



年度報告
Annual Report
2018



Hanhua Financial Holding Co.,Ltd.*

瀚華金控股份有限公司

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

(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號: 3903

CONTENTS

目錄

2	Corporate Overview 公司概況
5	Corporate Information 公司資料
9	Summary of Financial Data and Key Performance Indicators 財務數據及關鍵業績指標概要
10	Financial Highlights 財務概要
24	Chairman's Statement 董事長致辭
26	Management Discussion and Analysis 管理層討論與分析
26	Business and Financial Review 業務及財務回顧
161	Prospects 前景展望
163	Directors, Supervisors and Senior Management 董事、監事及高級管理層
175	Corporate Governance Report 企業管治報告
200	Environmental, Social and Governance Report 環境、社會及管治報告
227	Report of the Board of Directors 董事會報告
248	Report of the Board of Supervisors 監事會報告
252	Independent Auditor's Report 獨立審計報告
273	Consolidated Statement of Profit or Loss 合併損益表
274	Consolidated Statement of Profit or Loss and Other Comprehensive Income 合併損益及其他綜合收益表
275	Consolidated Statement of Financial Position 合併財務狀況表
278	Consolidated Statement of Changes in Equity 合併股東權益變動表
280	Consolidated Cash Flow Statement 合併現金流量表
282	Notes to the Financial Statements 財務報表附註

Corporate Overview

公司概況

COMPANY PROFILE OF HANHUA FINANCIAL HOLDING CO., LTD.

Founded in Chongqing in 2004, Hanhua Financial Holding Co., Ltd. (“**Hanhua Financial**”, “**Hanhua**” or the “**Company**”, together with its subsidiaries named as the “**Group**”, “**we**”, “**our**” or “**us**”) (Stock Code: 3903) was listed on The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) via issue of H shares in 2014. The Company aims to “establish a Chinese model for inclusive finance in the world”, concentrates on serving the real economy and supporting the micro, small and medium-sized enterprises. Through development, Hanhua has become the leading comprehensive inclusive finance group in the PRC. As of now, the Company has recorded the total assets of nearly RMB19 billion, the net assets of nearly RMB8 billion, and the annual business scale of nearly RMB100 billion. Hanhua has totally served more than one million micro, small and medium-sized enterprises and individual customers, and has provided more than 2 million job opportunities.

The Company is engaged in financing guarantee, micro credit, commercial banking, assets management, equity investment and other business segments, with its business covering 28 key cities and provinces nationwide. It provides one-stop, full-cycle and integrated financial services for micro, small and medium-sized enterprises.

Financing guarantee. The Group has set up 4 credit guarantee subsidiaries and 26 credit guarantee branches in Chongqing, Sichuan, Jiangsu, Liaoning, etc.. Hanhua Financing Guarantee Co., Ltd. (“**Hanhua Guarantee**”) has the registered capital of RMB3.5 billion. It is a vice-chairman unit of China Financing Guarantee Association. Hanhua Guarantee is one of China’s top ten enterprises in the financing guarantee industry, as well as the largest commercial guarantee institution in China, with the capital market rating of AA+. As at 31 December 2018, Hanhua Guarantee has recorded the net assets of over RMB4 billion and the guaranteed balance of nearly RMB44 billion. Since its establishment, Hanhua Guarantee has provided services for more than 50,000 micro, small and medium-sized enterprises. Hanhua Guarantee ranks among the first nationwide in terms of the number of micro and small customers and the business coverage ratio.

瀚華金控股份有限公司簡介

瀚華金控股份有限公司（「**瀚華金控**」、「**瀚華**」、「**公司**」或「**本公司**」，連同其附屬公司「**本集團**」或「**我們**」）（股份代號：3903）2004年創立於重慶，2014年在香港聯合交易所有限公司（「**香港聯交所**」）發行H股並上市。公司以「打造世界普惠金融的中國樣本」為願景，專注服務實體經濟，支持中小微企業，已經發展成為中國領先的綜合性普惠金融集團，目前總資產近人民幣190億元，淨資產近人民幣80億元，年業務規模近千億，累計服務中小微企業及個人客戶過百萬，帶動就業超過200萬人次。

公司旗下擁有融資擔保、小額信貸、民營銀行、資產管理、股權投資等業務板塊，業務遍及全國28個重點省市，為中小微企業提供一站式、全週期、綜合化的金融服務。

融資擔保。本集團在重慶、四川、江蘇、遼寧等地設有4家信用擔保附屬公司及26家信用擔保分支機構。瀚華融資擔保股份有限公司（「**瀚華擔保**」）註冊資本人民幣35億元，為中國融資擔保業協會副會長單位，是全國融資擔保行業10強企業，也是全國最大的商業擔保機構，資本市場評級AA+。截至2018年12月31日，瀚華擔保淨資產超人民幣40億元，在保餘額近人民幣440億元。公司自成立以來累計服務中小微企業超過5萬家，小微客戶數及業務佔比均居全國前列。

Corporate Overview

公司概況

Micro credit. As a vice-chairman unit of China Micro-Credit Companies Association, Hanhua Credit is composed of 9 micro-credit companies, including 5 internet micro-credit companies. By virtue of the financial science and technology, Hanhua Credit mainly provides loan services for micro enterprises and individual businesses.

Commercial banking. Chongqing Fumin Bank Co., Ltd. (“**Fumin Bank**”) was established on 26 August 2016 under the sponsorship of 7 private enterprises in Chongqing, including Hanhua Financial, Zongshen Group and Fuan Pharmaceutical. Its registered capital is RMB3 billion, to which Hanhua Financial contributed RMB900 million, accounting for an equity share of 30%, and is the largest shareholder of Fumin Bank. Fumin Bank is the first private bank in Central Western China as well as the first private bank normally approved by the government. By sticking to the mission of “supporting micro business & helping startups and enriching the people & prospering the country”, Fumin Bank provides high-quality and quick inclusive finance services for the three customer groups of micro, small and medium-sized enterprises, agriculture industry, rural areas and farmers as well as innovative startups by virtue of digital approaches. Fumin Bank is committed to establishing the world’s first-class multi-empowered digital and ecological bank. Over the two years since its opening, Fumin Bank has recorded the total assets of RMB37 billion, accounting for 84% of the enterprise loan for private enterprises.

Financial assets management. Liaoning Fu’an Financial Assets Management Co., Ltd. (“**Fu’an Asset**”) was established in 2017 under the sponsorship of 5 companies including Hanhua Financial and Shenyang Hengxin State-owned Assets Management Group Co., Ltd. It has the registered capital of RMB1 billion, of which Hanhua Financial holds an equity share of 55%. Fu’an Asset is the first financial assets management institution with mixed ownership in Liaoning Province, and was filed with China Banking Regulatory Commission (“**CBRC**”) in January 2018. Based in Liaoning and radiating across the country, Fu’an Asset provides the financial institutions and enterprises with services like transfer and disposal of non-performing assets, debt restructuring, investment management, financing innovation, etc..

小額信貸。瀚華信貸為中國小額貸款公司協會副會長單位，由9家小額貸款公司組成，其中包括5家互聯網小貸公司。瀚華信貸利用金融科技手段，主要向微型企業、個體工商戶提供貸款服務。

民營銀行。重慶富民銀行股份有限公司（「富民銀行」）由瀚華金控、宗申集團、福安藥業等7家重慶民營企業於2016年8月26日共同發起設立，註冊資本人民幣30億元，其中瀚華金控出資人民幣9億元，佔比30%，為第一大股東。富民銀行是中西部第一家民營銀行，也是常態化審批的第一家民營銀行。富民銀行以「扶微助創，富民興邦」為使命，以數字化手段為中小微企業、三農生態、創新創業三大客戶群提供優質快捷的普惠金融服務，積極建設國際一流的多重賦能型數字化生態銀行。開業至今僅兩年總資產已達人民幣370億元，民營企業貸款佔比達到84%。

金融資產管理。遼寧富安金融資產管理有限公司（「富安資產」）由瀚華金控與瀋陽恒信國有資產經營集團有限公司等5家公司於2017年共同發起設立，註冊資本人民幣10億元，瀚華金控持股55%。富安資產是遼寧省首家混合所有制金融資產管理機構，於2018年1月在中國銀行業監督管理委員會（「銀監會」）備案。富安資產立足遼寧，輻射全國，為金融機構及企業提供不良資產轉讓處置、債務重組、投資管理、融通創新等服務。

Corporate Overview

公司概況

Private equity investment. Founded in 2014, Hanhua Capital Investment Management Co., Ltd. (“**Hanhua Capital**”) is the only equity investment platform under Hanhua Financial. With the unique investment model integrating equity, loan, debt and guarantee, Hanhua Capital provides integrated services covering capital, fund and resources for small and medium-sized enterprises (“**SMEs**”) with growth space.

Other businesses. In 2015, Hanhua Financial purchased the shares of Shandong Financial Assets Exchange Co., Ltd., whose annual transaction scale has broken through RMB100 billion. In 2018, Hanhua Financial has deployed a Type 9 License company, which can help SMEs actively participate in the “One Belt, One Road” with its cross-border assets management business.

As a company listed on Hong Kong Stock Exchange, Hanhua Financial owns the corporate governance structure in line with the international standard, as well as an efficient and diligent management team of professional financiers. The Company’s senior management has many years of working experience in large banks, with the employment period for over 10 years in the Company.

China’s inclusive finance is experiencing a historical opportunity period. With micro, small and medium-sized enterprises as the main service targets, with “openness, cooperation, innovation and co-sharing” as the business philosophy, with “partnership finance, platform finance and eco-finance” as the strategy, and with “industry-finance synergy and sci-tech finance” as the direction, Hanhua Financial will continuously make efforts to build the intelligent and digitalized financial science & technology platform and the multi-layered and multi-functional synergic industrial and financial ecosystem, and establish a new type of inclusive finance service system to support the upgrading of enterprises and empower the real industries.

私募股權投資。瀚華資本投資管理有限公司（「**瀚華資本**」）成立於2014年，是瀚華金控旗下唯一對外股權投資平台，以獨具特色的股、貸、債、擔一體投資模式，向具有成長空間中小企業提供資本資金資源綜合服務。

其他業務。瀚華金控2015年參股山東金融資產交易中心有限公司，目前年交易規模已經突破千億元。2018年，瀚華金控在香港佈局9號牌公司，以跨境資產管理業務幫助中小企業積極參與「一帶一路」。

作為香港聯交所上市公司，瀚華金控擁有符合國際標準的公司治理結構，和一支高效勤勉的職業金融家管理團隊。公司高管擁有多年銀行從業經驗，且於公司任職時間均超過10年。

中國普惠金融正處於歷史性機遇期，瀚華金控將繼續以中小微企業為主要服務對象，以「開放、合作、創新、共享」為理念，以「夥伴金融、平台金融、生態金融」為戰略，以「產融、科融」為方向，全力構建智能化、數字化的金融科技平台與多層次、多功能的產融生態圈，打造新型普惠金融服務體系，助力企業升級，賦能實體產業。

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

SUPERVISORS

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

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

執行董事

張國祥先生 (董事長)
王大勇先生 (副董事長)
崔巍嵐先生

非執行董事

涂建華先生
段曉華先生
劉驕楊女士
劉廷榮女士
王芳霏女士
馮永祥先生
劉博霖先生

獨立非執行董事

白欽先先生
鄧昭雨先生
錢世政先生
吳亮星先生
袁小彬先生

監事

李如平先生
秦湧女士
陳中華先生

審計委員會

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

提名與薪酬委員會

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

Corporate Information

公司資料

STRATEGIC INVESTMENT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMPANY SECRETARY

Mr. Ren Weidong

AUTHORIZED REPRESENTATIVES

Mr. Wang Dayong (Vice Chairman and Executive Director)
Mr. Ren Weidong (Company Secretary)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

戰略投資委員會

張國祥先生(執行董事)(主任)
王大勇先生(執行董事)
涂建華先生(非執行董事)

風險管理委員會

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

公司秘書

任為棟先生

授權代表

王大勇先生(副董事長及執行董事)
任為棟先生(公司秘書)

註冊辦事處及中國主要營業地點

中國
重慶市
渝北區
洪湖東路11號2幢6-9

香港主要營業地點

香港
銅鑼灣
勿地臣街1號
時代廣場二座31樓

HEAD OFFICES IN THE PRC

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

and

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

H SHARE REGISTRAR

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

PRINCIPAL BANKERS

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

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

中國總辦事處

中國
重慶市
財富大道15號
重慶高科財富二號A棟1樓

及

中國
北京市
朝陽區
東三環中路1號
環球金融中心東塔13層

H股證券登記處

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

主要往來銀行

中國建設銀行股份有限公司(總部)
中國
北京市
西城區
金融大街25號

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

Corporate Information

公司資料

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

中國郵政儲蓄銀行股份有限公司（總部）
中國
北京市
西城區
金融大街3號

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

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

AUDITOR

KPMG
Certified Public Accountants

核數師

畢馬威會計師事務所
執業會計師

LEGAL ADVISOR TO THE COMPANY

Jones Day

本公司法律顧問

眾達國際法律事務所

COMPANY'S WEBSITE

www.hanhua.com

公司網站

www.hanhua.com

STOCK CODE

3903

股份代號

3903

Summary of Financial Data and Key Performance Indicators

財務數據及關鍵業績指標概要

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

		2018	2017	% Increase/ (decrease) of the current year compared with the same period last year 本年 比上年 增(減)%	2016	2015	2014
		2018年	2017年	增(減)%	2016年	2015年	2014年
Operating results	經營業績						
Operating income	營運收入	1,509.6	1,505.1	0.3	1,479.8	1,752.0	2,000.8
- Net guarantee and consulting fee income	- 擔保及諮詢費淨收入	674.5	631.4	6.8	755.4	765.0	958.3
- Net interest and handling fee income	- 利息及手續費淨收入	781.0	811.7	(3.8)	724.4	987.0	1,042.5
(Reversal)/provisions for guarantee losses	擔保業務(轉回)/計提擔保賠償準備金	(1.1)	26.7	(104.1)	(39.7)	(110.9)	72.1
Impairment losses	資產減值損失	257.4	264.3	(2.6)	372.9	515.5	431.7
Operating expenses	營運支出	815.2	791.4	3.0	802.7	893.4	851.2
Net profit	淨利潤	328.5	313.4	4.8	283.5	352.1	507.4
- Net profit attributable to shareholders of the Company	- 歸屬於本公司股東的淨利潤	289.4	262.8	10.1	241.7	303.0	432.0
Profitability indicators	盈利能力指標						
Return on average total assets ⁽¹⁾	平均總資產回報率 ⁽¹⁾	1.7%	1.7%	-	1.8%	2.7%	4.9%
Return on average shareholder equity ⁽²⁾	平均股東權益回報率 ⁽²⁾	4.1%	4.0%	0.1 ppt 百分點	3.8%	4.7%	7.8%
Cost to income ratio ⁽³⁾	成本收入比 ⁽³⁾	52.9%	51.5%	1.4 ppt 百分點	52.1%	46.3%	37.7%
Scale indicators	規模指標						
Total assets	資產總額	18,845.7	18,906.6	(0.3)	17,082.7	13,961.0	11,938.3
- Cash and cash equivalents	- 貨幣資金	1,903.2	2,436.4	(21.9)	3,512.0	2,803.9	2,531.1
- Time and restricted bank deposits	- 定期及受限銀行存款	1,853.5	1,678.6	10.4	1,051.9	1,400.1	2,124.5
- Gross loans and advances to customers	- 發放貸款及墊款總額	5,845.3	8,065.3	(27.5)	8,014.7	7,470.1	6,286.0
- Total receivables for factoring business	- 應收保理款總額	2,399.9	1,659.9	44.6	602.2	218.4	-
Total liabilities	負債總額	10,981.8	10,835.0	1.4	9,603.6	6,515.5	4,361.9
Owner's equity	所有者權益	7,863.9	8,071.6	(2.6)	7,479.1	7,445.5	7,576.4

Notes:

註釋：

- | | |
|--|-------------------------------------|
| (1) Net profit divided by average balance of total assets as at the beginning and end of the year. | (1) 淨利潤除以期初及期末的平均總資產餘額。 |
| (2) Net profit divided by average balance of shareholder equity as at the beginning and end of the year. | (2) 淨利潤除以期初及期末的平均股東權益餘額。 |
| (3) Operating expenses after deducting "tax and surcharges" divided by operating income. | (3) 扣除「稅金及附加」的營運支出，除以營運收入。 |
| (4) To facilitate comparison, some historical figures are restated on new calculation basis or logic. | (4) 為方便比較，部份歷史數據已按照新的計算口徑或邏輯進行重新列示。 |

Financial Highlights

財務概要

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

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

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

		2018 2018年		2017 2017年	
		Amount 金額	% of operating income 佔營運收入 %	Amount 金額	% of operating income 佔營運收入 %
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)					
Operating results	經營業績				
Net guarantee and consulting fee income	擔保及諮詢費淨收入	674.5	44.7	631.4	42.0
Net interest and handling fee income	利息及手續費淨收入	781.0	51.7	811.7	53.9
Net fee and interest income	淨手續費及利息收入	1,455.5	96.4	1,443.1	95.9
Net trading (losses)/gains	交易淨損益	(16.6)	(1.1)	8.7	0.6
Net foreign exchange (losses)/gains	匯兌淨損益	(2.2)	(0.1)	0.2	0.0
Other operating income, net	其他運營淨收入	72.9	4.8	53.1	3.5
Operating income	營運收入	1,509.6	100.0	1,505.1	100.0
Reversal/(provisions) for guarantee losses	轉回/(計提)擔保賠償準備金	1.1	0.1	(26.7)	(1.8)
Impairment losses	資產減值損失	(257.4)	(17.0)	(264.3)	(17.5)
– Receivables for default payments	– 應收代償款	(86.0)	(5.7)	(136.0)	(9.0)
– Micro and small loan business	– 小微信貸業務	(125.6)	(8.3)	(84.3)	(5.6)
– Entrusted loans	– 委託貸款	(4.6)	(0.3)	(32.6)	(2.2)
– Receivables for factoring business	– 應收保理款	(15.7)	(1.0)	(9.2)	(0.6)
– Finance lease receivables	– 應收融資租賃款	(25.5)	(1.7)	(0.7)	(0.0)
– Goodwill	– 商譽	–	–	(1.5)	(0.1)
Operating expenses	營運支出	(815.2)	(54.0)	(791.4)	(52.6)
– Operation and administrative expenses	– 業務及管理費	(798.0)	(52.9)	(774.9)	(51.5)
– Tax and surcharges	– 稅金及附加	(17.2)	(1.1)	(16.5)	(1.1)
Other net losses	其他虧損淨額	(6.6)	(0.4)	(3.6)	(0.2)
Share of profits of associate	聯營企業投資收益	32.3	2.1	2.7	0.2
Share of losses of a joint venture	合營企業投資損失	(4.3)	(0.3)	(1.4)	(0.1)
Profit before taxation	稅前利潤	459.5	30.5	420.4	27.9
Income tax	所得稅	(131.0)	(8.7)	(107.0)	(7.1)
Profit for the year	本年利潤	328.5	21.8	313.4	20.8

Financial Highlights

財務概要

Since early 2016, the Group has abandoned the independent development model of various business sectors and started to adopt the “customer-oriented” strategy to expand business. Externally, “single customer access and unified credit standard” have been implemented through “customer exploration and risk management” to improve the quality of customer service; internally, with the objectives of “integration of functions and efficiency enhancement”, it strengthened the integration of functions, especially the mid-and-back office, for higher operating efficiency and lower operating cost. Riding on the exploration and practice in the past two years, the strategy was further strengthened in 2018, splitting the operation of the Group into four major business segments, namely the partnership finance business segment, the micro and small loan business segment, the capital investment and management segment and other segment.

Partnership finance business segment:

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

Micro and small loan business segment:

Micro and small loan business segment consists of nine small loan companies in Chongqing, Chengdu, Tianjin, Shenyang, Nanning, Guiyang, Nanjing, Harbin and Shenzhen, as well as institutions with functions such as information consulting, asset management and credit services, with focus on offering “small-amount and dispersive” integrated financial services to various micro and small enterprises, individual business proprietors and individuals.

Capital investment and management segment:

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

自2016年年初開始，本集團摒棄以往各業務板塊獨立發展的模式，開始圍繞「以客戶為中心」的策略拓展業務。對外，以「客戶拓展、風險管理」為手段，實施「單一客戶入口、統一授信標準」，以提升客戶服務質量；對內，以「職能整合、提升效率」為目標，加強職能部門尤其是中後台職能部門的整合，以提升運營效率，降低運營成本。在前兩年摸索和實踐的基礎上，2018年進一步強化該策略，將集團經營拆分成四大業務分部，分別是夥伴金融業務集群分部、小微信貸業務分部、資本投資及管理業務分部及其他分部。

夥伴金融業務集群分部：

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

小微信貸業務分部：

小微信貸業務分部由註冊於重慶、成都、天津、瀋陽、南寧、貴陽、南京、哈爾濱及深圳的9家小額貸款公司以及具備信息諮詢、資產管理、信用服務等功能的機構組成，專注於為廣大小微企業、個體工商戶及個人提供「小額、分散」的綜合性金融服務解決方案。

資本投資及管理業務分部：

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

Financial Highlights

財務概要

Other segment:

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

The Group has continued to adjust the business structure and customer structure, provide integrated financial services to SMEs and individuals based on the “customer-oriented” strategy, which further yielded positive results in 2018. At the same time, “performance management” has been used as a means to enhance the risk control awareness of all staff. Assets quality of new businesses improved significantly as admission criteria for new customers was strengthened and management on collaterals was stepped up. The recovery of historical non-performing assets was strengthened and achieved good progress. This series of integrated measures continuously improved various operating indicators, with all business and financial indicators stabilized, and showed a trend of gradual improvement in 2018.

In 2018, the net profit of the Group amounted to RMB328.5 million, representing an increase of RMB15.1 million or 4.8% as compared to the net profit of RMB313.4 million for 2017. In 2018, the net profit margin of the Group was 21.8%, representing an increase of 1.0 percentage points as compared to the net profit margin of 20.8% for 2017. The business of the Group presents a steady growth trend. Brief analysis is as follows:

- **The structure adjustment of credit guarantee business has achieved remarkable results. The volume and balance of project performance guarantee maintained a high growth trend and became a new profit growth point in 2018.**

For the past few years, the Group has actively changed its strategy for credit guarantee business from the traditional single-customer retail model to the financial model of supply chain for product wholesale, and shifted from the passive business development model to the active marketing initiative targeting core enterprises with high creditability and centering on their upstream and downstream financing needs. The Group manages the risk through control of information flow, capital flow and logistics. Based on in-depth understanding of market demand, the Group provided comprehensive financial services for SMEs at different development stages by taking advantage of its financial licenses covering different areas and in reliance on its operating network covering a majority of regions in the PRC.

其他分部：

指承擔總部管理職能以及無法完全劃分為上述任一分部的其他業務條線及經營業績。

本集團始終圍繞「以客戶為中心」的戰略，不斷調整業務結構和客戶結構，向廣大中小企業和個人提供綜合性金融服務，其效果在2018年進一步顯現；同時，以「績效管理」為手段，強化全員風險管控意識，在提升新客戶准入標準和強化抵質押物管理的同時，新發生業務的資產質量得到明顯改善；與此同時，加強歷史不良資產清收，且取得良好的績效。這一系列綜合措施使得各項經營指標持續好轉，2018年各項業務指標及財務指標趨於穩定，並呈逐步回升態勢。

2018年，本集團淨利潤為人民幣328.5百萬元，與2017年淨利潤人民幣313.4百萬元相比，增長人民幣15.1百萬元，增幅4.8%。2018年，本集團淨利潤率為21.8%，較2017年利潤率20.8%增長1.0個百分點，保持穩步增長態勢。簡要分析如下：

- 信用擔保業務結構調整成效顯著，工程履約擔保業務2018年度發生額、餘額繼續保持高速增長態勢，成為新的利潤增長點。

近年來本集團主動調整信用擔保業務經營策略，由傳統單一客戶零售模式向產品批發供應鏈金融模式轉變，由過去被動開展業務轉變為主動營銷信用資質較高的核心企業，圍繞核心企業上下游融資需求，通過控制信息流、資金流、物流來管理風險。在深入了解市場需求的基礎上，利用本集團覆蓋不同範疇的金融牌照，並依託覆蓋全中國大部份地區的經營網絡，為廣大中小企業在不同成長階段提供綜合性金融服務。

Financial Highlights 財務概要

In 2018, total guarantee and consulting fee income of the traditional financing guarantee business was RMB404.0 million, similar to that of RMB406.4 million in 2017. As at 31 December 2018, the Group's outstanding guarantee balance of traditional financing guarantee business was RMB9,068.1 million, representing a decrease of RMB1,448.2 million or 13.8% as compared with RMB10,516.3 million as at 31 December 2017. In accordance with the relevant provisions of the accounting standard, the guarantee and consulting fee income received by the Group from customers will be measured according to 1/365 Method during the entire valid period of the guarantee contract, and the unrealized income will be included in the deferred income. In spite of the decrease to some extent in the scale of the traditional financing guarantee business in 2018 as compared with 2017, the deferred income from a large number of new businesses in 2017 has been released and transformed into guarantee fee income in 2018, resulting in no significant change in guarantee and consulting fee income incurred by the traditional financing guarantee business in 2018 as compared with 2017.

In 2018, total guarantee and consulting fee income of bond financing guarantee business was RMB137.6 million, representing a decrease of RMB9.6 million or 6.5% as compared with RMB147.2 million in 2017, which was primarily due to the further decline in the volume of bond financing guarantee business in 2018. In 2018, the Group provided guarantees for four bond issues in the aggregate amount of RMB2,170.0 million. The issuance volume decreased by RMB1,050.0 million or 32.6% as compared with RMB3,220.0 million in 2017. As at 31 December 2018, the Group's outstanding bond guarantee balance was RMB24,355.0 million (31 December 2017: RMB23,350.0 million).

2018年，傳統融資擔保業務實現擔保及諮詢費收入總額為人民幣404.0百萬元，與2017年該類業務產生的擔保及諮詢費收入人民幣406.4百萬元相比，基本相當。截至2018年12月31日，本集團傳統融資擔保業務餘額為人民幣9,068.1百萬元，較2017年12月31日餘額人民幣10,516.3百萬元，減少人民幣1,448.2百萬元，降幅13.8%。按照會計準則的相關規定，本集團向客戶收取的擔保及諮詢費收入將在整個擔保合同存續期間內按照三百六十五分之一法進行計量，未實現收入部份將計入未到期責任準備金。2018年，儘管傳統融資擔保業務規模較2017年有一定程度下降，但2017年大量新增業務產生的未到期責任準備金在2018年得到釋放並轉化為擔保費收入，使得2018年度傳統融資擔保業務產生的擔保及諮詢費收入與2017年相比無明顯變化。

2018年，債券融資擔保業務實現擔保及諮詢費收入總額為人民幣137.6百萬元，與2017年該類業務產生的收入人民幣147.2百萬元相比，減少人民幣9.6百萬元，降幅6.5%，這主要源於2018年債券融資擔保業務發生額進一步下滑所致。2018年，本集團為四只債券發行共計人民幣2,170.0百萬元提供擔保，該發行量較2017年度債券擔保發生額人民幣3,220.0百萬元，下降人民幣1,050.0百萬元，降幅32.6%。截至2018年12月31日，本集團債券擔保餘額為人民幣24,355.0百萬元（2017年12月31日：人民幣23,350.0百萬元）。

Financial Highlights

財務概要

In 2018, total guarantee and consulting fee income of non-financing guarantee business (mainly including project performance guarantee business) was RMB135.7 million, representing an increase of RMB55.8 million or 69.8% as compared with RMB79.9 million in 2017, which was primarily due to the substantial increase in the volume of project performance guarantee business in 2018. Based on the huge market space in the construction industry, the Group designed specific products by taking into account the operating features of the construction industry, and assisted a number of construction and engineering construction enterprises which met certain qualifications in their business expansion by issuing “bid bonds and performance bonds”. Since 2016, the Group has been expanding its project performance guarantee business vigorously, and maintaining high speed of growth. The transaction amount of the project performance guarantee business in 2018 was RMB9,093.5 million, representing an increase of RMB1,592.0 million or 21.2% as compared with RMB7,501.5 million in 2017. As at 31 December 2018, the balance of project performance guarantee business was RMB10,980.6 million, representing an increase of RMB3,160.1 million or 40.4% as compared with RMB7,820.5 million as at 31 December 2017.

Although the scale of the traditional financing guarantee business was subject to a declining trend, the Group’s net guarantee and consulting fee income of credit guarantee business in 2018 was RMB674.5 million, representing an increase of RMB43.1 million or 6.8% as compared with RMB631.4 million in 2017, due to the continued growth of project performance guarantee business.

For more information on the operating conditions of the credit guarantee business of the partnership finance business segment, please refer to the section pages 34 to 63 headed “Management Discussion and Analysis”.

2018年，非融資擔保業務（主要為工程履約擔保業務）實現擔保及諮詢費收入總額為人民幣135.7百萬元，與2017年該類業務產生的收入人民幣79.9百萬元相比，增加人民幣55.8百萬元，增幅69.8%，這主要源於2018年工程履約擔保業務發生額大幅增加所致。基於建築施工行業的巨大市場空間，本集團結合建築施工行業的運營特徵，設計特定的產品，為符合一定資質要求的建築、工程施工企業開立「投標保函、履約保函」等，協助其業務拓展。自2016年開始，本集團大力拓展工程履約保函擔保業務，並保持高速增長。2018年，工程履約擔保業務發生額為人民幣9,093.5百萬元，較2017年該類業務發生額人民幣7,501.5百萬元，增長人民幣1,592.0百萬元，增幅21.2%。截至2018年12月31日，工程履約擔保業務餘額為人民幣10,980.6百萬元，較2017年12月31日業務餘額人民幣7,820.5百萬元，增長人民幣3,160.1百萬元，增幅40.4%。

儘管傳統融資擔保業務規模呈下降態勢，得益於工程履約保函擔保業務的持續增長，本集團2018年信用擔保業務產生擔保及諮詢費淨收入人民幣674.5百萬元，較2017年擔保及諮詢費淨收入人民幣631.4百萬元，增加人民幣43.1百萬元，增幅6.8%。

有關本集團夥伴金融業務集群分部信用擔保業務的經營狀況，請參閱「管理層討論與分析」章節第34頁至第63頁。

Financial Highlights

財務概要

- **The Group's net interest and handling fee income in 2018 was RMB781.0 million, representing a decrease of RMB30.7 million or 3.8% as compared with RMB811.7 million in 2017. Among which:**

In 2018, the capital business of the partnership finance business segment generated a total net interest and handling fee income amounted to RMB363.2 million in 2018, representing a decrease of RMB15.8 million or 4.2% as compared with the total net interest and handling fee income of RMB379.0 million in 2017. Since the implementation of the Regulation on the Supervision and Administration of Financing Guarantee Companies (《融資擔保公司監督管理條例》) (the “**Regulation**”) and its supporting rules of the Measures for the Administration of the Asset Proportions of Financing Guarantee Companies (《融資擔保公司資產比例管理辦法》) (the “**Measures for Administration**”), the subsidiaries of the Group engaging in financing guarantee business have gradually increased their investment in the qualified assets such as time deposit, bond-based assets and other assets with higher liquidity. As the level of liquidity increased, the capital income decreased. As at 31 December 2018, the total balance of the capital business of the partnership finance business was RMB3,561.9 million, representing a decrease of RMB119.1 million or 3.2% as compared with RMB3,681.0 million as at 31 December 2017. The decline was roughly equal to the decrease in the net interest and handling fee income incurred by the capital business of the partnership finance business segment. For information about related capital business, please refer to “Partnership finance business segment – Capital business” in “Management Discussion and Analysis” section on page 64 to page 73.

- **2018年，本集團利息及手續費淨收入為人民幣781.0百萬元，較2017年利息及手續費淨收入人民幣811.7百萬元，下降人民幣30.7百萬元，降幅3.8%。其中：**

2018年，夥伴金融業務集群分部資金業務2018年產生的淨利息及手續費收入總額為人民幣363.2百萬元，與2017年淨利息及手續費收入總額人民幣379.0百萬元相比，減少人民幣15.8百萬元，降幅4.2%。自《融資擔保公司監督管理條例》(「**條例**」)及其配套實施細則《融資擔保公司資產比例管理辦法》(「**管理辦法**」)實施以來，本集團從事融資擔保業務的子公司逐步加大對符合資格要求的資產如定期存款、債券類資產、以及其他流動性較高的資產的配置比例，流動性水平提高的同時，資金收益有所降低。截至2018年12月31日，夥伴金融業務集群資金業務餘額合計為人民幣3,561.9百萬元，與2017年12月31日資金業務餘額人民幣3,681.0百萬元相比，減少人民幣119.1百萬元，降幅3.2%，該降幅與夥伴金融業務集群分部資金業務產生的淨利息及手續費收入下降比例大致相若。相關資金業務的信息，請參閱管理層討論與分析章節中夥伴金融業務集群分部資金業務部份第64頁至第73頁。

Financial Highlights

財務概要

In 2018, the net interest and handling fee income from micro and small loan business segment was RMB572.4 million, representing an increase of RMB12.4 million or 2.2% as compared with RMB560.0 million in 2017. This was mainly due to the increase in net interest and handling fee income from credit consulting business (For information on the definition of credit consulting business, refer to “Management Discussion and Analysis” section on page 77) and the decline in net interest and handling fee income from credit lending business (For information on the definition of credit lending business, refer to “Management Discussion and Analysis” section on page 77).

In 2018, leveraging on the Group’s accumulated experience, capabilities and strengths in micro and small loan services, the micro and small loan business segment provided credit consulting business to external partner institutions, including assistance in obtaining clients, standardized risk assessment services and post-loan management service, and charged certain service fee based on services provided. In 2018, the total amount of credit consulting business was RMB3,833.8 million, generating a total net interest and handling fee income of RMB40.3 million. As at 31 December 2018, the balance of credit consulting business was RMB2,638.4 million. For information on credit consulting business of the micro and small loan business segment, please refer to “Management Discussion and Analysis” section on page 103 to page 109.

In 2018, the net interest and handling fee income from credit lending business was RMB532.1 million, representing a decrease of RMB27.9 million or 5.0% as compared with RMB560.0 million in 2017. The decrease was mainly due to the fact that the small and micro credit business segment accumulated funds with business returns and gradually repaid external financing in 2018, which reduced the capital available for business granting, resulting in a decline in the monthly average loan balance of credit lending business. In 2018, the monthly average loan balance of credit lending business in micro and small loan business segment was RMB5,269.8 million, representing a decrease of RMB515.4 million or 8.9% as compared with RMB5,785.2 million in 2017.

2018年，小微信貸業務分部實現淨利息及手續費收入人民幣572.4百萬元，與2017年實現的淨利息及手續費收入人民幣560.0百萬元相比，增加人民幣12.4百萬元，增幅2.2%。這主要源於信用服務業務產生的淨利息及手續費收入的增加（有關「信用服務」的定義，請參閱管理層討論與分析第77頁）以及信貸服務（有關「信貸服務」的定義，請參閱管理層討論與分析第77頁）實現淨利息及手續費收入的減少。

2018年，小微信貸業務分部利用本集團在小微金融服務領域積累的經驗、能力和優勢，為外部合作機構提供信用類服務，包括協助獲取客戶、協助標準化風險評估服務、貸後協助管理服務等，並依據提供服務的內收收取一定的服務費。2018年，信用服務共計發生額為人民幣3,833.8百萬元，實現淨利息及手續費收入人民幣40.3百萬元。截至2018年12月31日，信用服務管理餘額為人民幣2,638.4百萬元。有關小微信貸業務分部信用服務的信息，請參閱管理層討論與分析第103頁至第109頁。

2018年，信貸服務實現淨利息及手續費收入人民幣532.1百萬元，與2017年實現的淨利息及手續費收入人民幣560.0百萬元相比，減少人民幣27.9百萬元，降幅5.0%。這主要源於2018年本集團小微信貸業務分部利用業務回款沉澱資金，並逐步償還外部融資，使得可用於業務投放的資金減少，致使信貸服務的貸款月均餘額下降。2018年小微信貸業務分部信貸服務的貸款月均餘額為人民幣5,269.8百萬元，與2017年貸款月均餘額人民幣5,785.2百萬元相比，減少人民幣515.4百萬元，降幅8.9%。

Financial Highlights

財務概要

In 2018, the average interest and commission rate of credit lending business was 15.3%, an increase of 1.7 percentage points from 13.6% in 2017. In 2018, the Group actively promoted and upgraded credit products. Through continuing to increase the R&D and promotion of standardized products, the Group improved lending efficiency and operation management while effectively identified and managed risks, enhancing product competitiveness and customer satisfaction. For information on credit lending business of the micro and small loan business segment, please refer to “Management Discussion and Analysis” section on page 85 to page 102.

In addition, due to the tightening overall liquidity of capital market and the context of “de-leverage”, actual costs of various types of financing increased to some extent as compared with 2017, which narrowed the net profit margin of related capital business, resulting in decrease in the net interest and handling fee income from the capital business.

For information about the Group’s net interest and handling fee income, please refer to “Selected Items of the Consolidated Statement of Profit or Loss – Net interest and handling fee income” in “Management Discussion and Analysis” section on page 114 to page 118.

- **In 2018, the credit guarantee business in the partnership finance business segment continued to decline in terms of the amount of default payments paid on behalf of customers and default rate, and the quality of assets continued to be improved. The provisions for guarantee losses of credit guarantee business remained stable.**

In 2018, the Group reserved a total of RMB1.1 million provisions for guarantee losses (2017: RMB26.7 million provisions for guarantee losses was made). Provisions for guarantee losses are estimated mainly based on the quality of assets in the Group’s guarantee portfolio and past experience to ensure enough provisions are made for the credit guarantee business.

2018年，信貸服務的平均利息及手續費率為15.3%，較2017年平均利息及手續費率13.6%，增長1.7個百分點。2018年，本集團積極進行信貸產品的改進和升級，通過繼續加大標準化產品的研發和推廣，在有效識別並管理風險的同時，提升放款效率和運營管理等，以增強產品競爭力和提高客戶滿意度。有關小微信貸業務分部信貸服務的信息，請參閱管理層討論與分析第85頁至第102頁。

此外，源於資金市場整體流動性趨緊和「去槓桿」的大背景下，各類融資的實際成本較2017年呈不同程度的上漲，此舉也使得相關資金業務的淨利差有所收窄，進而使得資金業務產生的淨利息及手續費收入呈下滑態勢。

有關本集團利息及手續費淨收入的相關信息，請參閱管理層討論與分析章節一節選合併利潤表項目一利息及手續費淨收入第114頁至第118頁。

- 夥伴金融業務集群分部的信用擔保業務2018年為客戶違約代償金額及代償率處於持續下降態勢，資產質量持續改善；信用擔保業務擔保賠償準備金保持穩定。

2018年，本集團轉回擔保賠償準備金計人民幣1.1百萬元（2017年度：計提擔保賠償準備金人民幣26.7百萬元）。擔保賠償準備金主要根據本集團擔保組合資產質量及過往經驗，對信用擔保業務而言足夠的撥備水平的估計。

Financial Highlights

財務概要

The Group paid RMB206.3 million in total to indemnify defaulting clients in 2018, a 26.8% drop, or RMB75.4 million, compared with RMB281.7 million in 2017. The overall default rate of the Group was 0.9% in 2018, lower than 1.3% in 2017. The continued drop in the amount and default rate in 2018 proves a significant improvement in the asset quality of credit guarantee.

The provision rate of the Group's credit guarantee business is used to calculate the provision for potential losses based on the total guaranteed balance. The default payments and default rate of the Group's credit guarantee business continued to decline, and substantial progress has been made in clearance and collection of default payments in previous years. Meantime, in spite of continued increase in proportion of collaterals in existing guarantee business, the Group adopted prudent accounting estimates to make provisions for guarantee losses.

As at 31 December 2018, the provision rate of our credit guarantee business was 0.9%, representing a slight increase of 0.1 percentage points as compared with 0.8% as at 31 December 2017, which was mainly because guarantees for capital preservation funds with relatively low credit risks were all due and released in 2018. As at 31 December 2017, the outstanding guarantee balance of guarantee business for capital preservation funds accounted for 9.6% of the whole portfolio. As at 31 December 2018, the proportion of provisions for guarantee losses in terms of all types of guarantee products recorded no significant difference as compared with that as at 31 December 2017.

本集團2018年為違約客戶支付的代償款項總額為人民幣206.3百萬元，與2017年代償款項人民幣281.7百萬元相比，共減少人民幣75.4百萬元，降幅26.8%。2018年本集團代償率為0.9%，與2017年代償率1.3%相比呈下降態勢。2018年代償金額及代償率的持續下降，均顯示本集團信用擔保業務資產質量的大幅改善。

本集團信用擔保業務的撥備率，用以計算根據本集團總體承擔的擔保責任餘額，就潛在虧損所作出的儲備水平。儘管本集團信用擔保業務的代償額、代償率呈持續下降態勢，以往年度為客戶代償之後的清收工作取得實質性進展，同時本集團現有擔保業務餘額中抵質押物比例持續提升，但本集團仍然採用審慎的會計估計計提擔保賠償準備金。

截至2018年12月31日，我們信用擔保業務的撥備率為0.9%，較2017年12月31日的0.8%小幅上升0.1個百分點，主要是因為信用風險相對較低的保本基金擔保在2018年全部到期解保。截至2017年12月31日，保本基金擔保餘額在整個產品組合中的佔比為9.6%。截至2018年12月31日，我們針對各類擔保產品所承擔的責任餘額計提的擔保賠償準備金比例，與2017年12月31日相比，無重大差異。

Financial Highlights

財務概要

- **In 2018, the credit guarantee business of the partnership finance business segment continued to decline in terms of the amount of default payments paid on behalf of customers and default rate, and the quality of assets continued to be improved. At the same time, significant progress was made on the recovery of default payments of customers in previous years. In 2018, a total of RMB216.8 million was recovered, which resulted in a sharp decrease in the impairment loss of receivables for default payments.**

In 2018, the Group's impairment loss of receivables for default payments was RMB86.0 million, representing a decrease of RMB50.0 million or 36.8% as compared with RMB136.0 million in 2017, which was mainly due to the overall improvement of the Group's business structure, customer base, product portfolio, risk control strategies and the recovery of receivables for default payments.

The Group assessed the recoverability of receivables for default payments on an item-by-item basis, mainly based on the anti-collateral provided by borrowers, compared the present value of potentially recoverable amount and default amount and charged the difference to current loss from asset impairment;

The decrease in impairment losses of receivables for default payments was, on one hand, due to significant decrease in receivables for default payments paid by the Group for customers in 2018 as compared with 2017. In 2018, the total default payments of the Group for customers was RMB206.3 million, representing a decrease of RMB75.4 million or 26.8% as compared with RMB281.7 million in 2017. On the other hand, substantial progress was made on the recovery of default payments. In 2018, the Group continued to strengthen its recovery management of default payments, increased value of valuable collaterals acquired for the current default payments and default payment in the previous years, and made substantial progress in the recovery of default payments. In 2018, the Group recovered a cumulative total of RMB216.8 million in cash from defaulting customers (2017: RMB224.6 million), with recovery rate (recovery rate = current recovery amount/current default payments) of 105.1% (2017: 79.7%).

- 夥伴金融業務集群分部的信用擔保業務2018年為客戶違約代償金額及代償率處於持續下降態勢，資產質量持續改善；與此同時，針對過往年度為客戶代償款項的清收工作取得重大進展，2018年累計回收人民幣216.8百萬元，使得針對應收代償款提取的資產減值損失大幅下降。

2018年，應收代償款的資產減值損失為人民幣86.0百萬元，與2017年資產減值損失人民幣136.0百萬元相比，減少人民幣50.0百萬元，降幅36.8%，這主要得益於本集團業務結構、客戶群體、產品組合、風險控制策略、代償後資產清收能力的全面提升。

本集團對應收代償款潛在的回收可能進行逐筆評估，主要依據借款人提供的反抵押情況進行，並將可能回收金額的現值與代償款金額進行比較，將差額計入當期資產減值損失；

應收代償款資產減值損失的下降，一方面是因為2018年本集團為客戶支付的代償款金額較2017年支付的金額大幅下降。本集團2018年為違約客戶支付的代償款項總額為人民幣206.3百萬元，與2017年代償款項人民幣281.7百萬元相比，共減少人民幣75.4百萬元，降幅26.8%。另一方面在於清收工作持續取得實質性進展。2018年，本集團持續加強代償後的清收管理，針對當期代償項目以及以前年度代償項目所獲取的有價值的抵質押物不斷提升以及清收工作取得實質性進展所致。於2018年，本集團從違約客戶處累計回收現金人民幣216.8百萬元（2017年：人民幣224.6百萬元），回收比率（回收比率 = 當期回收金額 / 當期代償金額）為105.1%（2017年：79.7%）。

Financial Highlights

財務概要

For more information on the risk management and asset quality indicators of the credit guarantee business in the partnership finance business segment of the Group, please refer to the section pages 58 to 62 headed “Management Discussion and Analysis”.

- **In 2018, the impairment loss of micro and small loan business segment was RMB125.6 million, representing an increase of RMB41.3 million or 49.0% as compared with RMB84.3 million in 2017.**

Since 1 January 2018, the Group has initially applied the HKFRS 9, Financial Instruments (“**HKFRS 9**”), which proposed a new asset impairment model, namely the “expected credit loss model” to replace the “incurred loss model” under the HKAS 39. The “expected credit loss model” is a forward-looking approach that predicts and makes provision for potential losses in the future, whereas the “incurred loss model” emphasizes actual loss and makes provision only when there is objective evidence that a loss has been incurred for the assets.

Subject to HKFRS 9, the impairment loss of micro and small loan business segment in 2018 was RMB125.6 million, representing an increase of RMB41.3 million or 49.0% as compared with RMB84.3 million in 2017. As at 31 December 2018, the balance of provisions for impairment loss of micro and small loan business segment was RMB226.2 million (as at 31 December 2017: RMB219.3 million), with provision rate of 4.8% (as at 31 December 2017: 3.6%).

有關本集團夥伴金融業務集群分部信用擔保業務的風險管理及資產質量指標，請參閱管理層討論與分析章節第58頁至第62頁。

- **2018年，小微信貸業務分部共計提資產減值損失人民幣125.6百萬元，較2017年該分部資產減值損失金額人民幣84.3百萬元，增加人民幣41.3百萬元，增幅49.0%。**

自2018年1月1日起，本集團首次採用香港財務報告準則第9號金融工具（「**香港財務報告準則第9號**」），香港財務報告準則第9號提出了新的資產減值模型，即「預期信用損失模型」，並替代香港會計準則第39號中採用的「已發生損失模型」。「預期信用損失模型」強調前瞻性，需要將未來可能的損失都預計和計提，而「已發生損失模型」強調現實損失，只是在有客觀證據表明資產目前確實發生了損失的情況下，才需要計提撥備。

受此影響，根據香港財務報告準則第9號的規則，2018年小微信貸業務分部提取的資產減值損失金額為人民幣125.6百萬元，較2017年該分部資產減值損失金額人民幣84.3百萬元，增加人民幣41.3百萬元，增幅49.0%。截至2018年12月31日，小微信貸業務分部資產減值準備餘額為人民幣226.2百萬元（2017年12月31日：人民幣219.3百萬元），撥備率為4.8%（2017年12月31日：3.6%）。

Financial Highlights

財務概要

In previous years, the credit lending business in micro and small loan business segment was dominated by “pure credit”. Since 2015, following four years of exploration, the micro and small loan business segment has developed three major business directions, namely “micro and small finance, standard finance, and platform finance”, as well as core products including “Kuaixiao Loan, Jiaye Loan, Jinshui Loan and Jiqun Loan”. In particular, the “Jiaye Loan” product of which the collateral is the properties held by the borrowers increased the proportion of pledged housing in the asset portfolio, thereby enhancing asset quality. As at 31 December 2018, the balance of the “Jiaye Loan” business was RMB2,977.6 million, representing an increase of RMB415.4 million or 16.2% as compared with RMB2,562.2 million as at 31 December 2017. As at 31 December 2018, the balance of “Jiaye Loan” business accounted for 63.2% of the asset balance of credit lending services, representing an increase of 21.1 percentage points from 42.1% as at 31 December 2017.

For more information on the business overview, risk management and asset quality indicators of the micro and small loan business segment of the Group, please refer to the section pages 99 to 102 headed “Management Discussion and Analysis”.

- **The Group has adopted HKFRS 9 since 1 January 2018. In accordance with the requirements of HKFRS 9, the Group has transferred all available-for-sale financial assets as at the beginning of the reporting period to “financial assets measured at fair value through profit or loss”, the “changes in fair value” in the current period which originally should be recognised in “owner’s equity – other comprehensive income” was recognised in the profit or loss, resulting in net trading losses of RMB33.6 million.**

以往年度，小微信貸業務分部的信貸服務以「純信用」為主；自2015年開始，經過近四年的探索，小微信貸業務分部逐步形成「小微金融、標準金融、平台金融」三大業務方向，並形成「快消貸、佳業貸、金稅貸、集群貸」等幾大核心產品，尤其是以借款人持有的商業住房作為抵押物的「佳業貸」產品，使得資產組合中「以房屋作為抵質押物」的貸款比例不斷增加，有效提升貸款組合的資產質量。截至2018年12月31日，「佳業貸」業務餘額為人民幣2,977.6百萬元，較2017年12月31日業務餘額人民幣2,562.2百萬元，增加人民幣415.4百萬元，增幅16.2%。截至2018年12月31日「佳業貸」業務餘額佔信貸服務資產餘額的比例為63.2%，較2017年12月31日業務比例佔比42.1%，增加21.1個百分點。

有關本集團小微信貸業務分部的業務概況，以及風險管理及資產質量指標，請參閱管理層討論與分析章節第99頁至第102頁。

- 本集團於2018年1月1日開始採納香港財務報告準則第9號，根據該準則要求，本集團期初可供出售金融資產全部轉換為「以公允價值計量且其變動計入當期損益」的金融資產，使得原應計入「所有者權益 – 其他綜合收益」的當期「公允價值變動」計入了損益，產生公允價值變動損失人民幣33.6百萬元。

Financial Highlights

財務概要

Since 1 January 2018, HKFRS 9 has been implemented. Prior to that, the financial instruments of the Group were measured in accordance with HKAS 39, Financial instruments: Recognition and Measurement. Under the selected transition methods, the Group recognises the cumulative effect of the initial application of HKFRS 9 as an adjustment to the opening balance of equity on 1 January 2018. Comparative information is not restated. To ensure the comparability of the data, certain financial assets-related data for the beginning of the reporting period was presented as data adjusted by HKFRS 9. For the details on the initial application of HKFRS 9 by the Group, please refer to “note 1” to financial report in this report.

As at 31 December 2018, the financial assets measured at fair value through profit or loss of the Group amounted to RMB1,573.8 million, representing an increase of RMB790.2 million or 100.8% as compared with the balance of this type of financial assets of RMB783.6 million after opening balance adjustment in accordance with HKFRS 9 on 1 January 2018.

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

Since 2013, the Group implemented the “Share Incentive Scheme” for the senior management. According to the “Share Incentive Scheme”, a total of approximately RMB460.0 million was accounted for as the labour cost in the income statement of the Group from 2013 to 2020 with a gradually decreasing trend. Of which, RMB25.1 million (2017: RMB38.8 million) was accounted for as share-based payments in the income statement for 2018.

自2018年1月1日開始，香港財務報告準則第9號開始實施。在此之前，本集團乃按照香港會計準則第39號，金融工具：確認及計量對金融工具進行計量。在選定的政策轉換方法下，本集團識別了在2018年1月1日首次採用香港財務報告準則第9號準則對權益期初數調整的累計影響。對比期間的財務信息沒有進行重述。為了確保數據的可比性，部份與金融資產相關的期初數據以香港財務報告準則第9號轉換後的數據列示。有關本集團首次採用香港財務報告準則第9號的相關細節，請參閱刊載於本報告中財務報告中的「附註1」。

截至2018年12月31日，本集團以公允價值計量且其變動計入損益的金融資產為人民幣1,573.8百萬元，較2018年1月1日按香港財務報告準則第9號進行期初調整後該類金融資產餘額人民幣783.6百萬元相比，增長人民幣790.2百萬元，增幅100.8%。

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

自2013年開始，本集團開始對高級管理人員實施「股權激勵」計劃。根據股權激勵實施方案，總計約人民幣460.0百萬元的費用總額將於2013年至2020年呈階梯式減少的方式計入本集團利潤表人力成本中。其中，2018年計入利潤表的股份支付費用金額為人民幣25.1百萬元（2017年：人民幣38.8百萬元）。

Financial Highlights 財務概要

In 2018, the Group reported operating expenses of RMB815.2 million, representing an increase of RMB23.8 million or 3.0% as compared with RMB791.4 million in 2017. Excluding the impact of “Share-based payment” and “Tax and surcharges”, the total “Operating expenses” used in daily operation and management in 2018 would be RMB772.9 million, representing an increase of RMB36.8 million or 5.0% as compared with RMB736.1 million in 2017, which was attributable to the increase in legal fees, evaluation fees and other related expenses in the course of asset recovery. Meantime, new business segments, such as financial asset management segment, began to operate in 2018, resulting in increase of initial costs relating to the establishment of business teams. As the impact of “Share-based payments” on the financial statements declined, the Group continued to apply the cost saved to the development of human resources. The Group continuously enhanced staff quality, strengthened risk management and granted rewards to business units and teams with outstanding performance.

In 2018, the Group continued to adopt cost optimization management measures to control expenses. As a result, various expenses as a percentage of total operating expenses remained stable without drastic fluctuations.

2018年，本集團營運支出為人民幣815.2百萬元，較2017年營運支出人民幣791.4百萬元，增加人民幣23.8百萬元，增幅3.0%。剔除「股份支付」以及「稅金及附加」的影響，2018年，本集團用於日常經營管理的「營運支出」總額為人民幣772.9百萬元，較2017年營運支出總額人民幣736.1百萬元，增加人民幣36.8百萬元，增幅5.0%，其增加主要源於資產清收過程中支付的律師費、評估費以及其他相關費用增加所致。同時，新業務板塊如金融資產管理板塊2018年開始正式運營，業務團隊搭建及相關初始費用增加所致。隨著「股份支付」費用對財務報表影響的逐步降低，本集團將節約的成本持續投入到人力資源建設中。本集團持續進行人員優化，強化風險管理的同時向業績優秀的機構、團隊提供超額獎勵。

2018年，本集團持續採取成本優化管理措施，嚴控各項費用開支，各項費用項目佔營運支出總額的比例保持相對穩定狀態，並無劇烈波動。

Chairman's Statement

董事長致辭

Dear Shareholders,

On behalf of the board (the **"Board"**) of directors (the **"Director(s)"**) of Hanhua Financial, I am pleased to present the annual report of the Company for the period from 1 January 2018 to 31 December 2018.

In 2018, China's economy has transformed from the high-speed growth stage to the new stage of medium-high-speed and high-quality growth. In November 2018, General Secretary Xi Jinping delivered an important speech at the Private Enterprises Symposium, expressing the firm determination and distinct attitude of the Party Central Committee in unswervingly encouraging, supporting and guiding the development of the non-public economy, which has injected strong confidence and motivation for the healthy development of private economy. Private enterprises are currently confronted with financing difficulties in their development process, behind which are the Chinese financial service system to be improved, the financial services institutions for micro, small and medium-sized enterprises to be cultivated, and the service capability to be enhanced. Since 2018, many authorities including the State Council, People's Bank of China and China Banking and Insurance Regulatory Commission have held many meetings and launched many policies to support the development of inclusive finance, enrich and improve the financial system for micro, small and medium-sized enterprises, which have provided favorable external opportunities for the development of inclusive finance. Moreover, as the financial science and technology means represented by big data, cloud computing, AI and block chain become increasingly matured and are widely applied, the inclusive finance service model has been further innovated technologically, and therefore inclusive finance is ushering in and will remain in a golden period of development for a long time. In 2018, the Company continued to focus on the inclusive finance service field, further enriched and improved the service system for micro, small and medium-sized enterprises, and endeavored to promote the innovation in mechanism and product service. As a result, our business performance has grown steadily, and remarkable achievements have been made in the following aspects:

Firstly, the comprehensive financial platform has been further upgraded, the synergy between various segments has been further intensified, and the in-depth service capability and efficiency of the industry chain have been further enhanced. By further integrating financing guarantee, financial factoring, bills and assets management businesses, strengthening product R&D of the characteristic industrialized supply chain system, and innovating

尊敬的各位股東：

本人欣然代表瀚華金控董事（「董事」）會（「董事會」），呈報本公司自2018年1月1日截至2018年12月31日年度報告。

2018年中國經濟由高速增長轉入中高速、高質量增長新階段。2018年11月，習近平總書記在民營企業座談會上發表重要講話，表明黨中央毫不動搖鼓勵、支持、引導非公有制經濟發展的堅定決心和鮮明態度，為民營經濟健康發展注入了強大信心和動力。當前民營企業在發展過程中深受融資難題困擾，背後是中國金融服務體系有待完善，中小微企業金融服務機構有待培育，服務能力有待提升。2018年以來，包括國務院、中國人民銀行、中國銀行保險監督管理委員會在內的各部門召開多次會議、出台多項政策支持普惠金融發展，豐富和完善中小微企業金融體系，為普惠金融發展提供了良好的外部機遇。加之以大數據、雲計算、人工智能、區塊鏈等為代表的金融科技手段的日益成熟和運用為普惠金融服務模式創新帶來的技術賦能，普惠金融正迎來並將長期處在黃金發展期。2018年，公司持續聚焦普惠金融服務領域，進一步豐富和完善中小微企業服務體系，大力推進機制與產品服務創新，經營業績取得平穩增長，並在如下方面取得明顯成效：

一是綜合金融平台進一步升級，各板塊協同性進一步增強，產業鏈深度服務能力及效率進一步提升。夥伴集群業務通過進一步整合融資擔保、金融保理、票據與資產管理等業態，並加大特色化產業化供應鏈體系產品研發，創新供應端、銷售端融資模式以及出口信用融資模式，可為產業鏈

Chairman's Statement

董事長致辭

the supply end and sales end financing model and export credit financing model, our partner cluster business can provide all-round support for upstream and downstream of the industrial chain from fund and capital to resources, which has further optimized our business structure and customer structure, and improved our assets quality stably.

Secondly, the financial innovation enabled by financial science and technology has made positive results. Financial science and technology will not change the financial industry's nature in risk management and control, but it will significantly change the financial business model and risk control model, thereby reduce the inclusive finance service cost, and improve the inclusive finance service availability, capability and efficiency. At present, Hanhua is embracing financial science and technology comprehensively, and is vigorously exploring into the fusion of emerging technologies and original models in all links from front office business marketing and risk control model to back office business and management system. As of now, Hanhua can provide the fully networked, mobile and data-based services, while our scaled service capability and efficiency and our customer experience have been significantly intensified.

Thirdly, the overseas business has made a substantial stride. Through acquisition of TCG Asset Management Limited, a Hong Kong-based asset management company, Hanhua has obtained the Type 9 Financial Regulated License approved by the Securities and Futures Commission (SFC), which allows us to provide cross-border financial services for small and medium-sized enterprises participating in "One Belt, One Road", and meanwhile facilitates us to grasp the historical opportunities of the "One Belt, One Road" and the China-Singapore Connectivity Project, and lays a foundation for Hanhua Financial to comprehensively participate in cooperation with the international financial institutions.

Looking into the future, we'll continue to pursue partnership finance, platform finance and eco-finance as the strategy, focus on the two core strategies of sci-tech finance and industry-finance synergy, build up the digitalized inclusive finance service platform and the synergic industrial and financial development platform, establish an all-round, stereoscopic, cross-industry and cross-domain industrial and financial service system, comprehensively enhance the risk response ability and sustainable development ability of small and medium-sized enterprises, and support the transformation and upgrading of the real economy.

上下游提供從資金到資本到資源全方位支持，業務結構和客戶結構進一步優化，資產質量穩健提升。

二是以金融科技賦能金融創新取得積極成果。金融科技不會改變金融業管控風險的本質，但將顯著改變金融業務模式以及風控模式，從而降低普惠金融服務成本，提升普惠金融服務可得性、服務能力和效率。目前瀚華正在全方面擁抱金融科技，無論從前台業務營銷到風控模式再到後台業務及管理系統，各環節都在大力探索新興技術與原有模式的融合。目前瀚華服務已全面實現了網絡化、移動化和數據化，客戶規模化服務能力、效率、客戶體驗均顯著增強。

三是海外業務邁出堅實一步。通過收購香港資產管理公司態晟資產管理有限公司 TCG Asset Management Limited，瀚華獲得了由香港證監會批准的第九類金融牌照，可為參與「一帶一路」的中小企業提供跨境金融服務，同時有利於把握一帶一路及中新互聯互通項目歷史機遇，為瀚華金融全方位參與國際金融領域合作奠定開端。

展望未來，我們將繼續在夥伴金融、平台金融、生態金融戰略理念指導下，以科技金融和產融協同為兩大核心策略，打造數字化普惠金融服務平台和產融協同發展平台，構建全方位、立體化、跨行業、跨領域的產融服務體系，全面提升中小企業應對風險能力和可持續發展能力，助力實體經濟轉型升級。

Management Discussion and Analysis

管理層討論與分析

BUSINESS AND FINANCIAL REVIEW

業務及財務回顧

PARTNERSHIP FINANCE BUSINESS SEGMENT

夥伴金融業務集群分部

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

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

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

下表載列本集團夥伴金融業務集群分部的關鍵業績指標：

		For the year ended 31 December			
		截至12月31日止年度			
		2018	2017	Change	
		2018年	2017年	變動	
		Amount	Amount	Amount	Percentage %
		金額	金額	金額	百分比%
(Expressed in RMB million, unless otherwise stated)					
(除另有註明外，以人民幣百萬元列示)					
Operating results	經營業績				
Net guarantee and consulting fee income	擔保及諮詢費淨收入	674.5	631.4	43.1	6.8
Net interest and handling fee income	利息及手續費淨收入	363.2	379.0	(15.8)	(4.2)
Net fee and interest income	淨手續費及利息收入	1,037.7	1,010.4	27.3	2.7
Other net income	其他收入淨額	32.6	40.4	(7.8)	(19.3)
Reversal/(provisions) for guarantee losses	轉回/(計提)擔保賠償準備金	1.1	(26.7)	27.8	104.1
Impairment losses	資產減值損失	(135.1)	(171.8)	(36.7)	(21.4)
- Receivables for default payments	- 應收代償款	(86.0)	(136.0)	(50.0)	(36.8)
- Entrusted loans	- 委託貸款	(7.9)	(25.9)	(18.0)	(69.5)
- Receivables for factoring business	- 應收保理款	(15.7)	(9.2)	6.5	70.7
- Finance lease receivables	- 應收融資租賃款	(25.5)	(0.7)	24.8	3,542.9
Operating expenses	營運支出	(352.7)	(321.9)	30.8	9.6
- Operation and administrative expenses	- 業務及管理費	(343.1)	(312.4)	30.7	9.8
- Tax and surcharges	- 稅金及附加	(9.6)	(9.5)	0.1	1.1
Profit before taxation	稅前利潤	583.6	530.4	53.2	10.0

Management Discussion and Analysis

管理層討論與分析

In 2018, profit before taxation of the partnership finance business segment was RMB583.6 million, representing an increase of RMB53.2 million or 10.0% as compared with RMB530.4 million in 2017, which was mainly due to the continuous adjustment of business structure and customer structure in the past four years. Net fee and interest income generated by capital business decreased slightly, while net guarantee and consulting fee income generated by guarantee business continued to grow. Additionally, with the improving assets portfolio quality, the associated asset impairment losses presented a sharp decrease. Specifically as follows:

- **The structure adjustment of credit guarantee business achieved remarkable results. The volume and balance of project performance guarantee continued to maintain a high growth trend and became a new profit growth point in 2018.**

In recent years, the Group has actively adjusted the operation strategy of credit guarantee business, transforming from the traditional single-customer retail model to the product wholesale supply chain financial model as well as from the passive business in the past to actively marketing core enterprises with high credit qualification. Focusing on the upstream and downstream financing demand of core enterprises, the Group managed risks through controlling information flow, capital flow and logistics. Based on in-depth understanding of market demand, the Group provided integrated financial services to SMEs at different stages of growth, through its financial licenses covering different areas and in reliance on its operating network covering a majority of regions in the PRC.

2018年，夥伴金融業務集群分部實現稅前利潤人民幣583.6百萬元，與2017年稅前利潤人民幣530.4百萬元相比，增加人民幣53.2百萬元，增幅10.0%，主要源於近四年在業務結構及客戶結構方面的持續調整。儘管資金業務產生的淨手續費及利息收入小幅下降，但擔保業務產生的擔保及諮詢費淨收入呈持續增長態勢；同時，因資產組合質量不斷提升，與此相關的資產減值損失大幅下降。具體分析如下：

- 信用擔保業務結構調整成效顯著，工程履約擔保業務2018年發生額、餘額繼續保持高速增長態勢，成為新的利潤增長點。

近年來本集團主動調整信用擔保業務經營策略，由傳統單一客戶零售模式向產品批發供應鏈金融模式轉變，由過去被動開展業務轉變為主動營銷信用資質較高的核心企業，圍繞核心企業上下游融資需求，通過控制信息流、資金流、物流來管理風險。在深入瞭解市場需求的基礎上，利用本集團覆蓋不同範疇的金融牌照，並依託覆蓋全中國大部份地區的經營網絡，為廣大中小企業在不同成長階段提供綜合性金融服務。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the Group's balance of traditional financing guarantee business was RMB9,068.1 million, representing a decrease of RMB1,448.2 million or 13.8% as compared with RMB10,516.3 million as at 31 December 2017. In 2018, total guarantee and consulting fee income of traditional financing guarantee business was RMB404.0 million, basically equivalent to that of RMB406.4 million in 2017. According to the relevant stipulations of the accounting standards, the Group's guarantee and consulting fee income received from customers will be measured at 1/365 Method during the entire period of the guarantee contract, and the unrealized income will be included in the deferred income. In spite of the decrease to some extent of traditional financing guarantee business in 2018 compared with 2017, the deferred income from a large number of new businesses in 2017 has been released and transformed into guarantee fee income in 2018, resulting in no significant change in guarantee and consulting fee income in 2018 as compared with 2017.

In 2018, total guarantee and consulting fee income of non-financing guarantee business (mainly including project performance guarantee business) was RMB135.7 million, representing an increase of RMB55.8 million or 69.8% as compared with RMB79.9 million in 2017, which was primarily due to the substantial increase in the volume of project performance guarantee business. Based on the huge market space in the construction industry, the Group designed specific products by taking into account the operating features of the construction industry, and assisted a number of construction and engineering construction enterprises which met certain qualifications in their business expansion by issuing "bid bonds, performance bonds and prepayment bonds". Since 2016, the Group has been expanding its project performance guarantee business vigorously, and maintaining high speed of growth. The transaction amount of the project performance guarantee business in 2018 was RMB9,093.5 million, representing an increase of RMB1,592.0 million or 21.2% as compared with RMB7,501.5 million in 2017. As at 31 December 2018, the balance of project performance guarantee business was RMB10,980.6 million, representing an increase of RMB3,160.1 million or 40.4% as compared with RMB7,820.5 million as at 31 December 2017.

截至2018年12月31日，本集團傳統融資擔保業務餘額為人民幣9,068.1百萬元，較2017年12月31日餘額人民幣10,516.3百萬元，減少人民幣1,448.2百萬元，降幅13.8%。2018年，傳統融資擔保業務實現擔保及諮詢費收入總額為人民幣404.0百萬元，與2017年該類業務產生的擔保及諮詢費收入人民幣406.4百萬元相比，基本相當。按照會計準則的相關規定，本集團向客戶收取的擔保及諮詢費收入將在整個擔保合同存續期間內按照三百六十五分之一法進行計量，未實現收入部份將計入未到期責任準備金。儘管傳統融資擔保業務2018年發生額較2017年有一定程度下降，但2017年大量新增業務產生的未到期責任準備金在2018年得到釋放並轉化為擔保費收入，使得2018年度擔保及諮詢費收入與2017年相比無明顯變化。

2018年，非融資擔保業務（主要為工程履約擔保業務）實現擔保及諮詢費收入總額為人民幣135.7百萬元，與2017年該類業務產生的收入人民幣79.9百萬元相比，增加人民幣55.8百萬元，增幅69.8%，這主要源於2018年工程履約擔保業務發生額大幅增加所致。基於建築施工行業的巨大市場空間，本集團結合建築施工行業的運營特徵，設計特定的產品，為符合一定資質要求的建築、工程施工企業開立「投標保函、履約保函」等，協助其業務拓展。自2016年開始，本集團大力拓展工程履約保函擔保業務，並保持高速增長。2018年，工程履約擔保業務發生額為人民幣9,093.5百萬元，較2017年該類業務發生額人民幣7,501.5百萬元，增長人民幣1,592.0百萬元，增幅21.2%。截至2018年12月31日，工程履約擔保業務餘額為人民幣10,980.6百萬元，較2017年12月31日業務餘額人民幣7,820.5百萬元，增長人民幣3,160.1百萬元，增幅40.4%。

Management Discussion and Analysis

管理層討論與分析

In 2018, total guarantee and consulting fee income of bond guarantee business was RMB137.6 million, representing a decrease of RMB9.6 million or 6.5% as compared with RMB147.2 million in 2017, which was primarily due to the decrease in the volume of bond financing guarantee business in 2018. In 2018, the Group provided guarantees for four bond issues in the aggregate amount of RMB2,170.0 million. The issuance volume decreased by RMB1,050.0 million or 32.6% as compared with RMB3,220.0 million in 2017. As at 31 December 2018, the Group's outstanding bond guarantee balance was RMB24,355.0 million (as at 31 December 2017: RMB23,350.0 million).

Although the scale of the traditional financing guarantee business was subject to a declining trend, due to the continued growth of project performance guarantee business, the Group's net guarantee and consulting fee income of credit guarantee business in 2018 was RMB674.5 million, representing an increase of RMB43.1 million or 6.8% as compared with RMB631.4 million in 2017.

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

2018年，債券融資擔保業務實現擔保及諮詢費收入總額為人民幣137.6百萬元，與2017年該類業務產生的收入人民幣147.2百萬元相比，減少人民幣9.6百萬元，降幅6.5%，這主要源於2018年債券融資擔保業務發生額進一步下滑所致。2018年，本集團共為四隻債券發行共計人民幣2,170.0百萬元提供擔保，該發行量較2017年度債券擔保發生額人民幣3,220.0百萬元，下降人民幣1,050.0百萬元，降幅32.6%。截至2018年12月31日，本集團債券擔保餘額為人民幣24,355.0百萬元（2017年12月31日：人民幣23,350.0百萬元）。

儘管傳統融資擔保業務規模呈下降態勢，得益於工程履約保函擔保業務的持續增長，本集團2018年信用擔保業務產生擔保及諮詢費淨收入人民幣674.5百萬元，較2017年擔保及諮詢費淨收入人民幣631.4百萬元，增加人民幣43.1百萬元，增幅6.8%。

- 為應對複雜的外部經營環境，始終維持高額現金儲備，以維持較高的流動性水平；同時，主動調整資金業務結構，以「應收賬款保理」作為切入點，大力發展以「核心龍頭企業」為紐帶的「供應鏈金融」，提升資產端的組織和管理能力。

Management Discussion and Analysis

管理層討論與分析

The net interest and handling fee income from this segment's capital business was RMB363.2 million in 2018, representing a decrease of RMB15.8 million or 4.2% as compared with RMB379.0 million in 2017. Since the implementation of the Regulation and its supporting rules of the Measures for Administration, the subsidiaries of the Group have gradually increased their allocation ratio of qualified time deposits, bond assets and other assets with higher liquidity, thus improving liquidity while reducing capital earning. Additionally, since 2017, increasing financing costs have also narrowed the net profit margin of capital business. As at 31 December 2018, the balance of capital business of partnership finance business segment was RMB3,561.9 million, representing a decrease of RMB119.1 million or 3.2% as compared with RMB3,681.0 million as at 31 December 2017. The decline was roughly equal to the decrease in the net interest and handling fee income incurred by the capital business of the partnership finance business segment.

In 2018, the cumulative amount of receivables for factoring business was RMB3,804.7 million, representing a decrease of RMB633.9 million or 14.3% as compared with RMB4,438.6 million in 2017. As at 31 December 2018, the balance of receivable for factoring business was RMB2,399.9 million, representing an increase of RMB740.0 million or 44.6% as compared with RMB1,659.9 million as at 31 December 2017. The average duration of this type of business was 10 months, and 98.7% of the business will be due within one year. In contrast, the balance of entrusted loan business declined. As at 31 December 2018, the balance of entrusted loan business was RMB859.2 million, representing a decrease of RMB812.1 million or 48.6% as compared with RMB1,671.3 million as at 31 December 2017.

該分部資金業務2018年產生的利息及手續費淨收入為人民幣363.2百萬元，與2017年利息及手續費淨收入人民幣379.0百萬元相比，減少人民幣15.8百萬元，降幅4.2%。自《條例》及其配套實施細則《管理辦法》實施以來，本集團從事融資擔保業務的子公司逐步加大對符合資格的定期存款、債券類資產、以及其他流動性較高的資產的配置比例，流動性水平提高的同時，資金收益有所降低。同時，自2017年開始不斷上漲的融資成本也使得資金業務的淨利差空間收窄。截至2018年12月31日，夥伴金融業務集群分部的資金業務餘額為人民幣3,561.9百萬元，較2017年12月31日該餘額人民幣3,681.0百萬元，下降人民幣119.1百萬元，降幅3.2%，該降幅與夥伴金融業務集群分部資金業務產生的淨利息及手續費收入下降比例大致相若。

2018年，應收賬款保理業務累計發生額為人民幣3,804.7百萬元，較2017年發生額人民幣4,438.6百萬元，下降人民幣633.9百萬元，降幅14.3%。截至2018年12月31日，應收賬款保理業務餘額為人民幣2,399.9百萬元，與2017年12月31日應收賬款保理業務餘額人民幣1,659.9百萬元相比，增加人民幣740.0百萬元，增幅44.6%。該類業務平均業務期限為10個月，98.7%的業務將於1年內到期。同時，委託貸款業務餘額則呈下降態勢。截至2018年12月31日，委託貸款業務餘額為人民幣859.2百萬元，與2017年12月31日委託貸款業務餘額人民幣1,671.3百萬元相比，減少人民幣812.1百萬元，降幅48.6%。

Management Discussion and Analysis

管理層討論與分析

- **In 2018, the credit guarantee business of partnership finance business segment continued to decline in terms of the amount of default payments paid on behalf of customers and default rate, and the quality of assets continued to be improved. At the same time, significant progress was made on the recovery of default payments of customers in previous years. In 2018, a total of RMB216.8 million was recovered, which resulted in a sharp decrease in the impairment loss of receivables for default payments. Among them:**

In 2018, the impairment loss of receivables for default payments was RMB86.0 million, representing a decrease of RMB50.0 million or 36.8% as compared with RMB136.0 million in 2017, mainly due to overall improvement of the Group's business structure, customer base, product portfolio, risk control strategies and the recovery of receivables for default payments.

The Group assesses the potential recovery possibility for each default payment mainly receivable based on the anti-collateral provided by the borrower, and compares the present value of the possible recoverable with the amount of receivables for default payments, where the difference is included in the impairment loss for the current period;

The decrease in impairment losses of receivables for default payments was, on one hand, due to significant decrease in receivables for default payments paid by the Group for customers in 2018 as compared with 2017. In 2018, the total default payments of the Group for customers was RMB206.3 million, representing a decrease of RMB75.4 million or 26.8% as compared with RMB281.7 million in 2017. On the other hand, substantial progress was made on the recovery of default payments. In 2018, the Group continued to strengthen the recovery management of default payments, increased value of valuable collaterals acquired for the current default payments and default payment in the previous years, and made substantial progress on the recovery of default payments. In 2018, the Group recovered a cumulative total of RMB216.8 million in cash from defaulting customers (2017: RMB224.6 million), with recovery rate (recovery rate = current recovery amount/current default payments) of 105.1% (2017: 79.7%).

- 夥伴金融業務集群分部的信用擔保業務2018年為客戶違約代償金額及代償率處於持續下降態勢，資產質量持續改善；與此同時，針對過往年度為客戶代償款項的清收工作取得重大進展，2018年累計回收人民幣216.8百萬元，使得針對應收代償款提取的資產減值損失大幅下降。其中：

2018年，應收代償款的資產減值損失為人民幣86.0百萬元，與2017年資產減值損失人民幣136.0百萬元相比，減少人民幣50.0百萬元，降幅36.8%，這主要得益於本集團業務結構、客戶群體、產品組合、風險控制策略、代償後資產清收能力的全面提升。

本集團對應收代償款潛在的回收可能進行逐筆評估，主要依據借款人提供的反抵押情況進行，並將可能回收金額的現值與代償款金額進行比較，將差額計入當期資產減值損失；

應收代償款資產減值損失的下降，一方面是因為2018年本集團為客戶支付的代償款金額較2017年支付的金額大幅下降。本集團2018年為違約客戶支付的代償款項總額為人民幣206.3百萬元，與2017年代償款項人民幣281.7百萬元相比，共減少人民幣75.4百萬元，降幅26.8%。另一方面在於清收工作持續取得實質性進展。2018年，本集團持續加強代償後的清收管理，針對當期代償項目以及以前年度代償項目所獲取的有價值的抵質押物不斷提升以及清收工作取得實質性進展所致。2018年，本集團從違約客戶處累計回收現金人民幣216.8百萬元（2017年：人民幣224.6百萬元），回收比率（回收比率=當期回收金額／當期代償金額）為105.1%（2017年：79.7%）。

Management Discussion and Analysis

管理層討論與分析

In 2018, the Group's impairment loss of entrusted loan of the partnership finance business segment was RMB7.9 million, representing a decrease of RMB18.0 million or 69.5% as compared with RMB25.9 million in 2017, mainly due to the decline in the balance of entrusted loan of the partnership finance business segment which decreased from RMB1,671.3 million as at 31 December 2017 to RMB859.2 million as at 31 December 2018;

In 2018, the Group's impairment loss of receivables for factoring business was RMB15.7 million, representing an increase of RMB6.5 million or 70.7% as compared with RMB9.2 million in 2017, mainly due to the significant increase in the balance of receivables for factoring business. As at 31 December 2018, the Group's balance of receivables for factoring business was RMB2,399.9 million, representing an increase of RMB740.0 million or 44.6% as compared with RMB1,659.9 million as at 31 December 2017; and

In 2018, the impairment loss of finance lease receivables was RMB25.5 million. As at 31 December 2018, the Group's balance of overdue business of finance lease receivables was RMB176.5 million. Although this business segment had sufficient collaterals as risk mitigation measures, the Group adopted prudent accounting estimates for which provision is made individually.

For information on asset quality of each business of partnership finance business segment, please refer to page 58 to page 73 of the Report.

2018年，夥伴金融業務集群分部委託貸款提取的資產減值損失為人民幣7.9百萬元，與2017年提取的資產減值損失人民幣25.9百萬元相比，下降人民幣18.0百萬元，降幅69.5%，主要源於夥伴金融業務集群委託貸款餘額的下降，委託貸款餘額由2017年12月31日的人民幣1,671.3百萬元下降至2018年12月31日的人民幣859.2百萬元；

2018年，應收保理款提取的資產減值損失為人民幣15.7百萬元，與2017年提取的資產減值損失人民幣9.2百萬元相比，增加人民幣6.5百萬元，增幅70.7%，主要是因為應收保理款項業務餘額大幅增加所致。截至2018年12月31日，本集團應收保理款項餘額為人民幣2,399.9百萬元，較2017年12月31日應收保理款項餘額人民幣1,659.9百萬元，增加人民幣740.0百萬元，增幅44.6%；及

2018年，應收融資租賃款提取的資產減值損失為人民幣25.5百萬元。截至2018年12月31日，本集團應收融資租賃逾期業務餘額為人民幣176.5百萬元，儘管該部份業務有足額的抵質押物作為風險緩釋措施，但本集團採用審慎的會計估計並據此計提單項撥備。

有關夥伴金融業務集群各項業務的資產質量信息，請參閱本報告第58頁至73頁。

Management Discussion and Analysis

管理層討論與分析

- **The partnership finance business segment gradually improved refined cost management system with more reasonable cost structure, and continued to enhance human resources construction.**

In 2018, the total amount of operation and administrative expense generated by the partnership finance business segment was RMB343.1 million, representing an increase of RMB30.7 million or 9.8% as compared with RMB312.4 million in 2017. The increase was mainly due to the increase in legal fees, evaluation fees and other related expenses in the course of asset recovery. Meantime, new business segments, such as financial asset management segment, began to operate in 2018, resulting in increase of initial costs relating to the establishment of business teams.

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

- 成本精細化管理體系逐步完善，成本結構日趨合理，繼續加強人力資源建設。

2018年，夥伴金融業務集群分部產生的業務及管理費總額為人民幣343.1百萬元，與2017年度該分部業務及管理費人民幣312.4百萬元相比，增長人民幣30.7百萬元，增幅9.8%。其增加主要源於資產清收過程中支付的律師費、評估費以及其他相關費用增加所致。同時，新業務板塊如金融資產管理板塊2018年開始正式運營，業務團隊搭建及相關初始費用增加所致。

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

Management Discussion and Analysis

管理層討論與分析

Credit guarantee

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

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

信用擔保

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

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

Management Discussion and Analysis

管理層討論與分析

The Regulation set out a series of support measures in the general rules and operational regulations sections, covering: (1) The State promotes the establishment of government financing guarantee systems, including government funding for the establishment of development funds of financing guarantee industry, establishment of re-guarantee system, financing guarantee agencies, and the supervisory and administrative departments and industry self-regulatory organizations at all levels, and establishment of coordination mechanisms at all levels and among various agencies; (2) The financial sectors of the people's governments at all levels provide financial support to financing guarantee companies mainly serving micro and small enterprises as well as "three rural" through capital investment and establishment of risk sharing mechanisms; (3) Although the multiplier of a financing guarantee company (multiplier = outstanding financing guarantee balance/net assets) is usually capped at 10 times, the multiplier of a financing guarantee company mainly serving micro and small enterprises as well as "three rural" may be increased to 15 times. All long, the Group's affiliated financing guarantee company is committed to providing services to extensive micro and small enterprises as well as "three rural" customers. As at 31 December 2018, the financing guarantee business of micro and small enterprises as well as "three rural" accounted for up to 74.9% (as at 31 December 2017: 76.0%) of the Group's outstanding traditional financing guarantee, regardless of the total number of transactions or number of households. This move is conducive to the Group's further development of its first-mover advantage and increases its business scale.

