的有效性。

本集團根據中國銀行業監督管理委員會（「中國銀監會」）制定的《貸款風險分類指引》衡量與管理貸款組合質量。《貸款風險分類指引》要求將貸款組合分為正常、關注、次級、可疑及損失五類，其中次級、可疑及損失類被視為不良貸款。為提高貸款風險管理的精細化水平，本集團對客戶貸款實施八級風險分類。本集團採取定期審查、逐戶監控，及時通報逾期貸款情況，調整風險分類結果，客觀地反映資產質量及準確計提撥備。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

In order to mitigate the Group's exposure to credit risk and counterparty risks from loans to customers, the Group has set out its objectives, credit policies, processes for monitoring and managing those risks as well as the detailed policies and procedures for credit approval process related to the micro credit business.

By the nature of the micro credit business, the Group has set up three layers of Credit Committees for the approval of loans with different authorisation limits. Business Department is responsible for daily monitoring and management of loans portfolio with reference to the various criteria such as the operating results, financial condition and creditworthiness of the clients, guarantee provided, type and amount of collateral pledged, and risk concentration of the clients as well as the regular site visit according to the credit policies. The Risk Control Department is responsible for monitoring and evaluating the credit risk of clients, the registration of the guarantee and collaterals provided by clients as well as the irregular site visit and debts collection for the disputed loans. The Internal Audit Department of the Group is responsible for the internal review of the loans approval process and the effectiveness of the credit control policies and procedures.

The Group measured and managed the quality of its loans portfolio based on the guideline for Loan Credit Risk Classification issued by the China Banking Regulatory Commission (the "CBRC"), which requires to classify loans into the following five categories: pass, special mention, substandard, doubtful and loss, among which loans classified as substandard, doubtful and loss are recognised as non-performing loans. In order to enhance the accuracy level of its credit risk management, the Group used a 8-tier risk classification criterion for loans to customers. The Group carried out regular investigations and one-by-one monitoring, reported overdue loans and adjusted risk classification results in a timely manner, so as to reflect asset quality objectively and set aside provisions accurately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(c) 信貸風險 (續)

五個類別的定義列示如下：

正常：借款人能夠履行合同，沒有足夠理由懷疑貸款本息不能按時足額償還。

關注：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：借款人的還款能力出現明顯問題，完全依靠其正常營業收入無法足額償還貸款本息，即使處置抵押物及執行擔保，也可能會造成一定損失。

可疑：借款人無法足額償還貸款本息，即使處置抵押物及執行擔保，也將會造成重大損失。

損失：在採取所有可能的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。

若有客觀證據證明客戶貸款及應收利息的預計未來現金流量出現重大跌幅，該客戶貸款及應收利息被視為出現減值，並計提減值準備。本集團按照審慎、真實的原則，及時、足額地計提貸款減值準備。客戶貸款及應收利息減值準備包括按個別方式評估的準備和按組合方式評估的準備。於2017年12月31日，本集團的客戶貸款及應收利息減值準備為港幣28,995萬元（2016年：港幣27,880萬元），減值準備對客戶貸款及應收利息比率為91.75%（2016年：87.02%）。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

The definitions of the five categories are set out below:

Pass: Borrowers can honour the terms of their loans. There is no reason to doubt their ability to repay principal and interest in full on a timely basis.

Special mention: Borrowers are currently able to service their loans and interest, although repayment may be adversely affected by specific factors.

Substandard: Borrowers' ability to service their loans is apparently in question and they cannot rely entirely on normal business revenues to repay principal and interest. Certain losses might be incurred even when collaterals or guarantees are executed.

Doubtful: Borrowers cannot repay principal and interest in full and significant losses will be incurred even when collaterals or guarantees are executed.

Loss: Principal and interest of loans cannot be recovered or only a small portion can be recovered after taking all possible measures or resorting to necessary legal procedures.

Loans to customers and interest receivable are considered impaired and allowances are made if there is objective evidence of impairment resulting in a measurable decrease in estimated future cash flows from loans to customers and interest receivable. The Group makes adequate and timely allowances for impairment losses in accordance with prudent and authentic principles. Allowances for impairment losses on loans to customers and interest receivable consist of individually assessed and collectively assessed allowances. At 31 December 2017, the Group's impairment allowances on loans to customers and interest receivable were HK\$289.95 million (2016: HK\$278.8 million) and impairment allowances to loans to customers and interest receivable ratio was 91.75% (2016: 87.02%).

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(c) 信貸風險 (續)

就場外債券而言，本集團只會投資於具有投資級別的債券，並須符合若干挑選準則。

就應收款項類投資而言，本集團只會投資於由信譽良好的金融機構發行的保本理財產品。

於2017年12月31日，銀行結存分散存放於信譽良好的金融機構。

本集團未有出具任何會導致本集團承受信貸風險的擔保。

如不計入任何持有的抵押品或其他改善信貸條件，於呈報日的信貸風險的最高值相當於綜合財務狀況表內金融資產的賬面淨值。信貸風險的最高值概述如下：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

In respect of the OTC bond, the Group will only invest in investment grade bond with certain selection criterion imposed.

In respect of the investments in receivables, the Group will only invest in principal guaranteed wealth management product issued by reputable financial institutions.

At 31 December 2017, bank balances were placed with reputable financial institutions with diversification.

The Group does not provide any guarantees which would expose the Group to credit risk.

The maximum exposure to credit risk at the reporting date without taking into account of any collateral held or other credit enhancement is the net carrying amount of the financial assets stated in the consolidated statement of financial position. A summary of the maximum exposure is as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
持至到期日金融資產	Held-to-maturity financial assets	3,119	3,091
應收款項類投資	Investments in receivables	132,105	-
保險應收款	Insurance receivable	10,854	14,120
再保險資產	Reinsurance assets	6,312	7,947
客戶貸款及應收利息	Loans to customers and interest receivable	26,065	41,580
其他應收賬款	Other debtors	6,324	4,266
現金及銀行結存	Cash and bank balances	1,300,589	1,274,409
		1,485,368	1,345,413

有關本集團保險應收款信貸風險的進一步數據披露載於註釋24，而客戶貸款及應收利息信貸風險的進一步數據披露載於註釋26。

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from insurance receivable are set out in Note 24 and that arising from loans to customers and interest receivable are set out in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(d) 流動資金風險

流動資金風險指實體難以籌集新資金以滿足其現金流量需要或承擔的風險。導致出現流動資金風險的原因可能是無法快速地籌集新資金、按公平值將金融資產出售、交易對手未能履行合約償付責任或保險責任較預期提早到期支付。

本集團的政策為定期監控其流動資金需要及是否符合貸款協議，確保本集團維持充裕的現金儲備、可即時變現的有價證券及從主要財務機構取得足夠的承諾信貸融資，以應付其短期及較長期的流動資金需要。

本集團旗下之獨立營運實體自行負責現金管理工作，包括現金盈餘之短期投資及籌措貸款以應付預期現金需求。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising new funds to meet its cash flow needs or commitments. Liquidity risk may result from either inability to raise new funds, sell financial assets quickly at their fair value, a counterparty failing on repayment of a contractual obligation or an insurance liability falling due for payment earlier than expected.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Individual operating entity within the Group is responsible for its own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(d) 流動資金風險 (續)

下表列示於呈報日本集團的再保險資產及金融負債按合約未折現現金流 (包括按合約利率或如屬浮息則根據呈報日通行之利率計算之利息) 計算之剩餘合約到期值, 以及本集團或須償還有關款項之最早日期詳情:

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(d) Liquidity risk (Continued)

The following table details the remaining contractual maturity value at the reporting date of the Group's reinsurance assets and 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 reporting date) and the earliest date the Group can be required to pay:

		2017				2016			
		合約未折現 現金流總額 Total	第一年内 或按要求 Within one year or on demand	第二年至 第五年内 (包括 首尾兩年) In the second to fifth year inclusive	賬面值 Carrying amount	合約未折現 現金流總額 Total	第一年内 或按要求 Within one year or on demand	第二年至 第五年内 (包括 首尾兩年) In the second to fifth year inclusive	賬面值 Carrying amount
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產	Assets								
再保險資產	Reinsurance assets	6,312	6,312	6,099	213	7,947	7,947	3,527	4,420
負債	Liabilities								
保險合約	Insurance contracts	87,650	87,650	49,991	37,659	93,776	93,776	55,508	38,268
保險應付款	Insurance payable	7,250	7,250	7,250	-	10,904	10,904	10,904	-
其他應付賬款及應計費用	Other creditors and accruals	29,579	29,579	29,579	-	25,028	25,028	25,028	-
銀行貸款	Bank borrowings	552,272	579,491	376,149	203,342	1,353,419	1,416,602	839,035	577,567
		676,751	703,970	462,969	241,001	1,483,127	1,546,310	930,475	615,835

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理

本集團的聯營金融機構，廈銀集團的財務風險及管理目標和政策概述如下：

(i) 概述

廈銀集團的經營活動使其承擔各種各樣的財務風險，主要為信用風險、流動性風險和市場風險（包括外匯風險、價格風險及利率風險）。廈銀集團持續地識別、評估和監控此等風險。廈銀集團的目標是達到風險與效益之間適當的平衡，同時儘量減少對其財務表現的不利影響。

廈銀集團的董事會（「廈銀董事會」）制定風險管理戰略。其高級管理層根據廈銀董事會核准的風險管理戰略，制定相應的風險管理政策及程序，包括外匯風險、利率風險、信用風險、使用衍生金融工具及非衍生金融工具等專項風險管理政策。這些風險管理政策及程序經廈銀董事會批准後由各部門負責執行。此外，其內部審計部門負責對於風險管理和控制環境進行獨立的審查。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution

The financial risks exposure and management objectives and policies of the Group's associated financial institutions, XIB Group, are summarised as below:

(i) Overview

The activities of XIB Group expose it to a variety of financial risks including credit risk, liquidity risk and market risk (including foreign exchange risk, price risk and interest rate risk). XIB Group continuously identifies, evaluates and monitors these risks. XIB Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

The board of directors of XIB Group ("XIB Board") provides strategy for overall risk management. Its senior management establishes related risk management policies and procedures under the strategy approved by the XIB Board, including written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. Those risk management policies and procedures are implemented by various departments after XIB Board's approval. In addition, its internal audit department is responsible for the independent review of risk management and control environment.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(ii) 信用風險

信用風險是廈銀集團在其經營活動中所面臨的最重要的風險之一，信用風險主要來自貸款及墊款、投資組合、貿易融資、擔保及其他支付承諾。

廈銀集團採用標準化的授信政策和流程。廈銀集團通過信用評級、風險度計量、經濟資本、差異化貸後管理、指標控制、組合監測、風險預警、風險報告等手段和方法管理信用風險。

(iii) 流動性風險

流動性風險是指廈銀集團需確保隨時備有充足的資金來源，以滿足存款提取及償還到期負債的需要，同時應付客戶貸款的要求及把握新的投資機會的風險。

廈銀集團採用了一系列流動性指標來評估和監控其流動性風險，並及時檢討該等指標。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(ii) Credit risk

Credit risk is one of the main risks that XIB Group faces in its operations which arises primarily from loans and advances, investment portfolios, trade finance, guarantees and other payment acceptance.

The credit approval policies and procedures of XIB Group are standardised. Credit rating, credit measurement, economic capital, various post-lending management, indicator control, collective assessment, risk warning and risk reporting are measures for managing credit risk.

(iii) Liquidity risk

Liquidity risk is the risk that XIB Group has to ensure the availability of adequate funds to meet its needs to funding deposit withdrawals and other liabilities as they fall due, as well as being able to meet its obligations to funding loan originations and commitments and to take advantage of new investment opportunities.

XIB Group has set up a series of liquidity indices to assess and monitor its liquidity risk and reviewed such indices on a timely basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(iv) 市場風險

廈銀集團承擔由交易帳戶及銀行帳戶在利率、匯率、股票價格及商品價格產生的市場風險。交易帳戶包括由以交易為目的持有及為規避交易帳戶市場風險而持有的可以自由交易的金融工具及商品頭寸。銀行帳戶包括除交易帳戶外的金融工具 (包括廈銀集團運用剩餘資金購買金融工具所形成的投資帳戶)。

廈銀集團目前建立了包括監管限額、頭寸限額、風險限額在內的限額結構體系以實施對市場風險的識別、監測及控制。廈銀集團定期通過敏感度分析來評估其交易帳戶和銀行帳戶所承受的利率及外匯風險。

— 外匯風險

廈銀集團大部分業務是人民幣業務，此外也有外幣業務，因此，匯率波動使廈銀集團的財務狀況及現金流量受到影響。廈銀集團通過控制外幣敞口淨額進行外匯風險的管理。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(iv) Market risk

XIB Group's market risk arises from open positions in the trading book and banking book in interest rate, foreign exchange rate, equities and commodities. The trading book consists of financial instruments and commodities that are free of any restrictive covenants on their tradability and held with trading intent, and in order to or for the purpose of hedging market risk of the trading book. The banking book consists of financial instruments not included in the trading book (including those financial instruments purchased with surplus funds and managed in the investment book).

XIB Group has established a structural system of limit controls including regulatory limits, position limits and risk limits to identify, monitor and control market risk. XIB Group performs sensitivity analysis on a regular basis to assess the interest rate risk and foreign exchange risk of its trading book and banking book.

— Foreign exchange risk

XIB Group conducts the majority of its business in Renminbi with other transactions in foreign currencies, therefore XIB Group is exposed to the fluctuations in the prevailing foreign exchange rates on its financial position and cash flows. XIB Group manages its exposure to foreign exchange risk through management of its net foreign currency position.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(iv) 市場風險 (續)

— 利率風險

利率風險是指因為利率水平和利率結構變動導致廈銀集團的資產、負債、收益和經濟價值遭受或有損失的風險。重新定價風險是最主要和最常見的利率風險形式，來源於廈銀集團資產、負債和表外承擔的到期期限（就固定利率而言）或重新定價條款（就浮動利率而言）所存在的差異。現金流量的利率風險是指金融工具的未來現金流量隨著市場利率的變化而波動的風險。

廈銀集團需要管理的利率風險敞口主要來自當前市場利率在重新定價、公允價值和現金流波動的風險。廈銀集團在中國內地遵照中國人民銀行規定的利率體系經營業務。廈銀集團主要通過控制貸款及存款的到期日分佈、重新定價日及重新定價日資產負債缺口狀況等方式來控制其利率風險。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(iv) Market risk (Continued)

— Interest rate risk

Interest rate risk is the risk that XIB Group's assets, liabilities, revenue and economic value would suffer losses or have the risk of contingent losses due to fluctuations of interest rates and changes of interest rates structure. The re-pricing risk, the primary and most common interest rate risk, arises from the difference between maturity terms (for fixed interest rates) or between the re-pricing terms (for floating interest rates) of XIB Group's assets, liabilities and off balance sheet commitments. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

XIB Group mainly manages its exposure to the interest rate risk arising from fluctuations in the prevailing market interest rates on re-pricing, fair value and cash flows. XIB Group's business in Mainland China operates under the interest rate scheme regulated by the People's Bank of China. XIB Group controls its interest rate risk primarily through controlling the distribution of the maturity date or re-pricing date of loans and deposits and the asset-liability re-pricing gap.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(v) 資本管理

廈銀集團的資本管理目標包括：(i) 遵守廈銀集團所在地監管機構設定的資本要求；(ii) 保障廈銀集團持續經營的能力，以便繼續為股東提供回報，和維護其他利益相關者的利益；及(iii) 保持雄厚的資本基礎，支持廈銀集團的業務發展。

廈銀集團管理層根據中國銀監會制定的監管指引，監控資本的充足性及監管資本。

4.2 資本風險管理

本集團的資本管理政策，是保障本集團能繼續營運，為本公司股東提供回報及為其他利益相關者帶來得益，同時維持最佳的資本架構以減低資金成本。

與業內其他公司一樣，本集團利用資本負債比率監察其資本。此比率按照總銀行貸款除以總資產淨值計算。總銀行貸款包括在綜合財務狀況表內所列的所有銀行貸款。總資產淨值包括在綜合財務狀況表內列為本公司股東應佔權益總額的所有組成部分。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(v) Capital management

XIB Group's objectives when managing capital are: (i) to comply with the capital requirements set by the regulators of the markets where the entities within XIB Group operate; (ii) to safeguard the ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and (iii) to maintain a strong capital base to support the development of its business.