Looking forward to 2019, China's economy has shifted from a period of high-speed growth to a stage of medium-high-speed and high-quality development. The SMEs will be subject to a lot of financing needs in the phase of economic growth shift and the deepening of supply-side reforms. At the policy level, the promulgation and implementation of the Regulation clarify ideas for the business development directions of different types of financing guarantee agencies. Among which, the policy-based local financing guarantee agencies will return to traditional indirect financing guarantees in order to obtain policy support and business development space. The market-based financing guarantee agencies will benefit from the policy orientation and overall normative macro operating environment. The financing guarantee agencies that have the strength, technology, better market layout, standard internal management, and focus on serving micro, small and medium-sized enterprises will quickly stand out as industry leaders, and guide the constantly innovative development of the financing guarantee industry.

《條例》在總則和經營規則章節中制定了一系列扶持措施。包括：(1)國家推動建立政府性融資擔保體系，包括政府出資設立融資擔保產業發展基金、建立再擔保體系、融資擔保機構、各級監督管理部門及行業自律組織，在各層面、各機構之間建立協調機制；(2)各級人民政府財政部門通過資本投入、建立風險分擔機制等方式，對主要為小微和「三農」服務的融資擔保公司提供財政支持；(3)融資擔保公司的放大倍數（放大倍數=融資擔保責任餘額／淨資產）通常不超過10倍，但對主要為小微和「三農」服務的融資擔保公司，擔保放大倍數上限可以提高至15倍；一直以來，本集團下屬的融資擔保公司致力於為廣大小微企業和「三農」客戶提供服務。截至2018年12月31日，本集團傳統融資擔保餘額中，屬於小微企業和「三農」性質的融資擔保業務無論從筆數、還是戶數統計，佔比比例高達74.9%（2017年12月31日：76.0%）。此舉有利於本集團進一步發揮先發優勢，提升業務規模。

展望2019年，我國經濟已由高速增長階段轉向中高速、高質量發展的階段，中小企業在經濟增速換檔期和供給側改革深化階段，將產生大量的融資需求。政策層面，《條例》的出台和實施，為不同類型的融資擔保機構業務發展方向提供了明確思路，其中，地方政策性融資擔保機構為獲得政策扶持和業務發展空間，業務將向傳統間接融資擔保回歸；市場化融資擔保機構則受益於政策導向及宏觀經營環境的整體規範，對於有實力、有技術、市場佈局較好、內部管理規範、一直專注於服務中小微企業的融資擔保機構將迅速脫穎而出並成為行業翹楚，引領融資擔保行業不斷創新發展。

Management Discussion and Analysis

管理層討論與分析

Business expansion and products

業務拓展及產品

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

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

		As at 31 December 截至12月31日			
		2018 2018年 Amount 金額	2017 2017年 Amount 金額	Change 變動 Amount 金額	Percentage % 百分比%
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)					
Product distribution of outstanding guarantee:	擔保餘額 按產品分佈：				
Traditional financing guarantee	傳統融資擔保	9,068.1	10,516.3	(1,448.2)	(13.8)
Bond guarantee	債券擔保	24,355.0	23,350.0	1,005.0	4.3
Subtotal of financing guarantee balance	融資擔保餘額小計	33,423.1	33,866.3	(443.2)	(1.3)
Re-guarantee	再擔保業務分出	(800.0)	-	-	-
Outstanding traditional financing guarantee balance	傳統融資擔保 在保餘額	9,068.1	10,516.3	(1,448.2)	(13.8)
Outstanding bond guarantee balance	債券擔保在保餘額	23,555.0	23,350.0	205.0	0.9
Outstanding financing guarantee balance	融資擔保在保餘額	32,623.1	33,866.3	(1,243.2)	(3.7)
Non-financing guarantee	非融資擔保	11,070.9	12,598.7	(1,527.8)	(12.1)
- Guarantee of capital preservation funds	- 保本基金擔保	-	4,443.1	4,443.1	(100.0)
- Project performance guarantee	- 工程履約擔保	10,980.6	7,820.5	3,160.1	40.4
- Litigation guarantee	- 訴訟履約擔保	90.3	335.1	(244.8)	(73.1)
Total outstanding guarantee balance	在保餘額合計	43,694.0	46,465.0	(2,771.0)	(6.0)

Management Discussion and Analysis

管理層討論與分析

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

The Group adhered to the principles of compliant operations and "encouragements and discouragements", and effectively integrated the macroeconomic control policies and industry policies of the government to develop the guarantee business in a prudent, steady and appropriate manner. The Group's outstanding guarantee balance of the credit guarantee business was RMB43,694.0 million, representing a decrease of RMB2,771.0 million or 6.0% as compared with RMB46,465.0 million as at 31 December 2017. This was mainly due to the fact that the Group's guarantee business for capital preservation funds was due and successfully released in September 2018. Excluding guarantee business for capital preservation funds, as at 31 December 2018, the Group's balance of the credit guarantee business increased by RMB1,672.1 million or 4.0% compared with the same period of the previous year, mainly due to the growth of project performance guarantee business. In 2018, the project performance guarantee business witnessed high-speed growth. As at 31 December 2018, the balance of project performance guarantee business was RMB10,980.6 million, representing an increase of RMB3,160.1 million or 40.4% as compared with RMB7,820.5 million as at 31 December 2017.

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

本集團堅持依法合規經營，堅持「有保有壓」的原則，有效結合國家宏觀調控政策和產業政策，審慎、穩健、適度的發展擔保業務。本集團信用擔保業務在保餘額為人民幣43,694.0百萬元，較2017年12月31日在保餘額人民幣46,465.0百萬元減少人民幣2,771.0百萬元，降幅達6.0%，主要原因是本集團保本基金擔保業務於2018年9月到期並全部成功解保。在不考慮保本基金擔保餘額的情況下，本集團截至2018年12月31日的信用擔保業務餘額較上年同期增長人民幣1,672.1百萬元，增幅4.0%，其增長主要來源於工程履約擔保業務規模的增長。2018年，工程履約擔保業務繼續取得了高速增長，截至2018年12月31日，工程履約擔保業務餘額為人民幣10,980.6百萬元，較2017年12月31日業務餘額人民幣7,820.5百萬元，增長人民幣3,160.1百萬元，增幅40.4%。

Management Discussion and Analysis

管理層討論與分析

Traditional financing guarantee business

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

傳統融資擔保業務

傳統融資擔保業務主要包括銀行類融資擔保和其他非銀行機構類融資擔保。本集團始終堅持以「服務中小企業及個人」為使命，努力向符合信用資質的中小企業提供服務。自2015年開始，國內經濟下行壓力逐步加大，經濟形勢錯綜複雜。本集團逐步主動有序壓縮房地產開發及相關的建築安裝行業、金屬冶煉等十大高危行業，以減少違約付款金額；同時，逐步改變客戶及業務拓展模式：(1)通過瀚華金控豐富的金融牌照、分佈全國的經營網絡、靈活高效的運營機制所形成的比較優勢，為廣大客戶提供綜合性的金融服務；(2)以資本投資為紐帶，採用「資本+信貸」的方式，為廣大中小企業在不同成長階段提供金融服務，大力發展夥伴金融；(3)主動營銷信用資質較高的核心企業，以「核心企業」為依託，依託核心企業的銷售網絡和資金渠道網絡，通過開發標準化產品，滿足以「核心企業」為中心的上下游企業的融資需求，大力發展供應鏈金融業務模式，這使得本集團從過去針對「單一客戶」的營銷模式逐步向「供應鏈模式」轉變；上述綜合舉措使得傳統融資擔保業務出現明顯增長態勢。

Management Discussion and Analysis

管理層討論與分析

In 2018, total guarantee and consulting fee income of traditional financing guarantee business was RMB404.0 million, basically equivalent to that of RMB406.4 million in 2017. According to the relevant stipulations of the accounting standards, the Group's guarantee and consulting fee income received from customers will be measured at 1/365 Method during the entire period of the guarantee contract, and the unrealized income will be included in the deferred income. In spite of the decrease to some extent of the scale of the traditional financing guarantee business in 2018 compared with 2017, the deferred income from a large number of new businesses in 2017 has been released and transformed into guarantee fee income in 2018, resulting in no significant change in guarantee and consulting fee income incurred by traditional financing guarantee business in 2018 as compared with 2017.

In 2018, the volume of traditional financing guarantee business was RMB9,287.6 million, representing a decrease of RMB7,216.0 million or 43.7% as compared with RMB16,503.6 million in 2017, mainly due to the reduction of short-term (normally around 10-90 days) guarantees contracts issued by the Group for specific industries and specific customers. As at 31 December 2018, the Group's outstanding balance of traditional financing guarantee business was RMB9,068.1 million, representing a decrease of RMB1,448.2 million or 13.8% as compared with RMB10,516.3 million as at 31 December 2017.

Since 2015, the Group gradually withdrew from industries and clients with higher credit risks while actively identifying new customers and constantly expanding its client base. In 2018, there were about 700 new clients of traditional financing guarantee business of the Group. As at 31 December 2018, there were about 1,600 clients (as at 31 December 2017: 1,700) of traditional financing guarantee business of the Group, and the average balance of individual client was RMB5.7 million (as at 31 December 2017: RMB6.4 million).

2018年，傳統融資擔保業務實現擔保及諮詢費收入總額為人民幣404.0百萬元，與2017年該類業務產生的擔保及諮詢費收入人民幣406.4百萬元相比，基本相當。按照會計準則的相關規定，本集團向客戶收取的擔保及諮詢費收入將在整個擔保合同存續期間內按照三百六十五分之一法進行計量，未實現收入部份將計入未到期責任準備金。儘管2018年傳統融資擔保業務規模較2017年有一定程度下降，但2017年大量新增業務產生的未到期責任準備金在2018年得到釋放轉化為擔保收入，使得2018年度傳統融資擔保業務產生的擔保及諮詢費收入與2017年相比無明顯變化。

2018年，傳統融資擔保業務發生額為人民幣9,287.6百萬元，與2017年該類業務發生額人民幣16,503.6百萬元相比，減少人民幣7,216.0百萬元，降幅43.7%。主要源於本集團針對特定行業、特定客戶群體簽發的短期（通常期限在10-90天）擔保函減少所致。截至2018年12月31日，本集團傳統融資擔保業務餘額為人民幣9,068.1百萬元，較2017年12月31日餘額人民幣10,516.3百萬元，減少人民幣1,448.2百萬元，降幅13.8%。

自2015年開始，本集團逐步退出信用風險相對較高的行業及客戶；同時，積極拓展新客戶，以不斷擴大基礎客群。2018年，本集團傳統融資擔保業務新增客戶數約700戶。截至2018年12月31日，本集團傳統融資擔保客戶數約為1,600戶（2017年12月31日：1,700戶），單戶平均在保餘額為人民幣5.7百萬元（2017年12月31日：人民幣6.4百萬元）。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期傳統融資擔保業務按地區劃分的擔保業務餘額分佈情況：

		As at 31 December 於12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Chongqing	重慶	2,336.2	25.8	3,166.4	30.1
Liaoning	遼寧	1,178.9	13.0	1,511.5	14.4
Sichuan	四川	1,010.1	11.1	1,279.7	12.2
Jiangsu	江蘇	976.8	10.8	1,152.2	11.0
Shandong	山東	498.3	5.5	259.6	2.5
Others	其他	3,067.8	33.8	3,146.9	29.8
Total	合計	9,068.1	100.0	10,516.3	100.0

As at 31 December 2018, Chongqing, Liaoning, Sichuan, Jiangsu and Shandong were the five biggest markets in terms of proportion in the aggregate balance of traditional financing guarantees, amounting to 66.2%. The proportion of the five biggest markets in the aggregate balance of traditional financing guarantees decreased by approximately 5.7 percentage points as compared with 71.9% as at 31 December 2017, representing a decrease in terms of geographical concentration.

截至2018年12月31日，以傳統融資擔保餘額所佔百分比計算，重慶、遼寧、四川、江蘇及山東為我們傳統融資擔保業務的前五大市場，所佔比例為66.2%。較2017年12月31日，傳統融資擔保業務餘額前五大地區所佔比例71.9%相比，減少約5.7個百分點，地域集中度降低。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期傳統融資擔保業務按行業劃分的擔保業務餘額分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Commercial services	商貿	2,722.5	30.0	2,488.2	23.7
Construction	建築業	2,473.7	27.3	2,880.4	27.4
Manufacturing and processing	製造及加工業	1,905.7	21.0	2,602.0	24.7
Energy	能源	332.3	3.7	399.0	3.8
Household goods	綜合	300.3	3.3	303.0	2.9
Others	其他	1,333.6	14.7	1,843.7	17.5
Total	合計	9,068.1	100.0	10,516.3	100.0

As at 31 December 2018, the traditional financing guarantee business mainly concentrated in commercial services, construction, manufacturing and processing, energy and household goods in terms of proportion in the aggregate balance of traditional financing guarantees. We always adhered to the idea of “industry diversification” to avoid over-reliance on a single industry. Meanwhile, in order to effectively spread risk, our traditional financing guarantee business revolved around the principles of “staying close to the livelihood of people, staying close to industry and serving SMEs”, and provided active support for the development of SMEs.

截至2018年12月31日，以所佔傳統融資擔保餘額百分比計算，傳統融資擔保業務主要集中在商貿、建築業、製造及加工業、能源及綜合。我們始終堅持「行業分散」的理念，避免對單一行業的過度依賴，同時為了有效分散風險，我們的傳統融資擔保業務緊緊圍繞「貼近民生、貼近實業、服務中小企業」的理念，積極主動的支持中小企業的發展。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期傳統融資擔保業務獲取的抵質押物分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Unsecured guarantee	無抵押擔保	3,754.1	41.4	5,689.5	54.0
Secured guarantee	有抵押擔保	5,314.0	58.6	4,826.8	46.0
– Land and buildings	– 土地及樓宇	3,433.5	37.9	3,499.5	33.3
– Trade receivables and equity interests	– 應收賬款及股權	1,662.7	18.3	1,125.6	10.7
– Others	– 其他	217.8	2.4	201.7	2.0
Total	合計	9,068.1	100.0	10,516.3	100.0

Since 2015, the Group has intensified its R&D and promotion of standardized products, and gradually formed two product lines: standardization and individualization. The Group formulated specific credit extension guideline, operational procedure, pledge policy, charging policy and post-guarantee management requirements based on different product characteristics, customer groups, and funding channels. For individualized products, combined with the retrospective review of defaulting customers in the past and historical recovery collection, sufficient collateral is of great significance to risk management. Therefore, the Group constantly adjusts its credit extension tactics to enhance the secondary repayment source by obtaining collaterals while focusing on the primary repayment source of customers. As at 31 December 2018, the overall pledge rate of the individualized product balance accounted for 66.6% (as at 31 December 2017: 58.7%) of the Group's traditional financing guarantee products. The standardized products are designed, in main combination with the operating characteristics, fund flow and circulation characteristics of a particular industry. The Group weakens the specific collateral-based methods and promotes its business in batches by managing the "information flow, capital flow and cargo flow" mainly with the supply and engagement of partners. As at 31 December 2018, the unsecured guarantee business accounted for 41.4% of the traditional financing guarantee business, representing a decrease of 12.6 percentage points as compared with that as at 31 December 2017, mainly due to the Group's increased demand for collaterals.

自2015年開始，本集團加大對於標準化產品的研發及推廣，逐步形成「標準化」和「個性化」兩大產品系列；本集團根據不同的產品特徵、客戶群體、資金渠道，制定特定的授信指引、操作流程、抵質押政策、收費政策、保後管理要求等。對於「個性化」產品，結合對過往代償客戶以及歷史清收經驗的追溯回顧，擁有足值的抵押物對於風險管理具有重要的意義，因此本集團不斷調整授信策略，在重點關注客戶第一還款來源的同時，繼續強化通過獲取抵質押物的方式強化第二還款來源。截至2018年12月31日，本集團傳統融資擔保產品中，「個性化」產品餘額的總體抵質押率為66.6%（2017年12月31日：58.7%）。對於「標準化」產品，主要結合某一特定行業的經營特徵、資金流轉、貨物流轉特徵而設計，本集團弱化工具體的抵質押物方式，主要通過合作方提供並參與管理的「信息流、資金流、貨物流」進行管理，以批量化推廣業務。截至2018年12月31日，在傳統融資擔保業務中無抵押擔保業務所佔比例為41.4%，較2017年12月31日下降12.6個百分點，主要因為本集團加大對抵質押物的要求所致。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期按風險敞口劃分的傳統融資擔保業務餘額分佈：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB3 million	人民幣3百萬元以內	2,090.5	23.1	3,463.8	33.0
Over RMB3 million to RMB5 million	人民幣3百萬元以上 至人民幣5百萬元	1,269.7	14.0	1,157.4	11.0
Over RMB5 million to RMB10 million	人民幣5百萬元以上 至人民幣10百萬元	1,870.4	20.6	1,707.1	16.2
Over RMB10 million to RMB30 million	人民幣10百萬元以上 至人民幣30百萬元	2,087.7	23.0	2,114.4	20.1
Over RMB30 million	人民幣30百萬元以上	1,749.8	19.3	2,073.6	19.7
Total	合計	9,068.1	100.0	10,516.3	100.0

While continuing to work with high-quality SME customers, the Group strengthened its cooperation with quality companies such as Top 100 Enterprises, leading industry companies and high-quality listed companies. As at 31 December 2018, the balance of guarantees for SME customers within the Group's outstanding guarantee balance of traditional financing guarantee business of less than RMB10 million was RMB5,230.6 million (as at 31 December 2017: RMB6,328.3 million), accounting for 57.7% (as at 31 December 2017: 60.2%).

本集團在繼續致力於與優質中小企業客戶合作的同時，加強與「百強企業」等優質企業、行業龍頭企業和優質上市公司的合作。截至2018年12月31日，本集團傳統融資擔保業務餘額在人民幣10百萬元以下的中小企業客戶擔保餘額為人民幣5,230.6百萬元（2017年12月31日：人民幣6,328.3百萬元），擔保餘額佔比57.7%（2017年12月31日：60.2%）。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期傳統融資擔保業務剩餘到期時間分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within six months	6個月以內	3,446.1	38.0	3,429.0	32.6
Due over six months up to one year	6個月以上至1年	4,197.4	46.3	5,559.1	52.9
Due over one year up to two years	1年以上至2年	713.1	7.9	484.4	4.6
Due over two years up to three years	2年以上至3年	34.2	0.4	369.4	3.5
Due over three years	3年以上	677.3	7.4	674.4	6.4
Total	合計	9,068.1	100.0	10,516.3	100.0

The Group focuses on providing short-term guarantees to respond quickly to changes in market and customer. As at 31 December 2018, the balance due within one year of the Group's traditional financing guarantee business accounted for 84.3% (as at 31 December 2017: 85.5%).

本集團專注提供短期擔保，以快速應對市場及客戶的變化。截至2018年12月31日，本集團傳統融資擔保業務將於一年以內到期的業務餘額佔比為84.3%（2017年12月31日：85.5%）。

Management Discussion and Analysis

管理層討論與分析

Bond guarantee business

Since 2009, the Group has gradually expanded its guarantee service network to 22 provinces across the country and established the most complete financing guarantee service network in China. Based on the Group's strategic development direction and operating income considerations, the Group has always focused on providing financing guarantees for a large number of micro, small and medium-sized enterprises, and has not been involved in the bond guarantee market because of lower yield of bond guarantee. In combination with the external market conditions, the Group has started to actively adjust the business structure and customer structure of the traditional financing guarantee business since 2015, resulting in a gradual decline in the balance of traditional financing guarantee business, of which, the outstanding guarantee balance of traditional financing guarantee business as at 31 December 2014 was RMB16,737.6 million, then gradually decreased to RMB11,719.0 million as at 31 December 2015, and further decreased to RMB8,925.1 million as at 31 December 2016. As at 31 December 2018, the outstanding guarantee balance of traditional financing guarantee business was RMB9,068.1 million.

The Central People's Government stated clearly in the 2015 Government Work Report "to vigorously develop inclusive finance to enable all market players to share the benefits of financial services", followed by the publication of the "Plans for Promoting the Development of Inclusive Finance (2016-2020)" by the Central People's Government in January 2016. Meanwhile, efforts have been made to accelerate the establishment of a multi-level capital market to make investment a theme for steady growth in the future. Against this backdrop, the Group further advanced transformation and upgrading of the business model and continued its business development strategy that focused on "asset quality as the core, customer demand as the centre, partnership finance as the idea and product innovation as the carrier" for creating a symbiotic eco-financial service circle. The Group teamed up with industrial clusters to set up "a guarantee fund, a creditors' fund, an investment and buyout fund and an industrial development fund" for linking up all connectable resources and integrating various aspects of the industry chain to achieve a win-win situation by means of "structured finance and closed operation". On this basis, by continuously enhancing its capital strength as well as its

債券擔保業務

自2009年開始，本集團將擔保服務網絡逐步擴充至全國22個省份，建立了當下中國最完善的融資擔保服務網絡。一直以來，基於本集團戰略發展方向及運營收益考慮，本集團專注於為廣大中小微企業提供融資擔保，並未涉足債券擔保市場，因為債券擔保收益率相對較低。結合外部市場狀況，本集團自2015年開始主動對傳統融資擔保業務進行業務結構及客戶結構的調整，使得傳統融資擔保業務餘額逐步下降，其中2014年12月31日傳統融資擔保業務餘額為人民幣16,737.6百萬元，隨後逐步下降至2015年12月31日的人民幣11,719.0百萬元，並進一步於2016年12月31日下降至人民幣8,925.1百萬元。截至2018年12月31日，傳統融資擔保餘額為人民幣9,068.1百萬元。

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

Management Discussion and Analysis

管理層討論與分析

brand and creditability in the capital market, the Group provided credit guarantees for “special yield bonds and support bonds for micro and small enterprises” issued by local governments and financing platforms. The Group took this as an opportunity to deliver comprehensive financial service solutions to the SMEs on its chain that utilized funds for investment, thereby enabling the Group to transform from the role of a traditional “credit market” service provider to the role of a “Capital + Credit” market integrated service provider.

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

Based on the above reasons, since 2016, the Group provided guarantee services to bonds issued by financing entities with good credit history in open markets by appropriately drawing upon long idle business resources and capitalizing on the influence of the Group’s brand in the capital market, as the temporary business configuration strategy.

For such bond guarantee business, in spite of lower yield of individual business than that of traditional financing guarantee business, the amount of individual guarantee is larger, with longer term, so that the Group can receive the guarantee fee for the entire future guarantee period at one go. Since the guarantee fee received needs to be apportioned and recognized during the whole guarantee period, such a one-time collection of guarantee fee will produce no material impact on the revenue for current period, but the expansion of the business enables the Company to further enrich its liquidity and invest the free funds in capital business and other business sectors. Additionally, the Group provided credit guarantees for “special yield bonds and support bonds for micro and small enterprises” issued by local governments and financing platforms. The Group took this as an opportunity to deliver comprehensive financial service solutions to the SMEs on its chain that utilized funds for investment, thus furthering expanding its customer base.

投資使用鏈條中的中小企業提供綜合性的金融服務解決方案，借此從傳統的「信貸市場」服務商轉變為「資本+信貸」市場綜合服務商。

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

基於以上原因，本集團於2016年開始合理利用長期空閒的業務空間，並利用本集團在資本市場的品牌影響力，向市場優質融資主體在公開市場發行的債券提供擔保服務，作為臨時性業務配置策略。

上述債券擔保業務，儘管單筆業務收益率較傳統融資擔保業務收益率較低，但因單筆擔保金額較大，期限較長，本集團可以一次性收取未來整個擔保期間的擔保費。由於收取的擔保費需要在整個擔保期間內分攤確認，這種一次性收取擔保費的行為不會對當期收益產生實質性影響，但該業務的拓展使得本集團可以進一步充實流動性，並利用閒餘資金投資於資金業務和其他業務板塊。同時，通過為地方政府及融資平台發行的「專項收益債、小微企業扶持債」提供信用擔保，本集團以此為契機為其資金投資使用鏈條中的中小企業提供綜合性的金融服務解決方案，以此進一步擴大客戶群體。

Management Discussion and Analysis

管理層討論與分析

Prior to the implementation of the Regulation on 1 October 2017, the Interim Measures stated the “guarantee liability balance provided by a financing guarantee company for a single guaranteed person should not be more than 30% of its net assets”. After the Regulation was implemented on 1 October 2017, “the ratio of the guarantee liability balance provided by a financing guarantee company for a single guaranteed person to its net assets must not exceed 10%”. This stipulation will greatly limit the amount of guarantee provided by a financing guarantee company for the issuance of a single bond. At the same time, the guarantee liability balance of a single bond will be set according to the credit rating of the bond itself. The multiplier of a financing guarantee company is required to be usually capped at 10 times. This will limit the allocation of financial guarantee companies to bond guarantee business to a great extent. With the continuous increase in the Group’s traditional bank financing guarantee and supply chain financing guarantee business, the temporary resource allocation strategy for bond guarantee business will gradually fade out. The majority of the bonds guaranteed by the Group will be gradually repaid in the third year of the bond’s existence. According to the statistics on current business data, the bond guarantee business is expected to decrease by RMB4,060.0 million, RMB5,190.0 million, and RMB4,695.0 million in 2019, 2020, and 2021, respectively, totaling RMB13,945.0 million. The Group will invest the amount released from bond guarantee business in bank financing guarantees and supply chain financing guarantees to enhance capital use efficiency.

In 2018, the business volume in relation to bond guarantee issued by the Group decreased as a result of the adjustment of the Group’s business strategy. In 2018, the Group provided guarantee for a total of four bonds in an aggregate amount of RMB2,170.0 million. In 2017, the Group provided guarantee for a total of five bonds in an aggregate amount of RMB3,220.0 million. At the same time, in 2018, bonds in total of RMB850.0 million were released before maturity date, due to issuers’ own debt structure adjustment.

在《條例》於2017年10月1日實施以前，根據《暫行辦法》的相關規定，融資擔保公司「對單個被擔保人債券發行提供的擔保責任餘額不得超過淨資產的30%」。而《條例》於2017年10月1日實施以後，融資擔保公司「對同一被擔保人的擔保責任餘額與融資擔保公司淨資產的比例不得超過10%」。此規定將極大限制融資擔保公司對單一債券發行提供的擔保額度。同時，對於單一債券擔保的責任餘額將按照債券本身的資信評級進行設定，並規定融資擔保公司的放大倍數通常不超過10倍。此舉將極大程度地限制融資擔保公司對於債券擔保類業務的配置。隨着本集團傳統銀行融資擔保、供應鏈融資擔保業務發生額的持續增加，債券擔保業務臨時性資源分配策略將逐步淡出。本集團擔保的債券絕大部份將於債券存續的第三年度開始逐步償還。根據對當前業務數據的統計，債券擔保業務預期於2019年、2020年、2021年這三年分別減少人民幣4,060.0百萬元、5,190.0百萬元、4,695.0百萬元，累計減少人民幣13,945.0百萬元，本集團將把逐步釋放的債券擔保業務額度投資於銀行融資擔保及供應鏈融資擔保，以提升資本使用效益。

2018年，受本集團經營策略的調整，本集團簽發的與債券擔保相關的業務量呈下滑態勢。2018年，本集團共為4隻債券發行共計人民幣2,170.0百萬元提供擔保。2017年，本集團共為五隻債券發行共計人民幣3,220.0百萬元提供擔保。與此同時，基於發行人自身債務結構調整的原因，2018年，原始到期日尚未到期共計人民幣850.0百萬元的債券提前解保。

Management Discussion and Analysis

管理層討論與分析

In 2018, total guarantee and consulting fee income of bond guarantee business was RMB137.6 million, representing a decrease of RMB9.6 million or 6.5% as compared with RMB147.2 million in 2017, which was primarily due to the continuous decrease in the volume of bond financing guarantee business since 2017.

The following table sets forth the Group's outstanding bond guarantee balance by region of issuer as at the date indicated:

2018年，債券融資擔保業務實現擔保及諮詢費收入總額為人民幣137.6百萬元，與2017年該類業務產生的收入人民幣147.2百萬元相比，減少人民幣9.6百萬元，降幅6.5%，這主要源於自2017年開始債券融資擔保業務發生額持續下滑所致。

下表載列於所示日期，本集團根據債券發行人所處地域統計的債券擔保餘額：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Hunan	湖南	6,600.0	27.1	5,600.0	24.0
Jiangsu	江蘇	6,475.0	26.6	6,800.0	29.1
Tianjin	天津	2,100.0	8.6	2,100.0	9.0
Jiangxi	江西	1,900.0	7.8	1,900.0	8.1
Chongqing	重慶	1,800.0	7.4	1,800.0	7.7
Others	其他	5,480.0	22.5	5,150.0	22.1
Total	合計	24,355.0	100.0	23,350.0	100.0

As at 31 December 2018, the Group provided guarantee services for a total of 31 bonds worth of RMB24,355.0 million. Meantime, the Group re-guaranteed bond guarantee projects worth of RMB800.0 million in cooperation with third-party re-guarantee companies, thus spreading risk. As at 31 December 2018, the Group's outstanding guarantee balance of bond guarantee business was RMB23,555.0 million, representing an increase of RMB205.0 million or 0.9% as compared with RMB23,350.0 million as at 31 December 2017. The Group only provides guarantees for bonds issued by the investment and financing platforms established and controlled by local governments, and does not involve in corporate bonds issued by listed companies.

截至2018年12月31日，本集團共計為31隻債券共計人民幣24,355.0百萬元提供擔保服務。同時，本集團與第三方再擔保公司進行合作，共計將人民幣800.0百萬元的債券擔保項目進行再擔保轉出，以分散風險。截至2018年12月31日，本集團債券擔保在保餘額為人民幣23,555.0百萬元，較2017年12月31日在保餘額人民幣23,350.0百萬元增加人民幣205.0百萬元，增幅0.9%。本集團只為地方政府設立並控制的投融資平台發行的債券提供擔保，不涉及上市公司發行的企業債券業務。

Management Discussion and Analysis

管理層討論與分析

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

As at 31 December 2018, Hunan, Jiangsu, Tianjin, Jiangxi and Chongqing were the main places in terms of proportion in the balance of bond guarantees.

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

截至2018年12月31日，以所佔債券擔保餘額百分比計算，湖南、江蘇、天津、江西、重慶為我們債券擔保業務的主要發生地。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期債券擔保業務按行業劃分的擔保分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Public facilities investment and management	公共設施投資與管理	11,750.0	48.3	10,430.0	44.6
Household goods	綜合	7,390.0	30.3	7,550.0	32.3
Construction	建築業	2,535.0	10.4	2,700.0	11.6
Public management and social organization	公共管理與社會組織	1,900.0	7.8	1,900.0	8.1
Others	其他	780.0	3.2	770.0	3.4
Total	合計	24,355.0	100.0	23,350.0	100.0

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

下表載列於所示日期債券擔保業務獲取的抵質押物分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Unsecured guarantee	無抵押擔保	4,300.0	17.7	4,300.0	18.4
Secured guarantee	有抵押擔保	20,055.0	82.3	19,050.0	81.6
– Land and buildings	– 土地及樓宇	9,030.0	37.1	9,100.0	39.0
– Trade receivables and equity interests	– 應收賬款及股權	11,025.0	45.2	9,950.0	42.6
Total	合計	24,355.0	100.0	23,350.0	100.0

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the collateral coverage rate of the bond guarantee business was 82.3%. The bonds guaranteed by the Group were rated high and the associated risks were relatively low. In terms of debt business, the Group requires the business team and the risk management team to perform regular post-guarantee management, and perform additional post-guarantee management procedures within 15 days after the disclosure of issuer's annual financial report as well as 45 days before the principal and interest payment date of corresponding bonds. Due to the tightening liquidity of external capital market and the context of "de-leverage", debt financing of some platforms with weaker qualification defaulted. On 19 June 2018, the Group issued the Notice on Full and Substantial Resumption of Debt Guarantee Business (《關於債項擔保業務進行全面實質性復盤的通知》), which requires all business institutions to carry out comprehensive review on stock debt projects in respect of issuers' creditability, progress of fundraising projects, use of raised funds, counter-guarantee measures, local financial situation and changes in the financing environment, and the stability of platform itself. All business institutions strictly implemented the Notice, and formed special post-guarantee management report within the specified time and submitted to the financing business review committee for consideration. According to the review results, the creditability of issuers experienced no significant change as compared with that at initial credit granting; most of the fundraising projects have been completed; the counter-guarantee measures required in credit resolution had no signs of weakening; and local financial situation and financing environment had no significant and adverse changes. The bond issuers guaranteed by the Group are the first or second largest platform in the region with strong stability, and have been repaying principal and interest since the bond was successfully issued. According to the Group's comprehensive review on each bond, there is no significant potential default risk in the bond guarantee business.

截至2018年12月31日，債券擔保業務抵押物覆蓋率為82.3%。本集團所擔保的債券評級較高，風險相對較低。對於債項業務，本集團要求業務團隊及風險管理團隊每年按季度執行常規保後管理，並於發行人年度財務報告披露後15天內或對應債券還本付息日45天前兩個時間點執行追加保後管理程序。由於外部資金市場流動性趨緊以及在金融「去槓桿」的大背景下，部份較弱資質平台的債務融資出現違約情況，本集團2018年6月19日發佈《關於債項擔保業務進行全面實質性復盤的通知》，要求各業務開展機構對存量債項項目從發行人資信狀況、募投項目進展、募集資金的使用、反擔保措施的夯實、當地財力情況及融資環境變化、平台自身的穩定性等方面進行全面的檢查。各業務開展機構均嚴格執行，並於規定時間內形成專項保後管理報告並提交融資業務評審委員會審議。根據檢查結果，各債券發行人主體資信狀況與最初授信時的狀況相比，並未發生重大不利變化，募投項目大部份已建成，授信決議中要求的反擔保措施未發現有減弱迹象，當地政府財力和融資環境未見重大不利變化，本集團擔保的債券發行人均為所屬地域第一或第二大平台，穩定性強，並且自債券發行成功以來均正常還本付息，履約良好。根據本集團對每一筆債券的全面評估，債券擔保業務不存在重大潛在違約風險。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期債券擔保業務剩餘到期時間分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
From 1 January 2018 to 31 December 2018	2018年1月1日至 2018年12月31日	-	-	515.0	2.2
From 1 January 2019 to 31 December 2019	2019年1月1日至 2019年12月31日	4,060.0	16.7	4,180.0	17.9
From 1 January 2020 to 31 December 2020	2020年1月1日至 2020年12月31日	5,190.0	21.3	5,310.0	22.7
From 1 January 2021 to 31 December 2021	2021年1月1日至 2021年12月31日	4,695.0	19.3	4,375.0	18.7
From 1 January 2022 to 31 December 2022	2022年1月1日至 2022年12月31日	4,665.0	19.2	4,305.0	18.5
From 1 January 2023 to 31 December 2023	2023年1月1日至 2023年12月31日	4,450.0	18.3	4,090.0	17.5
After 1 January 2024	2024年1月1日以後	1,295.0	5.2	575.0	2.5
Total	合計	24,355.0	100.0	23,350.0	100.0

The maximum period for a bond guarantee project is seven years, and issuers of most projects begin to repay the principal gradually since the third year. In terms of the balance of a single bond, the outstanding bond guarantee balance will show a declining trend year by year. In 2018, the principal and interest of all the bonds guaranteed by the Group have been normally repaid, without any exception.

債券擔保項目最長為七年，絕大部份項目自第三年開始由發行人逐步償還本金，以減少發行人到期一次性償還本金的壓力。就單筆債券餘額而言，其債券擔保業務餘額將呈逐年下降趨勢。2018年，本集團擔保的所有債券均正常還本付息，未見異常。

Management Discussion and Analysis

管理層討論與分析

Non-financing guarantee

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

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

In 2018, total guarantee and consulting fee income of non-financing guarantee business was RMB135.7 million, representing an increase of RMB55.8 million or 69.8% as compared with RMB79.9 million in 2017, which was primarily due to the substantial increase in the volume of project performance guarantee business.

Guarantee business for capital preservation funds

The Group began to engage in guarantee business for capital preservation funds in 2014. Due to the influence of regulatory policies, the balance of such business had been decreasing gradually and had all expired by September 2018. As at 31 December 2018, the Group's outstanding guarantee balance of guarantee business for capital preservation funds was nil (as at 31 December 2017: RMB4,443.1 million).

非融資擔保

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

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

2018年，非融資擔保業務實現擔保及諮詢費收入總額為人民幣135.7百萬元，與2017年該類業務產生的收入人民幣79.9百萬元相比，增加人民幣55.8百萬元，增幅69.8%，這主要源於工程履約擔保業務發生額大幅增加所致。

保本基金擔保業務

本集團於2014年開始提供保本基金擔保業務。受監管政策的影響，該類業務餘額逐步下降，並於2018年9月全部到期解除擔保。截至2018年12月31日，本集團保本基金擔保業務餘額為零（2017年12月31日：人民幣4,443.1百萬元）。

Management Discussion and Analysis

管理層討論與分析

Project performance guarantee business

To meet the demands for “project performance guarantee” by the construction industry, the Group designed specific products by taking into account the operating features of the construction industry, and assisted a number of construction and engineering construction enterprises which met certain qualifications in their business expansion by issuing “bid bonds, performance bonds and prepayment bonds”. Since 2016, the Group has been expanding its project performance guarantee business vigorously, and maintaining high speed of growth. The transaction amount of the project performance guarantee business in 2018 was RMB9,093.5 million, representing an increase of RMB1,592.0 million or 21.2% as compared with RMB7,501.5 million in 2017. As at 31 December 2018, the balance of project performance guarantee business was RMB10,980.6 million, representing an increase of RMB3,160.1 million or 40.4% as compared with RMB7,820.5 million as at 31 December 2017. In 2018, the Group had about 480 new customers in the project performance guarantee business. As at 31 December 2018, there were 800 clients (as at 31 December 2017: 600) in the project performance guarantee business of the Group, and the average balance of individual client was RMB13.7 million (as at 31 December 2017: RMB13.0 million).

工程履約擔保業務

基於建築施工行業對於「工程履約保函」業務的需求，本集團結合建築施工行業的運營特徵，設計特定的產品，為符合一定資質要求的建築、工程施工企業開立「投標保函、履約保函、預付款保函」，協助其業務拓展。自2016年開始，本集團大力拓展工程履約保函擔保業務，並保持高速增長。2018年，工程履約擔保業務發生額為人民幣9,093.5百萬元，較2017年該類業務發生額人民幣7,501.5百萬元，增長人民幣1,592.0百萬元，增幅21.2%。截至2018年12月31日，工程履約擔保業務餘額為人民幣10,980.6百萬元，較2017年12月31日業務餘額人民幣7,820.5百萬元，增長人民幣3,160.1百萬元，增幅40.4%。2018年，本集團工程履約保函業務新增客戶數約480戶。截至2018年12月31日，本集團工程履約擔保客戶數約為800戶（2017年12月31日：600戶），單戶平均在保餘額為人民幣13.7百萬元（2017年12月31日：人民幣13.0百萬元）。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期工程履約擔保業務按地區劃分的擔保分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Chongqing	重慶	4,106.2	37.4	1,506.1	19.3
Sichuan	四川	1,818.8	16.6	1,487.7	19.0
Shaanxi	陝西	1,507.0	13.7	1,391.1	17.8
Jiangsu	江蘇	833.7	7.6	1,008.9	12.9
Zhejiang	浙江	546.7	5.0	126.4	1.6
Others	其他	2,168.2	19.7	2,300.3	29.4
Total	合計	10,980.6	100.0	7,820.5	100.0

As at 31 December 2018, Chongqing, Sichuan, Shaanxi, Jiangsu and Zhejiang were the five biggest markets in terms of proportion in the aggregate balance of project performance guarantee business, amounting to 80.3%. The proportion of the five biggest markets in the aggregate balance of project performance guarantee business increased by approximately 7.1 percentage points as compared with 73.2% as at 31 December 2017, representing an increase in terms of geographical concentration. Especially in Chongqing, its liability balance of project performance guarantee business accounted for 37.4% of the overall project performance guarantee business (as at 31 December 2017: 19.3%).

截至2018年12月31日，以工程履約擔保餘額所佔百分比計算，重慶、四川、陝西、江蘇、浙江工程履約擔保業務的前五大市場，所佔比例為80.3%。較2017年12月31日，工程履約擔保業務餘額前五大地區所佔比例73.2%相比，增加約7.1個百分點，地域集中度提升。尤其是重慶地區，其工程履約擔保業務餘額佔整體工程履約擔保業務餘額的比例為37.4%（2017年12月31日：19.3%）。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期按風險敞口劃分的工程履約擔保業務餘額分佈：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB3 million	人民幣3百萬元以內	1,515.3	13.8	875.8	11.2
Over RMB3 million to RMB5 million	人民幣3百萬元以上至人民幣5百萬元	922.4	8.4	630.9	8.1
Over RMB5 million to RMB10 million	人民幣5百萬元以上至人民幣10百萬元	1,801.4	16.4	1,331.7	17.0
Over RMB10 million to RMB30 million	人民幣10百萬元以上至人民幣30百萬元	3,759.6	34.2	2,429.1	31.1
Over RMB30 million	人民幣30百萬元以上	2,981.9	27.2	2,553.0	32.6
Total	合計	10,980.6	100.0	7,820.5	100.0

As the principals of project performance guarantee business are all building and construction enterprises above certain rating and with large construction volume, the guarantee amount of the Group's project performance guarantee business was large compared with traditional financing guarantee business. As at 31 December 2018, the average balance of individual client of project performance guarantee business was RMB13.7 million (as at 31 December 2017: RMB13.0 million). Meanwhile, the Group has always adhered to the concept of "Small amount and Dispersion". As at 31 December 2018, the total liability balance of project performance guarantee business with guarantee amount of a single business less than RMB10.0 million was RMB4,239.1 million (as at 31 December 2017: RMB2,838.4 million), accounting for 38.6% of the overall project performance guarantee business (as at 31 December 2017: 36.3%).

由於工程履約擔保業務的委託人均為一定評級以上的建築、施工企業，且其參與的工程量大，因此本集團工程履約擔保業務的擔保額，與傳統融資擔保業務擔保額相比，金額偏大。截至2018年12月31日，工程履約擔保業務單個客戶平均在保餘額為人民幣13.7百萬元（2017年12月31日：人民幣13.0百萬元）。同時，本集團始終堅持「小額、分散」的風險經營理念，截至2018年12月31日，單筆擔保額低於人民幣10.0百萬元工程履約擔保業務餘額為人民幣4,239.1百萬元（2017年12月31日：人民幣2,838.4百萬元），佔整體工程履約擔保業務餘額的比例為38.6%（2017年12月31日：36.3%）。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期工程履約擔保業務剩餘到期時間分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within six months	6個月以內	3,974.2	36.2	2,343.1	30.0
Due over six months up to one year	6個月以上至1年	2,821.9	25.7	1,905.3	24.4
Due over one year up to two years	1年以上至2年	3,428.6	31.2	2,439.2	31.2
Due over two years up to three years	2年以上至3年	743.5	6.8	753.0	9.6
Due over three years	3年以上	12.4	0.1	379.9	4.8
Total	合計	10,980.6	100.0	7,820.5	100.0

As the principals of project performance guarantee business are all building and construction enterprises above certain rating and with relatively large construction volume and long construction period, the guarantee period range of the Group's project performance guarantee business was relatively long compared with traditional financing guarantee business. As at 31 December 2018, the guarantee period range of project performance guarantee business was mainly within 2 years. As at 31 December 2018, the balance of project performance guarantee business which will be due within 2 years was RMB10,224.7 million (as at 31 December 2017: RMB6,687.6 million), accounting for 93.1% of the overall project performance guarantees business (as at 31 December 2017: 85.6%).

由於工程履約擔保業務的委託人均為一定評級以上的建築、施工企業，且其參與的工程量較大，建設周期相對較長，因此本集團工程履約擔保業務的擔保責任區間，與傳統融資擔保業務擔保責任區間相比，期限偏長。截至2018年12月31日，工程履約擔保業務的擔保責任區間主要集中在2年以內。截至2018年12月31日，工程履約擔保業務將於2年內到期的業務餘額為人民幣10,224.7百萬元（2017年12月31日：人民幣6,687.6百萬元），佔整體工程履約擔保業務餘額的比例為93.1%（2017年12月31日：85.6%）。

Management Discussion and Analysis

管理層討論與分析

Risk management and asset quality

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

風險管理及資產質量

下表載列所示年度本集團信用擔保業務各項關鍵風險質量指標：

		For the year ended 31 December 截至12月31日止年度		
		2018 2018年 Amount 金額	2017 2017年 Amount 金額	Change 變動 Percentage% 百分比%
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)				
Default rate⁽¹⁾	代償率⁽¹⁾	0.9%	1.3%	(0.4 ppt百分點)
Default payments	違約付款	206.3	281.7	(26.8)
Guarantees released	獲解除擔保	22,522.1	21,391.1	5.3
Provision rate⁽²⁾	撥備率⁽²⁾	0.9%	0.8%	0.1 ppt百分點
Provisions for guarantee losses	擔保賠償準備金	376.5	377.3	-
Total outstanding guarantees	總擔保餘額	43,694.0	46,465.0	6.0
Loss ratio⁽³⁾	損失率⁽³⁾	0.4%	0.6%	(0.2 ppt百分點)
Impairment losses for receivables for default payments	應收代償款的 資產減值損失	86.0	136.0	(36.8)
Guarantees released	獲解除擔保	22,522.1	21,391.1	5.3
Recovery rate⁽⁴⁾	回收比率⁽⁴⁾	105.1%	79.7%	25.4 ppt百分點
Recovered amount	回收金額	216.8	224.6	(3.5)
Default payments	違約付款	206.3	281.7	(26.8)

Notes:

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

註釋：

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

Management Discussion and Analysis

管理層討論與分析

After years of development, the partnership finance business segment has developed an independent risk culture and risk management system. The Group applied the general principles of risk management that aim to “focus on quality and seek progress while maintaining stability; adjust the structure and enhance quality and efficiency; manage by classification and engage in bottom-line thinking; and optimize models and carry out transformation and upgrading” in 2016, and will further work towards “safety first, customer base upgrade, comprehensive income and compliant credit extension” in 2017 and 2018.

- Safety first: The Group adheres to the principles of unified customer access and single debtor, small amount dispersion and reasonable installments. For new customers, in the market survey phase, the Group strengthened customer admission standards and efforts in on-site investigation and management of uncertain risks. While focusing on the primary repayment source, the Group also developed the secondary repayment source by strengthening acquisition and management of collaterals, so as to reduce the ultimate risk. As at 31 December 2018, the collateral coverage of customers of traditional financing guarantee business increased to 58.6%. Furthermore, the Group raised all staff’s awareness of risk management by fully implementing the administrative rules for distribution of performance-based bonus after the “discharge of guarantee liabilities” among the members of all business units and teams.
- Customer base upgrade: We preferred to select the consumer industry that has growth potential and manufacturing industry with room for development in the emerging markets. Meanwhile, the Group firmly withdrew from the surplus industry with relatively high inventory pressure as well as the industry with low efficiency of resource allocation, and gradually developed “partnership finance, supply chain finance, capital market” as its three major customer base and business direction.

經過多年的發展，夥伴金融業務集群分部已經形成獨立的風險文化和風險管理體系。在2016年堅持「質量為本、穩中求進；調整結構、提質增效；分類管理、底線思維；模式優化、轉型升級」的風險管理總體原則基礎之上，2017年、2018年進一步朝「安全第一、客群上移、綜合收益、授信規範」的方向挺進。

- 安全第一：堅持客戶入口統一和一個債務人原則，堅持小額分散、合理分期原則。對於增量客戶，在市場調研階段，提高客戶的准入標準，加強對客戶不確定性風險的現場調研和管理力度。堅持第一還款來源的同時，通過加強抵質押物的獲取及管理形成第二還款來源，以降低終極風險。截至2018年12月31日，傳統融資擔保業務整體抵押覆蓋率提升至58.6%。同時，堅持全員風險管理，在所有業務機構及團隊成員中，全面推行「擔保責任解除」後發放績效獎金的管理辦法。
- 客群上移：優先選擇具備一定成長性的消費產業以及具有明確新興市場空間的製造業，同時本集團堅決退出去庫存壓力比較大的過剩行業以及資源分配效率低下的行業，逐步確立「夥伴金融、供應鏈金融、資本市場」三大客群及業務方向。

Management Discussion and Analysis

管理層討論與分析

- Comprehensive income: While granting business units with the risk pricing power for a single business, the Group set the principles on minimum comprehensive pricing guidelines to achieve the balance between risk and return. Moreover, the Group achieved overall upgrade of comprehensive income by utilizing the partnership finance business segment and even the excellent financial instruments of Hanhua Financial Holding and by offering customers with integrated financial service solutions.
- Compliant credit extension: The Group published policies on credit extension periodically and adjusted the same from time to time through “product management” and based on thorough research and studies. Meanwhile, it strengthened the standardization of operational procedures to achieve comprehensive management throughout the process of “pre-loan, in loan and post-loan stages, and the disposal and recovery of non-performing assets” so as to reduce operational risk.
- 綜合收益：在賦予業務機構對單筆業務的風險定價權的基礎之上，設定最低綜合價格指導原則，實現風險與收益的對等。同時，利用夥伴金融業務集群甚至瀚華金控完善的金融工具，通過向客戶提供綜合金融服務解決方案，實現綜合收益的整體提升。
- 授信規範：以「產品管理」為載體，在充分調研和研究的基礎上，定期發佈並動態調整授信政策；與此同時，加強操作流程的標準化建設，實現「貸前、貸中、貸後、不良資產處置及清收」的全流程管理，降低操作風險。

In 2018, the total default payments of the Group for customers was RMB206.3 million, representing a decrease of RMB75.4 million or 26.8% as compared with RMB281.7 million in 2017. The overall default rate of the Group shows the quality of the Group's guarantee portfolio. In 2018, the Group's default rate was 0.9%, representing a decreasing trend as compared with 1.3% in 2017.

The continued decrease in default payments and default rate in 2018 showed a significant improvement in the assets quality of the Group's credit guarantee business. It was mainly because the Group has comprehensively adjusted its customer and business structure since 2015, while increasing the proportion of collaterals in new businesses to minimize credit risk exposure. Furthermore, the Group compressively enhanced post-guarantee management as well as the corresponding management frequency and efforts. Thirdly, the administrative measures for granting of performance bonuses after “discharge of guarantee liabilities” were fully implemented among all business personnel to further heighten the risk management awareness of all employees.

本集團2018年為違約客戶支付的代償款項總額為人民幣206.3百萬元，與2017年代償款項人民幣281.7百萬元相比，共減少人民幣75.4百萬元，降幅26.8%。本集團整體代償率顯示本集團擔保組合質量，2018年本集團代償率為0.9%，與2017年本集團代償率1.3%相比呈下降態勢。

2018年代償金額及代償率的持續下降，均顯示本集團信用擔保業務資產質量的大幅改善。這源於本集團自2015年開始全面調整客戶結構及業務結構，同時提升新作業務中獲取抵押質物的比例，以最大限度降低信用風險敞口；同時，全面強化保後管理，增加保後管理的頻率和力度；第三，在所有業務人員中，全面推行「擔保責任解除」後發放績效獎金的管理辦法，進一步強化全員的風險管理意識。

Management Discussion and Analysis

管理層討論與分析

The Group assesses the potential recovery possibility and the amount recoverable for each default payment receivable mainly based on the anti-collateral provided by the borrower and the possibility of disposal, and compares the present value of the possible recoverable amount with the default payment receivable, where the difference is included in the impairment loss for the current period. In 2018, the asset impairment loss of default payment receivables of the Group was RMB86.0 million, representing a decrease of RMB50.0 million or 36.8% as compared with RMB136.0 million in 2017. The decrease of asset impairment loss of default payment receivables in 2018 was because, on the one hand, the current default payments decreased by RMB75.4 million, and, on the other hand, the Group's enhancement in clearance management after default payment, and the continuous increase in value of valuable collaterals acquired for the current default payments and default payment in the previous years, as well as the substantial progress in clearance and collection. For default customers, the Group stepped up management on collateral and disposal of non-performing assets so as to rapidly recover funds. In 2018, the Group recovered cumulative default payments of RMB216.8 million from defaulting customers (2017: RMB224.6 million), with recovery rate (recovery rate = current recovery amount / current default payments) of 105.1% (2017: 79.7%).

Accordingly, the provision rate of default payment receivables (impairment provision for default payment receivables/original amount of default payment receivables) as at 31 December 2018 was 39.7%, which was slightly lower than the provision rate of 43.4% as at 31 December 2017. As at 31 December 2018, the original amount of the Group's default payment receivables was RMB861.5 million (31 December 2017: RMB1,045.5 million), and the corresponding balance of impairment provisions was RMB342.0 million (31 December 2017: RMB454.0 million). In 2018, the Group wrote off default payments totaling RMB215.4 million (2017: RMB426.2 million).

本集團對每一筆應收代償款潛在的回收可能性及回收金額進行評估，主要依據借款人提供的反抵押情況以及處置可能性進行，並將可能回收金額的現值與代償款金額進行比較，將差額計入當期資產減值損失。2018年，本集團針對代償款項計提的資產減值損失為人民幣86.0百萬元，與2017年代償款項計提的資產減值損失人民幣136.0百萬元相比，減少人民幣50.0百萬元，降幅36.8%。2018年應收代償款項計提的資產減值損失金額下降一方面是因為當期代償款項金額減少人民幣75.4百萬元；另一方面主要是因為本集團加強代償後的清收管理，針對當期代償項目以及以前年度代償項目所獲取的有價值的抵質押物不斷提升以及清收工作取得實質性進展所致。對於違約客戶，本集團加強抵質押物管理和不良資產處置力度，以期快速回籠資金。2018年，本集團從違約客戶處累計回收代償金額人民幣216.8百萬元（2017年：人民幣224.6百萬元），2018年回收比率為（回收比率=當期回收金額／當期代償金額）105.1%（2017年：79.7%）。

基於此，2018年12月31日應收代償款的撥備率（應收代償款減值準備／應收代償款原值）為39.7%，與2017年12月31日的撥備率43.4%相比，呈小幅下降趨勢。截至2018年12月31日，本集團應收代償款原值為人民幣861.5百萬元（2017年12月31日：人民幣1,045.5百萬元），對應的資產減值準備餘額為人民幣342.0百萬元（2017年12月31日：人民幣454.0百萬元）。2018年，本集團共計核銷代償款項人民幣215.4百萬元（2017年：人民幣426.2百萬元）。

Management Discussion and Analysis

管理層討論與分析

With the gradual adjustment and optimization of the Group's business structure, customer structure and risk review strategies, the assets quality of credit guarantee business continued to improve. The Group's key business indicators such as default payments and default rate continued to decline, and substantial progress has been made in clearance and collection of default payments in previous years. Meantime, in spite of continued increase in proportion of collaterals in existing guarantee business, the Group adopted prudent accounting estimates to make provisions for guarantee losses.

The provision rate of the Group's credit guarantee business is used to calculate the provision for potential losses based on the total guaranteed balance. As at 31 December 2018, the Group's balance of provisions for guarantee losses was RMB376.5 million (as at 31 December 2017: RMB377.3 million). As at 31 December 2018, the provision rate of our credit guarantee business was 0.9%, representing a slight increase of 0.1 percentage points as compared with 0.8% as at 31 December 2017, which was mainly because guarantees for capital preservation funds with relatively low credit risks were all due and released in 2018. As at 31 December 2017, the outstanding guarantee balance of guarantee business for capital preservation funds accounted for 9.6% of the whole portfolio. As at 31 December 2018, the proportion of provisions for guarantee losses in terms of all types of guarantee products was basically equivalent to and had no significant difference with that as at 31 December 2017.

Channel construction

The Group continued to strengthen its cooperation channel construction with various financial institutions, and signed Strategic Cooperation Agreements with a number of banks and financial service providers to carry out more extensive cooperation in guarantee business. In 2018, the Group's continual enhancement of liquidity management and maintenance of good solvency won the recognition of many financial institutions. As at 31 December 2018, the Group has cooperated with more than 50 banks and obtained credit lines exceeding RMB40 billion. Meanwhile, it has cooperated with more than 30 non-bank financial institutions and obtained credit lines exceeding RMB28 billion. Among them, there were nine new cooperative agencies in 2018, with new credit line amounting to RMB3.55 billion.

隨着本集團業務結構、客戶結構、風險審查策略的逐步調整優化，信用擔保業務資產質量呈持續改善態勢，其關鍵業務指標如代償金額、代償率呈持續下降態勢，以往年度為客戶代償之後的清收工作取得實質性進展。同時本集團現有擔保業務餘額中抵質押物比例持續提升，但本集團仍然採用審慎的會計估計計提擔保賠償準備金。

本集團信用擔保業務的撥備率，用以計算根據本集團總體承擔的擔保責任餘額，就潛在虧損所作出的儲備水平。截至2018年12月31日，本集團針對信用擔保業務計提的擔保賠償準備金餘額為人民幣376.5百萬元（2017年12月31日：人民幣377.3百萬元）。截至2018年12月31日，我們信用擔保業務的撥備率為0.9%，較2017年12月31日的0.8%小幅上升0.1個百分點，主要是因為信用風險相對較低的保本基金擔保在2018年全部到期解保。於2017年12月31日，保本基金擔保餘額在整個產品組合中的佔比為9.6%。截至2018年12月31日，我們針對各類擔保產品所承擔的責任餘額計提的擔保賠償準備金比例，與2017年12月31日相比，基本相當，無重大差異。

渠道建設

本集團持續加強同各類金融機構的合作渠道建設，與多家銀行及金融服務公司簽署了《戰略合作協議》，開展更廣泛的擔保業務合作。2018年，本集團持續加強流動性管理並保持良好的償付能力，贏得眾多金融機構的首肯。截至2018年12月31日，本集團已與50多家銀行進行合作，獲得超過人民幣400億元的授信額度；同時與30多家非銀行金融機構進行合作，獲得超過人民幣280億元的授信額度。其中2018年新增合作機構9家，新增授信額度達人民幣35.5億元。

Management Discussion and Analysis

管理層討論與分析

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

下表載列前十位授信銀行：

Item 序號	Cooperative banks 合作銀行	Method of credit granting 授信方式	Credit line 授信額度
1	Fumin Bank 富民銀行	Total credit 總體授信	RMB10 billion 授信人民幣100億
2	Chongqing Rural Commercial Bank 重慶農村商業銀行	Independent credit 獨立授信	RMB4 billion 授信人民幣40億
3	China Construction Bank 建設銀行	Total credit 總體授信	RMB2.8 billion 授信人民幣28億
4	Xi'an bank 西安銀行	Independent credit 獨立授信	RMB2.1 billion 授信人民幣21億
5	Bank of Tianjin 天津銀行	Total credit 總體授信	RMB2 billion 授信人民幣20億
6	Postal Savings Bank of China 郵儲銀行	Total credit 總體授信	RMB1.6 billion 授信人民幣16億
7	Bank of Jilin 吉林銀行	Total credit 總體授信	RMB1 billion 授信人民幣10億
8	Shenyang Rural Commercial Bank 瀋陽農村商業銀行	Independent credit 獨立授信	RMB1 billion 授信人民幣10億
9	Changshu Rural Commercial Bank 江蘇常熟農商行	Independent credit 獨立授信	RMB1 billion 授信人民幣10億
10	Dalian Rural Commercial Bank 大連農商行	Independent credit 獨立授信	RMB1 billion 授信人民幣10億

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

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

Market coverage

The Group provided credit guarantee services through credit guarantee network comprising of credit guarantee branches established in the following regions, including Chongqing, Sichuan, Yunnan, Hubei, Shaanxi, Gansu, Heilongjiang, Jilin, Liaoning, Dalian, Beijing, Tianjin, Hebei, Shandong, Jiangsu, Shanghai, Anhui, Hunan, Guizhou, Guangxi, Guangdong, Shenzhen, Fujian and Zhejiang.

市場覆蓋

本集團通過設立在下述地區的信用擔保分支機構組成的網絡向客戶提供信用擔保業務，包括重慶、四川、雲南、湖北、陝西、甘肅、黑龍江、吉林、遼寧、大連、北京、天津、河北、山東、江蘇、上海、安徽、湖南、貴州、廣西、廣東、深圳、福建和浙江。

Management Discussion and Analysis

管理層討論與分析

Capital business

Business expansion and products

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

資金業務

業務拓展及產品

下表載列於所示日期本集團夥伴金融業務集群分部各項資金業務的關鍵業務指標：

		31 December 2018 2018年 12月31日 Amount 金額	1 January 2018 ⁽¹⁾ 2018年 1月1日 ⁽¹⁾ Amount 金額	Change 變動 Amount 金額	Percentage % 百分比%	31 December 2017 2017年 12月31日 Amount 金額
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)						
Entrusted loans	委託貸款	859.2	1,671.3	(812.1)	(48.6)	1,671.3
Receivables for factoring business	應收保理款	2,399.9	1,659.9	740.0	44.6	1,659.9
Finance lease receivables	應收融資租賃款	302.8	349.8	(47.0)	(13.4)	349.8
Subtotal of the balance of capital business	資金業務餘額小計	3,561.9	3,681.0	(119.1)	(3.2)	3,681.0
Balance of provision for impairment loss	資產減值準備餘額	155.0	166.8	(11.8)	(7.1)	118.5
Provision rate ⁽²⁾	撥備率 ⁽²⁾	4.4%	4.5%	(0.1 ppt 百分點)	-	3.2%
Provision coverage rate ⁽³⁾	撥備覆蓋率 ⁽³⁾	128.4%	134.8%	(6.4 ppt 百分點)	-	95.8%
Balance of overdue capital business	已逾期資金業務餘額	376.4	323.9	52.5	16.2	323.9
Proportion of overdue capital business ⁽⁴⁾	已逾期資金業務佔比 ⁽⁴⁾	10.6%	8.8%	1.8 ppt 百分點	-	8.8%
Balance of impaired capital business	已減值資金業務餘額	120.7	123.7	(3.0)	(2.4)	123.7
Proportion of the balance of impaired capital business ⁽⁵⁾	已減值資金業務餘額佔比 ⁽⁵⁾	3.4%	3.4%	-	-	3.4%

Management Discussion and Analysis

管理層討論與分析

Note:

- (1) The Group initially applied HKFRS 9 on 1 January 2018. Based on which, it made transition to the relevant figures as at the beginning of the period to ensure comparability. HKFRS 9 proposed a new asset impairment model, namely the “expected credit loss model” to replace the “incurred loss model” under the HKAS 39. The “expected credit loss model” is a forward-looking approach that predicts and makes provision for potential losses in the future, whereas the “incurred loss model” emphasizes actual loss and makes provision only when there is objective evidence that a loss has been incurred for the assets.
- (2) Balance of provisions for impairment loss divided by the balance of capital business.
- (3) Provision for asset impairment divided by the balance of impaired capital business. Provision coverage rate represents our provision rate for potential loss of the capital business portfolio.
- (4) Balance of overdue capital business divided by the balance of capital business.

Overdue capital business refers to capital business where all or part of its principal or interest is overdue for 1 day or above.

This definition applies to all capital businesses of the Group, including capital businesses in the partnership finance business segment, and micro and small loan business in the credit business segment.

- (5) Balance of impaired capital business divided by the balance of capital business.

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

註釋：

- (1) 本集團於2018年1月1日首次採納香港財務報告準則第9號，與此相關的期初數均已根據此進行相應調整，以保持數據的可比性。香港財務報告準則第9號提出了新的資產減值模型，即「預期信用損失模型」，並替代香港會計準則第39號中採用的「已發生損失模型」。「預期信用損失模型」強調前瞻性，需要將未來可能的損失都預計和計提，而「已發生損失模型」強調現實損失，只是在有客觀證據表明資產目前確實發生了損失的情況下，才需要計提撥備。
- (2) 資產減值準備餘額除以資金業務餘額。
- (3) 資產減值準備除以已減值資金業務餘額。撥備覆蓋率顯示我們就資金業務組合可能出現的損失的撥備水平。
- (4) 已逾期資金業務餘額除以資金業務餘額。

已逾期資金業務是指全部或部份本金或利息逾期1天或以上的資金業務。

此定義適用於本集團所有資金業務，包括夥伴金融業務集群開展的資金業務以及信貸業務分部開展的小微信貸業務。

- (5) 已減值資金業務餘額除以資金業務餘額。

對於資金業務，本集團參照銀監會頒佈的《貸款風險分類指引》並採用貸款風險分類方法監控貸款及墊款組合風險狀況。貸款及墊款按風險程度分為正常、關注、次級、可疑及損失五類，其中後三類被視為已減值貸款及墊款。當一項或多項事件發生證明客觀減值證據存在，並可能出現損失時，該貸款及墊款被界定為已減值貸款及墊款。已減值貸款及墊款的減值損失準備將視情況以組合或個別方式評估。

Management Discussion and Analysis

管理層討論與分析

Loan categories are defined as follows:

- **Normal:** The borrower is able to fulfill the loan terms and conditions and there is no ground to doubt full and timely payment of the principal and interest.
- **Special Attention:** The borrower is able to pay the principal and interest for the time being, but some factors that may affect such payment negatively are present.
- **Substandard:** The solvency of the borrower is obviously undermined. The borrower is unable to pay the principal and interest in full with his or her normal income. A loss might be incurred even if the guarantee is executed.
- **Doubtful:** The borrower fails to pay the principal and interest in full. A material loss will be incurred definitely even if the guarantee is executed.
- **Loss:** The principal and interest are unrecoverable in full or at all after all possible actions are taken or all necessary legal procedures are implemented.

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

This definition applies to all capital businesses of the Group, including capital businesses in the partnership finance business segment, and micro and small loan business in the credit business segment.

各級貸款分類的核心定義如下：

- **正常類：**借款人可履行貸款的條款，且沒有足夠理由懷疑貸款本息不能按時足額償還。
- **關注類：**儘管借款人目前有能力償還貸款本息，但存在一些可能對償還產生不利影響的因素。
- **次級類：**借款人的還款能力出現明顯問題，完全依靠其正常收入無法足額償還貸款本息，即使執行擔保，也可能會造成一定損失。
- **可疑類：**借款人無法足額償還貸款本息，即使執行擔保，也肯定要造成較大損失。
- **損失類：**在採取所有可能措施或一切必要的法律程序之後，本息仍然無法收回，或只能收回極少部份。

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

此定義適用於本集團所有資金業務，包括夥伴金融業務集群開展的資金業務以及信貸業務分部開展的小微信貸業務。

Management Discussion and Analysis

管理層討論與分析

The partnership finance business segment satisfied customers' demand for funding of different maturity, cost and trading structure through entrusted loans, receivables for factoring and finance lease. In 2018, the capital business of the partnership finance business segment generated a total net interest and handling fee income amounting to RMB363.2 million, representing a decrease of RMB15.8 million or 4.2% as compared with RMB379.0 million in 2017. Since the implementation of the Regulation and its supporting rules of the Measures for Administration, the subsidiaries of the Group have gradually increased their allocation ratio of qualified assets, such as time deposits, bond assets and other assets with higher liquidity, thus improving liquidity while reducing capital earning. As at 31 December 2018, the total balance of the capital business was RMB3,561.9 million, representing a decrease of RMB119.1 million or 3.2% as compared with RMB3,681.0 million as at 31 December 2017. The decline was roughly equal to the decrease in the net interest and handling fee income incurred by the capital business of the partnership finance business segment. The balance and proportion of entrusted loan business with relatively high ROR and low liquidity continued to decline. The released capital was invested in the receivables for factoring business with higher liquidity and lower income, leading to continuous increase in its balance and proportion as well as a slight decrease in the net interest and handling fee income from the capital business. At the same time, the Group did not recognise related interest income due to the overdue balance of some finance lease businesses.

夥伴金融業務集群分部利用委託貸款、應收賬款保理及融資租賃的方式，以滿足客戶不同期限、不同成本、不同交易結構的資金需求。夥伴金融業務集群分部資金業務2018年產生的淨利息及手續費收入總額為人民幣363.2百萬元，與2017年淨利息及手續費收入總額人民幣379.0百萬元相比，減少人民幣15.8百萬元，降幅4.2%。自《條例》及其配套實施細則《管理辦法》實施以來，本集團從事融資擔保業務的子公司逐步加大對符合資格要求的資產如定期存款、債券類資產、以及其他流動性較高的資產的配置比例，流動性水平提高的同時，資金收益有所降低。截至2018年12月31日，夥伴金融業務集群資金業務餘額合計為人民幣3,561.9百萬元，與2017年12月31日資金業務餘額人民幣3,681.0百萬元相比，減少人民幣119.1百萬元，降幅3.2%，該降幅與夥伴金融業務集群分部資金業務產生的淨利息及手續費收入下降比例大致相若。整體資金業務餘額中收益率較高但流動性較差的委託貸款業務餘額及佔比持續下降，其釋放出來的資金投入到了流動性較高但收益率次之的應收保理賬款業務，使得應收賬款保理業務餘額及佔比持續提升的同時，資金業務產生的利息及手續費收入呈小幅下降態勢。同時，由於部份融資租賃業務餘額呈逾期狀態，本集團並未確認與此相關的利息收入。

Management Discussion and Analysis

管理層討論與分析

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

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

In 2018, the cumulative amount of receivables for factoring business was RMB3,804.7 million, representing a decrease of RMB633.9 million as compared 2017. As at 31 December 2018, the balance of receivable for factoring business was RMB2,399.9 million, representing an increase of RMB740.0 million or 44.6% as compared with RMB1,659.9 million as at 31 December 2017. The average duration of this type of business was 10 months, and 98.7% of the business will be due within one year.

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

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

2018年，應收賬款保理業務累計發生額為人民幣3,804.7百萬元，較2017年發生額下降人民幣633.9百萬元。於2018年12月31日，應收賬款保理業務餘額為人民幣2,399.9百萬元，與2017年12月31日應收賬款保理業務餘額人民幣1,659.9百萬元相比，增加人民幣740.0百萬元，增幅44.6%。該類業務平均存續期間為10個月，98.7%的業務將於1年內到期。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期資金業務行業分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Construction	建築業	1,947.6	54.7	1,764.0	47.9
Commercial services	商貿	504.5	14.2	851.4	23.1
Household goods	綜合	430.6	12.1	345.0	9.4
Manufacturing and processing	製作及加工業	387.8	10.8	341.7	9.3
Service industry	服務業	202.1	5.7	81.4	2.2
Others	其他	89.3	2.5	297.5	8.1
Total	合計	3,561.9	100.0	3,681.0	100.0

Based on the huge market space in the construction industry, the Group designed specific products for construction and engineering construction enterprises which met certain qualifications by taking into account the operating features of the construction industry to meet their financing needs. This type of products mainly utilized commercial acceptance bills and accounts receivable held by construction enterprises as the source of future repayment. As at 31 December 2018, the total balance of the capital business invested in the construction industry by the Group was RMB1,947.6 million (as at 31 December 2017: RMB1,764.0 million), accounting for 54.7% of the overall capital business (as at 31 December 2017: 47.9%).

基於建築施工行業的巨大市場空間，本集團結合建築施工行業的運營特徵，為符合一定資質要求的建築、工程施工企業設計特定的產品，以滿足其融資需求。該類產品主要以建築施工企業持有的商業承兌匯票、應收賬款作為未來還款來源。截至2018年12月31日，本集團投放於建築行業的資金業務餘額為人民幣1,947.6百萬元（2017年12月31日：人民幣1,764.0百萬元），佔全部資金業務餘額的比例為54.7%（2017年12月31日：47.9%）。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期資金業務敞口分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB5 million	人民幣5百萬元以內	1,311.6	36.8	1,057.0	28.7
Over RMB5 million to RMB10 million	人民幣5百萬元以上至 人民幣10百萬元	423.7	12.0	460.6	12.5
Over RMB10 million to RMB30 million	人民幣10百萬元以上 至人民幣30百萬元	788.3	22.1	1,307.2	35.5
Over RMB30 million to RMB50 million	人民幣30百萬元以上 至人民幣50百萬元	435.3	12.2	477.7	13.0
Over RMB50 million	人民幣50百萬元以上	603.0	16.9	378.5	10.3
Total	合計	3,561.9	100.0	3,681.0	100.0

Meanwhile, the Group has always adhered to the concept of "Small amount and Dispersion". As at 31 December 2018, the total balance of capital business with amount of a single business less than RMB10.0 million was RMB1,735.3 million (as at 31 December 2017: RMB1,517.6 million), accounting for 48.8% of the overall capital business (as at 31 December 2017: 41.2%).

同時，本集團始終堅持「小額、分散」的風險經營理念，截至2018年12月31日，單筆資金業務額度低於人民幣10.0百萬元的資金業務餘額為人民幣1,735.3百萬元（2017年12月31日：人民幣1,517.6百萬元），佔整體資金業務餘額的比例為48.8%（2017年12月31日：41.2%）。

Management Discussion and Analysis

管理層討論與分析

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

下表載列於所示日期資金業務的剩餘到期日情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within three months	3個月內到期	1,461.1	41.0	1,532.1	41.6
Due between three months and six months	3個月至6個月到期	724.1	20.3	735.6	20.0
Due between six months and one year	6個月至1年到期	803.1	22.5	475.1	12.9
Due over one year	1年後到期	573.6	16.2	938.2	25.5
Total	合計	3,561.9	100.0	3,681.0	100.0

The Group focuses on providing short-term fund business to respond quickly to changes in market and customer. As at 31 December 2018, the total balance of the capital business due within one year was RMB2,988.3 million (as at 31 December 2017: RMB2,742.8 million), accounting for 83.8% of the overall capital business (as at 31 December 2017: 74.5%).

本集團專注提供短期的資金業務，以快速應對市場及客戶的變化。截至2018年12月31日，本集團資金業務將於一年以內到期的業務餘額為人民幣2,988.3百萬元（2017年12月31日：人民幣2,742.8百萬元），佔整體資金業務的比例為83.8%（2017年12月31日：74.5%）。

Management Discussion and Analysis

管理層討論與分析

Risk management and asset quality

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

As at 31 December 2018, the balance of overdue capital business of partnership finance business segment was RMB376.4 million, representing an increase of RMB52.5 million or 16.2% as compared with RMB323.9 million as at 31 December 2017. The increase was mainly due to the increase in the Group's overdue finance lease receivables of RMB176.5 million which had sufficient collaterals as risk mitigation measures. As at 31 December 2018, the balance of overdue capital business was RMB376.4 million, including balance of overdue finance lease receivables of RMB176.5 million. Excluding the effect of finance lease receivables, as at 31 December 2018, the remaining balance of overdue capital business was RMB199.9 million (as at 31 December 2017: RMB323.9 million).

As at 31 December 2018, the balance of impaired capital business of partnership finance business segment was RMB120.7 million, representing a decrease of RMB3.0 million or 2.4% as compared with RMB123.7 million as at 31 December 2017.

風險管理及資產質量

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

截至2018年12月31日，夥伴金融業務集群分部已逾期資金業務餘額為人民幣376.4百萬元，較2017年12月31日餘額人民幣323.9百萬元，增加人民幣52.5百萬元，增幅16.2%。這主要源於本集團逾期的應收融資租賃款增加人民幣176.5百萬元，該類應收融資租賃款有足額的抵質押物作為風險緩釋措施。截至2018年12月31日，已逾期資金業務餘額人民幣376.4百萬元中，逾期應收融資租賃款餘額為人民幣176.5百萬元。剔除應收融資租賃款的影響，截至2018年12月31日，剩餘已逾期資金業務餘額為人民幣199.9百萬元（2017年12月31日：人民幣323.9百萬元）。

2018年12月31日，夥伴金融業務集群分部已減值資金業務餘額為人民幣120.7百萬元，較2017年12月31日餘額人民幣123.7百萬元，減少人民幣3.0百萬元，降幅2.4%。

Management Discussion and Analysis

管理層討論與分析

Since 1 January 2018, the Group has initially applied the HKFRS 9, which proposed a new asset impairment model, namely the “expected credit loss model” to replace the “incurred loss model” under the HKAS 39. The “expected credit loss model” is a forward-looking approach that predicts and makes provision for potential losses in the future, whereas the “incurred loss model” emphasizes actual loss and makes provision only when there is objective evidence that a loss has been incurred for the assets. In view of such, in 2018, the partnership finance business segment recorded the impairment loss of capital business amounting to RMB49.1 million in accordance with the accounting rules of HKFRS 9. As at 31 December 2018, the partnership finance business segment recorded the balance of allowances for impairment losses of the capital business amounting to RMB155.0 million in accordance with HKFRS 9. The provision rate of the capital business was 4.4%, representing no significant change as compared with the provision rate of 4.5% as at 1 January 2018.

Financial asset management

In April 2017, the Group, as the promoter, jointly established Liaoning Fu’an Financial Asset Management Co., Ltd. with 3 domestic companies. Fu’an Asset has a registered capital of RMB1,000.0 million, of which the Group contributed RMB550.0 million and held 55.0% equity interest of Fu’an Asset. As at 31 December 2017, all shareholders of Fu’an Asset had made contribution in cash in accordance with the relevant requirements under the investors’ agreement. On 4 July 2017, Fu’an Asset obtained the approval of operation from the regulators, and the filing with the CBRC has been completed on 2 January 2018.

自2018年1月1日起，本集團首次採用香港財務報告準則第9號，香港財務報告準則第9號提出了新的資產減值模型，即「預期信用損失模型」，並替代香港會計準則第39號中採用的「已發生損失模型」。「預期信用損失模型」強調前瞻性，需要將未來可能的損失都預計和計提，而「已發生損失模型」強調現實損失，只是在有客觀證據表明資產目前確實發生了損失的情況下，才需要計提撥備。受此影響，根據香港財務報告準則第9號的核算規則，2018年，夥伴金融業務集群分部資金業務共計提資產減值損失人民幣49.1百萬元。截至2018年12月31日，根據香港財務報告準則第9號的規則，夥伴金融業務集群分部資金業務資產減值準備餘額為人民幣155.0百萬元，資金業務撥備率為4.4%，與2018年1月1日資金業務撥備率4.5%相比，無重大變化。

金融資產管理

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

Management Discussion and Analysis

管理層討論與分析

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

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

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

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

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

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

Management Discussion and Analysis

管理層討論與分析

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

MICRO AND SMALL LOAN BUSINESS SEGMENT

Micro and small loan business segment consists of nine small loan companies in Chongqing, Chengdu, Tianjin, Shenyang, Nanning, Guiyang, Nanjing, Harbin and Shenzhen, as well as institutions with functions such as information consulting, asset management and credit services. Adhering to the concept of "open, cooperation and sharing" and featured by "Seeing large picture, sincerity, goodness and beauty through micro business", the micro and small loan business segment focused on offering small-amount and dispersive integrated financial services to various micro and small enterprises, individual business proprietors and individuals (hereinafter collectively referred to as "**small and micro customers**"). Among them, small loan companies in Chongqing, Sichuan, Shenyang, Harbin and Shenzhen have obtained the qualification for "lending loan on the Internet". As a result, the Group is able to provide lending services based on the Internet, which facilitated the further expansion of the Group's micro and small loan business.

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

小微信貸業務分部

小微信貸業務分部由註冊於重慶、成都、天津、瀋陽、南寧、貴陽、南京、哈爾濱及深圳的9家小額貸款公司以及具備信息諮詢、資產管理、信用服務等功能的機構組成。小微信貸業務分部堅持以「開放、合作、共享」為理念，突出「微中見大、微中見真、微中見善、微中見美」的特色，專注於為廣大小微企業、個體工商戶及個人（以下合稱「**小微客戶**」）提供「小額、分散」的綜合性金融服務解決方案。其中，位於重慶、四川、瀋陽、哈爾濱、深圳的小額貸款公司已經獲得「互聯網放貸」的資格，能夠基於互聯網開展信貸業務，更有利於本集團小微信貸業務的進一步發展。

Management Discussion and Analysis

管理層討論與分析

In light of the operating characteristics of small and micro customers, the micro and small loan business segment focused on small and micro industrial markets that are “in line with national industrial planning, related to national economy and the people’s livelihood, and of development potential”; adhered to the credit policy “with industry as the chain, credit as the core, and intelligent risk control as the basis”; established a centralized operating system with “refined control”, a “modular, digital and mobile” technology supporting system, and a small and micro business product system combining “general product + customized product”, thus creating a financial culture with characteristics of the small and micro business capitalizing on “Industry Chain Brand Promotion Plan”, and providing customers with special services.

Capitalizing on its nationwide operating network, the micro and small loan business segment explored high-quality industrial chains by Internet method, and cooperated with core enterprises in the industrial chain to expand the breadth and depth of small and micro customer services through resource sharing, business linkage, and integration of industry and finance.

On this basis, the micro and small loan business segment has gradually developed “credit lending business based on self-loan” and “credit consulting business based on market development and credit assessment”, by virtue of its years of experience in serving small and micro clients, and its own capabilities and strengths as well as combining relevant regulatory policies and industry characteristics. These two business models have formed a variety of service portfolios around the small and micro customer market, and rationalized and adjusted business structure through business portfolios with “different risk levels and different profit levels”, thus improving service capabilities for small and micro customers.

小微信貸業務分部針對小微客戶經營特點，聚焦於「符合國家產業規劃、與國計民生相關的、具備發展潛力」的小微產業特色客群；堅持「以產業為鏈條、以信用為核心、以智能風控為依托」的信貸策略；建立了「精益管控」的集中運營體系、「模塊化、數據化、移動化」的科技支持體系、「通用產品+定制化產品」相結合的小微業務產品體系，借助「產業鏈品牌推進計劃」構建小微特色的金融文化，為客戶提供特色服務。

小微信貸業務分部利用遍佈全國的經營網絡，借助互聯網方式挖掘優質產業鏈，並與鏈條中的核心企業進行合作，通過資源共享、業務聯動、產融結合的方式，擴大服務小微客戶的廣度與深度。

在此基礎上，小微信貸業務分部借助多年服務小微客戶的經驗，根據自身能力和優勢，並結合相關的監管政策和行業特點，逐步發展出「以自營貸款為主的信貸服務」和「以市場開發及信用評估為主的信用服務」兩大業務模式。兩大業務模式形成了圍繞小微客戶市場的多種服務組合，通過「不同風險程度、不同收益程度」的業務組合，實現業務結構的合理化調整，並提升了對小微客戶的服務能力。

Management Discussion and Analysis

管理層討論與分析

Credit Lending Business:

It mainly refers to small loan companies with granting qualification fully lead loans to small and micro customers with its own working capital (including registered capital and external financing funds), while the Group is entitled to and assumes the responsibility for customer marketing, due diligence, risk review and post-loan management, as well as related income and risks.

Credit Consulting Business:

It mainly refers to the Group provides credit consulting business to financial institutions such as external partner banks and trusts leveraging its accumulated experience, capabilities and strengths in micro and small loan services, including assistance in obtaining clients, standardized risk assessment services and post-loan management service, while external partner financial institutions conduct independent evaluation on small and micro customers based on their own understanding of small and micro customers and risk tolerance, and make independent decision to accept/decline capital services.

In the course of cooperation with various financial institutions, the two sides share information, exchange resources, and give full play to their resource and technological advantages, with a view to jointly provide credit lending business to small and micro customers. The Group's strengths lie in the risk awareness and service experience on such customer groups accumulated for many years in the small and micro customer sector, as well as special risk control capacities, nationwide network and team, and sound credit service output capability.

信貸服務：

主要指具有放款資格的小額貸款公司完全主導並以自有運營資金（包括註冊資金及外部融入資金）向小微客戶發放貸款，其客戶營銷、盡職調查、風險審查、貸後管理等工作以及與此相關的收入和風險都由本集團自行享有和承擔。

信用服務：

主要指利用本集團在小微金融服務領域積累的經驗、能力和優勢，為外部合作銀行、信託等金融機構提供信用類服務，包括協助獲取客戶、協助標準化風險評估服務、貸後協助管理服務等；外部合作金融機構在此基礎上，結合自身對小微客戶的理解和風險承受能力，對小微客戶開展獨立評估，並自行作出提供或拒絕資金服務的決定。

在與各類金融機構開展合作的過程中，雙方共享信息、互換資源，充分發揮雙方的資源優勢、技術優勢，共同為小微客戶提供信貸類服務。本集團的優勢在於，多年來持續在小微客戶領域所積累的對該類客戶群體的風險認識和服務經驗、所建立的特色風控能力、全國性網絡與團隊以及良好的信用服務輸出能力。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the asset under management of the Group's small and micro credit business segment is as follows:

截至2018年12月31日，本集團小微信貸業務分部項下管理的資產規模信息如下：

				As at 31 December 截至12月31日			
				2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)				Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Micro and small finance	Credit lending business	小微金融	信貸服務	919.4	43.5	1,488.7	100.0
	Credit consulting business		信用服務	1,193.5	56.5	–	–
	Subtotal		小計	2,112.9	100.0	1,488.7	100.0
Standard finance	Credit lending business	標準金融	信貸服務	3,501.0	77.1	3,653.7	100.0
	Credit consulting business		信用服務	1,038.7	22.9	–	–
	Subtotal		小計	4,539.7	100.0	3,653.7	100.0
Platform finance	Credit lending business	平台金融	信貸服務	290.8	41.7	943.0	100.0
	Credit consulting business		信用服務	406.2	58.3	–	–
	Subtotal		小計	697.0	100.0	943.0	100.0
Loan balance	Credit lending business	貸款餘額	信貸服務	4,711.2	64.1	6,085.4	100.0
	Credit consulting business		信用服務	2,638.4	35.9	–	–
	Total		合計	7,349.6	100.0	6,085.4	100.0

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the balance of assets under management of micro and small loan business segment was RMB7,349.6 million, representing an increase of RMB1,264.2 million or 20.8% as compared with RMB6,085.4 million as at 31 December 2017. The increase was mainly due to the growth caused by credit consulting business.

As at 31 December 2018, the balance of assets under management of credit lending business in micro and small loan business segment was RMB4,711.2 million, representing a decrease of RMB1,374.2 million or 22.6% as compared with RMB6,085.4 million as at 31 December 2017. The credit lending business was funded by the Group's working capital, including registered capital and external debt financing. With the gradual expiration of some external financing, the small and micro credit business segment accumulated funds with business returns and gradually repaid external financing, which reduced the capital available for business granting, resulting in a decline in the loan balance of credit lending business.

At the same time, in 2018, leveraging the Group's accumulated experience, capabilities and strengths in micro and small loan services, the micro and small loan business segment provided credit consulting business to financial institutions such as external partner banks and trusts, including assistance in obtaining clients, standardized risk assessment services and post-loan management service, and charged certain service fee based on services provided. In 2018, the total amount of credit consulting business was RMB3,833.8 million. As at 31 December 2018, the balance of credit consulting business was RMB2,638.4 million.

截至2018年12月31日，小微信貸業務分部管理的資產規模餘額為人民幣7,349.6百萬元，與2017年12月31日管理的資產規模人民幣6,085.4百萬元相比，增加人民幣1,264.2百萬元，增幅20.8%。其增長主要來源於信用服務引起的增長。

截至2018年12月31日，小微信貸業務分部信貸服務管理的資產規模為人民幣4,711.2百萬元，與2017年12月31日管理的資產規模人民幣6,085.4百萬元相比，減少人民幣1,374.2百萬元，降幅22.6%。信貸服務的資金來源於本集團的運營資金，包括註冊資本金及外部債務融資。隨著部份外部融資的逐步到期，小微信貸業務分部利用業務回款沉澱資金，並逐步償還外部融資，使得可用於業務投放的資金減少，致使信貸服務的貸款餘額下降。

與此同時，2018年，小微信貸業務分部利用本集團在小微金融服務領域積累的經驗、能力和優勢，為外部合作銀行、信託等金融機構提供信用類服務，包括協助獲取客戶、協助標準化風險評估服務、貸後協助管理服務等，並依據提供服務的內收取一定的服務費。2018年，信用服務共計發生額為人民幣3,833.8百萬元。截至2018年12月31日，信用服務管理餘額為人民幣2,638.4百萬元。

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the key performance indicators of The Group's micro and small loan business segment for the year indicated:

下表載列截至所示年度本集團小微信貸業務分部的關鍵業績指標：

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比
Net interest and handling fee income	淨利息及手續費收入	572.4	560.0	12.4	2.2
– Credit lending business	– 信貸服務	532.1	560.0	(27.9)	(5.0)
– Credit consulting business	– 信用服務	40.3	–	40.3	–
Other revenue	其他收入	12.3	3.0	9.3	310.1
Impairment losses	資產減值損失	(125.6)	(84.3)	41.3	49.0
Operating expenses	營運支出	(217.4)	(219.9)	(2.5)	(1.1)
Profit before taxation	稅前利潤	241.7	258.8	(17.1)	(6.6)

In 2018, profit before taxation of micro and small loan business segment was RMB241.7 million, representing a decrease of RMB17.1 million or 6.6% as compared with RMB258.8 million in 2017. The decrease was mainly attributable to the increase of impairment loss caused by changes in asset portfolio of credit lending business outpacing the increase of net interest and handling fee. Among them:

2018年，小微信貸業務分部實現稅前利潤人民幣241.7百萬元，與2017年該分部稅前利潤人民幣258.8百萬元相比，該分部稅前利潤減少人民幣17.1百萬元，降幅6.6%。這主要是因為信貸服務資產組合變化引起2018年提取的資產減值損失的增加額大於淨利息及手續費的增加額所致。其中：

- In 2018, the micro and small loan business segment has successfully established a credit consulting business “based on market development and credit assessment”, and its income became a new profit growth point of the segment.
- 小微信貸業務分部2018年成功構建「以市場開發及信用評估為主」的信用服務模式，信用服務產生的收入成為該分部新的利潤增長點。

Management Discussion and Analysis

管理層討論與分析

In 2018, the net interest and handling fee income from micro and small loan business segment was RMB572.4 million, representing an increase of RMB12.4 million or 2.2% as compared with RMB560.0 million in 2017. The increase was mainly due to the increase in net interest and handling fee income from credit consulting business offsetting the decline in net interest and handling fee income from credit lending business.

In 2018, the net interest and handling fee income from credit lending business was RMB532.1 million, representing a decrease of RMB27.9 million or 5.0% as compared with RMB560.0 million in 2017. The decrease was mainly due to the fact that the micro and small loan business segment accumulated funds with business returns and gradually repaid external financing in 2018, which reduced the capital available for business granting, resulting in a decline in the monthly average loan balance of credit lending business. In 2018, the monthly average loan balance of credit lending business in micro and small loan business segment was RMB5,269.8 million, representing a decrease of RMB515.4 million or 8.9% as compared with RMB5,785.2 million in 2017.

In 2018, the average interest and commission rate of credit lending business was 15.3%, an increase of 1.7 percentage points from 13.6% in 2017. In 2018, the Group actively promoted and upgraded credit products. By continuing to increase the R&D and promotion of standardized products, the Group improved lending efficiency and operation management while effectively identified and managed risks, enhancing product competitiveness and customer satisfaction.

2018年，小微信貸業務分部實現淨利息及手續費收入人民幣572.4百萬元，與2017年實現的淨利息及手續費收入人民幣560.0百萬元相比，增加人民幣12.4百萬元，增幅2.2%。這主要源於信用服務模式產生的淨利息及手續費收入增加，抵銷了信貸服務產生的淨利息及手續費收入的下降。

2018年，信貸服務實現淨利息及手續費收入人民幣532.1百萬元，與2017年實現的淨利息及手續費收入人民幣560.0百萬元相比，減少人民幣27.9百萬元，降幅5.0%。這主要源於2018年本集團小微信貸業務分部利用業務回款沉澱資金，並逐步償還外部融資，使得可用於業務投放的資金減少，致使信貸服務的貸款月均餘額下降。2018年小微信貸業務分部信貸服務的貸款月均餘額為人民幣5,269.8百萬元，與2017年貸款月均餘額人民幣5,785.2百萬元相比，減少人民幣515.4百萬元，降幅8.9%。

2018年，信貸服務的平均利息及手續費率為15.3%，較2017年平均利息及手續費率13.6%，增長1.7個百分點。2018年，本集團積極進行信貸產品的改進和升級，通過繼續加大標準化產品的研發和推廣，在有效識別並管理風險的同時，提升放款效率和運營管理等，以增強產品競爭力和提高客戶滿意度。

Management Discussion and Analysis

管理層討論與分析

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

下表載列截至所示年度信貸服務的平均利息及手續費率：

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Interest and handling fee income	利息及手續費收入	806.6	788.4	18.2	2.3
Monthly average outstanding balance	貸款月均餘額	5,269.8	5,785.2	(515.4)	(8.9)
Average interest and handling fee rate	平均利息及手續費率	15.3%	13.6%	1.7 ppt 百分點	–

In 2018, leveraging the Group's accumulated experience, capabilities and strengths in micro and small loan services, the micro and small loan business segment provided credit consulting business to financial institutions such as external partner banks and trusts, including assistance in obtaining clients, standardized risk assessment services and post-loan management service, and charged certain service fee based on services provided. In 2018, the total amount of credit consulting business was RMB3,833.8 million, generating a total net interest and handling fee income of RMB40.3 million. As at 31 December 2018, the balance of credit consulting business was RMB2,638.4 million.

2018年，小微信貸業務分部利用本集團在小微金融服務領域積累的經驗、能力和優勢，為外部合作銀行、信託等金融機構提供信用類服務，包括協助獲取客戶、協助標準化風險評估服務、貸後協助管理服務等，並依據提供服務的內收收取一定的服務費。2018年，信用服務共計發生額為人民幣3,833.8百萬元，實現淨利息及手續費收入人民幣40.3百萬元。截至2018年12月31日，信用服務管理餘額為人民幣2,638.4百萬元。

Currently, our cooperative external financial institutions are mainly local commercial banks and trust companies. In the future, we will continue to explore credit demand of small and micro customers while focusing on the quantity and quality of cooperative financial institutions, thus meeting credit demand of small and micro customers as much as possible. We will further enhance credit service capabilities, including precise product design, standardized service process, intelligent risk identification and post-loan management, and technological operating means.

目前合作的外部金融機構主要是地方商業銀行、信託公司等。未來，我們將持續開發小微客戶信貸需求的同時，重點開發合作金融機構的數量與質量，確保小微客戶的信貸需求得到盡可能滿足；我們將進一步提升信用服務能力，包括產品設計的精準化、服務流程的標準化、風險識別及貸後管理的智能化，以及運營手段的科技化等。

Management Discussion and Analysis

管理層討論與分析

- **In 2018, the impairment loss of micro and small loan business segment was RMB125.6 million, representing an increase of RMB41.3 million or 49.0% as compared with RMB84.3 million in 2017. The increase in asset impairment losses offset to certain extent of the increase in net interest and handling fee income of the micro and small loan business segment.**

In previous years, the credit lending business in micro and small loan business segment was dominated by “pure credit”. Since 2015, following four years of exploration, the micro and small loan business segment has developed three major business directions, namely “micro and small finance, standard finance, platform finance”, and core products including “Kuaixiao Loan, Jiaye Loan, Jinshui Loan and Jiqun Loan”. In particular, the “Jiaye Loan” product of which the collateral is the commercial properties held by the borrowers increased the proportion of “pledged housing” in the asset portfolio, thereby enhancing asset quality. As at 31 December 2018, the business balance of “Jiaye Loan” was RMB2,977.6 million, representing an increase of RMB415.4 million or 16.2% as compared with RMB2,562.2 million as at 31 December 2017. As at 31 December 2018, the business balance of “Jiaye Loan” accounted for 63.2% of the asset balance of credit lending business, an increase of 21.1 percentage points from 42.1% as at 31 December 2017.

Since 1 January 2018, the Group has initially applied the HKFRS 9, which proposed a new asset impairment model, namely the “expected credit loss model” to replace the “incurred loss model” under the HKAS 39. The “expected credit loss model” is a forward-looking approach that predicts and makes provision for potential losses in the future, whereas the “incurred loss model” emphasizes actual loss and makes provision only when there is objective evidence that a loss has been incurred for the assets.

- **2018年，小微信貸業務分部共計提資產減值損失人民幣125.6百萬元，較2017年該分部資產減值損失金額人民幣84.3百萬元，增加人民幣41.3百萬元，增幅49.0%。資產減值損失的增加，一定程度上抵銷小微信貸業務分部淨利息及手續費收入的增加。**

以往年度，小微信貸業務分部的信貸服務以「純信用」為主；自2015年開始，經過近四年的探索，小微信貸業務分部逐步形成「小微金融、標準金融、平台金融」三大業務方向，並形成「快消貸、佳業貸、金稅貸、集群貸」等幾大核心產品，尤其是以借款人持有的商業住房作為抵押物的「佳業貸」產品，使得資產組合中「以房屋作為抵質押物」的貸款比例不斷增加，有效提升貸款組合的資產質量。截至2018年12月31日，「佳業貸」業務餘額為人民幣2,977.6百萬元，較2017年12月31日業務餘額人民幣2,562.2百萬元，增加人民幣415.4百萬元，增幅16.2%。2018年12月31日「佳業貸」業務餘額佔信貸服務資產餘額的比例為63.2%，較2017年12月31日業務比例佔比42.1%，增加21.1個百分點。

自2018年1月1日起，本集團首次採用香港財務報告準則第9號，香港財務報告準則第9號提出了新的資產減值模型，即「預期信用損失模型」，並替代香港會計準則第39號中採用的「已發生損失模型」。「預期信用損失模型」強調前瞻性，需要將未來可能的損失都預計和計提，而「已發生損失模型」強調現實損失，只是在有客觀證據表明資產目前確實發生了損失的情況下，才需要計提撥備。

Management Discussion and Analysis

管理層討論與分析

In accordance with HKFRS 9, the impairment loss of micro and small loan business segment was RMB125.6 million, representing an increase of RMB41.3 million or 49.0% as compared with RMB84.3 million in 2017. As at 31 December 2018, the balance of provisions for impairment loss of micro and small loan business segment was RMB226.2 million (as at 31 December 2017: RMB219.3 million), with provision rate of 4.8% (as at 31 December 2017: 3.6%).

For information on the asset quality of the micro and small loan business segment, please refer to “Management Discussion and Analysis” on page 99 to page 102.

- **The micro and small loan business segment effectively enhanced large-scale operating capabilities with “Fin-tech”, and its total operating costs remain relatively stable.**

Information technology is a key driver of our innovation. After years of continuous investment in information and financial technology, the micro and small loan business segment has effectively promoted the full application of financial technology and big data, and provided intelligent marketing, customer service and risk management for small and micro customers through mobile and intelligent service means. Currently, all the businesses of the micro and small loan business segment have realized online automated circulation, effectively improving user experience and scale service capability. In 2018, the micro and small loan business segment incurred a total of RMB217.4 million operating expenses, representing a decrease of RMB2.5 million or 1.1 percentage points as compared with RMB219.9 million in 2017.

受此影響，根據香港財務報告準則第9號的規則，2018年小微信貸業務分部計提的資產減值損失金額為人民幣125.6百萬元，較2017年該分部資產減值損失金額人民幣84.3百萬元，增加人民幣41.3百萬元，增幅49.0%。截至2018年12月31日，小微信貸業務分部資產減值準備餘額為人民幣226.2百萬元（2017年12月31日：人民幣219.3百萬元），撥備率為4.8%（2017年12月31日：3.6%）。

有關小微信貸業務分部資產質量的相關信息，請參閱「管理層討論與分析」第99頁至102頁的內容。

- 小微信貸業務分部以「金融科技」為手段，有效提升規模化運營能力，其運營成本總額保持相對穩定。

信息技術是我們創新的關鍵驅動力。小微信貸業務分部經過多年持續對信息技術、金融科技的投入，有效促進金融科技與大數據的充分應用，通過移動化和智能化的服務手段，對小微客戶進行智能營銷、智能客服、智能風險管理等；目前，小微信貸業務分部所有業務已全面實現線上自動化流轉，在有效提升用戶體驗的同時，也有效提升規模化服務能力。2018年，小微信貸業務分部產生的營運支出為人民幣217.4百萬元，與2017年度該分部營運支出人民幣219.9百萬元相比，降低人民幣2.5百萬元，降低1.1個百分點。

Management Discussion and Analysis

管理層討論與分析

Micro and small loan business segment – credit lending business – business model:

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

小微信貸業務分部 – 信貸服務 – 業務模式：

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

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Chongqing	重慶	1,589.7	33.8	2,611.1	42.9
Chengdu	成都	784.6	16.7	730.1	12.0
Shenzhen	深圳	556.1	11.8	503.4	8.3
Harbin	哈爾濱	513.1	10.9	697.6	11.5
Shenyang	瀋陽	501.1	10.6	616.5	10.1
Tianjin	天津	293.8	6.2	335.2	5.5
Nanning	南寧	220.2	4.7	230.7	3.8
Guiyang	貴陽	171.8	3.6	195.2	3.2
Nanjing	南京	80.8	1.7	164.9	2.7
Changchun	長春	-	-	0.7	-
Total	合計	4,711.2	100.0	6,085.4	100.0

As the small loan companies in Chongqing, Chengdu, Shenzhen, Harbin and Shenyang have obtained the qualification of lending loan on the Internet, the credit lending business in these areas were in larger size.

位於重慶、成都、深圳、哈爾濱、瀋陽的小額貸款公司已經獲得「互聯網放貸」的資格，因此以上地區的信貸服務規模佔比較高。

Management Discussion and Analysis

管理層討論與分析

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

下表載列截至所示日期信貸服務保證方式分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Credit loans	信用貸款	829.4	17.6	1,922.3	31.6
Guaranteed loans	保證貸款	844.0	17.9	1,495.5	24.6
– Guaranteed by intra-group guarantors	– 由集團內公司間的擔保人擔保	596.6	12.6	660.2	10.9
– Guaranteed by independent third parties	– 由獨立第三方擔保人擔保	247.4	5.3	835.3	13.7
Secured loans	有抵押貸款	3,037.8	64.5	2,667.6	43.8
Total	合計	4,711.2	100.0	6,085.4	100.0

In order to effectively improve the quality of the asset portfolio of credit lending business, the granting amount of loans in 2018 continued to be tilted towards “Jiaye Loan” product “with housing as collaterals”. As at 31 December 2018, the balance of “Jiaye Loan” was RMB2,977.6 million (as at 31 December 2017: RMB2,562.2 million), accounting for 63.2% of the total balance of credit lending business (as at 31 December 2017: 42.1%). The continued growth of business balance and proportion of “Jiaye Loan” increased the proportion of secured loans from 43.8% as at 31 December 2017 to 64.5% as at 31 December 2018, which further improved the quality of assets portfolio of credit lending business.

為有效提升信貸服務的資產組合質量，2018年放款額中持續向「以房屋作為抵質押物」的「佳業貸」產品傾斜。截至2018年12月31日，「佳業貸」產品的業務餘額為人民幣2,977.6百萬元（2017年12月31日：人民幣2,562.2百萬元），「佳業貸」業務餘額佔信貸服務貸款餘額比例為63.2%（2017年12月31日：42.1%）。「佳業貸」業務餘額及佔比的不斷提升，使得信貸服務中有抵押貸款佔比由2017年12月31日的43.8%上升至2018年12月31日的64.5%，信貸服務資產組合的資產質量進一步提高。

Since 2015, following four years of exploration, the micro and small loan business segment has developed three major business directions, namely “micro and small finance, standard finance, platform finance”, and core products including “Kuaixiao Loan, Jiaye Loan, Jinshui Loan and Jiqun Loan”. Its product characteristics and related information are as follows:

自2015年開始，經過近四年的探索，小微信貸業務分部逐步形成「小微金融、標準金融、平台金融」三大業務方向，並形成「快消貸、佳業貸、金稅貸、集群貸」等幾大核心產品，以下就其產品特徵及相關信息進行分別闡述：

Management Discussion and Analysis

管理層討論與分析

Micro and small loan business segment – Credit lending business – Micro and small finance

Micro and small finance is a traditional segment under credit lending business, with focus on the industry chain of means of livelihood and the origin market, and provides online and offline integrated intelligent financial services for small and micro economies and their upstream and downstream business around core customers. In line with “partner finance” strategy and taking various high-quality and stable industrial chains as the main market, the micro and small finance vigorously developed small and medium core enterprises of various industrial chains as partners through the model of “resource sharing and benefit sharing”, providing member companies on the industry chain and platform, such as small and medium enterprises and individual business proprietors, with integrated financial service solutions. Currently, the Group cooperates mainly with core enterprises in the industry chain, logistics warehouse enterprises and trading platforms. Through participating in and sharing information on “products turnaround, capital flow and information flow” in the industry chain comprising the “suppliers-core enterprises-distributors-end stores”, it manages loan granting and controls relevant risks.

Micro and small finance is characterized by flexible credit lines and maturity between 6 and 18 months. As at 31 December 2018, micro and small finance loans balance of credit lending business totaled RMB919.4 million, representing a decrease of RMB569.3 million or 38.2% as compared with RMB1,488.7 million as at 31 December 2017. As at 31 December 2018, there were approximately 2,700 active micro and small financial loan clients (31 December 2017: approximately 3,700) and the average balance per transaction was RMB340.5 thousand (31 December 2017: RMB402.4 thousand).

小微信貸業務分部 – 信貸服務 – 小微金融

小微金融為信貸服務的傳統業務，其聚焦於生活資料產業鏈和原產地集貿市場，圍繞核心客戶，為小微經濟體及其上下游提供線上、線下的綜合智能金融服務。小微金融主要通過「夥伴金融」戰略，以各類優質穩定的產業鏈為主要市場，以「資源共享、利益共享」的模式大力開發各類產業鏈的中小型核心企業為合作夥伴，為產業鏈及平台上的會員企業如中小微企業、個體工商戶提供綜合性的金融服務解決方案。目前，以產業鏈上的核心企業、物流倉儲企業、交易平台為主要合作對象，通過參與、分享「供貨商－核心企業－經銷商－終端門店」產業鏈條上的「貨物流轉、資金流轉、信息流轉」信息，實現貸款的投放和風險管理。

小微金融貸款額度靈活，期限一般在6-18個月之間。截至2018年12月31日，信貸服務中小微金融貸款餘額為人民幣919.4百萬元，較2017年12月31日貸款餘額人民幣1,488.7百萬元，減少人民幣569.3百萬元，降幅38.2%。截至2018年12月31日，小微金融貸款在貸客戶數量約為2,700戶（2017年12月31日：約3,700戶），單筆貸款平均餘額為人民幣340.5千元（2017年12月31日：人民幣402.4千元）。

Management Discussion and Analysis

管理層討論與分析

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

下表呈列，截至所示日期信貸服務中小微金融業務行業分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Individual business proprietors	個體工商戶	620.4	67.5	1,071.8	72.0
Small and micro enterprises	小微企業	299.0	32.5	416.9	28.0
– Wholesale and retail	– 批發及零售	134.5	14.6	191.3	12.8
– Household goods	– 綜合	86.5	9.4	102.3	6.9
– Manufacturing and processing	– 製造及加工業	49.3	5.3	38.7	2.6
– Construction	– 建築業	18.9	2.1	79.2	5.3
– Others	– 其他	9.8	1.1	5.4	0.4
Total	合計	919.4	100.0	1,488.7	100.0

Regarding the industry mix of micro and small loans, the Group stays true to the tenet of serving the people and the real economy and seeks to satisfy the funding needs of SMEs and individual clients. Aiming at diversification, transformation and upgrade, the Group readapted its business strategies, upgraded the microfinance business line, boosted standard finance and platform finance, formed a standardized, centralized and diversified business model, enlarged its client base and provided comprehensive financial services to micro and small enterprises and individual clients in 2018. As at 31 December 2018, the balance of individual business proprietors accounted for 67.5% of the micro and small finance customers of credit lending business (as at 31 December 2017: 72.0%). At the same time, SME loans balance of credit lending business accounted for 32.5% of the total loan business of the Group (as at 31 December 2017: 28.0%), among them, wholesale and retail, household goods, manufacturing and processing, construction and other industries, taking up 14.6%, 9.4%, 5.3%, 2.1%, 1.1%, respectively.

在小微金融貸款業務的行業結構上，本集團緊緊圍繞「貼近民生，貼近實業」的理念，積極主動的支持中小企業及廣大個體工商戶的用款需求。2018年本集團進一步以「豐富模式、轉型升級」為業務總體策略積極進行戰略轉型調整，在轉型升級傳統小微業務的同時，積極拓展標準金融和平台金融業務，構建標準化、集中化、多元化的業務模式，進一步拓寬獲客渠道，為小微企業和個體工商戶提供綜合金融服務。截至2018年12月31日信貸服務的小微金融客戶中，個體工商戶類客戶貸款餘額佔比為67.5%（2017年12月31日：72.0%）。與此同時，小微企業客戶貸款餘額佔比為32.5%（2017年12月31日：28.0%），其中批發及零售、綜合、製造及加工業、建築業、及其他行業，分別佔小微金融業務餘額的比例為14.6%、9.4%、5.3%、2.1%、1.1%。

Management Discussion and Analysis

管理層討論與分析

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

下表載列截至所示日期信貸服務中小微金融業務敞口分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB100,000	人民幣10萬元以內	23.9	2.6	25.7	1.8
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	166.1	18.1	353.3	23.7
Over RMB500,000 to RMB1 million	人民幣50萬元以上至 人民幣1百萬元	68.4	7.4	272.7	18.3
Over RMB1 million to RMB3 million	人民幣1百萬元以上至 人民幣3百萬元	105.8	11.5	248.8	16.7
Over RMB3 million	人民幣3百萬元以上	555.2	60.4	588.2	39.5
Total	合計	919.4	100.0	1,488.7	100.0

As at 31 December 2018, the balance of micro and small finance loans of credit lending business granted to clients who had more than RMB3 million balance grossed RMB555.2 million, representing a 5.6% drop, or RMB33.0 million, as compared with RMB588.2 million recorded as at 31 December 2017. Among the loan balance of RMB555.2 million, the business team of Hanhua Guarantee conducted customer development and risk identification and management for RMB541.7 million loan, and provided guarantee for the principal and interest payable. As the actual fund provider for such business, the Group included it in the small and micro credit business account of the consolidated financial statements of the Group, and was not included in the balance of external credit guarantee of the Group.

截至2018年12月31日，本集團信貸服務中小微金融業務餘額在人民幣3百萬元以上的客戶餘額為人民幣555.2百萬元，較2017年12月31日人民幣588.2百萬元，減少人民幣33.0百萬元，降幅5.6%。於貸款餘額人民幣555.2百萬元中，其中人民幣541.7百萬元的貸款由集團內的瀚華擔保的業務團隊進行客戶拓展及風險識別和管理，並由瀚華擔保對借款人應當償還的本金及利息提供擔保。由於本集團為該類業務的實際資金提供方，因此在本集團合併財務報表中，該類業務納入表內小微信貸業務核算，同時該餘額並未統計在本集團對外提供的擔保業務餘額中。

Management Discussion and Analysis

管理層討論與分析

The table below sets out the remaining maturity mix of micro and small finance in credit lending business as at the dates indicated:

下表載列截至所示日期信貸服務中小微金融餘額剩餘到期日情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		<i>Amount</i> 金額	<i>% of total</i> 佔總額%	<i>Amount</i> 金額	<i>% of total</i> 佔總額%
Due within three months	3個月內到期	156.5	17.0	376.1	25.3
Due between three months and six months	3個月至6個月到期	616.5	67.0	408.3	27.4
Due between six months and one year	6個月至1年到期	131.9	14.4	353.4	23.7
Due over one year	1年後到期	14.5	1.6	350.9	23.6
Total	合計	919.4	100.0	1,488.7	100.0

The maturity range of micro and small loans is generally between 6 and 18 months. As at 31 December 2018, the total balance of micro and small finance of credit lending business due within one year accounting for 98.4% of the total balance of micro and small finance (31 December 2017: 76.4%).

小微金融貸款期限一般在6-18個月之間，截至2018年12月31日，信貸服務中小微金融餘額剩餘到期日一年以內佔比98.4%（2017年12月31日：76.4%）。

Management Discussion and Analysis

管理層討論與分析

Micro and small loan business segment – Credit lending business – Standard finance

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

- **Jiaye Loan:**

Jiaye Loan is a credit product for meeting the demand of SMEs’ daily business turnover, which takes into account the credit status of borrowers and requires to provide self-owned houses as collaterals. Since Jiaye Loan requires sufficient collaterals, it is more advantageous in amount and efficiency than micro and small finance loans. The maximum principal of the loan products is usually RMB5.0 million, with a term of up to 36 months (a very small portion of loans subject to strict requirements has a term of 60 months).

Jiaye Loan requires the borrowers to pledge properties under their ownership that are free from title defects. Once the Group receives the loan application from customers, it will engage third party valuers to conduct independent verification on the property regarding its ownership, existence of pledges and mortgage, other information on liability, geographical location of the cities in which the properties located, age, conditions of the properties, and recent trading price in the market, in addition to the assessment of the borrowers’ regular credit capacity. Upon the preliminary assessment, the Group calculates the actual maximum loans available to the borrowers by discounting the assessed market price at a rate of 50% to 70% and deducting the rigid liability. After that, the Group determines the actual loan amount based on the general credit condition and the purpose of lending of the borrowers. The principal and interest of the loan products are to be repaid in equal monthly installments.

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

小微信貸業務分部 – 信貸服務 – 標準金融

標準金融產品主要包括「佳業貸」和「樂享金」。其中：

- **佳業貸：**

「佳業貸」是針對小微企業及個體工商戶的日常經營周轉需求，在兼顧借款人自身信用狀況的基礎上，要求提供自有產權的房屋作為抵押物的信貸產品。該產品因為有足值抵押物，因此額度相對小微金融更有優勢、業務效率也更高。此貸款產品本金上限通常為人民幣5.0百萬元，最長借款期限通常不超過36個月（極少部分貸款可以達60個月，但條件極為苛刻）。

「佳業貸」要求借款人提供的房屋為自有產權，並不存在任何產權瑕疵。本集團收到客戶的借款申請之後，除對借款人常規信用能力評估外，還會通過第三方評估機構對房產進行獨立核查，包括房產權屬、是否已經設定抵押、是否存在按揭貸款以及其他負債信息、房屋所處城市的區域位置、房齡、新舊程度、最近市場成交價格等。進行初步評估後，在市場評估價格的基礎之上進行一定的折扣（通常為五至七折），並減去剛性負債，得出借款人實際可貸資金上限。隨後依據借款人整體資信狀況及資金用途，設定實際貸款資金金額。該產品均按照「等額本息」模式，按月歸還本集團貸款本金及利息。

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

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the balance of “Jiaye Loan” was RMB2,977.6 million (as at 31 December 2017: RMB2,562.2 million). There were approximately 6,304 active loan clients, and the average amount outstanding per client was RMB472,300 (as at 31 December 2017: RMB474,500).

The table below sets out the distribution of Jiaye Loan in credit lending business as at the dates indicated:

截至2018年12月31日，信貸服務中「佳業貸」產品餘額為人民幣2,977.6百萬元（2017年12月31日：人民幣2,562.2百萬元），在貸客戶數量為6,304戶，平均每戶在貸餘額為人民幣472.3千元（2017年12月31日：人民幣474.5千元）。

下表載列截至所示日期信貸服務中「佳業貸」分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB100,000	人民幣10萬元以內	26.2	0.9	17.2	0.7
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	1,068.3	35.9	962.5	37.6
Over RMB500,000 to RMB1 million	人民幣50萬元以上至 人民幣1百萬元	974.8	32.7	781.6	30.5
Over RMB1 million to RMB3 million	人民幣1百萬元以上至 人民幣3百萬元	756.1	25.4	716.6	28.0
Over RMB3 million	人民幣3百萬元以上	152.2	5.1	84.3	3.2
Total	合計	2,977.6	100.0	2,562.2	100.0

The maximum lending amount for a single “Jiaye Loan” business is generally RMB5 million (only in four first-tier cities, namely Beijing, Shanghai, Guangzhou and Shenzhen), while the majority of the lending amount is within RMB1 million. As at 31 December 2018, the balance of “Jiaye Loan” extended to clients who had less than RMB1 million outstanding grossed RMB2,069.3 million (as at 31 December 2017: RMB1,761.3 million), accounting for 69.5% of the total balance of the Group’s credit lending business (as at 31 December 2017: 68.8%).

單筆「佳業貸」業務的放款金額上限通常為人民幣5百萬元（僅限於北京、上海、廣州、深圳四個一線城市），但絕大部份的放款金額位於人民幣1百萬元以內。截至2018年12月31日，本集團信貸服務中「佳業貸」業務餘額在人民幣1百萬元以下的客戶餘額為人民幣2,069.3百萬元（2017年12月31日：人民幣1,761.3百萬元），佔比69.5%（2017年12月31日：68.8%）。

Management Discussion and Analysis

管理層討論與分析

The table below sets out the remaining maturity mix of Jiaye Loan in credit lending business as at the dates indicated:

下表載列截至所示日期信貸服務中「佳業貸」餘額剩餘到期日情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within three months	3個月內到期	54.8	1.8	141.8	5.6
Due between three months and six months	3個月至6個月到期	278.9	9.4	82.8	3.2
Due between six months and one year	6個月至1年到期	1,313.8	44.1	–	–
Due between one year and three years	1年至3年到期	1,330.1	44.7	2,337.6	91.2
Total	合計	2,977.6	100.0	2,562.2	100.0

The maturity of “Jiaye Loan” is usually between 6 months and 36 months. As at 31 December 2018, loans due within one year amounted to RMB1,647.5 million, accounting for 55.3% of the total.

「佳業貸」業務產品的借款期限通常為6個月至36個月。截至2018年12月31日，1年內到期的業務餘額為人民幣1,647.5百萬元，佔比55.3%。

• Lexiang Jin

“Lexiang Jin” is an unsecured micro loan product. Its target customers are official employees of national administrative organizations or units, public schools or hospitals and listed companies, and specific individuals who have housing mortgage, social security, retirement fund and fixed salary paid to banking cards. As at 31 December 2018, the clients of Lexiang Jin are all individuals. The principal of the loan products generally ranges between RMB10,000 and RMB500,000 (a very small portion of loans subject to strict requirements is in the amount of RMB500,000), and has a term of one to 36 months. The principal and interest of the loan products are to be repaid in equal monthly instalments.

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

• 樂享金

「樂享金」為無抵押微型貸款產品，服務對象為國家行政或事業單位、公立學校或醫院、上市企業等公司的正式員工，以及有按揭房、社保、公積金、固定打卡工資的人群。截至2018年12月31日，「樂享金」業務服務對象全部為個人客戶。此貸款產品本金一般介乎人民幣1萬元到人民幣50萬元（極少部份貸款金額可以達人民幣50萬元，但條件極為苛刻），到期日介乎1至36個月，還款方式為「等額本息、按月還款」。

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

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the balance of “Lexiang Jin” was RMB485.8 million (as at 31 December 2017: RMB1,019.9 million). There were approximately 21,205 active loan clients, and the average amount outstanding per client was RMB22,900 (as at 31 December 2017: RMB36,800). As the current development strategy of credit lending business focuses on “improving asset quality”, more capital was invested in “Jiaye Loan” which has sufficient collaterals. Accordingly, pure credit products such as “Lexiang Jin” have already been stopped at the end of 2017, waiting for their natural expiration.

The table below sets out the exposure mix of Lexiang Jin in credit lending business as at the dates indicated:

截至2018年12月31日，信貸服務中「樂享金」產品餘額為人民幣485.8百萬元（2017年12月31日：人民幣1,019.9百萬元），在貸客戶數量約為21,205戶，平均每戶在貸餘額為人民幣22.9千元（2017年12月31日：人民幣36.8千元）。由於當前信貸服務發展策略以「提升資產質量」為主，所以將更多資金投放於「佳業貸」這類有充足抵質押物的產品，因此「樂享金」這類純信用產品已經於2017年底停止投放，目前只是等待該類業務自然到期。

下表載列截至所示日期信貸服務中「樂享金」業務敞口分佈情況：

		As at 31 December			
		2018		2017	
		2018年		2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount	% of total	Amount	% of total
		金額	佔總額%	金額	佔總額%
Less than RMB100,000	人民幣10萬元以內	484.7	99.8	985.4	96.6
Over RMB100,000 to RMB500,000	人民幣10萬元以上至人民幣50萬元	1.1	0.2	34.5	3.4
Total	合計	485.8	100.0	1,019.9	100.0

The principal of “Lexiang Jin” loans is usually between RMB10,000 and RMB500,000. As at 31 December 2018, loans of less than RMB100,000 as a percentage of the total were 99.8%, with an increase of 3.2 percentage points as compared to the 96.6% share as at 31 December 2017.

「樂享金」產品本金一般介乎人民幣1萬到人民幣50萬之間，截至2018年12月31日，人民幣10萬元以下佔比99.8%，較2017年12月31日佔比96.6%，增長3.2個百分點。

Management Discussion and Analysis

管理層討論與分析

The table below sets out the remaining maturity mix of Lexiang Jin in credit lending business as at the dates indicated:

下表載列截至所示日期信貸服務中「樂享金」餘額剩餘到期日情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within three months	3個月內到期	1.2	0.3	137.2	13.5
Due between three months and six months	3個月至6個月到期	3.9	0.8	2.7	0.3
Due between six months and one year	6個月至1年到期	106.0	21.8	10.8	1.1
Due between one year and three years	1年至3年到期	374.7	77.1	869.2	85.1
Total	合計	485.8	100.0	1,019.9	100.0

The maturity of Lexiang Jin loans is between 1 month and 36 months. It requires “monthly equal payment of principal and interest”. As at 31 December 2018, loans due in 1 to 3 years took up 77.1% of the total (as at 31 December 2017: 85.1%).

「樂享金」貸款產品到期日介乎1至36個月，還款方式為「等額本息、按月還款」。截至2018年12月31日，1年至3年到期佔比77.1%（2017年12月31日：85.1%）。

Micro and small loan business segment – Credit lending business – Platform finance

Platform finance mainly cooperates with Internet industrial platforms with “scenarios, customers and data”, so as to jointly develop customers and provide pure online micro and small credit lending business based on industrial scenarios. In the course of cooperation, the two sides mutually integrate resources and complement each other to realize the value of partners and promote the development of industrial innovation. In such business model, the segment focused on realizing connecting and sharing through ecology, helping financially disadvantaged groups and small and micro economies enter the industrial chain of large enterprises, improving the viability of small and micro enterprises, and ultimately empowering small and micro enterprises through ecology.

小微信貸業務分部 – 信貸服務 – 平台金融

平台金融主要通過與「有場景、有客戶、有數據」的互聯網產業平台合作，共同基於產業場景，開發客戶、提供純線上小微信貸服務。在合作過程中，雙方相互融合資源、優勢互補，實現夥伴價值，推動產業創新發展。在此類業務模式中，該分部將致力於以生態實現連接與共享，幫助金融弱勢群體和小微經濟體進入大型企業的產業鏈，提高小微企業的生存能力，最終實現生態圈對小微企業的金融賦能。

Management Discussion and Analysis

管理層討論與分析

For these products, the Group mainly cooperates with data collection and deal matching industrial platforms in each segment. In particular, the cooperative industrial platforms are responsible for providing the communication channels to borrowers, provision of basic information, operating history, operating and consumption records of the applicants, and assisting in risk control, while the Group conducts independent assessment on the credit condition of the applicants and provides funds and channels for lending.

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

The industrial platforms are only responsible for recommending the products or services of the Group to customers with financing needs. Prospective and potential customers are mainly registered users of the websites and the Group targets micro and small enterprises as well as individuals who make direct application for loans. The principal of the loan products is generally less than RMB3 million, with a term of up to 24 months. The Group independently reviews the industry and commerce registration, financial data, tax record, and purpose of loan submitted by customers. Meanwhile, it performs a separate review based on the records from independent third party credit information platforms and credit investigation, and historical procurement and sales of products as provided by the industrial platform to make independent decision to accept/decline the applications. In the meantime, the Group requires the industrial platforms or their associates (as the case may be) to provide guarantee and equity repurchase for the loan facility recommended by them, so as to ensure the repayment of principal and interest of the loan.

該類產品，本集團主要與各類細分領域負責信息收集、交易撮合的產業平台合作。其中，合作的產業平台負責提供借款人借入資金的信息通道，並提供申請人基本信息、經營歷史、經營及消費記錄，協助控制風險等；本集團負責對申請人的資信狀況進行獨立評估，並提供資金和放款渠道。

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

產業平台只負責向有資金需求的客戶推薦本集團提供的產品或服務。有意向的潛在客戶主要為網站的註冊用戶，目標客群主要為小微企業、個體工商戶和個人客戶，他們直接向本集團提出資金申請。本金一般不高於人民幣300萬元，到期日不超過24個月。本集團對於客戶提供的工商登記信息、財務數據、納稅記錄、資金用途等進行獨立審查，同時借助於獨立第三方徵信平台及信用調查記錄、產業平台提供的歷史採購／銷售貨物信息等對申請人進行獨立審批，並獨立做出接受／拒絕的決定。與此同時，本集團會視情況要求產業平台本身、或關聯人士就其推薦的借款額度提供適度擔保及債權回購等，以確保本集團貸款本金及利息的安全。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the balance of platform finance products was RMB290.8 million. It had 44,900 customers with an average loan balance of RMB6,500 (31 December 2017: RMB6,100).

截至2018年12月31日，信貸服務中平台金融產品餘額為人民幣290.8百萬元，在貸客戶數量約為44.9千戶，平均在貸餘額為人民幣6.5千元（2017年12月31日：人民幣6.1千元）。

The table below presents the industry mix of platform financial business in credit lending business as at the dates indicated:

下表呈列，截至所示日期信貸服務中平台金融業務的行業分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Individual business proprietors	個體工商戶	197.6	68.0	942.1	99.9
Small and micro enterprises	小微企業	93.2	32.0	0.9	0.1
– Wholesale and retail	– 批發及零售	73.5	25.2	0.9	0.1
– Construction	– 建築業	9.0	3.1	–	–
– Household goods	– 綜合	8.8	3.0	–	–
– Manufacturing and processing	– 製造及加工業	1.7	0.6	–	–
– Others	– 其他	0.2	0.1	–	–
Total	合計	290.8	100.0	943.0	100.0

In 2018, the Group actively adjusted the business model of platform finance, and the number of small and micro enterprises in the platform finance increased. As at 31 December 2018, the balance of individual business proprietors accounted for 68.0% of the platform financial customers of credit lending business (as at 31 December 2017: 99.9%). At the same time, SME loans balance of credit lending business accounted for 32.0% of the total loan business of the Group (as at 31 December 2017: 0.1%), among them, wholesale and retail, construction, household goods, manufacturing and processing, and other industries, taking up 25.2%, 3.1%, 3.0%, 0.6%, 0.1%, respectively.

2018年，本集團積極調整平台金融的業務模式，平台金融中的小微企業客戶數量增加。截至2018年12月31日信貸服務的平台金融客戶中，個體工商戶類客戶貸款餘額佔比為68.0%（2017年12月31日：99.9%）。與此同時，小微企業客戶貸款餘額佔比為32.0%（2017年12月31日：0.1%），其中批發及零售、建築業、綜合、製造及加工業、及其他行業，分別佔小微金融業務餘額的比例為25.2%、3.1%、3.0%、0.6%、0.1%。

Management Discussion and Analysis

管理層討論與分析

The table below presents the platform finance business in credit lending business as at the dates indicated:

下表載列截至所示日期信貸服務中平台金融業務的情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB100,000	人民幣10萬元以內	116.0	39.8	559.7	59.4
Over RMB100,000 to RMB500,000	人民幣10萬元以上至人民幣50萬元	99.6	34.3	383.3	40.6
Over RMB500,000 to RMB1 million	人民幣50萬元以上至人民幣1百萬元	31.6	10.9	–	–
Over RMB1 million to RMB3 million	人民幣1百萬元以上至人民幣3百萬元	43.6	15.0	–	–
Total	合計	290.8	100.0	943.0	100.0

In 2018, the platform finance in the Group's credit lending business added loan products with principal amount between RMB500,000 to RMB3 million, due to the increase in the proportion of small and micro enterprises. As at 31 December 2018, loans over RMB500,000 to RMB3 million accounted for 25.9% of the total.

2018年，因客群結構中小微企業客戶的佔比增加，本集團信貸服務中平台金融增加投放本金介於人民幣50萬元至300萬元的貸款產品。截至2018年12月31日，人民幣50萬元以上至人民幣300萬元佔比25.9%。

The table below presents the maturity mix of platform finance business in credit lending business as at the date indicated:

下表載列截至所示日期信貸服務中平台金融業務的餘額剩餘到期日情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within three months	3個月內到期	84.6	29.1	149.3	15.9
Due between three months and six months	3至6個月到期	109.7	37.7	342.4	36.3
Due between six months and one year	6個月至1年到期	88.7	30.5	420.8	44.6
Due over one year	1年後到期	7.8	2.7	30.5	3.2
Total	合計	290.8	100.0	943.0	100.0

As at 31 December 2018, the maturity of platform finance products was between 1 month and 24 months, with loans due within one year accounting for 97.3% of the total.

截至2018年12月31日，信貸服務中平台金融產品的剩餘到期日介乎1至24個月，1年內到期業務餘額佔比97.3%。

Management Discussion and Analysis

管理層討論與分析

Micro and small loan business segment – Credit lending business – Risk management and asset quality

小微信貸業務分部 – 信貸服務 – 風險管理及資產質量

The table below sets out key asset quality indicators of credit lending business in the Group's micro and small loan business segment as at the dates indicated:

下表載列截至所示日期本集團小微信貸業務分部信貸服務的關鍵資產質量指標：

		31 December 2018 2018年 12月31日 Amount 金額	1 January 2018 ⁽¹⁾ 2018年 1月1日 ⁽¹⁾ Amount 金額	Change 變動 Amount 金額	Percentage% 百分比%	31 December 2017 2017年 12月31日 Amount 金額
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)						
Micro and small finance loans	小微金融貸款	919.4	1,488.7	(569.3)	(38.2)	1,488.7
Standard finance loans	標準金融貸款	3,501.0	3,653.7	(152.7)	(4.2)	3,653.7
Platform finance loans	平台金融貸款	290.8	943.0	(652.2)	(69.2)	943.0
Subtotal of loan balance	貸款餘額小計	4,711.2	6,085.4	(1,374.2)	(22.6)	6,085.4
Balance of provision for impairment loss	資產減值準備餘額	226.2	325.6	(99.4)	(30.5)	219.3
Provision rate ⁽²⁾	撥備率 ⁽²⁾	4.8%	5.4%	(0.6 ppt 百分點)	–	3.6%
Provision coverage rate ⁽³⁾	撥備覆蓋率 ⁽³⁾	239.1%	282.1%	(43.0 ppt 百分點)	–	190.0%
Balance of overdue loan business	逾期貸款業務餘額	510.8	363.4	147.4	40.6	363.4
Proportion of overdue loan business ⁽⁴⁾	逾期貸款業務佔比 ⁽⁴⁾	10.8%	6.0%	4.8 ppt 百分點	–	6.0%
Balance of impaired loan business	已減值貸款業務餘額	94.6	115.4	(20.8)	(18.0)	115.4
Proportion of the balance of impaired loan business ⁽⁵⁾	已減值貸款業務餘額佔比 ⁽⁵⁾	2.0%	1.9%	0.1 ppt 百分點	–	1.9%

Management Discussion and Analysis

管理層討論與分析

Note:

- (1) The Group initially applied HKFRS 9 on 1 January 2018. Based on which, it made transition to the relevant figures as at the beginning of the period to ensure comparability. HKFRS 9 proposed a new asset impairment model, namely the “expected credit loss model” to replace the “incurred loss model” under the HKAS 39. The “expected credit loss model” is a forward-looking approach that predicts and makes provision for potential losses in the future, whereas the “incurred loss model” emphasizes actual loss and makes provision only when there is objective evidence that a loss has been incurred for the assets.
- (2) Balance of provisions for impairment loss divided by the balance of loan business.
- (3) Provision for asset impairment divided by the balance of impaired loan business. Provision coverage rate represents the Group’s provision rate for potential loss of the loan business portfolio.
- (4) Balance of overdue loan business divided by the balance of loan business. For the definition of “overdue loan business”, please refer to page 65 of this report.
- (5) Balance of impaired loan business divided by the balance of loan business. For the definition of “impaired loan business”, please refer to page 65 of this report.

As at 31 December 2018, the balance of credit lending business in micro and small loan business segment was RMB4,711.2 million, representing a decrease of RMB1,374.2 million or 22.6% as compared with RMB6,085.4 million as at 31 December 2017. The decrease was mainly due to the fact that the small and micro credit business segment accumulated funds with business returns and gradually repaid external financing in 2018, which reduced the capital available for business granting, resulting in a gradual decline in the monthly average loan balance of credit lending business.

註釋：

- (1) 本集團於2018年1月1日首次採納香港財務報告準則第9號，與此相關的期初數均已根據此進行相應調整，以保持數據的可比性。香港財務報告準則第9號提出了新的資產減值模型，即「預期信用損失模型」，並替代香港會計準則第39號中採用的「已發生損失模型」。「預期信用損失模型」強調前瞻性，需要將未來可能的損失都預計和計提，而「已發生損失模型」強調現實損失，只是在有客觀證據表明資產目前確實發生了損失的情況下，才需要計提撥備。
- (2) 資產減值準備餘額除以貸款業務餘額。
- (3) 資產減值準備除以已減值貸款業務餘額。撥備覆蓋率顯示本集團就貸款業務組合可能出現的損失的撥備水平。
- (4) 逾期貸款業務餘額除以貸款業務餘額。有關「逾期貸款業務」的定義，請參閱本報告第65頁。
- (5) 已減值貸款業務餘額除以貸款業務餘額。有關「已減值貸款業務」的定義，請參閱本報告第65頁。

截至2018年12月31日，小微信貸業務分部信貸服務的貸款餘額為人民幣4,711.2百萬元，與2017年12月31日貸款餘額人民幣6,085.4百萬元相比，減少人民幣1,374.2百萬元，降幅22.6%。信貸服務貸款餘額的下降，這主要源於2018年本集團小微信貸業務分部利用業務回款沉澱資金，並逐步償還外部融資，使得可用於業務投放的資金減少，致使信貸服務的貸款餘額逐月下降。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the overdue balance of micro and small loan business segment was RMB510.8 million, representing an increase of RMB147.4 million or 40.6% as compared with RMB363.4 million as at 31 December 2017. The increase in overdue loan amount was mainly due to the increase in the overdue amount of the “Jiaye Loan” business, while the overdue amounts of other products declined. Since Jiaye Loan has sufficient collaterals, its requirements on borrowers’ basic conditions are relatively looser than micro and small finance loans. Its real risk is very slim in spite of slight increase in overdue loans. From the perspective of products, the overdue amount was RMB510.8 million, of which RMB300.1 million was derived from “Jiaye Loan” products, accounting for 58.8%. From the perspective of overdue days, among the RMB510.8 million overdue amount, the loan balance of overdue days within 30 days (30 days inclusive) was RMB255.0 million, accounting for 49.9% of the total of overdue loan amount.

Provision rate indicates the level of reserve which the Group set aside for the small and micro credit business. As at 31 December 2018, the balance of provisions for impairment loss of micro and small loan business segment was RMB226.2 million (as at 1 January 2018: RMB325.6 million), with provision rate and provision coverage rate of 4.8% and 239.1%, respectively (as at 1 January 2018: provision rate: 5.4%; provision coverage rate: 282.1%).

Although the balance of provisions for impairment loss decreased by RMB99.4 million, the provision rate decreased by only 0.6%, which was due to the balance of “Jiaye Loan” products with low credit risk and sufficient collaterals as well as the continued increase in its proportion of credit lending business. For micro and small loan business, the Group assessed its asset impairment provision in accordance with the “expected credit loss model” set out in HKFRS 9. Since the “Jiaye Loan” product has sufficient collaterals and meets the required secure procedure, its potential recovery is essentially different from that of other credit businesses. Therefore, the provision for impairment loss corresponding to the balance of “Jiaye Loan” product is slightly lower than other products. As at 31 December 2018, the business balance of “Jiaye Loan” was RMB2,977.6 million, representing an increase of RMB415.4 million or 16.2% as compared with RMB2,562.2 million as at 31 December 2017. As at 31 December 2018, the business balance of “Jiaye

截至2018年12月31日，小微信貸業務分部已逾期金額為人民幣510.8百萬元，較2017年12月31日逾期金額人民幣363.4百萬元，增長人民幣147.4百萬元，增幅40.6%。已逾期貸款金額的增加，主要來自於「佳業貸」業務逾期金額增加，其他各類產品的逾期金額均呈下降態勢。佳業貸是有足值抵押物的產品，因此對借款人的基本條件相較小微金融更寬鬆，雖然逾期略有增加，但實質風險很低。從產品角度分析，已逾期金額人民幣510.8百萬元中，其中人民幣300.1百萬元來自於「佳業貸」產品，佔比比例為58.8%。從逾期天數角度分析，已逾期金額人民幣510.8百萬元中，逾期天數在30天（含30天）以內的貸款餘額為人民幣255.0百萬元，該部份貸款佔已逾期貸款金額的49.9%。

撥備率反映了本集團就小微信貸業務未來潛在風險的儲備水平。截至2018年12月31日，小微信貸業務分部資產減值準備餘額為人民幣226.2百萬元（2018年1月1日：325.6百萬元），撥備率及撥備覆蓋率分別為4.8%、239.1%（2018年1月1日：撥備率：5.4%；撥備覆蓋率：282.1%）。

儘管資產減值準備餘額下降人民幣99.4百萬元，但撥備率僅下降0.6%，這一方面得益於信用風險較低、具有足值抵押物的「佳業貸」產品餘額及佔信貸服務貸款餘額的比例不斷提升。針對小微信貸業務，本集團按照香港財務報告準則第9號所設定的「預期信用損失模型」評估其資產減值準備。由於「佳業貸」產品具有足值抵押物且辦理符合要求的抵押手續，其潛在回收性較其他信用類業務存在本質區別，因此「佳業貸」產品貸款餘額對應的資產減值準備較其他產品略低。截至2018年12月31日，「佳業貸」業務餘額為人民幣2,977.6百萬元，較2017年12月31日業務餘額人民幣2,562.2百萬元，增加人民幣415.4百萬元，增幅16.2%。2018年12月31日「佳業

Management Discussion and Analysis

管理層討論與分析

Loan” accounted for 63.2% of the asset balance of credit lending business, an increase of 21.1 percentage points from 42.1% as at 31 December 2017.

On the other hand, the Group has written-off loans that made full provision for asset impairment, resulting in decline in the balance of impaired loans. As at 31 December 2018, the balance of impaired loans in micro and small loan business segment was RMB94.6 million, representing a decrease of RMB20.8 million or 18.0% as compared with RMB115.4 million as at 31 December 2017;

In 2018, the Group enhanced the disposal of impaired loans through write-off. In 2018, the Group wrote-off micro and small loans of RMB237.1 million (2017: RMB155.6 million), including RMB127.1 million in Lexiang Jin (2017: RMB4.3 million). Despite the decrease in the balance of impaired loans, the proportion of impaired loans to asset balance of micro and small loan business segment slightly increased from 1.9% as at 31 December 2017 to 2.1% as at 31 December 2018, mainly due to the asset balance of micro and small loan business segment declining from RMB6,085.4 million as at 31 December 2017 to RMB4,711.2 million as at 31 December 2018.

In 2018, the Group still adopted prudent accounting estimates. Based on the overdue and impairment characteristics of products, the provision of asset impairment losses for credit lending business was RMB125.6 million, an increase of RMB41.3 million as compared with RMB84.3 million during the same period in 2017. Among them, the provision of asset impairment losses for stock Lexiang Jin was RMB99.1 million, accounting for 78.9% of the total impairment losses. As the current development strategy of credit lending business focuses on “improving asset quality”, more capital was invested in “Jiaye Loan” which has sufficient collaterals. Accordingly, pure credit products such as “Lexiang Jin” have already been stopped at the end of 2017, waiting for their natural expiration. As at 31 December 2018, the balance of Lexiang Jin was RMB485.8 million, representing a decrease of RMB534.1 million or 52.4% as compared with RMB1,019.9 million as at 31 December 2017.

貸」業務餘額佔信貸服務資產餘額的比例為63.2%，較2017年12月31日業務比例佔比42.1%，增加21.1個百分點。

另一方面得益於本集團將已全額提取減值準備的貸款進行核銷使得已減值貸款餘額下降。截至2018年12月31日，小微信貸業務分部已減值貸款餘額為人民幣94.6百萬元，較2017年12月31日已減值貸款餘額人民幣115.4百萬元，下降人民幣20.8百萬元，降幅18.0%；

2018年，本集團通過核銷手段，加大已減值貸款的處置力度。2018年，本集團共計核銷小微貸款人民幣237.1百萬元（2017年：人民幣155.6百萬元），其中核銷「樂享金」人民幣127.1百萬元（2017年：人民幣4.3百萬元）。儘管已減值貸款餘額下降，但已減值貸款佔小微信貸業務分部資產餘額的比例却從2017年12月31日的1.9%小幅上升至2018年12月31日的2.1%，其上升主要是因為小微信貸業務分部資產餘額從2017年12月31日的人民幣6,085.4百萬元下降至2018年12月31日的人民幣4,711.2百萬元。

2018年，本集團仍然採用審慎的會計估計，結合產品逾期及減值特徵，針對信貸服務資產共提取資產減值損失人民幣125.6百萬元，較2017年同期人民幣84.3百萬元，增加人民幣41.3百萬元。其中針對存量「樂享金」業務提取資產減值損失人民幣99.1百萬元，佔提取資產減值損失總額的78.9%。由於當前信貸服務發展策略以「提升資產質量」為主，所以將更多資金投放於「佳業貸」這類有充足抵質押物的產品，因此「樂享金」這類純信用產品已經於2017年底停止投放，目前只是等待該類業務自然到期。「樂享金」產品截至2018年12月31日的餘額為人民幣485.8百萬元，較2017年12月31日人民幣1,019.9百萬元，減少人民幣534.1百萬元，降幅52.4%。

Management Discussion and Analysis

管理層討論與分析

Micro and small loan business segment – Credit consulting business – Business model

It mainly refers to the Group provides credit consulting business to financial institutions such as external partner banks and trusts, leveraging its accumulated experience, capabilities and strengths in micro and small loan services, including assistance in obtaining clients, standardized risk assessment services and post-loan management service, while external partner financial institutions conduct independent evaluation on small and micro customers based on their own understanding of small and micro customers and risk tolerance, and make independent decision to accept/decline capital services.

In cooperation with various financial institutions, the two sides can share information (sharing customers' basic information and demand information upon authorisation), exchange resources (such as information resources and technical resources) and give full play to their resource and technological advantages, with a view to jointly provide credit lending business to small and micro customers. The Group's strengths lie in the risk awareness and service experience on such customer groups accumulated for many years in the small and micro customer sector, as well as special risk control capacities, nationwide network and team, and sound credit service output capability.

The table below sets out the balance mix of credit consulting business in the Group's micro and small loan business segment as at the dates indicated:

小微信貸業務分部 – 信用服務 – 業務模式

主要指利用本集團在小微金融服務領域積累的經驗、能力和優勢，為外部合作銀行、信託等金融機構提供信用類服務，包括協助獲取客戶、協助標準化風險評估服務、貸後協助管理服務等；外部合作金融機構在此基礎上，結合自身對小微客戶的理解和風險承受能力，對小微客戶開展獨立評估，並自行作出提供或拒絕資金服務的決定。

在與各類金融機構開展合作的過程中，雙方共享信息（經客戶授權後共享客戶基本信息、需求信息）、互換資源（信息資源、技術資源等），充分發揮雙方的資源優勢、技術優勢，共同為小微客戶提供信貸類服務。本集團的優勢在於，多年來持續在小微客戶領域所積累的對該類客戶群體的風險認識和服務經驗、所建立的特色風控能力、全國性網絡與團隊、以及良好的信用服務輸出能力。

下表載列截至所示日期本集團小微信貸業務分部信用服務的餘額信息：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Micro and small finance loans	小微金融貸款	1,193.5	45.2	–	–
Standard finance loans	標準金融貸款	1,038.7	39.4	–	–
Platform finance loans	平台金融貸款	406.2	15.4	–	–
Subtotal of loan balance	貸款餘額小計	2,638.4	100.0	–	–

Note: The definitions and related information standards of micro and small finance loans, standard finance loans and platform finance loans under the credit consulting business model are consistent with those mentioned in credit lending business. For related information, please refer to corresponding pages.

註：信用服務的業務模式下的「小微金融貸款、標準金融貸款、平台金融貸款」業務的定義及相關信息標準均與信貸服務部份提及的內容一致，相關信息請參閱合適的頁面所描述的內容。

Management Discussion and Analysis

管理層討論與分析

In 2018, the interest and handling fee income from the Group's credit consulting business was RMB40.3 million. As at 31 December 2018, the balance of assets under management of credit consulting business was RMB2,638.4 million.

Related information on credit consulting business are explained from the perspectives of micro and small finance, standard finance, platform finance as follows:

Micro and small loan business segment – Credit consulting business – Micro and small finance

As at 31 December 2018, the balance of micro and small loans in credit consulting business was RMB1,193.5 million. It had 3,179 customers with an average loan balance per transaction of RMB375,400.

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

2018年，本集團信用服務利息及手續費收入為人民幣40.3百萬元，截至2018年12月31日，信用服務管理餘額為人民幣2,638.4百萬元。

以下從「小微金融、標準金融、平台金融」三大業務方向，分別闡述信用服務的相關信息：

小微信貸業務分部 – 信用服務 – 小微金融

截至2018年12月31日，信用服務中小微貸款餘額為人民幣1,193.5百萬元，在貸客戶數量為3,179戶，單筆貸款平均餘額為人民幣375.4千元。

下表載列截至所示日期信用服務中小微金融業務敞口分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB100,000	人民幣10萬元以內	22.4	1.9	–	–
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	498.1	41.7	–	–
Over RMB500,000 to RMB1 million	人民幣50萬元以上至 人民幣1百萬元	408.4	34.2	–	–
Over RMB1 million to RMB3 million	人民幣1百萬元以上至 人民幣3百萬元	264.6	22.2	–	–
Total	合計	1,193.5	100.0	–	–

As at 31 December 2018, the balances of micro and small finance business in the Group's credit consulting business were all below RMB3 million, of which the balance of clients who had less than RMB1 million was RMB928.9 million, accounting for 77.8% of the total balance of micro and small finance loans in the credit consulting business.

截至2018年12月31日，本集團信用服務中小微金融業務餘額均在人民幣3百萬以下，其中人民幣1百萬以下的客戶餘額為人民幣928.9百萬元，佔信用服務中小微金融業務餘額總額的77.8%。

Management Discussion and Analysis

管理層討論與分析

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

下表載列截至所示日期小微金融餘額剩餘到期日情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within three months	3個月內到期	195.8	16.4	–	–
Due between three months and six months	3至6個月到期	492.1	41.2	–	–
Due between six months and one year	6個月至1年到期	505.6	42.4	–	–
Total	合計	1,193.5	100.0	–	–

The maturity range of micro and small loans is generally between 6 and 18 months. As at 31 December 2018, the balance of micro and small finance of the credit consulting business was due within one year.

小微金融貸款期限一般在6-18個月之間，截至2018年12月31日，信用服務中小微金融餘額剩餘到期日均為一年以內。

Management Discussion and Analysis

管理層討論與分析

Micro and small loan business segment – Credit consulting business – Standard finance

小微信貸業務分部 – 信用服務 – 標準金融

The standard financial products in credit consulting business are all “Jiaye Loan” products. As at 31 December 2018, the balance of “Jiaye Loan” products was RMB1,038.7 million. It had 1,376 customers with an average loan balance per transaction of RMB754,900.

信息服務中標準金融產品均為「佳業貸」產品。截至2018年12月31日，「佳業貸」產品餘額為人民幣1,038.7百萬元，在貸客戶數量為1,376戶，單筆貸款平均餘額為人民幣754.9千元。

The table below sets out the exposure mix of Jiaye Loan in credit consulting business as at the dates indicated:

下表載列截至所示日期信用服務中「佳業貸」業務敞口分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB100,000	人民幣10萬元以內	0.1	0.0	–	–
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	159.7	15.4	–	–
Over RMB500,000 to RMB1 million	人民幣50萬元以上至 人民幣1百萬元	440.0	42.3	–	–
Over RMB1 million to RMB3 million	人民幣1百萬元以上至 人民幣3百萬元	435.8	42.0	–	–
Over RMB3 million	人民幣3百萬元以上	3.1	0.3	–	–
Total	合計	1,038.7	100.0	–	–

As at 31 December 2018, the balance of “Jiaye Loan” extended to clients who had less than RMB1 million outstanding grossed RMB599.8 million, accounting for 57.7% of the Group’s credit consulting business.

截至2018年12月31日，本集團信息服務中「佳業貸」業務餘額在人民幣1百萬以下的客戶餘額為人民幣599.8百萬元，佔比57.7%。

Management Discussion and Analysis

管理層討論與分析

The table below sets out the remaining maturity mix of Jiaye Loan in credit consulting business as at the dates indicated:

下表載列截至所示日期信用服務中「佳業貸」餘額剩餘到期日情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Due within three months	3個月內到期	83.2	8.0	–	–
Due between three months and six months	3個月至6個月到期	43.3	4.2	–	–
Due between six months and one year	6個月至1年到期	27.2	2.6	–	–
Due between one year and three years	1年至3年到期	885.0	85.2	–	–
Total	合計	1,038.7	100.0	–	–

The maturity of “Jiaye Loan” is usually between 6 months and 36 months. As of 31 December 2018, loans due in 1 to 3 years amounted to RMB885.0 million, accounting for 85.2% of the total.

「佳業貸」業務產品借款期限通常為6個月至36個月。截至2018年12月31日，1年至3年到期業務餘額為人民幣885.0百萬元，佔比85.2%。

Management Discussion and Analysis

管理層討論與分析

Micro and small loan business segment – Credit consulting business – Platform finance

As at 31 December 2018, the balance of platform finance in credit consulting business was RMB406.2 million. It had 2,840 customers with an average loan balance per transaction of RMB142,900.

The table below presents the exposure mix of platform finance business in credit consulting business as at the dates indicated:

小微信貸業務分部 – 信用服務 – 平台金融

截至2018年12月31日，信用服務中平台金融業務餘額為人民幣406.2百萬元，在貸客戶數量為2,840戶，單筆貸款平均餘額為人民幣142.9千元。

下表呈列，截至所示日期信用服務中平台金融的敞口分佈情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔總額%	Amount 金額	% of total 佔總額%
Less than RMB100,000	人民幣10萬元以內	69.2	17.0	–	–
Over RMB100,000 to RMB500,000	人民幣10萬元以上至 人民幣50萬元	335.0	82.5	–	–
Over RMB500,000 to RMB1 million	人民幣50萬元以上至 人民幣1百萬元	2.0	0.5	–	–
Total	合計	406.2	100.0	–	–

As at 31 December 2018, the balances of platform finance in the Group's credit consulting business were all below RMB1 million, of which the balance of clients who had less than RMB500,000 was RMB404.2 million, accounting for 99.5% of the total.

截至2018年12月31日，本集團信用服務中平台金融餘額均在人民幣1百萬以下，其中人民幣50萬元以下的客戶餘額為人民幣404.2百萬元，佔比99.5%。

Management Discussion and Analysis

管理層討論與分析

The table below presents the maturity mix of platform finance business in credit consulting business as at the date indicated:

下表載列截至所示日期信用服務中平台金融業務餘額剩餘到期日情況：

		As at 31 December 截至12月31日			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		<i>Amount</i> 金額	<i>% of total</i> 佔總額%	<i>Amount</i> 金額	<i>% of total</i> 佔總額%
Due within three months	3個月內到期	5.2	1.3	–	–
Due between three months and six months	3個月至6個月到期	40.5	10.0	–	–
Due between six months and one year	6個月至1年到期	360.5	88.7	–	–
Total	合計	406.2	100.0	–	–

As at 31 December 2018, the maturity of platform finance products in credit consulting business was within one year.

截至2018年12月31日，信用服務中平台金融產品剩餘到期日均為1年以內。

Management Discussion and Analysis

管理層討論與分析

CAPITAL INVESTMENT AND MANAGEMENT SEGMENT

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

In early 2015, the Group started to engage in capital investment and management business. In terms of fund raising, the Group worked together with external organizations that aim to serve SMEs to raise capital by way of funds, with a special focus on industrial funds established by all levels of government authorities and listed companies. As at 31 December 2018 (31 December 2017: seven), the Group successfully established nine funds with external investors, raising gross proceeds of RMB885.4 million (31 December 2017: RMB856.7 million).

In terms of the use of proceeds, we provide small capital investment services to leading SMEs in their respective industries with stable operating and management teams and positive growth prospect in the existing clientele. As at 31 December 2018, it has applied RMB750.0 million in equity investment for long term returns from capital appreciation (31 December 2017: RMB357.6 million), and RMB320.7 million in debt investment for stable return with the aim of effectively utilizing idle funds to enhance capital earning (31 December 2017: RMB305.6 million).

In 2018, the capital investment and management segment derived total income of RMB17.2 million from interest on debts invested (2017: RMB18.2 million). In addition, the Group reaped RMB7.2 million from dividends from invested business and disposal of some equity interest in invested entities (2017: RMB11.0 million). The invested companies were subject to the influence of fluctuations in market valuation, the loss from fair value change was RMB6.6 million (2017: Nil).

Meanwhile, the Group makes provision for asset impairment associated with these creditor's rights by referring to the rules of risk management of capital business in the partnership finance business segment. In 2018, a total loss of RMB3.4 million from asset impairment was reversed (2017: provision for asset impairment loss of RMB6.7 million). Among the Group's equity investment in SMEs, the invested entities are running soundly and there is no indication of impairment.

資本投資及管理分部

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

2015年初，本集團開始涉足資本投資及管理業務。在資金募集方面，本集團與有志於服務中小企業的外部機構尤其是各級政府、上市公司設立的產業基金合作，以基金的形式募集資金，截至2018年12月31日，本集團已成功與外部投資者合作成立了9隻基金（2017年12月31日：7隻），合計從外部募集資金共計人民幣885.4百萬元（2017年12月31日：人民幣856.7百萬元）。

在資金投向方面，一方面向現有客戶群體中那些在自身所處行業中處於前茅、具有穩定的經營管理團隊、行業及自身成長性較好的中小企業提供小額的資本投資服務；截至2018年12月31日，人民幣750.0百萬元資金用於股權投資（2017年12月31日：人民幣357.6百萬元），以獲得長期資本增值回報；另一方面為有效利用閒置資金以提升資金收益，人民幣320.7百萬元資金用於債權投資（2017年12月31日：人民幣305.6百萬元），以獲取穩定回報。

2018年，資本投資及管理分部共實現收入人民幣17.2百萬元（2017年：人民幣18.2百萬元），主要來自於債權投資獲取的利息收入。此外，本集團獲得被投資業務的股利分紅及處置被投資企業部份股權，錄得淨收益人民幣7.2百萬元（2017年：人民幣11.0百萬元）。被投資企業受市場估值波動影響，公允價值變動損失人民幣6.6百萬元（2017年：無）。

與此同時，本集團參照夥伴金融業務集群分部對於資金業務風險管理的相關規定，對該類債權提取資產減值準備。2018年，共計轉回資產減值損失人民幣3.4百萬元（2017年：計提資產減值損失人民幣6.7百萬元）。本集團對於廣大中小企業所進行的股權投資，目前被投資方經營狀況良好，未見其減值迹象。

Management Discussion and Analysis

管理層討論與分析

OTHER SEGMENT

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

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

In 2018, other segment incurred a total of RMB171.8 million net expenditure on interest and handling fee, representing an increase of RMB26.8 million or 18.5% as compared with RMB145.0 million in 2017, due to the increase in actual costs of various types of financing as compared 2017 caused by the tight overall liquidity of the capital market and the context of “de-leverage”. For example, in November 2017, the Group raised the coupon rate of company bonds of RMB900.0 million issued in November 2015 (before adjustment: 5.6%; adjusted: 6.6%), and in June 2018, raised the coupon rate of company bonds of RMB1,500.0 million issued in June 2015 (before adjustment: 6.1%; adjusted: 6.9%). In addition, handling fees and commission expenses related to financing increased.

其他分部

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

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

2018年，其他分部產生的淨利息及手續費支出總額為人民幣171.8百萬元，較2017年淨利息及手續費支出人民幣145.0百萬元，增加人民幣26.8百萬元，增幅18.5%，主要源於資金市場整體流動性趨緊和「去槓桿」的大背景下，各類融資的實際成本較2017年增長所致。比如本集團於2017年11月上調於2015年11月發行的公司債券人民幣900.0百萬元票面利率（調整前：5.6%；調整後：6.6%）以及於2018年6月上調於2015年6月發行的公司債券人民幣1,500.0百萬元票面利率（調整前：6.1%；調整後：6.9%）；此外，其他與融資相關的手續費及佣金支出增加所致。

Management Discussion and Analysis

管理層討論與分析

In 2018, other segment incurred a total of RMB231.1 million operating expenses, representing a 4.1% drop, or RMB9.9 million, as compared with RMB241.0 million in 2017. Operating expenses were mainly made up of RMB25.1 million expenses on equity incentives offered to senior management (share-based payment) (2017: RMB38.8 million), RMB85.0 million of other labor costs (2017: RMB79.8 million) and RMB121.0 million of other operating costs (2017: RMB122.4 million). The labor cost included remunerations of senior management at the parent company level of the Group, remunerations of the centralized operation and management team and the cost of information system development.

2018年，其他分部產生的營運支出總額為人民幣231.1百萬元，與2017年營運支出總額人民幣241.0百萬元相比，減少9.9百萬元，降幅4.1%。營運支出主要包括針對高級管理人員實施的股權激勵方案產生費用（股份支付）金額人民幣25.1百萬元（2017年：人民幣38.8百萬元），其他人力資源成本計人民幣85.0百萬元（2017年：人民幣79.8百萬元），以及其他運營成本計人民幣121.0百萬元（2017年：人民幣122.4百萬元）。其中，人力資源成本主要包括本集團母公司層面高級管理人員的薪酬、集中運營及管理團隊的薪酬、以及信息系統建設成本等。

INFORMATION OF MATERIAL ASSOCIATES

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

As at 31 December 2018, Fumin Bank had a total asset of RMB37,020.3 million (31 December 2017: RMB18,362.8 million) and a total liability of RMB33,946.5 million (31 December 2017: RMB15,350.2 million). In 2018, Fumin Bank achieved a net profit of RMB52.6 million (2017: RMB10.8 million).

重要聯營企業的信息

於2016年，本集團與境內六家機構共同發起設立富民銀行，本公司以人民幣900.0百萬元對富民銀行進行出資，本公司在富民銀行的股權比例佔註冊資本的30%，完成出資後本公司為富民銀行的第一大股東。富民銀行已於2016年8月開始正式營業。

截至2018年12月31日，富民銀行資產總額為人民幣37,020.3百萬元（2017年12月31日：人民幣18,362.8百萬元），負債總額為人民幣33,946.5百萬元（2017年12月31日：人民幣15,350.2百萬元）。2018年，富民銀行共計實現淨利潤人民幣52.6百萬元（2017年：人民幣10.8百萬元）。

Management Discussion and Analysis

管理層討論與分析

SELECTED ITEMS OF THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Guarantee and consulting fee income

In 2018, the Group derived net guarantee and consulting fee income of RMB674.5 million, an increase of 6.8%, or RMB43.1 million, as compared with RMB631.4 million in 2017, mainly due to the increase in guarantee and consulting fee income of project performance guarantee business. In 2018, total guarantee and consulting fee income of non-financing guarantee business (mainly including project performance guarantee business) was RMB135.7 million, representing an increase of RMB55.8 million or 69.8% as compared with RMB79.9 million in 2017, which was primarily due to the substantial increase in the volume of project performance guarantee business. The transaction amount of the project performance guarantee business in 2018 was RMB9,093.5 million, representing an increase of RMB1,592.0 million or 21.2% as compared with RMB7,501.5 million in 2017. As at 31 December 2018, the balance of project performance guarantee business was RMB10,980.6 million, representing an increase of RMB3,160.1 million or 40.4% as compared with RMB7,820.5 million as at 31 December 2017.

In 2018, total guarantee and consulting fee income of bond guarantee business was RMB137.6 million, representing a decrease of RMB9.6 million or 6.5% as compared with RMB147.2 million in 2017, which was primarily due to the decrease in the volume of bond financing guarantee business in 2018. In 2018, the Group provided guarantees for four bond issues in the aggregate amount of RMB2,170.0 million. The issuance volume decreased by RMB1,050.0 million or 32.6% as compared with RMB3,220.0 million in 2017. As at 31 December 2018, the Group's outstanding bond guarantee balance was RMB24,355.0 million (as at 31 December 2017: RMB23,350.0 million).

In 2018, total guarantee and consulting fee income of traditional financing guarantee business was RMB404.0 million, basically equivalent to that of RMB406.4 million in 2017.

For details on the Group's guarantee and consulting fee income in the credit guarantee business line and related business, please refer to page 26 to 63 of this report.

節選合併利潤表項目

擔保及諮詢費收入

2018年，本集團擔保及諮詢費淨收入為人民幣674.5百萬元，較2017年擔保及諮詢費淨收入人民幣631.4百萬元，增加人民幣43.1百萬元，增幅6.8%，這主要得益於工程履約擔保業務擔保及諮詢費收入增長所致。2018年，非融資擔保業務（主要為工程履約擔保業務）實現擔保及諮詢費收入總額為人民幣135.7百萬元，與2017年該類業務產生的收入人民幣79.9百萬元相比，增加人民幣55.8百萬元，增幅69.8%，這主要源於2018年工程履約擔保業務發生額大幅增加所致。2018年，工程履約擔保業務發生額為人民幣9,093.5百萬元，較2017年該類業務發生額人民幣7,501.5百萬元，增長人民幣1,592.0百萬元，增幅21.2%。截至2018年12月31日，工程履約擔保業務餘額為人民幣10,980.6百萬元，較2017年12月31日業務餘額人民幣7,820.5百萬元，增長人民幣3,160.1百萬元，增幅40.4%。

2018年，債券融資擔保業務實現擔保及諮詢費收入總額為人民幣137.6百萬元，與2017年該類業務產生的收入人民幣147.2百萬元相比，減少人民幣9.6百萬元，降幅6.5%，這主要源於2018年債券融資擔保業務發生額進一步下滑所致。2018年，本集團共為四隻債券發行共計人民幣2,170.0百萬元提供擔保，該發行量較2017年度債券擔保發生額人民幣3,220.0百萬元，下降人民幣1,050.0百萬元，降幅32.6%。截至2018年12月31日，本集團債券擔保餘額為人民幣24,355.0百萬元（2017年12月31日：人民幣23,350.0百萬元）。

2018年，傳統融資擔保業務實現擔保及諮詢費收入總額為人民幣404.0百萬元，與2017年該類業務產生的擔保及諮詢費收入人民幣406.4百萬元相比，基本相當。

有關本集團信用擔保業務擔保及諮詢費收入及相關業務情況詳情，請參閱本報告第26頁至63頁。

Management Discussion and Analysis

管理層討論與分析

Net interest and handling fee income

利息及手續費淨收入

The following table sets forth the Group's net interest and handling fee income by products in 2018:

下表載列本集團2018年按產品分類的淨利息及手續費收入明細：

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年	2017 2017年	Change 變動	
		Amount 金額	Amount 金額	Amount 金額	Percentage (%) 百分比(%)
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)					
Interest and handling fee income from	來自以下各項的利息及手續費收入				
Loans and advances to customers	發放貸款及墊款	1,024.6	1,078.1	(53.5)	(5.0)
Factoring business	保理業務	262.5	168.5	94.0	55.8
Cash at banks	銀行存款	65.1	60.9	4.2	6.9
Time and restricted bank deposits	定期存款和存出擔保保證金	19.9	13.6	6.3	46.3
Finance lease business	融資租賃業務	17.7	31.6	(13.9)	(44.0)
Credit consulting services commission income	信用服務諮詢費收入	40.3	-	40.3	-
Other interest and handling fee income	其他利息及手續費收入	2.9	5.1	(2.2)	(43.1)
Total interest and handling fee income	利息及手續費收入總額	1,433.0	1,357.8	75.2	5.5
Interest and commission expenses arising from	來自以下各項的利息及手續費支出				
Debts securities issued	應付債券	(277.1)	(218.0)	59.1	27.1
Interest-bearing borrowings	計息借款	(215.2)	(147.8)	67.4	45.5
Commission expenses from micro and small loans	小微貸款佣金支出	(71.9)	(29.9)	42.0	140.5
Financial assets sold under repurchase agreements	賣出回購金融資產	(35.2)	(94.2)	(59.0)	(62.6)
Other interest expenses	其他利息支出	(52.6)	(56.2)	(3.6)	(6.4)
Total interest and commission expenses	利息及手續費支出總額	(652.0)	(546.1)	105.9	19.4
Net interest and handling fee income	利息及手續費淨收入	781.0	811.7	(30.7)	(3.8)

Management Discussion and Analysis

管理層討論與分析

In 2018, the Group's net income from interest and handling fee came in at RMB781.0 million, a 3.8% drop, or RMB30.7 million, from RMB811.7 million in 2017. The decrease in 2018 was mainly attributable to the increase of interest and commission expenses outpacing that of interest and handling fee income.

In 2018, the Group's interest and handling fee income was RMB1,433.0 million, representing an increase of RMB75.2 million or 5.5% as compared with RMB1,357.8 million in 2017. The increase was mainly due to the increase in interest and handling fee income of receivables for factoring business as well as the commission income from credit consulting business of micro and small loan business segment. Among them:

- In 2018, loans and advances granted by the Group generated RMB1,024.6 million income from interest and handling fee, a 5.0% decrease, or RMB53.5 million, as compared with RMB1,078.1 million in 2017. The decrease was mainly because that the Group gradually reduced entrusted loan business and increased the granting of receivables for factoring business in 2018, thereby reducing the interest and fee income from entrusted loan business.