Capital adequacy and regulatory capital are monitored by XIB Group's management, employing techniques based on the guidelines developed by the CBRC, for supervisory purposes.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total net assets. Total bank borrowings comprise all bank borrowings as shown in the consolidated statement of financial position. Total net assets comprise all components of equity attributable to shareholders of the Company as shown in the consolidated statement of financial position.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.2 資本風險管理 (續)

於2017年，本集團的策略與2016年一樣維持不變，致力將資本負債比率維持在30%之內。為了維持或調整資本架構，本集團可能調節分派予本公司股東的股息數額、發行新股份、籌集新的債務融資或出售資產以減少債務。

於2017年及2016年12月31日，本集團的資本負債比率如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
總銀行貸款	Total bank borrowings	552,272	1,353,419
總資產淨值	Total net assets	6,510,902	4,787,097
資本負債比率	Gearing ratio	8.5%	28.3%

資本負債比率下降主要因2017年12月31日的未償還銀行貸款減少(註釋31)，及於年內以供股方式發行新普通股股份(註釋33(a)(i))所致。

根據香港保監局訂明的資本規定，本公司一家附屬公司，閩信保險，需根據《保險業條例》的規定，維持其經調整資產淨值不少於港幣2,000萬元。為符合有關規定，閩信保險可能調節其分派予本公司的股息或發行新股份予本公司。假若閩信保險未能維持訂明的資本規定，香港保監局可能對閩信保險的營運予以限制。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management (Continued)

During 2017, the Group's strategy, which was unchanged from 2016, was to maintain the gearing ratio within 30%. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders of the Company, issue new shares, raise new debt financing or sell assets to reduce debt.

The gearing ratio of the Group at 31 December 2017 and 2016 were as follows:

The decrease in the gearing ratio resulted primarily from the decrease in bank loans outstanding at 31 December 2017 (Note 31) and the issuance of new ordinary shares by way of rights issue during the year (Note 33(a)(i)).

Pursuant to the capital requirements imposed by the HKIA, a subsidiary of the Company, Min Xin Insurance, should maintain at least HK\$20 million in its adjusted net assets calculated according to the requirements set out in the Insurance Ordinance. In order to fulfill these requirements, Min Xin Insurance may adjust the dividend paid to the Company or issue new shares to the Company. If Min Xin Insurance cannot maintain the capital requirements imposed, the HKIA may place restrictions on the operations of Min Xin Insurance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.3 金融工具公平值

(a) 以公平值列賬的金融工具

公平值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計量公平值：

- 第一等級：僅使用於計量日相同資產或負債於活躍市場的未經調整報價計量公平值。
- 第二等級：使用包含於第一等級的直接（即價格）或間接（即來自價格）可觀察報價以外的數據計量公平值。為此等級估值的工具包括以下方式：就類似工具在活躍市場取得的市場報價；就相同或類似工具在較不活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的所有重要數據是可直接或間接從市場觀察所得的數據。
- 第三等級：使用並非根據可觀察市場數據的數據（不可觀察數據）計量公平值。為此等級估值的工具，其使用的數據並非根據可觀察市場數據，惟該等不可觀察數據可以對估值產生重大影響。為此等級估值的工具為類似金融工具的市場報價，當中需要作出不可觀察的調整或假設，以反映不同金融工具之間的差別。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments

(a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

- Level 1: fair value measured using only unadjusted quoted prices in active markets for identical instruments at the measurement date.
- Level 2: fair value measured using inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: fair value measured using inputs that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

4 保險及財務風險管理 (續)

4.3 金融工具公平值 (續)

(a) 以公平值列賬的金融工具
(續)

於活躍市場買賣的金融工具 (如持作買賣及可供出售股權證券) 的公平值根據呈報日的市場報價計量。本集團持有的金融資產採用的市場報價為當時的競買價。此等金融工具計入公平值架構的第一等級。

中國內地銀行發行的理財產品於呈報日的公平值接近其成本加預期的利息收入，該等金融工具包括在公平值架構的第三等級內。

年內金融工具並沒有於公平值架構的第一等級及第二等級之間轉移，或轉入或轉出公平值架構的第三等級。本集團的政策為於發生轉移的呈報期末確認公平值架構各等級間的轉移。

下表為根據三級分類法於呈報日以公平值計量本集團持有的金融工具賬面值，每項金融工具的公平值按根據最低級別且對公平值計量為重要的數據計量的公平值整體分類：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments (Continued)

(a) Financial instruments carried at fair value
(Continued)

The fair value of financial instruments traded in active markets (such as held for trading and available-for-sale equity securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These financial instruments are included in Level 1 of the fair value hierarchy.

The fair value of wealth management product issued by banks in Mainland China was approximate to their costs plus expected interest income at the reporting date and these financial instruments are included in Level 3 of the fair value hierarchy.

During the year there was no transfer of financial instruments between Level 1 and Level 2 of the fair value hierarchy, or transfer of financial instruments into or out of Level 3 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

The following table presents the carrying value of financial instruments held by the Group at the reporting date measured at fair value across the three levels of the fair value hierarchy, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 金融工具公平值 (續)

4.3 Fair value of financial instruments (Continued)

(a) 以公平值列賬的金融工具 (續)

(a) Financial instruments carried at fair value (Continued)

		2017				2016			
		第一等級	第二等級	第三等級	總額	第一等級	第二等級	第三等級	總額
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
經常性的公平值計量	Recurring fair value measurement								
資產	Assets								
可供出售金融資產	Available-for-sale financial assets								
- 上市股權證券	- Listed equity securities	503,514	-	-	503,514	551,158	-	-	551,158
- 非上市理財產品	- Unlisted wealth management product	-	-	-	-	-	-	6,592	6,592
持作買賣的上市股權證券	Listed equity securities held for trading	304	-	-	304	5,108	-	-	5,108
		<u>503,818</u>	<u>-</u>	<u>-</u>	<u>503,818</u>	<u>556,266</u>	<u>-</u>	<u>6,592</u>	<u>562,858</u>

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.3 金融工具公平值 (續)

(a) 以公平值列賬的金融工具
(續)

年內該等公平值架構第三等級的結餘變動如下：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments (Continued)

(a) Financial instruments carried at fair value
(Continued)

The movements in the balance of Level 3 of the fair value hierarchy during the year are as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
可供出售金融資產	Available-for-sale financial assets		
– 非上市理財產品	– Unlisted wealth management product		
於1月1日	At 1 January	6,592	–
增添	Additions	27,060	94,458
於投資重估儲備金內 記賬之公平值收益	Fair value gains recognised in investment revaluation reserve	114	213
出售	Disposal	(33,766)	(88,079)
於12月31日	At 31 December	–	6,592
年內於出售時撥回及重新 分類至損益表之總收益	Total gains released on disposal and reclassified to income statement during the year	120	207

可供出售金融資產的出售收益或虧損列入損益表的「其他收益／(虧損) – 淨額」內。因公平值變動而產生的未實現盈虧於其他全面收益內確認，並在股東權益的投資重估儲備金內分開累計。

The gains or losses arising from the disposal of the available-for-sale financial assets are included within “Other gains/(losses) – net” in the income statement. The unrealised gains or losses arising from changes in the fair value of the available-for-sale financial assets are recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.3 金融工具公平值 (續)

(b) 非以公平值列賬的金融工具公平值

持至到期日金融資產、應收款項類投資、應收款扣除減值虧損(如有)及應付款的賬面值乃假定與其公平值相若。金融負債的公平值按本集團類似金融工具可得之現有市場利率折現未來合約現金流作出估算。

估計和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

董事認為本集團的金融資產及金融負債的公平值約相等於其於呈報日的賬面值。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments (Continued)

(b) Fair value of financial instruments carried at other than fair value

The carrying value of held-to-maturity financial assets, investments in receivables, trade receivables less impairment losses (if any) and trade payables are assumed to approximate their fair value. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the Directors' opinion, the fair values of financial assets and financial liabilities of the Group approximate their carrying values at the reporting date.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料

5 TURNOVER AND SEGMENTAL INFORMATION

本年內入賬的主要類別收入如下：

The amount of each significant category of revenue recognised during the year is as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
營業額	Turnover		
汽車銷售收入	Sales of motor vehicles	827,105	–
毛保費收入	Gross insurance premiums	55,642	61,328
客戶貸款利息收入 (a)	Interest income from loans to customers (a)	6,334	25,481
投資物業租金收入	Rental income from investment properties	9,205	9,245
可供出售金融資產股息收入	Dividend income from available-for-sale financial assets	23,224	38,325
		921,510	134,379
未滿期保費變動	Movement in unearned insurance premiums	5,890	2,592
再保費分出及再保 險人應佔未滿期 保費變動	Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	(5,122)	(6,547)
其他收入	Other revenues		
管理費	Management fee	48	48
銀行存款利息收入	Interest income from bank deposits	35,046	23,027
持至到期日金融資產 利息收入	Interest income from held-to-maturity financial assets	99	89
應收款項類投資利息收入	Interest income from investments in receivables	1,379	–
持作買賣的上市股權 證券股息收入	Dividend income from listed equity securities held for trading	171	260
政府補貼 (b)	Government grants (b)	693	–
其他	Others	332	715
		37,768	24,139
收入總額	Total revenues	960,046	154,563

(a) 於年內，客戶貸款利息收入包括應計已減值之客戶貸款利息收入港幣5,986,000元（2016年：港幣20,611,000元）。

(a) The interest income from loans to customers for the year comprised an interest income accrued for impaired loans to customers of HK\$5,986,000 (2016: HK\$20,611,000).

(b) 本集團一家全資附屬公司收取中國內地地方政府給予的政府補貼，此乃平潭綜合實驗區為鼓勵企業發展提供的獎勵性補償。

(b) The government grants received by a wholly-owned subsidiary of the Group from the local government in Mainland China represented incentive compensations for development of enterprise in Pingtan Comprehensive Experimental Area.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料 (續)

本集團按向包括常務董事會及總經理之主要營運決策人就策略性決策、資源分配及評估表現之內部呈報資料方式一致的基礎上確定須呈報的分部資料。

向主要營運決策人呈報之資料，乃按企業實體、持有之投資及投資對象而分類。對於企業實體及持有之投資，評估營運表現和資源分配是以個別企業實體的經營業務及本集團持有之投資為基礎。對於投資對象，本集團按個別投資對象評估其營運表現。

本集團有下列須呈報分部：

- 金融服務：包括於中國內地經營小額貸款業務及透過本集團持有的主要聯營公司廈銀、集友及澳銀分別於中國內地、香港及澳門經營銀行業務。
- 保險：包括於香港及澳門的一般保險業務。
- 汽車貿易：包括汽車貿易業務。
- 物業發展及投資：包括於中國內地的房地產開發業務及出租優質寫字樓。
- 策略投資：本集團持有的華能A股。
- 其他：包括沒有直接確定為其他呈報分部的營運業績及總部的業務活動。總部的業務活動可提供獨立財務資料，因此總部亦被視為一個分部。

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

The Group identifies its operating segments based on the reports reviewed internally by the chief operating decision-makers which include the Executive Board Committee and General Manager that are used to make strategic decisions, allocate resources and assess performance.

The reports to the chief operating decision-makers are analysed on the basis of business entities, investments held and investees. For business entities and investments held, operating performance evaluation and resources allocation are based on individual business activity operated and investment held by the Group. For investees, operating performance evaluation is based on individual investee of the Group.

The Group has the following reportable operating segments:

- Financial services: this segment includes the provision of micro credit business in Mainland China and the engagement of banking business through the Group's major associates, XIB, CYB and LIB in Mainland China, Hong Kong and Macau respectively.
- Insurance: this segment includes the general insurance business in Hong Kong and Macau.
- Trading in motor vehicles: this segment includes the trading in motor vehicles business.
- Property development and investment: this segment includes the real estate development business and the leasing of high quality office space in Mainland China.
- Strategic investment: this segment represents the Huaneng A-Shares held by the Group.
- Others: this segment includes results of operations not directly identified under other reportable segments and head office activities. Head office is also considered to be a segment as discrete financial information is available for the head office activities.

5 營業額及分部資料 (續)

(a) 分部業績、資產及負債

在評估分部表現及分配分部間的資源時，本集團主要營運決策人按下列基準監控各呈報分部的業績、資產及負債：

可直接確定為各個別分部之源自客戶、產品及服務的收入將直接呈報於有關分部。不同分部的所有直接開支將歸類於有關分部。不能合理地分配至其他分部、產品及服務之總部活動開支如間接開支及支援部門開支呈列於總部項下。分部間之交易乃依據授予第三者或與第三者交易之同類條款定價。分部間之收入或支出於綜合賬內抵銷。呈報分部溢利以「本年度溢利」計量，即企業實體的除稅後溢利、持有投資產生的淨收入及應佔投資對象的業績。

分部資產包括企業實體持有的有形資產、無形資產及流動資產、持有投資的賬面淨值及應佔投資對象的資產淨值及給予投資對象的貸款。分部負債包括保險責任、應付賬款及應計費用、歸屬於個別分部的應付所得稅及遞延稅項負債以及分部直接管理或與該分部直接相關的銀行貸款。若負債是以資產作為抵押，該項資產及負債將歸類於同一分部。應付予本公司股東的股息於呈報分部資產及負債時列為未分配負債。

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision-makers monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenues derived from customers, products and services directly identifiable with individual segment are reported directly under respective segments. All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions' costs related to head office activities that cannot be reasonably allocated to other segments, products and services are grouped under head office. Transactions between segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income and expenses are eliminated on consolidation. The measure used for reporting segment profit is "profit for the year", i.e. profit after taxation of the business entities, net income generated from investments held and share of results of investees.