2018年，本集團利息及手續費淨收入為人民幣781.0百萬元，較2017年利息及手續費淨收入人民幣811.7百萬元，減少人民幣30.7百萬元，降幅3.8%。2018年，其減少主要是因為利息及手續費支出的增加額大於利息及手續費收入的增加額所致。

2018年，本集團利息及手續費收入為人民幣1,433.0百萬元，較2017年利息及手續費收入人民幣1,357.8百萬元，增加人民幣75.2百萬元，增幅5.5%，其增長主要來源於應收賬款保理業務產生的利息及手續費收入、以及小微信貸業務分部信用服務類佣金收入增加所致。其中：

- 於2018年，本集團發放貸款及墊款產生的利息及手續費收入為人民幣1,024.6百萬元，較2017年發放貸款及墊款產生的利息及手續費收入人民幣1,078.1百萬元，減少人民幣53.5百萬元，降幅5.0%，這主要是因為2018年本集團逐步壓縮委託貸款業務，轉而加大對應收賬款保理業務的投放，從而使得委託貸款業務產生的利息及手續費收入下降。

Management Discussion and Analysis

管理層討論與分析

Since the second half of 2016, the Group has adopted the “Supply Chain Finance” business model to promote the coordination and integration of the industry chain. Through reasonable use of “receivables for factoring and bill discounting” as the means and verification of background information of the transactions, it ensured authenticity of the receivables, which then became the assets under the “receivables for factoring” to effectively solve financing difficulties of enterprises. Meanwhile, it enhanced the organization of the “asset end”. Leveraging on the comprehensive credibility of the Group, it introduced external funds by assets securitization, so as to offer comprehensive financing solutions to enterprises and effectively solve the problem of “high financing costs” for enterprises. The above-mentioned business model resulted in substantial growth in business scale of receivables for factoring business and decrease in asset size of entrusted loans. As of 31 December 2018, the balance of entrusted loan business was RMB859.2 million, representing a decrease of RMB812.1 million or 48.6% as compared with RMB1,671.3 million as at 31 December 2017. As at 31 December 2018, the balance of receivable for factoring business was RMB2,399.9 million, representing an increase of RMB740.0 million or 44.6% as compared with RMB1,659.9 million as at 31 December 2017.

- In 2018, the Group’s interest and handling fee income from receivable for factoring business was RMB262.5 million, representing an increase of RMB94.0 million or 55.8% as compared with RMB168.5 million in 2017, mainly due to the continued increase in receivable for factoring business. In 2018, the cumulative amount of receivables for factoring business was RMB3,804.7 million (2017: RMB4,438.6 million). As at 31 December 2018, the balance of receivable for factoring business was RMB2,399.9 million, representing an increase of RMB740.0 million or 44.6% as compared with RMB1,659.9 million as at 31 December 2017. The average duration of this type of business was 10 months, and 98.7% of the business will be due within one year;

自2016年下半年開始，本集團在「供應鏈金融」業務模式下，致力於促進產業鏈的協作與整合，合理運用「應收賬款保理和票據貼現」這一工具，通過核實交易背景確保應收賬款的真實性，隨後形成「應收保理」資產，有效解決企業「融資難」問題。同時，通過不斷提升「資產端」的組織能力，運用本集團的綜合信用能力，以資產證券化的形式融入外部資金，向企業提供綜合性的資金解決方案，有效解決企業「融資貴」的問題。上述業務模式使得本集團應收保理賬款業務規模大幅增長，而委託貸款類資產規模則逐步下降；截至2018年12月31日，委託貸款業務餘額為人民幣859.2百萬元，與2017年12月31日委託貸款業務餘額人民幣1,671.3百萬元相比，減少人民幣812.1百萬元，降幅48.6%。截至2018年12月31日，應收賬款保理業務餘額為人民幣2,399.9百萬元，與2017年12月31日應收賬款保理業務餘額人民幣1,659.9百萬元相比，增加人民幣740.0百萬元，增幅44.6%。

- 2018年，本集團應收賬款保理業務產生的利息及手續費收入為人民幣262.5百萬元，與2017年該類收入人民幣168.5百萬元相比，增加人民幣94.0百萬元，增幅55.8%，這主要是應收賬款保理業務持續增加所致；2018年，應收賬款保理業務累計發生額為人民幣3,804.7百萬元（2017年：人民幣4,438.6百萬元）。截至2018年12月31日，應收賬款保理業務餘額為人民幣2,399.9百萬元，與2017年12月31日應收賬款保理業務餘額人民幣1,659.9百萬元相比，增加人民幣740.0百萬元，增幅44.6%。該類業務平均業務期限為10個月，98.7%的業務將於1年內到期；

Management Discussion and Analysis

管理層討論與分析

- In 2018, leveraging the Group's accumulated experience, capabilities and strengths in micro and small loan services, the micro and small loan business segment provided credit consulting business to external partner institutions, including assistance in obtaining clients, standardized risk assessment services and post-loan management service, and charged certain service fee based on services provided. In 2018, the total amount of credit consulting business was RMB3,833.8 million. As at 31 December 2018, the balance of credit consulting business was RMB2,638.4 million. In 2018, the credit consulting business generated a total net interest and handling fee income amounting to RMB40.3 million. For information about this type of service, please refer to "Management Discussion and Analysis – Micro and small loan business" on page 103 to page 109.
- In 2018, the Group's total interest income related to cash at banks and time and restricted bank deposits was RMB85.0 million, representing an increase of RMB10.5 million or 14.1% as compared with RMB74.5 million in 2017. The Group continued to follow flexible cash management strategies and while maintaining sufficient liquidity, increased returns on capital employed by investing in time deposits and capital preservation wealth management products providing relatively high ROR;
- In 2018, the Group derived RMB17.7 million income from interest and handling fee from finance lease business, representing a decrease of RMB13.9 million or 44.0% as compared with that in 2017, mainly because the Group did not recognise related interest income due to the overdue balance of some finance lease businesses.
- 2018年，小微信貸業務分部利用本集團在小微金融服務領域積累的經驗、能力和優勢，為外部合作機構提供信用類服務，包括協助獲取客戶、協助標準化風險評估服務、貸後協助管理服務等，並依據提供服務的內​​容收取一定的服務費。2018年，信用服務共計發生額為人民幣3,833.8百萬元。截至2018年12月31日，信用服務管理餘額為人民幣2,638.4百萬元。2018年，信用服務實現淨利息及手續費收入人民幣40.3百萬元。有關該類業務的相關信息，請參閱管理層討論與分析 – 小微信貸業務第103頁至109頁。
- 2018年，本集團銀行存款、定期存款及存出擔保保證金相關的利息總收入為人民幣85.0百萬元，與2017年該項收入人民幣74.5百萬元相比，增加10.5百萬元，增幅14.1%。本集團持續採取更加靈活的現金管理策略，在保持充分流動性的前提之下，投資於收益率相對較高的定期存款和保證本金型理財產品，以提升資金運用效益；
- 2018年，本集團融資租賃業務產生的利息及手續費收入為人民幣17.7百萬元，較2017年減少人民幣13.9百萬元，降幅44.0%，這主要源於部份融資租賃業務餘額呈逾期狀態，本集團並未確認與此相關的利息收入。

Management Discussion and Analysis

管理層討論與分析

In 2018, the Group's interest, handling fees and commission expenses was RMB652.0 million, representing an increase of RMB105.9 million or 19.4 % as compared with RMB546.1 million in 2017. Among them:

- In 2018, the Group's various interest-bearing debts (including debts securities issued, interest-bearing borrowings and financial assets sold under repurchase agreements) generated interest expenses of RMB527.5 million, representing an increase of RMB67.5 million or 14.7 % as compared with RMB460.0 million in 2017, mainly due to the increase in actual costs of various types of financing caused by the tight overall liquidity of the capital market and the context of "de-leverage";
- The Group's micro and small loan business segment cooperated with external and independent third parties in the course of credit lending business. These institutions provided the Group with customer marketing and promotion, due diligence, value assessment, risk identification, post-loan management and other related services. The Group paid service fees to such institutions based on certain percentage of the assets involved. In 2018, the Group's total payment for such services was RMB71.9 million, representing an increase of RMB42.0 million or 140.5% as compared with RMB29.9 million in 2017, mainly due to the continuous increase in the content and workload of such institutions;
- In 2018, the Group's other interest and handling expenses were RMB52.6 million, representing no significant change as compared with 2017. Such expenditures were mainly various bank settlement fee expenditures and expenses closely related to financing paid during the financing process.

For details of the Group's net interest and fee income, please refer to capital business sector of partnership finance business segment on page 64 to page 73, and credit business segment on page 75 to page 109 of this report.

2018年，本集團利息及手續費佣金支出為人民幣652.0百萬元，較2017年利息及手續費佣金支出人民幣546.1百萬元，增加人民幣105.9百萬元，增幅19.4 %。其中：

- 2018年，本集團各類有息債務（包括應付債券、各類計息借款、賣出回購金融資產）產生的利息支出人民幣527.5百萬元，較2017年各類有息債務產生的利息支出人民幣460.0百萬元，增加人民幣67.5百萬元，增幅14.7%，其增長主要是因為資金市場整體流動性趨緊和「去槓桿」的大背景下，各類融資的實際成本較2017年增長所致；
- 本集團小微信貸業務分部在開展信貸服務業務過程中，會與外部獨立第三方合作。該類機構向本集團提供客戶營銷及推介、盡職調查、價值評估、風險識別、貸後管理等相關工作。本集團根據所涉資產的一定比例向該類機構支付服務費。2018年，本集團共為該類服務支付費用總額為人民幣71.9百萬元，與2017年該類費用總額人民幣29.9百萬元相比，增加人民幣42.0百萬元，增幅140.5%，其增加主要是因為該類機構參與的工作內容及工作量持續增加所致；
- 2018年，本集團其他利息及手續費支出為人民幣52.6百萬元，較2017年相比，無重大變化。該類支出主要為各類銀行結算費支出、以及在融資過程中支付的各類與融資密切相關的支出。

有關本集團淨利息及手續費收入的詳情，請參閱本報告夥伴金融業務集群分部資金業務板塊第64頁至73頁，以及信貸業務分部第75頁至109頁。

Management Discussion and Analysis

管理層討論與分析

Other operating income, net

其他運營收入，淨額

The following table sets forth the breakdown of other operating income, net of the Group in 2018:

下表載列本集團2018年的其他運營收入淨額明細：

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage (%) 百分比(%)
Commission income of insurance broker business	保險經紀人業務收入	87.0	18.2	68.8	378.0
Commission expenses of insurance broker business	保險經紀人業務支出	(81.1)	(17.7)	63.4	358.2
Net gain on disposal of long-term equity investments	處置長期股權投資淨收益	21.3	8.1	13.2	163.0
Government grants	政府補助	23.5	23.4	0.1	0.4
Dividend income	股息收入	9.2	8.3	0.9	10.8
Rental income	租金收入	7.3	11.1	(3.8)	(34.2)
Others	其他	5.7	1.7	4.0	235.3
Total	合計	72.9	53.1	19.8	37.3

Management Discussion and Analysis

管理層討論與分析

In 2018, the Group's other operating income, net was RMB72.9 million, mainly including commission income of insurance broker business, proceeds from disposal of long-term equity investments, government grants, dividends and rental income. Among them:

- The commission income of insurance broker business mainly generated from insurance product brokerage business of Zhongli Insurance Sales Co., Ltd. (“**Zhongli Insurance**”). In 2018, Zhongli Insurance had 510,000 customers in total, achieving premium of RMB217.4 million and net income from brokerage services of RMB5.9 million;
- Net gain on disposal of long-term equity investments mainly generated from Fu'an Asset's acquisition and disposal of related businesses in the form of equity in its business operation, which realized net gain on asset mergers and acquisitions of RMB21.3 million;
- In 2018, the Group received government grants and tax refunds of RMB23.5 million, basically equivalent to such income in 2017. Such income was mainly generated from the policy supports provided by the governments at all levels for the Group's local financing guarantee business.
- Dividend income mainly generated from the dividends received from investment projects of the Group's capital investment management business sector;
- Rental income mainly generated from the Group's rental of repossessed assets and idle properties to third parties.

2018年，本集團其他運營收入淨額為人民幣72.9百萬元，主要包括保險經紀人業務收入、處置長期股權投資收益、政府補助、股息和房租收入。其中：

- 保險經紀人業務收入主要來自於中利保險銷售有限公司（「**中利保險**」）開展保險產品經紀業務實現的收入。2018年，中利保險共計服務51萬客戶，實現保費人民幣217.4百萬元，實現經紀服務費淨收入人民幣5.9百萬元；
- 處置長期股權投資的淨收益主要來自於富安資產在業務開展過程中，通過收購並處置相關業務所涉股權的形式實現資產併購重組淨收益計人民幣21.3百萬元；
- 2018年，本集團共獲得各類政府補貼及稅收返還收入人民幣23.5百萬元，與2017年該類收入基本相當。該類收入主要是各級政府對本集團在當地開展融資擔保業務而提供的政策性資助。
- 股息收入主要來自於本集團資本投資管理業務板塊投資項目所獲取的股利分紅；
- 租金收入則主要來自於本集團抵債資產、閒餘房產出租給第三方而獲取的租金收入。

Management Discussion and Analysis

管理層討論與分析

Provisions for guarantee losses

The provisions for guarantee losses is an estimate of sufficient provision for credit guarantee made by the Group based on the asset quality of its guarantee portfolio and past experience. In 2018, the Group reversed a total of RMB1.1 million provisions for guarantee losses (2017: RMB26.7 million provisions for guarantee losses was made).

The default payments and default rate of the Group's credit guarantee business indicate the quality of its guarantee portfolio. In 2018, the total default payments of the Group for customers was RMB206.3 million, representing a decrease of RMB75.4 million or 26.8% as compared with RMB281.7 million in 2017.

In 2018, the Group's default rate was 0.9%, representing a decreasing trend as compared with 1.3% in 2017. The continued decrease in default payments and default rate in 2018 showed a significant improvement in the assets quality of the Group's credit guarantee business. It was mainly because the Group has comprehensively adjusted its customer and business structure since 2015, while increasing the proportion of collaterals in new businesses to minimize credit risk exposure. Furthermore, the Group compressively enhanced post-guarantee management as well as the corresponding management frequency and efforts. Furthermore, the administrative measures for granting of performance bonuses after "discharge of guarantee liabilities" were fully implemented among all business personnel to further heighten the risk management awareness of all employees.

擔保賠償準備金

擔保賠償準備金主要根據本集團擔保組合資產質量及過往經驗，對信用擔保業務而言足夠的撥備水平的估計。於2018年，本集團轉回擔保賠償準備金計人民幣1.1百萬元（2017年：計提擔保賠償準備金人民幣26.7百萬元）。

本集團信用擔保業務代償金額及代償率顯示本集團擔保組合質量。本集團2018年為違約客戶支付的代償款項總額為人民幣206.3百萬元，與2017年代償款項人民幣281.7百萬元相比，共減少人民幣75.4百萬元，降幅26.8%。

2018年本集團代償率為0.9%，與2017年代償率1.3%相比呈下降態勢。2018年代償金額及代償率的持續下降，均顯示本集團信用擔保業務資產質量的大幅改善。這源於本集團自2015年開始全面調整客戶結構及業務結構，同時提升新作業務中獲取抵質押物的比例，以最大限度降低信用風險敞口；同時，全面強化保後管理，增加保後管理的頻率和力度；此外，在所有業務人員中，全面推行「擔保責任解除」後發放績效獎金的管理辦法，進一步強化全員的風險管理意識。

Management Discussion and Analysis

管理層討論與分析

In 2018, the Group continued to strengthen the recovery management of default payments, increased value of valuable collaterals acquired for the current default payments and default payment in the previous years, and made substantial progress on the recovery of default payments. For default customers, the Group stepped up management on collateral and disposal of non-performing assets so as to rapidly recover funds. In 2018, the Group recovered a cumulative total of RMB216.8 million in cash from defaulting customers (2017: RMB224.6 million), with recovery rate (recovery rate = current recovery amount/current default payments) of 105.1% (2017: 79.7%).

The provision rate of the Group's credit guarantee business is used to calculate the provision for potential losses based on the total guaranteed balance. The default payments and default rate of the Group's credit guarantee business continued to decline, and substantial progress has been made in clearance and collection of default payments in previous years. Meantime, in spite of continued increase in proportion of collaterals in existing guarantee business, the Group adopted prudent accounting estimates to make provisions for guarantee losses.

As at 31 December 2018, the Group's balance of provisions for guarantee losses was RMB376.5 million (as at 31 December 2017: RMB377.3 million). As at 31 December 2018, the provision rate of our credit guarantee business was 0.9%, representing a slight increase of 0.1 percentage points as compared with 0.8% as at 31 December 2017, which was mainly because guarantees for capital preservation funds with relatively low credit risks were all due and released in 2018. As at 31 December 2017, the outstanding guarantee balance of guarantee business for capital preservation funds accounted for 9.6% of the whole portfolio. As at 31 December 2018, the proportion of provisions for guarantee losses in terms of all types of guarantee products was basically equivalent to and had no significant difference with that as at 31 December 2017.

2018年，本集團持續加強代償後的清收管理，針對當期代償項目以及以前年度代償項目所獲取的有價值的抵質押物不斷提升以及清收工作取得實質性進展所致。對於違約客戶，本集團加強抵質押物管理和不良資產處置力度，以期快速回籠資金。於2018年，本集團從違約客戶處累計回收現金人民幣216.8百萬元（2017年：人民幣224.6百萬元），回收比率（回收比率=當期回收金額/當期代償金額）為105.1%（2017年：79.7%）。

本集團信用擔保業務的撥備率，用以計算根據本集團總體承擔的擔保責任餘額，就潛在虧損所作出的儲備水平。儘管本集團信用擔保業務的代償額、代償率呈持續下降態勢，以往年度為客戶代償之後的清收工作取得實質性進展，同時本集團現有擔保業務責任餘額中抵質押物比例持續提升，但本集團仍然採用審慎的會計估計計提擔保賠償準備金。

截至2018年12月31日，本集團針對信用擔保業務計提的擔保賠償準備金餘額為人民幣376.5百萬元（2017年12月31日：人民幣377.3百萬元）。截至2018年12月31日，我們信用擔保業務的撥備率為0.9%，較2017年12月31日的0.8%小幅上升0.1個百分點，主要是因為信用風險相對較低的保本基金擔保在2018年全部到期解保。截至2017年12月31日，保本基金擔保餘額在整個產品組合中的佔比為9.6%。截至2018年12月31日，我們針對各類擔保產品所承擔的責任餘額計提的擔保賠償準備金比例，與2017年12月31日相比，基本相當，無重大差異。

Management Discussion and Analysis

管理層討論與分析

Impairment losses

The following table sets forth the breakdown of impairment losses incurred by the Group in 2018:

資產減值損失

下表載列本集團2018年的資產減值損失明細：

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage (%) 百分比(%)
Impairment losses for loans and advances to customers	發放貸款及墊款的資產減值損失	130.2	116.9	13.3	11.4
Impairment losses for receivables for default payments	應收代償款的資產減值損失	86.0	136.0	(50.0)	(36.8)
Impairment losses for receivables for factoring business	應收保理款的資產減值損失	15.7	9.2	6.5	70.7
Impairment losses for finance lease receivables	應收融資租賃款的減值損失	25.5	0.7	24.8	3,542.9
Goodwill	商譽	-	1.5	(1.5)	(100.0)
Total	合計	257.4	264.3	(6.9)	(2.6)

Since 1 January 2018, the Group has initially applied the HKFRS 9, which proposed a new asset impairment model, namely the “expected credit loss model” to replace the “incurred loss model” under the HKAS 39. The “expected credit loss model” is a forward-looking approach that predicts and makes provision for potential losses in the future, whereas the “incurred loss model” emphasizes actual loss and makes provision only when there is objective evidence that a loss has been incurred for the assets.

自2018年1月1日起，本集團首次採用香港財務報告準則第9號，香港財務報告準則第9號提出了新的資產減值模型，即「預期信用損失模型」，並替代香港會計準則第39號中採用的「已發生損失模型」。「預期信用損失模型」強調前瞻性，需要將未來可能的損失都預計和計提，而「已發生損失模型」強調現實損失，只是在有客觀證據表明資產目前確實發生了損失的情況下，才需要計提撥備。

Management Discussion and Analysis

管理層討論與分析

In 2018, the impairment loss of the Group was RMB257.4 million, representing a decrease of RMB6.9 million or 2.6% as compared with RMB264.3 million in 2017, of which:

- In 2018, the impairment loss of receivables for default payments was RMB86.0 million, representing a decrease of RMB50.0 million or 36.8% as compared with RMB136.0 million in 2017, mainly due to overall improvement of the Group's business structure, customer base, product portfolio, risk control strategies and the recovery of receivables for default payments.

The Group assesses the potential recovery possibility for each default payment mainly receivable based on the anti-collateral provided by the borrower, and compares the present value of the possible recoverable with the amount of receivables for default payments, where the difference is included in the impairment loss for the current period.

The decrease in impairment losses of receivables for default payments was, on one hand, due to significant decrease in receivables for default payments paid by the Group for customers in 2018 as compared with 2017. In 2018, the total default payments of the Group for customers was RMB206.3 million, representing a decrease of RMB75.4 million or 26.8% as compared with RMB281.7 million in 2017. On the other hand, substantial progress was made on the recovery of default payments. In 2018, the Group continued to strengthen the recovery management of default payments, increased value of valuable collaterals acquired for the current default payments and default payment in the previous years, and made substantial progress on the recovery of default payments. In 2018, the Group recovered a cumulative total of RMB216.8 million in cash from defaulting customers (2017: RMB224.6 million), with recovery rate (recovery rate = current recovery amount/current default payments) of 105.1% (2017: 79.7%).

2018年，本集團資產減值損失為人民幣257.4百萬元，較2017年資產減值損失人民幣264.3百萬元，減少人民幣6.9百萬元，降幅2.6%，其中：

- 2018年，應收代償款的資產減值損失為人民幣86.0百萬元，與2017年資產減值損失人民幣136.0百萬元相比，減少人民幣50.0百萬元，降幅36.8%，這主要得益於本集團業務結構、客戶群體、產品組合、風險控制策略、代償後資產清收能力的全面提升。

本集團對應收代償款潛在的回收可能進行逐筆評估，主要依據借款人提供的反抵押情況進行，並將可能回收金額的現值與代償款金額進行比較，將差額計入當期資產減值損失。

應收代償款資產減值損失的下降，一方面是因為2018年本集團為客戶支付的代償款金額較2017年支付的金額大幅下降。本集團2018年為違約客戶支付的代償款項總額為人民幣206.3百萬元，與2017年代償款項人民幣281.7百萬元相比，共減少人民幣75.4百萬元，降幅26.8%。另一方面在於清收工作持續取得實質性進展。2018年，本集團持續加強代償後的清收管理，針對當期代償項目以及以前年度代償項目所獲取的有價值的抵質押物不斷提升以及清收工作取得實質性進展所致。於2018年，本集團從違約客戶處累計回收現金人民幣216.8百萬元（2017年：人民幣224.6百萬元），回收比率（回收比率=當期回收金額／當期代償金額）為105.1%（2017年：79.7%）。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the original value of receivables for default payments was RMB861.5 million, corresponding to the balance of impairment provision at RMB342.0 million. The provision rate (provision rate=provision for impairment of receivables for default payments/original value of receivables for default payments) was 39.7%, down 3.7 percentage points as compared with 43.4% as at 31 December 2017, due to the fact that the Group received adequate collaterals from clients, and accelerated disposal process;

- In 2018, the impairment loss of micro and small loan business segment was RMB125.6 million, a 49.0% increase, or RMB41.3 million, as compared with RMB84.3 million in 2017. For information on the asset impairment loss and asset quality of the micro and small loan business segment, please refer to “Management Discussion and Analysis” on page 99 to page 102.
- In 2018, the Group’s impairment loss of entrusted loan was RMB4.6 million, representing a decrease of RMB28.0 million or 85.9% as compared with RMB32.6 million in 2017, mainly due to the decline in the balance of entrusted loan which decreased from RMB1,980.0 million as at 31 December 2017 to RMB1,134.1 million as at 31 December 2018;
- In 2018, the Group’s impairment loss of receivables for factoring business was RMB15.7 million, representing an increase of RMB6.5 million or 70.7% as compared with RMB9.2 million in 2017, mainly due to the significant increase in the balance of receivables for factoring business. As at 31 December 2018, the Group’s balance of receivables for factoring business was RMB2,399.9 million, representing an increase of RMB740.0 million or 44.6% as compared with RMB1,659.9 million as at 31 December 2017; and
- In 2018, the Group’s impairment loss of finance lease receivables was RMB25.5 million. As at 31 December 2018, the Group’s balance of new overdue business of finance lease receivables was RMB176.5 million. Although this business segment had sufficient collaterals as risk mitigation measures, the Group adopted prudent accounting estimates for which provision is made individually.

For information on the asset quality of credit guarantee business and micro and small loan business, please refer to page 26 to 109 of this report.

截至2018年12月31日，本集團應收代償款原值為人民幣861.5百萬元，對應的減值準備餘額為人民幣342.0百萬元，撥備率（撥備率=應收代償款減值準備／應收代償款原值）為39.7%，該撥備率與2017年12月31日撥備率43.4%相比，下降3.7個百分點，這與本集團從違約客戶處收取的抵押物充足，並加快處置進程相關；

- 2018年，小微信貸業務分部小微貸款提取的資產減值損失為人民幣125.6百萬元，與2017年提取的資產減值損失人民幣84.3百萬元相比，增加人民幣41.3百萬元，增幅49.0%。有關小微信貸業務分部資產減值損失以及資產質量的相關信息，請參閱管理層討論與分析第99頁至102頁的內容。
- 2018年，本集團針對委託貸款提取的資產減值損失為人民幣4.6百萬元，與2017年提取的資產減值損失人民幣32.6百萬元相比，下降人民幣28.0百萬元，降幅85.9%，主要源於委託貸款餘額的下降，委託貸款餘額由2017年12月31日的人民幣1,980.0百萬元下降至2018年12月31日的1,134.1百萬元；
- 2018年，本集團針對應收保理款提取的資產減值損失為人民幣15.7百萬元，與2017年提取的資產減值損失人民幣9.2百萬元相比，增加人民幣6.5百萬元，增幅70.7%，主要是因為應收保理款項業務餘額大幅增加所致；截至2018年12月31日，本集團應收保理款項餘額為人民幣2,399.9百萬元，較2017年12月31日應收保理款項餘額人民幣1,659.9百萬元，增加人民幣740.0百萬元，增幅44.6%；及
- 2018年，本集團針對應收融資租賃款提取的資產減值損失為人民幣25.5百萬元。截至2018年12月31日，本集團應收融資租賃業務新增逾期業務餘額為人民幣176.5百萬元，儘管該部份業務有足額的抵質押物作為風險緩釋措施，但本集團採用審慎的會計估計並據此計提單項撥備。

有關信用擔保業務和小微信貸業務的資產質量，請參閱本報告第26頁至109頁。

Management Discussion and Analysis

管理層討論與分析

Operating expenses

營運支出

The table below sets out operating expenses of the Group for the year of 2018:

下表載列本集團2018年的營運支出：

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年		2017 2017年	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	% of total 佔比%	Amount 金額	% of total 佔比%
Remunerations	員工薪酬	450.8	55.3	439.5	55.5
– Equity-settled share-based payment	– 以權益結算的股份支付	25.1	3.1	38.8	4.9
Tax and surcharges	稅金及附加	17.2	2.1	16.5	2.1
Operating lease charges in respect of buildings	房屋經營租賃費用	76.6	9.4	80.0	10.1
Depreciation and amortization expenses	折舊及攤銷開支	45.1	5.5	40.1	5.1
Others	其他	225.5	27.7	215.3	27.2
Total	合計	815.2	100.0	791.4	100

Management Discussion and Analysis

管理層討論與分析

In 2018, the Group reported operating expenses of RMB815.2 million, representing an increase of RMB23.8 million or 3.0% as compared with RMB791.4 million in 2017. In particular:

- If the remunerations incurred by “equity-settled share-based payment” were excluded, remunerations paid by the Group to the staff would be RMB425.7 million in 2018, a 6.2% rise, or RMB25.0 million, from RMB400.7 million in 2017. Among them: the legal fees, evaluation fees and other related expenses paid during the asset recovery process increased in 2018; new business lines, such as financial asset management, began to operate in 2018, resulting in increase of costs in team building and related initial expenses; in the meantime, the Group has continually optimized human resources, reinforced risk management, offered extra rewards to high-performing institutions and teams, and incurred extra labor cost accordingly. In 2018, the Group continued to optimize its workforce mix, to meet the ever growing demand. As at 31 December 2018, the Group had 1,732 staff members, and the headcount reduced by 2.4% from 1,774 persons as at 31 December 2017; and
- In 2018, other operating expenses were RMB225.5 million, representing a slight increase as compared with RMB215.3 million in 2017. In 2018, the Group continued to adopt cost optimization management measures to control expenses. As a result, various expenses as a percentage of total operating expenses remained stable without drastic fluctuations.

2018年，本集團營運支出為人民幣815.2百萬元，較2017年人民幣791.4百萬元，增加人民幣23.8百萬元，增幅3.0%，其中：

- 在不考慮「以權益結算的股份支付」產生的員工薪酬的情況下，2018年，本集團員工薪酬總額為人民幣425.7百萬元，較2017年員工薪酬總額人民幣400.7百萬元相比增加人民幣25.0百萬元，增幅6.2%；其中：資產清收過程中支付的律師費、評估費以及其他相關費用於2018年增加；新業務板塊如金融資產管理板塊於2018年開始正式運營，業務團隊搭建及相關初始費用增加所致；本集團持續進行人員優化，強化風險管理的同時向業績優秀的機構、團隊提供超額獎勵，客觀上使得人力成本增加。2018年，本集團對人員結構進行持續優化，以應對不斷提升的業務需求。截至2018年12月31日，全集團員工人數合計為1,732名，較2017年12月31日員工人數1,774名，減少2.4%；及
- 2018年，其他營運支出為人民幣225.5百萬元，與2017年其他營運支出人民幣215.3百萬元相比，小幅上升。2018年，本集團持續採取成本優化管理措施，嚴控各項費用開支，各項費用項目佔營運支出總額的比例保持相對穩定狀態，並無劇烈波動。

Management Discussion and Analysis

管理層討論與分析

SELECTED ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

節選合併現金流量表項目

The following table sets forth the summary extracted from the Group's consolidated cash flow statement for the year ended 31 December 2018:

下表載列本集團截至2018年12月31日止年度的合併現金流量表的摘選概要：

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage (%) 百分比(%)
Net cash generated from/(used in) operating activities	經營活動產生/(使用)的現金淨額	1,913.3	(453.6)	2,366.9	521.8
Net cash used in investing activities	投資活動所用的現金淨額	(1,632.2)	(1,394.4)	237.8	17.1
Net cash (used in)/generated from financing activities	籌資活動所(使用)/產生的現金淨額	(812.1)	772.2	(1,584.3)	(205.2)
Net decrease in cash and cash equivalents	貨幣資金減少淨額	(531.0)	(1,075.8)	(544.8)	(50.6)
Cash and cash equivalents at the beginning of the year	年初貨幣資金餘額	2,436.4	3,512.0	(1,075.6)	(30.6)
Change in exchange rate	匯率變動	(2.2)	0.2	(2.4)	(1,200.0)
Cash and cash equivalents at the end of the year	年末貨幣資金餘額	1,903.2	2,436.4	(533.2)	(21.9)

Management Discussion and Analysis

管理層討論與分析

Net cash used in operating activities

In 2018, the amount of net cash generated from operating activities was RMB1,913.3 million, inclusive of:

- RMB1,888.7 million net decrease in loans and advances extended to SMEs;
- RMB1,099.1 million interest and handling fee derived from loans granted to SMEs;
- RMB740.0 million net increase in cash paid related to factoring;
- RMB569.7 million guarantee and consulting fee received by the credit guarantee section;
- RMB415.6 million salaries, insurance and benefits paid for employees; and
- RMB243.8 million income tax, business tax, VAT and miscellaneous surcharges paid.

Net cash used in investing activities

In 2018, the amount of net cash used in investing activities was RMB1,632.2 million, inclusive of:

- RMB151.0 million used to acquire fixed assets and intangible assets;
- RMB389.5 million paid for investment in associates;
- In order to meet the requirements of the Regulation and the Measures for Administration for the allocation of highly liquid assets of financing guarantee companies, the subsidiaries of the Group engaged in the financing guarantee business gradually increased the proportion of qualified highly liquid assets such as time deposits and debt instruments. In 2018, the newly increased investments totaled RMB758.3 million;

經營活動所用的現金淨額

2018年，本集團經營活動中產生的現金淨額為人民幣1,913.3百萬元，主要包括：

- 本集團中小企業貸款業務發放貸款及墊款發生額淨減少人民幣1,888.7百萬元；
- 本集團中小企業貸款業務收取利息及手續費人民幣1,099.1百萬元；
- 本集團支付保理業務相關的現金淨增加人民幣740.0百萬元；
- 本集團信用擔保業務收取擔保費及諮詢費計人民幣569.7百萬元；
- 本集團為員工支付的薪金及相關保險、福利支出人民幣415.6百萬元；及
- 本集團支付的企業所得稅、營業稅、增值稅及各項附加費人民幣243.8百萬元。

投資活動所用的現金淨額

2018年，本集團於投資活動中所用的現金淨額為人民幣1,632.2百萬元，主要包括：

- 用於購買固定資產、無形資產等項目合計金額為人民幣151.0百萬元；
- 對聯營企業投資支付的現金合計金額為人民幣389.5百萬元；
- 為滿足《條例》及《管理辦法》中對融資擔保公司高流動性資產配置比例的要求，本集團從事融資擔保業務的子公司逐步加大對符合資格的定期存款、債務工具等高流動性資產的配置比例。2018年，新增投資共計支付人民幣758.3百萬元；

Management Discussion and Analysis

管理層討論與分析

- In 2018, the funds involved in the acquisition of newly increased financial assets of Fu'An Asset totaled RMB1,715.4 million;
- In 2018, the Group's capital investment and management segment paid RMB135.6 million for the newly increased investments in equity instruments;
- RMB1,520.2 million investment recovered in cash.
- 2018年，富安資產新增金融資產收購涉及的資金共計支付人民幣1,715.4百萬元；
- 2018年，本集團資本投資及管理分部對外新增權益工具投資支付人民幣135.6百萬元；
- 收回投資收到的現金為人民幣1,520.2百萬元。

Net cash generated from financing activities

In 2018, the amount of net cash used in financing activities was RMB812.1 million, inclusive of:

- RMB166.6 million net proceeds from offering of bonds in 2018; and RMB1,089.0 million paid in cash to repay some bonds;
- RMB5,793.2 million net increase in fund raised by borrowings from banking and other financial institutions; and RMB4,146.3 million paid in cash to repay such borrowings;
- RMB280.7 million net increase in fund raised through sale under repurchase agreement with external institutions, and RMB903.1 million paid in cash to repurchase assets under repurchase agreement;
- RMB212.1 million cash dividends paid;
- RMB218.8 million cash paid to acquire the equity of subsidiaries held by some minority shareholders;
- RMB483.2 million interest paid for borrowings.
- 2018年通過發行債券共募集資金淨額計人民幣166.6百萬元；以及償還部份債券所支付的現金共計人民幣1,089.0百萬元；
- 通過銀行類金融機構、其他類型金融機構借款籌集資金淨增加額為人民幣5,793.2百萬元；以及償還該類借款所支付的現金共計人民幣4,146.3百萬元；
- 通過與外部機構簽訂賣出回購協議籌集資金淨增加額為人民幣280.7百萬元；以及用於回購賣出回購協議下的資產所支付的現金人民幣903.1百萬元；
- 分配股利所支付的現金人民幣212.1百萬元；
- 收購部份少數股東持有的子公司股權所支付的現金人民幣218.8百萬元；
- 支付借款利息支出人民幣483.2百萬元。

籌資活動產生的現金淨額

2018年，本集團於籌資活動中所使用的現金淨額為人民幣812.1百萬元，主要包括：

Management Discussion and Analysis

管理層討論與分析

SELECTED ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

節選合併財務狀況表項目

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

下表載列本集團於所示日期的資產及負債概要：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Assets	資產				
Cash and cash equivalents	貨幣資金	1,903.2	2,436.4	(533.2)	(21.9)
Time and restricted bank deposits	定期及受限銀行存款	1,853.5	1,678.6	174.9	10.4
Trade and other receivables	應收及其他應收款項	2,178.6	1,940.5	238.1	12.3
Receivables for factoring business	應收保理款	2,468.3	1,643.1	825.2	50.2
Loans and advances to customers	發放貸款及墊款	5,666.1	7,741.1	(2,075.0)	(26.8)
Finance lease receivables	應收融資租賃款	273.1	346.3	(73.2)	(21.1)
Financial assets measured at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	1,573.8	50.0	1,523.8	3,047.6
Available-for-sale financial assets	可供出售金融資產	-	733.6	(733.6)	(100.0)
Repossessed assets	抵債資產	317.8	291.4	26.4	9.1
Property, plant and equipment	物業、廠房及設備	501.4	442.7	58.7	13.3
Intangible assets	無形資產	31.4	25.1	6.3	25.1
Interest in associates	長期股權投資－聯營企業	1,524.7	1,112.0	412.7	37.1
Interest in joint ventures	長期股權投資－合營企業	4.3	8.6	(4.3)	(50.0)
Goodwill	商譽	9.7	9.7	-	0.0
Deferred tax assets	遞延所得稅資產	505.0	447.5	57.5	12.8
Investment properties	投資性房地產	34.8	-	34.8	-
Total assets	總資產	18,845.7	18,906.6	(60.9)	(0.3)
Liabilities	負債				
Interest-bearing borrowings	計息借款	5,529.4	3,807.8	1,721.6	45.2
Debts securities issued	應付債券	3,392.9	4,267.9	(875.0)	(20.5)
Financial assets sold under repurchase agreements	賣出回購金融資產	255.7	868.8	(613.1)	(70.6)
Deferred income	未到期責任準備金	608.5	697.2	(88.7)	(12.7)
Provisions for guarantee losses	擔保賠償準備金	376.5	377.3	(0.8)	(0.2)
Customer pledged deposits	存入保證金	123.0	112.9	10.1	8.9
Accruals and other payables	應計及其他應付款	502.4	499.7	2.7	0.5
Current tax liabilities	當期所得稅負債	193.4	203.4	(10.0)	(4.9)
Total liabilities	總負債	10,981.8	10,835.0	146.8	1.4
NET ASSETS	資產淨值	7,863.9	8,071.6	(207.7)	(2.6)

Management Discussion and Analysis

管理層討論與分析

Cash and cash equivalents

貨幣資金

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

下表載列本集團於所示日期的貨幣資金：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage (%) 百分比(%)
Cash on hand	庫存現金	0.1	0.1	-	-
Cash at banks	銀行存款	1,903.1	2,436.3	(533.2)	(21.9)
Total	合計	1,903.2	2,436.4	(533.2)	(21.9)

Cash and cash equivalents include cash on hand and at banks. As at 31 December 2018, the balance of cash and cash equivalents came in at RMB1,903.2 million, a decrease of 21.9%, or RMB533.2 million, from RMB2,436.4 million as at 31 December 2017. In 2018, the Group has always adopted flexible and variable cash management and asset allocation policies to improve liquidity management.

貨幣資金主要包括本集團庫存現金及銀行存款。截至2018年12月31日，本集團貨幣資金餘額為人民幣1,903.2百萬元，較2017年12月31日餘額人民幣2,436.4百萬元，減少人民幣533.2百萬元，降幅21.9%。2018年，本集團始終採取靈活多變的現金管理及資產配置策略，以維持較高的流動性管理水平。

Management Discussion and Analysis

管理層討論與分析

Trade and other receivables

The trade and other receivables of the Group consist of receivables for default payments under credit guarantee, prepayments and interest receivables. The following table sets forth the breakdown of trade and other receivables as at the dates indicated:

應收及其他應收款項

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

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)					
Receivables for default payments	應收違約付款	861.5	1,045.5	(184.0)	(17.6)
Trade receivables	應收賬款	31.7	11.7	20.0	170.9
Less: allowance for default payment receivables	減：應收違約付款準備金	(342.0)	(454.0)	(112.0)	(24.7)
Subtotal	小計	551.2	603.2	(52.0)	(8.6)
Interest receivables	應收利息	118.8	280.9	(162.1)	(57.7)
Receivables for assets disposal	應收資產轉讓款	789.6	546.0	243.6	44.6
Other prepayments, deposits and other receivables	其他預付款項、押金及其他應收款項	719.0	510.4	208.6	40.9
Subtotal	小計	1,627.4	1,337.3	290.1	21.7
Total	總計	2,178.6	1,940.5	238.1	12.3

As at 31 December 2018, the balance of default payment receivable was RMB861.5 million, a 17.6% decrease or RMB184.0 million as compared with RMB1,045.5 million as at 31 December 2017. In 2018, the Group paid RMB206.3 million cumulatively on behalf of defaulting clients, a 26.8% drop, or RMB75.4 million, as compared with RMB281.7 million in 2017.

截至2018年12月31日，應收違約付款餘額為人民幣861.5百萬元，較2017年12月31日應收違約付款餘額人民幣1,045.5百萬元，減少人民幣184.0百萬元，降幅為17.6%。2018年，本集團共計為違約客戶累計代償金額合計為人民幣206.3百萬元，較2017年累計代償金額人民幣281.7百萬元減少75.4百萬元，降幅26.8%。

Management Discussion and Analysis

管理層討論與分析

In 2018, the Group tightened risk management measures and their frequency of guarantee clients monitoring, monitoring guarantors throughout the lifecycle and redoubled efforts on reverse guarantee, management of collaterals and recovery of indemnities. In 2018, the Group recovered RMB216.8 million in cash from defaulting clients cumulatively, a 3.5% decline, or RMB7.8 million, from RMB224.6 million in 2017; meanwhile, the Group wrote off RMB215.4 million worth of default payments in total in 2018 (2017: RMB426.2 million).

As at 31 December 2018, the balance of default payment receivable was RMB861.5 million, corresponding to the balance of provision at RMB342.0 million. The provision coverage was 39.7%, down 3.7 percentage points as compared with 43.4% as at 31 December 2017. The Group strengthened risk management in recent years, received adequate collaterals from clients, heightened the haircut rate and accelerated disposal; the Group assessed the recoverability of indemnities receivable on an item-by-item basis, mainly based on anti-collateral provided by borrowers, compared the present value of potentially recoverable amount and indemnified amount and charged the difference to current loss from asset impairment.

As at 31 December 2018, the balance of other prepayments, deposits and other receivables was RMB719.0 million, a 40.9% jump, or RMB208.6 million, from RMB510.4 million as at 31 December 2017. The main reason is that the RMB153.2 million prepayment was paid to purchase office buildings for local institutions of the Group, which was intended to replace the current lease of third-party properties as office space by purchasing assets. In addition, the Group is canceling one affiliated small loan company which was no longer open to business, and refunded capital contributions to minority shareholders to the amount of RMB150.0 million. As at 31 December 2018, the Group had not yet received the deregistration approval from the Administration of Industry and Commerce, so such refund was presented under other receivables.

2018年，本集團持續加強針對擔保客戶的風險管理措施和頻率，從保前、保中、保後各個環節對擔保人加強管理，並加強反擔保物、抵質押物管理和代償款的回收工作。2018年，本集團累計從違約客戶處回收現金人民幣216.8百萬元，較2017年累計收回金額人民幣224.6百萬元，減少人民幣7.8百萬元，降幅3.5%；同時，2018年，本集團共計核銷應收代償款人民幣215.4百萬元（2017年：人民幣426.2百萬元）。

截至2018年12月31日，應收違約付款餘額為人民幣861.5百萬元，對應的準備金餘額為人民幣342.0百萬元，整體準備金率為39.7%，較2017年12月31日整體準備金率43.4%下降3.7個百分點，主要是本集團近年來加強風險管理，從違約客戶處收取的抵押物充足，抵質押率提高，並加快處置進程所致；我們對應收代償款潛在的回收可能進行逐筆評估，主要依據借款人提供的反抵押情況進行，並將可能回收金額的現值與代償款金額進行比較，將差額計入當期資產減值損失。

截至2018年12月31日，其他預付款項、押金及其他應收款項的餘額為人民幣719.0百萬元，較2017年12月31日餘額人民幣510.4百萬元，增長人民幣208.6百萬元，增幅40.9%，主要是由於2018年，本集團各地機構購買辦公樓預付購房款人民幣153.2百萬元，此舉意在通過購買資產的方式替換目前租賃第三方物業作為辦公場地。此外，本集團正註銷一家附屬小額貸款公司，由於該小額貸款公司不再開展業務，因此退還少數股東出資款人民幣150.0百萬元。截至2018年12月31日，該小額貸款公司尚未獲得工商管理局註銷審批文件，因此將此退還款項在其他應收款項列示。

Management Discussion and Analysis

管理層討論與分析

Receivables for factoring business

應收保理款

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

下表載列本集團於所示日期的應收保理款：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比
Receivables for factoring business	應收保理款	2,399.9	1,659.9	740.0	44.6
Add: interest receivable	加：應收利息	110.6	–	110.6	–
Less: allowance for doubtful debts	減：壞賬準備	(42.2)	(16.8)	25.4	151.2
Total	合計	2,468.3	1,643.1	825.2	50.2

The Group has constantly enhanced its creditability and made use of transfer of accounts receivable and commercial bill discount instruments appropriately to meet the funding needs of SMEs. In 2018, the cumulative amount of receivables for factoring business was RMB3,804.7 million. As at 31 December 2018, the net balance of receivables for factoring business arising from factoring of accounts receivable provided by the Group to clients was RMB2,468.3 million, a 50.2% jump, or RMB825.2 million, as compared with RMB1,643.1 million as at 31 December 2017.

本集團利用不斷增強的綜合信用能力，合理利用應收賬款轉讓、商業票據貼現這一業務工具，以滿足廣大中小企業的融資需求。2018年度，應收賬款保理業務累計發生額為人民幣3,804.7百萬元。截至2018年12月31日，本集團因向客戶提供應收賬款保理服務產生的應收保理款淨額為人民幣2,468.3百萬元，較2017年12月31日淨額人民幣1,643.1百萬元，增長人民幣825.2百萬元，增幅50.2%。

Management Discussion and Analysis

管理層討論與分析

Financial assets measured at fair value through profit or loss

以公允價值計量且其變動計入當期損益的金融資產

The following table sets forth the Group's financial assets measured at fair value through profit or loss as the dates indicated:

下表載列本集團於所示日期的以公允價值計量且其變動計入當期損益的金融資產：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Unlisted debt investment	非上市債權投資	756.7	–	756.7	–
Unlisted equity investment	非上市股權投資	466.3	–	466.3	–
Listed equity investment	上市股權投資	111.0	–	111.0	–
Non-performing assets package	不良資產包	239.8	50.0	189.8	379.6
Total	合計	1,573.8	50.0	1,523.8	3,047.6

Since 1 January 2018, the Group has initially applied the HKFRS 9. In accordance with the relevant requirements of HKFRS 9, and fully considering the nature, liquidity and intention of holding of various types of assets, the Group converted all available-for-sale financial assets to financial assets measured at fair value through profit or loss on 1 January 2018.

本集團自2018年1月1日起開始採用香港財務報告準則第9號，按照該準則的相關要求，本集團充分考慮持有各類資產本身的性質、流動性以及持有意圖，於2018年1月1日將可供出售金融資產全部轉換為以公允價值計量且其變動計入當期損益的金融資產。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the Group's unlisted debt investment was RMB756.7 million, representing an increase of RMB504.7 million or 200.3% as compared with RMB252.0 million as at 31 December 2017. Since the implementation of the Regulation and its supporting rules of the Measures for Administration, the subsidiaries of the Group have gradually increased their allocation ratio of qualified time deposits, bond assets and other assets with higher liquidity.

As at 31 December 2018, the Group's unlisted equity investment (independent third party companies) was RMB466.3 million, representing an increase of RMB177.6 million or 61.5% as compared with RMB288.7 million as at 31 December 2017, mainly due to the increase of external investment in the capital investment and management business segment.

As at 31 December 2018, the Group's listed equity investment was RMB111.0 million, representing a decrease of RMB22.6 million or 16.9% as compared with RMB133.6 million as at 31 December 2017, mainly due to the change in fair value.

截至2018年12月31日，本集團投資的非上市債權人民幣756.7百萬元，較2017年12月31日非上市債權人民幣252.0百萬元，增長人民幣504.7百萬元，增幅200.3%。自《條例》及其配套實施細則《管理辦法》實施以來，本集團從事融資擔保業務的子公司逐步加大對符合資格的定期存款、債券類資產、以及其他流動性較高的資產的配置比例。

截至2018年12月31日，本集團投資的非上市公司（獨立第三方公司）股權人民幣466.3百萬元，較2017年12月31日餘額人民幣288.7百萬元，增長人民幣177.6百萬元，增幅61.5%，其增長主要來源於資本投資及管理業務分部對外投資增加所致。

截至2018年12月31日，本集團投資上市股權投資人民幣111.0百萬元，較2017年12月31日餘額人民幣133.6百萬元，減少人民幣22.6百萬元，降幅16.9%，其減少主要系公允價值變動引起所致。

Management Discussion and Analysis

管理層討論與分析

Available-for-sale financial assets

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

可供出售金融資產

下表載列本集團於所示日期的可供出售金融資產：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)					
Unlisted debt investment	非上市債權投資	-	252.0	(252.0)	(100.0)
Listed debt investment	上市債權投資	-	9.3	(9.3)	(100.0)
Unlisted equity investment	非上市股權投資	-	288.7	(288.7)	(100.0)
Listed equity investment	上市股權投資	-	133.6	(133.6)	(100.0)
Wealth management products	理財產品組合	-	50.0	(50.0)	(100.0)
Total	合計	-	733.6	(733.6)	(100.0)

Since 1 January 2018, the Group has initially applied the HKFRS 9, according to which "available-for-sale financial assets" no longer applies. Fully considering the nature and intention of holding of available-for-sale financial assets at the beginning of the period, the Group converted all available-for-sale financial assets to financial assets measured at fair value through profit or loss on 1 January 2018.

本集團自2018年1月1日起開始採用香港財務報告準則第9號，按照該準則的相關要求，「可供出售金融資產」不再適用。本集團充分考慮期初可供出售金融資產的性質及持有意圖，於2018年1月1日將可供出售金融資產全部轉換為以公允價值計量且其變動計入當期損益的金融資產。

Management Discussion and Analysis

管理層討論與分析

Interest in associates

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

長期股權投資－聯營企業

下表載列本集團於所示日期的長期股權投資－聯營企業：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)					
Interest in associates:	長期股權投資－聯營企業：				
Chongqing Fumin Bank Co., Ltd.	重慶富民銀行股份有限公司	922.1	903.8	18.3	2.0
Shandong Financial Assets Exchange Co., Ltd.	山東金融資產交易中心有限公司	62.6	61.8	0.8	1.3
Others	其他	540.0	146.4	393.6	268.9
Total	合計	1,524.7	1,112.0	412.7	37.1

The interest in associates is mainly investment in Fumin Bank. As at 31 December 2018, Fumin Bank had a total asset of RMB37,020.3 million (31 December 2017: RMB18,362.8 million) and a total liability of RMB33,946.5 million (31 December 2017: 15,350.2 million). In 2018, Fumin Bank achieved a net profit of RMB52.6 million (2017: RMB10.8 million).

長期股權投資－聯營企業主要是對富民銀行的投資。截至2018年12月31日，富民銀行資產總額為人民幣37,020.3百萬元（2017年12月31日：人民幣18,362.8百萬元），負債總額為人民幣33,946.5百萬元（2017年12月31日：人民幣15,350.2百萬元）。於2018年，富民銀行共計實現淨利潤人民幣52.6百萬元（2017年：人民幣10.8百萬元）。

Management Discussion and Analysis

管理層討論與分析

Repossessed assets

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

抵債資產

下表載列本集團於所示日期的抵債資產：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Land and buildings	土地及建築物	280.3	257.5	22.8	8.9
Others	其他	37.5	33.9	3.6	10.6
Total	合計	317.8	291.4	26.4	9.1

Repossessed assets mainly are land and buildings recovered from defaulting clients of the Group's guarantee business. As at 31 December 2018, the balance of repossessed assets was RMB317.8 million, a 9.1% increase, or RMB26.4 million, from RMB291.4 million as at 31 December 2017. The Group has implemented scientific recovery measures against defaulting clients and applied strict performance assessment to motivate the project team. This resulted in a significant increase in repossessed assets recovered in 2017 and 2018. Meantime, in order to improve the liquidity of assets, the Group actively disposed of recovered repossessed assets, resulting in a slight increase in the balance of repossessed assets.

抵債資產主要為本集團從擔保違約客戶處回收的土地、房產以及其他相關資產。截至2018年12月31日，抵債資產餘額為人民幣317.8百萬元，較2017年12月31日人民幣291.4百萬元，增長26.4百萬元，增幅為9.1%。對於違約客戶，本集團制定科學的清收措施，並通過嚴格考核管理，提高項目團隊的清收積極性，使得2017、2018年收回的抵債資產大幅增加。同時，為了提高資產流動性，本集團積極處置已收回的抵債資產，使得抵債資產餘額增幅不大。

Management Discussion and Analysis

管理層討論與分析

Finance lease receivables

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

應收融資租賃款

下表載列本集團於所示日期的應收融資租賃款：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比
Finance lease receivables	應收融資租賃款	342.8	394.2	(51.4)	(13.0)
Less: unearned finance lease income	減：未實現融資收益	(40.0)	(44.4)	(4.4)	(9.9)
Present value of minimum finance lease receivables	最低融資租賃收款額	302.8	349.8	(47.0)	(13.4)
Less: allowance for impairment losses	減：減值準備	(29.7)	(3.5)	26.2	748.6
Net balance	淨額	273.1	346.3	(73.2)	(21.1)

As at 31 December 2018, the net balance of finance lease receivables which is generated from finance lease services provided by the Group to clients was RMB273.1 million, representing a decrease of RMB73.2 million or 21.1% as compared to that as at 31 December 2017, mainly due to the fact that the business stopped naturally upon expiration and was no longer granted.

截至2018年12月31日，本集團因向客戶提供融資租賃服務產生的應收融資租賃款淨額為人民幣273.1百萬元，較2017年12月31日減少人民幣73.2百萬元，降幅21.1%，其減少主要是業務到期自然停止並不再投放所致。

Management Discussion and Analysis

管理層討論與分析

Interest-bearing borrowings

As at 31 December 2018, interest-bearing borrowings of the Group grossed RMB5,529.4 million. The following table sets out a breakdown of interest-bearing borrowings of the Group as at the dates indicated as follows:

計息借款

截至2018年12月31日，本集團計息借款餘額為人民幣5,529.4百萬元。下表載列本集團於所示日期的計息借款明細：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Bank loans	銀行借款				
- Unsecured	- 無擔保	1,001.1	765.5	235.6	30.8
- Secured by properties of the Group	- 以本集團物業作抵押	192.8	127.0	65.8	51.8
- Secured by other assets of the Group	- 以本集團其他資產質押	646.5	440.0	206.5	46.9
- Secured by third parties	- 第三方擔保	220.0	-	220.0	-
Subtotal	小計	2,060.4	1,332.5	727.9	54.6
Other borrowings	其他借款	2,186.3	1,551.1	635.2	41.0
Other interest-bearing liabilities	其他計息負債	1,207.9	924.2	283.7	30.7
Interest payable	應付利息	74.8	-	74.8	-
Total	合計	5,529.4	3,807.8	1,721.6	45.2

Management Discussion and Analysis

管理層討論與分析

The following table sets forth the maturity mix of interest-bearing borrowings of the Group as at the dates indicated:

下表載列本集團於所示日期計息借款的到期日：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Due within one year	1年以內	2,627.8	1,568.1	1,059.7	67.6
Due between one year and two years	1年至2年以內	722.8	-	722.8	-
Due between two years and five years	2年至5年以內	1,292.3	1,434.0	(141.7)	(9.9)
Due over five years	5年以上	811.7	805.7	6.0	0.7
Interest payable	應付利息	74.8	-	74.8	-
Total	合計	5,529.4	3,807.8	1,721.6	45.2

As at 31 December 2018, bank borrowings to the amount of RMB192.8 million were secured by mortgage of properties owned by the Group (December 2017: RMB127.0 million). As at 31 December 2018, the carrying value of properties held in mortgage grossed RMB251.0 million (2017: RMB184.0 million). The increase in such bank borrowings was mainly attributable to the application of operating property loans from banks by branches of the Group in the course of applying for the purchase of office space.

截至2018年12月31日，金額為人民幣192.8百萬元（2017年12月31日：人民幣127.0百萬元）的銀行借款以本集團自有物業作為抵押。截至2018年12月31日，抵押物業的賬面總值為人民幣251.0百萬元（2017年：人民幣184.0百萬元）。該類銀行借款增加主要是因為本集團各分支機構在申請購買辦公場所過程中，向銀行申請經營性物業貸款所致。

In 2018, the Group built up its ability in “asset-end” organization and provided highly liquid and qualified assets like receivables for factoring business to commercial banks as collaterals, to obtain new borrowings and expand the source of funding.

2018年，本集團不斷提升「資產端」的組織能力，並以高流動性、符合資格的應收保理賬款類資產作位質押物質押予商業銀行，獲得新的借款以進一步擴大資金來源。

In 2018, the Group paid all interest-bearing borrowings prior to due date and was free from any default record.

2018年，本集團所有的計息借款均於實際到期償還日期之前償還，並無任何違約記錄。

For more detailed discussion of the Group's interest rate risk, please refer to Note 37(b) to financial statements.

有關本集團利率風險更詳盡的討論，請參閱財務報表附註37(b)。

Management Discussion and Analysis

管理層討論與分析

Financial assets sold under repurchase agreements

賣出回購金融資產

The table below presents financial assets sold under repurchase agreement held by the Group as at the dates indicated:

下表載列本集團於所示日期的賣出回購金融資產：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Benefit rights of loans and advances to customers	發放貸款及墊款收益權	14.0	436.1	(422.1)	(96.8)
Benefit rights of receivables for factoring business	應收保理款收益權	232.3	432.7	(200.4)	(46.3)
Interest payable	應付利息	9.4	-	9.4	-
Total	合計	255.7	868.8	(613.1)	(70.6)

As at 31 December 2018, the balance of the Group's financial assets sold under repurchase agreement was RMB255.7 million, representing a decrease of RMB613.1 million or 70.6% as compared with that as at 31 December 2017. It was mainly due to the fact that the transaction structure of external financing was gradually transformed into credit borrowing upon the expiration of certain assets sold under repurchase agreements, resulting in increase of the scale of credit borrowing.

截至2018年12月31日，本集團賣出回購金融資產款餘額為人民幣255.7百萬元，較2017年12月31日下降人民幣613.1百萬元，降幅為70.6%，主要是部份賣出回購金融資產業務到期後，對外融資的交易結構逐步轉變為信用借款，使得信用借款規模增加。

Management Discussion and Analysis

管理層討論與分析

Accruals and other payables

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

應計及其他應付款

下表載列本集團於所示日期應計及其他應付款的明細：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Interest payable	應付利息	-	84.6	(84.6)	(100.0)
Other payables	其他應付款	381.5	281.1	100.4	35.7
Subtotal	小計	381.5	365.7	15.8	4.3
Accrued staff cost	應付職工薪酬	87.2	77.1	10.1	13.1
Value-added tax and other surcharges payable	應付增值稅及其他附加費	9.2	1.4	7.8	557.1
Withholding individual income tax payable	應付扣繳個人所得稅 應納稅額	4.1	3.9	0.2	5.1
Receipts in advance	預收賬款	20.4	51.6	(31.2)	(60.5)
Total	合計	502.4	499.7	2.7	0.5

As at 31 December 2018, the balance of accruals and other payables of the Group was RMB502.4 million, representing an increase of RMB2.7 million or 0.5% as compared with RMB499.7 million as at 31 December 2017, remaining stable.

截至2018年12月31日，本集團應計及其他應付款餘額為人民幣502.4百萬元，較2017年12月31日的人民幣499.7百萬元，增加人民幣2.7百萬元，增幅0.5%，保持穩定。

Management Discussion and Analysis

管理層討論與分析

Debts securities issued

應付債券

The following table sets forth the breakdown of debts securities issued by the Group as at the dates indicated:

下表載列本集團於所示日期應付債券的明細：

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Fixed rate corporate bonds maturing in June 2020 (Note 1)	2020年6月到期的固定利率公司債券 (註1)	1,423.7	1,493.7	(70.0)	(4.7)
Fixed rate corporate bonds maturing in November 2019 (Note 2)	2019年11月到期的固定利率公司債券 (註2)	852.2	850.4	1.8	0.2
Assets backed securities payable – senior tranches (Note 3)	資產支持證券 – 優先級 (註3)	901.7	1,923.8	(1,022.1)	(53.1)
Fixed rate bonds (Note 4)	固定利率債券 (註4)	161.7	–	161.7	–
Interest payable	應付利息	53.6	–	53.6	–
Total	合計	3,392.9	4,267.9	(875.0)	(20.5)

Note:

註：

1 The Company issued RMB1.5 billion worth of phase-I bond of five-year maturity in June 2015 (SSE abbreviation: 14 Hanhua 01). This bond has a flat annual rate of 6.1% and requires annual payment of interest. The Company has the right to raise the coupon rate for the rest days till maturity at the end of the third year. After the Company releases an announcement on its decision to raise the coupon rate or not and if yes, the amount of raise, investors have the right to register resale of the bonds held by them at the price of RMB100 per bond (interest-free) totally or partially on the resale registration date (7 May 2018 – 9 May 2018).

1 本公司在2015年6月發行的第一期債券（上交所簡稱：14瀚華01），發行規模人民幣15億元，債券期限為5年。此債券採用單利按年計息，固定利率為6.1%，每年付息一次。本公司有權於本期債券存續期的第三年年末上調本債券後續期限的票面利率，在本公司發出是否上調票面利率及其幅度的公告後，投資者有權在回售申報日（即2018年5月7日－2018年5月9日），將其持有的債券全部或部份進行回售申報登記，回售的價格為人民幣100元／張（不含利息）。

Management Discussion and Analysis

管理層討論與分析

In view of the situation of the bond market and performance of the Company, the Company decided to raise the coupon rate of “14 Hanhua 01” by 80BP to 6.9%, and keep it unchanged for the rest two years till maturity (from 10 June 2018 to 9 June 2020). The Company released the Announcement on Adjusting the Coupon Rate of “14 Hanhua 01” Company Bond at SSE on 25 April 2018.

According to bond resale registration data provided by Shanghai branch of China Securities Depository and Clearing Company Limited, there were 72,833 valid lots of resale of “14 Hanhua 01” this time and the volume resold was RMB72,833,000 (interest-free). On 3 June 2018, the payment for resale of 14 Hanhua 01 was effected. After that, the volume of 14 Hanhua 01 listed and traded at SSE was 1,427,167 lots (at the face value of RMB1,427,167,000).

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

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

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

結合債券市場狀況及本公司經營情況，經公司研究決定，本公司選擇將「14瀚華01」債券的票面利率上調80BP至6.9%，本期債券後2年（2018年6月10日至2020年6月9日）票面利率為6.9%並保持不變。本公司於2018年4月25日在上海證券交易所發佈「瀚華金控股份有限公司關於「14瀚華01」公司債券票面利率調整的公告」。

根據中國證券登記結算有限責任公司上海分公司提供的債券回售申報數據，「14瀚華01」債券本次回售申報有效數量為72,833手，回售金額為人民幣72,833,000元（不含利息）。2018年6月3日為「14瀚華01」債券回售申報的資金發放日，本次回售實施完畢後，「14瀚華01」債券在上海證券交易所上市並交易的數量為1,427,167手（面值1,427,167,000元）。

- 2 本公司在2015年11月發行的第二期債券（上交所簡稱：14瀚華02），發行規模人民幣9億元，債券期限為4年。此債券採用單利按年計息，固定利率為5.6%，每年付息一次。本公司有權於本期債券存續期的第二年年末上調本債券後續期限的票面利率，在本公司發出是否上調票面利率及其幅度的公告後，投資者有權在回售申報日（即2017年9月18日—2017年9月20日），將其持有的債券全部或部份進行回售申報登記，回售的價格為人民幣100元/張（不含利息）。

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

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

Management Discussion and Analysis

管理層討論與分析

- 3 In 2018, the Group transferred RMB1,042.7 million micro loans to a structured entity and then the structured entity issued asset-backed securities to investors. Meanwhile, the Group held all subprime portions of the Products and provided guarantee for all senior portions. Since the Group retains almost all risks and rewards pertaining to this asset class, the underlying financial assets do not qualify for de-recognition and the Group continues to recognize the said assets in its balance sheet. The RMB901.7 million proceeds from such transfer were presented under “asset-backed securities payable”.
- 4 As at 31 December 2018, the Group issued to certain qualified investors fixed term and fixed-rate bonds worth RMB161.7 million maturing in 2019 and 2020, respectively.

- 3 2018年，本集團將人民幣1,042.7百萬元的小額貸款轉讓給結構化主體，再由結構化主體向投資者發行資產支持證券，同時本集團持有該產品全部次級部份以及為所有優先級部份提供擔保。由於本集團保留了轉讓小額貸款的幾乎全部風險和報酬，相關金融資產不滿足終止確認的條件，因此本集團繼續在資產負債表中確認上述資產，並將收到的人民幣901.7百萬元轉讓款在「應付資產支持證券」中列示。
- 4 截至2018年12月31日，本集團向符合資格要求的特定投資者發行固定期限、固定利率的債券餘額為人民幣161.7百萬元，上述債券將分別於2019年、2020年到期。

Debt-to-equity ratio

As at 31 December 2018 and 31 December 2017, the debt-to-equity (calculated by sum of interest-bearing borrowings, financial assets sold under repurchase agreement and debt securities issued, over total equity) was 116.7% and 110.8%, respectively.

權益負債率

截至2018年12月31日及2017年12月31日，權益負債率（即計息借款、賣出回購金融資產及應付債券結餘總額除以權益總額）分別為116.7%及110.8%。

Capital expenditure

The following table sets forth the Group's capital expenditure as at the dates indicated:

資本開支

下表載列於所示日期本集團資本開支：

		For the year ended 31 December			
		截至12月31日止年度			
		2018	2017	Change	
		2018年	2017年	變動	
		Amount	Amount	Amount	Percentage %
		金額	金額	金額	百分比%
(Expressed in RMB million, unless otherwise stated)					
(除另有註明外，以人民幣百萬元列示)					
Capital expenditure	資本開支	151.0	99.5	51.5	51.8

The Group's capital expenditure mainly comprises long-term rent paid for new business outlets along with business expansion, and spending on IT hardware and system acquired and office buildings bought. In 2018, the capital expenditure was RMB151.0 million, representing an increase of RMB51.5 million or 51.8% as compared with RMB99.5 million in 2017. The increase was mainly due to the purchase of office buildings for local institutions of the Group, which was intended to replace the current lease of third-party properties as office space by purchasing assets.

本集團資本開支主要包括業務擴張及營業網點新設過程中實際支付的長期租金、購買的信息技術設備和系統、以及購買辦公樓的開支。2018年資本開支人民幣151.0百萬元，較2017年人民幣99.5百萬元，增長人民幣51.5百萬元，增幅51.8%。主要是因為本集團各地機構購買辦公樓所致，此舉意在通過購買資產的方式替換目前租賃第三方物業作為辦公場地。

Management Discussion and Analysis

管理層討論與分析

CAPITAL COMMITMENT AND CONTRACTUAL OBLIGATION

資本承擔及合約責任

Capital commitment

資本承擔

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

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

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比%
Commitments in respect of purchase of fixed assets – contracted for	收購固定資產所作出的承擔 – 已訂約	22.6	10.0	12.6	126.0

As at 31 December 2018, the amount of capital commitment was RMB22.6 million, a 126.0% jump, or RMB12.6 million, as compared with RMB10.0 million as at 31 December 2017. It was caused by remodelling of business outlets.

截至2018年12月31日資本承擔人民幣22.6百萬元，較2017年12月31日人民幣10.0百萬元，增長人民幣12.6百萬元，增幅126.0%，主要系營業網點改造所致。

Management Discussion and Analysis

管理層討論與分析

Operating lease commitment

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

經營租賃承擔

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

		As at 31 December 截至12月31日			
		2018 2018年	2017 2017年	Change 變動	
		Amount 金額	Amount 金額	Amount 金額	Percentage % 百分比
(Expressed in RMB million, unless otherwise stated) (除另有註明外，以人民幣百萬元列示)					
Within one year (inclusive)	一年以內(含一年)	54.5	65.8	(11.3)	(17.2)
After one year but within three years (inclusive)	一年以上三年以內 (含三年)	29.9	20.8	9.1	43.8
Over three years	三年以上	7.1	2.0	5.1	255.0
Total	合計	91.5	88.6	2.9	3.3

As at 31 December 2018, the amount of operating lease commitment was RMB91.5 million, remaining stable as compared with RMB88.6 million as at 31 December 2017.

截至2018年12月31日的經營租賃承擔為人民幣91.5百萬元，與2017年12月31日租賃承擔人民幣88.6百萬元相比保持穩定。

Intra-group liabilities

As at 31 December 2018, the Company guaranteed the following liabilities of certain members of the Group:

- an aggregate of RMB1,050.0 million of borrowings from specific institutions by the Group's subsidiaries in the micro and small loan business segment, borrowings of RMB1,306.2 million by the Group's subsidiaries in the partnership finance business segment, borrowings of RMB300.0 million by the Group's subsidiaries in other business segments.
- an aggregate amount of RMB901.7 million of asset-backed securities which were accounted for as "debts securities issued" issued to specific institutions by the Group's subsidiaries in the micro and small loan business segment;

集團內公司負債

截至2018年12月31日，本集團若干成員公司的以下負債由本公司提供擔保：

- 本集團小微信貸業務分部附屬公司向特定機構的借款總額人民幣1,050.0百萬元，本集團夥伴金融業務集群附屬公司的借款人民幣1,306.2百萬元。本集團其他業務分部附屬公司的借款人民幣300.0百萬元。
- 本集團小微信貸業務附屬公司向特定機構發行的資產證券化產品並計入「應付債券」核算，總額人民幣901.7百萬元；

Management Discussion and Analysis

管理層討論與分析

- an aggregate of RMB102.9 million of the sales of benefit rights of loans under repurchase agreement by the Group's subsidiaries in the micro and small loan business and partnership finance business segments.

As at 31 December 2018, the Group's outstanding guarantee balance of the credit guarantee business was assumed by Hanhua Guarantee, an affiliate of the Group with financing guarantee qualification, and its branches and subsidiaries.

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

As at 31 December 2018, the balance of guarantee liability assumed by credit guarantee affiliates of the Group for micro and small loans extended by microfinance affiliates was RMB596.6 million (31 December 2017: RMB660.2 million). In its consolidated financial statements, the Group deemed the micro loans extended by microfinance affiliates as loans and advances extended, and the aforesaid amount was not included in the balance of credit guarantee of the Group to avoid duplicate computation and overestimation of credit risk assumed by the Group. Should relevant credit guarantee affiliates be liquidated or bankrupt, these loans will not be protected by guarantee and microfinance affiliates will be threatened by higher potential credit risk. As loans guaranteed by credit guarantee affiliates are individually insignificant and widely distributed, the Group believes any of these micro loans ceasing to be protected by guarantee by credit guarantee affiliates will not have material impact on the business and performance of other affiliates.

- 本集團小微信貸業務附屬公司及夥伴金融業務集群附屬公司做出的貸款收益權賣出回購交易總額人民幣102.9百萬元。

截至2018年12月31日，本集團信用擔保業務在保責任餘額均由本集團具有融資擔保業務資格的附屬公司瀚華擔保及其分公司、子公司承擔。

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

截至2018年12月31日，本集團信用擔保附屬公司為本集團小微貸款附屬公司發放的小微貸款提供的擔保責任餘額為人民幣596.6萬元（2017年12月31日：人民幣660.2百萬元）。在本集團合併財務報表中，本集團已將小微貸款附屬公司發放的該類小額貸款視作發放貸款及墊款類業務，為避免重複計算並誇大本集團整體信用風險承擔金額，並未將上述金額納入本集團信用擔保餘額統計中。倘若相關信用擔保附屬公司清盤或破產，該等貸款將不再獲擔保，而本集團小額貸款附屬公司將承受更大的潛在信用風險。由於本集團信用擔保附屬公司擔保的貸款額度單筆相對較小、比較分散，本集團認為倘任何該等小額貸款不再獲本集團信用擔保附屬公司擔保，將不會對其他附屬公司的業務及運營造成重大影響。

Management Discussion and Analysis

管理層討論與分析

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

Capital structure

Our share capital was RMB4,600.0 million as at 31 December 2018, made up of 3,430,000,000 domestic shares and 1,170,000,000 H shares, at a face value of RMB1.00 per share.

Liquidity and capital resources

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

As at 31 December 2018, we had cash and cash equivalents to the amount of RMB1,903.2 million. For the year ended 31 December 2018, the Group did not use any financial instrument for hedging purpose.

Indebtedness

Our debts grew as a result of business expansion. As at 31 December 2018, we had a total of RMB9,040.3 million borrowings outstanding, of which RMB8,739.3 million had fixed interest rates. The due dates fall between 2 January 2019 and 3 December 2032. As at 31 December 2018, we had been paying the principal and interest of all debts on time.

Off-balance sheet arrangements

We are a party to contracts associated with off-balance-sheet risks in day-to-day business activities. The contractual value reflects the maximum credit loss risk we assume to the extent of our involvement in credit guarantee. As at 31 December 2018, we had guarantee outstanding to the amount of RMB43,694.0 million.

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

資本架構、流動資金及財務資源

資本架構

截至2018年12月31日，我們的股本為人民幣4,600.0百萬元，由3,430,000,000股內資股及1,170,000,000股H股組成，每股面值均為人民幣1.00元。

流動資金及資本資源

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

截至2018年12月31日，我們的貨幣資金為人民幣1,903.2百萬元。截至2018年12月31日止年度，本集團並無利用任何金融工具作對沖用途。

債務

我們的債務因業務擴充而增加，截至2018年12月31日，我們的未償還借款總額為人民幣9,040.3百萬元，其中固定利率借款為人民幣8,739.3百萬元。借款到期日由2019年1月2日至2032年12月3日。截至2018年12月31日，我們的債務本金及利息均按期正常償還。

資產負債表外安排

我們於日常業務過程中為附有資產負債表外風險的合約的訂約方。合約金額反映我們於信用擔保業務的參與程度及我們所承受的最大信用虧損風險。截至2018年12月31日，我們的未履行擔保額為人民幣43,694.0百萬元。

除上文披露外，我們並無其他資產負債表外安排。

Management Discussion and Analysis

管理層討論與分析

Foreign exchange risk exposure

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

Significant investment

In 2018, the Group has no significant investment.

Major acquisition and disposal

In March 2018, the Group acquired 14.29%, 7.14% and 2.85% of shares of Sichuan Hanhua Micro-credit Co., Ltd. (“**Sichuan Hanhua Micro-credit**”) from its former shareholders Chengdu Huachuan Highway Construction Group Co., Ltd., Sichuan Chuanzhixin Commercial Trading Co., Ltd., and Li Tong, at the consideration of RMB108.7 million, RMB54.4 million and RMB21.7 million, respectively. After completion of the transaction, the Group holds 85.71% equity of Sichuan Hanhua Micro-credit in total (61.43% before the acquisition). For more information on this transaction, please refer to the Company’s announcement headed “Disclosable Transaction and Connected Transaction Acquisition of Equity Interests in a Subsidiary” dated 29 March 2018.

Pledge of assets

As at 31 December 2018, the Group had buildings to the carrying value of RMB251.0 million put in pledge for bank loans.

Contingent liabilities

The Group had no significant contingent liability as at 31 December 2018 other than the off-balance sheet arrangements disclosed on page 152.

外匯風險敞口

本集團主要以人民幣進行其業務交易，因此並無面臨重大外匯風險。

重大投資

2018年，本集團無重大投資。

重大收購及出售

2018年3月，本集團分別從四川瀚華小額貸款有限公司（「四川瀚華小貸」）原股東成都華川公路建設集團有限公司、四川川之信商貿有限公司、李彤處收購其持有的14.29%、7.14%、2.85%股份，交易對價分別為人民幣108.7百萬元、人民幣54.4百萬元和人民幣21.7百萬元。該交易完成後，本集團合計持有四川瀚華小貸85.71%的股權（收購交易前持有：61.43%）。有關此次交易的詳細信息請參閱本公司於2018年3月29日刊發的《須予披露交易及關聯交易－收購一間附屬公司的股本權益》之公告。

抵押資產

截至2018年12月31日，本集團賬面價值人民幣251.0百萬元的建築物被用作在銀行貸款業務中的抵押物。

或有負債

除在第152頁披露的資產負債表外安排，截至2018年12月31日，本集團無其他重大或有負債。

Management Discussion and Analysis

管理層討論與分析

INFORMATION TECHNOLOGY

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

Information technology management

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

Informatization planning

Based on the strategy target of establishing a Chinese model for inclusive finance in the world, the Company will push forward the formulation of a dynamic plan which clearly defines that the focus for 2018 to 2019 should be placed on the optimization and upgrading of business systems, and management and governance of data assets, with the view to supporting strategic implementation and reinforcing control and operating efficiency of the Company.

Through creating an integrated operation and maintenance process and improving platform functions, the Company will effectively define system boundaries and positioning, and introduce new technologies, with the aim to gradually and automatically replace the entire process of core business system products. Meantime, the Company will meet the market's rapid iteration demand for products by means of modularization and cloud services, and build an integrated business platform based on financial technologies.

信息科技

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

信息科技治理

在以總裁為核心的管理層設立信息化建設領導小組，發揮重大決策、重要項目立項、協調和監督作用，形成常態化的信息化建設決策機制。

信息化規劃

圍繞公司打造世界普惠金融中國樣本的戰略目標，在既有信息化規劃基礎上，推進規劃工作的滾動編製，明確2018年至2019年重點推動業務系統優化與升級、數據資產的管理與治理，支持公司戰略執行，加強公司管控與運營效率。

通過打造一體化運維流程、完善平台功能，有效界定系統邊界與定位，引入新技術，逐步實現核心業務系統產品全流程的自動化替換，同時借助模塊化與雲服務滿足市場對產品的快速疊代需求，全面構建基於金融科技的業務平台。

Management Discussion and Analysis

管理層討論與分析

The Company's capabilities on internal and external data collection, unstructured data analysis and data tag creation are achieved by the existing data warehouse, data market and in-memory BI analysis tools. With a view to further protecting and improving the value of data assets and avoiding sinking of data assets, the Company fully acquired various data assets and created complete connections among business objects.

Establishment of information systems

In 2018, the Company has stepped up the building of the information systems in accordance with the needs of the Group's management activities, business development and innovation.

By virtue of financial technologies, the partnership finance business segment has comprehensively promoted the digital transformation of the Company from both internal management and external services. In terms of internal management, the Company completed the iterative upgrade of core business systems, and built a seal management system, performance accounting system, big data risk control system and SAS analysis system. The business management value chain of the Company was fully embedded into information system to achieve full digital management, thereby strengthening the operational norms of each business link, enhancing risk control capabilities and improving the efficiency of internal collaboration. In terms of external services, the real-time access and service for customers were achieved through the construction of electronic guarantee platform, online signing platform, self-service APP and other digital means. Through the construction of channel connecting platform, the Company achieved real-time data interaction with core enterprises along the supply chain, Internet platforms, banks and other partners, thus enabling acquiring customers in batch and controlling risks online.

在已有的數據倉庫、數據市集以及內存式BI分析工具基礎上，增加內外部數據採集能力、非結構化數據解析能力、數據標籤構建能力。充分獲取各種類型的數據資產，構建完整的業務對象關聯關係，進一步實現對數據資產價值的保護和提升，避免數據資產的沉沒。

信息系統建設

2018年，本公司根據本集團管控、業務發展和創新需要，加快推進各信息系統的建設工作。

夥伴金融業務集群借助金融科技力量，從內部管理和外部服務兩方面全面推進公司數字化轉型。內部管理方面，完成了核心業務系統的疊代升級，建設了印章管理系統、績效核算系統、大數據風控系統及SAS分析系統，將公司業務管理價值鏈全部植入信息系統，實現全數字化管理，從而加強各業務環節的操作規範性，提升風險控制能力，提高內部協作效率。外部服務方面，通過建設電子保函平台、在線簽約平台、自助服務APP等數字化手段，實現客戶的即時觸達與服務；通過建設渠道對接平台，與供應鏈核心企業、互聯網平台、銀行等各類合作夥伴進行實時數據交互，實現了批量獲客、在線風控。

Management Discussion and Analysis

管理層討論與分析

In order to promote the transformation of Internet business, the Company gradually improved the functions of Hanhua Tong platform. The Company applied vivo detection technology to reduce fraud risk and meet regulatory requirements; introduced self-service capabilities to improve the incoming efficiency and user experience for customers and channels; and opened Hanhua Tong official WeChat account to introduce traditional off-line credit business to online channels, open up Internet customer acquisition channels for credit groups and connect a number of national industrial channels into the business system, thus significantly increasing the incoming traffic and per capita capacity. With a view to improving the efficiency of credit operation, the Company built a self-accounting mechanism for customers' sub-accounts, which greatly improved the efficiency of repayment registration. The Company improved the entire online process for automatic preparation and signing of contract, effectively shortening the time for signing contracts and making loans. In order to improve the quality of archives management, the Company built a unified file management system across the Group, and integrated the management of archives data prior to, during and after the loan, so that the credit information can be inquired, allocated and traced. With the aim to enhance intelligent risk control, an independent decision engine system was developed to realize automatic decision-making in such links as entry risk, user scoring and valuation and auditing, which can improve the efficiency of examination and approval and save costs on risk control. In order to meet the compliance requirements of strict regulation, the Company integrated basic data among systems, formed a regulatory data market, unified data sources, and optimized the quality of reporting data, thus helping the credit business in Chongqing pass the qualification inspection on Internet loans, and also laying a foundation for establishing a unified supervision and reporting system in later stage.

Through promoting the construction of API gateways based on data bus platform, the Company achieved the standardization, normalization and safety of external open interfaces of internal systems while effectively saving costs. The Company optimized and upgraded the existing communication and collaboration platform to eliminate incompatibility problems in user end, thereby employees can use it more smoothly and improve productivity.