Segment assets include all tangible, intangible and current assets held by the business entities, net book value of investments held and share of net assets of and loans to investees. Segment liabilities include insurance liabilities, creditors and accruals, income tax payable and deferred tax liabilities attributable to respective segments and bank borrowings managed directly by the segments or directly related to those segments. An asset and a liability are grouped under same segment if the liability is collateralised by the asset. Dividend payable to shareholders of the Company is treated as unallocated liabilities in reporting segment assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料 (續)

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

(a) 分部業績、資產及負債 (續)

(a) Segment results, assets and liabilities (Continued)

	金融服務		保險		汽車貿易		物業發展及投資		策略投資		其他		分部抵銷		綜合	
	Financial services		Insurance		Trading in motor vehicles		Property development and investment		Strategic investment		Others		Inter-segment elimination		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
截至12月31日止年度	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Year ended 31 December	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
營業額	Turnover															
外界客戶	6,334	25,481	60,308	65,351	827,105	-	4,556	5,238	23,207	38,309	-	-	-	-	921,510	134,379
跨分部	-	-	-	-	-	-	-	-	-	-	3,649	3,807	(3,649)	(3,807)	-	-
	6,334	25,481	60,308	65,351	827,105	-	4,556	5,238	23,207	38,309	3,649	3,807	(3,649)	(3,807)	921,510	134,379
未滿期保費淨額變動及再保費分出	Movement in net unearned insurance premiums and reinsurance premiums ceded															
	-	-	768	(3,955)	-	-	-	-	-	-	-	-	-	-	768	(3,955)
其他收入	1,478	1,352	1,854	1,844	37	-	34	323	-	-	34,365	20,620	-	-	37,768	24,139
收入總額	7,812	26,833	62,930	63,240	827,142	-	4,590	5,561	23,207	38,309	38,014	24,427	(3,649)	(3,807)	960,046	154,563
其他收益/(虧損) - 淨額	564	(40,118)	6,752	7,680	-	-	(5,674)	(16,812)	9,944	-	14,217	(15,698)	-	-	25,803	(64,948)
營業收入總額	Total operating income															
客戶貸款及應收利息減值虧損撥回/(扣除)	3,393	(154,777)	-	-	-	-	-	-	-	-	-	-	-	-	3,393	(154,777)
營業開支	(6,110)	(5,795)	(70,320)	(65,676)	(826,444)	-	(1,737)	(2,123)	-	-	(32,225)	(29,664)	3,649	3,807	(933,187)	(99,451)
營業溢利/(虧損)	Operating profit/(loss)															
融資成本	(17,781)	(13,844)	-	-	-	-	-	-	-	-	(19,275)	(21,157)	-	-	(37,056)	(35,001)
應佔聯營公司業績	513,233	470,922	-	-	-	-	-	-	-	-	4,691	779	-	-	517,924	471,701
除稅前溢利/(虧損)	501,111	283,221	(638)	5,244	698	-	(2,821)	(13,374)	33,151	38,309	5,422	(41,313)	-	-	536,923	272,087
所得稅(支出)/抵免	(14,212)	(7,604)	582	(1,401)	(637)	-	3,672	10,342	(2,321)	(3,831)	(7,117)	(3,981)	-	-	(20,033)	(6,475)
本年度溢利/(虧損)	Profit/(loss) for the year															
利息收入	7,742	26,548	1,463	1,446	-	-	-	-	-	-	33,653	20,603	-	-	42,858	48,597
本年度折舊及攤銷	323	431	536	215	9	-	-	-	-	-	772	777	-	-	1,640	1,423

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料 (續)

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

(a) 分部業績、資產及負債 (續)

(a) Segment results, assets and liabilities (Continued)

	金融服務		保險		汽車貿易		物業發展及投資		策略投資		其他		綜合	
	Financial services		Insurance		Trading in motor vehicles		Property development and investment		Strategic investment		Others		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於12月31日	At 31 December													
本公司及 附屬公司	The Company and subsidiaries													
投資聯營公司	Investments in associates													
	136,815	241,864	235,656	228,904	189,426	111,635	73,248	78,649	503,514	550,540	1,261,728	1,045,708	2,400,387	2,257,300
	4,797,639	4,043,936	-	-	-	-	-	-	-	-	44,393	38,066	4,842,032	4,082,002
總資產	Total assets													
	4,934,454	4,285,800	235,656	228,904	189,426	111,635	73,248	78,649	503,514	550,540	1,306,121	1,083,774	7,242,419	6,339,302
本公司及 附屬公司	The Company and subsidiaries													
	224,461	829,127	103,842	112,200	3,650	-	27,753	31,087	-	-	371,811	579,791	731,517	1,552,205
總負債	Total liabilities													
	224,461	829,127	103,842	112,200	3,650	-	27,753	31,087	-	-	371,811	579,791	731,517	1,552,205
本年度資本 開支	Capital expenditure incurred during the year													
	11	2	2,946	390	-	-	-	-	-	-	98	38	3,055	430

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料 (續)

(b) 地區資料

下表載列有關 (i) 本集團源自外界客戶的收入及 (ii) 本集團的物業、機器及設備、無形資產、投資物業及投資聯營公司 (「指定非流動資產」) 所在地區的資料。客戶所在地區按提供服務或貨物送達所在地劃分。指定非流動資產所在地區的劃分，物業、機器及設備及投資物業按資產實際所在地劃分，無形資產及投資聯營公司則以營運所在地劃分。

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

(b) Geographical information

The following table sets out the information about the geographical location of (i) the Group's revenues from external customers and (ii) the Group's property, plant and equipment, intangible assets, investment properties and investments in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties and the location of operations, in the case of intangible assets and investments in associates.

	香港		中國內地		澳門		綜合	
	Hong Kong		Mainland China		Macau		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
截至12月31日止年度	Year ended 31 December							
外界客戶收入	19,341	28,653	861,243	69,067	40,926	36,659	921,510	134,379
於12月31日	At 31 December							
本公司及附屬公司	112,214	107,138	75,699	81,314	1,287	83	189,200	188,535
投資聯營公司	-	-	4,842,032	4,082,002	-	-	4,842,032	4,082,002
指定非流動資產	112,214	107,138	4,917,731	4,163,316	1,287	83	5,031,232	4,270,537

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6 其他收益／（虧損）－ 淨額

6 OTHER GAINS/(LOSSES) – NET

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
按公平值透過損益列賬的 上市股權證券公平 收益	Fair value gains on listed equity securities measured at fair value through profit or loss	22	317
出售按公平值透過損益 列賬的上市股權證券 收益	Gains on disposal of listed equity securities measured at fair value through profit or loss	613	613
投資物業重估公平 價值 虧損	Fair value losses on revaluation of investment properties	(718)	(8,679)
一家聯營公司權益被攤薄 的虧損（註釋 18(c)）	Loss on dilution of interest in an associate (Note 18(c))	-	(40,424)
出售一家聯營公司權益的 收益（註釋 18(e)）	Gain on disposal of interest in an associate (Note 18(e))	-	438
出售一家分類為持作出售 的聯營公司的收益 (a)	Gain on disposal of an associate classified as held for sale (a)	-	1,824
出售可供出售金融資產 收益淨額	Net gains on disposal of available-for-sale financial assets	9,802	306
出售抵債資產收益	Gain on disposal of repossessed assets	548	-
匯兌收益／（虧損）淨額	Net exchange gains/(losses)	15,536	(19,343)
		25,803	(64,948)

(a) 有關金額為本集團於2016年出售福建省華源城建環保股份有限公司21.05%股權而錄得的一次性稅後出售收益。

(a) The amount represented a one-off after-tax gain recorded by the Group on disposal of its 21.05% equity interest in Fujian Hua Yuan City Construction Environment Protection Co., Ltd. in 2016.

7 保險業務產生的賠償淨額及佣金費用

7 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
保險業務產生的賠償 淨額 (a)	Net insurance claims incurred on insurance business (a)	23,140	19,560
保險業務產生的淨佣金 費用 (b)	Net commission expenses incurred on insurance business (b)	30,153	28,466
		53,293	48,026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 保險業務產生的賠償淨額及佣金費用 (續)

7 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS (Continued)

(a) 保險業務產生的賠償淨額

(a) Net insurance claims incurred on insurance business

		2017		
		毛額	再保險	淨額
		Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000
本年度賠償及損失調整費用	Current year claims and loss adjustment expenses	17,501	(4,417)	13,084
往年度賠償及損失調整費用的額外成本／(殘存責任剩餘)	Additional cost/(run-off savings) for prior years' claims and loss adjustment expenses	12,763	(2,314)	10,449
已發生但未呈報的索償增加／(減少)	Increase/(decrease) in claims incurred but not reported	989	(604)	385
未滿期風險之預計賠償成本減少	Decrease in the expected cost of claims for unexpired risks	(778)	-	(778)
		<u>30,475</u>	<u>(7,335)</u>	<u>23,140</u>
		2016		
		毛額	再保險	淨額
		Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000
本年度賠償及損失調整費用	Current year claims and loss adjustment expenses	12,083	(129)	11,954
往年度賠償及損失調整費用的額外成本／(殘存責任剩餘)	Additional cost/(run-off savings) for prior years' claims and loss adjustment expenses	2,984	(3,705)	(721)
已發生但未呈報的索償增加	Increase in claims incurred but not reported	6,491	619	7,110
未滿期風險之預計賠償成本增加	Increase in the expected cost of claims for unexpired risks	1,217	-	1,217
		<u>22,775</u>	<u>(3,215)</u>	<u>19,560</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 保險業務產生的賠償淨額及佣金費用 (續)

7 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS (Continued)

(b) 保險業務產生的淨佣金費用

(b) Net commission expenses incurred on insurance business

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
已付及應付佣金毛額	Gross commissions paid and payable	30,669	28,933
減：已收及應收再保 險人佣金	Less: Commissions received and receivable from reinsurers	(516)	(467)
佣金費用淨額	Net commission expenses	<u>30,153</u>	<u>28,466</u>

8 營業溢利／(虧損)

8 OPERATING PROFIT/(LOSS)

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
營業溢利／(虧損)已計 入並扣除下列各項：	Operating profit/(loss) is stated after crediting and charging the following:		
計入	Crediting		
匯兌收益淨額	Net exchange gains	15,536	-
投資物業已收及應收 租金，扣除直接費用	Rentals received and receivable from investment properties less direct outgoings	8,159	7,960
扣除	Charging		
員工成本，包括董事酬金	Staff costs, including directors' emoluments	34,947	33,897
— 薪金、津貼及花紅	— Salaries, allowances and bonus	33,837	32,825
— 退休福利成本(a)	— Retirement benefit costs (a)	1,110	1,072
核數師酬金	Auditor's remuneration	2,748	2,573
— 當年準備	— provision for current year	2,388	2,388
— 往年度準備過多	— over provision in prior year	-	(175)
— 中期查證工作	— interim attestation work	360	360
銷售成本	Costs of sales	819,733	-
— 存貨成本	— Cost of inventories	818,825	-
— 其他	— Others	908	-
折舊及攤銷	Depreciation and amortisation	1,640	1,423
管理費(註釋10(a)(iii))	Management fee (Note 10(a)(iii))	1,880	1,880
出售物業、機器及設備 虧損	Loss on disposal of property, plant and equipment	38	20
匯兌虧損淨額	Net exchange losses	-	19,343
房地產之營業租約租金	Operating lease rentals in respect of land and buildings	658	638

8 營業溢利／（虧損）（續）

- (a) 在2000年11月30日前，本集團向一項界定供款計劃（「界定供款計劃」）供款，所有合資格之香港僱員皆可參加。界定供款計劃之資產與本集團之資產分開持有，由獨立管理基金保管。直至2000年11月30日界定供款計劃由根據香港強制性公積金計劃條例成立的強制性公積金計劃（「強積金計劃」）所取代當日止，本集團及僱員對界定供款計劃之供款額以僱員基本月薪之百分之十五計算。

本集團每月向強積金計劃之供款額（強制及自願）按僱員基本月薪百分之十（2000年9月30日後加入的僱員之供款額則為其基本月薪百分之六）或僱員每月總收入的百分之五以較高者為準計算（按內部評級制度釐定最高供款額為港幣2,000元、港幣3,000元或港幣4,000元）。僱員在取得全數供款利益前離開強積金計劃所被沒收之供款額可以用作減少本集團向強積金計劃之自願供款。於2017年及2016年12月31日並無任何重大未動用之沒收供款。

就中國內地的僱員而言，本集團亦有為其在中國內地各個經營業務地區參加當地市政府的僱員退休計劃。本集團按僱員薪金之百分比向此等計劃作出每月供款，而當地市政府亦保證承擔本集團所有僱員的退休福利責任。

8 OPERATING PROFIT/(LOSS) (Continued)

- (a) The Group contributed to a defined contribution scheme ("DC Scheme") which was available to all eligible Hong Kong employees prior to 30 November 2000. The assets of the DC Scheme were held separately from those of the Group in an independently administered fund. Contributions to the DC Scheme by the Group and employees were calculated at 15% of the employees' basic salary until 30 November 2000 when the DC Scheme was replaced by a mandatory provident fund scheme ("MPF Scheme") set up under the Hong Kong Mandatory Provident Fund Schemes Ordinance.

The Group's monthly contributions (mandatory and voluntary) to the MPF Scheme for each employee are calculated at the higher of 10% (or 6% for employees who joined after 30 September 2000) of the monthly basic salary and 5% of the monthly total income, subject to a maximum contribution of HK\$2,000, HK\$3,000 or HK\$4,000 based on the internal grading system. The Group's contributions to the MPF Scheme can be reduced by the Group's voluntary contributions forfeited in relation to those employees who leave the MPF Scheme prior to vesting fully in the contributions. At 31 December 2017 and 2016, there were no material unutilised forfeited contributions.

For Mainland China employees, the Group participates in the employee pension schemes administered by the respective municipal government in various locations in Mainland China where the Group operates. The Group makes monthly contributions calculated at a percentage of the monthly payroll costs to these schemes and the respective municipal government undertakes to assume the retirement benefit obligations of the employees of the Group.

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9 融資成本

9 FINANCE COSTS

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
銀行貸款利息支出	Interest expenses on bank loans	37,056	35,001

10 高級行政人員酬金及五名最高酬金之個別人士

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) 董事酬金

(a) Directors' emoluments

		作為董事 (i) As director (i)	作為管理層 (ii) As management (ii)		2017 總額 Total
		董事袍金 Directors' fees	薪俸、房屋 及其他津貼、 及實物利益 Salaries, housing and other allowances, and benefits in kind	獎金 Bonus	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
執行董事	Executive Directors				
彭錦光先生 (主席)	Mr Peng Jin Guang (Chairman)	-	-	-	-
王非先生 (副主席)	Mr Wang Fei (Vice Chairman)	-	-	-	-
劉承先生	Mr Liu Cheng	100	1,335	520	1,955
非執行董事	Non-executive Directors				
劉倫先生	Mr Liu Lun	-	-	-	-
韓孝捷先生	Mr Hon Hau Chit	60	-	-	60
獨立非執行董事	Independent Non-executive Directors				
葉啟明先生	Mr Ip Kai Ming	250	-	-	250
史習陶先生	Mr Sze Robert Tsai To	350	-	-	350
蘇合成先生	Mr So Hop Shing	250	-	-	250
張文海先生 ¹	Mr Cheung Man Hoi ¹	188	-	-	188
		1,198	1,335	520	3,053

1 於2017年4月1日委任為獨立非執行董事

1 Appointed as Independent Non-executive Director on 1 April 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人土 (續)

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) 董事酬金 (續)

(a) Directors' emoluments (Continued)

		作為董事 (i) As director (i)	作為管理層 (ii) As management (ii)	2016 總額 Total
		董事袍金 Directors' fees	薪俸、房屋 及其他津貼、 及實物利益 Salaries, housing and other allowances, and benefits in kind	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
執行董事	Executive Directors			
彭錦光先生 (主席) ¹	Mr Peng Jin Guang (Chairman) ¹	-	-	-
翁若同先生 (主席) ²	Mr Weng Ruo Tong (Chairman) ²	48	-	48
王非先生 (副主席)	Mr Wang Fei (Vice Chairman)	-	-	-
劉承先生	Mr Liu Cheng	100	1,382	1,482
非執行董事	Non-executive Directors			
劉倫先生	Mr Liu Lun	60	-	60
韓孝捷先生 ³	Mr Hon Hau Chit ³	45	-	45
楊方先生 ⁴	Mr Yang Fang ⁴	-	-	-
獨立非執行董事	Independent Non-executive Directors			
葉啟明先生	Mr Ip Kai Ming	250	-	250
史習陶先生	Mr Sze Robert Tsai To	350	-	350
蘇合成先生	Mr So Hop Shing	250	-	250
		<u>1,103</u>	<u>1,382</u>	<u>2,485</u>

1 於2016年4月25日委任為主席及執行董事

2 分別於2016年4月25日及2016年10月19日辭任主席及執行董事

3 於2016年3月30日委任為非執行董事

4 於2016年4月25日辭任為非執行董事

1 Appointed as Chairman and Executive Director on 25 April 2016

2 Resigned as Chairman and Executive Director on 25 April 2016 and 19 October 2016 respectively

3 Appointed as Non-executive Director on 30 March 2016

4 Resigned as Non-executive Director on 25 April 2016

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

(a) 董事酬金 (續)

- (i) 該等款項指作為本公司或其附屬公司的董事所提供的服務而支付或應付的酬金。
- (ii) 該等款項指有關管理本公司事務所提供的其他服務而支付或應付的酬金。
- (iii) 本公司向一控股股東貴信支付管理費港幣188萬元(2016年：港幣188萬元)，作為其根據一份管理協議提供一些管理服務，包括提供董事予本公司董事會之費用。

(b) 五名最高酬金之個別人士

上述註(a)之分析並未計入董事以外而其酬金是本集團前五名最高酬金之個別人士，支付予此等人士之酬金詳情如下：

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

- (i) The amounts represented emoluments paid or payable for the services as a director of the Company or its subsidiaries.
- (ii) The amounts represented emoluments paid or payable for other services in connection with the management of the affairs of the Company.
- (iii) An amount of HK\$1.88 million (2016: HK\$1.88 million) was paid to Vigour Fine, a controlling shareholder of the Company, for the provision of certain management services which include the provision of directors to the Board of Directors of the Company pursuant to a management agreement.

(b) Five highest paid individuals

The analysis in note (a) above does not include those individuals who are not directors but whose emoluments are among the five highest in the Group. Details of the emoluments paid to those individuals are as follows:

	2017	2016
	港幣千元 HK\$'000	港幣千元 HK\$'000
薪俸、房屋及其他津貼、 及實物利益	5,906	4,622
退休福利計劃供款	48	48
獎金	5,866	6,000
Salaries, housing and other allowances, and benefits in kind		
Contributions to retirement benefit scheme		
Bonus		
	11,820	10,670

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) 五名最高酬金之個別人士 (續)

(b) Five highest paid individuals (Continued)

酬金範圍	Emoluments Band	2017	2016
		人數 Number of Individuals	人數 <i>Number of Individuals</i>
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	3	1
港幣 2,500,001 元 – 港幣 3,000,000 元	HK\$2,500,001 – HK\$3,000,000	–	1
港幣 3,000,001 元 – 港幣 3,500,000 元	HK\$3,000,001 – HK\$3,500,000	2	2

(c) 高級管理人員

(c) Senior management

應付予本公司高級管理人員之酬金 (按範圍) 詳情如下：

Details of the emoluments payable to senior management of the Company by band are as follows:

酬金範圍	Emoluments Band	2017	2016
		人數 Number of Individuals	人數 <i>Number of Individuals</i>
港幣 500,001 元 – 港幣 1,000,000 元	HK\$500,001 – HK\$1,000,000	1	–
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	2	1
港幣 3,000,001 元 – 港幣 3,500,000 元	HK\$3,000,001 – HK\$3,500,000	2	2

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 所得稅支出

在綜合損益表支銷之稅項如下：

11 INCOME TAX EXPENSE

The amount of taxation charged to the consolidated income statement represents:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
當期稅項	Current tax		
香港利得稅	Hong Kong profits tax	465	466
中國內地企業所得稅	Mainland China corporate income tax	7,249	3,474
中國內地預提所得稅	Mainland China withholding tax	15,217	16,160
澳門稅項	Macau taxation	-	370
		<u>22,931</u>	<u>20,470</u>
往年度準備過少	Under provision in prior year		
澳門稅項	Macau taxation	4	6
遞延稅項	Deferred tax		
暫時差異的產生及轉回	Relating to the origination and reversal of temporary differences	(2,902)	(14,001)
所得稅支出	Income tax expense	<u>20,033</u>	<u>6,475</u>

香港利得稅乃按照年內估計應課稅溢利依稅率 16.5% (2016 年：16.5%) 提撥準備。

中國內地企業所得稅乃按照年內估計應納稅所得額依稅率 25% (2016 年：25%) 計算。

於中國內地成立的投資對象就 2008 年 1 月 1 日後賺取的利潤宣派股息時，本集團須就股息收入的 10% 繳納中國內地預提所得稅。

澳門盈利之稅款則按照年內估計應納稅所得額依澳門之現行稅率計算。

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year.

Mainland China corporate income tax has been calculated at the rate of 25% (2016: 25%) on the estimated taxable profits for the year.

Mainland China withholding tax is levied at 10% on dividend income received from investees incorporated in Mainland China when these investees declared dividend out of profits earned after 1 January 2008.

Taxation on Macau profits has been calculated on the estimated taxable profits for the year at the rates of taxation prevailing in Macau.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 所得稅支出 (續)

本集團有關除稅前溢利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

11 INCOME TAX EXPENSE (CONTINUED)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate in Hong Kong as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
除稅前溢利	Profit before taxation	536,923	272,087
按稅率 16.5% 計算之稅項	Calculated at a taxation rate of 16.5%	88,592	44,895
其他徵稅地區不同稅率 之影響	Effect of different taxation rates in other tax jurisdictions	12,327	(8,041)
無須課稅之收入	Income not subject to taxation	(91,395)	(80,383)
不可扣稅之支出	Expenses not deductible for taxation purposes	9,099	18,399
未確認稅損及可扣減 暫時差異增加	Increase in unrecognised tax losses and deductible temporary differences	1,426	31,619
往年度準備過少	Under provision in prior year	4	6
其他	Others	(20)	(20)
所得稅支出	Income tax expenses	20,033	6,475

12 本公司股東應佔溢利

本公司股東應佔綜合溢利包括已計入本公司財務報表內的溢利港幣 11,663 萬元 (2016 年：虧損港幣 6,547 萬元)。

12 PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to shareholders of the Company includes a profit of HK\$116.63 million (2016: loss of HK\$65.47 million) which has been dealt with in the financial statements of the Company.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 股息

13 DIVIDEND

	2017	2016
	港幣千元 HK\$'000	港幣千元 HK\$'000
於呈報日後擬派末期股息 每股港幣 8 仙 (2016 年：港幣 5 仙)	Final dividend proposed after the reporting date of 8 HK cents (2016: 5 HK cents) per share	22,971
	47,781	

於呈報日後擬派的股息並無於本綜合財務報表內列作負債，惟將於截至 2018 年 12 月 31 日止年度列作保留溢利分配。

The dividend proposed after the reporting date has not been recognised as a liability in these consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31 December 2018.

14 每股盈利

14 EARNINGS PER SHARE

每股基本盈利是根據截至 2017 年 12 月 31 日止年度本公司股東應佔溢利港幣 51,689 萬元 (2016 年：港幣 26,561.2 萬元) 及年內已發行股份之加權平均數 536,725,670 (2016 年：經重列，462,537,572) 股計算。計算每股盈利之股份加權平均數已就 2017 年 6 月 14 日供股完成後 (註釋 33(a)(i)) 供股之紅利部分作出調整，往年度之比較數字亦已就有關影響予以重列。

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the year ended 31 December 2017 of HK\$516,890,000 (2016: HK\$265,612,000) and the weighted average of 536,725,670 (2016: 462,537,572 as restated) shares in issue during the year. The weighted average number of shares used in the calculation of earnings per share had been adjusted for the bonus element of the rights issue following the completion of the rights issue on 14 June 2017 (Note 33(a)(i)) and the prior year comparative had also been restated for such effect.

本集團本年度及過往年度均無已發行具攤薄潛力之股份，因此於披露年度的每股攤薄盈利與每股基本盈利相同。

The Group has no dilutive potential shares in issue during the current and prior years and therefore diluted earnings per share is the same as basic earnings per share for the years presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 物業、機器及設備

15 PROPERTY, PLANT AND EQUIPMENT

		租賃土地及 土地使用權 Leasehold lands and land use rights	持作 自用樓宇 Buildings held for own use	傢俬、裝修、 辦事處及 電腦設備 Furniture, fixtures, office and computer equipment	汽車 Motor vehicles	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2016年1月1日	At 1 January 2016					
成本	Cost	28,621	8,511	8,915	3,044	49,091
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(13,772)	(7,433)	(7,194)	(1,631)	(30,030)
賬面淨值	Net book value	<u>14,849</u>	<u>1,078</u>	<u>1,721</u>	<u>1,413</u>	<u>19,061</u>
截至2016年12月31日 止年度	Year ended 31 December 2016					
期初賬面淨值	Opening net book value	14,849	1,078	1,721	1,413	19,061
匯兌差額	Translation differences	-	-	(18)	(25)	(43)
增添	Additions	-	-	430	-	430
本年度折舊	Charge for the year	(283)	(81)	(604)	(455)	(1,423)
出售	Disposals	-	-	(26)	-	(26)
期末賬面淨值	Closing net book value	<u>14,566</u>	<u>997</u>	<u>1,503</u>	<u>933</u>	<u>17,999</u>
於2016年12月31日及 2017年1月1日	At 31 December 2016 and 1 January 2017					
成本	Cost	28,621	8,511	9,163	2,960	49,255
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(14,055)	(7,514)	(7,660)	(2,027)	(31,256)
賬面淨值	Net book value	<u>14,566</u>	<u>997</u>	<u>1,503</u>	<u>933</u>	<u>17,999</u>

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 物業、機器及設備 (續)

15 PROPERTY, PLANT AND EQUIPMENT
(Continued)

		租賃土地及 土地使用權 Leasehold lands and land use rights	持作 自用樓宇 Buildings held for own use	傢俬、裝修、 辦事處及 電腦設備 Furniture, fixtures, office and computer equipment	汽車 Motor vehicles	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
截至 2017 年 12 月 31 日	Year ended					
止年度	31 December 2017					
期初賬面淨值	Opening net book value	14,566	997	1,503	933	17,999
匯兌差額	Translation differences	-	-	12	11	23
增添	Additions	-	-	205	-	205
本年度折舊	Charge for the year	(283)	(80)	(497)	(434)	(1,294)
出售	Disposals	-	-	(55)	-	(55)
期末賬面淨值	Closing net book value	14,283	917	1,168	510	16,878
於 2017 年 12 月 31 日	At 31 December 2017					
成本	Cost	28,621	8,511	9,149	3,052	49,333
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(14,338)	(7,594)	(7,981)	(2,542)	(32,455)
賬面淨值	Net book value	14,283	917	1,168	510	16,878

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 物業、機器及設備 (續)

15 PROPERTY, PLANT AND EQUIPMENT
(Continued)

(a) 租賃土地及土地使用權的賬面淨值分析如下：

(a) The net book values of leasehold lands and land use rights are analysed as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
在香港持有租約	Leases held in Hong Kong		
50年以上	Over 50 years	4,340	4,361
10年至50年	Between 10 and 50 years	9,923	10,182
在香港以外持有租約	Leases held outside Hong Kong		
10年至50年	Between 10 and 50 years	20	23
		14,283	14,566

本集團的租賃土地及土地使用權的成本為港幣2,862萬元 (2016年：港幣2,862萬元)。

The cost of the leasehold lands and land use rights of the Group was HK\$28.62 million (2016: HK\$28.62 million).

16 無形資產

16 INTANGIBLE ASSETS

		電腦系統 Computer system
		港幣千元 HK\$'000
截至2017年12月31日	Year ended	
止年度	31 December 2017	
增添	Additions	2,850
本年度攤銷	Charge for the year	(346)
期末賬面淨值	Closing net book value	2,504
於2017年12月31日	At 31 December 2017	
成本	Cost	2,850
累計攤銷	Accumulated amortisation	(346)
賬面淨值	Net book value	2,504

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 投資物業

17 INVESTMENT PROPERTIES

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
公平值	At fair value		
於1月1日	At 1 January	170,536	179,215
公平值虧損	Fair value losses	(718)	(8,679)
於12月31日	At 31 December	169,818	170,536

本集團的投資物業權益賬面值分析如下：

The Group's interests in investment properties at their carrying amount are analysed as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
在香港持有租約 10年至50年	Leases held in Hong Kong Between 10 and 50 years	94,500	90,000
在香港以外持有租約 10年至50年	Leases held outside Hong Kong Between 10 and 50 years	75,318	80,536
		169,818	170,536

一家附屬公司持有的公平值港幣9,450萬元(2016年：港幣9,000萬元)的一項位於香港的投資物業的業權契約由香港保監局託管，以符合監管機構的有關規定。

The title deeds in respect of an investment property in Hong Kong with a fair value of HK\$94.5 million (2016: HK\$90 million) held by a subsidiary are placed in the custody of the HKIA pursuant to the relevant regulatory requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 投資物業 (續)

投資物業公平值計量

(a) 公平值架構

下表呈列於2017年12月31日按經常性基準計量的本集團投資物業的公平值，有關的公平值採納三級分類法（定義見香港財務報告準則第13號「公平值計量」）分類。公平值計量分類的等級乃參考估值方法所用數據的可觀察性及重要性後釐定。

17 INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties

(a) Fair value hierarchy

The following table presents the fair values of investment properties held by the Group measured at 31 December 2017 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.

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
經常性的公平值計量	Recurring fair value measurement		
第三等級	Level 3		
中國內地 商業物業	Mainland China Commercial properties	71,132	76,303
住宅物業	Residential properties	2,300	1,900
車位	Car parks	1,886	2,333
		75,318	80,536
香港 商業物業	Hong Kong Commercial properties	94,500	90,000
		169,818	170,536

本集團持有按公平值列賬的所有投資物業皆採用公平值架構的第三等級計量。年內並沒有於公平值架構第三等級的轉移。本集團的政策為於發生轉移的呈報期末確認公平值架構各等級間的轉移。

All the investment properties carried at fair value held by the Group were measured using Level 3 of the fair value hierarchy. During the year there was no transfer into or out of Level 3 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

17 投資物業 (續)

投資物業公平值計量 (續)

(b) 公平值架構第三等級資料

投資物業由獨立專業評估師，第一太平洋戴維斯估值及專業顧問有限公司及威格斯資產評估顧問有限公司，按2017年12月31日的公平值基準重估。本集團已於各年度呈報日與獨立專業評估師討論有關估值假設及估值結果。

位於中國內地的商業物業及車位的公平值採用收入資本化法釐定。應用於估值計量時，該等商業物業及車位的重要不可觀察數據分別為資本化率及市場月租金，(i)商業物業的資本化率介乎4.3厘至4.5厘(2016年：4.3厘至4.5厘)，市場月租金介乎每平方米人民幣53元至人民幣80元(2016年：人民幣55元至人民幣91元)，(ii)車位的資本化率為2.8厘(2016年：2.8厘)，市場月租金為每車位人民幣640元(2016年：人民幣781元)。公平值計量與資本化率呈反比關係，與市場月租金呈正比關係。

位於中國內地的住宅物業的公平值採用市場比較法釐定，並參考可比較物業近期按每平方米基準計算的銷售價格，並就本集團的物業與可比較物業比較時的特定因素(例如位置及質量)作出溢價或折讓的調整。應用於估值計量時，折讓率的不可觀察數據並不重要。

位於香港的商業物業的公平值乃採用市場比較法釐定，並參考可比較物業近期按每平方呎基準計算的銷售價格，並就本集團的物業與可比較物業比較時的特定因素(例如較長租期及較大樓層面積)作出溢價或折讓的調整。折讓率越大，公平值越低。應用於估值計量時，折讓率的重要不可觀察數據約為14.5%(2016年：約17.5%)。

17 INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties (Continued)

(b) Information about Level 3 of the fair value hierarchy

The investment properties were revalued based on their fair values at 31 December 2017 by independent professional valuers, namely Savills Valuation and Professional Services Limited and Vigers Appraisal & Consulting Limited. The Group has discussed with the independent professional valuers on the valuation assumptions and valuation results at each annual reporting date.

The fair values of commercial properties and car parks located in Mainland China were determined by income capitalisation approach. The significant unobservable inputs applied in valuation measurement are (i) capitalisation rates ranged from 4.3% to 4.5% (2016: 4.3% to 4.5%) and monthly market rental ranged from RMB53 to RMB80 (2016: RMB55 to RMB91) per square meter for commercial properties and (ii) capitalisation rate of 2.8% (2016: 2.8%) and monthly market rental of RMB640 (2016: RMB781) per unit for car parks respectively. The fair value measurement is negatively correlated to the capitalisation rate and positively correlated to the monthly market rental.

The fair value of residential properties located in Mainland China was determined by market comparison approach with reference to recent sales price of comparable properties on a price per square meter basis, adjusted for a premium or a discount specific to the factors such as the location and quality of the Group's properties while compared to the comparable properties. The unobservable input for discount applied in valuation measurement was immaterial.