為促進互聯網業務轉型，逐步完善瀚華通平台功能。借助活體檢測技術，降低欺詐風險，滿足監管要求；借助自助服務功能，提升客戶與渠道進件效率與使用體驗；借助瀚華通公眾號，將傳統信貸業務由線下引入線上，打通信貸集團互聯網獲客通道，將多家全國性產業渠道接入業務系統，大幅提升進件流量與人均產能。為提升信貸運營效率，構建了客戶子賬戶自動入賬機制，極大地提高了還款登記效率；完善了合同自動化製作與簽訂的全線上流程，有效地縮短了簽約放款時間。為強化公司檔案管理質量，建立了本集團統一的檔案管理系統，整合貸前、貸中、貸後的檔案資料管理工作，實現信貸資料可查詢、可調配、可追蹤的管理機制。為增強智能風控水平，開發了獨立的決策引擎系統，在風險准入、用戶評分以及估值核額等多個環節實現了自動化決策，在加快審批效率的同時，也合理節省了風控成本。為滿足強監管形式下的合規要求，整合各系統間的基礎數據，形成監管數據集市，統一監管數據來源，優化上報數據質量，助力重慶信貸通過網貸資質驗收，也為後期建立統一監管上報系統奠定基礎。

基於企業數據總線平台推動API網關建設，實現內部系統對外開放接口的標準化、規範化和安全性，並有效節省成本。對現有溝通協作平台進行優化升級，消除用戶端使用出現的不兼容問題，讓員工使用更為流暢，提升員工辦公效率。

Management Discussion and Analysis

管理層討論與分析

Establishment of information technology infrastructure

In 2018, Hanhua private cloud was extended in depth. Based on the compression and integration of the physical server to the VMware virtual platform in the previous data center, starting from reducing input cost and improving backup efficiency, and combining the demand for its own informationization project, the Company completed the design and implementation of construction project for disaster recovery platform, thus realizing the transformation from a decentralized manual backup model to a centralized and unified automatic backup platform that supports remote disaster recovery. Through the establishment of a new unified monitoring platform, the Company conducted a centralized sampling analysis on various types of device and applications (such as hosts, network devices, databases, applications), and monitored and processed a large amount of data generated by various objects in a unified manner, thus enabling rapid location and analysis of various types of failures and risks. Based on the upgrading of the previous data center host to virtual architecture, the Company deployed a virtualized anti-virus environment system, which integrated all server security functions into a fully integrated and flexible platform and was integrated with virtual platform, so that virtual hosts can be protected against attacks by viruses, spywares, Trojans and other malwares. The Company has completed the deployment of vulnerability scanning platform, which can scan the vulnerabilities in the entire network and perform centralized management, information collection and summary analysis, so that the operation and maintenance personnel can monitor the security status of the overall network, and timely secure devices or systems with potential security risks.

In 2018, the Company has strengthened the standardization of edge network system in branches. Through the unified management platform, the Company can perform device and network security monitoring on all firewalls of branches nationwide, and timely distribute strategy arrangements and unified alarms. Meanwhile, the Company has required a weekly submission and analysis on HSM management platform report, so as to effectively prevent network security incidents, protect data assets of the Company and build a safe working environment for employees.

信息科技基礎設施建設

2018年，瀚華私有雲的建設向縱深方向擴展。在前期數據中心完成物理服務器向VMware虛擬化平台的壓縮整合基礎上，從降低投入成本、提高備份效率出發，結合自身信息化項目建設需求，完成了數據中心的容災平台建設項目方案設計及實施，實現了從過去分散式、手工的備份向集中式、自動化、支持異地容災的統一備份平台轉變。通過搭建新的統一監控平台，對各類設備和應用（主機、網絡設備、數據庫、應用）進行集中化的採集分析，對各類被管對象產生的大量數據進行集中監測處理，實現對各類故障、風險的快速定位和分析處理。在前期數據中心主機升級為虛擬化架構的基礎上，部署虛擬化環境防病毒系統，將所有服務器安全功能整合到一個全面的集成式靈活平台中，與虛擬化平台相集成，保護虛擬機免受病毒、間諜軟件、木馬和其他惡意軟件的攻擊。完成漏洞掃描平台的部署，對整個網絡中的漏洞進行掃描，並能夠進行集中管理，收集信息，匯總分析，讓運維人員掌握整體網絡安全狀況，並及時對存在安全隱患的設備或系統進行安全加固。

2018年，加強了分支機構邊緣網絡體系的標準化建設。統一管理平台對全國分支機構所有防火牆進行設備及網絡安全監控、集中管理及策略管理，實現策略快速分發和統一告警，同時每周進行HSM管理平台報告提交分析，有效防範網絡安全事件，保障公司數據財產及為員工建立安全的工作環境。

Management Discussion and Analysis

管理層討論與分析

Information technology management capabilities

In 2018, with the aim to further standardize the management process of information project, improve the overall synergy capacity of all departments in information system development, and establish an effective process supervision system, the Company adjusted and optimized its requirements management specifications, test management specifications, launch process and version management methods, successively. It ensured the integrity and traceability of demand, and further enhanced the progress and quality of the implementation of the information system R&D project. With a view to strengthening user account management, enhancing the compliance of production environment and operations, eliminating unauthorized operation, and improving the safety of the production environment, the Company conducted an overall security inspection on production environment accounts, strictly limited the read and write authority according to operational demand, cleaned up and renovated non-compliant accounts, and traced and rectified non-compliant operations on production environment through bastion machine and video surveillance, therefore, effectively ensuring the safe and stable operation of information system, and preventing and reducing the risks from illegal or improper system operation or data access.

HUMAN RESOURCES

“Talents” have always been one of the most valuable assets of Hanhua Financial, which need meticulous care. The Company has always been committed to forging the high standards of “kindness, diligence, integrity, self-discipline and responsibility”, in a bid to cultivate a professional team. As of 31 December 2018, the total number of employees of the Group is 1,732, all of whom served in Mainland China and Hong Kong.

信息科技管理能力

2018年，為了進一步規範信息項目管理流程，提升各部門在信息系統開發的整體協同能力，建立起有效的流程監管體系，公司相繼調整、優化了需求管理規範，測試管理規範，上線流程及版本管理辦法，保證了需求的完整性與可追溯性，同時也進一步提升了信息系統研發項目執行的進度與質量。為了強化用戶賬號管理，增強生產環境操作的合規性，杜絕未授權操作，提高生產環境的安全性，公司開展了生產環境賬號安全大檢查，根據操作需求嚴格區分生產環境的讀寫權限，清理與整治了一些不合規賬戶，並通過堡壘機與視頻監控對生產環境的違規操作進行了溯源與整改，有效地保障了信息系統的安全、穩定運行，切實防範和降低了因非法或不當操作對系統或數據存取帶來的風險。

人力資源

「人才」始終是瀚華金控最為重要且精心培育的資源之一，公司始終致力於打造「善良、勤奮、誠信、自律、擔當」的高標準、專業化人才團隊。截至2018年12月31日，本集團在崗員工總數為1,732人，於中國內地及香港任職。

Management Discussion and Analysis

管理層討論與分析

The Company attaches great importance to organizational culture building and employee care, promotes cultural cohesion through employee care, and integrates corporate responsibility in organizational culture. In 2018, to improve employees' physical and mental health, the Company planned and organized a variety of employee activities, including Women's Flower Salon on "March 8th" International Women's Day, voluntary tree planting on "March 12th", "Good Book Drifting" on World Book Day, commemorative activities on China's Youth Day ("May 4th"), Knowledge Competition on "July 1st", voluntary blood donation, "Caring for Wushan County" charity education sponsorship project, regular theme birthday parties and various team building activities. In order to appreciate employees' long-term contribution and establish a trustful and sustainable employment relationship, the Company has established a staff service award to commend and grant commemorative prizes to employees of five-year and ten-year service.

Under the guidance of the strategies of "partner finance, platform finance and ecology finance", Hanhua has been staying true to the mission in respect of the organization and development, and constantly explores and establishes the talent development system suitable to the inclusive financial industry. The Company audaciously introduces cutting-edge technologies, and identifies high-potential core talents in a scientific manner. Meanwhile, the Company, based on demand, focuses on training key talents and continuously enhances the value of talent training, so as to build a talent pool that can continuously promote the Company's development. In addition, the Company continues to optimize its culture system, management system and learning platforms, and focuses on precipitation and sharing of organizational knowledge and experience to ensure employees' comprehensive development in professionalism, leadership and general capacities and strives to become a leader in terms of talent development system in the industry.

本公司高度重視組織文化建設與員工關懷，以員工關懷促文化凝聚，寓企業責任於組織文化。2018年，本公司為促進員工身心全面發展，策劃並組織實施了各式各樣的員工活動，包括「三八」婦女節的女神花藝沙龍活動，「3.12」義務植樹活動，世界讀書日的「好書漂流」活動，「五四」青年節紀念活動，「慶七一」知識競賽活動，無償獻血活動，「愛撒巫山」慈善助學項目，以及定期組織員工生日主題慶祝會，形式多樣的團隊建設活動等。為感謝員工的長期貢獻，建立信任永續的僱傭關係，公司設立有員工服務獎，對於受聘滿五年、十年的員工予以表彰、發放紀念獎品。

在「夥伴金融、平台金融、生態金融」戰略思路指引下，瀚華在組織發展方面，始終不忘初心，不斷探索與建立適合普惠金融行業的人才發展體系。公司大膽引入前沿技術，科學識別高潛核心人才，同時結合個性化需求，聚焦重點培養對象，持續提升人才培養價值，建設可持續推動公司發展的人才梯隊。此外，公司不斷優化培養體系、管理機制與學習平台，注重組織知識與經驗的沉澱與共享，確保員工的專業力、領導力、通用力全面發展，力爭成為人才發展體系的行業引領者。

Management Discussion and Analysis

管理層討論與分析

In terms of compensation and performance, the Company continued to promote employees' career with two development paths, gave full scope to talents, and utilized talents according to their merits. Through regular person-post matching and rank evaluation, the Company realized dynamic linkage among performance, rank and compensation of employees, creating a performance culture of positive natural selection, leading employees to align with corporate targets and to develop together with the Company. The Company prepared corresponding performance and compensation management plan according to the characteristics of different business segments, effectively motivating employees and contributing to business development.

In 2018, the Company continued to intensively work on information management tools, optimize human resources information system, introduce simple and applicable management and communication tools, which has greatly improved the efficiency of human resource examination and approval process, and helped management and employees communicate information in a quick manner. The Company has achieved full online management in respect of data management and analysis, performance management, recruitment configuration management, calculation and payment of compensation and benefits and talent pool building etc. The Company has also launched mobile terminal operation, greatly improving work efficiency and reducing communication costs.

Relevant basic data:

As of 31 December 2018, the total number of employees of the Group is 1,732.

By education: The number of employees with a bachelor's degree or above is 1,454, accounting for 84% and that of employees with an associate degree or below is 278, accounting for 16%.

By functional department: The number of employees in business lines is 882, accounting for 51%; that of employees in back-office and supporting positions is 850, accounting for 49%.

在績效與薪酬管理方面，持續推進職業雙通道發展，人盡其才、因材施教，通過定期的人崗匹配、職級評估，實現員工的績效、職級與薪酬的動態聯動，營造能者上、庸者下的績效文化，引導員工與公司目標一致，共同發展。根據不同業務板塊的特點，設定與之匹配的績效、薪酬管理方案，達到有效激勵員工、助力業務發展的作用。

在2018年，信息化管理工具繼續精耕細作，人力資源信息系統持續優化、推出簡便適用的管理和溝通工具，使得人力資源流程審批效率大大提高，幫助管理者與員工實現信息的快速聯通，在數據管理與分析、績效管理、招聘配置管理、薪酬福利計算與支付、人才庫建設等方面均實現了全流程線上管理，同時還開通了手機端操作功能，大幅提高了工作效率，降低了溝通成本。

相關基本數據：

於2018年12月31日，本集團在崗員工總數為1,732人。

按學歷劃分：本科及以上為1,454人，佔比84%，大專及以下為278人，佔比16%。

按所屬功能性部門劃分：業務線員工為882人，佔比51%；後台行政等支持人員850人，佔比49%。

Management Discussion and Analysis

管理層討論與分析

PROSPECTS

Based on the cross-industry inclusive finance service platform, Hanhua brings into full play its core competences and professional advantages and focuses on the financial service field for micro, small and medium-sized enterprises as always. In 2018, the Company's businesses have achieved the steady growth momentum, with our business structure and customer structure further optimized, and the in-depth service capability and efficiency of the industry chain significantly enhanced. In 2019, the Company will further upgrade the comprehensive financial service platform, enrich and improve the financial service system for micro, small and medium-sized enterprises, continue to enhance the one-stop financial service capability for micro, small and medium-sized enterprises, and meanwhile innovate the business model and risk control model by further exploring and bravely applying various financial science and technology means to improve the service quality and efficiency sustainably in the following aspects:

Firstly, continuously develop and upgrade the new ecological platform and financial service system based on the three platforms of "Equity + Credit + Asset Transaction". As of now, Hanhua has owned the financial licenses in 9 categories and has basically established a full-process closed-loop financial service system covering fund, capital and asset transactions. In future, Hanhua will further increase the financial licenses and businesses, and realize information and data sharing among the micro, small and medium-sized enterprises, flexible transaction and conversion of equity and credit assets, as well as linkage of capital and fund.

前景展望

瀚華依託全業態普惠金融服務平台，發揮自身核心能力與專業優勢，始終聚焦中小微企業金融服務領域。2018年公司各項業務取得平穩增長，業務結構和客戶結構進一步優化，產業鏈深度服務能力和效率得到明顯提升。2019年公司將進一步升級綜合金融服務平台，豐富和完善中小微企業金融服務體系，持續提升對中小微企業一站式金融服務能力，同時進一步探索和大膽運用各項金融科技手段，創新業務模式和風控模式以持續改善服務質量和效率。具體來說：

一是持續打造和升級以「股權+債權+資產交易」三大平台為核心的新生態平台和金融服務體系。目前瀚華擁有9類金融牌照，已基本形成從資金到資本到資產交易的全流程閉環金融服務體系，未來還將進一步豐富金融牌照和業態，實現中小微企業信息數據共享，股權、債權資產靈活交易轉化，以及資本資金融通聯動。

Management Discussion and Analysis

管理層討論與分析

Secondly, vigorously develop the integrated financial service platform based on the supply chain, and establish the synergic industrial and financial development ecosystem. Through cooperating with core enterprises by financial approaches, Hanhua will help integrate and improve micro, small and medium-sized enterprises in the supply chain, establish the cross-domain, cross-regional, comprehensive and stereoscopic industrial and financial ecosystem, and provide all-round support for micro, small and medium-sized enterprises in the supply chain. The partner cluster business will further integrate and strengthen the synergy of financing guarantee, financial factoring, bills and assets management businesses, further optimize the business structure and customer structure through scientific and sound customer segmentation and product systems, intensify the development of core enterprises, and attach equal importance to the development of industry and platform; Hanhua Credit will continue to focus on micro and small businesses and characteristic cluster markets, and provide comprehensive credit services by the core strategies driven by risk control and product.

Thirdly, continuously strengthen the convergence of FINTECH technology and the original business model, and develop the data-based and standardized financial science and technology capabilities. In 2019, Hanhua will continue to increase the application of FINTECH technology in various respects of marketing and customer attractiveness, risk control and compliance, internal operation and management, etc., and continually promote the innovation of business models and product services to improve the operation efficiency, intensify service capability and enhance customer experience.

二是大力發展以供應鏈為核心的整合金融服務平台，打造產融協同發展生態圈。通過携手核心企業的方式以金融為紐帶幫助龍頭企業整合提升產業鏈中的中小微企業，形成跨領域、跨地域、綜合化、立體化的產融生態體系，為產業鏈中小微企業提供全方位支持。夥伴集群將繼續整合旗下融資擔保、金融保理、票據、資產管理等業態並加強協同，並通過科學完善的客戶分層及產品體系進一步優化業務機構和客戶結構，加大開發核心企業，產業和平台雙頭並進；瀚華信貸將持續聚焦小微經濟體和特色集群市場，以風控驅動和產品驅動為核心策略，提供綜合信貸服務。

三是持續加大FINTECH技術與原有業務模式的融合，構建數據化和標準化為核心的金融科技能力。2019年將繼續在營銷獲客、風控合規以及內部運營管理等各個環節加大FINTECH運用，持續推動業務模式和產品服務創新以提升運營效率，增強服務能力和提升用戶體驗。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

DIRECTORS

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

Executive Directors

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

Non-executive Directors

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

Independent Non-executive Directors

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

董事

於本報告日期，董事會成員載列如下：

執行董事

張國祥先生（董事長）
王大勇先生（副董事長）
崔巍嵐先生

非執行董事

涂建華先生
段曉華先生
劉驕楊女士
劉廷榮女士
王芳霏女士
馮永祥先生
劉博霖先生

獨立非執行董事

白欽先先生
鄧昭雨先生
錢世政先生
吳亮星先生
袁小彬先生

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Executive Directors

Mr. Zhang Guoxiang, aged 54, has been the chairman of the Board and an executive Director of the Company since March 2013. Mr. Zhang joined in the Group since August 2004, served as our president from March 2013 to March 2016. He served as the president of Hanhua Guarantee Limited Company from August 2004 to August 2009, also served as the president of Hanhua Financing and Guarantee Co., Ltd. from August 2009 to April 2015. He has been the chairman of the board of directors of Hanhua financing and Guarantee from August 2009 to March 2017. He has been the chairman of the board of supervisors of Loncin Motor Co. Ltd. since October 2010.

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

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

Mr. Wang Dayong, aged 52, has been the vice-chairman of the Board and an executive Director of the Company since March 2016. He joined the Group in October 2006 and held various positions, including chief credit marketing officer and vice president.

Mr. Wang served as the director of Hanhua Financing and Guarantee Co., Ltd. since May 2015, the director of Shandong Financial Assets Exchange Co., Ltd. since September 2015 and the chairman of Fu'an Asset since May 2017.

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

執行董事

張國祥先生，54歲，自2013年3月起為本公司董事長及執行董事。他於2004年8月加入本集團。他自2013年3月至2016年3月為本公司總裁，自2004年8月至2009年8月為瀚華擔保有限公司總裁，自2009年8月至2015年4月為瀚華融資擔保股份有限公司總裁，自2009年8月至2017年3月為瀚華融資擔保董事長。自2010年10月起擔任隆鑫通用動力股份有限公司監事會主席。

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

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

王大勇先生，52歲，自2016年3月起為本公司副董事長及執行董事。他於2006年10月加入本集團，擔任不同的職務，包括信貸市場總監和副總裁。

王先生於2015年5月起擔任瀚華融資擔保股份董事，於2015年9月起擔任山東金融資產交易中心有限公司董事，於2017年5月起擔任富安資產董事長。

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

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Cui Weilan, aged 47, has been the executive president of the Company since March 2015, an executive Director of the Company since May 2015 and the president of the Company since March 2016. He joined the Group in June 2006 and served in position, including vice president, chief legal officer and secretary of the board of directors. Mr. Cui served as the director of Hanhua Financing and Guarantee Co., Ltd. since June 2013.

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

Non-executive Directors

Mr. Tu Jianhua, aged 55, has been a non-executive Director of the Company since March 2013.

Mr. Tu had been the chairman of the board of directors of Loncin Holdings previously, in the period from January 2003 to June 2010 and from February 2013 to December 2013, and has been the director of Loncin Holdings Co., Ltd. since December 2013. He has been the director of Loncin Motor Co., Ltd. (隆鑫通用動力股份有限公司) since October 2010.

Mr. Tu served as a director of the board of Locin Group since December 2013. He served as the chairman of USUM Investment Group Co., Ltd. (渝商投資集團股份有限公司) since April 2014, and has been an executive director of Chiho Environmental Group Limited since April 2015.

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

崔巍嵐先生，47歲，自2015年3月起為本公司執行總裁，自2015年5月起為本公司執行董事，自2016年3月起為本公司總裁。他於2006年6月加入本集團，擔任的職務包括副總裁、法務總監和董事會秘書。崔先生於2013年6月起擔任瀚華融資擔保股份董事。

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

非執行董事

涂建華先生，55歲，自2013年3月起為本公司非執行董事。

涂先生於2003年1月至2010年6月期間及2013年2月至2013年12月期間擔任隆鑫控股董事長，自2013年12月起擔任隆鑫控股有限公司董事。自2010年10月起擔任隆鑫通用動力股份有限公司董事。

涂先生自2013年12月起擔任隆鑫集團有限公司董事，自2014年4月起擔任渝商投資集團股份有限公司董事長，2015年4月至今擔任齊合環保集團有限公司執行董事。

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

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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

Mr. Duan Xiaohua, aged 44, has been a non-executive Director of the Company since June 2013. Mr. Duan served as a director of Shanghai Fenghua Group Co., Ltd. (上海豐華(集團)股份有限公司) since October 2012.

Mr. Duan has served as a non-executive director of USUM Investment Group Co., Ltd. (渝商投資集團股份有限公司) since April 2014, a non-executive director of Chongqing Rural Commercial Bank Co., Ltd. since August 2014. He has served as a director of Chongqing Jinling Automobile (Group) Co., Ltd. (重慶金菱汽車(集團)有限公司) since September 2014, a director of Chongqing Meiye Technology Co., Ltd. (重慶鎂業科技股份有限公司) since September 2015.

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

Ms. Liu Jiaoyang, aged 40, has been a non-executive Director of the Company since March 2013. She joined the Group in August 2009 and was a director of Hanhua Financing and Guarantee from August 2009 to April 2015. She has been the director of Chongqing Fumin Bank Co., Ltd. since August 2016.

Ms. Liu obtained her bachelor's degree in economics from Saint Petersburg State Polytechnical University in Russia in December 2003 and her MBA degree from Tsinghua University in June 2017. Ms. Liu Jiaoyang is the cousin of Mr. Tu Jianhua (one of our non-executive Directors).

Ms. Liu Tingrong, aged 44, has been a non-executive Director of the Company since March 2013. She joined the Group in March 2011 and served as a director of Hanhua Financing and Guarantee from March 2011 to April 2015.

涂先生為劉驕楊女士(本公司非執行董事之一)的表哥。

段曉華先生，44歲，自2013年6月起為本公司非執行董事。段先生於2012年10月起擔任上海豐華(集團)股份有限公司董事。

段先生自2014年4月起擔任渝商投資集團股份有限公司非執行董事，自2014年8月起擔任重慶農村商業銀行非執行董事，自2014年9月起擔任重慶金菱汽車(集團)有限公司董事，自2015年9月起擔任重慶鎂業科技股份有限公司董事。

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

劉驕楊女士，40歲，自2013年3月起為本公司非執行董事。她於2009年8月加入本集團，自2009年8月至2015年4月擔任瀚華融資擔保股份董事，自2016年8月起擔任重慶富民銀行股份有限公司董事。

劉女士於2003年12月於俄羅斯聖彼得堡國立技術大學獲得經濟學學士學位並於2017年6月獲得清華大學高級工商管理碩士學位。劉驕楊女士為涂建華先生(本公司非執行董事之一)的表妹。

劉廷榮女士，44歲，自2013年3月起為本公司非執行董事。她於2011年3月加入本集團，自2011年3月至2015年4月擔任瀚華融資擔保股份董事。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Ms. Wang Fangfei, aged 32, has been a non-executive Director of the Company since March 2013. She joined the Group in November 2010 and held various positions, including the project manager and chief reviewing managers of business management section and general management section of Hanhua Guarantee, and served as a director of Hanhua Guarantee from March 2011 to April 2015.

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

Mr. Feng Yongxiang, aged 48, has been a non-executive Director of the Company since March 2013. He joined the Group in August 2009 and was a non-executive director of Hanhua Guarantee from August 2009 to April 2015.

Mr. Feng worked for Chongqing Yayu Business and Commerce Development Co. Ltd. (重慶雅域商貿發展有限公司) as a deputy general manager from May 2005 to January 2010. He worked as the senior relationship manager of the Chongqing branch of China Minsheng Banking Corp., Ltd..

Mr. Liu Bolin, aged 33, has been a non-executive Director of the Company since June 2013. Prior to joining the Group, Mr. Liu has been the general manager of Sichuan Hongrun Trading Co., Ltd. (四川泓潤商貿有限公司), one of the minority shareholders of the Company, since March 2013.

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

Independent Non-executive Directors

Mr. Bai Qinxian, aged 78, has been an independent non-executive Director of the Company since March 2013. He joined the Group in August 2009 and served as an independent non-executive director of Hanhua Guarantee.

王芳霏女士，32歲，自2013年3月起為本公司非執行董事。她於2010年11月加入本集團，並擔任瀚華融資擔保股份的項目經理、業務管理崗及綜合管理崗主管評審經理等，自2011年3月至2015年4月擔任瀚華融資擔保股份董事。

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

馮永祥先生，48歲，自2013年3月起為本公司非執行董事。他於2009年8月加入本集團，自2009年8月至2015年4月擔任瀚華融資擔保股份非執行董事。

馮先生自2005年5月至2010年1月期間任職重慶雅域商貿發展有限公司副總經理，自2003年7月至2005年5月就職於中國民生銀行股份有限公司重慶分行任職高級客戶經理。

劉博霖先生，33歲，自2013年6月起為本公司非執行董事。在加入本集團之前，劉先生自2013年3月起擔任本公司其中一名少數股東四川泓潤商貿有限公司的總經理。

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

獨立非執行董事

白欽先先生，78歲，自2013年3月起為本公司獨立非執行董事。他於2009年8月加入本集團，擔任瀚華融資擔保股份獨立非執行董事。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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

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

Mr. Deng Zhaoyu, aged 72, has been an independent non-executive Director of the Company since March 2013. He joined the Group in August 2009 and has been an independent non-executive director of Hanhua Guarantee since then.

Mr. Deng held various positions at People's Insurance Company (Group) of China Limited (中國人保控股公司) (currently known as the People's Insurance Company (Group) of China Limited), including the deputy general manager during the period from December 2001 to August 2006. Mr. Deng also served as the chairman of the board of supervisors of PICC Property and Casualty Co., Ltd. from July 2003 to October 2006.

Mr. Qian Shizheng, aged 66, has been an independent non-executive Director of the Company since June 2013. Prior to joining the Group, Mr. Qian served as the Professor of the Accounting Department of Fudan University.

He has also been an independent non-executive director of Lonking Holdings Limited and independent non-executive director of Jingrui Holdings Limited, an independent director of Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd., an independent non-executive director of Red Star Macalline Group Corporation Ltd., an independent director of Shanghai Laiyifen Holding Limited, an independent director of Spring Airlines Co. Ltd., an independent director of Asia Cuanon Technology (Shanghai) Co., Ltd.,

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

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

鄧昭雨先生，72歲，自2013年3月起為本公司獨立非執行董事。他於2009年8月加入本集團，擔任瀚華融資擔保股份獨立非執行董事。

鄧先生自2001年12月至2006年8月期間擔任中國人保控股公司（現稱為中國人民保險集團股份有限公司）副總經理等多個職位。於2003年7月至2006年10月，他在中國人民財產保險股份有限公司擔任監事會主席。

錢世政先生，66歲，自2013年6月起為本公司獨立非執行董事。在加入本集團之前，錢先生曾任復旦大學會計學系教授。

他亦擔任中國龍工控股有限公司的獨立非執行董事，景瑞控股有限公司的獨立非執行董事，上海陸家嘴金融貿易區開發股份有限公司獨立董事，紅星美凱龍家居集團股份有限公司獨立非執行董事，上海來伊份股份有限公司獨立董事，春秋航空股份有限公司獨立董事，亞視創能科技（上海）股份有限公司獨立董事。

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

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

Mr. Ng Leung Sing, aged 69, has been an independent non-executive Director of the Company since June 2013.

Mr. Ng is currently a director of Bank of China (Hong Kong) Trustees Limited, the director of the BOCHK Charitable Foundation, an independent non-executive director of Grand Brilliance Group Holdings Limited, an independent non-executive director of Smartone Telecommunications Holdings Limited and Nine Dragons Paper (Holdings) Limited.

Mr. Ng is previously a member to various boards and committees, including the Hong Kong Deputy to the 10th, 11th, 12th National People's Congress of the PRC, He also served as the member of the Hong Kong Area of the 13th National People's Congress. the member of the 5th Legislative Council of the Hong Kong Special Administrative Region, the chairperson of the Banking Industry Training Advisory Committee of the Education Bureau, the honorary president of Chinese Bankers Club, Hong Kong, the honorary advisor of the Hong Kong Chi Tung Association Ltd..

Mr. Yuan Xiaobin, aged 49, has been an independent non-executive Director of the Company since June 2013.

He also has been a part-time professor at Southwest University of Politics and Law since December 2006 and the director and the chairman of the Board of Zhonghao Law Group (currently known as Zhonghao Law Firm) since 1997, the deputy director of Finance and Securities and Insurance Special Committee of All China Lawyers Association (中華全國律師協會金融證券保險專業委員會), an arbitrator of Shanghai International Trade Arbitration Centre, He also serves as an independent director of Changan Automobile Finance Co., Ltd., (長安汽車金融有限公司), Chongqing Pingwei Automotive Technology Co., Ltd. (重慶平偉汽車科技股份有限公司) and Chongqing Hongli Zhixin Technology Development Group Co., Ltd. (重慶宏立至信科技發展集團股份有限公司).

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

吳亮星先生,69歲,自2013年6月起為本公司獨立非執行董事。

吳先生現時擔任中國銀行(香港)信託有限公司董事,中銀香港慈善基金董事,君百延集團控股有限公司獨立非執行董事,數碼通電訊集團有限公司獨立非執行董事,玖龍紙業(控股)有限公司獨立非執行董事。

吳先生曾擔任不同大會及其委員會代表,包括第十屆、第十一屆、第十二屆全國人民代表大會港區代表、他亦擔任第十三屆全國人民代表大會港區代表、香港特別行政區第五屆立法會議員、教育局銀行業行業培訓諮詢委員會主席、香港銀行華員會名譽會長、香港金融業志同會名譽顧問。

袁小彬先生,49歲,自2013年6月起為本公司獨立非執行董事。

袁先生自2006年12月起擔任西南政法大學兼職教授,且自1997年起至今擔任中豪律師集團(現稱為中豪律師事務所)主任、董事局主席,中華全國律師協會金融證券保險專業委員會副主任,上海國際貿易仲裁中心仲裁員,他亦擔任長安汽車金融有限公司、重慶平偉汽車科技股份有限公司、重慶宏立至信科技發展集團股份有限公司的獨立董事。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

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

SUPERVISORS

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

Mr. Li Ruping (Chairman of the Board of Supervisors)
Ms. Qin Yong
Mr. Chen Zhonghua

Mr. Li Ruping, aged 62, has been the chairman of Board of Supervisors of the Company since March 2013. He joined the Group in August 2004 and served in various positions, including vice president, president and director. He has been the chairman of the Board of Supervisors of Hanhua Guarantee since August 2009.

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

Ms. Qin Yong, aged 48, has been a supervisor of the Company since March 2016. She joined the Group in September 2004. She is the deputy general manager of the finance department of the Group and the manager of the finance department of Chongqing Huitai Investment Co., Ltd..

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

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

監事

於本報告日期，監事(「監事」)會(「監事會」)成員載列如下：

李如平先生(監事會主席)
秦湧女士
陳中華先生

李如平先生，62歲，自2013年3月起為本公司監事會主席。他於2004年8月加入本集團，擔任的職務包括副總裁、總裁和董事。他自2009年8月任職瀚華融資擔保股份監事會主席。

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

秦湧女士，48歲，自2016年3月起為本公司監事。她於2004年9月加入本集團，現擔任本集團財務部副總經理，重慶慧泰投資有限公司財務經理。

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

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Chen Zhonghua, aged 44, has been a supervisor of the Company since March 2013. He joined the Group in January 2005 and held various positions, including the deputy general manager of the strategy development department, general manager of the information and technology department and marketing officer of Hanhua Credit. In addition, he was a supervisor of Hanhua Guarantee from August 2009 to April 2015, and the standing deputy general manager of Sichuan Micro-credit and deputy general manager of Sichuan Hanhua from January 2013 to January 2015.

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

SENIOR MANAGEMENT

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

Mr. Zhang Guoxiang
Mr. Wang Dayong
Mr. Cui Weilan
Mr. Zhou Xiaochuan
Mr. Luo Xiaobo
Mr. Yuan Guoli
Mr. Ren Weidong
Mr. Wang Yan
Mr. Li Xuan
Mr. Cheng Xiaoqin (Appointed on 26 March 2018)
Ms. Li Jing
(Appointed on 27 August 2014 and resigned on 25 June 2018)
Mr. Wang Feng
(Appointed on 10 July 2015 and resigned on 30 October 2018)

Details about Mr. Zhang Guoxiang, Mr. Wang Dayong and Mr. Cui Weilan biography are set out on pages 164 to 165 of this report.

陳中華先生，44歲，自2013年3月起為本公司監事。他於2005年1月加入本集團，擔任的職務包括戰略發展部副總經理和信息技術部總經理、瀚華信貸市場總監等。此外，他自2009年8月至2015年4月擔任瀚華融資擔保股份監事，自2013年1月至2015年1月擔任四川小額貸款常務副總經理及四川瀚華副總經理。

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

高級管理層

於本報告日期，高級管理層成員載列如下：

張國祥先生
王大勇先生
崔巍嵐先生
周小川先生
羅小波先生
袁國利先生
任為棟先生
王巖先生
李軒先生
程曉勤先生（於2018年3月26日委任）
李晶女士
(於2014年8月27日委任，
於2018年6月25日辭任)
王峰先生
(於2015年7月10日委任，
於2018年10月30日辭任)

有關張國祥先生、王大勇先生及崔巍嵐先生履歷的詳情載於本報告第164頁至第165頁。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Zhou Xiaochuan, aged 44, has been a vice president of the Company since March 2013 and the executive president of the Company since March 2018. He is in charge of partnership finance business of the Company. Mr. Zhou joined the Group in March 2008 and held various positions, including chief financial officer. He has also been the vice president of Hanhua Financing and Guarantee since January 2013, and is currently the president of Hanhua Guarantee. He has been a director of Chongqing Re-guarantee Co., Ltd. since August 2015.

Mr. Zhou obtained his junior college degree in accounting from Southwestern University of Finance and Economics in June 1995. He obtained a master's degree in business administration from Peking University in July 2018.

Mr. Luo Xiaobo, aged 39, has been a vice president of the Company since March 2013, responsible for the credit business of the Group. He joined the Group in November 2004 and held various positions, including chief operating officer. He was also the vice president of Hanhua Financing and Guarantee from January 2013 to April 2015.

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

Mr. Yuan Guoli, aged 49, has been a vice president of the Company since 2016. He joined the Group in October 2006 and had served as the marketing director of Hanhua Guarantee, the deputy general manager and general manager of Liaoning Hanhua and the marketing director of the Company successively.

Mr. Yuan obtained his bachelor's degree in industrial economics from the Department of Industrial Management of Liaoning University in July 1991, and EMBA degree from Liaoning University in June 2015. He is currently studying an EMBA degree at Guanghua School of Management of Peking University.

周小川先生，44歲，自2013年3月起為本公司副總裁，自2018年3月起為本公司執行總裁。他負責本集團夥伴金融業務集羣。他於2008年3月加入本集團，擔任的職務包括財務總監。自2013年1月起，他擔任瀚華融資擔保股份有限公司的副總裁，現任瀚華融資擔保股份有限公司董事長、總裁。自2015年8月起擔任重慶市再擔保有限責任公司董事。

周先生於1995年6月獲西南財經大學會計學大專學歷，並於2018年7月獲得北京大學工商管理碩士學位。

羅小波先生，39歲，自2013年3月起為本公司的副總裁，負責本集團信貸業務。他於2004年11月加入本集團，擔任的職務包括運營總監。自2013年1月至2015年4月，他亦擔任瀚華融資擔保股份的副總裁。

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

袁國利先生，49歲，自2016年起為本公司的副總裁。他於2006年10月加入本集團，先後擔任瀚華融資擔保股份市場總監、遼寧瀚華副總經理、總經理及本公司市場總監。

袁先生於1991年7月獲得遼寧大學工業管理系工業經濟專業學士學位，並於2015年6月獲得遼寧大學高級管理人員工商管理碩士學位。現於北京大學光華管理學院EMBA就讀。

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

Mr. Ren Weidong, aged 41, has been the financial director and general manager of capital finance department of the Company since March 2013. He has been a vice president of the Company since March 2018 and is in charge of capital finance headquarters and administrative office of our Company. He joined the Group in February 2009 and had served as the general manager of the finance headquarters of Hanhua Financing and Guarantee. He has been the secretary of the board of directors of the Company since September 2015 and a sole company secretary since September 2018 and is also an authorized representative.

Mr. Ren obtained his bachelor's degree in auditing from Hangzhou Institute of Electronics and Engineering (杭州電子工業學院) (currently known as Hangzhou Dianzi University (杭州電子科技大學)) in July 1999. He obtained an EMBA degree in Guanghua School of Management of Peking University in July 2018. He was also accredited as a junior accountant in May 2000 by Ministry of Finance of the PRC. He was admitted as an affiliated member of The Association of International Accountants in April 2008.

Mr. Wang Yan, aged 48, has been the strategic cooperation director of the Company since July 2016. He joined the Group in April 2014 and served as the deputy general manager and general manager in the general manager's office of Beijing branch office, he has also been a vice president of Hanhua Guarantee since April 2015.

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

Mr. Li Xuan, aged 45, has been a vice-president of the Company since June 2017. Mr. Li joined the Group in July 2011 and served as the general manager of the credit market department of Hanhua Guarantee and marketing director of the Company. He was the executive director of the internet financial group of Hanhua Financial between February 2015 and October 2016. Since October 2016, he has been the president of Chongqing Damei Infrastructure Development Co., Ltd..

任為棟先生，41歲，自2013年3月起為本公司財務總監及資金財務部總經理，自2018年3月起為本公司的副總裁，他負責本公司的資金財務總部及行政辦公室。他於2009年2月加入本集團，曾擔任瀚華融資擔保股份財務總部總經理。他自2015年9月起擔任本公司董事會秘書，自2018年9月起擔任唯一公司秘書，並為本公司的授權代表。

任先生於1999年7月獲杭州電子工業學院（現稱杭州電子科技大學）審計學學士學位，並於2018年7月獲得北京大學光華管理學院高級管理人員工商管理碩士學位。他於2000年5月獲中國財政部認可為初級會計師，及於2008年4月獲國際會計師公會認可為國際會計師公會附屬會員。

王巖先生，48歲，自2016年7月起為本公司的戰略合作總監。他於2014年4月加入本集團，歷任北京公司總經理辦常務副總經理、總經理，亦自2015年4月起為瀚華融資擔保的副總裁。

王先生於2003年7月獲得北京林業大學會計專業學士學位。

李軒先生，45歲，自2017年6月起為本公司的副總裁。他於2011年7月加入本集團，擔任的職務包括瀚華融資擔保股份信託市場部總經理及本公司營銷總監，自2015年2月至2016年10月擔任瀚華金控互聯網金融集團執行總裁，2016年10月起擔任重慶大美基業發展有限公司總裁。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Li obtained his degree in applied computer science from Southwest Normal University (currently known as Southwest University) in July 1993.

He has obtained technicals qualifications such as Microsoft experts, system engineers, database engineers, US InFormix Company database experts and IBM server system experts.

Mr. Cheng Xiaoqin, aged 42, has been a vice president of the Company since March 2018. Mr. Cheng joined the Group in December 2004 and served as the general manager of the risk management department, the general manager of Sichuan Hanhua Financing Guarantee Co., Ltd., the general manager of Sichuan Micro-credit Co., Ltd. and the marketing director of the Company. From February 2015 and January 2018, he was a vice president of Hanhua Guarantee.

Mr. Cheng obtained his bachelor's degree in economics from Academy of School of Economics and Trade of Nanjing Agricultural University, majoring in monetary banking in July 2000. He obtained an EMBA degree at the National School of Development of Peking University in July 2018.

Ms. Li Jing, aged 48, has been a vice president of the Company since August 2014. She resigned as vice president of the Company in June 2018.

Mr. Wang Feng, aged 50, has been a vice president of the Company since July 2015. He resigned as vice president of the Company in October 2018.

李先生於1993年7月獲西南師範大學（現稱西南大學）計算機應用專業專科學位。

他擁有美國微軟公司專家、系統工程師、數據庫工程師、美國InFormix Company數據庫專家及美國IBM公司服務器系統專家等技術資歷。

程曉勤先生，42歲，自2018年3月起為本公司的副總裁。他於2004年12月加入本集團，擔任的職務包括風險管理部總經理、四川瀚華融資擔保有限公司總經理、兼任四川小額貸款有限公司總經理及本公司市場總監，自2015年2月至2018年1月擔任瀚華融資擔保副總裁。

程先生於2000年7月獲南京農業大學經濟與貿易學院貨幣銀行學專業經濟學學士學位，並於2018年7月獲得北京大學國家發展研究院EMBA學位。

李晶女士，48歲，自2014年8月起為本公司的副總裁。她於2018年6月辭任本公司副總裁。

王峰先生，50歲，自2015年7月起為本公司的副總裁。他於2018年10月辭任本公司副總裁。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company has strictly complied with relevant laws and regulations, such as the Company Law of the People's Republic of China and the Articles of Association, and performed its rights and obligations in accordance with responsibilities granted by the Listing Rules and the Code of Corporate Governance (as amended from time to time) promulgated by the regulatory authorities. The Company's internal control system is sound and effective, and the information disclosure is true, accurate and complete. There is no violation occurred during the Reporting Period.

The Board has adopted the code provisions (“**Code Provisions**”) of the Corporate Governance Code (“**Corporate Governance Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”). For the year ended 31 December 2018, the Company has complied with the Code Provisions.

SHAREHOLDERS AND GENERAL MEETINGS

During the Reporting Period, the Company held two general meetings, namely the 2017 annual general meeting dated 25 May 2018 and the 2018 first extraordinary general meeting dated 29 December 2018. The procedures of giving meeting notices, calling for the meetings, convening the meetings and voting at the meetings were in compliance with the provisions of the Company Law of the People's Republic of China and the Articles of Association.

The details of contents and resolutions reviewed at the above general meetings can be referred to the relevant announcements published by the Company on the websites of the Hong Kong Stock Exchange and the Company dated 25 May 2018 and 30 December 2018, respectively.

企業管治常規

在報告期內，公司嚴格遵守《中華人民共和國公司法》《公司章程》等相關法律、法規，按照監管部門頒佈並不時更新的《上市規則》、《企業管治守則》賦予的職責，行使權利履行義務。公司內部控制體系健全有效，信息披露真實、準確、完備。報告期內無違法違規情況發生。

董事會已採納載列於香港聯交所證券上市規則（「上市規則」）附錄十四內的企業管治守則（「企業管治守則」）的守則條文（「守則條文」）。截至2018年12月31日止年度，本公司已遵守守則條文。

股東及股東大會

報告期內，公司共召開了2次股東大會，即於2018年5月25日召開的2017年年度股東大會，和於2018年12月29日召開的2018年第一次臨時股東大會。股東大會的通知、召集、召開和表決程序均符合《中華人民共和國公司法》和《公司章程》的規定。

以上股東大會審議的具體內容及決議可查閱本公司於2018年5月25日和2018年12月30日在香港聯交所和公司網站發佈的相關公告。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at the general meetings of the Company, including the election of individual Directors, for review and approve.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Hong Kong Stock Exchange in a timely manner after each general meeting.

CONVENING AND PUTTING FORWARD PROPOSALS AT AN EXTRAORDINARY GENERAL MEETING

According to Article 64(3) of the Articles of Association, when an extraordinary general meeting is requested in writing by a shareholder individually or shareholders collectively holding at least 10% (inclusive of 10%) of the outstanding shares with voting rights of the Company, the Board shall convene an extraordinary general meeting within two months.

According to Article 67 of the Articles of Association, when the Company is to hold an annual general meeting, shareholder(s) holding at least 3% (inclusive of 3%) of the shares of the Company with voting rights shall have the right to put forward temporary proposals in writing to the Company, and the Company shall list the issues in the temporary proposal that fall within the scope of responsibility of the general meeting in the meeting agenda.

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could email their enquiries to pengying@hanhua.com or mail their enquiries in writing to the Company's headquarter in Beijing, the PRC at 13/F, East Tower, World Financial Center, No. 1 East Third Ring Middle Road, Chaoyang District, Beijing, the PRC.

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各事項（包括選舉個別董事）提呈獨立決議案供審議及批准。

於股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，投票結果將於各股東大會舉行後及時於本公司及香港聯交所網站刊登。

召開股東特別大會及提呈建議

根據章程第六十四（三）條，單獨或者合計持有公司發行在外的有表決權的股份百分之十以上（含百分之十）的股東以書面形式要求召開臨時股東大會時，董事會應當在兩個月內召開臨時股東大會。

根據章程第六十七條，本公司召開股東大會年會，持有本公司有表決權的股份總數百分之三以上（含百分之三）的股東，有權以書面形式向公司提出臨時提案，本公司應當將臨時提案中屬於股東大會職責範圍內的事項，列入該次會議的議程。

向董事會提出查詢

股東如欲向董事會作出有關本公司的查詢，可透過電郵發出（電郵地址為 pengying@hanhua.com）或以書面形式寄致本公司於中國北京總辦事處（地址為中國北京市朝陽區東三環中路1號環球金融中心東塔13層）。

Corporate Governance Report

企業管治報告

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions, business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the second session of the Board has established four Board committees, including the audit committee (the “**Audit Committee**”), the nomination and remuneration committee (the “**Nomination and Remuneration Committee**”), the strategic investment committee (the “**Strategic Investment Committee**”) and the risk management committee (the “**Risk Management Committee**”) (collectively referred to as the “**Second Session of the Board Committees**”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and they have carried out duties in the interests of the Company and the Shareholders for the year ended 31 December 2018.

Board Composition

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

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

董事會

責任

董事會負責本集團的整體領導，並監察本集團的策略性決定、業務及表現。董事會已向本集團的高級管理層授出本集團日常管理及營運的權力及責任。為監察本公司事務的特定範疇，第二屆董事會成立四個董事會委員會，包括審計委員會（「**審計委員會**」）、提名與薪酬委員會（「**提名與薪酬委員會**」）、戰略投資委員會（「**戰略投資委員會**」）及風險管理委員會（「**風險管理委員會**」）（統稱「**第二屆董事會委員會**」）。董事會已向該等董事會委員會授出各職權範圍所載責任。

全體董事須確保彼等本着真誠、遵守適用法律及法規，及於截至2018年12月31日止年度符合本公司及股東利益的方式履行職責。

董事會組成

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

董事的詳細資料載於本報告「董事、監事及高級管理層」一節。

Corporate Governance Report

企業管治報告

For the year ended 31 December 2018, the Board at all times met the requirements of the Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors, with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

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

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

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

截至2018年12月31日止年度期間，董事會在任何時間均遵守上市規則第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事（及其中至少一名獨立非執行董事須擁有適當的專業資格或適當的會計或相關財務管理專業知識）的規定。

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

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

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

Corporate Governance Report

企業管治報告

Induction and Continuous Professional Development

入職及持續專業發展

A summary of training received by the Directors for the year ended 31 December 2018 is as follows:

所有董事於截至2018年12月31日止年度接受培訓情況如下：

Name of Directors 董事姓名		Contents of Training 接受培訓內容
Executive Directors:		
執行董事：		
Mr. Zhang Guoxiang (Chairman)	張國祥先生 (董事長)	A、B
Mr. Wang Dayong (Vice Chairman)	王大勇先生 (副董事長)	A、B
Mr. Cui Weilan	崔巍嵐先生	A、B
Non-executive Directors:		
非執行董事：		
Mr. Tu Jianhua	涂建華先生	A、B
Mr. Duan Xiaohua	段曉華先生	A、B
Ms. Liu Jiaoyang	劉驕楊女士	A、B
Ms. Liu Tingrong	劉廷榮女士	B
Ms. Wang Fangfei	王芳霏女士	B
Mr. Feng Yongxiang	馮永祥先生	A、B
Mr. Liu Bolin	劉博霖先生	A、B
Independent non-executive Directors:		
獨立非執行董事：		
Mr. Bai Qinxian	白欽先先生	A、B
Mr. Deng Zhaoyu	鄧昭雨先生	A、B
Mr. Qian Shizheng	錢世政先生	A、B
Mr. Ng Leung Sing	吳亮星先生	A、B
Mr. Yuan Xiaobin	袁小彬先生	A、B

Notes:

- A: Attending training, seminars, forums and conferences on topics such as economics, finance and corporate management;
- B: Reading materials related to requirements on corporate governance, directors' duties and internal control and risk management, etc..

附註：

- A: 參與經濟、財務、企業管理等方面的專題培訓、講座、論壇及會議；
- B: 閱讀企業管治、董事責任、內控風險管理等規定。

Corporate Governance Report

企業管治報告

Chairman and Chief Executive Officer

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year ended 31 December 2018, Mr. Zhang Guoxiang has been the chairman of the second session of the Board and Mr. Cui Weilan has been the president of the Company. Mr. Zhang and Mr. Cui lead by example, perform their duties, commit to maintain the high standards of corporate governance for the Company.

Appointment, Change and Re-Election of Directors

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

Director Nomination Policy

This Director Nomination Policy (the “**Policy**”) aims to: set out the criteria and process in the nomination and appointment of directors of the Company; ensure that the board of directors (the “**Board**”) of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and ensure the Board continuity and appropriate leadership at Board level.

In evaluating and selecting any candidate for directorship, the following criteria should be considered by the Nomination and Remuneration Committee and/or the Board: character and integrity. Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and strategy, and the potential contribution to the Board from the diversity aspects under the Board Diversity Policy. Any measurable objectives adopted for achieving diversity on the Board. Willingness and ability to devote adequate time to discharge duties as a member of the Board and Board committee(s) of the Company. Meanwhile, in order to meet the Board Diversity Policy, the Nomination and Remuneration Committee and/or the Board may also conduct a wide search for candidates who are in the interests of the Company.

主席及行政總裁

守則條文第A.2.1條規定主席及行政總裁的角色必須各自獨立，且不得由同一人士出任。截至2018年12月31日止年度張國祥先生擔任本公司第二屆董事會董事長，崔巍嵐先生擔任本公司總裁。張先生與崔先生以身作則，各司其職，致力維持公司高水平企業管治。

董事的委任、變更及重選連任

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

提名董事政策

本董事提名政策（「**本政策**」）旨在：載列本公司提名及委任董事的準則及程序；確保本公司的董事會（「**董事會**」）成員具備切合本公司業務所需的技巧、經驗及多元觀點；及確保本公司的董事會的持續性及維持其領導角色。

在評估及挑選候選人擔任董事時，提名與薪酬委員會及／或董事會應考慮下列準則：品格與誠實。資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗，以及董事會成員多元化政策所提及的多元化因素可為董事會帶來的任何潛在貢獻。為達致董事會成員多元化而採納的任何可計量目標。是否願意及是否能夠投放足夠時間履行身為董事會成員及擔任董事會轄下委員會的委員的職責。同時，為符合董事會成員多元化政策，提名與薪酬委員會及／或董事會亦會廣泛搜羅符合公司利益的候選人才信息。

Corporate Governance Report

企業管治報告

Nomination Process of the Appointment of New Director

1. The Nomination and Remuneration Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
2. If the process yields one or more desirable candidates, the Nomination and Remuneration Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
3. The Nomination and Remuneration Committee should then recommend to the Board to appoint the appropriate candidate for directorship (where applicable).
4. For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination and Remuneration Committee and/or the Board should evaluate such candidate based on the criteria as set out above and, where appropriate, make recommendation to shareholders in respect of the proposed election of director at the general meeting.

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

委任新董事提名程序

- 1、提名與薪酬委員會及／或董事會應在收到委任新董事的建議及候選人的個人資料（或相關詳情）後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。
- 2、如過程涉及一個或多個合意的候選人，提名與薪酬委員會及／或董事會應根據本公司的需要及每位候選人的證明審查（如適用）排列他們的優先次序。
- 3、提名與薪酬委員會隨後應就委任合適人選擔任董事一事向董事會提出建議（如適用）。
- 4、就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名與薪酬委員會及／或董事會應依據上述準則評估該候選人，並就於股東大會上選舉董事的提案向股東提出建議（如適用）。

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

Corporate Governance Report

企業管治報告

Regular Board Meetings

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

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

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

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

董事會定期會議

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

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

除章程的董事會審議關連交易事項的情況外，董事會會議應當由二分之一以上的董事出席方可舉行。

董事會會議及委員會會議的會議記錄會詳盡記錄董事會及委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及委員會會議的會議記錄草擬本會／將會於會議舉行後的合理時間內寄送至各董事，以供彼等考慮。

Corporate Governance Report

企業管治報告

For the year ended 31 December 2018, 11 Board meetings were held to review various matters within the scope of duties of the Board, such as annual results, financial reports, external guarantees, issuance of company bonds, related party transactions and appointment of company secretary, and the attendance of the individual Directors at these meetings is set out in the table below:

截至2018年12月31日止年度期間，董事會曾舉行11次董事會會議以審議年度業績、財務報告、對外擔保、發行公司債券、關聯交易、聘任公司秘書等董事會職責範圍內事項，個別董事出席該等會議的情況載於下表：

Name of Directors 董事姓名		Attendance/Number of Board Meeting Held 出席／已舉行之董事會會議次數
Mr. Zhang Guoxiang	張國祥先生	11/11
Mr. Wang Dayong	王大勇先生	11/11
Mr. Cui Weilan	崔巍嵐先生	11/11
Mr. Tu Jianhua	涂建華先生	10/11
Mr. Duan Xiaohua	段曉華先生	11/11
Ms. Liu Jiaoyang	劉驕楊女士	11/11
Ms. Liu Tingrong	劉廷榮女士	11/11
Ms. Wang Fangfei	王芳霏女士	11/11
Mr. Feng Yongxiang	馮永祥先生	11/11
Mr. Liu Bolin	劉博霖先生	11/11
Mr. Bai Qinxian	白欽先先生	11/11
Mr. Deng Zhaoyu	鄧昭雨先生	11/11
Mr. Qian Shizheng	錢世政先生	11/11
Mr. Ng Leung Sing	吳亮星先生	11/11
Mr. Yuan Xiaobin	袁小彬先生	11/11

Corporate Governance Report

企業管治報告

For the year ended 31 December 2018, 2 general meetings of the Company were held and the attendance of the individual Directors at the meeting is set out in the table below:

截至2018年12月31日止年度期間，本公司曾舉行2次股東大會。個別董事出席股東大會的情況載於下表：

Name of Directors 董事姓名		Attendance/Number of General Meetings Held 出席／已舉行之股東大會次數
Mr. Zhang Guoxiang	張國祥先生	1/2
Mr. Wang Dayong	王大勇先生	1/2
Mr. Cui Weilan	崔巍嵐先生	2/2
Mr. Tu Jianhua	涂建華先生	2/2
Mr. Duan Xiaohua	段曉華先生	2/2
Ms. Liu Jiaoyang	劉驕楊女士	2/2
Ms. Liu Tingrong	劉廷榮女士	2/2
Ms. Wang Fangfei	王芳霏女士	2/2
Mr. Feng Yongxiang	馮永祥先生	2/2
Mr. Liu Bolin	劉博霖先生	2/2
Mr. Bai Qinxian	白欽先先生	2/2
Mr. Deng Zhaoyu	鄧昭雨先生	2/2
Mr. Qian Shizheng	錢世政先生	2/2
Mr. Ng Leung Sing	吳亮星先生	2/2
Mr. Yuan Xiaobin	袁小彬先生	2/2

MODEL CODE FOR SECURITIES TRANSACTIONS

進行證券交易的標準守則

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of practice for carrying out securities transactions by the Company’s Directors and supervisors. Having made specific enquiry with all the Directors and Supervisors, they have confirmed their compliance with the relevant standards stipulated in the Model Code for the year ended 31 December 2018.

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「**標準守則**」）為本公司董事及監事證券交易之守則。經向全體董事及監事作出具體查詢後，全體董事及監事確認，彼等截至2018年12月31日止年度期間已遵守標準守則所載之規定標準。

Corporate Governance Report

企業管治報告

Duties performed by the Board and management

The Board shall report to the general meeting and exercise the following powers, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), appointment of Directors and other significant financial and operational matters.

Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

1. To develop and review the Company's policies and practices on corporate governance;
2. To review and monitor the training and continuous professional development of Directors and senior management;
3. To review and monitor the Company's policies and practices on compliance with all legal and regulatory requirements (where applicable);
4. To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and Directors; and
5. To review the Company's compliance with the Code Provisions and disclosure in the Corporate Governance Report.

董事會和管理層行使的職權

董事會對股東大會負責，行使下列職權，包括：批准及監督一切政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能牽涉利益衝突者）、委任董事及其他主要財務及營運事宜。

董事於履行彼等職責時可尋求獨立專業意見，費用由本公司承擔。彼等亦被鼓勵向本公司高級管理層進行獨立諮詢。

本集團的日常管理、行政及營運交予高級管理層負責。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會批准。

企業管治職能

董事會負責制訂本公司之企業管治政策並履行以下企業管治職務：

- 1、制定及檢討本公司的企業管治的政策及常規；
- 2、檢討及監察董事及高級管理層的培訓及持續專業發展；
- 3、檢討及監察本公司的政策及常規符合所有法律及規例的要求（如適用）；
- 4、制定、檢討及監察適用於僱員及董事的操守準則及合規手冊（如有）；及
- 5、檢討本公司遵守守則條文的情況及在《企業管治報告》內的披露。

Corporate Governance Report

企業管治報告

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2018 are set out in note 7 to the financial statements.

The details of the senior management are disclosed in the section headed “Directors, Supervisors and Senior Management” in this report.

Remuneration paid to the senior management (including three Directors) for the year ended 31 December 2018 is as follows:

Remuneration Range (RMB)

薪酬範圍 (人民幣)

Number of People

人數

2,000,000 or above	2,000,000元及以上	9
1,000,000 to 1,999,999	1,000,000元至1,999,999元	0
Below 1,000,000	1,000,000元以下	1

DIRECTORS' LIABILITY INSURANCE

The Company has arranged appropriate insurance in respect of legal action against the Directors.

董事及高級管理層的薪酬

本公司已就制定本集團董事及高級管理層薪酬的政策設立正式及具透明度的程序。截至2018年12月31日止年度，各董事的薪酬詳情載於財務報表附註7。

高級管理層的詳細資料披露於本報告「董事、監事及高級管理層」一節。

截至2018年12月31日止年度，已付予高級管理層（包括三名董事）的薪酬如下：

董事責任保險

本公司已就針對董事提出的法律訴訟購買適當的保險。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

AUDIT COMMITTEE

For the year ended 31 December 2018, the Audit Committee comprises three Directors, namely Mr. Qian Shizheng (independent non-executive Director), Ms. Liu Jiaoyang (non-executive Director) and Mr. Yuan Xiaobin (independent non-executive Director). Mr. Qian Shizheng is currently the chairman of the Audit Committee.

The main responsibility of the Audit Committee is to facilitate the communication, supervision and verification in respect of the Company's internal and external auditing. Its main functions and powers are, including but not limited to, proposing the appointment or replacement of the external auditors, considering and making suggestions on their remunerations, resignation or dismissal; overseeing the Company's internal audit system and its implementation, and reviewing the Group's financial and accounting policies and practices; auditing the financial information of the Company and its disclosure; reviewing the Company's financial monitoring, internal monitoring and risk management systems, auditing material connected transactions, ensuring that the management has fulfilled its duties to establish an effective internal control system; examining the Letter of Audit Description provided by the external auditors to the management, any material queries raised by the auditors to the management in respect of the accounting records, financial accounts or monitoring systems and the management's response; and formulating whistle-blowing policies and systems, etc..

The written terms of reference of the Audit Committee are available on the websites of the Hong Kong Stock Exchange and the Company.

For the year ended 31 December 2018, 4 meetings of the Audit Committee were held to review various matters within the scope of duties, such as internal control, annual financial reports and renewal of financial auditing institutes.

董事委員會

審計委員會

截至2018年12月31日止年度，審計委員會由三名董事組成，成員為錢世政先生（獨立非執行董事）、劉驕楊女士（非執行董事）及袁小彬先生（獨立非執行董事）。錢世政先生目前為本公司審計委員會主任。

審計委員會主要負責本公司內、外部審計的溝通、監督和核實工作。其主要職責為：提議聘請或更換外部審計機構，就其薪酬、辭職或被罷免的事宜作出考慮和建議；監督本公司的內部審計制度及其實施，檢討本集團的財務及會計政策及實務；審核本公司的財務信息及其披露；審查本公司的財務監控、內部監控及風險管理系統，對重大關聯交易進行審計，確保管理層有履行職責建立有效的內控系統；檢查外部審計機構給予管理層的《審核情況說明函件》、審計師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的響應；制定舉報政策及系統等。

審計委員會的書面職權範圍於香港聯交所及本公司網站可供查閱。

截至2018年12月31日止年度期間，審計委員會共舉行4次會議，以審議內部控制、年度財務報告、續聘財務審計機構等職責範圍內事項。

Corporate Governance Report

企業管治報告

The attendance of the Audit Committee members is set out in the table below:

各審計委員會成員出席會議的情況載於下表：

Name 姓名	Attendance/Audit Committee meetings held 出席／已舉行之審計委員會會議次數
Mr. Qian Shizheng 錢世政先生	4/4
Ms. Liu Jiaoyang 劉驕楊女士	4/4
Mr. Yuan Xiaobin 袁小彬先生	4/4

NOMINATION AND REMUNERATION COMMITTEE

提名與薪酬委員會

For the year ended 31 December 2018, the Nomination and Remuneration Committee comprises three Directors, namely Mr. Deng Zhaoyu (independent non-executive Director), Mr. Zhang Guoxiang (Chairman and executive Director) and Mr. Bai Qinxian (independent non-executive Director). Currently, Mr. Deng Zhaoyu is currently the chairman of the Nomination and Remuneration Committee of the Company.

截至2018年12月31日止年度，提名與薪酬委員會由三名董事組成，成員為：鄧昭雨先生（獨立非執行董事）、張國祥先生（董事長及執行董事）及白欽先先生（獨立非執行董事）。鄧昭雨先生目前為本公司提名與薪酬委員會主任。

The main responsibility of the Nomination and Remuneration Committee is to assist the Board to formulate the recruitment procedures and assessment standards for Directors and senior management of the Company and conduct preliminary assessment on the qualifications and conditions of candidates to be appointed within its area of competence; study and formulate the remuneration plans, performance appraisal systems and incentive schemes of Directors, supervisors and senior management of the Company, make suggestions to the Board and supervise the implementation of plans and systems.

提名與薪酬委員會的主要職責為協助董事會擬定本公司董事、高級管理人員的選任程序和標準，對擬任人選的任職資格和條件進行初步審核，檢討及擬定董事、監事和本公司高級管理人員的薪酬方案、績效考核制度以及激勵方案，向董事會提出建議，並監督方案或制度的實施。

The written terms of reference of the Nomination and Remuneration Committee are available on the websites of the Hong Kong Stock Exchange and the Company.

提名與薪酬委員會的書面職權範圍於香港聯交所及本公司網站可供查閱。

For the year ended 31 December 2018, 2 meetings of the Nomination and Remuneration Committee were held to review various matters within the scope of duties, such as the Board Diversity Policy and the appointment of senior managements of the Company.

截至2018年12月31日止年度期間，提名與薪酬委員會共舉行2次會議，以審議董事會多元化政策、任命公司高管等職責範圍內事項。

Corporate Governance Report

企業管治報告

The attendance of the Nomination and Remuneration Committee members is set out in the table below:

提名與薪酬委員會成員出席會議的情況載於下表：

Name 姓名	Attendance/Number of Nomination and Remuneration Committee meetings held 出席／已舉行提名與薪酬委員會會議次數
Mr. Deng Zhaoyu 鄧昭雨先生	2/2
Mr. Zhang Guoxiang 張國祥先生	2/2
Mr. Bai Qinxian 白欽先先生	2/2

BOARD DIVERSITY POLICY

The Company believes that the diversification of the Board is beneficial for enhancing the performance of the Company. Therefore, the Company has established the “Policy on Diversification of Members of the Board” to ensure that when determining the composition of the Board, the Company will consider the diversification of members of the Board from various aspects, including but not limited to age, cultural and educational background, professional experience, skills and knowledge. All appointments to the Board shall follow the principle of meritocracy, taking into account objectively the benefits of diversification of members of the Board when considering the candidates. The candidates of the Board are selected based on a range of diversified perspectives, including but not limited to age, cultural and educational background, professional experience, skills and knowledge.

The Nomination and Remuneration Committee will disclose the composition of the Board annually in the “Corporate Governance Report” and monitor the implementation of the policy. The Nomination and Remuneration Committee will review the policy when appropriate to ensure the effectiveness of the policy. The Nomination and Remuneration Committee will discuss any amendment that may need to make and make recommendations to the Board for approval.

董事會成員多元化政策

本公司相信董事會成員多元化將對提升本公司的表現益處良多，因此本公司已制定《董事會成員多元化政策》，確定在設定董事會成員組合時會從多個方面考慮董事會成員多元化，包括但不限於年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件顧及董事會成員多元化的益處。甄選董事會人選將按一系列多元化範疇為基準，包括但不限於年齡、文化及教育背景、專業經驗、技能及知識。

提名與薪酬委員會將每年在《企業管治報告》中披露董事會組成，並監察本政策的執行。提名與薪酬委員會將在適當時候檢討本政策，以確保本政策行之有效。提名與薪酬委員會將會討論任何或需作出的修訂，再向董事會提出修訂建議，由董事會審批。

Corporate Governance Report

企業管治報告

STRATEGIC INVESTMENT COMMITTEE

For the year ended 31 December 2018, the Strategic Investment Committee comprises three Directors, namely Mr. Zhang Guoxiang (Chairman and executive Director), Mr. Tu Jianhua (non-executive Director) and Mr. Wang Dayong (Deputy chairman and executive Director). Currently, Mr. Zhang is the chairman of the Strategic Investment Committee.

The primary responsibilities of the Strategic Investment Committee are to examine and advise the Board on our long-term development strategies and major investment decisions.

The written terms of reference of the Strategic Investment Committee are available on the websites of the Hong Kong Stock Exchange and the Company.

For the year ended 31 December 2018, 1 meeting of the Strategic Investment Committee was held to review various matters within the scope of duties, such as main business arrangements of the Company.

The attendance of the Strategic Investment Committee members is set out in the table below:

戰略投資委員會

截至2018年12月31日止年度，戰略投資委員會由三名董事組成，成員為：張國祥先生（董事長及執行董事）、涂建華先生（非執行董事）及王大勇先生（副董事長及執行董事）。張先生目前為戰略投資委員會主任。

戰略投資委員會的主要職責為對本公司長期發展戰略和重大投資決策進行研究並向董事會提出建議。

戰略投資委員會的書面職權範圍於香港聯交所及本公司網站可供查閱。

截至2018年12月31日止年度期間，戰略投資委員會共舉行1次會議，以審議公司主營業務安排等職責範圍內事項。

戰略投資委員會成員出席會議的情況載於下表：

Name		Attendance/Number of Strategic Investment Committee meetings held
姓名		出席 / 已舉行戰略投資委員會會議次數
Mr. Zhang Guoxiang	張國祥先生	1/1
Mr. Tu Jianhua	涂建華先生	1/1
Mr. Wang Dayong	王大勇先生	1/1

Corporate Governance Report

企業管治報告

THE RISK MANAGEMENT COMMITTEE

For the year ended 31 December 2018, the Risk Management Committee comprises three Directors, namely Mr. Zhang Guoxiang (Chairman and executive Director), Mr. Cui Weilan (Executive Director) and Mr. Duan Xiaohua (Non-executive Director). Currently, Mr. Zhang is the chairman of the Risk Management Committee.

According to the “Rules of Procedures of the Risk Management Committee of Hanhua Financial Holding Co., Ltd.”, the primary responsibilities of the Risk Management Committee are to provide professional advice to the Board or making decisions on professional matters according to the authority of the Board in relation to the risk management.

The written terms of reference of the Risk Management Committee are available on the websites of the Hong Kong Stock Exchange and the Company.

For the year ended 31 December 2018, 1 meeting of the Risk Management Committee was held to review various matters within the scope of duties, such as the controlling of overall risk framework on individual risk points (such as seal management).

The attendance record of the Risk Management Committee members is set out in the table below:

Name		Attendance/Number of Risk Management Committee meetings held
姓名		出席／已舉行風險管理委員會會議次數
Mr. Zhang Guoxiang	張國祥先生	1/1
Mr. Cui Weilan	崔巍嵐先生	1/1
Mr. Duan Xiaohua	段曉華先生	1/1

風險管理委員會

截至2018年12月31日止年度，風險管理委員會由三名董事組成，成員為：張國祥先生（董事長及執行董事）、崔巍嵐先生（執行董事）及段曉華先生（非執行董事）。張先生目前為風險管理委員會主任。

根據《瀚華金控股份有限公司風險管理委員會議事規則》，風險管理委員會的主要職責為向董事會提供風險管理相關的專業意見或根據董事會授權就有關風險管理專業事項進行決策。

風險管理委員會的書面職權範圍於香港聯交所及本公司網站可供查閱。

截至2018年12月31日止年度期間，風險管理委員會共舉行1次會議，以審議印章管理等個別風險點受總體風險框架管控等職責範圍內事項。

風險管理委員會成員出席會議的情況載於下表：

Corporate Governance Report

企業管治報告

DIVIDEND POLICY OF THE COMPANY

The dividend policy was adopted pursuant to the resolution passed by the Board of the Company on 12 December 2018:

Principle of profit distribution

The Company shall attach importance to the reasonable returns to investors and adopt consistent and stable profit distribution policy.

In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into account the Group's earnings performance, financial position, investment requirements and future prospects.

On the premise of meeting the day to day capital requirements, predictable important investment plan or significant cash expenditures, the Board can, in accordance with the operating profit and cash flow of the current period, advise whether to distribute dividend and the specific scheme shall be submitted to the general meeting of the Company for approval after being reviewed by the Board.

Method of profit distribution

The Company adopts a combination of cash, shares or cash and shares for profit distribution and gives priority to profit distribution in cash.

The Company will handle relevant matters on withholding and payment of tax when distributing dividends in accordance with relevant laws and regulations for the time being in force and relevant requirements on taxation in the PRC.

公司股息政策

根據本公司董事會於2018年12月12日通過的決議案所採納：

利潤分配原則

公司應重視對投資者合理投資回報，實行連續、穩定的利潤分配政策。

在決定是否建議派發股息及釐定股息金額時，董事會將考慮本集團的收益表現、財務狀況、投資需求及未來前景。

在滿足日常的資金需求、可預期的重大投資計劃或重大現金支出的前提下，董事會可以根據公司當期經營利潤和現金流情況建議是否派發股息，具體方案須經董事會審議後提交公司股東大會批准。

利潤分配形式

公司採取現金、股票或者現金股票相結合的方式分配利潤，並優先考慮採取現金方式分配利潤。

公司將根據屆時有效的相關法律、法規及國家關於稅收的相關規定，在派發股息時依法辦理相關代扣代繳事宜。

Corporate Governance Report

企業管治報告

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2018 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The senior management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditors of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 252 to 476 of this report.

CHANGES OF MEMBERS OF SENIOR MANAGEMENT

Followed the trend of economic development, centered on the core development concept of Partnership Finance and kept adjusting our strategic layout, the Company has promoted the businesses under each business group of the Company as well as the reforming and upgrading of the management mode, and has improved our comprehensive financial service capability. As at the date of this report, the Company has adjusted the appointment of senior management of Hanhua Financial, which is as follows:

In June 2018, Ms. Li Jing resigned as the vice president of the Company. In October 2018, Mr. Wang Feng resigned as the vice president of the Company.

董事有關財務報表的財務申報責任

董事明白彼等須編製本公司截至2018年12月31日止年度的財務報表的職責，以真實公平地反映本公司及本集團的事況以及本集團的業績及現金流量。

高級管理層已向董事會提供必要的闡釋及數據，使董事會能對提呈予董事會批准的本公司財務報表進行知情的評估。本公司已向董事會全體成員提供有關本公司表現、狀況及前景的每月更新資料。

董事會並不知悉與可能對本集團持續經營構成重大疑問的事件或狀況有關的任何重大不確定因素。

本公司核數師就彼等有關本公司綜合財務報表的申報責任作出的聲明載於本報告第252頁至476頁的獨立審計報告。

高級管理層成員變更

本公司順應經濟發展大趨勢，圍繞夥伴金融核心發展理念，不斷調整自身戰略佈局，深入推進本公司旗下各大業務集團的業務和管理模式轉型升級，提升綜合金融服務能力。於本報告日期，本公司對瀚華金控高級管理層人員任命進行了調整，變更如下：

2018年6月，李晶女士辭任公司副總裁職務，2018年10月，王峰先生辭任公司副總裁職務。

Corporate Governance Report

企業管治報告

As at the date of this report, details of the Senior Management are set out under the section headed “Directors, Supervisors and Senior Management” of this report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognizes its responsibilities in relation to monitoring the risk management and internal control system of the Company. It also performs supervision and inspection on the effectiveness of the risk management and internal control system through the Risk Management Committee and the Audit Committee on an annual basis. Risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has set up the Risk Management Committee, which is responsible for providing professional advice on risk management to the Board and making decisions on professional matters in relation to risk management under the authorization of the Board. The Risk Management Committee categorizes and streamlines the strategic risks, financial risks, operational risks and legal risks which potentially arise from operation of the Company, and assigns the duties of monitoring, initial assessment, formulating risk response strategy, implementation of strategy and alert of risk to different functions and departments. These functions and departments will then carry out initial risk information collection and risk assessment, while the internal control and audit department and the senior management of the Company will supervise and improve the risk management, and report to the Risk Management Committee as necessary.

於本報告日期之高級管理層的詳細資料載列於本報告「董事、監事及高級管理層」一節。

風險管理及內部監控

董事會確認其監管本公司的風險管理及內部監控系統的責任，並通過風險管理委員會、審計委員會，每年對風險管理及內部監控系統的有效性進行監督與檢查。風險管理與內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

董事會下設風險管理委員會，負責向董事會提供風險管理相關的專業意見或根據董事會授權就有關風險管理專業事項進行決策。風險管理委員會針對公司運營過程中可能產生的戰略風險、財務風險、營運風險、法律風險等進行分類與梳理，任命不同的職能部門對風險進行監控、初步評估、制定風險應對策略、策略執行與報警。由各職能部門收集風險初始信息並進行風險評估，由內控審計部門與公司領導層進行監督與改進，在必要時匯報至風險管理委員會。

Corporate Governance Report

企業管治報告

Based on the business nature of the Company, the Company established the risk management special committee at its subsidiary level, which focused on the management of business risks such as operational risks under the supervision of the Risk Management Committee of the Board. The risk management special committee has three tiers and six regional risk review centres, which substantially optimize and reform the control procedures of credit risks, operational risks and legal compliance risks according to the principles of separation of front, middle and back offices and effective supervision and control. The risk management special committee also formulates regulatory documents such as the standard operating procedure and measures for managing operational risks, with a view to establishing an internal control and risk management system covering our whole business process. The business department collects raw information on risk and conducts risk assessment; the risk management department formulates business risk strategy and raise business risk resolutions; and the internal control and audit department and the senior management of the Company are responsible for relevant supervision and improvement work, and, where necessary, report to the Risk Management Committee.

The Group carries out communication in a timely manner regarding the identified major internal control flaws and prudently assesses potential risks. The responsible department shall propose relevant corrective actions and obtain approval from the senior management prior to the implementation. The senior management and the internal control and audit department monitor the implementation status and ensure timely and proper remediation of relevant monitoring flaws.

The Group has formulated the policies and procedures for handling and disclosing inside information, which are set out in the section headed “Management of Inside Information and Insiders” of the Administrative Rules for Information Disclosure of Hanhua Financial Holding Co., Ltd. (《瀚華金控股份有限公司信息披露管理辦法》). The information and date to be disclosed shall be properly reviewed and approved by the Board to ensure its timeliness, accuracy, sufficiency and effectiveness, and shall be closely monitored after disclosure.

根據本公司業務特點，本公司下屬層面設風險管理專業委員會在董事會風險管理委員會領導下工作，重點針對運營、操作等業務風險進行管理。風險管理專業委員會分三個層級和六個區域風險審批中心，按照前中後台分離，有效監督制約的原則，對信用風險、操作風險、法律合規風險控制流程進行較大的優化改革，並制定業務操作規範、操作風險管理辦法等規範性文件，構建起覆蓋全業務流程的內部監控及風險管理體系。由業務部門收集風險初始信息、進行風險評估、由風險管理部門制定業務風險策略，提出業務風險解決方案，由內控審計部門與公司領導層對風險管理進行監督與改進，並在必要時匯報至風險管理委員會。

本集團及時就所識別的重大內部監控瑕疵進行溝通，並審慎評估潛在風險。身為監控責任人的部門提出糾正措施，並於實施前獲得領導層批准。領導層及內控審計部門監察實施情況，確保及時妥善解決監控瑕疵。

本集團制定了處理及發佈內幕消息政策及程序，載列於《瀚華金控股份有限公司信息披露管理辦法》之「內幕信息及其知情人管理」章節。將予披露的信息或數據由董事會妥為審閱及批准，確保內幕消息的及時、準確、充分及有效，並於披露後密切監察。

Corporate Governance Report

企業管治報告

The Board has set up the Audit Committee, which is responsible for reviewing the Company's internal control, ensuring that the management has fulfilled its duties to establish an effective internal control system, and proactively or, as delegated by the Board, conducting analysis of key investigation findings and the management's response in relation to relevant internal control issues.

The Company has established the internal control and audit department at its headquarters, which performs independent auditing work under the direction of the Audit Committee, conducts independent examination and review on all operational and management activities of the Company, and comprehensively assesses the system building and implementation particulars regarding the Company's internal control, and supervises and reviews the effectiveness of internal control. The Company continues to streamline and improve its internal control in accordance with the requirements of the relevant laws and regulations and regulatory rules in order to prevent risk. It has gradually established various rules and policies regarding corporate management, business operations, daily management and other related rules. The existing policies basically cover the existing operating bodies, management departments and various business processes and operation procedures, providing reasonable protection for effectively preventing all kinds of risks.

The Risk Management Committee and the Audit Committee, in collaboration with the Company's internal control and audit department, have carried out a comprehensive assessment and review on the system building and implementation particulars of the Company's internal control and the effectiveness of its risk management system for 2018. The Board considers that those systems are effective and adequate. Such review shall be performed at least once per year and shall cover relevant year(s).

董事會下設審計委員會，負責審查公司內部監控，確保管理層有履行職責建立有效的內控系統，並主動或應董事會的委派就有關內控事宜的重要調查結果及管理層的響應進行研究。

本公司總部層面設立內控審計部，在審計委員會領導下執行獨立審計，對公司所有業務和管理活動進行獨立檢查和評價，全面評價公司內部控制的制度建設及運行情況，監督、檢查內部控制的有效性。本公司根據相關法律法規及監管規章的要求，以防範風險為宗旨，不斷梳理與完善內部控制，已逐步建立包括與公司治理、業務運營、日常管理等相关的各類規章制度，現行制度基本覆蓋現有的經營機構、管理部門及各類業務流程、操作環節，為有效防範各類風險提供了合理保障。

風險管理委員會、審計委員會，協同公司內控審計部，對本公司2018年度的內部控制制度建設及運行情況、風險管理系統的有效性進行了全面評價及檢討。董事會認為該等系統有效及足夠。該檢討將每年至少進行一次，涵蓋相關的年期。

Corporate Governance Report

企業管治報告

AUDITORS' REMUNERATION

For the year ended 31 December 2018, the total remuneration paid or payable to the Company's auditors, KPMG and other accounting firms, for audit and audit related services amounted to a total of RMB5.88 million, and amounts paid for non-auditing services amounted to RMB1.55 million, totaling RMB7.43 million.

An analysis on the remuneration paid or payable to KPMG, and the remuneration paid or payable to other accounting firms for the provision of annual auditing services to the Company's subsidiaries is as follows:

Services by the Auditors

核數師的服務項目

Amount (RMB)

金額 (人民幣)

Auditing service:	核數服務：	
Annual auditing services	年度核數服務	5,880,000
Non-auditing services:	非核數服務：	
Other audit related services	其他審計相關的服務	1,550,000
Total	總計	7,430,000

COMPANY SECRETARY

The company secretary of the Company are responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations are followed. Mr. Ren Weidong has been appointed as our company secretary.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, Mr. Ren Weidong of the Company has discharged his duties as company secretary of the Company.

核數師酬金

截至2018年12月31日止年度，就核數及核數相關服務已付或應付予本公司的核數師畢馬威會計師事務所及其他會計師事務所的酬金總額為人民幣5.88百萬元，就非核數服務已付人民幣1.55百萬元，合共為人民幣7.43百萬元。

已付或應付予畢馬威會計師事務所及為下屬附屬公司提供年度審計服務的其他會計師事務所酬金的分析載列如下：

公司秘書

本公司的公司秘書負責就企業管治事宜向董事會提出建議，並確保遵循董事會的政策及程序、適用法律、規則及法規。任為棟先生為本公司秘書。

為維持良好的企業管治並確保符合上市規則及適用香港法律，本公司任為棟先生履行彼作為本公司的公司秘書的職責。

Corporate Governance Report

企業管治報告

In September 2018, the Company appointed Mr. Ren Weidong as the sole company secretary. Ms. Lai Siu Kuen resigned as the joint company secretary and authorized representative; the Company has appointed Mr. Wang Dayong (Vice Chairman) and Mr. Ren Weidong as the authorized representatives, while Mr. Zhang Guoxiang has resigned as the authorized representative due to his busy work.

Mr. Ren has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules for the year ended 31 December 2018.

RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

The Company considers that effective communication with shareholders and stakeholders are essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and nonselective disclosure of the Company's information, which will enable shareholders and investors to make informed investment decisions.

The annual general meeting of the Company provides opportunity for shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the annual general meeting to answer shareholders' questions. The external auditors of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and contents of the auditor's report, the accounting policies and the independence of auditors.

The Company has maintained continuous close relationship with stakeholders, including customers, employees, suppliers, regulatory authorities and the public. The Company devoted to balance the opinions and interests of the stakeholders through constructive communication, so as to set the long-term development direction for the Company and the regions where our business operates.