The fair value of commercial properties located in Hong Kong was determined by market comparison approach with reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the factors such as the longer period of tenancy and the larger floor area of the Group's properties while compared to the comparable properties. Larger discount will result in a lower fair value measurement. The significant unobservable input for discount applied in valuation measurement was approximately 14.5% (2016: approximately 17.5%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 投資物業 (續)

投資物業公平值計量 (續)

(b) 公平值架構第三等級資料 (續)

年內該等公平值架構第三等級的結餘變動如下：

17 INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties (Continued)

(b) Information about Level 3 of the fair value hierarchy (Continued)

The movements in the balance of Level 3 of the fair value hierarchy during the year are as follows:

		2017				2016			
		商業物業 Commercial properties	住宅物業 Residential properties	車位 Car parks	總額 Total	商業物業 Commercial properties	住宅物業 Residential properties	車位 Car parks	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	166,303	1,900	2,333	170,536	174,687	1,700	2,828	179,215
公平值 (虧損) / 收益	Fair value (losses)/gains	(671)	400	(447)	(718)	(8,384)	200	(495)	(8,679)
於12月31日	At 31 December	165,632	2,300	1,886	169,818	166,303	1,900	2,333	170,536
年內於綜合損益表的 「其他收益 / (虧損) - 淨額」內確認的未 變現公平值 (虧損) / 收益總額	Total unrealised fair value (losses)/ gains for the year recognised in the consolidated income statement as part of "Other gains/(losses) - net"	(671)	400	(447)	(718)	(8,384)	200	(495)	(8,679)

18 聯營公司

18 ASSOCIATES

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
應佔資產淨值	Share of net assets	4,831,315	4,072,858
貸款予一家聯營公司 (b)	Loan to an associate (b)	10,717	10,717
		4,842,032	4,083,575
出售一家聯營公司 (d)	Disposal of an associate (d)	-	(1,573)
投資總值 (a)	Total investments (a)	4,842,032	4,082,002
非上市股份，按成本	Unlisted investments, at cost	972,776	972,776

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 聯營公司 (續)

18 ASSOCIATES (Continued)

(a) 本集團於聯營公司之投資分析如下：

(a) The Group's investments in associates are analysed below:

		廈銀集團 XIB Group	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2016年1月1日	At 1 January 2016	3,224,389	39,588	3,263,977
匯兌差額	Translation differences	(198,571)	(1,885)	(200,456)
增資擴股	Capital contributions	794,976	1,143	796,119
應佔除稅後溢利	Share of profit after taxation			
除稅前溢利	Profit before taxation	624,137	1,124	625,261
所得稅支出	Income tax expense	(153,215)	(345)	(153,560)
已宣派股息	Dividend declared	(123,292)	-	(123,292)
投資重估儲備金 (減少)/增加	(Decrease)/increase in investment revaluation reserve	(110,168)	14	(110,154)
出售一家聯營公司 攤薄權益	Disposal of an associate Dilution of interest	-	(1,573)	(1,573)
於綜合損益表內 確認之攤薄虧損	Loss on dilution recognised in consolidated income statement	(40,424)	-	(40,424)
從外匯折算儲備金 及投資重估儲備 金撥回	Release of exchange translation reserve and investment revaluation reserve	26,104	-	26,104
		4,043,936	38,066	4,082,002
於2016年12月31日及 2017年1月1日	At 31 December 2016 and 1 January 2017			
匯兌差額	Translation differences	287,098	2,082	289,180
應佔除稅後溢利	Share of profit after taxation			
除稅前溢利	Profit before taxation	661,401	5,239	666,640
所得稅支出	Income tax expense	(148,168)	(548)	(148,716)
已宣派股息	Dividend declared	(128,958)	-	(128,958)
發行次級額外一級 資本債券	Issuance of subordinated additional tier 1 capital securities	192,214	-	192,214
投資重估儲備金 (減少)/增加	(Decrease)/increase in investment revaluation reserve	(109,884)	8	(109,876)
註銷一家附屬公司時 撥回的外匯折算 儲備金	Release of exchange translation reserve on dissolution of a subsidiary	-	(454)	(454)
		4,797,639	44,393	4,842,032
於2017年12月31日	At 31 December 2017			

18 聯營公司 (續)

- (b) 此貸款為本集團對該聯營公司之投資，並且為無抵押、免息及無限定還款期。
- (c) 本公司於2016年6月與廈銀訂立增資協議，據此，本公司有條件同意以發行價每股人民幣4.8元（等值約港幣5.68元）認購14,000萬股廈銀股份，代價總額人民幣67,200萬元（等值約港幣79,498萬元）（「增資擴股」）。

廈銀已於2016年12月完成向本公司及第三方發行新股份擴大其股本，以致本公司所持廈銀的股權由約10.6289%被攤薄至約9.7635%。主要由於人民幣兌換港幣的貶值，本集團因此於2016年錄得攤薄虧損約港幣4,042萬元（註釋6）。本集團同時將廈銀的股權被攤薄至約9.7635%應佔的法定儲備金、普通儲備金及資本儲備金合共約港幣9,706萬元直接調撥至保留溢利。

18 ASSOCIATES (Continued)

- (b) The loan represented the Group's investments in that associate and was unsecured, interest free and had no fixed repayment terms.
- (c) The Company entered into a capital contribution agreement with XIB in June 2016, pursuant to which the Company agreed to conditionally subscribe for 140 million shares of XIB at the issue price of RMB4.8 (equivalent to approximately HK\$5.68) per share of XIB with a total consideration of RMB672 million (equivalent to approximately HK\$794.98 million) (the "Capital Contribution").

The issuance of new shares to the Company and third parties by XIB to enlarge its share capital was completed in December 2016, which resulted in the dilution of the Company's shareholding in XIB from approximately 10.6289% to approximately 9.7635%. Accordingly, the Group recorded a loss on dilution of approximately HK\$40.42 million (Note 6) in 2016 mainly due to the depreciation of Renminbi against Hong Kong Dollars. The Group also transferred directly to retained profits in total of approximately HK\$97.06 million from statutory reserve, general reserve and capital reserve attributable to the dilution of the shareholding in XIB to approximately 9.7635%.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 聯營公司 (續)

- (d) 本公司在廈銀完成發行新股份後，一直持續評估其所持廈銀約9.7635%股權的適用會計處理方法，並認為本公司有能力對廈銀的財務及營運決策行使重大影響力。因此，本公司繼續將廈銀分類為本公司的一家聯營公司，並繼續按照香港財務報告準則將其所持廈銀的權益以權益會計法入賬。
- (e) 於2016年10月，本集團與一獨立第三方訂立買賣協議，並完成以現金代價人民幣190萬元（等值約港幣217萬元）出售本集團持有一家聯營公司深圳前海維盟網絡科技有限公司19%股權（「股權」）。因此，經計入撥回股權應佔外匯折算儲備金約港幣14萬元，本集團於2016年錄得出售收益約港幣44萬元（註釋6）。
- (f) 本集團在正常業務範圍內存放銀行存款於聯營金融機構，此等存款包括在現金及銀行結存賬內（註釋37(a)）。

18 ASSOCIATES (Continued)

- (d) The Company had continually assessed and evaluated the applicable accounting treatment in respect of its approximately 9.7635% shareholding in XIB after the completion of the issuance of the new shares and considered that the Company have had the ability to exercise significant influence over the financial and operating policy decisions of XIB. Accordingly, the Company have continued to classify XIB as an associate of the Company and the Company have continued to account for its interest in XIB using equity method in accordance with the HKFRSs.
- (e) In October 2016, the Group entered into a sale and purchase agreement with an independent third party and completed the transaction to dispose of its 19% equity interest ("Equity Interest") in 深圳前海維盟網絡科技有限公司, an associate of the Group, at a cash consideration of RMB1.9 million (equivalent to approximately HK\$2.17 million). Accordingly, the Group recorded a gain on disposal of approximately HK\$0.44 million (Note 6) in 2016, taking into account the release of exchange translation reserve attributable to the Equity Interest of approximately HK\$0.14 million.
- (f) Bank deposits placed by the Group with associated financial institutions in the normal course of business are included in cash and bank balances (Note 37(a)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 聯營公司 (續)

以下摘要只包括於2017年12月31日對本集團的業績或資產有重大影響的聯營公司。此等實體全部均為非上市公司及以權益會計法入賬。

18 ASSOCIATES (Continued)

The following list contains the particulars of those associates at 31 December 2017 which principally affected the results or assets of the Group. All of these entities are unlisted corporates and are accounted for using equity method.

聯營公司名稱	Name of associates	註冊及 經營地點 Place of incorporation and operations	已發行及 繳足股本詳情 Particulars of issued and paid up capital	本集團的 有效權益 Group's effective interest	主要業務 Principal activities
直接持有	Directly held				
廈門國際銀行， 及其附屬公司	Xiamen International Bank, and its subsidiaries	中華人民共和國 The People's Republic of China	8,386.26百萬股 (人民幣83.8626億元) 8,386.26 million shares (RMB8,386.26 million)	9.7635%	銀行及投資控股 Banking and investment holding
澳門國際銀行	Luso International Banking Limited	澳門 Macau	2.61百萬股 (澳門幣26.1億元) 2.61 million shares (MOP2,610 million)	4.7880%	銀行 Banking
集友銀行有限公司	Chiyu Banking Corporation Limited	香港 Hong Kong	3百萬股 (港幣3億元) 3 million shares (HK\$300 million)	6.2789%	銀行 Banking
廈門國際投資 有限公司	Xiamen International Investment Limited	香港 Hong Kong	3,842.51百萬股 (港幣38.4251億元) 3,842.51 million shares (HK\$3,842.51 million)	9.7635%	投資控股 Investment holding
間接持有	Indirectly held				
閩信昌輝投資 有限公司 ⁽¹⁾	Min Faith Investments Limited ⁽¹⁾	香港 Hong Kong	100股 (港幣100元) 100 shares (HK\$100)	40%	投資控股 Investment holding

(1) 此聯營公司並非由羅兵咸永道會計師事務所審核。應佔此聯營公司之資產淨值及除稅前溢利分別約佔本集團綜合總額之0.7%及0.9%。

(1) This associate is not audited by PricewaterhouseCoopers. The aggregate net assets and profit before taxation attributable to this associate represent approximately 0.7% and 0.9% respectively of the Group's consolidated totals.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 聯營公司 (續)

重大聯營公司財務資料概要(經就會計政策的任何差異作出調整,並經與綜合財務報表的賬面值對賬)披露如下:

18 ASSOCIATES (Continued)

Summarised financial information of the material associate, adjusted for any difference in accounting policies and reconciled to the carrying amount in the consolidated financial statements, is disclosed below:

		廈銀集團 XIB Group	
		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
聯營公司下列各項總額	Gross amount of the associate's		
資產	Assets	855,623,694	629,148,394
負債	Liabilities	(799,875,219)	(584,450,051)
非控股權益	Non-controlling interests	(6,609,962)	(3,279,428)
聯營公司股東應佔權益總額	Total equity attributable to shareholders of the associate	49,138,513	41,418,915
收入總額	Total revenues	30,666,711	25,189,433
聯營公司股東應佔持續經營業務溢利	Profit from continuing operations attributable to shareholders of the associate	5,256,658	4,430,587
聯營公司股東應佔其他全面收益	Other comprehensive income attributable to shareholders of the associate	(1,441,251)	(841,925)
聯營公司股東應佔全面收益總額	Total comprehensive income attributable to shareholders of the associate	3,815,407	3,588,662
宣派股息	Dividend declared	128,958	123,292
對賬至本集團於聯營公司的權益	Reconciled to the Group's interest in the associate		
聯營公司資產淨值總額	Gross amount of net assets of the associate	49,138,513	41,418,915
本集團的實際權益	Group's effective interest	9.7635%	9.7635%
綜合財務報表的賬面值	Carrying amount in the consolidated financial statements	4,797,639	4,043,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 聯營公司 (續)

並非個別重大的聯營公司的匯總資料披露如下：

18 ASSOCIATES (Continued)

Aggregate information of associates that are not individually material is disclosed below:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
於綜合財務報表內並非個別重大的聯營公司的賬面值總額	Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	44,393	38,066
本集團應佔該等聯營公司下列各項總額	Aggregate amount of the Group's share of those associates'		
持續經營業務溢利	Profit from continuing operations	4,691	1,186
其他全面收益	Other comprehensive income	1,636	(1,746)
全面收益總額	Total comprehensive income	6,327	(560)

19 可供出售金融資產

19 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	557,750	728,713
增添 (b)	Additions (b)	27,060	94,458
於投資重估儲備金記賬之公平值虧損	Fair value loss recognised in investment revaluation reserve	(29,946)	(177,342)
出售 (a, b 及 c)	Disposals (a, b & c)	(51,350)	(88,079)
於12月31日	At 31 December	503,514	557,750
按公平值：	At fair value:		
股權證券	Equity securities listed		
— 於中國內地上市 (a)	— in Mainland China (a)	503,514	550,540
— 於香港上市	— in Hong Kong	—	618
非上市理財產品 (b)	Unlisted wealth management product (b)	—	6,592
於12月31日	At 31 December	503,514	557,750
為報告目的所作的分析	Analysed for reporting purposes		
— 非流動資產	— Non-current assets	503,514	551,158
— 流動資產	— Current assets	—	6,592
		503,514	557,750

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 可供出售金融資產 (續)

- (a) 本集團於2017年及2016年12月31日持有的可供出售金融資產為於上海證券交易所上市的股權證券如下：

公司名稱	Company name	註冊地點 Place of incorporation	主要業務 Principal activities	本集團的有效權益 Group's effective interest
華能國際電力股份有限公司 （「華能」）	Huaneng Power International, Inc. （"Huaneng"）	中華人民共和國 The People's Republic of China	發電及銷售電力 Generation and sale of electric power	0.45% （約6,795萬股A股） （approximately 67.95 million A-Share）

本公司於上海證券交易所出售200萬股華能A股，代價淨值約人民幣1,424萬元（等值約港幣1,653萬元），經計入撥回之前於投資重估儲備金內確認有關已出售股份應佔的累計公平值變動後，於年內錄得出售收益約港幣994萬元（註釋6）。

本公司以前年度出售華能A股時取得中國內地北京市稅務局出具的所得收益免稅證明。根據現行稅務條例及規定，及本公司與北京市稅務局的溝通，年內的出售收益應免繳中國內地稅費。因此，本集團沒有就年內出售收益及對於其他全面收益內確認，並在投資重估儲備金內分開累計的公平值變動提撥稅項準備。

19 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

- (a) The equity securities listed in Mainland China held by the Group at 31 December 2017 and 2016 represented equity securities listed on the Shanghai Stock Exchange as follows:

Company name	Company name	Place of incorporation	Principal activities	Group's effective interest
Huaneng Power International, Inc. （"Huaneng"）	Huaneng Power International, Inc. （"Huaneng"）	中華人民共和國 The People's Republic of China	發電及銷售電力 Generation and sale of electric power	0.45% （約6,795萬股A股） （approximately 67.95 million A-Share）

The Company sold 2 million A-Share of Huaneng on the Shanghai Stock Exchange for a net consideration of approximately RMB14.24 million (equivalent to approximately HK\$16.53 million) and a gain on disposal of approximately HK\$9.94 million (Note 6) was recognised during the year, taking into account the release of accumulated fair value changes attributable to the shares disposed of previously recognised in investment revaluation reserve.

The tax bureau in Beijing, Mainland China had issued certificate of tax exemption for the gain from the disposal of A-Share of Huaneng by the Company in previous year. Based on the current tax laws and regulations and the communication between the Company and the tax bureau in Beijing, the gain on disposal for the year should be exempted from tax charge in Mainland China. Accordingly, the Group has not provided any tax provision against the gain on disposal for the year and the fair value movements recognised in other comprehensive income and accumulated separately in the investment revaluation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 可供出售金融資產 (續)

- (b) 本集團於年內購入及出售若干中國內地銀行發行的理財產品，分別為人民幣2,400萬元（等值約港幣2,706萬元）及約人民幣2,994萬元（等值約港幣3,377萬元）。

本集團於2016年12月31日持有之理財產品由本集團一家聯營公司廈銀發行。

- (c) 本公司一家全資附屬公司基於流動資金需要，出售在香港上市的所有股權證券，代價淨額約港幣58萬元，經計入撥回之前於投資重估儲備金內確認有關已出售股份應佔的累計公平值變動後，於年內錄得出售虧損約港幣29萬元（註釋6）。

20 持至到期日金融資產

- (a) 本集團持有的金融資產為2016年購入的投資級別場外債券。場外債券以美元計價，固定票面息率為年利率3.125厘，每半年支付利息，並將於2020年4月到期。
- (b) 於2017年及2016年12月31日，場外債券按實際利息法計算攤銷成本，未逾期且未減值。
- (c) 場外債券用於符合澳門《保險活動管制法例》之若干規定。

19 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

- (b) The Group has purchased and sold several wealth management products issued by banks in Mainland China of RMB24 million (equivalent to approximately HK\$27.06 million) and approximately RMB29.94 million (equivalent to approximately HK\$33.77 million) respectively during the year.

The wealth management products held by the Group at 31 December 2016 was issued by XIB, an associate of the Group.

- (c) A wholly-owned subsidiary of the Company sold all of the equity securities listed in Hong Kong for a net consideration of approximately HK\$0.58 million due to its liquidity needs and a loss on disposal of approximately HK\$0.29 million (Note 6) was recognised during the year, taking into account the release of accumulated fair value changes attributable to the shares disposed of previously recognised in investment revaluation reserve.

20 HELD-TO-MATURITY FINANCIAL ASSETS

- (a) The financial asset held by the Group was an investment grade OTC bond acquired in 2016. The OTC bond is in United States Dollar, carries fixed coupon interest rate at 3.125% per annum payable half yearly and will mature in April 2020.
- (b) At 31 December 2017 and 2016, the OTC bond carried at amortised cost using the effective interest method and had neither past due nor impaired.
- (c) The OTC bond was used for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

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21 存貨

21 INVENTORIES

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
汽車	Motor vehicles	89,946	-

22 應收款項類投資

22 INVESTMENTS IN RECEIVABLES

該等投資為本集團於年內購入中國內地一家銀行發行的固定期限及保本的理財產品。

These investments represented fixed-term and principal guaranteed wealth management products issued by a bank in Mainland China and acquired by the Group during the year.

23 遞延取得成本

23 DEFERRED ACQUISITION COSTS

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	16,670	15,061
年內增加	Increase during the year	30,663	30,075
年內撥回	Release during the year	(30,465)	(28,466)
於12月31日	At 31 December	16,868	16,670

24 保險應收款

24 INSURANCE RECEIVABLE

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
代理、經紀及中介人欠款	Due from agents, brokers and intermediates	10,166	13,845
合約持有人欠款	Due from contract holders	184	181
再保險人欠款	Due from reinsurers	504	94
		10,854	14,120

保險應收款大部分之信貸期限一般由90天至120天不等。保險應收款之信貸條款(包括是否需要由第三者出具擔保)由高級管理人員決定。

The credit period for the majority of insurance receivable normally ranges from 90 to 120 days. The credit terms of insurance receivable, including whether guarantees from third parties are required, are determined by senior management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 保險應收款 (續)

於2017年12月31日，保險應收款的賬齡分析（按發票日期）概述如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	3,575	5,023
31至60日	31-60 days	3,511	3,724
61至90日	61-90 days	2,498	2,737
超過90日	Over 90 days	1,270	2,636
		10,854	14,120

於2017年12月31日，已過期但未減值的保險應收款的賬齡分析概述如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
90日內	Within 90 days	3,279	4,456
超過90日	Over 90 days	340	436
		3,619	4,892

25 再保險資產

再保險人應佔保險責任
(註釋29)

Reinsurers' share of insurance liabilities
(Note 29)

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
		6,312	7,947

再保險人欠付本集團就分保合約已支付的賠償額的款項並未於再保險資產內確認。該款項計入保險應收款(註釋24)內。

24 INSURANCE RECEIVABLE (Continued)

At 31 December 2017, the ageing analysis of insurance receivable by invoice date was summarised as follows:

At 31 December 2017, the ageing analysis of the past due but not impaired insurance receivable was summarised as follows:

The amounts due from reinsurers in respect of claims already paid by the Group on the contracts that are reinsured are not recognised in the reinsurance assets. They are included in insurance receivable (Note 24).

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 客戶貸款及應收利息

26 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
小額貸款業務	Micro credit business		
– 擔保貸款	– guaranteed loans	175,307	167,906
– 抵押貸款	– secured loans	111,763	123,543
– 質押及擔保貸款	– pledged and guaranteed loans	11,529	10,717
– 抵押、質押及擔保貸款	– secured, pledged and guaranteed loans	5,025	6,200
客戶貸款	Loans to customers	303,624	308,366
應收利息	Interest receivable	12,386	12,014
		316,010	320,380
減值準備	Impairment allowances		
– 個別評估	– individually assessed	(289,944)	(278,650)
– 組合評估	– collectively assessed	(1)	(150)
		(289,945)	(278,800)
		26,065	41,580
為報告目的所作的分析	Analysed for reporting purposes		
– 非流動資產	– Non-current assets	39	436
– 流動資產	– Current assets	26,026	41,144
		26,065	41,580

小額貸款業務產生的客戶貸款以人民幣計價，利息按固定年利率介乎4.8厘至21.6厘（2016年：4.8厘至21.6厘）計算。

Loans to customers arising from the micro credit business were in Renminbi and bore fixed interest rates ranged from 4.8% to 21.6% per annum (2016: 4.8% to 21.6%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 客戶貸款及應收利息 (續)

本集團已制定信貸管理政策並持續監控其承受的信貸風險。本集團已於呈報日檢視未償還客戶貸款及應收利息以評估是否有客觀證據證明客戶貸款及應收利息出現減值。評估客戶貸款時會集中於客戶的具體情況（如財務背景及償還能力）以及客戶經營所在地區的經濟環境，及管理層對個別客戶的信譽可靠度的判斷。

年內客戶貸款及應收利息減值準備變動如下：

26 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

The Group has a credit policy in place and the exposure to credit risks is monitored on an ongoing basis. The Group has reviewed the outstanding loans to customers and interest receivable at the reporting date to assess whether there is objective evidence that an impairment of loans to customers and interest receivable has been incurred. The evaluation is focused on the information specific to the customers (such as the financial background and ability to repay) as well as the economic environment in which the customers operate and management's judgement on the creditworthiness of individual customer.

The movement of impairment allowances on loans to customers and interest receivable during the year was as follows:

		2017			2016		
		個別評估 Individually assessed	組合評估 Collectively assessed	總額 Total	個別評估 Individually assessed	組合評估 Collectively assessed	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	278,650	150	278,800	159,602	2,532	162,134
匯兌差額	Translation differences	20,718	4	20,722	(17,460)	(40)	(17,500)
在當年度損益表 (記賬)/扣除	(Credited)/charged to current year's income statement	(1,209)	(153)	(1,362)	157,859	(2,342)	155,517
撥回減值準備 (i)	Write back of impairment allowances (i)	(2,031)	-	(2,031)	(740)	-	(740)
於貸款核銷時 撥回	Reversal upon loans written off	(198)	-	(198)	-	-	-
因折現價值上升 導致轉出減值 準備確認為 「利息收入」	Unwinding of discount of impairment allowances recognised as "interest income"	(5,986)	-	(5,986)	(20,611)	-	(20,611)
於12月31日	At 31 December	289,944	1	289,945	278,650	150	278,800

(i) 本集團已從若干欠款客戶收回抵押資產及其他未抵押資產，並撥回就該等欠款客戶所提撥的減值準備。

(i) The Group had written back impairment allowances made against certain default customers when the Group had repossessed pledged assets and other non-pledged assets from such default customers.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 客戶貸款及應收利息 (續)

於2017年12月31日，客戶貸款信貸質量概述如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
未逾期且未減值	Neither past due nor impaired	40	850
已逾期但未減值	Past due but not impaired	48	4,383
個別已減值	Individually impaired	<u>303,536</u>	<u>303,133</u>
		<u>303,624</u>	<u>308,366</u>

26 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

At 31 December 2017, the credit quality of the loans to customers was summarised as follows:

於2017年12月31日，已逾期但未減值的客戶貸款賬齡分析概述如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	-	211
超過90日	Over 90 days	<u>48</u>	<u>4,172</u>
		<u>48</u>	<u>4,383</u>

At 31 December 2017, the ageing analysis of the past due but not impaired loans to customers was summarised as follows:

於2017年12月31日，個別已減值的客戶貸款賬齡分析概述如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
90日內	Within 90 days	-	1,958
91至180日	91-180 days	-	1,898
181至365日	181-365 days	3,711	29,845
超過365日	Over 365 days	<u>299,825</u>	<u>269,432</u>
		<u>303,536</u>	<u>303,133</u>

At 31 December 2017, the ageing analysis of individually impaired loans to customers was summarised as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 客戶貸款及應收利息 (續)

於2017年12月31日，客戶貸款產生的逾期應收利息賬齡分析(按到期日)概述如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	-	86
61至90日	61-90 days	-	8
超過90日	Over 90 days	<u>12,386</u>	<u>11,920</u>
		<u>12,386</u>	<u>12,014</u>

26 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

At 31 December 2017, the ageing analysis of overdue interest receivable arising from the loans to customers by due date was summarised as follows:

於2017年12月31日，客戶貸款產生的應收利息(已逾期但未減值)賬齡分析概述如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	<u>-</u>	<u>67</u>

At 31 December 2017, the ageing analysis of the past due but not impaired interest receivable arising from the loans to customers was summarised as follows:

27 按公平值透過損益列賬的金融資產

持作買賣股權證券，
於香港上市
— 按市值

Equity securities held for trading,
listed in Hong Kong
— at market value

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
		<u>304</u>	<u>5,108</u>

27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 現金及銀行結存

本集團之現金及銀行結存包括結存於中國內地、香港及澳門若干銀行之存款約人民幣86,422萬元（等值約港幣103,788萬元）（2016年：約人民幣106,564萬元，等值約港幣118,963萬元）。

根據香港保監局之規定，受其監管的一家附屬公司需經常將為數不少於港幣1,600萬元之資金以保險業監管局賬戶名義撥為銀行存款。於2017年12月31日，該附屬公司於香港一家銀行以保險業監管局賬戶名義存放港幣1,600萬元（2016年：人民幣1,390萬元，等值約港幣1,552萬元及港幣200萬元）之定期存款以符合有關規定。該附屬公司亦維持澳門幣1,410萬元（等值約港幣1,369萬元）、人民幣400萬元（等值約港幣480萬元）及港幣960萬元（2016年：澳門幣1,410萬元，等值約港幣1,369萬元、約人民幣368萬元，等值約港幣410萬元及港幣120萬元）之銀行存款以符合澳門《保險活動管制法例》之若干規定。

根據本公司簽訂的貸款額度（註釋31）的規定，本公司於2017年12月31日已抵押其銀行存款人民幣4,100萬元（等值約港幣4,924萬元）（2016年：人民幣4,100萬元，等值約港幣4,577萬元）予借款銀行作為抵押品以履行本公司的還款責任。

根據中國內地的法律及法規，一家附屬公司於2017年12月31日存放約人民幣200萬元（等值約港幣240萬元）（2016年：人民幣874萬元，等值約港幣976萬元）的銀行存款作為向當地法院申請保全違約客戶的財產的保證金。

28 CASH AND BANK BALANCES

The cash and bank balances of the Group included deposits of approximately RMB864.22 million (equivalent to approximately HK\$1,037.88 million) (2016: approximately RMB1,065.64 million, equivalent to approximately HK\$1,189.63 million) placed with certain banks in Mainland China, Hong Kong and Macau by the Group.

Pursuant to the requirements from the HKIA, a subsidiary shall maintain at all times a portion of its funds of not less than HK\$16 million in the name of Insurance Authority account in bank deposits. At 31 December 2017, that subsidiary has placed fixed deposits of HK\$16 million (2016: RMB13.9 million, equivalent to approximately HK\$15.52 million and HK\$2 million) in the name of Insurance Authority account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP14.1 million (equivalent to approximately HK\$13.69 million), RMB4 million (equivalent to approximately HK\$4.8 million) and HK\$9.6 million (2016: MOP14.1 million, equivalent to approximately HK\$13.69 million, approximately RMB3.68 million, equivalent to approximately HK\$4.1 million and HK\$1.2 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

Pursuant to the requirements of the loan facilities (Note 31) entered into by the Company, the Company had charged its bank deposits of RMB41 million (equivalent to approximately HK\$49.24 million) at 31 December 2017 (2016: RMB41 million, equivalent to approximately HK\$45.77 million) to the lending banks as collaterals for the fulfillment of the Company's repayment obligations.

Pursuant to the laws and regulations in Mainland China, a subsidiary has placed bank deposits of approximately RMB2 million (equivalent to approximately HK\$2.4 million) at 31 December 2017 (2016: RMB8.74 million, equivalent to approximately HK\$9.76 million) to guarantee the application to the local court for property preservation right against default customers.

29 保險合約及再保險資產

29 INSURANCE CONTRACTS AND REINSURANCE ASSETS

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross		
已呈報索償及損失調整費用	Claims reported and loss adjustment expenses	25,978	26,425
已發生但未呈報索償	Claims incurred but not reported	32,207	31,218
		58,185	57,643
未滿期保費	Unearned premiums	27,624	33,514
未滿期風險撥備	Unexpired risks provision	1,841	2,619
保險責任總值，毛額	Total insurance liabilities, gross	87,650	93,776
應收再保險人款項	Recoverable from reinsurers		
已呈報索償及損失調整費用	Claims reported and loss adjustment expenses	(2,339)	(3,809)
已發生但未呈報索償	Claims incurred but not reported	(3,767)	(3,163)
		(6,106)	(6,972)
未滿期保費	Unearned premiums	(206)	(975)
再保險人應佔保險責任總額（註釋25）	Total reinsurers' share of insurance liabilities (Note 25)	(6,312)	(7,947)
淨額	Net		
已呈報索償及損失調整費用	Claims reported and loss adjustment expenses	23,639	22,616
已發生但未呈報索償	Claims incurred but not reported	28,440	28,055
		52,079	50,671
未滿期保費	Unearned premiums	27,418	32,539
未滿期風險撥備	Unexpired risks provision	1,841	2,619
保險責任總值，淨額	Total insurance liabilities, net	81,338	85,829

已呈報索償毛額、損失調整費用及已發生但未呈報索償等責任的數額已扣除預期可從損餘及代位權收回的款額。

The liabilities for gross claims reported, loss adjustment expenses and claims incurred but not reported are net of expected recoveries from salvage and subrogation.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 保險合約及再保險資產 (續)

29 INSURANCE CONTRACTS AND REINSURANCE ASSETS (Continued)

(a) 賠償及損失調整費用變動

(a) Movement in claims and loss adjustment expenses

		2017			2016		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元	港元千元	港元千元	港元千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
已呈報賠償	Notified claims	26,425	(3,809)	22,616	25,415	(22)	25,393
已發生但未呈報	Incurred but not reported	31,218	(3,163)	28,055	24,727	(3,782)	20,945
於1月1日	At 1 January	57,643	(6,972)	50,671	50,142	(3,804)	46,338
年內以現金償付的賠償	Cash paid for claims settled during the year	(30,711)	8,201	(22,510)	(14,057)	47	(14,010)
責任增加/(減少)	Increase/(decrease) in liabilities						
當年產生賠償	arising from current year claims	17,501	(4,417)	13,084	12,083	(129)	11,954
往年產生賠償	arising from prior year claims	12,763	(2,314)	10,449	2,984	(3,705)	(721)
已發生但未呈報準備金之變動	movement in provision for claims incurred but not reported	989	(604)	385	6,491	619	7,110
於12月31日	At 31 December	58,185	(6,106)	52,079	57,643	(6,972)	50,671
已呈報賠償	Notified claims	25,978	(2,339)	23,639	26,425	(3,809)	22,616
已發生但未呈報	Incurred but not reported	32,207	(3,767)	28,440	31,218	(3,163)	28,055
於12月31日	At 31 December	58,185	(6,106)	52,079	57,643	(6,972)	50,671

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 保險合約及再保險資產 (續)

29 INSURANCE CONTRACTS AND REINSURANCE ASSETS (Continued)

(b) 未滿期保費準備金變動

(b) Movement in provision for unearned premiums

		2017			2016		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港元千元 HK\$'000	港元千元 HK\$'000	港元千元 HK\$'000
於1月1日	At 1 January	33,514	(975)	32,539	36,106	(1,051)	35,055
年內(減少)/增加	(Decrease)/increase during the year	(5,890)	769	(5,121)	19,623	(812)	18,811
年內撥回	Release during the year	-	-	-	(22,215)	888	(21,327)
於12月31日	At 31 December	27,624	(206)	27,418	33,514	(975)	32,539

未滿期保費準備金為本集團須承擔但於呈報日尚未到期的短期保險合約責任。

Provision for unearned premiums represented the liabilities for short-term insurance contracts for which the Group's obligations are not expired at the reporting date.