2018年9月，本公司聘任任為棟先生為唯一公司秘書。黎少娟女士辭任聯席公司秘書及授權代表；本公司聘任公司副董事長王大勇先生及任為棟先生擔任授權代表，張國祥先生因工作繁忙，辭任授權代表。

截至2018年12月31日止年度期間，任先生已符合上市規則第3.29條進行不少於15小時的相關專業培訓。

與股東及利益相關人士的關係

本公司認為，與股東及利益相關人士的有效溝通對加強投資者關係及使投資者瞭解本集團的業務、表現及策略非常重要。本公司亦深信及時與非選擇性地披露本公司數據以供股東及投資者作出知情投資決策的重要性。

本公司股東週年大會提供股東與董事直接溝通的機會。本公司董事長及本公司各董事會委員會主任將出席股東週年大會解答股東提問。本公司的外聘核數師亦將出席股東週年大會，並解答有關審計行事、核數師報告的編製及內容、會計政策及核數師獨立性的提問。

本公司與利益相關人士，包括客戶、僱員、供貨商、監管機構及公眾人士保持持續緊密聯繫。本公司透過具有建設性的溝通，努力平衡各利益相關人士的意見及利益，從而為本公司與業務所在區域釐定長遠的發展方向。

Corporate Governance Report

企業管治報告

Taking Haier Electronics, the major strategic cooperation customer of the Company's supply chain financial business, as an example. Established in 1984, Haier Group is one of the world's largest manufactures of household electronic appliances and has a large number of distributors in China. Since 2012, Haier Finance Co., Ltd. has established business relationship with Hanhua Guarantee, a subsidiary of the Company, for the provision of supply chain financial services to distributors of the distribution channel of Haier Group, and has maintained such business cooperation for over five years. Despite the close relationship with Haier Group, Shell Oil and other major customers, the Company holds a firm position on adopting the same credit requirements as other customers and makes provision according to industry regulations. The Company is aware that the risks in cooperating with major customers mainly arise from their operating risks, hence it does not fully rely on the credit of the major customers, rather, it applies strict screening on SME borrowers through credit rating system so as to diversify the operating risks of its major clients.

The Company has actively promoted relations with the investors and the communication with those persons in the investment sector. The Board has dedicated to provide the shareholders with clear and comprehensive information about the Group by publishing notices, announcements, circulars as well as interim and annual reports. The Company have not amended its Articles of Association during the year. The latest version of the Company's Articles of Association has been published on our Company's website (www.hanhua.com) and the Hong Kong Stock Exchange website, respectively. Shareholders and stakeholders can log in our Company's website and acquired more information about the Group on the "Investor Relations" page on the Company's Website. In addition, latest data, financial data, corporate governance practices and other information about its operational and development will be made available to the Shareholders and stakeholders on the Company's website.

以本公司供應鏈金融主要戰略合作客戶之一海爾電器為例。海爾集團成立於1984年，是全球最大的家電製造商之一，在中國境內的經銷商數量龐大。從2012年起海爾財務公司就與本公司旗下附屬公司瀚華擔保建立了業務合作關係，為海爾集團經銷渠道的經銷商提供供應鏈金融服務，至今已超過5年。儘管與海爾集團、殼牌石油等主要客戶建立了密切的合作關係，本公司仍堅持與其他客戶一致的嚴格信貸條件，並按照行業監管規定進行撥備。本公司深知與主要客戶合作的風險主要來自其經營風險，因此，本公司並非完全依賴主要客戶的主體信用，而是對借款的中小客戶通過施行評級授信體系予以較嚴格的准入篩選，從而分散來自於核心客戶的經營風險。

本公司積極促進投資者關係以及與投資界人士的溝通，董事會透過刊發通告、公告、通函、中期與年度報告，致力為股東提供清晰及全面的本集團數據。本公司於本年度並無修改公司章程，本公司的公司章程最新版本分別登載於本公司網站 (www.hanhua.com)及香港聯交所網站內，股東及利益相關人士亦可登入本公司網站「投資者關係」頁面取得更多本集團的資料。此外，本公司網站亦刊登有關其業務營運及發展的最新數據、財務數據、企業管治常規及其他資料，以供股東及利益相關人士閱覽。

Environmental, Social and Governance Report

環境、社會及管治報告

This report is the annual report prepared by Hanhua Financial Holding Co., Ltd. (herein referred to as the “**Company**”; together with its subsidiaries, the “**Group**”) (Stock Code: 3903) to fulfil the requirements of the Environmental, Social and Governance Reporting Guide contained in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”). This report covers the financial year commenced on 1 January 2018 and ended on 31 December 2018 (the “**Reporting Period**”) and unless otherwise specified, including all companies within the Group. It aims to introduce the work of the Company in environmental, social and governance aspects to its shareholders. Please refer to the Corporate Governance Report in the Annual Report of 2018 for details of corporate governance of the Company.

As an inclusive financial institution committed to offering comprehensive financial services, we are deeply convinced that corporate social responsibility is closely linked with our business decision. The Company wishes to take advantage of this opportunity to rationalize its performance in social responsibility, clarify basic ideas in social responsibility and the roles of the Company and stakeholders, including investors, employees, customers, partners, regulators and community, in sustainable development.

The Company strives to communicate with investors, employees, customers, industry peers, partners, intermediate service providers and other stakeholders. It endeavors to build a sound cooperation mechanism with them and work together for mutual growth and win-win results.

本報告為瀚華金控股份有限公司（於本報告提述為「**本公司**」；及連同其附屬公司「**本集團**」）（股份代碼：3903）為滿足香港聯合交易所有限公司（「**香港聯交所**」）上市規則附錄二十七《環境、社會及管治報告指引》要求所編製的年度報告。本報告涵蓋2018年1月1日至2018年12月31日止財務年度（「**報告期**」）的工作，除另有說明以外，覆蓋本集團下屬各公司，旨在向本公司的股東概述本公司在環境、社會及管治方面的工作。有關本公司企業管治的詳情，請參閱本公司2018年年度報告內的企業管治報告。

本公司作為一家致力提供綜合金融服務的普惠金融機構，我們深信企業社會責任與公司的業務決策息息相關。本公司希望藉此機會梳理公司在履行社會責任各方面的表現，清晰本公司在社會責任方面的基本理念、以及清晰本公司與投資者、員工、客戶、合作機構、監管機構及小區等利益相關方在本公司可持續發展中發揮的作用。

本公司重視與投資者、員工、客戶、同業機構、合作夥伴及其他中介服務機構等利益相關方的溝通，主張與利益相關方建立起共同努力、共同成長、共享成果的良好合作機制。

Environmental, Social and Governance Report

環境、社會及管治報告

Major stakeholder 主要利益相關方	Communication channel 溝通途徑
Regulators 監管機構	<p>Respond to the nation's call and implement regulatory policy 響應國家號召，落實監管政策</p> <p>Enhance operational and management performance 提升經營管理績效</p> <p>Support the development of real economy 支持實體經濟發展</p> <p>Implement the requirements of regulators 落實監管機構要求</p> <p>Regular report 定期匯報工作</p>
Investors 投資者	<p>Annual/interim results presentations on a regular basis 定期舉辦年度／中期業績發佈會</p> <p>General meeting to update investors on our operation 召開股東大會，更新投資者對公司運營的瞭解</p> <p>Website maintenance to ensure investors' timely access to the latest information of the Company 維護本公司網站，保障投資者及時獲取本公司最新信息</p> <p>Routine research, interaction and visit 日常本公司調研，互動走訪</p>
Employees 員工	<p>Induction training to encourage exchange between new recruits and department heads 開展員工入職培訓，幫助新員工與各部門負責人交流</p> <p>Establishment of the online learning platform "Hanhua Inclusive Finance E-Academy" 搭建在線學習平台「瀚華普惠金融E學堂」</p> <p>Conclusion meeting and annual spring meeting on a regular basis 定期舉辦工作總結會議和迎春年會</p> <p>Attend meetings, seminars and training sessions organized by external parties 參與社會機構舉辦的會議、座談、培訓</p> <p>Performance management evaluation 績效管理評估</p>

Environmental, Social and Governance Report

環境、社會及管治報告

Major stakeholder 主要利益相關方	Communication channel 溝通途徑
Customers 客戶	Website, official WeChat account and other online channels 網站、微信公眾號等互聯網渠道 Customer visit and site visit 走訪客戶，進行項目考察 Seminar, conference and appreciation meeting 座談會、研討會、答謝會
Community 社區	Promoting financial literacy 開展金融教育 Active donation 積極參與捐贈 Assistance to the disadvantaged groups 扶助弱勢群體 Participation in voluntary service 開展志願服務
Industry peers 同業機構	Attendance to trade associations and industry forums 加入行業協會，參加行業論壇 Study visit to industry peers 到同業公司拜訪、考察
Partners 合作夥伴	Centralized procurement in an open, transparent and fair manner 公開、透明、公正地集中採購 Procurement management system combining online and offline channels 在線、線下相結合的採購管理系統

Environmental, Social and Governance Report

環境、社會及管治報告

Hanhua Financial is committed to promoting the in-depth integration between the financial sector and industrial sector. Through the three major service platforms of “Equity + Credit + Transaction”, it provides professional, safe and controllable one-stop customized solution for integration between industry and finance. With the vision of “Establishing a Chinese model for inclusive finance in the world”, Hanhua Financial adheres to the principles of “openness, cooperation and sharing” in “providing excellent financial services and pursuing mutual growth with clients”.

We have established a diversified financial service system, which comprises guarantee, micro-credit, leasing, assets trading, factoring, private bank, insurance brokerage, asset management, equity investment and notes services, so as to provide financing guarantee, finance leasing, commercial bill, financial factoring and other financial services to SMEs. We also offer micro and small loans, consumer credit, wealth management and insurance services to individual customers. Besides, we set up Chongqing Fumin Bank which is the first private bank in Central and Western China, to reconstruct the PRC inclusive financial sector from point to line, to surface then to the general practices. We aim to build a leading inclusive financial enterprise in China and establish an open-ended “smart people + finance platform” that combines outstanding industrial partners and teams with the platform of Chongqing Fumin Bank, thereby developing innovative financial model.

瀚華金控以助推金融與產業的深度融合為己任，通過「股權、債權、交易」三大平台服務體系，為客戶提供專業、安全、可控的一站式定制化產融解決方案。瀚華金控以「打造世界普惠金融中國樣本」為願景，以「開放、合作、共享」為理念，堅持「提供卓越金融服務，與客戶共同成長」的使命。

我們建立了多元化的金融服務體系，包括擔保、小額信貸、租賃、資產交易、保理、民營銀行、保險代理、資產管理、股權投資及票據服務領域，為中小企業提供融資擔保、融資租賃、商業匯票、金融保理等多種金融服務；我們為個人提供小微信貸、消費信貸、財富管理、保險等多種金融服務；我們設立了中國中西部第一家民營銀行，重慶富民銀行股份有限公司，富民銀行以從點到線，從線到面，從面到生態，重構中國普惠金融的生態體系，打造中國領先的普惠金融生態企業為目標，以「智能人+金融平台」打造開放平台，把優秀實業夥伴和團隊與重慶富民銀行平台相結合，共創新金融模式。

Environmental, Social and Governance Report

環境、社會及管治報告

Key indicators of our social responsibility and environmental performance in 2018 are as follows:

2018年我們梳理主要的社會責任、環境等指標如下表：

KEY PERFORMANCE INDICATORS

關鍵績效指標

	Performance Indicator 績效指標	Amount 金額／數量	Unit 單位	
Economic responsibility 經濟責任	Total assets 總資產額	18,845.70	RMB' million 人民幣百萬元	
	Net profit 淨利潤	328.5	RMB' million 人民幣百萬元	
	Owner's Equity 所有者權益	7,863.9	RMB' million 人民幣百萬元	
	Effective tax 實現稅收	320.79	RMB' million 人民幣百萬元	
Environmental responsibility 環境責任	Vehicle emission 汽車的排放量	232,995.16	g 克	
	Total greenhouse gas emission 溫室氣體排放總量	70,780.46	kg 千克	
	Power consumption 耗電量	1,026,682	kWh 千瓦時	
	Water consumption 耗水量	7,081	m ³ 立方米	
	Paper consumption 耗紙量	2.5	tons 噸	
Social responsibility 社會責任	Total number of employees 僱員總數	1,732	people 人	
	Percentage of female employees 女性僱員佔比	46	% %	
	Percentage of employees with a bachelor's degree or above 本科及以上僱員佔比	84	% %	
	(Each of the above as at 31 December 2018) (以上各項截至2018年12月31日當天)			
	Employee training session 僱員培訓班數	338	times 次	
	Training hours of employees 僱員培訓時長	31,659	hours 小時	
	Satisfaction of training 僱員培訓滿意度	90	% %	

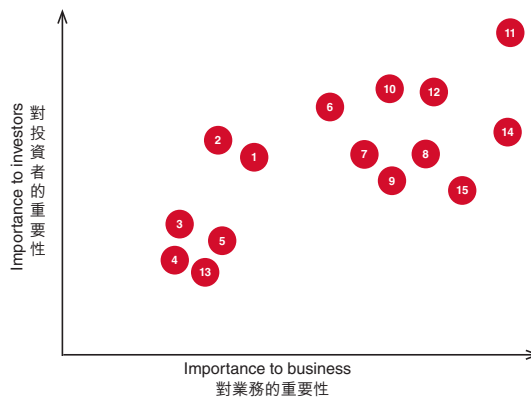
Environmental, Social and Governance Report

環境、社會及管治報告

In 2018, the Company conducted a comprehensive materiality assessment to identify the impact of the Company's business operation on the economy, environment and society and topics of concern of investors. We identified the following 15 material issues in this assessment, which have been stated in this report:

2018年，本公司進行了一項全面的重要性評估，以識別本公司的業務於經濟、環境及社會層面上的影響，以及投資者所關注的議題。此次評估，我們識別了以下15個重要性議題，並陳述於本報告內：

The Company's matrix of importance in environment, society and governance
本公司在環境、社會及管治重要性的矩陣



Note: Material issues: 1. vehicle emission, 2. total greenhouse gas emission, 3. power consumption, 4. water consumption, 5. paper consumption, 6. employment, 7. health and safety, 8. development and training, 9. labor practices, 10. supply chain management, 11. product responsibility, 12. anti-corruption, 13. community, 14. internal control, 15. risk management.

註：重要性議題：1. 汽車的排放量，2. 溫室氣體排放總量，3. 耗電量，4. 耗水量，5. 耗紙量，6. 僱傭，7. 健康與安全，8. 發展與培訓，9. 勞工準則，10. 供應鏈管理，11. 產品責任，12. 反貪污，13. 小區，14. 內部控制，15. 風險管理。

A. ENVIRONMENTAL PROTECTION

In compliance with the provisions under the Environmental Protection Law of the People's Republic of China, the Securities and Futures and Companies Legislation (Uncertified Securities Market Amendment) Ordinance 2015 and other applicable laws and regulations, the Company actively adopts measures to improve environmental management while encouraging staff to reduce pollution and waste during work to minimize the environmental impact of the Company's business as well as its products and service.

As most of the Company's operation takes place in the office, the Company is committed to minimizing the impact from office work on the environment by means of green office initiatives, including:

A. 環境保護

本公司遵守《中華人民共和國環境保護法》、《2015年證券及期貨及公司法例（無紙證券市場修訂）條例》等適用法律法規的規定，積極推行改善環境管理的措施，鼓勵公司員工減少辦公時產生的污染和浪費，盡量降低公司業務及所提供產品及服務對環境的影響。

本公司以辦公室運作為主，因此本公司致力通過辦公室內的環保措施，盡量減少因辦公對環境的影響，其中有：

Environmental, Social and Governance Report

環境、社會及管治報告

For the construction of weak current system in branch offices, the Company widely adopted environmentally-friendly materials to maximize the utilization of materials and reduce material waste and loss. We adopted low-energy and information-based office devices, and ensure compliance with operational specifications to extend their service life. New integrated computer rooms, smart office platforms and other new products are used to achieve energy saving and emission reduction in the office area.

Promoting office automation and establishing coordinated office platform and the business management system, human resources management system, financial management system, capital management system, reimbursement system and knowledge management system; focusing on advancing the credit and standard finance business platform, partnership finance business platform, data analysis and management platform and private cloud infrastructure platform; and establishing standard management procedure to boost operational efficiency.

Encouraging employees to give priority to online office system, reduce paper consumption at work, and recycle used paper; adopting video and telephone conferencing to reduce consumption arising from accommodation and transportation of employees when attending offsite meetings; setting operating hours, maximum and minimum temperatures of air-conditioners for different seasons; promoting environmentally-friendly habits such as turning off lightings when not in use, saving water, and turning off air conditioners after meetings or office hours; encouraging employees to reduce food portion at canteens to avoid wastage.

在各地分支機構辦公場所弱電建設方面，廣泛採用環保材料，確保最高的材料利用率，減少材料的浪費和損耗。使用低能耗的信息化辦公設備，確保操作規範，延長設備使用壽命。使用新的一體化機房、智能辦公平台等新產品，實現辦公區域的節能減排。

進一步推進公司辦公自動化，搭建協同辦公平台，建立業務管理系統、人力資源管理系統、財務管理系統、資金管理系統、報銷系統及知識管理系統等辦公系統，重點推動信貸及標準金融業務平台、夥伴集群業務平台、數據分析與管理平台及私有雲基礎架構平台等，規範管理流程，提高運營效率。

鼓勵員工優先選擇在線辦公系統，減少辦公用紙的消耗，對廢舊紙張進行重複利用；提倡採用電視電話會議，減少異地員工參會所產生的住宿及交通等消耗；針對不同季節設置空調開放時間、限定最高溫度及最低溫度；倡議員工養成隨手關燈、節約用水，會議結束後、無人辦公時及時關閉空調等設備的良好習慣；號召員工食堂用餐時節約糧食，杜絕浪費。

Environmental, Social and Governance Report

環境、社會及管治報告

As at 31 December 2018, the Company's major environmental data (covering Chongqing Headquarters region, excluding other branches in Mainland China and institutions in Hong Kong region) are as follows:

截至2018年12月31日，本公司主要環境數據（涵蓋重慶總部地區，不包括中國內地其他分支機構及香港地區機構）如下：

Emission aspect

排放物層面

Vehicle emission ¹	Nitrogen oxides (NO _x) emission	212,219.46 g
	Sulfur oxides (SO _x) emission	441 g
	Particulate emission	20,334.7 g

汽車的排放量 ¹	氮氧化物(NO _x)排放量	212,219.46克
	硫氧化物(SO _x)排放量	441克
	顆粒排放量	20,334.7克

Total greenhouse gas emission ²	Emission of carbon dioxide (CO ₂) equivalent	70,739.82 kg
	Emission of methane (CH ₄) equivalent	7.64 kg
	Emission of nitrous oxide (N ₂ O) equivalent	33 kg

溫室氣體排放總量 ²	二氧化碳(CO ₂)當量排放	70,739.82千克
	甲烷(CH ₄)當量排放	7.64千克
	氧化亞氮(N ₂ O)當量排放	33千克

Use of resources aspect

資源使用層面

Power consumption	1,026,682 kWh
Water consumption	7,081 m ³
Paper consumption	2.5 tons

耗電量	1,026,682千瓦時
耗水量	7,081立方米
耗紙量	2.5噸

Note 1: Due to the business nature of the Company, exhaust emission mainly comprises vehicle emission.

註1：由於本公司業務性質，廢氣排放主要是指汽車的排放。

In 2018, total mileage of vehicles was approximately 213,526.3 km and gasoline consumption was 22,689 liters.

2018年，車輛行駛總里程約為213,526.3公里，消耗汽油量為22,689公升。

All the Company's vehicles are light vehicles running on gasoline. The emission factors of nitrogen oxides (NO_x), sulfur oxides (SO_x) and particulates are 0.885g/km, 0.0147g/liter and 0.0848g/km respectively.

本公司車輛均為輕型汽車，使用汽油為燃料，計算採用的氮氧化物(NO_x)排放系數為0.885克／公里，硫氧化物(SO_x)排放系數為0.0147克／公升，顆粒排放系數為0.0848克／公里。

Note 2: Due to the business nature of the Company, the emission of greenhouse gases mainly comprises the emission as a result of fuel combustion from mobile sources, i.e., greenhouse gas emission of vehicles.

註2：由於本公司業務性質，溫室氣體排放主要統計流動源的燃料燃燒所致的溫室氣體排放，即汽車的溫室氣體排放。

Environmental, Social and Governance Report

環境、社會及管治報告

Note 3: The Company's vehicles are powered by unleaded gasoline. Emission factors of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are 2.36 kg/liter, 0.000253 kg/liter and 0.001105 kg/liter.

Note 4: As part of the real properties at the Chongqing headquarters of the Company were leased to other parties as places of business, there are difficulties in calculating the intensity of resources consumption for each building (including water consumption intensity).

Due to the business nature of the Company, the environmental impact of the Company's operation is mainly caused by greenhouse gas emission of vehicles and indirect greenhouse gas emission from electricity and water consumption. The Company is not aware of any significant generation of hazardous waste, non-hazardous waste and product packaging materials as a result of operation activities. It did not encounter any problems in sourcing water as well.

In 2018, when the Company's overall emissions are controllable, the water consumption and fuel consumption per kilometer of vehicles have been significantly reduced. Among which, the water consumption decreased by 237 cubic meters compared with last year, and the fuel consumption per kilometer of vehicles decreased from 8.33 km/liter to 8 km/liter. The Company will continue to implement the above measures on energy saving, wastes recycle and reuse as well as office automation, while proactively conducting studies on implementing other environmental protection measures.

B. SOCIAL

The Company values talents and is devoted to recruiting and retaining high-caliber employees for its own sustainable growth. The Company values and treats staff as equals, safeguards their rights and offers them opportunities of training and development, hence employees can perform to the best of their ability.

註3：本公司車輛使用無鉛汽油為燃料，二氧化碳(CO₂)排放系數為2.36千克／公升，甲烷(CH₄)排放系數為0.000253千克／公升，氧化亞氮(N₂O)排放系數為0.001105千克／公升。

註4：由於本公司重慶總部部份物業出租給其他方作為辦公經營場所，難以以每幢建築物計算資源使用的密度指標（包括耗水量密度）。

鑑於公司業務性質，本公司經營活動對環境的影響主要表現在汽車的溫室氣體排放，對電力、水的消耗造成間接溫室氣體排放。本公司經營活動並不知悉有任何有害廢棄物、無害廢棄物、產品包裝材料的重大產生，本公司在求取水源上亦尚未遇見任何問題。

2018年度，公司在整體排放量可控的情況下，在耗水量、汽車每公里耗油量都有顯著降低。其中，耗水量相較於去年減少237立方米，汽車每公里耗油量由原來的8.33公里／公升降低為8公里／公升。本公司將繼續致力執行前述節約能源、廢物循環利用、辦公自動化的措施，同時亦會積極研究推行其他環保措施。

B. 社會

本公司重視人才，一直致力為本公司的可持續增長吸收並保留最佳人才。公司重視平等對待員工，保障員工權利，為員工提供培訓及發展機會，讓員工發揮最出色的表現。

Environmental, Social and Governance Report

環境、社會及管治報告

1. Employment and Labor Practices:

(1) Employment:

As at 31 December 2018, the Company had a total of 1,732 employees in Mainland China and Hong Kong. In terms of education background, 1,454 employees (84%) have a bachelor's degree or above, and 278 employees (16%) have received post-secondary education and below. In terms of lines of work, 882 employees (51%) are business line personnel, while 850 employees (49%) are back office and administrative support staff.

In strict compliance with applicable laws and regulations including the Labor Law of the PRC, the Labor Contract Law of the PRC, the Implementation Regulation of the Labor Contract Law of the PRC, the Law on Safeguarding Women's Interests and Rights of the PRC and the Hong Kong Employment Ordinance, the Company upholds the principle of gender equality. As at 31 December 2018, we had 929 male employees and 803 female employees. The gender ratio of employees was 5.4:4.6 (male to female), and women accounted for 46% of overall staff.

In the course of recruitment, the Company treats job applicants equally and does not discriminate them on the grounds of national origin, race, nationality, gender, religion, age, sexual orientation, political affiliation, marital status and other social identity. It establishes employment relations based on legal, fair and equal negotiation. In course of day-to-day management, the Company does not take into consideration their national origin, race, nationality, gender, religion, age, sexual orientation, political affiliation, marital status and other social identity in their welfare, treatment and promotion.

1、僱傭及勞動常規：

(1) 僱傭：

截至2018年12月31日，本公司在職員工總數為1,732人，於中國內地及香港任職。按學歷劃分：本科及以上1,454人，佔比84%，大專及以下278人，佔比16%。按所屬系統劃分：業務條線882人，佔比51%；後台行政等支持人員850人，佔比49%。

本公司嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國勞動合同法實施條例》、《中華人民共和國婦女權益保障法》、中國香港地區《僱傭條例》等法律法規，堅持兩性平等原則。截至2018年12月31日，公司在職員工男性929人，女性803人，性別比例為：5.4:4.6，女性佔整體員工的46%。

本公司在招聘活動中平等對待每一位候選人，不因其民族、種族、國籍、性別、宗教、年齡、性取向、政治派別、婚姻狀況等社會身份而影響其錄用，在合法、公平、平等協商的基礎上建立勞動關係。在日常管理中，不因員工的民族、種族、國籍、性別、宗教信仰、年齡、性取向、政治派別、婚姻狀況等影響其福利、待遇、崗位晉升等。

Environmental, Social and Governance Report

環境、社會及管治報告

The Company maintains strict compliance with relevant national and regional requirements for termination of employment relations. As to employees' voluntary resignation, the Company negotiates with employees on an equal footing and respects their decisions. Termination of labor contracts, termination negotiation, dismissal and other procedures are conducted in accordance with laws. For dismissal due to employees' violation of laws, regulations and rules, the Company will proceed as permitted by laws and regulations and with reference to the Company's "Employee Manual".

(2) Health and Safety:

The Company has always attached importance to employees' occupational health and safety. It complies with applicable laws and regulations, including the Labor Law of the PRC, the Labor Contract Law of the PRC and the Implementation Regulations of the Labor Contract Law of the PRC in establishing and maintaining a safe, healthy and people-oriented office environment to guarantee employees' interests and rights. In 2018, there was no case of work-related death or serious injury.

According to the legal requirements of national and regional governments, the Company practices a working hour system of no more than 8 working hours a day and no more than 40 hours a week. Meanwhile, in the interest of staff's work-life balance, we safeguard their rights to reasonable holiday and provide them with various kinds of vacations and holidays, e.g., public holiday leave, statutory holidays, annual leave, marital leave, maternity leave and paternity leave, nursing leave, funeral leave, sick leave, absence leave and work-related injury leave.

本公司在解除勞動關係的行動中，嚴格執行國家及地方相關規定。員工主動提出離職的，與員工平等協商，尊重員工決定，依照法規要求辦理勞動合同終止、協商解除勞動合同、辭退等手續。因員工違法違規違紀等原因導致的解僱，均在法律法規允許範圍內，並參照公司《員工手冊》規定實施。

(2) 健康與安全：

本公司一貫重視僱員職業健康及安全，遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國勞動合同法實施條例》等法律法規，建立並維持安全、健康、人性化的辦公環境，確保員工權益。2018年度，未發生因公受傷、死亡的案例。

本公司按照國家、地區政府的法規要求，實行每日工作時間不超過8小時、平均每週工作時間不超過40小時的工時制度。同時基於員工工作與生活平衡的原則，保障員工合理的休假權益，向員工提供各類假期，如公休日、法定節假日、年休假、婚假、產假及陪产假、哺乳假、喪假、病假、事假、工傷假等。

Environmental, Social and Governance Report

環境、社會及管治報告

The Company attaches great importance to organizational culture and employee care, and pursues the synergy between these two elements. It pays attention to staff's physical and mental wellbeing, ongoing development of corporate culture and employees' actual needs. In 2018, to improve employees' physical and mental health, the Company planned and organized a variety of employee activities, including festival activities, birthday parties, group building activities and social welfare activities. Among them, the festival activities covered Women's Flower Salon on "March 8th" International Women's Day, "Good Book Drifting" on World Book Day, commemorative activities on China's Youth Day "May 4th", Knowledge Competition on "July 1st" and 2018 Chongqing International Marathon. Birthday parties were mainly based on large themes, including "Constellation Collision", "Halloween" and "Online Celebrity" theme birthday parties. Group building activities covered various forms, including hiking, mountain climbing, on-site harvesting, fun sports, visiting scenic spots, drifting and live CS. Social welfare activities included voluntary tree planting on "March 12", voluntary blood donation, and the charity project of "Caring for Wushan County". In recognition of employees' long-term contribution, the Company granted five-year and ten-year service awards each quarter to boost staff's sense of honour and pride. These prizes covered custom-tailor gold and silver Hanhua bookmarks, vacuum cups with employee's exclusive signature and Letter of Thanks from Chairman of the Company, fully embodying the intentions of the Company and management and vigorously inspiring employees.

本公司高度重視組織文化建設與員工關懷，寓組織文化於員工關懷，以員工關懷促文化凝聚。關心員工身心健康，關注文化持續發展，關注員工真實需求。2018年，本公司為促進員工身心全面發展，策劃並組織實施了各式各樣的員工活動，活動類型包括節日活動、生日會、團建活動、公益活動等。其中節日活動包括「三八」婦女節的女神花藝沙龍活動，世界讀書日的「好書漂流」活動，「五四」青年節紀念活動，「慶七一」知識競賽活動，2018重慶國際馬拉松賽等。生日會主要以大型主題生日會為主，包括「星座大碰撞」主題生日會、「萬聖節」主題生日會、「網紅」主題生日會等。團建活動形式多樣，包括徒步郊游、登山、現場採摘、趣味運動、遊覽景點、漂流、真人CS等。公益活動包括「3.12」義務植樹活動，無償獻血活動，「愛撒巫山」慈善項目等。為充分認可員工的長期貢獻，提升員工榮譽感、自豪感，公司每季度組織五年、十年員工服務獎發放活動，獎品包括精心定制的金銀瀚華書籤、員工專屬簽名的保溫杯、董事長感謝信等，充分體現公司及領導的用心，給員工帶去滿滿的感動。

Environmental, Social and Governance Report

環境、社會及管治報告

The rich and colorful activities not only enriched employees' lives, but also developed the corporate culture of "credibility, simplicity and sharing". As a result, happiness and loyalty to the organization are enhanced, thereby building a positive brand reputation that help attract talents.

(3) *Development and Training:*

Under the guidance of the strategies of "partner finance, platform finance and ecology finance", Hanhua has been staying true to the mission in respect of the organization and development, and constantly explores and establishes the talent development system suitable to the inclusive financial industry. The Company audaciously introduces cutting-edge technologies, and identifies high-potential core talents in a scientific manner. Meanwhile, the Company, based on demand, focuses on training key talents and continuously enhances the value of talent training, so as to build a talent pool that can continuously promote the Company's development. In addition, the Company continues to optimize its culture system, management system and learning platforms, and focuses on precipitation and sharing of organizational knowledge and experience to ensure employees' comprehensive development in professionalism, leadership and general capacities and to build an industry-leading talent development system. In the last year, a total of 338 training sessions (including online and offline sessions) were held for 16,333 people in 31,659 hours, with an average satisfaction rate of over 90%.

豐富多彩的各项活動不僅豐富了員工生活，更有力地塑造了公司「信用、簡單、共享」的組織文化，提升了員工的工作幸福感與組織向心力，對外形成了良好的文化品牌效應，提升公司的人才吸引力。

(3) *發展與培訓：*

在「夥伴金融、平台金融、生態金融」戰略思路指引下，瀚華在組織發展方面，始終不忘初心，不斷探索與建立適合普惠金融行業的人才發展體系。公司大膽引入前沿技術，科學識別高潛核心人才，同時結合個性化需求，聚焦重點培養對象，持續提升人才培養價值，建設可持續推動公司發展的人才梯隊。此外，公司不斷優化培養體系、管理機制與學習平台，注重組織知識與經驗的沉澱與共享，確保員工的專業力、領導力、通用力全面發展，力爭成為人才發展體系的行業引領者。公司全年共開培訓班數338（包含線上和線下），共培訓16,333人次，培訓時長31,659小時，培訓滿意度平均達90%以上。

Environmental, Social and Governance Report

環境、社會及管治報告

(4) Labor Standards:

The Company strictly complies with the Labor Law of the PRC, the Labor Contract Law of the PRC, the Law on Safeguarding Women's Interests and Rights of the PRC, the Law on the Protection of Minors of the PRC, the Special Rules on Labor Protection of Female Employees of the PRC, the Employment Promotion Law of the PRC and other applicable laws and regulations, as well as the local labor standards where employees are located. For recruitment and staff administration, the Company treats all staff fairly and equally based on national and local regulations. It applies no discriminatory policy and has never refused to hire job applicants on the ground that they are "carriers of infectious diseases". Prior to the establishment of employment relations, it carries out strict identity screening and has never hired minors. The relationship between the Company and employees is fair and equal. Employees' service to the Company is subject to laws and their consent.

2. Operating Practices:

(1) Supply Chain Management:

The Company maintains cooperation relations with a number of suppliers which provide diverse goods, equipment, materials and services. Suppliers of the Company must operate business in a responsible manner and maintain compliance with our environmental, social and governance standards.

(4) 勞工準則：

本公司一貫遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國婦女權益保障法》、《中華人民共和國未成年人保護法》、《中華人民共和國女職工勞動保護特別規定》、《中華人民共和國就業促進法》等法律法規，以及僱員所在地的勞工準則。在人員招募、員工管理方面，遵從國家及地方規定，平等、公平對待所有員工，無歧視性政策，無以是傳染病病原攜帶者未有拒絕錄用。在僱傭關係建立之前，確保嚴格的身份篩查，無聘用未成年人的案例。本公司與僱員之間是公平、平等的關係，是否在本公司工作取決於法律是否允許、僱員是否願意。

2、營運慣例：

(1) 供應鏈管理：

本公司與多家供貨商保持合作關係，為公司提供各式各樣的貨品、設備、材料及服務。本公司的供貨商必須負責地運營業務，遵循本公司的環境、社會及管治準則。

Environmental, Social and Governance Report

環境、社會及管治報告

In terms of office supplies procurement, the Company combines online and offline procurement, strictly controls process and chooses the best after comparing different suppliers. The equal, harmonious and mutual-trusting cooperation with suppliers allows the Company to better manage potential environmental and social risks and improve operational efficiency.

In 2018, the Company was not aware of any actual or potential significant negative influence due to misconduct of suppliers in business ethnics, environmental protection and labor measures.

(2) Product Responsibility:

The Company is committed to providing outstanding customer experience and ensuring that the provision of products and services is legal, effective and safe.

The Company possesses a substantial amount of information of corporate and individual customers due to its business nature. Thus, it attaches great importance to protecting customer information in compliance with the Anti-Unfair Competition Law of the PRC and other applicable laws and regulations relating to health and safety, advertising, labelling and privacy matters of products and services and the redress method. It also adopted the following protective measures:

在採購辦公用品方面，本公司堅持採用線下和在線相結合的方法，嚴格把控流程，採取多家比較原則，擇優選用。本公司與供貨商建立平等、和諧及互信的良好合作關係，有助於本公司管理潛在的環境及社會風險，並提高運營效益。

2018年度，本公司並不知悉有任何供貨商因商業道德及環境保護及勞工措施不當造成任何重大實際及潛在的負面影響。

(2) 產品責任：

本公司致力提供卓越的客戶體驗，確保公司提供的產品和服務合法、有效及安全。

由於本公司業務性質，本公司擁有大量企業和個人客戶信息，公司非常重視保護客戶信息安全，嚴格遵守《中華人民共和國反不正當競爭法》等有關產品和服務的健康與安全、廣告、標籤及私隱及補救方法的適用法律法規，並通過如下措施進行保護：

Environmental, Social and Governance Report

環境、社會及管治報告

Enhance customers' self-protection awareness and avoid information leakage from the source.

In the course of business promotion and processing, we properly conduct warning of information security so that customers are able to develop clear understanding of the danger of information security breach, learn how to strengthen information protection and identify the authenticity of suggestive information, and know about information theft and how to deal with information leakage, etc. As a result, customers develop adequate precaution awareness to avoid leakage of personal information in their daily life. For example, we remind customers to take cancelled contracts, receipts and certificates with company seals with them and not to throw them away, so that people with malicious intent will not have access to them, which prevents hidden risks. For documents of unsuccessful business application, we will return related documents provided by customers or timely destroy them upon customers' request.

Strengthen internal management to formulate a long-lasting mechanism.

On one hand, the Company has optimized customer information management mechanism, formulated standards for collection, utilization and storage management of customers' information and set limitation on operators' access to information and contents according to authorization and roles in the business system. For example, customer managers only have access to the related information of customers over whom they are authorized to manage; middle and back office personnel proceed with desensitization of information not related to risk management, such as customers' phone number; the Company keeps customers' personal data properly and forbids access by unrelated personnel. For the personal credit system in particular, it also sets up special position of credit search for designated personnel. It keeps borrowing records with regards to the borrowing authorization and scope strictly in compliance with file access requirements.

提高客戶自身保護意識，從源頭上避免信息洩露。在進行業務宣傳、辦理的同時，做好信息安全的警示，使客戶明確瞭解信息安全洩露的危害、如何加強信息保護、明辨誘導信息真假、認識信息盜竊手段及一旦出現信息洩露如何處理等，使他們在日常生活中樹立足夠的防範意識，從而避免個人信息洩露。例如：提示客戶將蓋有公司印章的作廢合同及票證帶走，不要隨意丟棄，防止被別有用心的人得到，造成風險隱患；客戶提交的業務申請數據，如果業務申請未通過，我司會應客戶的要求退回客戶提供的相關數據或者及時銷毀。

加強內部管理，形成長效機制。一方面本公司建立完善客戶信息管理機制，對客戶信息的採集、使用、存儲的管理作出明確規定，在業務系統中分權限分角色限制作業人員可查詢信息內容，如：客戶經理只能查閱本人擁有管戶權的客戶的相關信息，對於中後台人員，客戶的手機號碼等非風險管理相關信息進行脫敏處理；本公司妥善保管客戶個人資料，不得隨意給無關人員調閱，尤其是個人徵信系統，設置徵信查詢專崗，專人專用，對於檔案借閱規定嚴格的借閱權限和範圍，逐筆記錄借閱痕迹。

Environmental, Social and Governance Report

環境、社會及管治報告

Enhance position management. strictly identify positions handling customer information and confidential materials and forbid unrelated personnel to have access to confidential information. Strictly regulate resigned staff's hand-over of files involving customer information and demand them to sign the "Resigned Staff Confidentiality Promise".

Enhance monitoring and accountability. conduct irregular review on the standardization of customer file keeping and access as well as detect and rectify hazards and loopholes in customer information management work in a timely manner. Any "inside men" collecting customer information illegally and selling individual information to criminals will be severely punished and reported to judicial authority (according to the Amendment to the Criminal Law of the People's Republic of China (VII), any leakage or illegal sales of individual information and files by internal employees in finance and other industries shall be sentenced to imprisonment or penalty). Effectively eliminate the non-compliance with regulations and misconduct so as to block loopholes of leakage of confidential information by means of monitoring and accountability.

Strengthen customer information security and confidentiality management with technological approach.

First, management of secured computers and secured information system. Confidential information must be stored and processed in secured computers or secured information system. Secured computers shall be registered for record and labeled while secured information system shall meet the requirement of hierarchical protection, both of which are strictly forbidden to connect to the Internet and other public information networks.

加強崗位管理。嚴格界定涉及客戶信息秘密的工作崗位，不讓無關人員接觸秘密信息。對離職員工涉及客戶信息的數據移交要嚴格規範，並要求離職員工簽訂《離崗人員保密承諾書》。

強化監督問責。對客戶數據保管和調閱是否規範進行不定期檢查，及時發現和糾正客戶信息管理工作中的隱患和漏洞。如發現「內鬼」非法取得客戶信息資料，向不法分子出售個人信息時進行嚴肅處理，同時向司法機關報案（《中華人民共和國刑法修正案（七）》中規定有金融等行業內部工作人員洩露或非法出售個人信息資料的，可判處有期徒刑和罰款）。通過監督問責，切實杜絕有章不循、有禁不止的現象，堵塞洩密漏洞。

通過科技手段強化客戶信息安全保密管理。

其一，涉密計算器和洩密信息系統管理。涉密信息必須在涉密計算器或涉密信息系統中存儲和處理。涉密計算器應當登記備案並進行標示，涉密信息系統應當符合分級保護要求，涉密計算器和涉密信息系統嚴禁接入互聯網及其他公共信息網絡。

Environmental, Social and Governance Report

環境、社會及管治報告

Second, medium use and keeping. Secured mobile storage medium storing confidential information must not be used in unsecured computers or unsecured information systems; use of unsecured mobile storage medium to store and process confidential information is forbidden. If no protective measures complying with requirements are taken, it is strictly prohibited to exchange information between secured computers or secured information systems and the Internet or other public information networks. Connecting mobile and individual's medium or electronic device to secured computers or secured information system is strictly prohibited.

Third, we have established the internal network, external network and non-military region segregation on the business system network level by means of security devices so as to realize secured and controllable visit of the Internet. We have also set up intrusion inspection, loophole screening and log auditing on the application level to ensure stable operation of each system and avoid the loss and tampering of customer information, while establishing the comprehensive information security system to ensure that daily customer behavior is secured and compliant.

Fourth, we have established the data warehouse for data centralization, as well as data analysis and presentation through BI, which prevents data leakage.

其二，介質使用和保管。存儲涉密信息的涉密移動存儲介質不得在非涉密計算器上或非涉密信息系統中使用；不得使用非涉密移動存儲介質存儲及處理涉密信息；嚴禁在未採取符合要求的防護措施的情況下，在涉密計算器或涉密信息系統與互聯網及其他公共信息網絡之間進行信息交換；嚴禁將手機及個人具有存儲功能的介質或電子設備接入涉密計算器或涉密信息系統中。

其三，在業務系統網絡層上通過安全設備建立了內網、外網、非軍事化區隔離，實現網絡的安全可控訪問，應用層建立了入侵檢測、漏洞掃描及日誌審計，確保各系統的穩定運行，防止客戶信息丟失，篡改，同時建立了完善的信息安全制度，確保日常用戶行為的安全合規。

其四，搭建數據倉庫，實現數據集中，數據分析和呈現通過BI完成，避免了明細數據的洩露。

Environmental, Social and Governance Report

環境、社會及管治報告

(3) Anti-corruption:

The Company adopts zero tolerance principle in the war against corruption and other non-compliances. Upholding business ethics, it formulated the “Employee Manual”, and required employees to participate in business ethics training and enter into the “Integrity Building Undertaking Letter” at orientation for strict conduct regulation. For the advancement of integrity culture building, the Company held the “Anti-corruption Education Seminar” to encourage honest practices and self-discipline.

During the Reporting Period, the Company was not involved in any corruption litigation against the Company or its staff.

3. Community:

Since its establishment, the Company has been dedicated to serving SMEs and disadvantaged groups, stayed committed to public welfare activities, undertaken corporate social responsibilities and made great contributions to disaster relief, helping the disabled and elderly and supporting education. We assist others with concrete actions and promote the spreading of positive energy in society with our own efforts.

In 2018, the Company implemented its philanthropic programs from the perspective of education building, faculty welfare and helping poverty-stricken students. The Company has chosen to conduct a three-year charity project of “Funding for Learning and Teaching” in part of primary and secondary schools in the narrow mountainous areas of Wushan County. Led by the labor union of the Company and working with local charity association, education committee and education foundation, this project has contributed to the cause

(3) 反貪污：

本公司對反貪污及其他違紀行為採取零容忍原則，重視職業道德建設，制定了《員工手冊》等相關規範，員工在入職時進行職業道德培訓並簽署《廉政建設承諾書》對行為進行嚴格規範。為持續推進公司廉政文化建設，提高員工的廉潔自律意識，本公司開展了《廉政建設知識講座》。

本公司在報告期內並沒有任何關於本公司或員工貪腐方面的法律訴訟。

3、社區：

本公司自成立之日起，便將中小企業以及弱勢人群作為服務對象，並極力投身公益行動，履行企業社會責任，多次在災難救助、助殘扶老及支持教育等方面積極貢獻力量，用行動來幫助他人，以身作則促進社會正能量的傳播。

2018年，本公司慈善計劃從教育建設、教師福利、助學扶貧這三個方面開展工作，選擇巫山縣基礎薄弱的部份山區中小學進行為期3年的「資學助教」慈善項目。該項目由工會牽頭，聯合巫山當地慈善會，教委以及教育基金會，通過點面結合的方式，為巫山縣「窮縣辦大教育」的事業獻上一份心力。資助項目包括：

Environmental, Social and Governance Report

環境、社會及管治報告

of “Improving Education in the Poor” Wushan County through integrating point and sphere assistance. This project has funded the following programs: high school teacher training, Foundation of Most Beautiful Rural Teachers in Wushan County, donation and fund-raising for poverty-stricken students, building stage background wall in the playground of Futian Junior High School, installing stools for nursing home, Guandu Middle School awards and severe illness aids for teachers. The above part of the completed project has contributed a total of RMB664,873. In the first year of funding, the Company's loss and subsidy to Wushan is less than RMB1 million.

The senior management of the Company is committed to social responsibility. In addition to participating in social welfare activities, they also joined a wide range of public events.

The management of the Company is committed to social responsibility. In addition to participating in social welfare activities, they also joined a wide range of public events. In 2018, Mr. Zhang Guoxiang, Chairman of the Company, attended the first China-Singapore (Chongqing) Financial Summit, and delivered a speech at “the session of China-Singapore Cooperation Prospects in Inclusive Finance”. Mr. Zhang Guoxiang, Chairman of Hanhua Financial Holding and Chairman of Chongqing Fumin Bank, was honored as “2018 China Inclusive Financier” at the 2019 Zhongguancun FinTech Forum and the 6th Inclusive Finance Forum held in Beijing. Mr. Zhang Guoxiang, Chairman of Hanhua Financial Holding and Chairman of Chongqing Fumin Bank, was elected as President of the new term of Alumni Association of CKGSB at the CKGSB's Chongqing Summit Forum for Intelligence and Innovation. Hanhua Financial Holding and China Soft Capital signed a strategic cooperation agreement in Beijing, proposing to launch a FinTech fund with a scale of RMB10 billion. Mr. Zhang Guoxiang, Chairman of Hanhua Financial Holding, attended “the 18th China Annual Management Summit” held by Talents magazine with the theme of Science and Technology Creating the Future.

高中教師培訓、巫山最美鄉村教師獎勵基金、貧困學生實施捐資助學行動、福田初級中學操場舞台背景牆建設、敬老院安裝馬桶、官渡中學獎教、教師大病救助等。以上部份已完成項目共計捐助664,873元，資助第一年，公司對巫山的捐助款項在100萬以內。

本公司領導層亦十分重視踐行社會責任，除了參與社會公益活動，還積極投身公眾活動。

本公司高層管理人員亦十分重視踐行社會責任，除了參與社會公益活動，還積極投身各種公眾活動。2018年，公司董事長張國祥先生參加了首屆中新（重慶）金融峰會並在「中新普惠金融合作展望」專題會議上的發言。2019中關村金融科技論壇暨第六屆普惠金融論壇在北京召開，瀚華金控董事長、重慶富民銀行董事長張國祥先生榮獲「2018年度中國普惠金融家」稱號。長江商學院重慶校友會智創重慶高峰論壇成功舉辦，瀚華金控董事長、重慶富民銀行董事長張國祥先生當選為新一任校友會會長。華軟資本與瀚華金控在京簽署戰略合作協議，雙方擬合作發起百億規模金融科技基金。公司董事長張國祥先生參加了《英才》雜誌主辦的題為科技成就未來「第十八屆中國年度管理大會」。

Environmental, Social and Governance Report

環境、社會及管治報告

Hanhua hold a new ecological seminar on industry and finance integration with the theme of “Stability & Change”, attended by Chairman Mr. Zhang Guoxiang, Vice-chairman Mr. Wang Dayong, Vice-president Mr. Li Xuan and Vice-president Mr. Cheng Xiaoqin, and worked with Neijiang City to enable a new chapter for the financial industry to empower regional economy.

Mr. Cui Weilan, President of the Company, attended the China-Singapore (Chongqing) Connectivity Initiative Financial Summit (referred to as the “China-Singapore Financial Summit”), and described the prospects of the development of private financial institutions as “There ushers in a new opportunity for private financial institutions to participate in international financial cooperation.” During the China-Singapore Financial Summit, Hanhua Financial Holding, as the largest private financial group in Chongqing, signed several major strategic cooperation projects.

Mr. Wang Dayong, Vice-chairman of the Company, attended the 2017 China Top 500 Private Enterprises and China’s Private Economy Development Summit, elaborating his understanding of the spirit of the National Financial Work Conference.

瀚華舉辦「聚·變」產融一體新生態研討會，携手內江開啟金融賦能區域經濟新篇章，公司董事長張國祥先生、副董事長王大勇先生、副總裁李軒先生、副總裁程曉勤先生等公司高管出席。

公司總裁崔巍嵐先生出席中新（重慶）戰略性互聯互通示範項目金融峰會（簡稱中新金融峰會），在談及民營金融機構的發展前景時表示「民營金融機構參與國際金融合作，迎來新的機遇。」在本屆中新金融峰會期間，瀚華金控作為重慶最大的民營金融集團，簽下多個重要戰略性合作項目。

公司副董事長王大勇先生出席2017中國民營企業500強發佈暨民營經濟發展峰會，闡述了對全國金融工作會議精神的認識。

C. CORPORATE GOVERNANCE

The Company strictly complies with applicable laws and regulations including the Company Law of the PRC and the Hong Kong Companies Ordinance. It is committed to maintaining high-level corporate governance. It makes decisions and plans through professional committees of the Board and related professional committees and special work teams under the operation level of the Company. It has also established related mechanism and system centering on human resources management, financial resources management, technological resource management, information resource management, corporate culture building and risk control system. This is to facilitate the formulation of a common set of behavioural guidelines for supervision of daily work performance and to ensure the business operation system, resources and personnel are in line with the safety, efficiency, green and harmony standards.

C. 企業管治

本公司嚴格遵守《中華人民共和國公司法》、香港《公司條例》等適用法律法規，致力維持高水平的企業管治，本公司通過董事會下設的各專業委員會以及本公司經營層下設的有關專業委員會及專項工作小組，進行決策部署，圍繞着人力資源管理、財務資源管理、科技資源管理、信息資源管理、企業文化建設和風險控制體系等建立了相關的制度體系，以便形成員工共同的行為指引，指導日常工作開展，在制度、資源和人員上保障企業運營滿足安全、高效、綠色及和諧的要求。

Environmental, Social and Governance Report

環境、社會及管治報告

1. Internal control

The Company has set standards for key areas of control at the company level, including corporate governance structure, organizational structure and delegation of authority, corporate culture, employee code of conduct, human resources policy, the organizational structure of internal audit and anti-corruption mechanism.

(1) Corporate governance structure

The Company has established the effective corporate governance structure comprising the general meeting (as the highest authority), the Board (as the decision-making body), the Board of Supervisors (as the supervisory body) and the management (as the executive body), and formulated the rules of procedures and decision-making procedures of these governance bodies. The Board has established the Audit Committee, the Nomination and Remuneration Committee, the Strategic Investment Committee and the Risk Management Committee. Under the leadership of the Board, these four committees assist the Board in fulfilling its responsibilities or provide recommendation and advice to the Board for decision making, which significantly enhances the reasonableness, feasibility and efficiency of the decision making of Board. On behalf of the general meeting, the Board of Supervisors supervises the operation and financial matters of the Company, and the legality of duty performance of the Directors, general manager and other senior management, so as to safeguard the legal rights of the Company and the Shareholders.

1、內部控制

本公司在公司層面的關鍵控制領域，包括公司治理結構、組織機構設置與權責分配、企業文化、員工行為守則、人力資源政策、內部審計機構設置及反舞弊機制等方面都做了相關規範。

(1) 公司治理結構

本公司構建了以股東大會為最高權力機構、董事會為決策機構、監事會為監督機構、管理層為執行機構的有效公司治理架構，明確規定了各治理主體的議事規則與決策程序。董事會下設審計委員會、提名與薪酬委員會、戰略投資委員會及風險管理委員會四個專門委員會，在董事會領導下，協助董事會履行其職權或為董事會決策提供建議及諮詢意見，有效提高董事會決策的合理性、可行性及高效性。本公司監事會代表股東大會對本公司經營、財務以及董事、總經理及其他高級管理人員履行職責的合法性進行監督，維護本公司及股東的合法權益。

Environmental, Social and Governance Report

環境、社會及管治報告

(2) *Employee code of conduct*

The Company has set and strictly implemented clear standards of staff's code of conduct, information security, confidentiality and non-competition management, award and penalty management, communication and exchange management.

(3) *Anti-corruption procedure*

The Company has established the whistleblowing mechanism at various levels, which comprises a wide range of channels for employees to report their concerns to the upper level. Our staff is obliged to report on potential corruption or non-compliance to the management as appropriate, and the management (including the Board and the Audit Committee) shall timely respond to such report and carry out necessary investigation and assessment.

(4) *Human resources procedure*

The Company has expressly defined the management standards for various areas, including organizational structure, human resources policy, human resources recruitment, human resources training and human resources management.

(5) *Corporate culture*

The Company attaches great importance to the establishment and promotion of corporate culture, and emphasizes the role of the management in taking the lead. The Company integrates cultural building with the Company's annual theme and business development, and promotes business and organizational development with cultural building. The Company continues to push forward integrity culture building and encourage honest practices and self-discipline among employees, which effectively developed the corporate culture of Credit, Simplicity and Share.

(2) *員工行為守則*

本公司就員工職業操守、信息安全、保密及競業禁止管理、獎懲管理、溝通與交流管理等方面做了明確的規範並嚴格執行。

(3) *反舞弊程序*

本公司建立了不同層面的檢舉揭發機制，該機制向員工提供了向上匯報的各種渠道，公司員工有責任也有義務就其所知曉的潛在的舞弊或違規事件向適當的管理層匯報，管理層（包括董事會、審計委員會）應就所接收到的匯報及時的反饋並開展必要的調查及評估。

(4) *人力資源程序*

本公司就組織架構、人力資源政策、人力資源招聘、人力資源培訓及人力資源管理等方面，明確在不同方面的管理要求。

(5) *企業文化*

本公司高度重視企業文化的建設和宣貫，強調管理層帶頭模範作用。公司將文化建設與公司的年度主題、業務發展相結合，以文化建設促業務提振，以文化建設促組織發展。公司持續推進公司廉政文化建設，提高員工的廉潔自律意識，有力的塑造了本公司「信用、簡單、共享」的組織文化。

Environmental, Social and Governance Report

環境、社會及管治報告

(6) Risk identification, assessment and management

The Company has gradually built up a set of effective risk control system, which enables timely identification and comprehensive assessment of potential risks. It also considers relevant measures to prevent risks, or mitigate or transfer the impact of such risks.

(7) Business plans and analysis of operating results

At the end of each year, our planned finance department prepared a comprehensive budget proposal for the next year based on the strategic development plan for the coming year. Upon the approval of the comprehensive budget proposal, the Company will perform resources allocation and target decomposition from the perspectives of business groups and functional departments, and determine operating targets in resources allocation, cost control, risk control and taxable profit. The Company's operating management department is responsible for analysis of operating results and performance appraisal.

(8) Company policy and procedure

The Company has developed procedures for rules, policies and standardization, which set out the requirements for establishment and update of systems and procedures, the transition from old to new systems and policies, and the interpretation of contradictions.

(6) 風險識別、評估與管理

本公司已經逐步建立了一套行之有效的風險控制體系，使得公司能夠適時識別所面臨的潛在風險、並對潛在風險進行全面的評估並考慮採取相應的措施預防風險，或減低、轉移風險所帶來的影響。

(7) 經營計劃與經營業績分析

本公司計劃財務部每年底結合本公司下一年的戰略發展規劃，編製下一年度的全面預算方案，全面預算方案審批通過後，本公司將全面預算方案從業務集團及職能部門兩個維度進行了資源分配和目標分解，並下達了包括資源分配、成本控制、風險控制及考核利潤等經營指標。本公司運營管理部負責經營業績分析及績效的考核。

(8) 公司政策與流程

本公司建立了制度政策與標準化的流程，明確了制度、流程的建立及更新要求，新舊制度政策的銜接，以及相悖內容的解釋方式等內容。

Environmental, Social and Governance Report

環境、社會及管治報告

(9) Internal control

In terms of the management process and business process, the Company takes into account major internal controls such as the separation of duties of key positions, assets security, suitable authority and approval, so as to ensure the effectiveness of key process control.

(10) Information and communication

Internal communication refers to the exchange of information regarding the business operation and management within departments, between departments and between the headquarters and its branches through internal reporting, regular meeting and routine meeting. Such exchange takes place throughout the entire process of information processing, allowing individuals and the Group to meet expectation and perform duties in a timely manner. The Company has set up the information system for corporate development and formulated relevant management standard to ensure its smooth operation. It also enhances communication effectiveness through the system. In addition to internal communication, the Company pays attention to external communication as well. It has established the “Administrative Rules for Information Disclosure” for the principle, content, job duties and procedures of information disclosure, as well as management and accountability in relation to inside information and insiders.

(9) 內部控制活動

在管理流程及業務流程層面，本公司考慮關鍵崗位職責分離、資產安全、適當的授權與審批等重要的內部控制，以保證關鍵流程控制得有效實施。

(10) 信息與溝通

內部溝通包括各部門內部、部門之間、總部與各下屬公司之間通過內部報告、定期會議、例會等形式傳遞業務經營管理等信息，溝通貫穿於信息處理的整個過程中，適時處理個人和團體的期望與職責。本公司已建立符合公司發展需要的信息系統，並制定了信息系統相關管理規範，確保本公司信息系統的穩定運行，並充分利用信息系統提高溝通的有效性。除公司內部溝通外，在外部溝通方面，本公司已制定《信息披露管理辦法》，對信息披露的原則、信息披露的內容、信息披露中相關主體職責、信息披露的程序、內幕信息及其知情人管理以及責任追究等進行了規定。

Environmental, Social and Governance Report

環境、社會及管治報告

2. Risk management

The Company promotes green loans as a part of its strategy. It stepped up support to green economy, low-carbon economy and circular economy, prevented environmental and social risks, and improved its environmental and social performance, thereby optimizing the asset structure, upgrading service standards and pursuing a new growth model.

Overall objectives: to implement the concept of green economy, guide enterprises through the credit system, focus on supporting the development of the green industry, uphold the veto system based on environmental assessment for allocation of finance facility, and regulate energy-saving and green initiatives.

Specific measures are:

- I. The Company will establish the comprehensive environmental and social risk management system, optimize credit policy system and procedure management, and identify, measure, monitor and control the environmental and social risks in the credit business effectively. Environmental and social risks refer to potential environmental and social hazards and relevant risks arising from construction, production and operation activities of customers of financial institutions and their material related parties, including environmental and social issues relating to energy consumption, pollution, land, health, safety, resettlement, ecological protection and climate change.

2、風險管理

本公司從戰略高度推進環保信貸，加大對綠色經濟、低碳經濟、循環經濟的支持，防範環境和社會風險，提升自身的環境和社會表現，並以此優化資產結構，提高服務水平，促進發展方式轉變。

總體目標為：踐行環保金融理念，通過信貸制度有效引導企業行為，重點支持綠色產業發展，堅持融資授信投向環境評價的一票否決制度，規範自身節能環保行為。

具體措施為：

- 一、建立健全環境和社會風險管理體系，完善信貸政策制度和流程管理，有效識別、計量、監測、控制信貸業務活動中的環境和社會風險。環境和社會風險是指金融機構的客戶及其重要關聯方在建設、生產及經營活動中可能給環境和社會帶來的危害及相關風險，包括與耗能、污染、土地、健康、安全、移民安置、生態保護及氣候變化等有關的環境與社會問題。

Environmental, Social and Governance Report

環境、社會及管治報告

- II. The Company will make full use of the business opportunities from national energy saving and emission reduction strategy to push forward financial innovation and actively develop new financial products relating to energy saving and emission reduction. The Company will closely monitor key projects recognized by the state, including energy saving projects, renewable energy projects, water pollution treatment projects, sulphur dioxide treatment, pilot projects on circular economy, conservation and recycling of water resources, integrated recycling of resources, waste recycling, clean production, demonstration and promotion of research and industrialization of energy saving and emission reduction technology, energy saving technology service system and environmental industries. Taking into consideration credit risk assessment, cost compensation mechanism and favourable government policy, the Company will provide financing to these key projects so as to meet their financial needs.
- III. The Company will provide credit support to enterprises and projects that cause immaterial environmental and social risks, have achieved significant progress in energy saving and emission reduction and were recognized, recommended and encouraged by national competent authorities.
- IV. The Company will maintain a list of borrowers with material energy consumption and pollution risks. To enhance credit management, the Company puts enterprises subject to intensive monitoring of national and regional energy saving and emission reduction authorities, and enterprises which, in the opinion of the Company, pose great energy consumption and pollution risks on the risk control list. It will take action to communicate with the authorities in charge of energy saving and emission reduction, so as to promptly assess the progress of energy saving and emission reduction target and environmental compliance for updating the list.
- 二、充分利用國家實施節能減排戰略帶來的業務發展機遇，加強金融創新，積極開發與節能減排有關的創新金融產品。及時跟踪國家確定的節能重點工程、再生能源項目、水污染治理工程、二氧化硫治理、循環經濟試點、水資源節約利用、資源綜合利用、廢棄物資源化利用、清潔生產、節能減排技術研發和產業化示範及推廣、節能技術服務體系、環保產業等重點項目，綜合考慮信貸風險評估、成本補償機制和政府扶持政策等因素，有重點地給予融資需求的滿足。
- 三、對環境和社會風險影響輕微，節能減排效果顯著並得到國家主管部門表彰、推薦、鼓勵的企業和項目，在同等條件下，可給予授信支持。
- 四、對存在重大耗能和污染風險的授信企業實行名單式管理，被國家和地方節能減排主管部門列為重點監控的企業，或公司判斷其存在重大耗能、污染風險的授信企業列入風險控制名單加強授信管理。主動與節能減排主管部門溝通，及時瞭解企業的節能減排目標完成情況和環保合規情況，不斷更新企業名單。

Report of the Board of Directors

董事會報告

REPORT OF THE BOARD OF DIRECTORS

The Board is pleased to present the annual report and the audited financial statements of the Group for the year ended 31 December 2018.

CORPORATE INFORMATION AND GLOBAL OFFERING

The Company was incorporated in the PRC on 13 March 2013 as a company with limited liability. The Company's H-shares (the "H Shares") were listed on the Hong Kong Stock Exchange on 19 June 2014.

PRINCIPAL ACTIVITIES

The scope of business of the Company as reflected on the business license includes investment business, investment management and investment advisory.

The Group mainly offers diversified and comprehensive financial services to serve the financing and business needs of SMEs and microenterprises under several business lines such as credit guarantee, small loans, internet finance, financial factoring, capital management and financing leases in China.

RESULTS

The results of the Group for the year ended 31 December 2018 are set out in the Consolidated Statement of Profit or Loss on page 273 of this report.

董事會報告

董事會謹此向股東提呈本集團截至2018年12月31日止年度報告以及經審核財務報表。

公司資料及全球發售

本公司是於2013年3月13日在中國註冊成立的股份有限公司。本公司的H股股份（「H股」）於2014年6月19日在香港聯交所上市。

主營業務

本公司營業執照之經營範圍為從事投資業務、投資管理及投資諮詢。

本集團主要透過信用擔保、小額貸款、互聯網金融、金融保理、資本管理及融資租賃等業務條線專注為中國的中小微企業提供多元化綜合性金融服務，以滿足中小微企業的融資及業務需要。

業績

本集團截至2018年12月31日止年度的業績載於本報告第273頁的合併損益表。

Report of the Board of Directors

董事會報告

BUSINESS REVIEW

A review of the business of the Group for the year ended 31 December 2018 and a discussion on the Group's future business development are set out in the paragraphs headed "Business Overview" and "Prospects" under the section headed "Management Discussion and Analysis" of this report respectively. Descriptions of possible risks and uncertainties that the Group may be facing are provided in this Report of the Board of Directors on pages 233 to 234. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2018 can be found in this Report of the Board of Directors on pages 235. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 9 to 10 of this report. In addition, discussions on the Group's environmental policies and performance, important relationships with its stakeholders and compliance with relevant laws and regulations are contained and available in this Report of the Environmental, Social and Governance on page 203 to page 226, respectively. The above discussions constitute part of this Report of the Board of Directors.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018.

業務審視

本集團於截至2018年12月31日止年度之業務審視與對未來業務發展的論述分別載於本報告「管理層討論與分析」章節之「業務綜述」及「前景展望」段落，而有關本集團的主要風險和不確定性因素的描述，載於第233頁至第234頁之本董事會報告中。本董事會報告第235頁刊載了於2018年12月31日止財務年度終結後發生並對本集團有影響的重大事件。本報告第9頁至第10頁則刊載本集團財務概要，以財務關鍵表現指標分析本集團年內表現。此外，關於本集團的環境政策和表現、與利益相關者的重要關係及對有關法律和法規之遵守情況，分別刊於第203頁至第226頁之環境社會及管治報告中，可供查閱。以上討論構成本董事會報告的一部份。

末期股息

董事會不建議派付截至2018年12月31日止年度的末期股息。

Report of the Board of Directors

董事會報告

TAX RELIEF (H SHAREHOLDERS)

Non-resident enterprise Shareholders

According to the Enterprise Income Tax Law of the PRC, effective on 1 January 2008, and other related provision of implementation, the Company shall withhold the enterprise income tax at the rate of 10% for non-resident enterprise Shareholders whose name appear on the register of H Shareholders.

Non-resident individual Shareholders

Pursuant to the Circular (Guo Shui Han No. [2011] 348) issued by the State Administration of Taxation of the PRC, the Company shall withhold and pay the non-resident personal income tax for the non-resident H shareholders. Non-resident individual Shareholders are entitled to enjoy relevant preferential tax treatment provided that the countries in which they reside in have entered into double taxation treaties with the PRC and there are relevant provisions of taxation arrangement between the PRC and Hong Kong and Macau.

Where the countries in which non-resident individual H Shareholders reside have entered into taxation treaties with the PRC and the tax rates stipulated therein are lower than 10%, the Company will apply on behalf of these individual Shareholders to seek entitlement of relevant treatment under the taxation treaties according to the requirements of the Administrative Measures for Non-resident Taxpayers to Benefit from the Taxation Treaties (No. 60 of the Announcement of the State Administration of Taxation for 2015).

For Hong Kong residents, Macau residents and non-resident individual H Shareholders who are residents of the countries and regions that have entered into taxation treaties with the PRC with the tax rate stipulated at 10%, the Company shall withhold the personal income tax at the rate of 10%.

稅項減免 (H股股東)

非居民企業股東

根據2008年1月1日生效的《中華人民共和國企業所得稅法》與相關實施條例，對名列H股股東名冊的非居民企業股東，本公司須按10%的稅率代扣代繳企業所得稅。

非居民個人股東

根據中國國家稅務局國稅函[2011]348號檔，本公司須為非居民H股個人股東代扣代繳非居民個人所得稅，根據非居民H股個人股東所屬國家與中國簽署的稅收協議及中國、香港及澳門間稅收安排的規定，享受相關稅收優惠。

對與中國訂立低於10%稅率的協議國家的非居民H股個人股東，本公司按照《非居民納稅人享受稅收協定待遇管理辦法》(國家稅務總局公告2015年第60號)的規定，代為辦理享受有關協議待遇的申請。

對香港居民、澳門居民及其他與中國訂立10%稅率協議的國家和地區的非居民H股個人股東，本公司按10%稅率代扣代繳個人所得稅。

Report of the Board of Directors

董事會報告

For those non-residential individual H Shareholders who are residents of the countries or regions that have entered into taxation treaties with the PRC stipulating tax rates higher than 10% but lower than 20%, the Company shall withhold the personal income tax at the applicable tax rates stipulated in the relevant taxation treaties.

For those non-residential individual H Shareholders who are residents of the countries or regions that have entered into taxation treaties with the PRC stipulating tax rate at 20%, who are residents of the countries or regions that have not entered into any taxation treaties, or otherwise, the Company shall withhold the personal income tax at the rate of 20%.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years are set out on page 9 of this report. This summary does not form part of the audited consolidated financial statements.

MAJOR BANKING PARTNERS/SUPPLIERS

The five major banking partners of the Group each provided 45% of the bank financing we guaranteed. The largest banking partner accounted for 9.8% of the total financing the Group guaranteed.

Due to the Group's business nature, the Group does not have major suppliers.

MAJOR CUSTOMERS

Our customers primarily include SMEs, micro-enterprises and individuals. For the year ended 31 December 2018, revenue derived from our five largest customers accounted for less than 30% of our total net fee and interest income.

None of the Directors or any of their close associates or any Shareholders (who, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2018 are set out in note 1(n)(ii) to the financial statements.

對與中國訂立高於10%但低於20%稅率的協議國家的非居民H股個人股東，本公司按協議實際稅率扣繳個人所得稅。

對與中國訂立20%稅率的國家、與中國沒有稅收協議的國家及其他情況的非居民H股個人股東，本公司按20%稅率代扣代繳個人所得稅。

財務概要

本集團過往兩個財政年度的業績、資產及負債的概要載於本報告第9頁。本概要並不構成經審核綜合財務報表的一部份。

主要合作銀行／供貨商

本集團的五大合作銀行分別提供由我們擔保的銀行融資佔比45%，最大合作銀行提供由本集團擔保的融資總額佔比9.8%。

基於本集團的業務性質，本集團並無主要供貨商。

主要客戶

本集團客戶主要包括中小微企業及個人客戶。於截至2018年12月31日止年度，源自五大客戶的收入佔總手續費及利息淨收入的比例低於30%。

概無董事或彼等任何的緊密聯繫人或（據董事所知）任何擁有本公司已發行股本5%以上的權益的股東於本集團五大客戶擁有任何權益。

物業、廠房及設備

截至2018年12月31日止年度內，本公司及本集團的物業、廠房及設備變動詳情載於財務報表附註1(n)(ii)。

Report of the Board of Directors

董事會報告

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2018 are set out on pages 278 to 279 of the “Consolidated Statement of Changes in Equity” in the financial statements in this report.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out on pages 278 to 279 in the “Consolidated Statement of Changes in Equity” of this report and in note 34 to the financial statements.

DISTRIBUTABLE RESERVES

According to actual conditions of the Company and its needs arising from its coordinated sustainable development in the future, the Board does not recommend the payment of a final dividend for the year ended 31 December 2018.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2018 are set out in note 26 to the financial statements.

DEBENTURES ISSUED

On 10 June 2015 and 3 November 2015, the company issued corporate bonds of “14 Hanhua 01” and “14 Hanhua 2” respectively.

“14 Hanhua 01” will expire on 10 June 2020, and the coupon balance of bonds was RMB1.427 billion as at 31 December 2018. From 10 June 2015 to 9 June 2018, the coupon rate is 6.1%; from 10 June 2018 to 9 June 2020, the coupon rate is 6.9%.

“14 Hanhua 2” will expire on 3 November 2019, and the coupon balance of bonds was RMB854 million as at 31 December 2018. From 3 November 2015 to 2 November 2017, the coupon rate is 5.6%; from 3 November 2017 to 2 November 2019, the coupon rate is 6.6%.

股本

截至2018年12月31日止年度內，本公司股本的變動詳情載於本報告第278頁至279頁的財務報表之「合併股東權益變動表」。

儲備

本年度內本集團及本公司的儲備變動詳情載於本報告第278頁至279頁的合併股東權益變動表，以及財務報表附註34。

可分配儲備金

根據本公司實際狀況和未來可持續協調發展的需求，董事會不建議派付截至2018年12月31日止年度的末期股息。

銀行貸款及其他借款

於2018年12月31日，本公司及本集團的銀行貸款及其他借款的詳情載於財務報表附註26。

已發行的債權證

公司分別於2015年6月10日、2015年11月3日，發行「14瀚華01」、「14瀚華2」號公司債券。

「14瀚華01」到期日為2020年6月10日，截至2018年12月31日債券票面餘額人民幣14.27億元。2015年6月10日至2018年6月9日票面利率6.1%；2018年6月10日至2020年6月9日票面利率6.9%。

「14瀚華2」到期日為2019年11月3日，截至2018年12月31日債券票面餘額人民幣8.54億元。2015年11月3日至2017年11月2日票面利率5.6%；2017年11月3日至2019年11月2日票面利率6.6%。

Report of the Board of Directors

董事會報告

Details of the issuance of corporate bonds have been published by the Company on the websites of the Stock Exchange and of the Company on 23 April 2018, 25 April 2018, 27 April 2018, 2 May 2018, 4 May 2018, 11 May 2018, 1 June 2018, 13 June 2018, 27 June 2018, 28 June 2018, 3 September 2018, October 25, 2018, 2 January 2019 and during the period from 2015 to 2017.

公司債券發行詳情，已分別於2015年至2017年、2018年4月23日、2018年4月25日、2018年4月27日、2018年5月2日、2018年5月4日、2018年5月11日、2018年6月1日、2018年6月13日、2018年6月27日、2018年6月28日、2018年9月3日、2018年10月25日及2019年1月2日刊載於聯交所網站及本公司。

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2018, the Company did not enter into any equity-linked agreements.

股票掛鉤協議

截至2018年12月31日止年度，本公司並無訂立任何股票掛鉤協議。

DIRECTORS' AND SUPERVISORS' INDEMNITIES

At no time during the year ended 31 December 2018 and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors and the supervisors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company). The Company has arranged appropriate directors', supervisors' and officers' liability insurance coverage for the Directors, supervisors and officers of the Group.

董事及監事的彌償保證

於截至2018年12月31日年度內及直至本報告日期止任何時間，均未曾經或現有生效的任何獲准許的彌償條文惠及本公司的董事及監事（不論是否由本公司或其他訂立）或其有聯繫公司的任何董事及監事（如由本公司訂立）。本公司有為集團董事、監事及高級人員安排適當的董事、監事及高級人員責任保險。

Report of the Board of Directors

董事會報告

SHARE INCENTIVE SCHEME

On 27 May 2015, the 2014 annual general meeting of the Company considered and approved the proposal on the grant of bonus in the form of shares in open market to the senior and middle to senior management of the Company under the share incentive scheme (the “Scheme”), a medium and long-term incentive scheme to increase in share by the senior and middle to senior management with incentive fund base of the portion of year-end performance-related remuneration of the participants.

Details of the Scheme has been published by the Company on the websites of the Hong Kong Stock Exchange and the Company on 16 February 2015.

In 2015, the Scheme was gradually implemented in accordance with the relevant procedures. 5,738,623 H shares of the Company were acquired from the open market.

As of the date of this report, all of the above 5,738,623 H shares were unlocked and vested to individuals. There were currently 3,923,439 H Shares remaining due to the factors such as resignation of the members of senior management.

RISK MANAGEMENT

Our risk management committee is the highest decision-making organisation on risk management, fully responsible for risk management of the Group. Our internal control departments including risk management and internal control and audit as well as other departments and business department form a system of pre-, during and post-incident risk management and internal control.

For the year ended 31 December 2018, the Company has identified our actual risks including credit risk, market risk, operational risk, liquidity risk, of which credit risk is our major risk. Besides, this report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

高管增持股票計劃

於2015年5月27日，本公司2014年度股東年會審議批准了對本公司中高層管理人員通過公開市場獲得股票形式發放獎金的高管增持股票計劃（「計劃」）的議案，獎金基數為參與者的年終部份績效薪酬，實施中長期激勵約束機制。

詳情已於2015年2月16日刊載於香港聯交所網站及本公司網站。

於2015年，該項計劃按照相關程序逐步得到實施。按此，從公開市場購買了5,738,623股H股。

截至本報告日期，所有上述的5,738,623股H股已解禁並歸屬於個人。因高級管理層成員離職等原因，目前剩餘3,923,439股H股。

風險管理

本公司風險管理委員會作為風險管理的最高決策機構，全面負責本集團的風險管理。本公司風險管理、內控審計等內部控制部門與其他職能部門、業務部門一起形成了覆蓋事前、事中和事後的風險管理與內部控制體系。

截至2018年12月31日止年度期間，公司已識別出所面臨的實質性風險包括信用風險、市場風險、操作風險、流動性風險，其中信用風險是公司面對的主要風險。此外，本報告不對任何人就投資本公司證券作出任何建議或意見。投資者在投資本公司證券之前，應自行判斷或諮詢投資顧問的意見。

Report of the Board of Directors

董事會報告

Credit Risk Management

In the light of the characteristics of credit risk, the Company shifted gradually the way of risk assessment from single business project to that on product and business model, and formulated admission criteria, investigation standard, credit standard, operation procedure, post-loan management and method of payment call for each product. The Company made amendment and improvement to policies and operation standard on admission and investigation of guarantee, loan, factoring and leasing, specific operation requirements and management requirement of post-guarantee and loan to ensure the suitability and feasibility of the policies during the year.

Market Risk Management

Based on its exposure to the specific market risks, the Company established stringent industrial and regional credit policy. In respect of the industrial credit policy, it conformed to the national industrial policies and industry development trends, selected the best sectors and made dynamic adjustment. In respect of the regional credit policy, it has taken into account of the local credit market conditions, regional risk level, competition level to control the scale and use of the credit facility. Coupled with differentiated pricing administrative measures based on customer classification, scale of single transaction, and income-to-cost ratio, this enabled “better than average management, preventive system and revenue covering cost”.

Operational Risk Management

The Company prevented the operational risk from the origin through strict management of authorization and implementation of installation of two persons, dual position and double duties for key positions, and established a system of normalized check and reporting and feedback and improvement mechanism of risk incident, which effectively prevented the operational risk.

Liquidity Risk Management

“Liquidity safety” is the first management objective for our Planned Finance Department, which is responsible for overall management of our liquidity risk. Each subsidiary is required to compile a daily sheet of monetary liquidity to submit to the Planned Finance Department. Our Planned Finance Department flexibly adjusts the size and structure of the balance sheet by monitoring various liquidity risk limits and cash flow. This is to ensure to maintain sufficient cash reserve to meet liquidity needs in the short and long term and guarantee our liquidity safety.

信用風險管理

本公司針對信用風險的特點，從對單個業務項目的風險評估逐步向對產品、對業務模式的風險評估轉型，對每個產品制定了准入標準、調查標準、授信標準、操作流程、貸後管理和催收辦法，並在本年度對擔保、信貸、保理、租賃等業務的准入及調查方面、具體操作要求及保貸後的管理要求等方面的政策和操作標準進行修改和完善，以確保其適用性和可操作性。

市場風險管理

本公司針對自身面臨市場風險的特點，制定了嚴格的行業和區域授信政策，行業選擇上順應國家產業政策和行業發展趨勢，擇優採納並動態更新，區域管理上綜合考慮當地信貸市場環境、區域風險水平、競爭程度，控制授信額度的投放規模和投向，輔以基於客戶分級、單筆業務規模、收入成本比的差異化價格管理辦法，實現「優於平均、防範系統、收益覆蓋」的管理效果。

操作風險管理

本公司通過嚴格權限管理、實行重要崗位雙人、雙職、雙責等方法，從源頭上防範操作風險，同時建立了常態化的檢查及報告機制以及風險事件反饋改進機制，有效防範操作風險。

流動性風險管理

本公司計劃財務部以「流動性安全」為第一管理目標，負責統一管理全公司流動性風險，各附屬公司每日編製貨幣資金日報表上報計劃財務部。本公司計劃財務部通過監控各種流動性風險限額及現金流，動態調整資產負債總量和結構，確保維持足夠的現金儲備以應對短期及長期的流動性需求，從而保證全公司流動性安全。

Report of the Board of Directors

董事會報告

Subsequent Event

The Company intends to elect members of the third session of the board of directors and members of the third session of the board of supervisors at the 2018 annual general meeting.

BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The second session of the Board was elected in the extraordinary general meeting held on 3 March 2016. The appointment of the second session of the Board became effective on 13 March 2016.

The second session of the Board comprised a total of fifteen Directors, including three executive Directors, seven non-executive Directors and five independent non-executive Directors: the executive Directors are Mr. Zhang Guoxiang (Chairman), Mr. Wang Dayong (Vice Chairman) and Mr. Cui Weilan; the non-executive Directors are Mr. Tu Jianhua, Mr. Duan Xiaohua, Ms. Liu Jiaoyang, Ms. Liu Tingrong, Ms. Wang Fangfei, Mr. Feng Yongxiang and Mr. Liu Bolin; the independent non-executive Directors are Mr. Bai Qinxian, Mr. Deng Zhaoyu, Mr. Qian Shizheng, Mr. Ng Leung Sing and Mr. Yuan Xiaobin.

The second session of the Board of Supervisors comprised a total of three supervisors, including two Shareholder representative supervisors and one employee representative supervisor: the Shareholder representative supervisors are Mr. Li Ruping (Chairman) and Ms. Qin Yong, the employee representative supervisor is Mr. Chen Zhonghua.

Details of the Directors, Supervisors and senior management for the year ended 31 December 2018 and as of the date of this report are set out in the section headed “Directors, Supervisors and Senior Management” of this report.

報告期後事項

公司擬於2018年度股東年會選舉公司第三屆董事會董事、第三屆監事會股東監事。

董事、監事及高級管理層

第二屆董事會於2016年3月3日召開的臨時股東大會選舉。第二屆董事會之任命已於2016年3月13日生效。

第二屆董事會由十五名董事組成，包括三名執行董事，七名非執行董事及五名獨立非執行董事：執行董事為張國祥先生（董事長）、王大勇先生（副董事長）及崔巍嵐先生；非執行董事為涂建華先生、段曉華先生、劉驕揚女士、劉廷榮女士、王芳霏女士、馮永祥先生及劉博霖先生；獨立非執行董事為白欽先先生、鄧昭雨先生、錢世政先生、吳亮星先生及袁小彬先生。

第二屆監事會由三名監事組成，包括兩名股東代表監事及一名職工代表監事：股東代表監事為李如平先生（主席）及秦湧女士；職工代表監事為陳中華先生。

截至2018年12月31日止年度及截至本報告日期之董事、監事及高級管理層的詳細資料載於本報告「董事、監事及高級管理層」一節。

Report of the Board of Directors

董事會報告

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In accordance with Rule 3.13 of the Listing Rules, the Company has received the annual confirmation from each of the independent non-executive Directors in respect of their independence, and considered all of the independent non-executive Directors to be independent.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of executive Directors and non-executive Directors renewed the service contract with the Company on 19 June 2017, for a term of three years from 19 June 2017.

Each of independent non-executive Directors renewed the appointment letter on 19 June 2017, for a term of three years from 19 June 2017.

The directors of the third session of the Board and the supervisors of the Board of Supervisors will propose new service contracts to replace the previous contracts in order to coincide with the terms of office of the directors and supervisors.

None of the Directors or the supervisors has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS, TRANSACTIONS OR ARRANGEMENTS OF SIGNIFICANCE

None of the Directors or the supervisors or any entity connected with them has any material interest, either directly or indirectly, in any contract, transaction or arrangement of significance to the Group's business to which the Company, any of its holding companies, any of its subsidiaries, fellow subsidiaries was a party subsisted at the end of the year or at any time during the year ended 31 December 2018.

獨立非執行董事的獨立性確認

根據上市規則第3.13條，本公司已收到每名獨立非執行董事就其獨立性而作出的年度確認函，並認為全體獨立非執行董事均為獨立人士。

董事及監事服務合約

各執行董事、非執行董事已於2017年6月19日與本公司續訂服務合同，由2017年6月19日起計為期三年。

各獨立非執行董事均已於2017年6月19日續簽委任函，任期自2017年6月19日起計為期三年。

第三屆董事會董事及監事會監事將擬定新的服務合同取代之前合同，以與董事及監事任職期限保持一致。

概無董事及監事與本公司訂立本公司不可於一年內不付賠償（法定賠償除外）而終止的服務合約。

董事及監事於重大合約、交易或安排之權益

概無董事或監事或有關連的實體直接或間接於對本集團業務而言屬重大，及由本公司、其任何控股公司、其任何附屬公司或其同系附屬公司所訂立，並於本年底或於截至2018年12月31日止年度內仍然存續的任何合約、交易或安排中擁有重大權益。

Report of the Board of Directors

董事會報告

INTERESTS IN COMPETING BUSINESS

Except as disclosed in this report, during the year ended 31 December 2018, none of the Directors and their respective associates (as defined in the Listing Rules) had an interest in a business which causes or may cause any significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2018.

REMUNERATION POLICY

Under the remuneration policy of the Group, the Nomination and Remuneration Committee will consider factors such as salaries paid by comparable companies, tenure, commitment, responsibilities and performance (as the case may be) of our Directors, supervisors and the senior management, in assessing the amount of remuneration payable to our Directors, supervisors and the senior management.

PENSION SCHEME

The Group is required to participate in Contributions to retirement schemes organised by the respective municipal governments of the PRC whereby the Group is required to pay annual contributions to retirement for the PRC based employees at certain rate of the standard wages determined by the relevant authorities in the PRC during the year. The Group has no other material obligation for payment of retirement benefits to employees beyond the contributions to retirement described above. The details of the Group's pension scheme are set out in note 1(o)(i) to the financial statements.

於競爭業務的權益

截至2018年12月31日止年度年內除於本報告所披露者外，概無董事及彼等各自聯繫人士（定義見上市規則）於對本集團構成或可能構成任何重大競爭的業務中擁有任何權益或與本集團有或可能有任何其他利益衝突。

管理合同

截至2018年12月31日止年度，概無訂立或存在任何有關本公司全部或任何主要部份業務的管理及行政合同。

薪酬政策

根據本集團的薪酬政策，於評估應付予董事、監事及高級管理層的薪酬金額時，提名與薪酬委員會將要考慮的因素包括同類公司所支付的薪金、董事、監事及高級管理層的任期、投入度、職責及個人表現（視情況而定）等。

退休金計劃

本集團須參與中國相關市政府組劃的養老保險計劃，當中本集團須每年為中國僱員繳付養老保險，養老保險按中國相關部門在本年按標準工資的若干比例繳納。除上述的養老保險外，在僱員退休福利方面本集團無其他重大責任。本集團退休金計劃之詳情載於財務報表附註1(o)(i)。

Report of the Board of Directors

董事會報告

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, supervisors and the five highest paid individuals are set out in note 7 and note 8 to the financial statements.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

Save as disclosed in the section headed “Directors, Supervisors and Senior Management” in this report, there was no change to any of the information required to be disclosed in relation to any Directors and supervisors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since 1 January 2018.

DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the interests or short positions of the Directors, supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required, (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept under section 352 of the SFO; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code contained in Appendix 10 to the Listing Rules were as follows:

董事、監事及五位最高薪酬人士的薪酬

董事、監事及五位最高薪酬人士的薪酬詳情載於財務報表附註7和附註8。

董事及監事資料的變動

除本報告「董事、監事及高級管理層」一節所披露之外，自2018年1月1日起，任何須根據上市規則第13.51(2)條第(a)至(e)段及第(g)段予以披露董事及監事資料概無任何變動。

董事、監事及主要行政人員於股份、相關股份及債權證中擁有的權益及淡倉

於2018年12月31日，本公司董事、監事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中持有須(a)根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例之該等條文被當作或被視為持有之權益及淡倉）；或(b)須記入根據證券及期貨條例第352條存置之登記冊內之好倉或淡倉權益；或(c)根據上市規則附錄十所載的標準守則須通知本公司及香港聯交所之權益或淡倉列載如下：

Report of the Board of Directors

董事會報告

(i) Interests in the Company

(i) 於本公司的權益

Name of Shareholder 股東名稱	Position 職位	Class of share 股份類別	Nature of interests 權益性質	No. of shares held 持有股份數目 (Shares) (股)	Approximate percentage in relevant class of share 佔有關股份類別之概約百分比 (%) ⁽⁶⁾	Approximate percentage in total share capital 佔股本總數之概約百分比 (%) ⁽⁷⁾
Tu Jianhua ⁽¹⁾ 涂建華 ⁽¹⁾	Director 董事	Domestic Share 內資股	Interests of controlled corporation 受控法團權益	432,188,780 (Long position) (好倉)	12.60	9.40
Wang Fangfei ⁽²⁾ 王芳霏 ⁽²⁾	Director 董事	Domestic Share 內資股	Interests of controlled corporation 受控法團權益	231,532,653 (Long position) (好倉)	6.75	5.03
Zhang Guoxiang ⁽³⁾⁽⁴⁾ 張國祥 ⁽³⁾⁽⁴⁾	Director 董事	Domestic Share 內資股	Beneficial owner/ Interests of controlled corporation 實益擁有人/ 受控法團權益	298,038,709 (Long position) (好倉)	8.69	6.48
		H Share H股	Beneficial owner 實益擁有人	585,971 (Long position) (好倉)	0.05	0.01
Wang Dayong ⁽⁴⁾ 王大勇 ⁽⁴⁾	Director 董事	Domestic Share 內資股	Beneficial owner 實益擁有人	2,058,742 (Long position) (好倉)	0.06	0.04
		H Share H股	Beneficial owner 實益擁有人	360,443 (Long position) (好倉)	0.03	0.008
Cui Weilan ⁽⁴⁾ 崔巍嵐 ⁽⁴⁾	Director 董事	Domestic Share 內資股	Beneficial owner 實益擁有人	2,058,742 (Long position) (好倉)	0.06	0.04
		H Share H股	Beneficial owner 實益擁有人	648,005 (Long position) (好倉)	0.06	0.01

Report of the Board of Directors

董事會報告

Name of Shareholder 股東名稱	Position 職位	Class of share 股份類別	Nature of interests 權益性質	No. of shares held 持有股份數目 (Shares) (股)	Approximate percentage in relevant class of share 佔有關股份類別之概約百分比 (%) ⁽⁶⁾	Approximate percentage in total share capital 佔股本總數之概約百分比 (%) ⁽⁷⁾
Liu Jiaoyang 劉驕揚	Director 董事	Domestic Share 內資股	Beneficial owner 實益擁有人	441,159 (Long position) (好倉)	0.01	0.01
Liu Bolin ⁽⁵⁾ 劉博霖 ⁽⁵⁾	Director 董事	Domestic Share 內資股	Interests of controlled corporation 受控法團權益	120,000,000 (Long position) (好倉)	3.50	2.61
Li Ruping 李如平	Supervisor 監事	Domestic Share 內資股	Beneficial owner 實益擁有人	2,352,848 (Long position) (好倉)	0.06	0.05
Chen Zhonghua 陳中華	Supervisor 監事	Domestic Share 內資股	Beneficial owner 實益擁有人	441,159 (Long position) (好倉)	0.01	0.01
Qin Yong 秦湧	Supervisor 監事	Domestic Share 內資股	Beneficial owner 實益擁有人	588,212 (Long position) (好倉)	0.02	0.01

Notes:

- Mr. Tu Jianhua directly holds 98% of the equity interest of Loncin Group Co., Ltd. (“**Loncin Group**”), which directly holds 98% of the equity interest of Loncin Holdings Co., Ltd. (“**Loncin Holdings**”). Mr. Tu Jianhua also directly holds 2% of the remaining equity interest of Loncin Holdings. Accordingly, Mr. Tu Jianhua is deemed to be interested in the 432,188,780 Domestic Shares held by Loncin Holdings.

附註：

- 涂建華先生直接持有隆鑫集團有限公司(「**隆鑫集團**」)的98%股權，而隆鑫集團則直接持有隆鑫控股有限公司(「**隆鑫控股**」)的98%股權。涂建華先生亦直接持有隆鑫控股的餘下2%股權。因此，涂建華先生被視作於隆鑫控股持有的432,188,780股內資股中擁有權益。

Report of the Board of Directors

董事會報告

2. Ms. Wang Fangfei directly holds 55% of the equity interest of Chongqing Jiulong Investment Co., Ltd. (“**Chongqing Jiulong**”), which directly holds 231,532,653 Domestic shares of the Company. Accordingly, Ms. Wang Fangfei is deemed to be interested in the 231,532,653 Domestic Shares held by Chongqing Jiulong.
 3. Mr. Zhang Guoxiang directly holds approximately 66.4% of the equity interest of Huitai, which directly holds 295,269,848 Domestic Shares of the Company. Accordingly, Mr. Zhang Guoxiang is deemed to be interested in the 295,269,848 Domestic Shares held by Huitai. Mr. Zhang Guoxiang also directly holds 2,768,861 Domestic Shares of the Company.
 4. Mr. Liu Bolin directly holds 75% equity interest of Sichuan Hongrun Trading Co., Ltd., which directly holds 120,000,000 Domestic Shares of the Company. Accordingly, Mr. Liu Bolin is deemed to be interested in 120,000,000 Domestic Shares held by Sichuan Hongrun Trading Co., Ltd..
 5. As at 31 December 2018, the issued Domestic Shares and the H Shares of the Company were 3,430,000,000 Shares and 1,170,000,000 Shares.
 6. As at 31 December 2018, there were 4,600,000,000 Shares of the Company in issue.
- 2、王芳霏女士直接持有重慶九龍投資有限公司(「重慶九龍」)的55%股權，而重慶九龍則直接持有本公司231,532,653股內資股。因此，王芳霏女士被視作在重慶九龍持有的231,532,653股內資股中擁有權益。
 - 3、張國祥先生直接持有慧泰的約66.4%股權，而慧泰則直接持有本公司295,269,848股內資股。因此，張國祥先生被視作於慧泰持有的295,269,848股內資股中擁有權益。張國祥先生亦直接持有本公司2,768,861股內資股。
 - 4、劉博霖先生直接持有四川泓潤商貿有限公司的75%股權，而四川泓潤商貿有限公司則直接持有本公司120,000,000股內資股。因此，劉博霖先生被視作於四川泓潤商貿有限公司持有的120,000,000股內資股中擁有權益。
 - 5、於2018年12月31日，本公司已發行內資股3,430,000,000股及H股1,170,000,000股。
 - 6、於2018年12月31日，本公司共有4,600,000,000股已發行股份。

Save as disclosed above, as at 31 December 2018, none of the Directors, supervisors or the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of SFO) which are required (i) to be recorded in the register required to be kept under section 352 of the SFO, or (ii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文披露者外，於2018年12月31日，概無本公司董事、監事及最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有(i)登記於根據證券及期貨條例第352條須予存置的登記冊內，或(ii)根據標準守則須通知本公司及香港聯交所的任何權益或淡倉。

Report of the Board of Directors

董事會報告

(ii) Interests in associated corporations

None of the Directors, supervisors or the chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of associated corporations (within the meaning of Part XV of SFO) of the Company.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or supervisors or any of their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right.

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

As at 31 December 2018, the persons (not being a Director, supervisor or chief executive of the Company) or corporations having interests or short positions in the shares or underlying shares of the Company which are required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under section 336 of the SFO and who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

(ii) 於相聯法團的權益

概無董事、監事或本公司最高行政人員在本公司相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中擁有任何權益或淡倉。

董事及監事收購股份或債券之權利

概無董事及監事或彼等各自之聯繫人獲本公司或其附屬公司授予權利或行使任何該等權利以收購本公司或任何其他法人團體之股份或債券。

主要股東於股份及相關股份之權益及淡倉

於2018年12月31日，於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司及聯交所披露之權益或淡倉，或記入根據證券及期貨條例第336條須置存之登記冊內之權益或淡倉，或被視作於附有權利可於任何情況下在本公司股東大會投票之任何類別股本之面值中直接及／或間接擁有5%或以上之權益之人士（並非本公司董事、監事及主要行政人員）或公司列載如下：

Report of the Board of Directors

董事會報告

Name of Shareholder 股東名稱	Class of share 股份類別	Nature of interests 權益性質	No. of shares held 持有股份數目 (share) (股)	Approximate percentage in relevant class of share 佔有關股份類別之概約百分比 (%) ⁽⁴⁾	Approximate percentage in total share capital 佔股本總數之概約百分比 (%) ⁽⁵⁾
Loncin Holdings ⁽¹⁾⁽³⁾ 隆鑫控股 ⁽¹⁾⁽³⁾	Domestic Share 內資股	Beneficial owner 實益擁有人	432,188,780 (Long position) (好倉)	12.60	9.40
Loncin Group ⁽²⁾⁽³⁾ 隆鑫集團 ⁽²⁾⁽³⁾	Domestic Share 內資股	Interests of controlled corporation 受控法團權益	432,188,780 (Long position) (好倉)	12.60	9.40
Huitai 慧泰	Domestic Share 內資股	Beneficial owner 實益擁有人	295,269,848 (Long position) (好倉)	8.61	6.42
Shenzhen Jinling Huaruan Xintai Investment Partnership (Limited Partnership) 深圳金陵華軟鑫泰投資合夥企業(有限合夥)	Domestic Share 內資股	Beneficial owner 實益擁有人	280,000,000 (Long position) (好倉)	8.16	6.09
Beijing Daoyang Zhengde Information Consulting Co., Ltd. 北京道揚正德信息諮詢有限公司	Domestic Share 內資股	Beneficial owner 實益擁有人	270,000,000 (Long position) (好倉)	7.87	5.87
Wang Mingyue 汪明月	Domestic Share 內資股	Beneficial owner 實益擁有人	269,824,593 (Long position) (好倉)	7.87	5.87
Chongqing Jiulon 重慶九龍	Domestic Share 內資股	Beneficial owner 實益擁有人	231,532,653 (Long position) (好倉)	6.75	5.03

Report of the Board of Directors

董事會報告

Notes:

1. Loncin Holdings directly holds 432,188,780 Domestic Shares of the Company. Loncin Holdings disposed 770,000,000 shares on December 2018, the number of disposed shares representing approximately 22.45% of the number of domestic shares.
2. Loncin Group directly holds 98% of the equity interest of Loncin Holdings, which directly holds 432,188,780 Domestic Shares of the Company. Accordingly, under the SFO, Loncin Group is deemed to be interested in the 432,188,780 Domestic Shares held by Loncin Holdings.
3. The 432,188,780 Shares held by Loncin Group and Loncin Holdings are of the same interest and duplicated each other.
4. As at 31 December 2018, the issued Domestic Shares and the H Shares of the Company were 3,430,000,000 Shares and 1,170,000,000 Shares.
5. As at 31 December 2018, there were 4,600,000,000 Shares of the Company in issue.

附註：

- 1、隆鑫控股直接持有本公司432,188,780股內資股。隆鑫控股於2018年12月出售770,000,000股股份，出售股份數約佔內資股約22.45%。
- 2、隆鑫集團直接持有隆鑫控股的98%股權，而隆鑫控股則直接持有本公司432,188,780股內資股。因此，根據證券及期貨條例，隆鑫集團被視作在隆鑫控股持有的432,188,780股內資股中擁有權益。
- 3、隆鑫集團及隆鑫控股之432,188,780股股份涉及同一份權益，並互相重疊。
- 4、於2018年12月31日，本公司已發行內資股3,430,000,000股及H股1,170,000,000股。
- 5、於2018年12月31日，本公司共有4,600,000,000股已發行股份。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2018, there was no purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the relevant laws or the Articles of Association of the PRC that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

購入、出售或贖回本公司上市證券

截至2018年12月31日止年度期間，本公司或其任何附屬公司並無購買、出售或贖回任何本公司上市證券。

優先購買權

根據中國相關法律和公司章程項下概無有關優先購買權的條文，故本公司毋須向現有股東按比例提呈發售新股份。

Report of the Board of Directors

董事會報告

COMPANY'S ENVIRONMENTAL POLICIES, SOCIAL AND GOVERNANCE RESPONSIBILITY AND PERFORMANCE

The Group strives for the long-term sustainable development of our business and the regions where our businesses are located. The Group has been actively performing our environmental, social and governance responsibilities and conducting our business in a socially-responsible way while creating monetary value for our Shareholders. The Company strictly complies with the requirements of Environmental, Social and Governance Reporting Guides issued by the Stock Exchange, whereby the Company is committed to incorporating the sustainable development principle into our corporate development strategies and daily operation and management and acting as a responsible corporate citizen. In 2018, the Company provided our staff with a premium development platform and safe working environment. We protect the environment, treasure the natural resources and spare no efforts in reducing the impact of our operation on the environment. We value our customers and suppliers, and provide premium product and service and continuously optimize the management of our suppliers.

Pursuant to Appendix 27 to the Listing Rules, the Company prepared the Environmental, Social and Governance Report, which is set out from page 200 to page 226 of this report.

COMPANY'S COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group is able to comply with relevant requirements of laws, regulations, rules and provisions of the Companies Ordinance, the Listing Rules and SFO in Hong Kong, the Company Law of the People's Republic of China, the Basic Norms of Enterprise Internal Control, Interim Measures for the Administration of Financing Guarantee Companies, Guiding Opinions of China Banking Regulatory Commission and People's Bank of China on Pilot Projects of Small Loan Companies, Guidance on Promoting the Healthy Development of Internet Finance in the PRC etc., including information disclosure, corporate governance and standard industry operation, etc.. The Group has also adopted the Model Code in Hong Kong.

公司的環境政策、社會及管治責任及表現

本集團致力於其業務以及其業務所在區域的長遠持續發展。本集團一直積極履行環境、社會及管治責任，在為股東創造經濟價值的同時，亦以對社會負責任的方式運營業務。我們嚴格遵循聯交所《環境、社會及管治報告指引》要求，致力於將可持續發展理念融入企業發展戰略和日常經營管理，做負責任的企業公民。2018年，我們為員工提供優秀的發展平台和安全的工作環境；我們愛護環境，珍惜資源，努力降低運營對環境的影響；我們重視客戶和供貨商，提供卓越的產品和服務，並不斷改善對供貨商的管理。

本公司根據上市規則附錄二十七編製了《環境、社會及管治報告》，載於本報告第200頁至第226頁。

公司對有關法律法規之遵守

本集團能夠遵守香港地區的公司條例、上市規則、證券及期貨條例以及中國境內的《中華人民共和國公司法》、《企業內部控制基本規範》、《融資性擔保公司管理暫行辦法》、《中國銀行業監督管理委員會、中國人民銀行關於小額貸款公司試點的指導意見》、《關於促進互聯網金融健康發展的指導意見》等相關法律、法規、規章、條例的要求，其中包括數據的披露、企業管治以及行業規範運作等，本集團亦已採納香港地區的標準守則。

Report of the Board of Directors

董事會報告

CONNECTED TRANSACTION

In order to expand the SME lending industry, on 29 March 2018, the Company acquired 24.28% part of interest of its subsidiary Sichuan Hanhua Micro-credit Co., Ltd.. After the acquisition at the aggregate consideration of RMB184,913,181.04, the Company held 85.71% equity interests of Sichuan Hanhua Microfinance Co., Ltd.. For details, please refer to the announcement of the Company dated 29 March 2018. As of 31 December 2018, such connected transaction has been completed.

Except the aforesaid connect transaction of the Company's acquisition of equity interests of the holdings subsidiary, Sichuan Hanhua Micro-credit Co., Ltd., in 2018, the details of material related party transactions of the Company are set out in note 39 to the financial statement. These transactions were all fully exempt transactions as defined under Rule 14A.09, Rule 14A.76 and Rule 14A.95 of the Listing Rules. Among which, related parties including Nanjing Yuanqing Construction Co., Ltd.* (南京源慶建設有限公司), Chongqing Youteng Industrial Co., Ltd. (重慶友騰實業有限公司) and Shenyang Huishengming International Trade Co., Ltd.* (沈陽匯盛明國際貿易有限公司) were shareholders of insignificant subsidiaries; none of these related party transactions constitutes discloseable connected transaction or continuing connected transaction as defined under the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CHARITABLE DONATIONS

During the year ended 31 December 2018, the Group has made charitable and other donations in a total amount of approximately RMB830,000.

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and external auditors the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2018.

關連交易

為擴大小微貸款業務，於2018年3月29日，本公司以總代價人民幣184,913,181.04元收購控股子公司四川瀚華小額貸款有限公司部份股東權益24.28%，完成收購後，本公司持有四川瀚華小額貸款有限公司85.71%的股權。詳見公司2018年3月29日之公告。截至2018年12月31日，該項關連交易已完成。

除前述本公司收購控股子公司四川瀚華小額貸款有限公司部份股權外的關連交易，2018年度，本公司重大關聯方交易詳細內容參見財務報表附註39。該等交易均屬於上市規則14A.09、14A.76及14A.95項下獲得全面豁免的交易；其中關聯方南京源慶建設有限公司、重慶友騰實業有限公司、沈陽匯盛明國際貿易有限公司為非重大附屬公司股東；因此該等關聯方交易並不構成任何根據上市規則規定須予披露的關連交易或持續關聯交易。本公司確認，其已根據上市規則第14A章遵守披露規定。

慈善捐款

截至2018年12月31日止年度內，本集團已作出慈善捐款及其他捐獻合共人民幣約83萬元。

審計委員會

審計委員會已與管理層及外聘核數師審閱本集團採納的會計原則及政策以及截至2018年12月31日止年度的經審核綜合財務報表。

Report of the Board of Directors

董事會報告

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance and has steered its development and protected the interests of its Shareholders in an enlightened and open manner. As at the date of this report, the Board comprises three executive Directors, seven non-executive Directors and five independent non-executive Directors. The Board has adopted the Code Provisions as its corporate governance code.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

The consolidated financial statements for the year ended 31 December 2018 have been audited by KPMG.

KPMG shall retire in the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution for the selection of auditors for 2019 of the Company will be proposed at the forthcoming AGM.

By order of the Board of
Hanhua Financial Holding Co., Ltd.*
Zhang Guoxiang
Chairman of the Board

22 March 2019

* For identification purpose only

企業管治

本公司一直致力維持高水平企業管治，以開明和開放的理念維護其發展及保障股東的權益。於本報告日期，董事會由三名執行董事、七名非執行董事及五名獨立非執行董事組成。董事會已採納守則條文作為其企業管治守則。

充足的公眾持股量

根據本公司可從公開途徑得到的資料及據董事所知，於本報告日期，董事確認本公司一直維持上市規則所要求的公眾持股量。

核數師

畢馬威會計師事務所已審核截至2018年12月31日止年度的綜合財務報表。

畢馬威會計師事務所須於即將舉行的股東週年大會上退任，並符合資格及願意膺選連任。有關選聘本公司2019年度核數師的決議案將於即將舉行的股東週年大會上獲提呈。

承董事會命
瀚華金控股份有限公司
董事會主席
張國祥

2019年3月22日

* 僅供識別

Report of the Board of Supervisors

監事會報告

REPORT OF THE BOARD OF SUPERVISORS

In 2018, pursuant to the requirements set out in the PRC Company Law and the Articles of Association, the board of supervisors of the Company (the “**Board of Supervisors**”) has attentively performed its duties and proactively carried out supervision on the financial activities, internal control, risk management, lawful operation as well as the performance of duties by the Board and senior management of the Company, thus effectively contributing to the optimization of governance of the Company and to the healthy and sustainable development of the Company.

PARTICULARS OF THE MAJOR WORKS OF THE BOARD OF SUPERVISORS

1. The Board of Supervisors convened meetings of the Board of Supervisors pursuant to laws and regulations. In 2018, the Board of Supervisors convened 2 regular meetings in which the Board of Supervisors summarized its work throughout the year and reviewed the interim report, and attended 2 general meetings and 11 Board meetings. The Board of Supervisors has supervised the general meetings and Board meetings with regard to the legality, compliance and the procedure of voting thereof. The Board of Supervisors has also supervised the performance of duties by the Board and senior management.
2. The Board of Supervisors endeavored in conducting proper finance supervision. By focusing on the compilation, verification and disclosure of regular reports, the Board of Supervisors communicated with external auditors and auditors on a regular basis, strengthened the analysis of major issues that may affect the truthfulness, accuracy and completeness of the financial reports, timely followed up and gained knowledge of the changes of regulatory requirements, and provided opinions and suggestions. In accordance with relevant requirements, the Board of Supervisors conducted supervision on the selection and appointment of external auditors and auditors, and oversaw capital management of the Company, and the management of insiders of inside information.

監事會報告

2018年，本公司監事會（「**監事會**」）按照中國《公司法》和章程的規定，認真履行職責，積極開展監督工作，對本公司財務活動、內部控制、風險管理、合法經營、董事會和高級管理層的履職盡責等情況進行了有效監督，為完善本公司治理和持續健康發展發揮了作用。

監事會主要工作情況

- 1、依法律法規召開監事會會議。2018年，共召開監事定期會議2次，總結年度監事會工作情況，審議中期報告，列席股東大會2次，列席董事會11次，對股東大會和董事會的合法合規性、投票表決程序進行監督，對董事會、高級管理層的履職情況進行監督。
- 2、切實做好財務監督。以定期報告的編製、審核、披露為重點，與外部審計師和核數師定期溝通，加強對可能影響財務報告真實性、準確性、完整性的重大事項的分析，及時跟進瞭解監管要求的變化，提出意見建議。按照有關要求，監督外部審計師和核數師的選聘工作，對本公司資本管理、內幕消息知情人管理情況等進行監督。

Report of the Board of Supervisors

監事會報告

3. The Board of Supervisors substantially participated in internal control supervision. The Board of Supervisors regularly debriefed special reports on the work of internal control and compliance, key findings and rectification in internal audit and prevention and control over non-compliance cases, and strengthened supervision on the internal control formulation and assessment work.
 4. The Board of Supervisors strengthened risk management supervision. It paid attention to the major risks faced by the industry and debriefed special reports with regard to the work of risk management and liquidity risk management and provided timely opinions and suggestions.
- 3、深入開展內控監督。參加內控合規工作情況、內部審計主要發現及整改等內控會議，加強對內部控制建設及內部控制評價工作等情況的監督。
 - 4、強化風險管理監督。關注行業風險，參加公司風險管理部門的工作情況、流動性風險管理情況等專門會議，並及時提出意見建議。

INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON RELEVANT MATTERS

監事會就有關事項發表的獨立意見

Lawful Operation of the Company

公司依法經營情況

During the year ended 31 December 2018, the business activities of the Company complied with the PRC Company Law and the Articles of Association, the internal control system was improved, and the decision-making procedures were lawful and valid. None of the Directors or senior management of the Company was found to have violated the relevant laws, regulations or the Articles of Association or harmed the interests of the Company and the Shareholders.

截至2018年12月31日止年度內，本公司的經營活動符合中國《公司法》和章程的規定，內部控制體系較完善，決策程序合法有效。未發現本公司董事、高級管理人員履職時有違反相關法律法規、章程或損害公司及股東利益的行為。

Authenticity of Financial Report

財務報告的真實性

The financial statements of the Company for the year ended 31 December 2018 were prepared in accordance with the HKFRSs and were audited by KPMG in accordance with Hong Kong Standards on Auditing. The auditor issued standard unqualified audit report.

本公司截至2018年12月31日止年度根據香港財務報告準則編製的財務報告已經畢馬威會計師事務所根據香港審計準則進行審計，並出具了標準無保留意見的審計報告。

Report of the Board of Supervisors

監事會報告

Use of Proceeds

During the year ended 31 December 2018, the application of proceeds for specific projects was consistent with the uses as stated in the Prospectus dated 3 June 2014.

Significant Investment

During the year ended 31 December 2018, the Group had no significant investment.

Significant Acquisitions and Disposal

On 29 March 2018, the Company acquired 24.28% minority interest of its subsidiary Sichuan Hanhua Microfinance Co., Ltd.. After the acquisition, the Company held 85.71% equity interests of Sichuan Hanhua Microfinance Co., Ltd..

For the year ended 31 December 2018, the Company and its subsidiaries invested and newly established Zhongxin Kerong (Chongqing) Development Co., Ltd., (中新科融(重慶)發展有限公司), Horgos Hanhua Fuze Investment Co., Ltd., (霍爾果斯瀚華富澤投資有限公司), Liaoning Damei Emerging Industry Investment Co., Ltd., (遼寧大美新興產業投資有限公司) etc. These subsidiaries were mainly engaged in the business management consulting, business information consulting, investment and asset management, land development and consolidation, corporate asset acquisition, reshuffle, equity investment and other sectors.

募集資金使用情況

截至2018年12月31日止年度內，本公司募集資金實際投入項目與本公司日期為2014年6月3日的招股章程的承諾一致。

重大投資

截至2018年12月31日止年度內，本集團並無重大投資。

重大收購及出售

於2018年3月29日，本公司收購控股子公司四川瀚華小額貸款有限公司少數股東權益24.28%，完成收購後，本公司持有四川瀚華小額貸款有限公司85.71%的股權。

截至2018年12月31日止年度內，本公司及其本公司下屬各子公司投資新設中新科融(重慶)發展有限公司，霍爾果斯瀚華富澤投資有限公司，遼寧大美新興產業投資有限公司等子公司，經營範圍主要涉及企業管理諮詢，商務資訊諮詢，投資與資產管理，土地開發及整理，企業資產並購、重組，股權投資等板塊。

Report of the Board of Supervisors

監事會報告

Internal Control

During the year ended 31 December 2018, the Company continued to strengthen and optimize its internal control, and the Board of Supervisors lodged no objections to the Report on Assessment of Internal Control for 2018.

Opinions on Performance Assessment of Directors, Supervisors and Senior Management of the Company

During the year ended 31 December 2018, all Directors, supervisors and senior management were diligent in duly carrying out their duties and were evaluated as qualified in the performance assessment.

By order of the Board of Supervisors
Hanhua Financial Holding Co., Ltd.*
Mr. Li Ruping
Chairman of the Board of Supervisors

20 March 2019

內部控制情況

截至2018年12月31日止年度內，本公司持續加強和完善內部控制，監事會對2018年內部控制評價報告無異議。

對本公司董事、監事、高級管理人員履職情況

截至2018年12月31日止年度內，董事、監事、高級管理人員勤勉盡責，履職評價結果為稱職。

承監事會命
瀚華金控股份有限公司
監事會主席
李如平先生

2019年3月20日

Independent auditor's report

獨立審計報告

OPINION

We have audited the consolidated financial statements of Hanhua Financial Holding Co., Ltd. (“**the Company**”) and its subsidiaries (“**the Group**”) set out on pages 273 to 476, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

審計意見

我們審計了後附第273至476頁瀚華金控股份有限公司（以下簡稱「**瀚華公司**」）財務報表，包括2018年12月31日的合併資產負債表和資產負債表、2018年度的合併利潤表和利潤表、合併現金流量表和現金流量表、合併股東權益變動表和股東權益變動表以及相關財務報表附註。

我們認為，後附的財務報表在所有重大方面按照中華人民共和國財政部頒佈的企業會計準則（以下簡稱「**企業會計準則**」）的規定編製，公允反映了瀚華公司2018年12月31日的合併財務狀況和財務狀況以及2018年度的合併經營成果和經營成果及合併現金流量和現金流量。

審計意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》執行了審計工作。審計報告的「審計師就合併財務報表審計須承擔的責任」部份進一步闡述了我們在該準則下的責任。按照香港會計師公會的《註冊會計師執業道德規範》（「**道德規範**」）以及中華人民共和國境內關於合併財務報表審計相關的其他道德規範要求，我們獨立於貴集團，並履行了道德規範以及中國境內道德規範要求下的其他道德責任。我們相信，我們獲得的審計證據是充分、適當的，為發表審計意見提供了基礎。

關鍵審計事項

關鍵審計事項是我們根據職業判斷，認為對本年財務報表審計最為重要的事項。這些事項的應對以對財務報表整體進行審計并形成審計意見為背景，我們不對這些事項提供單獨的意見。

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing impairment of loans and receivables measured at amortized cost and provisions for guarantee losses 評估以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金	
<p><i>Refer to note 14, 15, 16, 17 and 29 to the consolidated financial statements and the accounting policies on page 317 to 327 and 337 to 338.</i></p> <p>請參閱合併財務報表附註14, 15, 16, 17和29以及第317至327頁及337至338頁的會計政策。</p>	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>Impairments of loans and advances to customers, trade and other receivables, finance lease receivables and receivables for factoring business (together as “loans and receivables measured at amortized cost”) and the provisions for guarantee losses are both the subjective areas due to the level of judgement applied by management in determining allowances and provisions.</p> <p>以攤餘成本計量的發放貸款及墊款、應收代償款、應收保理款和應收融資租賃款（統稱為「以攤餘成本計量的貸款及應收款項」）減值準備和擔保賠償準備金的確定涉及管理層判斷。</p> <p>The Group has adopted HKFRS 9 Financial Instruments (“HKFRS 9”) since 1 January 2018 and developed a new impairment model for financial assets.</p> <p>本集團自2018年1月1日起修訂後的香港財務會計準則第9號，並搭建了新的金融資產減值模型。</p>	<p>Our audit procedures to assess the impairment of loans and receivables measured at amortized cost and provisions for guarantee losses included the following:</p> <p>與評估以攤餘成本計量的貸款及應收款項減值和擔保賠償準備金相關的審計程式中包括以下程式：</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key controls over the approval, recording and monitoring of loans and receivables measured at amortized cost and guarantees, the credit grading process and the measurement of impairment losses and provisions for guarantee losses. • 瞭解和評價與以攤餘成本計量的貸款及應收款項在審批、記錄、監控、分類流程以及減值準備和擔保賠償準備金計提相關的關鍵財務報告內部控制的設計和運行有效性；

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing impairment of loans and receivables measured at amortized cost and provisions for guarantee losses (continued) 評估以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>The determination of loss allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.</p> <p>運用預期信用損失模型確定準備金的過程中涉及到若干關鍵參數和假設的應用，包括發生信用減值的階段劃分、違約概率、違約損失率、違約風險暴露、折現率等參數估計，同時考慮前瞻性調整及其他調整因素等，在這些參數的選取和假設的應用過程中涉及較多的管理層判斷。</p> <p>In particular, the determination of the loss allowances and provisions for guarantee losses is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The expected credit losses and provisions for guarantee losses are derived from estimates including the Group's historical losses, internal and external credit grading and other adjustment factors.</p> <p>外部宏觀環境和瀚華公司內部信用風險管理策略對預期信用損失模型的確定有很大的影響。在評估關鍵參數和假設時，瀚華公司對於貸款及應收款項減值準備或擔保賠償準備金所考慮的因素包括歷史損失率、內部信用評級、外部信用評級及其他調整因素。</p>	<ul style="list-style-type: none"> assessing the reliability of the expected credit loss model used by management in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments. 評價管理層評估減值準備時所用的預期信用損失模型和參數的可靠性，包括評價發生信用減值的階段劃分、違約概率、違約損失率、違約風險暴露、折現率、前瞻性調整及管理層調整等，並評價其中所涉及的關鍵管理層判斷的合理性；

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing impairment of loans and receivables measured at amortized cost and provisions for guarantee losses (continued) 評估以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of impairment losses and provisions for guarantee losses as at the end of the reporting period.</p> <p>在運用判斷確定違約損失率時，管理層會考慮多種因素。這些因素包括可收回金額、借款人的財務狀況、抵押物可收回金額、索賠受償順序、是否存在其他債權人及其代償意願。擔保物變現的可能性、時間和方式會對最終的可收回金額產生重大影響，進而影響資產負債表日的減值準備和擔保賠償準備金的金額。</p> <p>We identified impairment of loans and receivables measured at amortized cost and the provisions for guarantee losses as a key audit matter because of the inherent uncertainty and management judgement involved and because of their significance to the financial results of the Group.</p> <p>由於以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金的確定存在固有不确定性以及涉及到管理層判斷，同時其對瀚華公司的經營成果會產生重要影響，我們將以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金的確定識別為關鍵審計事項。</p>	<ul style="list-style-type: none"> • assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. For key parameters derived from internal data relating to original loan or guarantee agreements, we compared the total balances of the loan grading report and guarantee list, which contain information used by management to assess impairment losses and provisions for guarantee losses, with the general ledger and compared individual loan and guarantee information, on a sample basis, with the underlying loan and guarantee agreements and other related documentation to assess the presentation of the information in the loan grading report and in the guarantee list. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with public resources; • 評價預期信用損失模型的參數使用的關鍵資料的完整性和準確性。針對與原始檔案相關的關鍵內部資料，我們將管理層用以評估減值準備的貸款評級報告餘額和用於評估擔保賠償準備金的擔保台賬餘額分別與總賬進行比較，選取樣本，將單項貸款或擔保的資訊與相關協定以及其他有關檔進行比較，以評價管理層貸款評級報告和擔保台賬中的資訊列報情況；針對關鍵外部資料，我們將其與公開信息來源進行核對，以檢查其準確性。

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing impairment of loans and receivables measured at amortized cost and provisions for guarantee losses (continued) 評估以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
	<ul style="list-style-type: none"> for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the Group's internal records including historical loss experience and type of collateral. As part of these procedures, we challenged management's revisions to estimates and input parameters compared with prior period and on transition to the new accounting standard and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development. 針對涉及主觀判斷的輸入參數，我們進行了審慎評價，包括從外部尋求支援證據，比對歷史損失經驗及擔保方式等內部記錄。作為上述程式的一部份，我們還詢問了管理層對關鍵假設和輸入參數相對於以前和準則轉換期間所做調整的理由，並考慮管理層所運用的判斷是否一致。我們對比模型中使用的經濟因素與市場訊息，評價其是否與市場以及經濟發展情況相符。 for key parameters used in the expected credit loss model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. In addition, we involved our IT specialists to assess the logics and compilation of the overdue information of loans for selected samples. 針對需由系統運算生成的關鍵內部資料，我們選取樣本將系統輸入資料核對至原始檔以評價系統輸入資料的準確性。此外，利用我們的資訊技術專家的工作，在選取樣本的基礎上測試了貸款的逾期資訊的編制邏輯。

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing impairment of loans and receivables measured at amortized cost and provisions for guarantee losses (continued) 評估以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
	<ul style="list-style-type: none"> evaluating the validity of management's assessment on whether the credit risk of loans and receivables measured at amortized cost and guarantees have, or have not, increased significantly since initial recognition and whether loans and receivables measured at amortized cost and guarantees are credit-impaired on a sample basis. We analysed the portfolio by industry sector to select samples in industries more vulnerable to the current economic situation with reference to other borrowers with potential credit risk. We checked the overdue information, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses. 評價管理層作出的關於以攤餘成本計量的貸款及應收款項和擔保的信用風險自初始確認後是否顯著增加的判斷以及是否已發生信用減值的判斷的合理性。選取樣本檢查管理層發生信用減值的階段劃分結果的合理性。我們按照行業分類對以攤餘成本計量的貸款及應收款項和擔保進行分析，自受目前經濟環境影響較大的行業以及其他存在潛在信用風險的借款人中選取樣本。我們在選取樣本的基礎上查看相關資產的逾期資訊、瞭解借款人信用風險狀況、向信貸經理詢問借款人的經營狀況、檢查借款人的財務資訊以及搜尋有關借款人業務的市場訊息等。

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing impairment of loans and receivables measured at amortized cost and provisions for guarantee losses (continued) 評估以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
	<ul style="list-style-type: none"> for selected samples of loans and receivables measured at amortized cost and guarantees that are credit-impaired, evaluating management's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of neighbouring properties. We also evaluated the timing and means of realisation of collateral, evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms; 我們在選取樣本的基礎上，評價已發生信用減值的以攤餘成本計量的貸款及應收款項和擔保違約損失率的合理性。在此過程中，將瀚華公司持有的房產抵押物的管理層估值與基於房產位置、用途及周邊房產的市場價格進行比較，來評價管理層的估值是否恰當。我們還評價了抵押物變現的時間及方式，評價其預計可收回現金流，就瀚華公司的回收計劃的可靠性進行考量，並考慮管理層認定的其他還款來源。 evaluating whether the disclosures on impairment of loans and receivables measured at amortized cost and provisions for guarantee losses meet the disclosure requirements in the prevailing accounting standards. 評價以攤餘成本計量的貸款及應收款項的減值準備和擔保賠償準備金相關的財務報表資訊披露是否符合修訂後的相關會計準則的披露要求。

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing the fair value of financial instruments 評估金融工具的公允價值	
<p>Refer to note 19 to the consolidated financial statements and the accounting policies on page 340 to 341. 請參閱合併財務報表附註19以及第340至341頁的會計政策。</p>	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>The Group's financial instruments measured at fair value through profit or loss at 31 December 2018 comprised non-performing asset packages, equity instruments held for trading, debt instruments held for trading, private funds and wealth management products issued by commercial banks.</p> <p>瀚華公司於2018年12月31日的金融工具包括以公允價值計量且其變動計入當期損益的金融資產、上市和非上市的可供出售債務和權益工具、私募基金和商業銀行發行的理財產品。</p> <p>At 31 December 2018 the fair value of the Group's financial instruments was RMB1,573.8 million of which RMB111.0 million and RMB1,462.8 million were classified under the fair value hierarchy as level 1 and 3 financial instruments respectively.</p> <p>於2018年12月31日，瀚華公司金融工具的公允價值為人民幣1,573.8百萬元，其中，分類為第一層次和第三層次公允價值計量的金融工具的公允價值分別為人民幣111.0百萬元和人民幣1,462.8百萬元。</p>	<p>Our audit procedures to assess the fair value of financial instruments included the following:</p> <p>與評價金融工具的公允價值，相關的審計程式中包括以下程式：</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of management's key internal controls over the valuation, independent price verification, front office/back office reconciliations and valuation model approval for financial instruments; • 瞭解和評價瀚華公司與估值、獨立價格驗證、前後臺對賬及金融工具估值模型審批相關財務報告內部控制的設計和運行的有效性； • assessing the fair values of level 1 financial instruments, on sample basis, by comparing the fair values applied by the Group with publicly available market data; • 選取樣本，通過比較瀚華公司採用的公允價值與公開可獲取的市場資料，評價第一層次公允價值計量的金融工具的估值；

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing the fair value of financial instruments (continued) 評估金融工具的公允價值 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>The valuations of the Group's financial instruments use market data where available. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed using valuation models and valuation report, if any, issued by an independent licensed valuer, which can involve significant management judgment.</p> <p>瀚華公司以公允價值計量的金融工具的估值會使用能夠可靠獲取的市場數據。當可觀察的輸入值無法可靠獲取時，即第三層次公允價值計量的金融工具的情形下，管理層會利用由獨立有資質的估值師出具的估值模型和估值報告（如有），不可觀察輸入值的確定會使用到管理層估計，這當中會涉及管理層的重大判斷。</p>	<ul style="list-style-type: none"> engaging our internal valuation specialists to assist us in evaluating the valuation result from the valuation models used by the Group and the report issued by an independent licensed valuer to value certain level 3 financial instruments and to perform, on a sample basis, independent valuations of level 3 financial instruments and compare these valuations with the Group's valuations and the independent licensed valuer's report. This included comparing the Group's and the independent licensed valuer's valuation models with our knowledge of current and emerging practice, testing inputs to the fair value calculations and establishing our own parallel valuation models to perform revaluations; 利用本所估值專家的工作，評價瀚華公司或其聘請的獨立有資質的估值師對特定的第三層次公允價值計量的金融工具所使用的估值模型，同時，選取樣本，對公允價值屬於第三層次公允價值計量的金融工具進行獨立估值，並將我們的估值結果與瀚華公司或其聘請的獨立有資質的評估值的估值結果進行比較。我們的程式包括將瀚華公司或其聘請的獨立有資質的估值師的估值模型與我們瞭解的行業通行估值方法進行比較，測試估值的輸入值以及建立平行估值模型進行重估；

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Assessing the fair value of financial instruments (continued) 評估金融工具的公允價值 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>The Group has developed its own models to value certain level 3 financial instruments, which also involves significant management judgment.</p> <p>此外，瀚華公司已對特定的第三層次公允價值計量的金融工具開發了自有估值模型，這也會涉及管理層的重大判斷。</p> <p>We have identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the degree of judgment exercised by management in determining the inputs used in the valuation models.</p> <p>由於金融工具公允價值的評估涉及複雜的流程，以及在確定估值模型使用的輸入值時涉及管理層判斷的程度，我們將對金融工具公允價值的評估識別為關鍵審計事項。</p>	<ul style="list-style-type: none"> • assessing whether the financial statement disclosures appropriately reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards. • 評價財務報表的相關披露是否符合相關會計準則的披露要求，適當反映了瀚華公司的金融工具估值風險。

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Consolidation of structured entities 合併結構化主體	
Refer to note 43 to the consolidated financial statements and the accounting policies on page 296 to 298. 請參閱合併財務報表附註43以及第296至298頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. The Group may acquire or retain an ownership interest in, or act as a sponsor to, a structured entity through issuing asset-backed securities, trust plans and initiating partnerships.</p> <p>結構化主體通常是為實現具體而明確的目的而設計並成立的，並在確定的範圍內開展業務活動。瀚華公司可能通過發行資產支持證券、信託計劃和設立合夥企業以持有投資或保留權益份額等方式在結構化主體中享有權益。</p> <p>In determining whether a structured entity is required to be consolidated by the Group, management is required to consider the power the Group is able to exercise over the activities of the entity and the Group's exposure to and ability to influence the its own returns from the entity.</p> <p>當判斷瀚華公司是否應該將結構化主體納入瀚華公司合併範圍時，管理層需要考慮瀚華公司對結構化主體相關活動擁有的權力，以及能否通過運用對結構化主體的權力而影響其可變回報的程度。</p>	<p>Our audit procedures to assess the consolidation of structured entities included the following:</p> <p>與評價合併結構化主體，相關的審計程式中包括以下程式：</p> <ul style="list-style-type: none"> making enquiries of management and inspecting documents relating to the judgment process over whether a structured entity is consolidated or not to assess whether the Group has a robust process in this regard; 通過詢問管理層和檢查與管理層對結構化主體是否合併作出的判斷過程相關的檔，以評價瀚華公司就此設立的流程是否適當； selecting significant structured entities of each key product type and performing the following procedures for each structured entity selected: 選擇各種主要產品類型中重要的結構化主體並對其執行下列審計程式：

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Consolidation of structured entities (continued) 合併結構化主體 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>The factors which management needs to consider when determining whether a structured entity should be consolidated or not are not purely quantitative and need to be considered collectively.</p> <p>當判斷是否應該將結構化主體納入合併範圍或不納入合併範圍時，管理層需要考慮的因素並非是完全可量化的，需要綜合考慮。</p> <p>As at 31 December 2018, the amount of consolidated structured entities which the Group had consolidated was RMB2,109.6 million.</p> <p>於2018年12月31日，納入瀚華公司合併範圍的結構化主體所持有的資產餘額為人民幣2,109.6百萬元。</p>	<ul style="list-style-type: none"> - inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgment over whether the Group has the ability to exercise power over the structured entity; - 檢查相關合同、內部設立檔以及向投資者披露的資訊，以理解結構化主體的設立目的以及瀚華公司對結構化主體的參與程度，並評價管理層關於瀚華公司對結構化主體是否擁有權力的判斷； - inspecting the risk and reward structure of the structured entity including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns to assess management's judgment as to exposure, or rights, to variable returns from the Group's involvement in such entity; - 檢查結構化主體對風險與報酬的結構設計，包括在結構化主體中擁有的任何資本或對其收益作出的擔保、提供流動性支援的安排、佣金的支付和收益的分配等，以評價管理層就瀚華公司因參與結構化主體的相關活動而擁有的對結構化主體的風險敞口、權力、及對影響可變回報的程度所作的判斷；

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Consolidation of structured entities (continued) 合併結構化主體 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>We identified the consolidation of structured entities as a key audit matter because it involves significant management judgment to determine whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement of financial position could be significant.</p> <p>由於是否將結構化主體納入瀚華公司的合併範圍涉及重要的管理層判斷以及由於合併結構化主體對財務報表的影響可能是重大的，所以我們將合併結構化主體識別為關鍵審計事項。</p>	<ul style="list-style-type: none"> - inspecting management's analyses of the structured entity including qualitative analyses and calculations of the magnitude and variability associated with the Group's economic interests in the structured entity to assess management's judgment over the Group's ability to influence its own returns from the structured entity; - 檢查管理層對結構化主體的分析，包括定性分析，以及瀚華公司對享有結構化主體的經濟利益的比重和可變動性的計算，以評價管理層關於瀚華公司影響其來自結構化主體可變回報的能力判斷； - assessing management's judgment over whether the structured entity should be consolidated or not; - 評價管理層就是否合併結構化主體所作的判斷； • considering the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards. • 考慮財務報表中針對結構化主體的相關披露是否符合相關會計準則的披露要求。

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Transition adjustments and disclosures in relation to the change of financial instruments standards 金融工具準則轉換的過渡調整及披露	
Refer to note 1(c) to the consolidated financial statements and the accounting policies on page 284 to 295. 請參閱合併財務報表附註1(c)以及第284至295頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>The Group has adopted HKFRS 9 Financial Instruments (“HKFRS 9”) since 1 January 2018.</p> <p>瀚華公司自2018年1月1日起適用修訂後的香港財務會計準則第9號（「新金融工具準則」）。</p> <p>HKFRS 9 has amended the previous classification and measurement framework of financial instruments and introduced a more complex expected credit loss model to assess impairment. The Group is required to retrospectively apply the classification and measurement (including impairment) requirements and recognise any difference between the original carrying amount and new carrying amount at the date of initial application (i.e. 1 January 2018) in the opening retained earnings or other comprehensive income.</p> <p>新金融工具準則修改了此前使用的金融工具分類與計量的框架，並且引入了更為複雜的預期信用損失模型評估減值。此外瀚華公司需要按照新金融工具準則的規定，對金融工具的分類和計量（含減值）進行追溯調整，將金融工具原賬面價值和在新金融工具準則施行日（即2018年1月1日）的新賬面價值之間的差額計入2018年年初留存收益或權益的其他綜合收益。</p>	<p>Our audit procedures to the transition adjustments in relation to the change in financial instruments standards included the following:</p> <p>與金融工具準則轉換的過渡調整相關的審計程序中包括以下程序：</p> <ul style="list-style-type: none"> • understanding and assessing the key internal controls of the financial reporting process related to the change of financial instrument standards. • 瞭解和評價與金融工具準則轉換相關的關鍵財務報告內部控制。 • evaluating the accuracy of the classification of financial instruments. We obtained information on how management applied the classification requirements of HKFRS 9 and the classification results. On a sample basis we assessed the contractual cash flow characteristics of the financial assets and relevant documents in relation to the business model. • 獲取了管理層準則轉換日的金融工具分類清單，選取樣本，進行合同現金流測試並查閱業務模式相關文檔，以評價分類的判斷邏輯和結果的準確性。

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Transition adjustments and disclosures in relation to the change of financial instruments standards (continued) 金融工具準則轉換的過渡調整及披露 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
<p>We identified the transition adjustments and disclosures in relation to the change of financial instruments standards as a key audit matter, because of the complexity of the transition process which involved changes in internal controls of the financial reporting process, accounting treatment, application of new data and management judgment.</p> <p>由於金融工具準則轉換的過渡調整是一個較為複雜的流程，涉及到與其相關的財務報告內部控制流程的變更、會計核算變更及新的系統資料的採用，同時在該過程中也涉及到較多的管理層判斷，因此我們將金融工具準則轉換的過渡調整及披露識別為關鍵審計事項。</p>	<ul style="list-style-type: none"> assessing the reliability of the expected credit loss model used by management in determining loss allowances on transition and assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. 對管理層在準則轉換過程中確定減值準備時使用的預期信用損失模型進行評價，並評價在確定預期信用損失模型中的關鍵假設時所使用資料的準確性和完整性。 obtaining journal entries relating to adjustments made on transition to HKFRS 9 and compared the list of classification of financial instruments, the original carrying amounts, the list of journal entries and new carrying amounts of the financial instruments to assess if the journal entries have been entirely put through the system accurately. We selected samples to assess if the accounting treatment is in accordance with HKFRS 9. 獲取管理層在金融工具準則轉換時做出的賬務調整分錄，將該賬務調整分錄與金融工具分類結果清單、準則轉換前、後的相關科目餘額進行比對，評價調整分錄的完整性，並在此基礎上選取樣本檢查其賬務處理是否符合相關會計準則的規定。

Independent auditor's report

獨立審計報告

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Transition adjustments and disclosures in relation to the change of financial instruments standards (continued) 金融工具準則轉換的過渡調整及披露 (續)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 在審計中如何應對該事項
	<ul style="list-style-type: none"> selecting samples to recalculate the new carrying amount of the financial instruments and assessing the accuracy of the opening balance at the date of initial application (i.e. 1 January 2018). 選取樣本重新測算金融工具準則轉換後相關金融工具的賬面價值，評價轉換後期初(即2018年1月1日)賬面金額的準確性。 assessing whether the relevant disclosures in relation to the change in financial instruments standards are in compliance with the prevailing accounting standards. 評價財務報表中與金融工具準則轉換相關的披露是否符合相關會計準則的披露要求。

Independent auditor's report

獨立審計報告

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

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

其他信息

貴公司董事對其他信息負責。其他信息包括年度報告中涵蓋的全部信息，但不包括合併財務報表和我們的審計報告。

我們對合併財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或者我們在審計過程中瞭解到的情況存在重大不一致或者似乎存在重大錯報。

基於我們已執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

董事對合併財務報表的責任

貴公司董事負責按照香港會計師公會頒佈的《香港財務報告準則》的規定及香港《公司條例》的披露要求編制合併財務報表，使其實現公允反映，並設計、執行和維護必要的內部控制，以使合併財務報表不存在由於舞弊或錯誤而導致的重大錯報。

Independent auditor's report

獨立審計報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

董事對合併財務報表的責任 (續)

編制合併財務報表時，董事負責評估貴集團的持續經營能力，披露與持續經營相關的事項（如適用），並運用持續經營假設，除非董事已計劃對貴集團進行清算、終止運營，或別無其他現實的選擇。

審計委員會協助貴公司董事履行監督貴集團的財務報告過程的責任。

審計師對合併財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。此報告僅向全體股東報告，除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水準的保證，但並不能保證按照《香港審計準則》執行的審計在某一重大錯報存在時總能發現。錯報可能由舞弊或錯誤導致，如果合理預期錯報單獨或匯總起來可能影響合併財務報表使用者作出的經濟決策，則通常認為錯報是重大的。

Independent auditor's report

獨立審計報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

審計師對合併財務報表審計的責任 (續)

在按照《香港審計準則》執行審計的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行了以下工作：

- 識別和評估由於舞弊或錯誤導致的合併財務報表重大錯報風險，設計和實施審計程式以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。
- 瞭解與審計相關的內部控制，以設計恰當的審計程式，但目的並非對貴集團的內部控制的有效性發表意見。
- 評價董事選用會計政策的恰當性和作出會計估計及相關披露的合理性。
- 對董事使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對貴集團持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意合併財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的審計證據。然而，未來的事項或情況可能導致貴集團不能持續經營。

Independent auditor's report

獨立審計報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

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

審計師對合併財務報表審計的責任 (續)

- 評價合併財務報表的總體列報、結構和內容（包括披露），並評價合併財務報表是否公允反映相關交易和事件。
- 就貴集團中實體或業務活動的財務資訊獲取充分、適當的審計證據，以對合併財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

我們與審計委員會就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括溝通我們在審計過程中識別的重大內部控制缺陷。

我們還就已遵守獨立性相關的職業道德要求向審計委員會提供聲明，並與治理層溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施（如適用）。

從與審計委員會溝通的事項中，我們確定哪些對本期財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項造成的負面後果超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

Independent auditor's report

獨立審計報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The engagement partner on the audit resulting in this independent auditor's report is Leung Tat Ming.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

22 March 2019

審計師對合併財務報表審計的責任 (續)

負責審計並出具本獨立審計師報告的專案合夥人是梁達明。

香港執業會計師

香港中環
遮打道10號
太子大廈8層

2019年3月22日

Consolidated Statement of Profit or Loss

合併損益表

For the year ended 31 December 2018 • 截至2018年12月31日止年度
(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Guarantee and consulting fee income	擔保費及諮詢費收入	677,379	633,543
Re-guarantee expenses	再擔保費用	(2,868)	(2,157)
Net guarantee and consulting fee income	擔保及諮詢費淨收入	674,511	631,386
Interest and handling fee income	利息及手續費收入	1,433,019	1,357,857
Interest and commission expenses	利息及手續費支出	(651,974)	(546,133)
Net interest and handling fee income	利息及手續費淨收入	781,045	811,724
Net fee and interest income	淨手續費及利息收入	1,455,556	1,443,110
Net trading (losses)/gain	交易淨損益	(16,681)	8,665
Net foreign exchange (losses)/gain	匯兌淨損益	(2,156)	217
Other operating income, net	其他運營淨收入	72,912	53,075
Operating income	營運收入	1,509,631	1,505,067
Share of profits of associates	對聯營企業確認的投資收益	32,293	2,690
Share of losses of a joint venture	對合營企業確認的投資損失	(4,296)	(1,395)
Reversal/(Provisions) for guarantee losses	轉回/(計提)擔保賠償準備金	1,080	(26,731)
Impairment losses	資產減值損失	(257,334)	(264,291)
Operating expenses	營運支出	(815,191)	(791,441)
Other net losses	其他虧損淨額	(6,647)	(3,494)
Profit before taxation	稅前利潤	459,536	420,405
Income tax	所得稅	(131,045)	(106,995)
Profit for the year	本年利潤	328,491	313,410
Attributable to:	歸屬於：		
Shareholders of the Company	本公司股東	289,421	262,821
Non-controlling interests	非控制性權益	39,070	50,589
Profit for the year	本年利潤	328,491	313,410
Earnings per share	每股收益		
Basic and diluted (RMB)	基本及稀釋 (金額單位為人民幣元)	0.06	0.06

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 1(c).

註：本集團已於2018年1月1日首次採納HKFRS 15和HKFRS 9。在選定的轉換方式下，比較資料未被重述。見附註1(c)。

The notes on pages 282 to 476 form part of these financial statements.

第282頁至476頁所載附註構成本財務報告的一部份。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併損益及其他綜合收益表

For the year ended 31 December 2018 • 截至2018年12月31日止年度

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

			2018	2017
			2018年	2017年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Profit for the year	本年利潤		328,491	313,410
Other comprehensive income for the year (after tax and reclassification adjustments)	本年其他綜合收益 (除稅及作出重新分類調整後)			
Items that may be reclassified subsequently to profit or loss	可能於期後分類至損益的項目			
Available-for-sale financial assets:	可供出售金融資產			
net movement in the fair value reserve	公允價值變動淨額	10	-	27,407
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表的匯兌差額	10	(2,633)	1,065
Total comprehensive income for the year	本年綜合收益合計		325,858	341,882
Attributable to:	歸屬於：			
Shareholders of the Company	本公司股東		286,788	291,293
Non-controlling interests	非控制性權益		39,070	50,589
Total comprehensive income for the year	本年綜合收益合計		325,858	341,882

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 1(c).

註：本集團已於2018年1月1日首次採納HKFRS 15和HKFRS 9。在選定的轉換方式下，比較資料未被重述。見附註1(c)。

The notes on pages 282 to 476 form part of these financial statements.

第282頁至476頁所載附註構成本財務報告的一部份。

Consolidated Statement of Financial Position

合併財務狀況表

At 31 December 2018 • 於2018年12月31日

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

			31 December	31 December
			12月31日	12月31日
			2018	2017
			2018年	2017年
		<i>Note</i>	RMB'000	RMB'000
		<i>附註</i>	人民幣千元	人民幣千元
Assets	資產			
Cash and cash equivalents	貨幣資金	12	1,903,197	2,436,411
Time and restricted bank deposits	期限在3個月以上的定期存款和存出保證金	13	1,853,475	1,678,623
Trade and other receivables	應收及其他應收款項	14	2,178,643	1,940,509
Receivables for factoring business	應收保理款項	15	2,468,306	1,643,071
Loans and advances to customers	發放貸款及墊款	16	5,666,143	7,741,071
Finance lease receivables	應收融資租賃款	17	273,089	346,299
Financial assets measured at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	19	1,573,760	50,000
Available-for-sale financial assets	可供出售金融資產	20	-	733,609
Repossessed assets	抵債資產		317,847	291,368
Property, plant and equipment	物業廠房及設備	21	501,365	442,747
Intangible assets	無形資產	22	31,359	25,093
Interest in associates	長期股權投資－聯營企業	23	1,524,670	1,111,974
Interest in joint ventures	長期股權投資－合營企業	24	4,305	8,601
Goodwill	商譽	25	9,720	9,720
Deferred tax assets	遞延所得稅資產	33(b)	505,004	447,534
Investment properties	投資性房地產		34,821	-
Total assets	資產總計		18,845,704	18,906,630

Consolidated Statement of Financial Position (Continued)

合併財務狀況表 (續)

At 31 December 2018 • 於2018年12月31日

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

			31 December	31 December
			12月31日	12月31日
			2018	2017
			2018年	2017年
		<i>Note</i>	RMB'000	RMB'000
		<i>附註</i>	人民幣千元	人民幣千元
Liabilities	負債			
Interest-bearing borrowings	計息借款	26	5,529,370	3,807,757
Debts securities issued	應付債券	27	3,392,920	4,267,892
Financial assets sold under repurchase agreement	賣出回購金融資產	28	255,704	868,792
Deferred income	未到期責任準備金		608,514	697,206
Provisions for guarantee losses	擔保賠償準備金	29	376,515	377,327
Customer pledged deposits	存入保證金	30	122,983	112,944
Accruals and other payables	應計及其他應付款項	31	502,444	499,719
Current tax liabilities	當期所得稅負債	33(a)	193,393	203,360
Total liabilities	負債合計		10,981,843	10,834,997
NET ASSETS	淨資產		7,863,861	8,071,633
CAPITAL AND RESERVES	資本及儲備	34		
Share capital	股本		4,600,000	4,600,000
Reserves	儲備		2,378,013	2,385,952
Total equity attributable to shareholders of the Company	本公司股東應佔股本總額		6,978,013	6,985,952
Non-controlling interests	非控制性權益	35	885,848	1,085,681
TOTAL EQUITY	權益合計		7,863,861	8,071,633

Note: The group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 1(c).

註：本集團已於2018年1月1日首次採納HKFRS 15和HKFRS 9。在選定的轉換方式下，比較資料未被重述。見附註1(c)。

Consolidated Statement of Financial Position (Continued)

合併財務狀況表 (續)

At 31 December 2018 • 於2018年12月31日

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

Approved and authorised for issue by the board of directors on
22 March 2019.

經董事會批准及授權於2019年3月22日
刊發。

Name: Zhang Guoxiang

Position: Chairman of the Board

張國祥

董事會主席

Name: Ren Weidong

Position: Chief Financial Officer

任為棟

首席財務官

(Company stamp)

公司印章

The notes on pages 282 to 476 form part of these financial
statements.

第282頁至476頁所載附註構成本財務報告
的一部份。

Consolidated Statement of Changes in Equity

合併股東權益變動表

For the year ended 31 December 2018 • 截至2018年12月31日止年度

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

		Attributable to equity shareholders of the Company							Non-controlling		Total equity
		本公司股權持有人應佔									股東權益
		Share capital	Share premium	Capital reserve	Exchange reserve	Surplus reserve	General reserve	Retained earnings	Subtotal	interests	權益
					外幣報表折算					非控制性	合計
		股本	股份溢價	資本公積	差額	盈餘公積	一般風險準備	未分配利潤	小計	權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Note 34(c)	Note 34(d)(i)	Note 34(d)(ii)	Note 34(d)(v)	Note 34(d)(iii)	Note 34(d)(iv)			Note 35	
		附註34(c)	附註34(d)(i)	附註34(d)(ii)	附註34(d)(v)	附註34(d)(iii)	附註34(d)(iv)			附註35	
Balance at December 31, 2017:	於2017年12月31日的餘額	4,600,000	1,270,924	457,813	(1,963)	110,567	303,034	245,577	6,985,952	1,085,681	8,071,633
Impact on initial application of HKFRS 9 (Note 1(c))	HKFRS 9首次採納的影響 (附註1(c))	-	-	(17,434)	-	-	-	(100,592)	(118,026)	(9,826)	(127,852)
Balance at January 1, 2018	於2018年1月1日調整後的餘額	4,600,000	1,270,924	440,379	(1,963)	110,567	303,034	144,985	6,867,926	1,075,855	7,943,781
Changes in equity for 2018:	2018年權益變動										
Profit for the year	淨利潤	-	-	-	-	-	-	289,421	289,421	39,070	328,491
Other comprehensive income	其他綜合收益	-	-	-	(2,633)	-	-	-	(2,633)	-	(2,633)
Total comprehensive income	綜合收益合計	-	-	-	(2,633)	-	-	289,421	286,788	39,070	325,858
Capital injection in subsidiaries from non-controlling interests	附屬公司非控制性權益注資	-	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	以權益結算的股份支付	-	-	25,109	-	-	-	-	25,109	-	25,109
Purchase equity interest from non-controlling interests (Note 18)	自非控制性權益收購股權 (附註18)	-	-	(17,810)	-	-	-	-	(17,810)	(200,994)	(218,804)
Appropriation to surplus reserve	提取盈餘公積	-	-	-	-	-	-	-	-	-	-
Appropriation to general reserve	提取一般風險準備	-	-	-	-	-	-	-	-	-	-
Cash dividends paid to the equity shareholders of the company (Note 34(b))	向本公司股東支付之現金股息 (附註34(b))	-	-	-	-	-	-	(184,000)	(184,000)	-	(184,000)
Cash dividends paid to non-controlling interests	向非控制性權益支付之現金股息	-	-	-	-	-	-	-	-	(28,083)	(28,083)
Balance at 31 December 2018	2018年12月31日的餘額	4,600,000	1,270,924	447,678	(4,596)	110,567	303,034	250,406	6,978,013	885,848	7,863,861

The notes on pages 282 to 476 form part of these financial statements.

第282頁至476頁所載附註構成本財務報告的一部份。

Consolidated Statement of Changes in Equity (Continued)

合併股東權益變動表(續)

For the year ended 31 December 2018 • 截至2018年12月31日止年度
(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

		Attributable to equity shareholders of the Company 本公司股權持有人應佔							Non-controlling interests	Total equity	
Share capital	Share premium	Capital reserve	Exchange reserve	Surplus reserve	General reserve	Retained earnings	Subtotal				
股本	股份溢價	資本公積	外幣報表折算差額	盈餘公積	一般風險準備	未分配利潤	小計	非控制性權益	股東權益合計		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元		
Note 34(c)	Note 34(d)(i)	Note 34(d)(ii)	Note 34(d)(iv)	Note 34(d)(iii)	Note 34(d)(iv)			Note 35			
附註34(c)	附註34(d)(i)	附註34(d)(ii)	附註34(d)(iv)	附註34(d)(iii)	附註34(d)(iv)			附註35			
Balance at 1 January 2017:	於2017年1月1日的餘額	4,600,000	1,270,924	392,628	(3,028)	82,784	269,972	207,601	6,840,881	638,242	7,479,123
Changes in equity for 2017:	2017年權益變動										
Profit for the year	淨利潤	-	-	-	-	-	262,821	262,821	50,589	313,410	
Other comprehensive income	其他綜合收益	-	-	27,407	1,065	-	-	28,472	-	28,472	
Total comprehensive income	綜合收益合計	-	-	27,407	1,065	-	-	262,821	291,293	50,589	341,882
Capital injection in subsidiaries from non-controlling interests	附屬公司非控制性權益注資	-	-	-	-	-	-	-	-	450,000	450,000
Equity-settled share-based payment	以權益結算的股份支付	-	-	38,828	-	-	-	38,828	-	38,828	
Purchase equity interest from non-controlling interests	自非控制性權益收購股權	-	-	(1,050)	-	-	-	(1,050)	(15,000)	(16,050)	
Appropriation to surplus reserve	提取盈餘公積	-	-	-	-	27,783	-	(27,783)	-	-	
Appropriation to general reserve	提取一般風險準備	-	-	-	-	-	13,062	(13,062)	-	-	
Cash dividends paid to the equity shareholders of the company (Note 34(b))	向本公司股東支付之現金股息 (附註34(b))	-	-	-	-	-	-	(184,000)	(184,000)	-	(184,000)
Cash dividends paid to non-controlling interests	向非控制性權益支付之現金股息	-	-	-	-	-	-	-	-	(38,150)	(38,150)
Balance at 31 December 2017	2017年12月31日的餘額	4,600,000	1,270,924	457,813	(1,963)	110,567	303,034	245,577	6,985,952	1,085,681	8,071,633

Note: The group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transitions method chosen, comparative information is not restated. See Note 1(c).

註：本集團已於2018年1月1日首次採納HKFRS 15和HKFRS 9。在選定的轉換方式下，比較資料未被重述。見附註1(c)。

The notes on pages 282 to 476 form part of these financial statements.

第282頁至476頁所載附註構成本財務報告的一部份。

Consolidated cash flow statement

合併現金流量表

For the year ended 31 December 2018 • 截至2018年12月31日止年度

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

			2018	2017
			2018年	2017年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Operating activities	經營活動			
Cash generated/(used in) from operations	經營活動產生/(使用)的現金	12(b)	2,079,052	(343,006)
PRC income tax paid	支付的所得稅款		(165,703)	(110,657)
Net cash generated from/(used in) operating activities	經營活動產生/(使用)現金淨額		1,913,349	(453,663)
Investing activities	投資活動			
Proceeds from sale of property, plant and equipment	收回物業、廠房及設備所得款項		577	297
Proceeds from sale of investments	收回投資所得款項		1,520,180	198,691
Dividends received from financial assets measured at fair value	收到投資分紅		9,185	8,310
Payments for the purchase of property, plant and equipment and other non-current assets	支付購買物業、廠房及設備及其他非流動資產的款項		(150,965)	(84,968)
Payments on investment in associates	投資聯營企業支付的款項		(389,452)	(67,633)
Payments on other investments	支付其他投資的款項		(2,621,746)	(1,449,067)
Net cash used in investing activities	投資活動使用現金淨額		(1,632,221)	(1,394,370)

The notes on pages 282 to 476 form part of these financial statements.

第282頁至476頁所載附註構成本財務報告的一部份。

Consolidated cash flow statement (Continued)

合併現金流量表 (續)

For the year ended 31 December 2018 • 截至2018年12月31日止年度
(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

			2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
		Note 附註		
Financing activities	籌資活動			
Proceeds from capital injection from non-controlling interests	非控制性權益的注資		-	450,000
Proceeds from interest-bearing borrowings	取得計息借款收到的現金	12(c)	5,793,195	1,963,923
Proceeds from the issuance of debt securities	發行債券所得款項	12(c)	166,570	908,950
Proceeds from financial assets sold under repurchase agreement	賣出回購金融資產收到的現金	12(c)	280,670	657,021
Repayment of interest-bearing borrowings	償還計息借款本金支付的現金	12(c)	(4,146,320)	(1,125,626)
Repayment of debt securities	償還債券支付的現金	12(c)	(1,089,043)	(309,035)
Repurchase of assets with repurchase agreement	回購賣出回購資產支出的現金	12(c)	(903,125)	(956,535)
Interest paid	償還利息支付的現金	12(c)	(483,246)	(438,276)
Purchase of equity interests of subsidiaries from non-controlling interests	自非控制性權益收購股權		(218,804)	(16,050)
Dividends paid to equity shareholders of the Company	向本公司股東支付的股息		(184,000)	(184,000)
Dividends paid to non-controlling interests	向非控制性權益支付的股息		(28,083)	(38,150)
Prepayment to non-controlling interest's capital in a subsidiary to be liquidated	預付給正在清算子公司的少數股東股本的現金		-	(140,000)
Net cash (used in)/generated from financing activities	籌資活動 (使用)/產生的現金淨額		(812,186)	772,222
Net decrease in cash and cash equivalents	貨幣資金減少淨額		(531,058)	(1,075,811)
Cash and cash equivalents at 1 January	1月1日貨幣資金		2,436,411	3,512,005
Effect of foreign exchange rate changes	外匯匯率變動影響		(2,156)	217
Cash and cash equivalents at 31 December	12月31日貨幣資金	12(a)	1,903,197	2,436,411

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 1(c).

註：本集團已於2018年1月1日首次採納HKFRS 15和HKFRS 9。在選定的轉換方式下，比較資料未被重述。見附註1(c)。

The notes on pages 282 to 476 form part of these financial statements.

第282頁至476頁所載附註構成本財務報告的一部份。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1 重大會計政策

(a) 合規聲明

該等財務報表已根據所有適用香港財務報告準則（「**香港財務報告準則**」）編製，其條款包括香港會計師公會（「**香港會計師公會**」）頒佈的所有適用的個別香港財務報告準則，香港會計準則（「**香港會計準則**」）及詮釋，香港公認會計原則和香港公司條例的披露規定。本財務報表亦符合香港聯合交易所有限公司證券上市規則的適用披露條文。本集團所採納的重大會計政策載於下文。

香港會計師公會已頒佈多項於本財務報表期間生效或可以提前採用的新增及修訂的香港財務報告準則。附註1(c)提供了關於因首次適用這些準則而導致本集團財務報表中本期和前期會計期間的會計政策任何變化的信息。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in associates and a joint venture.

The financial statements are presented in RMB, rounded to the nearest thousand. It is prepared on the historical cost basis except for financial instrument classified as fair value through profit or loss (see Note 1(k)(i)) that are stated at their fair value and liabilities from guarantees (see Note 1(r)(i)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

1 重大會計政策 (續)

(b) 財務報表的編製基準

截至2018年12月31日止年度的合併財務報表包括本公司及其附屬公司(合稱「**本集團**」)以及本集團投資的聯營企業和合營企業。

財務報表以人民幣列值，並湊整至最近千位。除以公允價值呈列的可供出售金融資產(見附註1(k)(i))及擔保性負債(見附註1(r)(i))外，財務報表以歷史成本法為編製基準。

編製符合香港財務報告準則的財務報表時，管理層須作出判斷、估計及假設，有關判斷、估計及假設會影響政策的應用及資產、負債、收入及費用的列報。該等估計及相關假設乃基於過往經驗及其他被認為合理的因素，從而作為判斷未能從其他來源確定的資產及負債的賬面值的基礎。實際結果可能與這些估計不同。

該等估計及相關假設會持續予以審閱。會計估計的修訂如只影響該修訂期，則於該修訂期內確認；修訂如影響本期間及未來期間，則於修訂期間及未來期間確認。

有關管理層採納香港財務報告準則時所作出對財務報表有重大影響的判斷，以及主要不確定估計來源的討論載列於附註41。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- (i) HKFRS 9, *Financial instruments*
- (ii) HKFRS 15, *Revenue from contracts with customers*
- (iii) HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, except for the amendments to HKFRS 9, *Prepayment features with negative compensation* which have been adopted at the same time as HKFRS 9.

- (i) HKFRS 9, *Financial instruments*, including the amendments to HKFRS 9, *Prepayment features with negative compensation*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

1 重大會計政策 (續)

(c) 會計政策變更

香港會計師公會已頒佈於本集團的本會計期間首次生效的新的香港財務報告準則和香港財務報告準則修訂。其中，與本集團財務報告有關的包括：

- (i) 香港財務報告準則第9號金融工具
- (ii) 香港財務報告準則第15號，源自客戶合同的收入
- (iii) 香港（國際財務報告準則解釋委員會）第22號，外幣交易和預付／預收對價

除了香港財務報告準則第9號準則修訂，具有負補償之提前還款特性，以外，本集團尚未執行任何於本會計期間未生效的新準則或解釋，該修訂與香港財務報告準則第9號準則同時實施。

- (i) 香港財務報告準則第9號金融工具，包括香港財務報告準則第9號準則修訂，具有負補償之提前還款特性。

香港財務報告準則第9號取代香港會計準則第39號，金融工具：確認及計量。該準則闡述了在確認及計量金融資產、金融負債和購買／處置非金融項目合同時的具體要求。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(i) (continued)

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

The following table summarises the impact of transition to HKFRS 9 on retained earnings and reserves and the related tax impact at 1 January 2018.

1 重大會計政策 (續)

(c) 會計政策變更 (續)

(i) (續)

為了與轉換要求保持一致，本集團回顧性地開始對2018年1月1日存在的各項目執行香港財務報告準則第9號。本集團識別了在2018年1月1日首次採用香港財務報告準則第9號準則對權益期初數調整的累計影響。因此，對比期間的信息繼續按香港會計準則第39號準則披露。

下表匯總了未分配利潤，儲備和相關稅在2018年1月1日轉換日的影響。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1 重大會計政策 (續)

(c) Changes in accounting policies (continued)

(c) 會計政策變更 (續)

		RMB'000 人民幣千元
Retained earnings	未分配利潤	
Transferred from fair value reserve (recycling) relating to financial assets now measured at FVPL	來自按公允價值計量且其變動計入當期損失的金融資產有關的公允價值儲備	17,434
Recognition of additional expected credit losses on:	確認的額外預期信用損失	
financial assets measured at amortised cost	按攤餘成本計量的金融資產	(150,805)
Related tax	相關稅	32,779
Net decrease in retained earnings at 1 January 2018	2018年1月1日未分配利潤淨減少	(100,592)
Fair value reserve (recycling)	公允價值儲備	
Transferred to retained earnings relating to financial assets now measured at FVPL	轉至按公允價值計量且其變動計入當期損失的金融資產有關的未分配利潤	(17,434)
Non-controlling interests	非控制性權益	
Recognition of additional expected credit losses on financial assets measured at amortised cost and decrease in non-controlling interests at 1 January 2018	2018年1月1日對按攤餘成本計量的金融資產確認的額外預期信用損失和非控制性權益的減少	(9,826)

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

a. Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The following table shows the original measurement categories for each class of the Group's financial assets and financial guarantee liabilities under HKAS 39 and reconciles the carrying amounts of those financial assets and financial guarantee liabilities determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

1 重大會計政策 (續)

(c) 會計政策變更 (續)

對原有會計政策的變更的進一步內容以及影響說明如下：

a. 金融資產和金融負債的分類

香港財務報告準則第9號將金融資產分為如下三大類別：以攤餘成本計量、以公允價值計量且其變動計入損益(FVTPL)以及以公允價值計量且其變動計入其他綜合收益(FVOCI)，這將取代香港會計準則第39號準則下的持有至到期投資，貸款和應收款，可供出售金融資產以及以公允價值計量且其變動計入當期損益。香港財務報告準則第9號準則下金融資產的分類是基於金融資產管理的業務模式以及合同現金流量特徵。

下表說明了在香港會計準則第39號準則下本集團各項金融資產與金融負債的原始計量類別以及從香港會計準則第39號準則下確認的金融資產與金融負債賬面金額重分類至香港財務報告準則第9號準則下的金融資產與金融負債。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1 重大會計政策 (續)

(c) Changes in accounting policies (continued)

(c) 會計政策變更 (續)

a. Classification of financial assets and financial liabilities (continued)

a. 金融資產和金融負債的分類 (續)

	HKAS 39 carrying amount at 31 December 2017	Reclassification	Remeasurement	HKFRS 9 carrying amount at 1 January 2018
	2017年12月31日 香港會計準則 第39號準則 賬面金額 RMB'000 人民幣千元	重分類 RMB'000 人民幣千元	重新計量 RMB'000 人民幣千元	2018年1月1日 香港 財務報告準則 第9號準則 賬面金額 RMB'000 人民幣千元
Financial assets carried at amortised cost	按攤餘成本計量的金融資產			
Receivables for factoring business	1,643,071	-	(9,727)	1,633,344
Loans and advances to customers	7,741,071	-	(149,927)	7,591,144
Finance lease receivables	346,299	-	(709)	345,590
	9,730,441	-	(160,363)	9,570,078
Financial assets carried at FVPL	以公允價值計量且其變動計入當期損益的金融資產			
Equity instrument held for trading (Note)	-	422,318	-	422,318
Debt instrument held for trading (Note)	-	261,291	-	261,291
Wealth management products (Note)	-	50,000	-	50,000
Non-performing asset packages	50,000	-	-	50,000
	50,000	733,609	-	783,609

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1 重大會計政策 (續)

(c) Changes in accounting policies (continued)

(c) 會計政策變更 (續)

a. Classification of financial assets and financial liabilities (continued)

a. 金融資產和金融負債的分類 (續)

		HKAS 39 carrying amount at 31 December 2017	Reclassification	Remeasurement	HKFRS 9 carrying amount at 1 January 2018
		2017年12月31日 香港會計準則 第39號準則 賬面金額 RMB'000 人民幣千元	重分類 RMB'000 人民幣千元	重新計量 RMB'000 人民幣千元	2018年1月1日 香港 財務報告準則 第9號準則 賬面金額 RMB'000 人民幣千元
Financial assets classified as available-for-sale financial assets under HKFRS 39	香港會計準則第39號準則確認為可供出售金融資產				
Equity instrument held for trading	以交易為目的權益工具	422,318	(422,318)	-	-
Debt instrument held for trading	以交易為目的的債務工具	261,291	(261,291)	-	-
Wealth management products	理財產品	50,000	(50,000)	-	-
		733,609	(733,609)	-	-
Financial liabilities carried at amortised cost	以攤餘成本計量的金融負債				
Provisions for guarantee losses	擔保賠償準備金	(377,327)	-	(268)	(377,595)

Notes: Under HKAS 39, equity instrument not held for trading, debt instrument and wealth management products were classified as available-for-sale financial assets. They are classified as at FVPL under HKFRS 9.

附註：香港會計準則第39號準則下，非交易性權益工具，債務工具和理財產品確認為可供出售金融資產，但在香港財務報告準則第9號準則，他們被確認為以公允價值計量且其變動計入當期損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

a. Classification of financial assets and financial liabilities (continued)

For an explanation of how the Group classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see accounting policy notes in Note 1(k)(i).

The measurement categories for all financial liabilities remain the same, except for financial guarantee contracts see Note 1(k)(iii). The carrying amounts for all financial liabilities (except financial guarantee contracts) at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 January 2018.

1 重大會計政策 (續)

(c) 會計政策變更 (續)

a. 金融資產和金融負債的分類 (續)

對於本集團在香港財務報告準則第9號準則下如何分類與計量金融資產以及確認相關損益，參見附註1(k)(i)。

所有金融負債的計量類別保持不變，除了金融擔保合同（見附註1(k)(iii)）。開始實施香港財務報告準則第9號準則後，2018年1月1日所有的金融負債的賬面金額（除了金融擔保合同）沒有受到影響。

2018年1月1日本集團沒有指定任何金融資產或者金融負債為以公允價值計量且其變動計入當期損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

b. Credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECL model to the following items:

- Financial assets measured at amortized cost (including cash and cash equivalents, receivables for factoring business, loans and advances to customers);
- Finance lease receivables;
- Receivables for default payments; and
- Financial guarantee contracts issued (see Note 1(k)(iii)).