(c) 未滿期風險準備金變動

(c) Movement in provision for unexpired risks

		2017			2016		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港元千元 HK\$'000	港元千元 HK\$'000	港元千元 HK\$'000
於1月1日	At 1 January	2,619	-	2,619	1,402	-	1,402
年內(減少)/增加	(Decrease)/increase during the year	(778)	-	(778)	1,217	-	1,217
於12月31日	At 31 December	1,841	-	1,841	2,619	-	2,619

未滿期風險準備金與本集團預期支付賠償額超出相關未滿期保費準備金的保險合約有關。

The provision for unexpired risks related to the insurance contracts for which the Group expected to pay claims in excess of the related provision for unearned premiums.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 保險應付款

於2017年12月31日，保險應付款的賬齡分析（按發票日期）概述如下：

30 INSURANCE PAYABLE

At 31 December 2017, the ageing analysis of the insurance payable by invoice date was summarised as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	2,277	3,330
31至60日	31-60 days	2,249	1,752
61至90日	61-90 days	1,591	1,522
超過90日	Over 90 days	1,133	4,300
		7,250	10,904

31 銀行貸款

長期銀行貸款
有抵押，以港元為單位 (a)
無抵押，以港元為單位 (b)

短期銀行貸款
無抵押，以港元為單位 (b)

減：包括於流動負債內之
一年內到期的款項

31 BANK BORROWINGS

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
Long term bank loans			
Secured, in HK Dollars (a)		354,141	502,112
Unsecured, in HK Dollars (b)		198,131	198,635
Short term bank loans			
Unsecured, in HK Dollars (b)		-	652,672
		552,272	1,353,419
Less: Amounts due within one year included in current liabilities		(354,141)	(800,645)
		198,131	552,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 銀行貸款 (續)

根據貸款額度所載的定期還款日期，銀行貸款到期日概述如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
第一年內	Within 1 year	354,141	800,645
多於一年但於兩年內	More than 1 year but within 2 years	198,131	354,139
多於兩年但於五年內	More than 2 years but within 5 years	-	198,635
		552,272	1,353,419

31 BANK BORROWINGS (Continued)

The maturity profile of the bank loans based on the scheduled repayment dates set out in the loan facilities was summarised as follows:

- (a) 銀行貸款為本公司於過往年度根據香港一家銀行提供的信貸額度提取需於三年內償還之浮息有期貸款的未償還結餘。該等銀行貸款以一家全資附屬公司擁有位於香港的自用辦事處物業作抵押，該物業於2017年12月31日的賬面淨值約港幣992萬元（2016年：約港幣1,018萬元）及以本公司於2017年12月31日存放於借款銀行的本公司銀行存款人民幣4,100萬元（等值約港幣4,924萬元）（2016年：人民幣4,100萬元，等值約港幣4,577萬元）作抵押以履行本公司的還款責任。

該等銀行貸款的利息按香港銀行同業拆息加息差計算，於2017年12月31日，實際年利率為4.3厘（2016年：3.3厘至4厘）。

- (b) 銀行貸款為本公司於2016年根據香港若干銀行提供的信貸額度提取需於提取日後三年內到期及償還之浮息有期貸款的未償還結餘。

該等銀行貸款的利息按香港銀行同業拆息加息差計算，於2017年12月31日，實際年利率為4.2厘（2016年：3.5厘）。

- (a) The bank loans represented the outstanding balance of floating rates term loans repayable within three years under loan facilities obtained from a bank in Hong Kong in prior years. These bank loans were secured by the self-use office building owned by a wholly-owned subsidiary in Hong Kong with a net book value of approximately HK\$9.92 million at 31 December 2017 (2016: approximately HK\$10.18 million) and bank deposits of the Company of RMB41 million (equivalent to approximately HK\$49.24 million) at 31 December 2017 (2016: RMB41 million, equivalent to approximately HK\$45.77 million) placed with the lending bank for the fulfillment of the Company's repayment obligations.

These bank loans bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rates at 31 December 2017 was 4.3% (2016: 3.3% to 4%) per annum.

- (b) The bank loans represented the outstanding balance of floating rates term loans to be matured and repayable in three years from the date of drawdown under loan facilities obtained from certain banks in Hong Kong in 2016.

These bank loans bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rate at 31 December 2017 was 4.2% (2016: 3.5%) per annum.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 銀行貸款 (續)

- (c) 根據上述信貸額度之條款，本公司承諾促使本公司的控股股東福建投資集團須於該等信貸額度期內維持持有本公司（無論直接或間接）已發行股本不少於35%的實益權益。根據福建投資集團簽署的一份安慰函，福建投資集團同意並確認，當中包括，將直接或間接持有本公司已發行股本不少於35%的實益權益和擁有本公司的管理控制權。

32 遞延所得稅

遞延所得稅採用負債法就暫時差異按香港稅項之稅率16.5%（2016年：16.5%）及中國內地稅項之稅率25%（2016年：25%）作全數撥備。當有法定權利可將當期稅項資產與當期稅項負債抵銷，而遞延所得稅涉及同一稅務機關對同一個應課稅實體，則可將遞延所得稅資產與遞延所得稅負債互相抵銷。

遞延所得稅資產／（負債）之變動概述如下：

31 BANK BORROWINGS (Continued)

- (c) Pursuant to the terms of the above loan facilities, the Company shall procure FIDG, a controlling shareholder of the Company, to maintain (whether directly or indirectly) not less than 35% beneficial interest in the issued share capital of the Company during the tenor of these loan facilities. Pursuant to a letter of comfort duly signed by FIDG, FIDG agreed and confirmed that, among other matters, it shall directly or indirectly own not less than 35% beneficial interest in the issued share capital of the Company and management control right in the Company.

32 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a taxation rate of 16.5% (2016: 16.5%) for Hong Kong taxation and 25% (2016: 25%) for Mainland China taxation. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on the same taxable entity.

The movement on the deferred income tax assets/ (liabilities) was summarised as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	(21,847)	(35,214)
匯兌差額	Translation differences	739	(663)
在當年度損益表記賬之遞延所得稅	Deferred income tax credited to current year's income statement	2,902	14,001
在投資重估儲備金（扣除）／記賬之遞延所得稅	Deferred income tax (charged)/credited to investment revaluation reserve	(41)	29
於12月31日	At 31 December	<u>(18,247)</u>	<u>(21,847)</u>

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32 遞延所得稅 (續)

遞延所得稅資產乃因應相關稅務利益很有可能透過未來應課稅溢利變現而就所結轉之稅損作確認。於2017年12月31日，本集團未確認的可以抵銷未來應課稅收入的稅損約港幣3.6億元（2016年：約港幣3.44億元），而此稅損並無限期。

於年內遞延所得稅資產及負債之變動（與同一徵稅地區之結餘抵銷前）概述如下：

遞延所得稅負債

32 DEFERRED INCOME TAX (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. At 31 December 2017, the Group did not recognise tax losses of approximately HK\$360 million (2016: approximately HK\$344 million) that can be carried forward against future taxable income and have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year was summarised as follows:

Deferred income tax liabilities

		加速稅項折舊及 投資物業重估 Accelerated tax depreciation and revaluation of investment properties	
		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	41,969	50,876
在當年度損益表 記賬	Credited to current year's income statement	(2,641)	(8,907)
於12月31日	At 31 December	39,328	41,969

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 遞延所得稅 (續)

32 DEFERRED INCOME TAX (Continued)

遞延所得稅資產

Deferred income tax assets

		應計費用		可供出售金融資產 公平值調整		客戶貸款及應收利息 減值準備		稅損		總額	
		Accrued expenses		Fair value adjustment for available-for-sale financial assets		Impairment allowances on loans to customers and interest receivable		Tax losses		Total	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	(308)	(299)	(41)	(12)	(10,501)	(6,438)	(9,272)	(8,913)	(20,122)	(15,662)
匯兌差額	Translation differences	-	-	-	-	(739)	663	-	-	(739)	663
在當年度損益表 (記賬)/扣除	(Credited)/charged to current year's income statement	-	(9)	-	-	1,316	(4,726)	(1,577)	(359)	(261)	(5,094)
在投資重估 儲備金 扣除/(記賬)	Charged/(credited) to investment revaluation reserve	-	-	41	(29)	-	-	-	-	41	(29)
於12月31日	At 31 December	(308)	(308)	-	(41)	(9,924)	(10,501)	(10,849)	(9,272)	(21,081)	(20,122)

在計入適當抵銷遞延所得稅資產及負債後，下列金額在綜合財務狀況表內列示：

The following amounts, determined after appropriate offsetting of deferred income tax assets and liabilities, are shown in the consolidated statement of financial position:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
遞延所得稅資產	Deferred income tax assets		
將於12個月後收回	To be recovered after 12 months	10,108	10,715
將於12個月內收回	To be recovered within 12 months	42	52
		10,150	10,767
遞延所得稅負債	Deferred income tax liabilities		
將於12個月後繳付	To be settled after 12 months	(28,397)	(32,614)
		(18,247)	(21,847)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 資本及儲備金

(a) 股本

		2017		2016	
		股份數目 No. of shares	港幣千元 HK\$'000	股份數目 No. of shares	港幣千元 HK\$'000
已發行及繳足股本之普通股	Ordinary shares, issued and fully paid				
於1月1日	At 1 January	459,428,656	891,135	459,428,656	891,135
以供股方式發行之新普通股份，扣除發行股份費用後之淨額 (i)	Issuance of new ordinary shares by way of rights issue, net of share issue expenses (i)	137,828,596	824,242	–	–
於12月31日	At 31 December	597,257,252	1,715,377	459,428,656	891,135

根據香港公司條例第135條，本公司普通股股份並無票面值。

普通股持有人有權收取不時宣派的股息，並在本公司的股東會議上就每股有一票的投票權。所有普通股股份對本公司剩餘資產擁有同等權益。

- (i) 本公司於2017年6月14日透過以供股方式按每持有十股現有普通股股份獲發三股供股股份之基準，按每股供股股份港幣6元之認購價發行137,828,596股新普通股股份，於扣除股份發行費用後，本公司籌集所得款項淨額約港幣82,424萬元。配售及發行的新普通股股份在各方面與現有普通股股份享有同等地位。

33 CAPITAL AND RESERVES

(a) Share capital

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (i) The Company had raised gross proceeds less share issue expenses of approximately HK\$824.24 million by way of rights issue of 137,828,596 new ordinary shares at a subscription price of HK\$6 per rights share on the basis of three rights shares for every ten existing ordinary shares on 14 June 2017. The new ordinary shares allotted and issued ranked pari passu in all respects with the existing ordinary shares.

33 資本及儲備金 (續)

(b) 儲備金的性質及用途

(i) 額外權益工具

額外權益工具為一家聯營金融機構發行之5.25厘非累計次級額外一級資本債券。

(ii) 法定儲備金

法定儲備金主要包括：

- 一家聯營金融機構根據《澳門地區金融體系之法律制度》從保留溢利撥出之不可分配的法定儲備金。
- 一家聯營金融機構根據財政部頒布的《金融企業呆賬準備提取管理辦法》(財金[2005]49號)設立的一般準備。該一般準備作為利潤分配處理，並作為股東權益組成部分，用以彌補尚未識別的潛在減值虧損。
- 一家聯營金融機構根據香港金融管理局的規定從保留溢利撥出之監管儲備。

(iii) 普通儲備金

普通儲備金乃從保留溢利撥出並作一般用途。

33 CAPITAL AND RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Additional equity instrument

The additional equity instrument represents 5.25% undated non-cumulative subordinated additional tier 1 capital securities issued by an associated financial institution.

(ii) Statutory reserve

The statutory reserve mainly comprises the following:

- Non-distributable reserve set aside by an associated financial institution from its retained profits in accordance with the Financial System Act of Macau.
- General reserve established and maintained within shareholders' equity of an associated financial institution pursuant to Caijin [2005] No. 49 "Measures on General Provision for Bad and Doubtful Debts for Financial Institutions" issued by Ministry of Finance. The general reserve was established through the appropriation of income to cover unidentified potential impairment losses.
- Regulatory reserve set aside by an associated financial institution from its retained profits in accordance with the requirements of the Hong Kong Monetary Authority.

(iii) General reserve

The general reserve is transferred from retained profits and is available for general use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 資本及儲備金 (續)

(b) 儲備金的性質及用途 (續)

(iv) 資本儲備金

資本儲備金包括：

- 2001年1月1日以前就業務合併及投資聯營公司而產生的商譽及本集團應佔被收購者的可識辨資產、負債及或然負債的公平淨值高於成本價的數額；
- 聯營公司及其附屬公司為增加股本及資本公積而將保留溢利及儲備金資本化；
- 應佔聯營公司在不導致失去其附屬公司控股權的變動時記入權益的儲備金變動。

(v) 投資重估儲備金

投資重估儲備金包括於呈報期末持有的可供出售金融資產的累計公平值變動淨額（扣減相關遞延稅項支出）。

(vi) 租賃樓房重估儲備金

租賃樓房重估儲備金包括租賃樓房從業主自用物業重新分類為投資物業之日所產生的公平值變動淨值。

(vii) 外匯折算儲備金

外匯折算儲備金包括換算海外附屬公司及聯營公司的財務報表至本公司呈報貨幣所產生的所有匯兌差額。

33 CAPITAL AND RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iv) Capital reserve

The capital reserve comprises the following:

- goodwill and the excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of business combination and the investments in associates prior to 1 January 2001;
- capitalisation of retained profits and reserves for the purpose of increasing the share capital and capital reserve of associates and their subsidiaries;
- share of movement in reserves recorded in equity of associates for the change in the interest in their subsidiaries that do not result in a loss of control.

(v) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets (less related deferred tax charge) held at the end of the reporting period.

(vi) Leasehold buildings revaluation reserve

The leasehold buildings revaluation reserve comprises the net change in the fair value of leasehold buildings at the date of reclassification from owner-occupied property to investment property.

(vii) Exchange translation reserve

The exchange translation reserve comprises all foreign exchange differences arising on translation of the financial statements of foreign subsidiaries and associates into the reporting currency of the Company.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 承擔

於2017年12月31日，本集團的承擔如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
已簽約但未撥備	Contracted but not provided for		
– 物業、機器及設備	– property, plant and equipment	427	–
– 投資物業	– investment properties	199	185
– 無形資產 – 電腦系統	– intangible assets – computer system	–	1,500
		<u>626</u>	<u>1,685</u>

34 COMMITMENTS

At 31 December 2017, the Group had commitments as follows:

35 租約承擔

(a) 承租人

於2017年12月31日，本集團根據不可撤銷之經營租賃而須於未來支付之最低租賃付款如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
房地產	Land and buildings		
第一年内	Within one year	326	576
第二年至第五年内 (包括首尾兩年)	In the second to fifth year inclusive	53	174
		<u>379</u>	<u>750</u>

35 LEASE COMMITMENTS

(a) As lessee

At 31 December 2017, the Group had future aggregate minimum lease payments payable under non-cancellable operating leases as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 租約承擔 (續)

(b) 出租人

於2017年12月31日，本集團根據不可撤銷之經營租賃而於未來應收取之最低租賃付款如下：

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
房地產	Land and buildings		
第一年內	Within one year	9,505	7,279
第二年至第五年內 (包括首尾兩年)	In the second to fifth year inclusive	13,462	14,099
		22,967	21,378

本集團出租之商業物業之租賃年期由一年至八年不等，租賃期內之租金乃固定租金。

35 LEASE COMMITMENTS (Continued)

(b) As lessor

At 31 December 2017, the Group had future aggregate minimum lease payments receivable under non-cancellable operating leases as follows:

The lease terms for commercial properties leased out by the Group range from one to eight years and with fixed rentals throughout the lease periods.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 綜合現金流量表註釋

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) 除稅前溢利與經營活動現金
(流出)／流入淨額對賬

(a) Reconciliation of profit before taxation to net
cash (outflow)/inflow from operations

	2017	2016
	港幣千元 HK\$'000	港幣千元 HK\$'000
除稅前溢利	536,923	272,087
調整：		
應佔聯營公司業績	(517,924)	(471,701)
投資物業重估公平值虧損	718	8,679
折舊及攤銷	1,640	1,423
客戶貸款及應收利息減值虧損(撥回)／扣除	(3,393)	154,777
出售可供出售金融資產收益淨額	(9,802)	(306)
出售一家聯營公司權益的收益	-	(438)
出售一家分類為持作出售的聯營公司的收益	-	(1,824)
一家聯營公司權益被攤薄的虧損	-	40,424
出售物業、機器及設備虧損	38	20
利息收入	(36,524)	(23,116)
減值客戶貸款利息收入	(5,986)	(20,611)
利息支出	37,056	35,001
匯兌(收益)／虧損淨額	(15,536)	19,343
流動資金變動情況：		
存貨增加	(89,946)	-
遞延取得成本增加	(198)	(1,609)
保險應收款減少	3,266	1,471
再保險資產減少／(增加)	1,635	(3,092)
客戶貸款及應收利息減少	27,541	9,282
抵債資產增加	(1,180)	-
其他應收賬款減少／(增加)	42	(2)
預款貸款增加	(90,641)	(8,216)
其他預付款及按金減少／(增加)	1,036	(44)
按公平值透過損益列賬的金融資產減少	4,804	2,987
保險合約(減少)／增加	(6,126)	6,126
保險應付款(減少)／增加	(3,654)	2,086
其他應付款及應計費用增加／(減少)	4,232	(334)
經營活動現金(流出)／流入淨額	(161,979)	22,413
Profit before taxation	536,923	272,087
Adjustments for:		
Share of results of associates	(517,924)	(471,701)
Fair value losses on revaluation of investment properties	718	8,679
Depreciation and amortisation	1,640	1,423
(Write back of)/charge for impairment loss on loans to customers and interest receivable	(3,393)	154,777
Net gains on disposal of available-for-sale financial assets	(9,802)	(306)
Gain on disposal of interest in an associate	-	(438)
Gain on disposal of an associate classified as held for sale	-	(1,824)
Loss on dilution of interest in an associate	-	40,424
Loss on disposal of property, plant and equipment	38	20
Interest income	(36,524)	(23,116)
Interest income from impaired loans to customers	(5,986)	(20,611)
Interest expenses	37,056	35,001
Net exchange (gains)/losses	(15,536)	19,343
Changes in working capital:		
Increase in inventory	(89,946)	-
Increase in deferred acquisition costs	(198)	(1,609)
Decrease in insurance receivable	3,266	1,471
Decrease/(increase) in reinsurance assets	1,635	(3,092)
Decrease in loans to customers and interest receivable	27,541	9,282
Increase in repossessed assets	(1,180)	-
Decrease/(increase) in other debtors	42	(2)
Increase in advance payment	(90,641)	(8,216)
Decrease/(increase) in other prepayments and deposits	1,036	(44)
Decrease in financial assets at fair value through profit or loss	4,804	2,987
(Decrease)/increase in insurance contracts	(6,126)	6,126
(Decrease)/increase in insurance payable	(3,654)	2,086
Increase/(decrease) in other creditors and accruals	4,232	(334)
Net cash (outflow)/inflow from operations	(161,979)	22,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 綜合現金流量表註釋 (續)

- (b) 下表載列本集團因融資活動所產生負債的變動詳情，包括現金及非現金變動。

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

- (b) The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

		銀行貸款 Bank borrowings
		港幣千元 HK\$'000
於 2017 年 1 月 1 日	At 1 January 2017	1,353,419
融資現金流變動：	Changes from financing cash flows:	
償還銀行貸款	Bank loans repaid	(806,352)
已付其他借貸成本	Other borrowing costs paid	(1,400)
非現金變動：	Non-cash changes:	
其他貸款費用攤銷	Amortisation of other borrowing costs	6,605
於 2017 年 12 月 31 日	At 31 December 2017	552,272

37 關聯方交易

除於本綜合財務報表其他部分披露外，本集團在正常業務範圍內進行之重大關聯方交易摘要如下：

- (a) 於 2017 年 12 月 31 日，本集團結存於廈銀、集友及澳銀（全部為本集團之聯營公司）的存款合計港幣 45,971 萬元（2016 年：港幣 73,966 萬元）。此等存款的利息以一般商業利率計算，本集團於年內由此所產生的利息收入為港幣 1,255 萬元（2016 年：港幣 1,001 萬元）。

37 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, significant related party transactions which were carried out in the normal course of the Group's business are as follows:

- (a) At 31 December 2017, the Group had deposits with XIB, CYB and LIB, all are associates of the Group, totalling HK\$459.71 million (2016: HK\$739.66 million). These deposits carried interest at normal commercial rates and had generated interest income of HK\$12.55 million (2016: HK\$10.01 million) to the Group during the year.

37 關聯方交易 (續)

- (b) 於2017年12月31日，本集團應付集友的未償還銀行貸款結餘總額為港幣45,688萬元。未償還銀行貸款結餘港幣35,688萬元以一家全資附屬公司擁有位於香港的自用辦事處物業作抵押，該物業於2017年12月31日的賬面淨值約港幣992萬元及以本公司於2017年12月31日存放於集友的存款人民幣4,100萬元（等值約港幣4,924萬元）作抵押。未償還銀行貸款結餘港幣10,000萬元於2017年12月31日為無抵押。

該等銀行貸款的利息按香港銀行同業拆息加息差計算，於2017年12月31日，實際年利率介乎4.2厘至4.3厘。集友成為本集團聯營公司之日（2017年3月27日）至2017年12月31日期間，上述銀行貸款的相關利息支出約港幣1,947萬元，而於2017年12月31日的相關應付利息約港幣36萬元。

- (c) 於年內，本集團一家附屬公司承保一家聯營公司的保險而收取扣除折扣後的毛保費收入合計港幣382萬元(2016年：港幣286萬元)，此等保單與本集團承保其他第三者客戶所簽訂之合同和收取的費用無異。該附屬公司亦於年內就上述聯營公司轉介業務予本集團向其支付佣金港幣518萬元(2016年：港幣525萬元)。

37 RELATED PARTY TRANSACTIONS (Continued)

- (b) At 31 December 2017, the Group had outstanding bank loans from CYB, an associate of the Group, totalling HK\$456.88 million. The outstanding balance of HK\$356.88 million were secured by the self-use office building owned by a wholly-owned subsidiary in Hong Kong with a net book value of approximately HK\$9.92 million at 31 December 2017 and bank deposits of the Company of RMB41 million (equivalent to approximately HK\$49.24 million) placed with CYB at 31 December 2017. The outstanding balance of HK\$100 million were unsecured as at 31 December 2017.

These bank loans bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rate at 31 December 2017 ranged from 4.2% to 4.3% per annum. The related interest expenses of the above bank loans were approximately HK\$19.47 million for the period from the date when CYB became an associate of the Group (27 March 2017) to 31 December 2017 and the related interest payable at 31 December 2017 was approximately HK\$0.36 million.

- (c) A subsidiary of the Group underwrote insurance policies with gross insurance premiums less discounts of HK\$3.82 million (2016: HK\$2.86 million) to an associate of the Group at prices and terms not less favourable than those contracted with other third party customers of the Group during the year. That subsidiary also paid commissions of HK\$5.18 million (2016: HK\$5.25 million) to the aforementioned associate for business referred to the Group during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 關聯方交易 (續)

37 RELATED PARTY TRANSACTIONS
(Continued)

(d) 主要管理人員

(d) Key management personnel

高級行政人員截至2017年及2016年12月31日止年度之酬金如下：

The senior executives' emoluments for the year ended 31 December 2017 and 2016 are detailed as follows:

		2017	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
董事袍金	Directors' fees	1,198	1,103
薪俸、房屋及其他津貼、 及實物利益	Salaries, housing and other allowances, and benefits in kind	5,803	5,198
退休福利計劃供款	Contributions to retirement benefit scheme	76	48
獎金	Bonus	4,840	4,220
		<u>11,917</u>	<u>10,569</u>

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 公司財務狀況表

38 COMPANY STATEMENT OF FINANCIAL POSITION

		2017	2016
	註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
非流動資產	Non-current assets		
物業、機器及設備	Property, plant and equipment	3,402	3,702
投資物業	Investment properties	73,018	78,636
附屬公司	Subsidiaries	1,314,909	1,285,644
聯營公司	Associates	972,776	972,776
可供出售金融資產	Available-for-sale financial assets	503,514	550,540
預付款	Prepayments	180	-
		2,867,799	2,891,298
流動資產	Current assets		
可供出售金融資產	Available-for-sale financial assets	-	6,592
其他應收賬款	Other debtors	2,351	1,079
預付款及按金	Prepayments and deposits	735	464
應收一家聯營公司股息	Dividend receivable from an associate	-	118,123
按公平值透過損益列賬的金融資產	Financial assets at fair value through profit or loss	304	282
現金及銀行結存	Cash and bank balances	385,203	183,709
		388,593	310,249
流動負債	Current liabilities		
其他應付賬款及應計費用	Other creditors and accruals	17,252	18,095
銀行貸款	Bank borrowings	354,141	800,645
應付本期稅項	Current income tax payable	25,135	35,176
		396,528	853,916
流動負債淨值	Net current liabilities	(7,935)	(543,667)
總資產減流動負債	Total assets less current liabilities	2,859,864	2,347,631

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 公司財務狀況表 (續)

38 COMPANY STATEMENT OF FINANCIAL POSITION (Continued)

			2017	2016
		註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
非流動負債	Non-current liabilities			
銀行貸款	Bank borrowings		198,131	552,774
遞延所得稅負債	Deferred income tax liabilities		26,537	30,209
			<u>224,668</u>	<u>582,983</u>
資產淨值	Net assets		<u>2,635,196</u>	<u>1,764,648</u>
股本	Share capital		1,715,377	891,135
其他儲備金	Other reserves	(a)	282,468	322,925
保留溢利	Retained profits			
擬派股息	Proposed dividend		47,781	22,971
其他	Others		589,570	527,617
權益總額	Total equity		<u>2,635,196</u>	<u>1,764,648</u>

彭錦光
董事

PENG Jin Guang
Director

劉承
董事

LIU Cheng
Director

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 公司財務狀況表 (續)

38 COMPANY STATEMENT OF FINANCIAL POSITION (Continued)

(a) 年內其他儲備金變動詳述如下：

(a) The movement of other reserves during the year was detailed as follows:

		其他儲備金				保留溢利	股東權益總額
		股本	投資重估儲備金	租賃樓房重估儲備金	其他儲備金總額		
		Share capital	Investment revaluation reserve	Leasehold buildings revaluation reserve	Total other reserves	Retained profits	Total equity
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2016年1月1日	At 1 January 2016	891,135	498,635	2,340	500,975	639,026	2,031,136
本年度全面收益總額	Total comprehensive income for the year	-	(178,050)	-	(178,050)	(65,467)	(243,517)
股息	Dividend	-	-	-	-	(22,971)	(22,971)
於2016年12月31日	At 31 December 2016	891,135	320,585	2,340	322,925	550,588	1,764,648
組成如下：	Representing:						
2016年擬派股息	2016 proposed dividend	-	-	-	-	22,971	22,971
其他	Others	891,135	320,585	2,340	322,925	527,617	1,741,677
於2016年12月31日	At 31 December 2016	891,135	320,585	2,340	322,925	550,588	1,764,648
於2017年1月1日	At 1 January 2017	891,135	320,585	2,340	322,925	550,588	1,764,648
以供股方式發行之新普通股份，扣除股份發行費用後之淨額 (註釋33(a)(i))	Issuance of new ordinary shares by way of rights issue, net of share issue expenses (Note 33(a)(i))	824,242	-	-	-	-	824,242
本年度全面收益總額	Total comprehensive income for the year	-	(40,457)	-	(40,457)	116,626	76,169
股息	Dividend	-	-	-	-	(29,863)	(29,863)
於2017年12月31日	At 31 December 2017	1,715,377	280,128	2,340	282,468	637,351	2,635,196
組成如下：	Representing:						
2017年擬派股息	2017 proposed dividend	-	-	-	-	47,781	47,781
其他	Others	1,715,377	280,128	2,340	282,468	589,570	2,587,415
於2017年12月31日	At 31 December 2017	1,715,377	280,128	2,340	282,468	637,351	2,635,196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 附屬公司

以下摘要只包括於2017年12月31日對本集團的業績、資產或負債有重大影響的附屬公司。

39 SUBSIDIARIES

The following list contains the particulars of those subsidiaries at 31 December 2017 which principally affected the results, assets or liabilities of the Group.

公司名稱	Name of company	註冊及 經營地點 Place of incorporation and operations	已發行及繳 足股本詳情 Particulars of issued and paid up capital	本集團 所佔權益 Group's equity interest	主要業務 Principal activities
直接持有	Directly held				
多創發展有限公司	Dorfine Development Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
福建閩信投資有限公司	Fujian Minxin Investments Co., Ltd.	中華人民共和國 The People's Republic of China	實收資本 (港幣1,010,536,200元) Paid-in capital (HK\$1,010,536,200)	100%	投資控股 及汽車貿易 Investment holding and trading in motor vehicles
閩信(中國)投資有限公司	Min Xin (China) Investment Limited	英屬處女群島 British Virgin Islands	1股(1美元) 1 share (US\$1)	100%	投資控股 Investment holding
閩信保險有限公司	Min Xin Insurance Company Limited	香港 Hong Kong	5,500萬股 (港幣1.15億元) 55 million shares (HK\$115 million)	100%	承保 一般保險業務 Writing of general insurance business
三明市三元區閩信小額貸款 有限公司	Sanming Sanyuan District Minxin Micro Credit Company Limited	中華人民共和國 The People's Republic of China	實收資本 (人民幣3億元) Paid-in capital (RMB300 million)	100%	提供小額貸款 及委託貸款業務 Provision of micro credit and entrusted loans
允智有限公司	Take Chance Company Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
騰勝有限公司	Thousand Limited	香港 Hong Kong	1股(港幣1元) 1 share (HK\$1)	100%	投資控股 Investment holding
宏湛發展有限公司	Welljet Development Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
間接持有	Indirectly held				
閩信地產有限公司	Min Xin Properties Limited	香港 Hong Kong	500萬股 (港幣500萬元) 5 million shares (HK\$5 million)	100%	投資控股 Investment holding

本集團持有之主要物業權益附表

SCHEDULE OF PRINCIPAL PROPERTY INTERESTS HELD BY THE GROUP

本集團於2017年12月31日持有作投資之主要物業權益詳情如下：

Details of the Group's principal property interests held for investment as at 31 December 2017 are as follows:

位置	Location	租約屆滿期 Lease expiry	本集團應佔權益 Group's attributable interest	概約建築總面積 Approximate gross floor area	現時用途 Existing use
			百分比%	平方呎sq. ft.	
1	九龍油麻地廣東道847-865號永發大廈地下舖位7號及8號連8號舖之閣樓、1樓及2樓全層	2049	100	14,841	商業 Commercial
2	中華人民共和國福建省福州市五四路158號環球廣場22樓及23樓	2044	100	41,288	商業 Commercial
3	中華人民共和國福建省福州市五四路158號環球廣場地下三層車位號碼#24至#28及#42至#48	2044	100	5,227	商業 Commercial
4	中華人民共和國福建省福州市五四路119號嘉信大廈14樓西半層	2043	100	281	商業 Commercial
5	中華人民共和國福建省福州市古田路121號華福大廈25樓D2單元	2063	100	1,225	住宅 Residential



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