For further details on the Group's accounting policy for accounting for credit losses, see Note 1(k)(ii) and (iii).

1 重大會計政策 (續)

(c) 會計政策變更 (續)

b. 信用損失

香港財務報告準則第9號準則以「預期信用損失」模型替代了香港會計準則第39號準則中的「已發生損失」模型。「預期信用損失」模型要求持續評估金融資產的信用風險，因此在香港財務報告準則第9號準則下，本集團信用損失的確認時點早於香港會計準則第39號準則。

本集團採用預期信用損失模型的科目有：

- 按攤餘成本計量的金融資產（包括現金及現金等價物，應收保理款，發放貸款及墊款）
- 應收融資租賃款
- 應收代償款
- 擔保賠償準備金（見附註1(k)(iii)）

關於信用損失的會計政策變更，更多內容詳見附註1(k)(ii)和(iii)。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

b. Credit losses (continued)

The following table reconciles the closing loss allowance determined in accordance with HKAS 39 as at 31 December 2017 with the opening loss allowance determined in accordance with HKFRS 9 as at 1 January 2018.

		Loss allowance at 31 December 2017 under HKAS 39	Additional credit loss recognised at 1 January 2018	Loss allowance at 1 January 2018 under HKFRS 9
		2017年12月31日香港會計準則第39號準則下的減值準備	2018年1月1日減值準備增加額	2018年1月1日香港財務報告準則第9號準則下的減值準備
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Receivables for default payment	應收代償款	454,040	-	454,040
Receivables for factoring business	應收保理款	16,853	9,727	26,580
Loans and advances to customers	發放貸款及墊款	324,313	149,927	474,240
Finance lease receivables	應收融資租賃款	3,526	709	4,235
Provisions for guarantee losses	擔保賠償準備金	377,327	268	377,595
Total	合計	1,176,059	160,631	1,336,690

c. Hedge accounting

The Group currently does not have any hedge business and therefore the adoption of HKFRS 9 has not had a significant impact on the Group's financial statements in this regard.

1 重大會計政策 (續)

(c) 會計政策變更 (續)

b. 信用損失 (續)

下表說明了2017年12月31日在香港會計準則第39號準則下本集團各項金融資產的減值準備以及在香港財務報告準則第9號準則下的金融資產的減值準備的調節表。

c. 套期會計

本集團目前沒有任何套期業務，因此在採用香港財務報告準則第9號準則後該部份對本集團的財務報告沒有重大影響。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

d. Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.
- The assessments of the determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group):
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

1 重大會計政策 (續)

(c) 會計政策變更 (續)

d. 金融資產轉移

採用香港財務報告準則第9號準則後相應的會計政策會隨之變更，除了以下情況：

- 對比期間的資料沒有進行重述。採用香港財務報告準則第9號準則後金融資產的賬面金額的差異在2018年1月1日確認為未分配利潤和儲備。相應地，2017年的財務資訊仍按香港會計準則第39號準則進行披露，因此與當期信息沒有可比性。
- 基於2018年1月1日（本集團首次採用香港財務報告準則第9號準則的日期）存在的事實和環境，進行如下評估：
- 在首次實施日，如果當評估一項金融資產的信用風險是否顯著增加時發生額外的成本或努力，則該金融資產於整個存續內確認其預期信用損失。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

- (ii) *HKFRS 15, Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specified the accounting for construction contracts.

The Group performed an assessment of the new standard and concluded that the current treatment of revenue from contracts with customers is consistent with the new principles and there is no transition impact to retained earnings.

1 重大會計政策 (續)

(c) 會計政策變更 (續)

- (ii) *香港財務報告準則第15號，源自客戶合同的收入*

香港財務報告準則第15號建立了確認來自客戶合同收入的全面框架。香港財務報告準則第15號將取代現有收入準則，即香港會計準則第18號，收入（包括銷售貨物及提供服務所產生的收入）及香港會計準則第11號，建造合同（明確建造合同收入的會計處理方法）。

本集團評估了新準則並認為當前來自客戶合約收入的條款與新的準則是一致的，因此對於未分配利潤沒有轉換的影響。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

(iii) *HK(IFRIC) 22, Foreign currency transactions and advance consideration*

This interpretation provides guidance on determining “the date of the transaction” for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that “the date of the transaction” is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The Group currently does not have any foreign business and therefore the adoption of HK(IFRIC) 22 does not have any material impact on the financial position and the financial result of the Group.

1 重大會計政策 (續)

(c) 會計政策變更 (續)

(iii) *香港 (國際財務報告準則解釋委員會) 第22號，外幣交易和預付／預收對價*

該解釋對於主體在用外幣進行預付／預收對價時，確定最初確認相關資產，費用或者收入（或部份）所採用的外幣匯率的「交易日」上提供了指引。

該解釋明確了預付／預收對價所引起的非貨幣性資產或負債的初始確認日期就是「交易日」。如果有多項預付／預收，則需要按此方式確認每一項預付／預收的交易日。本集團目前沒有任何外幣交易，因此香港（國際財務報告準則解釋委員會）第22號的實施對本集團財務情況和財務成果沒有任何重大影響。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests

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

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

1 重大會計政策 (續)

(d) 附屬公司及非控制性權益

附屬公司指本集團控制的實體。本集團對實體有控制權，是指本集團因參與該實體的營運而獲得或有權享有其可變回報，並能夠運用其對實體的權力影響上述回報。評估本集團是否有權力時，僅考慮由本集團及其他方所持有的實質權利。

於附屬公司的投資自控制權開始日期直至控制權終止日期計入合併財務報表內。集團內部往來的餘額、交易及現金流量以及集團內部交易所產生的任何未變現收益在編製合併財務報表時全部抵銷。集團內部交易所產生的任何未實現虧損按照未實現收益的方式抵銷，但出現減值證據除外。

非控制性權益指非直接或間接歸屬於本公司的附屬公司權益，且本集團就此並無與該等權益持有人協定任何額外條款，致使本集團整體須就該等符合金融負債定義的權益承擔合同責任。就各業務合併而言，本集團可選擇按公允價值或按佔附屬公司可識別淨資產的非控股權益比例而計量任何非控制性權益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity holders/shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statements of financial position in accordance with Note 1(k) depending on the nature of the liability.

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

1 重大會計政策 (續)

(d) 附屬公司及非控制性權益 (續)

非控制性權益於合併財務狀況表的權益內呈列，獨立於本公司權益持有人／股東應佔的權益。本集團業績的非控制性權益乃於合併損益表及合併損益及其他綜合收益表列作本公司非控制性權益及權益股東之間年內的盈利或虧損總額及全面收入總額的分配結果。非控制性權益持有人提供的貸款及向該等持有人承擔的其他合同責任乃根據附註1(k)視乎負債的性質於合併財務狀況表列作金融負債。

倘本集團於附屬公司的權益變動不會導致喪失控制權，則作為股權交易入賬，而於綜合權益內之控股及非控制性權益金額會作出調整，以反映相關權益變動，惟不會對商譽做出調整及不會確認盈虧。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 1(k)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 1(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 1(n)(i)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates and joint ventures

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

A joint venture is an arrangement whereby the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

1 重大會計政策 (續)

(d) 附屬公司及非控制性權益 (續)

當本集團喪失對附屬公司之控制權，將按出售於該附屬公司的所有權益入賬，而所產生的盈虧於損益中確認。任何在喪失控制權當日仍保留的該前附屬公司權益按公允價值確認，而此金額被視為初步確認金融資產的公允價值（見附註1(k)），或（如適用）初步確認於聯營公司或合營企業的投資的成本（見附註1(e)）。

於本公司的財務狀況表中，於附屬公司的投資按成本減資產減值損失入賬（見附註1(n)(i)），惟倘投資分類為持作銷售則除外（或計入分類為持作出售的出售集團）。

(e) 聯營公司及合營企業

聯營公司是指本公司可以對該公司管理層產生相當大的影響，包括參與財務及經營決策，但不是控制或共同控制其管理層的實體。

合營企業是指本公司與其他方以合同形式同意分享安排事項的控制權，並享有有關安排事項的淨資產的權利。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Notes 1(f) and (n)(i)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

1 重大會計政策 (續)

(e) 聯營公司及合營企業 (續)

對聯營公司或合營企業的投資按權益法於合併財務報表列賬。唯倘投資分類為持有待售除外(或計入分類為持有待售的出售集團)根據權益法，投資初始按成本入賬，並按本集團應佔被投資公司於收購當日可識別資產淨值的公允價值超逾投資成本的部份(如有)作出調整。此後，該投資因應本集團於收購後應佔被投資公司資產淨值的變動及與投資有關的任何減值虧損作出調整(見附註1(f)及(n)(i))。收購當日出超成本的任何部份、本集團於年內應佔被投資公司收購後的稅後業績以及任何減值虧損於合併損益表確認，而本集團應佔被投資公司收購後其他綜合收益的除稅後項目乃於合併損益及其他綜合收益表內確認。

當本集團應佔虧損超逾其於該聯營公司或合營企業的權益，本集團的權益將削減至零，且不再確認其他虧損，惟倘本集團須承擔法定或推定責任，或代被投資公司付款則除外。就此而言，本集團的權益為按照權益法計算的投資賬面值，連同實質上構成本集團對該聯營公司或合營企業投資淨額一部份的本集團長期權益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures (continued)

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in statement of profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 1(k)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see Note 1(n)(i)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

1 重大會計政策 (續)

(e) 聯營公司及合營企業 (續)

本集團與其聯營公司及合營企業之間交易產生的未實現溢利及虧損按本集團於被投資公司的權益抵減，惟倘未實現虧損可證明已轉讓資產出現減值，則即時於損益確認。

倘對聯營公司的投資變成對合營企業的投資或反之，保留權益不會重新計量。相反，此投資將繼續按權益法入賬。

在所有其他情況下，如本公司不再對聯營公司擁有重大影響或擁有合營企業的共同控制權，會被視為出售在該承資公司的全部權益，其收益或損失將會計入損益表。於失去前承資公司重大影響或共同控制權當日，任何仍然持有該承資公司的權益將會以公允價值確認，而該金額將被視為金融資產初始確認的公允價值（見附註1(k)）。

在本公司的財務狀況表內，對聯營公司及合營企業的投資按成本扣除資產減值損失列值（見附註1(n)(i)），惟分類為持有待售除外（或計入分類為持有待售的出售集團）。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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 net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 1(n)(ii)).

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

1 重大會計政策 (續)

(f) 商譽

商譽代表以下差額

- (i) 本集團作為購買方，發行的權益性證券、為取得被購買方控制權而付出的資產以及購買日之前所持有的被購買方的股權在購買日的公允價值之和；與
- (ii) 合併中取得的被購買方可辨認淨資產於購買日公允價值份額的差額。

當(ii)的金額大於(i)時，差額直接確認為廉價收購利得，計入當期損益。

商譽以成本減累計減值準備列示。集團依據現金流產生單元或者現金流產生單元組能夠從企業合併的協同效應中的受益情況分攤商譽賬面價值，並在此基礎上進行商譽減值測試(附註1(n)(ii))。

在處置資產組時，任何屬於購置商譽的金額均在計算處置損益時考慮。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see Note 1(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight-line basis to write off the cost of investment properties to its residual value over its estimated useful life, i.e. 26 years. Rental income from investment properties is accounted for as described in Note 1(s)(iii).

(h) Other property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 1(n)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour and borrowing costs.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the statement of profit or loss on the date of retirement or disposal.

1 重大會計政策 (續)

(g) 投資性房地產

投資性房地產，是指為賺取租金（附註1(j)）或資本增值，或兩者兼有而持有的房地產，包括尚未確定持有意圖的土地以及正在建造或開發的投資性房地產。

投資性房地產按成本減去累計折舊和減值損失列示。投資性房地產在其預計可使用年限內，即26年，按直線法折舊至其剩餘價值。投資性房地產租金收入的計量請參見附註1(s)(iii)。

(h) 其他物業、廠房及設備

物業、廠房及設備按成本扣減累計折舊及資產減值損失後的淨值入賬（見附1(n)(ii)）。

自建物業、廠房及設備項目的成本包括物料成本、直接勞工成本及借貸成本。

報廢或處置物業、廠房及設備所產生的利得或損失為處置所得款項淨額與資產賬面價值之間的差額，並於報廢或處置日在當期損益中確認。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other property, plant and equipment (continued)

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

		Estimated useful lives	
		預計使用年限	
Buildings held for use	建築物	30-35 years	30-35年
Motor vehicles	運輸設備	5 years	5年
Office and other equipment	辦公及其他設備	5 years	5年
Leasehold improvements	租賃物業改良支出	1-5 years	1-5年

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

1 重大會計政策 (續)

(h) 其他物業、廠房及設備 (續)

物業、廠房及設備項目折舊按估計可使用年限，在扣除預計剩餘價值(如有)後以直線法沖銷成本計算如下：

倘物業、廠房及設備項目各部份的可使用年限不同，則該項目各部份成本將按合理基準分配，每部份分開折舊。資產的可使用年期及剩餘價值(如有)每年會經覆核。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 1(n)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to the statement of profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

		Estimated useful lives 估計使用壽命	
Software	電腦軟體	2-10 years	2-10年

Both the period and method of amortisation are reviewed annually.

1 重大會計政策 (續)

(i) 無形資產 (商譽除外)

由本集團購入的無形資產按成本減去累計攤銷 (如估計可用年期為有限) 及資產減值損失 (見附註1(n)(ii)) 後列賬。內部產生的商譽及品牌開支乃於產生期內確認為費用。

可用年期有限的無形資產的攤銷乃按資產的估計可用年期以直線法計入損益表。以下有限可使用年期的無形資產自可供使用日期起進行攤銷，而估計可使用年期如下：

攤銷期間及方法每年均會經複核。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets

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

(i) Classification of assets leased to the Group

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

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see Note 1(j)); and

1 重大會計政策 (續)

(j) 租賃資產

倘本集團決定在一項安排具有在議定期限內通過支付一筆或一系列款項，從而獲得使用某一特定資產或多項資產之權利，則包括一項交易或連串交易的該項安排為或包括一項租賃。該項決定乃基於安排內容的估值而作出並不計是否該安排採取法律形式的租賃。

(i) 租入資產的分類

融資租賃是指無論所有權最終是否轉移但實質上轉移了與資產所有權有關的全部風險和報酬的租賃。經營租賃是指除融資租賃以外的其他租賃，但以下情況除外：

- 經營租賃持有的其他符合投資性房地產定義的資產按物業分類為投資性房地產，如屬分類為投資性房地產，則按融資租賃入賬（見附註1(j)）；以及

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets (continued)

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

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

(ii) The Group as a lessor under operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred.

1 重大會計政策 (續)

(j) 租賃資產 (續)

(i) 租入資產的分類 (續)

- 經營租賃持有自用的土地，其公允價值不能與租賃開始時位於其上的建築物的公允價值分開計量，按融資租賃入賬，除非建築物也明確按經營租約持有。就此目的而言，租賃開始時為本集團首次訂立租賃或由先前承租人接管的時間。

(ii) 經營租賃本集團作為出租方

經營租賃的租金收入在相關租賃期內按直線法確認損益。對金額不重大的直接費用於產生時計入當期損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets (continued)

(iii) The Group as a lessee under operating leases

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

(iv) The Group as a lessee under finance leases

At the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognised as a finance lease receivables, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognised as unearned finance income.

Unearned finance income is recognised as interest income using the effective interest method over the lease term. Contingent rentals under finance lease are recognised as revenue in the periods in which they are incurred.

1 重大會計政策 (續)

(j) 租賃資產 (續)

(iii) 經營租賃本集團作為承租方

如本集團使用經營租賃資產，除非有其他更多及反映被租賃資產所產生利益的方法，否則經營租賃費用於租賃期內的會計期間以直式法計入當期損益。獲得的租賃獎勵作為租賃淨付款總額的一部份，在當期損益中確認，或有租金在其產生的會計期間確認為當期損益。

(iv) 融資租賃本集團作為出租方

於租賃期開始日，將租賃開始日最低應收租金與初始直接費用之和確認為應收融資租賃款項，同時記錄未擔保餘值。最低應收租金、初始直接費用及未擔保餘值之和與其現值之和的差額確認為未實現融資收益。

未實現融資收益在租賃期內採用實際利率法計算確認為利息收入。融資租賃之或有租金於產生時確認為收入。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments

(i) Recognition and measurement of financial assets and liabilities

A financial asset or financial liability is recognized in the statements of financial position when the Group becomes a party to the contractual provisions of a financial instrument. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 37. These investments are subsequently accounted for as follows, depending on their classification.

(A) Policy applicable from 1 January 2018

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 1(s)(ii)).

1 重大會計政策 (續)

(k) 金融工具

(i) 金融資產及負債的確認和計量

當本集團成為金融工具合同條款的一方時，金融資產或金融負債在財務狀況表中確認。投資初始按公允價值加直接應佔交易成本列賬，惟以公允價值計量且其變動計入當期損益確認交易成本的投資除外。有關本集團如何確定金融工具公允價值的解釋，請參見附註37。這些投資其後根據其分類進行如下處理。

(A) 適用於2018年1月1日的政策

股權投資以外的投資

集團持有的非股權投資分為以下計量類別之一：

- 如果為收取僅代表本金和利息的合同現金流量而持有投資，則分類為以攤餘成本計量的金融資產。投資的利息收入採用實際利率法計算（見附註1(s)(ii)）。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(i) Recognition and measurement of financial assets and liabilities (continued)

(A) Policy applicable from 1 January 2018 (continued)

Investments other than equity investments
(continued)

- fair value through other comprehensive income (FVOCI) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

1 重大會計政策 (續)

(k) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

(A) 適用於2018年1月1日的政策 (續)

股權投資以外的投資
(續)

- 分類為以公允價值計量且其變動計入其他綜合收益 (FVOCI) 的金融資產，如果投資的合同現金流量僅包括本金和利息的支付，並且其業務模式是通過收取合同現金流量和出售。公允價值變動計入其他綜合收益，但預計信用損失的利潤或損失，利息收入（採用實際利率法計算）和匯兌損益確認的除外。當終止確認投資時，其他綜合收益中累計的金額將從權益回收至損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(i) Recognition and measurement of financial assets and liabilities (continued)

(A) Policy applicable from 1 January 2018
(continued)

Investments other than equity investments
(continued)

- fair value through profit or loss (FVTPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

1 重大會計政策 (續)

(k) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

(A) 適用於2018年1月1日
的政策 (續)

股權投資以外的投資
(續)

- 如果投資不符合按攤餘成本或FVOCI (回收) 計量的標準，則分類為以公允價值計量且其變動計入當期損益的金融資產 (FVTPL)。投資的公允價值變動 (包括利息) 在損益中確認。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(i) Recognition and measurement of financial assets and liabilities (continued)

(A) Policy applicable from 1 January 2018 (continued)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss.

1 重大會計政策 (續)

(k) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

(A) 適用於2018年1月1日的政策 (續)

股權投資

股權投資被歸類為FVTPL，除非股權投資不是為交易目的而持有，並且在初始確認投資時，本集團選擇以指定FVOCI的投資（非回收），以便隨後的公允價值變動在其他綜合收益中確認。此選擇權是在逐個工具的基礎上進行的，但只有在投資符合發行人視角下的股權定義時才可以進行。一旦行使選擇權，在其他綜合收益中累計的金額保留在公允價值儲備（非回收）中，直至投資處置為止。在處置時，公允價值儲備（非回收）中累計的金額轉入留存收益。它不會通過損益進行回收。權益證券投資的股息，無論是按FVTPL還是FVOCI，均在損益中確認。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(i) Recognition and measurement of financial assets and liabilities (continued)

(B) Policy applicable prior to 1 January 2018

A financial asset or financial liability is recognised in the statements of financial position when the Group becomes a party to the contractual provisions of a financial instrument.

Financial assets and financial liabilities are measured initially at fair value, plus, for instruments not classified as at fair value through profit or loss, any directly attributable transaction costs.

Financial assets and financial liabilities are categorised as follows:

1 重大會計政策 (續)

(k) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

(B) 在2018年1月1日前適用的政策

金融資產或金融負債在本集團成為金融工具合同條款的一方時，於財務狀況表內確認。

在初始確認時，金融資產及金融負債均以公允價值計量。對於以公允價值計量且其變動計入當期損益的金融資產或金融負債，相關交易費用直接計入當期損益；對於其他類別的金融資產或金融負債，相關交易費用計入初始確認金額。

金融資產及金融負債分為以下類別：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(i) Recognition and measurement of financial assets and liabilities (continued)

(B) Policy applicable prior to 1 January 2018
(continued)

- Loans and receivables

Loans and receivables are non-derivative financial assets held by the Group with fixed or determinable recoverable amounts that are not quoted in an active market, other than:

- (a) those that the Group intends to sell immediately or in the near-term, which will be classified as held for trading;
- (b) those that the Group, upon initial recognition, designates as at fair value through profit or loss or as available-for-sale; or

1 重大會計政策 (續)

(k) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

(B) 在2018年1月1日前適用的政策 (續)

- 貸款及應收款項

貸款及應收款項是指在活躍市場中沒有報價，回收金額固定或可確定的本集團持有的非衍生金融資產，本集團未將下列非衍生金融資產劃分為貸款及應收款項：

- (a) 分類為持作交易用途的非衍生金融資產，即準備立即或在近期出售的金融資產；
- (b) 初始確認時被本集團指定為以公允價值計量且其變動計入當期損益的金融資產或可供出售非衍生金融資產；或

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(i) Recognition and measurement of financial assets and liabilities (continued)

(B) Policy applicable prior to 1 January 2018
(continued)

- Loans and receivables (continued)
 - (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale.

Subsequent to initial recognition, loans and receivables are stated at amortised cost using the effective interest method.

- Available-for-sale financial assets
Available-for-sale financial assets include non-derivative financial assets that are designated upon initial recognition as available-for-sale and other financial assets are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity assets.

1 重大會計政策 (續)

(k) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

(B) 在2018年1月1日前適用的政策 (續)

- 貸款及應收款項 (續)
 - (c) 除因債務人信用惡化被劃分為可供出售金融資產外，使本集團可能難以收回幾乎所有初始投資的非衍生金融資產。

於初期確認後，貸款和應收款項採用實際利率方法計算攤銷成本。

- 可供出售金融資產
可供出售金融資產是指於初始確認時即被指定為可供出售的非衍生金融資產，或除下列各類資產以外的金融資產：以公允價值計量且其變動計入當期損益的金融資產、貸款及應收款項及持至到期投資。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(i) Recognition and measurement of financial assets and liabilities (continued)

(B) Policy applicable prior to 1 January 2018
(continued)

- Available-for-sale financial assets (continued)

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value, without any deduction for transaction costs that may occur on sale and changes therein, except for impairment losses and foreign exchange gains and losses from monetary financial assets, are recognised directly in other comprehensive income. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to statement of profit or loss.

1 重大會計政策 (續)

(k) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

(B) 在2018年1月1日前適用的政策 (續)

- 可供出售金融資產 (續)

可供出售金融資產初始確認後以公允價值計量，且不扣除將來處置該金融資產時可能發生的交易費用及可供出售金融資產因公允價值變動形成的利得或損失，除減值損失和外幣貨幣性金融資產形成的匯兌差額外，均於其他綜合收益中確認。倘投資被終止確認，則其於其他綜合收益中列賬的累計利得或損失會重新分類至當期收益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(i) Recognition and measurement of financial assets and liabilities (continued)

(B) Policy applicable prior to 1 January 2018
(continued)

- Other financial liabilities

Financial liabilities other than the financial liabilities at fair value through profit or loss are classified as other financial liabilities.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

1 重大會計政策 (續)

(k) 金融工具 (續)

(i) 金融資產及負債的確認和計量 (續)

(B) 在2018年1月1日前適用的政策 (續)

- 其他金融負債

以公允價值計量且其變動計入當期損益的金融負債以外的金融負債被分類為其他金融負債。

於初始確認後，其他金融負債使用實際利率法按攤餘成本計量。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables

(A) Policy applicable from 1 January 2018

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, receivables for factoring business, loans and advances to customers);
- Finance lease receivables;
- Receivables for default receivables; and
- Financial guarantee contracts issued.

Financial assets measured at fair value, including equity instrument and debt instrument are not subject to the ECL assessment.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失

(A) 2018年1月1日起適用的政策

本集團就下列科目根據預期信用損失(ECL)確認的損失準備：

- 按攤銷成本計量的金融資產(包括現金及現金等價物，保理業務應收款項，貸款及墊款)；
- 應收融資租賃款；
- 應收代償款；以及
- 已簽訂的財務擔保合同。

以公允價值計量的金融資產，包括權益工具和債務工具，不按ECL評估。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

ECL計量

ECL是信用損失的概率加權估計。信用損失按所有預期現金損失的現值(即根據合同應付本集團的現金流量與本集團預期收到的現金流量)之間的差額計量。

如果折現的影響很大，則使用以下折現率計算預期現金短缺：

- 固定利率金融資產，貿易及其他應收款：初始確認時或其近似值時確定的實際利率；
- 浮動利率金融資產：當前實際利率；
- 應收租賃款項：計量應收租賃款項時使用的貼現率；

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018
(continued)

Measurement of ECLs (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

ECL計量 (續)

估計預期信用損失時所考慮的最長期限是本集團面臨信用風險的最長合同期。

在衡量ECL時，本集團會考慮合理且有依據的信息，而無需過多的成本或努力。這包括有關過去事件，當前狀況和未來經濟狀況預測的資訊。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

ECL計量 (續)

ECL在以下任一基礎上測量：

- 未來12個月內預期信用損失：這些是預計在報告日期後12個月內可能發生的違約事件造成的損失；和
- 整個存續期預期信用損失：這些是由適用ECL模型的科目在整個預計存續期內所有可能發生的違約事件而導致的預期信用損失。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Measurement of ECLs (continued)

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

ECL計量 (續)

對於應收賬款，應收融資租賃款和合同資產，本集團始終按照相當於整個存續期內預期信用損失的金額計量其損失準備。本集團基於歷史信用損失經驗、使用準備矩陣計算上述金融資產的預期信用損失，相關歷史經驗根據資產負債表日借款人的特定因素，以及對當前狀況和未來經濟狀況預測的評估進行調整。

對於所有其他金融工具，本集團按照相當於未來12個月內預期信用損失的金額計量其損失準備，除非自初始確認以來金融工具的信用風險顯著增加，在這種情況下，損失準備的計算按照相當於整個存續期內預期信用損失的金額計量。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

信貸風險顯著增加

本集團通過比較金融工具在資產負債表日發生違約的風險與在初始確認日發生違約的風險，以確定金融工具預計存續期內發生違約風險的相對變化，以評估金融工具的信用風險自初始確認後是否已顯著增加。在進行重評時，當(i)借款人不大可能全額支付其對本集團的欠款，該評估不考慮本集團採取例如變現抵押品(如果持有)等追索行動；或(ii)金融資產逾期超過90天，本集團確定金融工具的信用風險已經顯著增加。本集團考慮無須付出不必要的額外成本或努力即可獲得的合理且有依據的定量和定性信息，包括歷史經驗和前瞻性信息。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Significant increases in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

信貸風險顯著增加 (續)

特別是，在評估自初始確認後信用風險是否顯著增加時，會考慮以下資訊：

- 未在合同到期日支付本金或利息；
- 金融工具的外部或內部信用評級（如果有）的實際或預期的顯著惡化；
- 債務人的經營業績實際或預期顯著惡化；以及
- 現存的或預期的技術、市場、經濟或法律環境變化，對債務人履行對本集團義務的能力產生重大不利影響。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Significant increases in credit risk (continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

信貸風險顯著增加 (續)

根據金融工具的性质，本集團以單項金融工具或金融工具組合為基礎評估信用風險是否顯著增加。以金融工具組合為基礎進行評估時，本集團可基於共同信用風險特徵對金融工具進行分類，例如逾期信息和信用風險評級。

為反映金融工具的信用風險自初始確認後的變化，本集團在每個資產負債表日重新計量預期信用損失，由此形成的損失準備的增加或轉回金額，應當作為減值損失或者利得計入當期損益。對於以攤餘成本計量的金融資產，損失準備抵減該金融資產在資產負債表中列示的賬面價值；對於以公允價值計量且其變動計入其他綜合收益的債權投資，本集團在其他綜合收益中確認其損失準備，不抵減該金融資產的賬面價值。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Basis of calculation of interest income

Interest income recognised in accordance with Note 1(s)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

利息收入的計算基礎

根據附註1(s)(ii)確認的利息收入乃根據金融資產的賬面總值計算，除非該金融資產已發生信用減值，在此情況下，利息收入乃根據攤餘成本計算（即金融資產的賬面總額減去損失準備金額。

於各報告日期，本集團會評估金融資產是否已發生信用減值。當一項或多項事件對金融資產的預期未來現金流量產生不利影響時，金融資產已發生信用減值。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Basis of calculation of interest income (continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

利息收入的計算基礎 (續)

金融資產已發生信用減值的證據包括以下可觀察信息：

- 債務人發生重大財務困難；
- 違約，例如償付利息或本金違約或逾期等；
- 借款人很可能會進入破產或其他財務重組；
- 現存的技術、市場、經濟或法律環境變化，對債務人對本集團的還款能力產生重大不利影響；或
- 由於發行人的財務困難導致該金融資產的活躍市場消失。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(A) Policy applicable from 1 January 2018 (continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合同資產及應收租賃款項的信用損失 (續)

(A) 2018年1月1日起適用的政策 (續)

核銷政策

如果本集團不再合理預期金融資產合同現金流量能夠全部或部分收回，則直接減記該金融資產的賬面金額。這種情況通常發生在本集團確認債務人沒有資產或收入來源可產生足夠的現金流量以償還將被減記的金額。

已減記的金融資產以後又收回的，作為減值損失的轉回計入收回當期的損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an “incurred loss” model was used to measure impairment losses on financial assets not classified as at FVPL (e.g. trade and other receivables, available-for-sale investments and held-to-maturity debt securities). Under the “incurred loss” model, an impairment loss was recognised only when there was objective evidence of impairment. Objective evidence of impairment included:

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

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應收租賃款項的信貨損失 (續)

(B) 2018年1月1日之前採納的政策

在2018年1月1日之前，「已發生損失」模型用於計量未歸類為FVPL的金融資產的減值損失（例如貿易和其他應收款，可供出售投資和持有至到期債務證券）。根據「已發生損失」模式，僅在存在客觀減值證據時確認減值損失。客觀的減值證據包括：

- 債務人發生重大債務困難；
- 違反合同，如違約或拖欠利息及本金；
- 債務人很可能破產或進行其他財務重組；
- 技術、市場、經濟或法律環境發生重大改變對債務人造成不利影響；及

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018 (continued)

- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence existed, an impairment loss was determined and recognised as follows:

- Loans and receivables

The Group uses two methods of assessing impairment losses: those assessed individually and those assessed on a collective basis.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應收租賃款項的信貸損失 (續)

(B) 2018年1月1日之前採納的政策 (續)

- 權益工具中投資的公允價值出現大幅下降或長期低於其成本。

倘存在任何該等證據，任何資產減值損失須按以下釐定及確認：

- 貸款及應收款項

本集團採用個別評估及組合評估兩種方式評估資產減值損失。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018 (continued)

- Loans and receivables (continued)

- Individual assessment

Loans and receivables, which are considered individually significant, are assessed individually for impairment. If there is objective evidence of impairment of loans and receivables, the amount of loss is measured as the excess of its carrying amount over the present value of the estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. The impairment losses are recognised in the statement of profit or loss.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應收租賃款項的信貨損失 (續)

(B) 2018年1月1日之前採納的政策 (續)

- 貸款及應收款項 (續)

- 個別評估

對於單筆金額重大的貸款及應收款項，採用個別方式進行減值評估。如有客觀證據顯示貸款及應收款項已出現減值，則將該資產的賬面價值減記至按該金融資產原實際利率（即按該等資產初始確認時計算的實際利率）折現確定的預計未來現金流量現值（倘折現的影響屬重大），減記的金額確認為資產減值損失，計入當期損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018 (continued)

- Loans and receivables (continued)
 - Individual assessment (continued)

Cash flows relating to short-term loans and receivables are not discounted when assessing impairment loss if the difference between the estimated future cash flows and its present value is immaterial.

The calculation of the present value of the estimated future cash flows of a collateralised loan or receivable reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應收租賃款項的信貨損失 (續)

(B) 2018年1月1日之前採納的政策 (續)

- 貸款及應收款項 (續)
 - 個別評估 (續)

短期貸款及應收款項和持有至到期投資的預計未來現金流量與其現值相差很小，在確定相關資產減值損失時不進行折現。

有抵押的貸款及應收款項的預計未來現金流量現值會扣除取得和出售抵押品的費用。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018 (continued)

- Loans and receivables (continued)

- Collective assessment

Loans and receivables which are assessed collectively for impairment include individually assessed loans and receivables with no objective evidence of impairment on an individual basis, and homogeneous groups of loans and receivables which are not considered individually significant and not assessed individually. Loans and receivables are grouped for similar credit risk characteristics for collective assessment. The objective evidence of impairment mainly includes that, though it is unable to identify the decrease of cash flow of each individual asset, after collective assessment based on observable data, there is observable evidence indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應收租賃款項的信貨損失 (續)

(B) 2018年1月1日之前採納的政策 (續)

- 貸款及應收款項 (續)

- 組合評估

本集團對於單項金額不重大的同類客戶貸款和墊款、個別方式評估未發生減值的貸款及應收款項，採用組合方式進行減值測試。本集團將其包括在具有類似信用風險特徵的金融資產組合，並以組合方式評估其減值損失。儘管未能就各項個別資產確認現金流量減少，但經按組合評估後，如有證據表明自初始確認後，某一類金融資產的預計未來現金流量出現大幅下降的，將確認減值損失，計入當期損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018
(continued)

- Loans and receivables (continued)
 - Collective assessment (continued)

The Group periodically reviews and assesses the impaired loans and receivables for any subsequent changes to the estimated recoverable amounts and the resulted changes in the provisions for impairment losses.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應 收租賃款項的信貨損失 (續)

(B) 2018年1月1日之前採
納的政策 (續)

- 貸款及應收款項
(續)
 - 組合評估 (續)

本集團就任何預期可回收金額變動及因而導致的資產減值損失撥備變動而定期審閱及評估減值貸款及應收款項。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018 (continued)

- Loans and receivables (continued)
 - Collective assessment (continued)

If, in a subsequent period the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the statement of profit or loss. The reversal shall not result in a carrying amount of the financial asset that exceeds the amortised cost at the date of the reversal had the impairment not been recognised.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應收租賃款項的信貨損失 (續)

(B) 2018年1月1日之前採納的政策 (續)

- 貸款及應收款項 (續)
 - 組合評估 (續)

貸款及應收款項確認減值損失後，如有客觀證據表明該金融資產價值已恢復，且客觀上與確認該損失後發生的事項有關，原確認的減值損失將予以轉回，計入當期損益。該轉回後的賬面價值不超過假定不計提減值準備情況下該金融資產在轉回日的攤餘成本。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018
(continued)

- Loans and receivables (continued)
 - Collective assessment (continued)

When the Group determines that a loan has no reasonable prospect of recovery after the Group has completed all the necessary legal or other claim proceedings, the loan is written off against its provisions for impairment losses upon necessary approval.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應 收租賃款項的信貸損失 (續)

(B) 2018年1月1日之前採
納的政策 (續)

- 貸款及應收款項
(續)
 - 組合評估 (續)

當本集團已經進行了所有必要的法律或其他程序後，貸款仍然不可收回時，本集團將獲得所需批准後核銷貸款及沖銷相應的損失準備。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018 (continued)

- Available-for-sale financial assets

For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to the statement of profit or loss. The amount of the cumulative loss that is recognised in the statement of profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the statement of profit or loss.

Impairment losses recognised in the statement of profit or loss in respect of available-for-sale equity securities are not reversed through the statement of profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應收租賃款項的信貨損失 (續)

(B) 2018年1月1日之前採納的政策 (續)

- 可供出售金融資產

可供出售金融債券發生減值時，原按公允價值確認的累計損失將轉出，計入當期損益。轉出的累計損失金額為該金融資產的初始取得成本扣除已收回本金和已攤銷金額、當期公允價值及原已計入損益的減值損失後的餘額。

可供出售權益工具原於損益確認的減值損失不通過損益轉回，該類金融資產公允價值的任何上升直接計入其他綜合收益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(ii) Credit losses from financial instruments, contract assets and lease receivables (continued)

(B) Policy applicable prior to 1 January 2018 (continued)

- Available-for-sale financial assets (continued)

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the statement of profit or loss.

(iii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

1 重大會計政策 (續)

(k) 金融工具 (續)

(ii) 金融工具，合約資產及應收租賃款項的信貨損失 (續)

(B) 2018年1月1日之前採納的政策 (續)

- 可供出售金融資產 (續)

可供出售金融資產確認減值損失後，如有客觀證據表明該金融資產公允價值已恢復，且客觀上與確認該減值損失後發生的事項有關，原確認的減值損失予以轉回，計入當期損益。

(iii) 發行財務擔保造成的信貨損失

財務擔保是指要求發行人(即擔保人)支付特定款項以償還擔保人(「持有人」)造成的損失的合同，該損失是由指定的債務人未能按照債務工具的條款還款造成的。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(iii) Credit losses from financial guarantees issued (continued)

Financial guarantees issued are initially recognised within “deferred income” at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued (see Note 1(s)(i)).

(A) Policy applicable from 1 January 2018

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in “deferred income” in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

1 重大會計政策 (續)

(k) 金融工具 (續)

(iii) 發行財務擔保造成的信貸損失 (續)

已發行的財務擔保初始按公允價值在「未到期責任準備金」內確認，並在類似服務的公平交易中收取的費用可得時，參考該資訊；或在沒有可用來參考的類似擔保交易時，參考利率差異，通過比較實際收取的費率確定貸款人提供擔保時貸款人可能會收取的估計費率，可以對這些資訊作出可靠的估計。倘就發行擔保而收取或應收對價，則對價將根據本集團適用於該類資產的政策確認。倘未收取或應收該等對價，則直接確認於損益中。

初始確認後，初始確認為未到期責任準備的金額在擔保期內在損益中攤銷，作為已發出財務擔保的收入（見附註1(s)(i)）。

(A) 2018年1月1日起採納的政策

本集團監察指定債務人違約的風險，並當財務擔保的預期信用損失高於擔保的「未到期責任準備金」所載金額時（即初始確認的金額，減累計攤銷）確認減值準備。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(iii) Credit losses from financial guarantees issued (continued)

(A) Policy applicable from 1 January 2018 (continued)

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in Note 1(k)(ii) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

1 重大會計政策 (續)

(k) 金融工具 (續)

(iii) 發行財務擔保造成的信貸損失 (續)

(A) 2018年1月1日起採納的政策 (續)

為確定預期信用損失，本集團考慮自擔保發行以來指定債務人違約風險的變化。除非自發行擔保以來指定債務人違約的風險顯著增加，否則將計量未來12個月內預期信用損失，在指定債務人違約的風險顯著增加的情況下，將衡量整個存續期內預期信用損失。附註1(k)(ii)中描述了相同的違約定義和對信用風險顯著增加的相同評估。

由於本集團僅在指定債務人違約的情況下按照擔保工具的條款進行付款，因此根據償還持有人的信用損失的預期付款額減去本集團預期從擔保人、指明債務人或任何其他方獲得的金額估計預期損失，然後使用針對現金流量特定風險調整的當前無風險利率貼現該金額。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(iii) Credit losses from financial guarantees issued (continued)

(B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, a provision would be recognised if and when it became probable that (i) the holder of the guarantee would call upon the Group under the guarantee and (ii) the amount of the claim on the Group was expected to exceed the amount carried in deferred income in respect of the guarantee.

(iv) Fair value measurement

If there is an active market for a financial asset or financial liability, the quoted price in the active market without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. For a financial asset held or a financial liability to be assumed, the quoted price is the current bid price. For a financial asset to be acquired or a financial liability assumed, it is the current asking price. The quoted prices from an active market are prices that are readily and regularly available from an exchange, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

1 重大會計政策 (續)

(k) 金融工具 (續)

(iii) 發行財務擔保造成的信貸損失 (續)

(B) 2018年1月1日前採納的會計政策

於2018年1月1日之前，若發生以下可能(i)擔保持有人將根據擔保要求本集團償款，以及(ii)預期對本集團的索償金額超過有關擔保的未到期責任準備金所載金額，則將會確認撥備。

(iv) 公允價值計量

對存在活躍市場的金融資產或金融負債，用活躍市場中的報價確定其公允價值，且不扣除將來出售或處置該金融資產或金融負債時可能發生的交易費用。對於已持有的金融資產或將發生的金融負債，報價為當前競標價。對於將取得的金融資產或已發生的金融負債，報價為當前報價。活躍市場中的報價是可容易且經常從交易所、代理人、行業集團或定價服務機構獲取的，並且代表實際和經常發生的正常市場交易。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(iv) Fair value measurement (continued)

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of each reporting period. Where other pricing models are used, inputs are based on market data at the end of each reporting period.

In estimating the fair value of a financial asset and financial liability, the Group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

1 重大會計政策 (續)

(k) 金融工具 (續)

(iv) 公允價值計量 (續)

對不存在活躍市場的金融工具，採用估值技術確定其公允價值。所採用的估值技巧包括參考熟悉情況並自願交易的各方最近進行的市場交易的成交價、參照實質上相同的其他金融工具的當前公允價值、現金流量折現分析及期權定價模式。當使用現金流量折現法時，估計未來現金流量乃根據管理層的最佳估計，所使用的折現率乃具有相若條款及條件的工具所適用之各報告期末之市場利率。當使用其他定價模式時，輸入的數據乃根據報告期末的市場數據計算。

在評估金融資產及金融負債的公允價值時，本集團已考慮所有可能影響金融資產及金融負債的公允價值的因素，包括（但不限於）無風險匯率、信貸風險、外匯匯率及市場波動。

本集團獲得的市場數據來自產生或購買該金融工具的同市場。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(v) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, 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 (see Notes 1(k)(ii) and (iii) and 1(n)(i) and (ii)).

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

(l) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 1(t)).

1 重大會計政策 (續)

(k) 金融工具 (續)

(v) 中期財務報告和減值

根據香港聯合交易所有限公司證券上市規則，本集團須就本財政年度首六個月編製符合香港會計準則第34號中期財務報告的中期財務報告。於中期期末，本集團採用與財政年度末相同的減值測試，確認及轉回準則（見附註1(k)(ii)以及(iii)，1(n)(i)以及(ii)）。

於中期期間就商譽確認的減值虧損於其後期間不會撥回。即使在中期期間財政年度結束時僅對減值進行評估，即使沒有損失或損失較小，也是如此。

(l) 計息借款

計息借款於起始時以公允價值減應佔交易成本確認。於初始確認後，計息借款以攤銷成本列賬。根據本集團的會計政策，利息支出應確認為借款費用（附註1(t)）。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(n) Impairment of non-financial assets

(i) Impairment of investments in subsidiaries, associates and joint venture

Investments in subsidiaries, associates and joint venture are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the loss events in Note 1(k)(ii). When any such evidence exists, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 1(d) and Note 1(e). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with Note 1(n)(ii).

1 重大會計政策 (續)

(m) 貨幣資金

貨幣資金包括銀行存款及現金、存放於銀行及其他金融機構的活期存款，以及可隨時兌換為已知數額現金、價值變動風險不大，並在認購後三個月內到期的短期高流動性投資。

(n) 非金融資產減值

(i) 於附屬公司、聯營公司及合營企業投資的減值

於附屬公司、聯營公司及合營企業的投資在各報告期末審閱以確定是否有減值的客觀證據。減值的客觀證據包括有關一個或多個附註1(k)(ii)中引起本集團注意的虧損事件的可觀察數據。若該證據存在，則減值損失乃根據附註1(d)和附註1(e)對該投資的可收回金額及其賬面值進行比較而計量。倘根據附註1(n)(ii)用於釐定可收回金額的估計出現有利變動，則會撥回資產減值損失。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of non-financial assets (continued)

(ii) Impairment of other assets

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

- Property, plant and equipment;
- Intangible assets; and
- Goodwill

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

1 重大會計政策 (續)

(n) 非金融資產減值 (續)

(ii) 其他資產的減值

會於各報告期末對內部及外部資料進行審核，以識別顯示如下資產可能出現減值，商譽除外，或先前已確認之資產減值損失不復存在或已有所減少：

- 物業、廠房及設備
- 無形資產；及
- 商譽

倘存在該等跡象，則會對該資產的可收回金額作出估計。此外，對於商譽和目前尚未達到可使用狀態的無形資產以及具有無限期可使用壽命的無形資產，無論是否存在減值跡象，均要每年進行可收回金額的評估。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of non-financial assets (continued)

(ii) Impairment of other assets (continued)

– Calculation of recoverable amount

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

1 重大會計政策 (續)

(n) 非金融資產減值 (續)

(ii) 其他資產的減值 (續)

– 計算可回收金額

資產的可收回金額以其公允價值減處置費用後的淨額與資產預計未來現金流量現值兩者中較高金額為準。在預計資產預計未來現金流量的現值時，會使用稅前折讓率將估計未來現金流量折讓至其現值，以反映目前資金時值的市場評估及該資產的獨有風險。倘資產產生的現金流入基本上不獨立於其他資產產生的現金流入，則以可獨立產生現金流入的最小資產類別（即現金產生單位）來釐定可收回金額。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of non-financial assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

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

– Reversals of impairment losses

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

1 重大會計政策 (續)

(n) 非金融資產減值 (續)

(ii) 其他資產的減值 (續)

– 確認資產減值損失

確認資產減值損失資產或其所屬的現金產出單元的可收回金額低於其賬面價值的，應確認減值損失，計入當期損益。與現金產出單元或者現金產出單元組相關的資產減值損失，先按現金產出單元或者現金產出單元組中其他各項資產的賬面價值所佔比例，相應抵減其賬面價值，但抵減後的各資產的賬面價值不得低於該資產的公允價值減去處置費用（如可計量）或其現值（如可確定的）。

– 資產減值損失的轉回

對於商譽以外的資產，如用於釐定可收回金額的估計發生有利的變化，則原確認的資產減值損失將予以轉回。商譽的資產減值損失不予轉回。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of non-financial assets (continued)

(ii) Impairment of other assets (continued)

– Reversals of impairment losses (continued)

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

(o) Employee benefits

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

Salaries, annual bonuses, paid annual leave and defined contribution the Group makes pursuant to the relevant laws and regulations of the PRC are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1 重大會計政策 (續)

(n) 非金融資產減值 (續)

(ii) 其他資產的減值 (續)

– 資產減值損失的轉回 (續)

該轉回後的賬面價值不超過假定不計提資產減值損失情況下該資產在轉回日的賬面價值。轉回的資產減值損失於確認有關轉回的年度內計入當期損益。

(o) 職工薪酬

(i) 短期職工薪酬及社會保險及住房公積金計劃

薪金、年終獎金、帶薪年假及本集團根據中國相關法律及條例作出的指定供款於僱員提供相關服務的年度內計算。如延遲付款或結算並構成重大影響，則此等金額會以現值列賬。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits (continued)

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

Pursuant to the relevant laws and regulations of the PRC, the Group's subsidiaries in the PRC have joined defined contributions for the employees, such as basic pension scheme, housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes contributions to the above mentioned schemes at the applicable rates based on the amounts stipulated by the government organisation. The contributions are charged to the statement of profit or loss on an accrual basis.

(ii) Share-based payments

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

1 重大會計政策 (續)

(o) 職工薪酬 (續)

(i) 短期職工薪酬及社會保險及住房公積金計劃 (續)

根據相關中國法律和條例，本集團位於中國的附屬公司為員工加入了指定供款，例如基本養老金計劃、住房公積金、基本醫療保險、失業保險、意外傷害保險及產險。本集團根據政府組織規定金額按適用比例向上述計劃供款。供款按應計基準計入當期損益。

(ii) 以權益結算的股份支付

授予僱員的股份獎勵的公允價值已予確認為員工薪酬，而權益中的資本公積亦會相應增加。公允價值在授予日起以Cox-Ross-Rubinstein Binomial模型計量，並計及所授予獎勵的條款及條件。倘僱員於無條件取得股份獎勵前須符合歸屬條件，股份獎勵的估計公允價值總額會於歸屬期內經考慮股份獎勵將會歸屬的可能性予以分攤。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits (continued)

(ii) Share-based payments (continued)

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

(iii) Termination benefits

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

1 重大會計政策 (續)

(o) 職工薪酬 (續)

(ii) 以權益結算的股份支付 (續)

在歸屬期內，預期會歸屬的股份獎勵數目會被審閱。任何對於過往年度確認的累計公允價值的所得調整乃於審閱年度自損益扣除／計入損益，除非原職工薪酬符合資格確認為資產，並對資本公積作出相應調整。於歸屬日期，確認為費用的金額乃調整以反映歸屬的股份獎勵的實際數目（並對資本公積作出相應調整），惟倘沒收僅因並無達成與公司股份市價有關的歸屬條件則除外。權益金額於資本儲備確認，直至購股權獲行使（在此情況下該金額將包含在發行的股本中）或購股權到期屆滿（在此情況下將直接回撥保留溢利）。

(iii) 辭退福利

辭退福利產生的負債以，本集團在不能單方面撤回因解除勞動關係計劃或裁減建議所提供的辭退福利和已經制定正式的解除勞動關係計劃或提出自願裁減建議並即將實施，兩者孰早確認。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax

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

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

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.

1 重大會計政策 (續)

(p) 所得稅

年度所得稅包括當期所得稅及遞延所得稅資產和負債的變動。當期所得稅及遞延所得稅資產和負債的變動均於當期損益確認，但與於其他綜合收益表或直接於權益內確認的項目有關者，則相關稅額分別於其他綜合收益表或直接於權益內確認。

當期所得稅包括根據當期應納稅所得額及財務報告日的適用稅率計算的預期應交所得稅和對以前年度應交所得稅的調整。

遞延所得稅資產與遞延所得稅負債分別根據可抵扣暫時性差異和應納稅暫時性差異確定。暫時性差異是指資產或負債的賬面價值與其計稅基礎之間的差額，遞延所得稅資產亦產生自不可利用稅務損失和稅款抵減。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax (continued)

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

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

1 重大會計政策 (續)

(p) 所得稅 (續)

除若干有限制的情况外，所有遞延所得稅資產和負債的確認以很可能取得用來抵扣可抵扣暫時性差異的應納稅所得額為限。能支援可確認由可抵扣暫時差異所產生遞延所得稅資產的應納稅所得額包括因轉回現存應納稅暫時性差異而產生的金額，此差額必須與同一稅務機關及同一納稅主體有關，並預期在可抵扣暫時性差異預計轉回的同一期間或遞延所得稅資產產生的稅務虧損可向後期或向前期結轉的期間內轉回。在確定現存應納稅暫時性差異是否支援確認由未使用稅務虧損和稅項抵免產生的遞延所得稅資產時，採用同一準則，即該差額若與同一稅務機關及同一納稅主題有關，並預期在能使用稅務虧損或抵免的同一期間內轉回，則會被考慮。

確認遞延所得稅資產和遞延所得稅負債的有限例外包括：稅前不可扣除的商譽產生的暫時性差異；對既不影響會計利潤、也不影響稅前利潤的資產或負債的初始確認（前提為不涉及企業合併）；以及對附屬公司投資產生的暫時性差異，本集團可控制應納稅暫時性差異預計轉回時間並且在可預見的未來期間應納稅暫時性差異可能不轉回的，或在可預見的未來期間不可能轉回可抵扣暫時性差異的。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of reporting period. Deferred tax assets and liabilities are not discounted.

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

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

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

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

1 重大會計政策 (續)

(p) 所得稅 (續)

本集團根據遞延所得稅資產和負債的預期收回或結算方式，按照報告期末預期收回該資產或清償該負債的適用稅率計量該遞延所得稅資產和負債的賬面金額。遞延所得稅資產和負債均不折現。

於各報告期末，本集團對遞延所得稅資產的賬面價值進行覆核。如果未來期間很可能無法獲得足夠的應納稅所得額用以抵扣遞延所得稅資產的利益，則減記遞延所得稅資產的賬面價值。在很可能獲得足夠的應納稅所得額時，減記的金額予以轉回。

此外，由分配股利產生的所得稅費用在應付相關股利的義務被確認時確認。

當期所得稅資產和負債及遞延所得稅資產和負債及其變動額分別列示，不相互抵銷。當本集團有法定權利以當期所得稅負債抵銷當期所得稅資產並且同時滿足以下條件時，當期所得稅負債及當期所得稅資產，遞延所得稅資產及遞延所得稅負債以抵銷後的淨額列示：

- 倘為當期所得稅資產和負債，本集團計劃按淨額列示或同時變現該資產和清償該負債；或

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax (continued)

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

(q) Repossessed assets

Reposessed assets are physical assets or property rights obtained by the Group from debtors, warrantors or third parties following the enforcement of its creditor's rights. The initial cost of reposessed assets is measured at the lower of the net carrying amount of loans and advances and the fair value of the assets less costs to sell on the acquisition date. Reposessed assets are not depreciated or amortized. The impairment losses of initial measurement and subsequent revaluation are charged to the profit or loss.

1 重大會計政策 (續)

(p) 所得稅 (續)

- 倘為遞延所得稅資產和負債，遞延所得稅資產和遞延所得稅負債歸屬於同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一納稅主體；或
 - 對不同的納稅主體相關、但在未來每一發生重大金額的遞延所得稅資產及負債轉回的期間內，涉及的納稅主體意圖以淨額結算當期所得稅資產和負債或是同時取得資產、清償負債。

(q) 抵債資產

抵債資產指本集團於強制執行債權人的權利後向債務人、擔保人或第三方獲取的實物資產或產權。抵債資產的初始成本乃以貸款及墊款的賬面淨值與資產公允價值減去收購日期的處置費用的較低者計算。抵債資產不計提折舊或進行攤銷。初始確認及後續重新評估的減值損失計入損益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Provisions and contingent liabilities

(i) Provisions for guarantee losses

When determining the amounts to be recognised in respect of liabilities arising from the guarantee business, management estimates the provisions based on prior experience and default history of the business (see Note 1(k)(iii)). It is possible that the prior experience and default history is not indicative of future loss on the guarantees issued. Any increase or decrease in the provisions would affect the statement of profit or loss in future years.

(ii) Provisions and contingent liabilities

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1 重大會計政策 (續)

(r) 撥備及或有負債

(i) 擔保賠償準備金

在確定擔保業務產生的負債相關金額時，管理層乃根據過往經驗及該業務的拖欠歷史評估撥備（詳見附註1(k)(iii)）。過往經驗及拖欠歷史可能無法就未來發出的擔保虧損提供指示。任何撥備的增加或減少會在未來數年對損益表產生影響。

(ii) 撥備及或有負債

倘本集團須就已發生的事件承擔法律或推定責任，並可能須為履行該責任而付出經濟利益，而且能夠作出可靠的估計時，便應就該未能確定時間或數額的負債確認撥備。如果貨幣的時間價值重大，則按預計履行責任所需開支的現值將撥備列賬。

倘不一定須要付出經濟利益，或是無法可靠地估計有關金額，則將有關責任披露為或有負債，惟付出經濟效益的可能極低則除外。如果本集團可能須承擔的責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，則該等責任亦會披露為或有負債，惟付出經濟利益的可能極低則除外。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of profit or loss as follows:

(i) Guarantee and consulting fee income

Guarantee income is recognised when guarantee contracts have been made whereby the related guarantee obligation has been accepted, the economic benefits associated with the guarantee contracts will probably flow in, and the amount of revenue associated with guarantee contracts can be measured reliably. Guarantee income is determined based on the total agreed fee in the guarantee contracts and is recognised in the statement of profit or loss over the period of guarantee. The Group receives consulting fee income in relation to guarantee services in full at inception and records it as unearned income before amortising it throughout the period of guarantee.

(ii) Interest and handling fee income

Interest income is recognised as it accrues using the effective interest method. The Group receives handling fee income from loan services in full at inception and records it as unearned income before amortising it throughout the contractual period of the loan.

1 重大會計政策 (續)

(s) 收入確認

收入按已收取或應收取代價的公允價值估量確認。只當經濟利益很可能流入本集團，而收入和成本（如適用）又能可靠地計量時，收入才會根據下列方法於損益表中確認：

(i) 擔保及諮詢費收入

擔保收入於擔保合同成立並承擔相應擔保責任，與擔保合同相關的經濟利益很可能流入，且擔保合同相關的收入能夠可靠計量時予以確認。擔保收入按照擔保合同規定收費在擔保合同期內確認，計入當期損益。與擔保服務相關的諮詢費收入在服務提供前全額預收並於服務提供期間內攤銷確認。

(ii) 利息及手續費收入

利息收入於應計提時採用實際利率法確認。本集團於訂立合約時就貸款服務收取手續費收入並在其於貸款合約期內攤銷前計入遞延收益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition (continued)

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iv) Insurance broker related service

Commission income from insurance brokerage is recognised in profit or loss on the transaction dates when the relevant contract notes are exchanged.

(v) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

1 重大會計政策 (續)

(s) 收入確認 (續)

(iii) 經營租賃租金收入

經營租賃的應收租金收入在租賃期內按照直線法在損益中確認，除非有其他確認方法更能代表租賃資產的利益模式。租賃優惠應確認為應收租賃付款額的組成部份。或有租金在整個會計期間確認為收入。

(iv) 保險經紀相關業務

保險經紀手續費收入在合同執行時確認損益。

(v) 股息

- 非上市投資的股息收入在股東收取款項的權利確立時確認。
- 上市投資的股息收入在投資項目的股價除息時確認。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition (continued)

(vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for providing guarantee services to SMEs under certain criteria are recognised as income in the statement of profit or loss upon receiving such grants. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the assets and consequently are effectively recognised in the statement of profit or loss over the useful life of the asset by way of reduced depreciation expense.

(t) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(u) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

1 重大會計政策 (續)

(s) 收入確認 (續)

(vi) 政府補助

政府補助在能夠滿足政府補助所附條件時，並有合理保證能夠收取政府補助時，於財務狀況表中予以確認。補償本集團向某類中小型企業提供擔保服務的補助於收到該等補助時於損益表中確認為收入。補償本集團資產成本的補助從資產的賬面金額中減去，其後於該項資產的可用年期以減少折舊費用方式於損益表內實際確認。

(t) 借款費用

借款費用於發生當期確認為財務費用。

(u) 關聯方

- (a) 如下個人及與其關係密切的家庭成員可視為本集團的關聯方：
- (i) 對本集團實施控制或共同控制；
 - (ii) 對本集團施加重大影響；或
 - (iii) 本集團及本集團母公司的關鍵管理人員。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

1 重大會計政策 (續)

(u) 關聯方 (續)

- (b) 如下企業可視為本集團的關聯方：
- (i) 與本集團同屬同一集團的企業（即集團內所有母公司、附屬公司及同系附屬公司之間互為關聯方）；
 - (ii) 本集團的聯營企業或合營企業（或集團內其他企業的聯營企業或合營企業）；
 - (iii) 同為同一第三方的合營企業；
 - (iv) 企業與本集團，一方為第三方企業的合營企業，而另一方為同一第三方企業的聯營企業；
 - (v) 企業與本集團或與本集團有關聯的實體就僱員利益設立的退休福利計劃；
 - (vi) 受(a)中個人控制或共同控制的企業；
 - (vii) 受(a)(i)中個人重大影響的企業，或(a)(i)中個人為企業（或企業母公司）的關鍵管理人員。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies: (continued)

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

1 重大會計政策 (續)

(u) 關聯方 (續)

(b) 如下企業可視為本集團的關聯方：(續)

(viii) 實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

一名人士的近親是指與該實體交易時預期可影響該人士或受該人士影響的家庭成員。

(v) 分部報告

經營分部及財務報表所呈列各分部的金額，乃從為向本集團各項業務及地理位置分配資源及評估其業績而定期向本集團最高行政管理層提供的財務報表當中識別出來。

個別重要的經營分部不會合併以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部份條件，則可以合併為一個報告分部。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

2 NET FEE AND INTEREST INCOME

The principal activities of the Group are the provision of credit guarantee and related consulting services, loans to customers and agency services in the PRC. Net fee and interest income represents net guarantee and consulting fee income and net interest and handling fee income. The amount of each significant category of net fee and interest income recognised is as follows:

2 淨手續費及利息收入

本集團的主要業務包括中國境內提供信貸擔保及相關諮詢服務，發放貸款及代理服務。淨手續費及利息收入包括擔保及諮詢費淨收入及利息和手續費淨收入。各主要類別下的淨手續費及利息收入載列如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Guarantee and consulting fee income	擔保及諮詢費收入		
Financing guarantee and consulting fee income	融資擔保及諮詢費收入	541,644	553,622
Performance guarantee and consulting fee income	履約擔保及諮詢費收入	135,509	79,253
Litigation guarantee and consulting fee income	訴訟擔保及諮詢費收入	226	668
		677,379	633,543
Less: Re-guarantee expenses	減：再擔保費用	(2,868)	(2,157)
Net guarantee and consulting fee income	擔保及諮詢費淨收入	674,511	631,386
Interest and handling fee income arising from:	利息及手續費收入來自：		
– Loans and advances to customers	– 發放貸款及墊款	1,024,716	1,078,136
– Factoring business	– 保理業務	262,495	168,527
– Cash at banks	– 銀行存款	65,083	60,908
– Credit consulting services commission income	– 信用服務佣金收入	40,215	–
– Finance lease business	– 融資租賃業務	17,686	31,644
– Time and restricted bank deposits	– 期限在3個月以上的定期存款和存出擔保保證金	19,909	13,547
– Other interest income	– 其他利息收入	2,915	5,095
		1,433,019	1,357,857

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

2 NET FEE AND INTEREST INCOME (CONTINUED) 2 淨手續費及利息收入(續)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Interest and commission expenses arising from:	利息及手續費支出來自：		
- Debts securities	- 應付債券	(277,041)	(217,967)
- Interest-bearing borrowings	- 計息借款	(215,130)	(147,788)
- Financial assets sold under repurchase agreements	- 賣出回購金融資產	(35,244)	(94,212)
- Commission expenses paid in relation to SME lending business	- 小微貸款佣金支出	(71,945)	(29,921)
- Other interest expenses	- 其他利息支出	(52,614)	(56,245)
		(651,974)	(546,133)
Net interest and handling fee income	利息及手續費淨收入	781,045	811,724
Net fee and interest income	淨手續費及利息收入	1,455,556	1,443,110

The Group's customer base is diversified and has no customer with whom transactions exceeded 10% of the Group's net fee and interest income during the years ended 31 December 2018 and 2017. Details of concentrations of credit risk are set out in Note 37(a).

Further details regarding the Group's principal activities are disclosed in Note 36.

截至2018年及2017年12月31日，本集團擁有多元化的客戶基礎，且未有交易超過本集團淨手續費及利息收入10%的客戶。有關集中信貸風險詳情載列於附註37(a)。

有關本集團主要業務的詳情載列於附註36。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

3 OTHER OPERATING INCOME, NET

3 其他運營收入，淨額

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Commission income of insurance broker business	保險經紀人業務收入	87,031	18,196
Commission expenses of insurance broker business	保險經紀人業務支出	(81,131)	(17,777)
Net gain on disposal of long-term investments	處置長期股權投資淨收益	21,329	8,127
Government grants	政府補助	23,501	23,428
Dividend income from financial assets measured at fair value	以公允價值計量的金融資產的股息收入	9,185	8,310
Rental income from properties	租賃資產的租金收入	7,336	11,133
Others	其他	5,661	1,658
		72,912	53,075

4 IMPAIRMENT LOSSES

4 減值損失

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Trade and other receivables (Note 14(b))	應收及其他應收款項 (附註14(b))	85,976	135,997
Loans and advances to customers (Note 16(f))	發放貸款及墊款 (附註16(f))	130,217	116,915
Receivables for factoring business (Note 15(b))	應收保理款 (附註15(b))	15,667	9,213
Goodwill	商譽	-	1,470
Finance lease receivables (Note 17(b))	應收融資租賃款 (附註17(b))	25,474	696
		257,334	264,291

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Operating expenses:

5 稅前利潤

稅前利潤已扣除：

(a) 營運支出

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Staff costs	員工薪酬		
– Salaries, wages, bonuses and other benefits	– 工資、獎金、津貼及其他福利	360,127	336,964
– Contributions to retirement schemes	– 養老保險	65,570	63,499
– Equity-settled share-based payment expenses	– 以股權結算的股份支付開支	25,109	38,828
– Termination benefits	– 辭退福利	–	209
Operating lease charges in respect of buildings	房屋經營租賃費用	76,585	79,963
Travel expenses	差旅費	47,617	55,279
Depreciation expenses	折舊費用	41,963	37,090
Office expenses	辦公費	21,716	22,839
Tax and surcharges	稅金及附加	17,244	16,529
Entertainment expenses	業務招待費	18,946	15,904
Meeting fee	會議費	4,043	7,655
Auditors' remuneration	審計費	7,430	6,130
Amortisation expenses	攤銷費用	3,143	2,955
Others	其他	125,698	107,597
		815,191	791,441

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

5 PROFIT BEFORE TAXATION (CONTINUED)

(b) Other net losses:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備 淨損失	77	22
Others	其他	6,570	3,472
		6,647	3,494

5 稅前利潤 (續)

(b) 其他淨虧損：

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax (Note 33(a))	當期所得稅 (附註33(a))		
Provision for PRC income tax for the year	本年計提所得稅	155,736	128,380
Deferred tax (Note 33(b))	遞延所得稅 (附註33(b))		
Origination and reversal of temporary differences	暫時性差異的產生及轉回	(24,691)	(21,385)
		131,045	106,995

6 合併損益表中所得稅

(a) 合併損益表中的稅項指：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

6 合併損益表中所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算的所得稅費用與會計利潤的調節表：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Profit before taxation	稅前利潤	459,536	420,405
Notional tax on profit before taxation calculated at the rates applicable in the jurisdictions concerned (Note)	按照法定稅率計算的所得稅(附註)	56,152	33,925
Effect of non-deductible expenses	不可抵扣支出的稅務影響	3,209	2,045
Effect of unused tax losses not recognised	不可利用稅務損失的影響	71,684	71,205
Effect on deferred tax balances at 1 January resulting from a change in tax rate	按年初調整稅率遞延所得稅資產影響	-	(180)
Actual income tax expense	所得稅費用合計	131,045	106,995

Note:

Except for Hanhua Financing Guarantee Co., Ltd., Chongqing Hanhua Assets Management Co., Ltd., Chongqing Hanhua Micro-credit Co., Ltd., Sichuan Hanhua Financing Guarantee Co., Ltd., Xi'an Micro-credit Co., Ltd., Chongqing Changjiang Financial Factoring Co., Ltd., Nanning Hanhua Micro-credit Co., Ltd., Guiyang Nanming District Hanhua Micro-credit Co., Ltd., Beijing Hanhua Internet Technology Co., Ltd., Sichuan Hanhua Micro-credit Co., Ltd., and Horgos Huiwei Venture Capital Co., Ltd., the Company and its subsidiaries are subject to PRC income tax rate of 25%. Huiwei Hong Kong Holding Co., Ltd. and Hanhua Hong Kong Holdings Co., Ltd. are subject to HK income tax rate of 16.5%

附註：

除瀚華融資擔保股份有限公司、重慶瀚華資產管理有限公司、重慶市瀚華小額貸款有限公司、四川瀚華融資擔保有限公司、西安瀚華小額貸款有限公司、重慶長江金融保理有限公司、南寧市瀚華小額貸款有限公司、貴陽市南明區瀚華小額貸款有限公司、北京瀚華網路科技有限公司、四川瀚華小額貸款有限責任公司以及霍爾果斯惠市惠微創業投資有限公司以外，母公司及其子公司適用的中國所得稅率為25%。惠微香港控股有限公司以及適用的香港所得稅率為16.5%

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates: (continued)

Note: (continued)

Hanhua Financing Guarantee Co., Ltd., Chongqing Hanhua Assets Management Co., Ltd., Chongqing Hanhua Micro-credit Co., Ltd., Sichuan Hanhua Financing Guarantee Co., Ltd., Xi'an Micro-credit Co., Ltd., Chongqing Changjiang Financial Factoring Co., Ltd., Guiyang Nanming District Hanhua Micro-credit Co., Ltd., and Sichuan Hanhua Micro-credit Co., Ltd. are qualified enterprises located in the Western Region and are therefore entitled to preferential tax rate of 15% during the years ended 31 December 2018 and 2017.

Nanning Hanhua Micro-credit Co., Ltd. is a qualified enterprise located in Guangxi Zhuang Autonomous Region and is therefore entitled to preferential tax rate of 15% during the years ended 31 December 2018 and 2017.

Beijing Hanhua Internet Technology Co., Ltd. is a qualified software enterprise since May 12, 2014, and is therefore entitled to exempt from PRC income tax in the first and the second years from the first- profitable year, and is subject to a 50% reduction in PRC income tax for the third year to the fifth year. Such tax exemption and reduction shall be implemented upon registration and filing with the tax authorities.

Horgos Huiwei Venture Capital Co., Ltd. is a qualified enterprise located in Horgos since January 26, 2017, and is therefore entitled to exempt from PRC income tax in the first to the fifth years from the first- profitable year, and be subject to a 50% reduction in PRC income tax for the sixth year to the tenth year. Such tax exemption and reduction shall be implemented upon registration and filing with the tax authorities.

6 合併損益表中所得稅(續)

(b) 按適用稅率計算的所得稅費用與會計利潤的調節表：(續)

附註：(續)

瀚華融資擔保股份有限公司、重慶瀚華資產管理有限公司、重慶市瀚華小額貸款有限責任公司、四川瀚華融資擔保有限公司、西安瀚華小額貸款有限公司、重慶長江金融保理有限公司、貴陽市南明區瀚華小額貸款有限公司及西川瀚華小額貸款有限公司為符合西部大開發稅收優惠的企業，因而於截至2018年及2017年12月31日止年度享有優惠稅率15%。

南寧市瀚華小額貸款有限公司是一家位於廣西壯族自治區符合有關條件的企業，因此在截至2018年及2017年12月31日止年度享有15%的優惠稅率。

北京瀚華網路科技有限公司自2014年5月12日起為合資格軟件企業，因此自首次獲利起，第一年至第二年獲豁免繳納中國所得稅，並於第三至第五年獲減免50%中國所得稅。有關稅務寬減及減免將於向稅務機關註冊及存檔後實施。

霍爾果斯市惠微創業投資有限公司自2016年1月26日起為霍爾果斯市合資格企業，因此自首次獲利起，第一年至第五年獲豁免繳納中國所得稅，並於第六至第十年獲減免50%中國所得稅。有關稅務寬減及減免將於向稅務機關註冊及存檔後實施。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

7 DIRECTOR'S REMUNERATION

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

7 董事和監事薪酬

董事和監事薪酬按照香港公司條例 383(1)以及《公司(披露董事利益資料)規例》第二部份披露如下：

		2018 2018年				Share-based Payment (Note)	Total 合計
		Director's fees 董事費 RMB'000 人民幣千元	Salaries allowances and benefits in kind 薪酬、津貼 及其他福利 RMB'000 人民幣千元	Discretionary bonuses 獎金 RMB'000 人民幣千元	Sub-total 小計 RMB'000 人民幣千元	以權益結算 的股份支付 RMB'000 人民幣千元	RMB'000 人民幣千元
Chairman	主席						
Zhang Guoxiang	張國祥	-	2,508	2,248	4,756	16,795	21,551
Vice Chairman	副主席						
Wang Dayong	王大勇	-	2,293	1,974	4,267	1,055	5,322
Executive director	執行董事						
Cui Weilan	崔巍嵐	-	1,131	1,975	3,106	1,055	4,161
Non-executive directors	非執行董事						
Tu Jianhua	涂建華	-	-	-	-	-	-
Duan Xiaohua	段曉華	-	-	-	-	-	-
Liu Jiaoyang	劉驕揚	-	-	-	-	-	-
Liu Tingrong	劉廷榮	-	-	-	-	-	-
Wang Fangfei	王芳霏	-	-	-	-	-	-
Feng Yongxiang	馮永祥	-	-	-	-	-	-
Liu Bolin	劉博霖	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事						
Bai Qinxian	白欽先	-	169	-	169	-	169
Deng Zhaoyu	鄧昭雨	-	169	-	169	-	169
Qian Shizheng	錢世政	-	169	-	169	-	169
Ng Leung Sing	吳亮星	-	169	-	169	-	169
Yuan Xiaobin	袁小彬	-	169	-	169	-	169
Supervisor	監事						
Li Ruping	李如平	-	780	462	1,242	1,096	2,338
Chen Zhonghua	陳中華	-	346	273	619	-	619
Qin Yong	秦湧	-	177	103	280	-	280
		-	8,080	7,035	15,115	20,001	35,116

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

7 DIRECTOR'S REMUNERATION (CONTINUED)

7 董事和監事薪酬(續)

		2017 2017年				Share-based Payment (Note)	Total 合計
		Salaries allowances and benefits	in kind fees	Discretionary bonuses	Sub-total	以權益結算 的股份支付	
		Director's fees	in kind fees	Discretionary bonuses	Sub-total	以權益結算 的股份支付	Total 合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Chairman	主席						
Zhang Guoxiang	張國祥	-	2,508	2,449	4,957	25,765	30,722
Vice Chairman	副主席						
Wang Dayong	王大勇	-	1,712	1,460	3,172	1,619	4,791
Executive director	執行董事						
Cui Weilan	崔巍嵐	-	2,258	2,130	4,388	1,619	6,007
Non-executive directors	非執行董事						
Tu Jianhua	涂建華	-	-	-	-	-	-
Duan Xiaohua	段曉華	-	-	-	-	-	-
Liu Jiaoyang	劉驕揚	-	-	132	132	-	132
Liu Tingrong	劉廷榮	-	-	-	-	-	-
Wang Fangfei	王芳霏	-	-	-	-	-	-
Feng Yongxiang	馮永祥	-	-	-	-	-	-
Liu Bolin	劉博霖	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事						
Bai Qinxian	白欽先	-	173	-	173	-	173
Deng Zhaoyu	鄧昭雨	-	173	-	173	-	173
Qian Shizheng	錢世政	-	173	-	173	-	173
Ng Leung Sing	吳亮星	-	173	-	173	-	173
Yuan Xiaobin	袁小彬	-	173	-	173	-	173
Supervisor	監事						
Li Ruping	李如平	-	780	420	1,200	1,681	2,881
Chen Zhonghua	陳中華	-	306	209	515	-	515
Qin Yong	秦湧	-	165	103	268	-	268
		-	8,594	6,903	15,497	30,684	46,181

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

7 DIRECTOR'S REMUNERATION (CONTINUED)

Note: These represent the estimated value of share-based payment granted to the directors under the Company's incentive scheme. The value of these share-based payment is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 1(o)(ii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in Note 32.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2017: three) are directors whose emoluments are disclosed in Note 7.

The aggregate of the emoluments in respect of the other two (2017: two) individuals are as follows:

7 董事和監事薪酬 (續)

附註：該金額代表以權益結算的股份支付的估計價值。以權益結算的股份支付是根據本公司的股權激勵計劃向公司董事授予。該評估價值是根據附註1(o)(ii)所列關於以權益結算的股份支付的會計政策計算所得。

已授予的股份支付的具體信息，包括主要條款和數量，已在附註32披露。

8 最高薪酬人士

五名最高薪酬人士中，其中三名(2017年：三名)為本公司董事，彼等的酬金已於附註7披露。

剩餘兩名(2017年：兩名)個人的薪酬總額載列如下：

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	工資和其他薪酬	3,471	2,963
Discretionary bonuses	獎金	3,083	3,150
Equity settled share-based payment expenses	以股權結算以股份為基礎付款開支	1,702	2,611
		8,256	8,724

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

The emoluments of the two (2017: two) individuals with the highest emoluments are within the following bands:

	2018 2018年 Number of individuals 人數	2017 2017年 Number of individuals 人數
RMB 人民幣		
Nil 無 – 6,000,000	2	2

8 最高薪酬人士 (續)

二名最高薪酬人士 (2017年：兩名) 的薪酬分佈如下：

9 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of RMB99.0 million (2017: profit of RMB283.0 million) which has been dealt with in the financial statements of the Company (see Note 34(a)).

9 本公司股東應佔溢利

本公司股東應佔綜合溢利包括收益人民幣99.0百萬元 (2017年為收益人民幣283.0百萬元)，而該等收益已於本公司財務報表中處理 (見附註34 (a))。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

10 OTHER COMPREHENSIVE INCOME

Tax effects relating to each component of other comprehensive income

10 其他綜合收益

其他綜合收益各部份的稅務影響

		2018			2017		
		Before-tax amount	Tax expense	Net-of-tax amount	Before-tax amount	Tax Benefit	Net-of-tax amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Available-for-sale financial assets:	可供出售金融資產：						
net movement in fair value reserve	公允價值變動淨額	-	-	-	29,927	(2,520)	27,407
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表的匯兌差額	(2,633)	-	(2,633)	1,065	-	1,065
Other comprehensive income	其他綜合收益	(2,633)	-	(2,633)	30,992	(2,520)	28,472

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

11 EARNING PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average of ordinary shares in issue during the year, calculated as follows:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit attributable to the equity shareholders of the Company (RMB'000)	歸屬於本公司股東的淨利潤 (人民幣千元)	289,421	262,821
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share (RMB'000)	於12月31日的已發行普通股加權平均數 (人民幣千元)	4,600,000	4,600,000
Basic earnings per share (RMB)	基本每股收益 (人民幣元)	0.06	0.06

(i) Weighted average number of ordinary shares

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Issued ordinary shares at 1 January	於1月1日已發行普通股	4,600,000	4,600,000
Effect of new issues	新發行的影響	-	-
Weighted average number of ordinary shares at 31 December	於12月31日普通股的加權平均數	4,600,000	4,600,000

There were no dilutive potential ordinary shares during the years ended 31 December 2018 and 2017, and therefore, diluted earnings per share are the same as the basic earnings per share.

11 每股收益

基本每股收益根據以下本年歸屬於本公司普通股股東的淨利潤及已發行普通股的加權平均數計算：

	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Profit attributable to the equity shareholders of the Company (RMB'000)	289,421	262,821
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share (RMB'000)	4,600,000	4,600,000
Basic earnings per share (RMB)	0.06	0.06

(i) 普通股的加權平均數

	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Issued ordinary shares at 1 January	4,600,000	4,600,000
Effect of new issues	-	-
Weighted average number of ordinary shares at 31 December	4,600,000	4,600,000

於截至2018年及2017年12月31日止年度，沒有潛在可稀釋的普通股，因此，稀釋每股收益相等於基本每股收益。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

12 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash in hand	庫存現金	94	75
Cash at banks	銀行存款	1,903,103	2,436,336
Cash and cash equivalents in the consolidated cash flow statements	合併現金流量表的貨幣資金	1,903,197	2,436,411

The Group's provision of guarantee and loan to customer services in the PRC are conducted in RMB. RMB is not a freely convertible currency and the remittance of RMB out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

At 31 December 2018, cash at banks deposited in related parties was amounted to RMB153.8 million (31 December 2017: RMB356.9 million) (see Note 39(c)).

12 貨幣資金

(a) 貨幣資金包括：

本集團在中國經營向客戶提供的擔保及貸款服務以人民幣進行。人民幣並非可自由兌換的貨幣，將人民幣匯出中國境外須受中國政府頒佈的相關外匯管制規則及法規所規限。

於2018年12月31日，銀行存款中有人民幣153.8百萬元（2017年12月31日人民幣356.9百萬元）存放於關聯方（見附註39(c)）。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

12 CASH AND CASH EQUIVALENTS (CONTINUED)

12 貨幣資金 (續)

(b) Reconciliation of profit before taxation to cash used in operations:

(b) 稅前利潤與經營活動所用的現金的調節表：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before taxation	稅前利潤	459,536	420,405
Adjustments for:	調整：		
Impairment losses	資產減值損失	257,334	264,291
(Reversal)/provisions for guarantee losses	轉回／(提取) 擔保賠償準備金	(1,080)	26,731
Depreciation and amortisation	折舊及攤銷費用	45,106	40,045
Loss on sale of property, plant and equipment	處置物業、廠房及設備損失	77	22
Interest expenses	利息支出	527,415	459,967
Share of profits of associate	對聯營企業確認的投資收益	(32,293)	(2,690)
Share of losses of a joint venture	對合營企業確認的投資損失	4,296	1,395
Equity-settled share-based payment	以權益結算的股份支付	25,109	38,828
Foreign exchange losses/(gains)	匯兌損失／(收益)	2,156	(217)
Dividend income from other investments	其他投資的股息收入	(9,185)	(8,310)
Gain on sale of investments	其他投資的處置收益	(49,273)	(16,792)
Net trading losses	淨交易損失	33,561	-
Changes in working capital	營運資金變動		
(Increase)/decrease in time and restricted bank deposits	期限在3個月以上的定期存款和存出擔保保證金(增加)／減少	(127,352)	174,444
Decrease/(increase) in loans and advances to customers	發放貸款及墊款增加／(減少)	1,888,684	(286,162)
Increase in receivables for factoring business	應收保理款項增加	(739,966)	(1,057,680)
Increase in trade and other receivables	應收及其他應收款項增加	(209,839)	(425,992)
Increase in customer pledged deposits	存入保證金增加	10,039	95,753
Decrease in accruals and other payables	應計及其他應付款項減少	(5,273)	(67,044)
Cash generated from/(used in) operations	經營活動產生／(使用)的現金	2,079,052	(343,006)

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

12 CASH AND CASH EQUIVALENTS (CONTINUED)

12 貨幣資金 (續)

(c) Reconciliation of liabilities arising from financing activities:

(c) 籌資活動引起的負債調節表

		Interest- bearing borrowing 計息借款 RMB'000 人民幣千元	Debts securities issued 應付債券 RMB'000 人民幣千元	Financial assets sold under repurchase agreement 賣出回購 金融資產 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	3,807,757	4,267,892	868,792	8,944,441
Changes from financing cash flow	籌資活動現金流變動				
Proceeds from interest-bearing borrowings	取得借款收到的現金	5,793,195	-	-	5,793,195
Proceeds from the issuance of debt securities	發行債券所得款項	-	166,570	-	166,570
Proceeds from financial assets sold under repurchase agreement	賣出回購金融資產收到的現金	-	-	280,670	280,670
Repayment of interest-bearing borrowings	償還借款本金支付的現金	(4,146,320)	-	-	(4,146,320)
Repayment of debt securities	償還債券支付的現金	-	(1,089,043)	-	(1,089,043)
Repurchase of assets with repurchase agreement	回購賣出回購資產支付的現金	-	-	(903,125)	(903,125)
Interest paid	利息支出	(171,079)	(283,179)	(28,988)	(483,246)
Total changes from financing cash flows	籌資活動現金流變動總額	1,475,796	(1,205,652)	(651,443)	(381,299)
Other changes:	其他變動				
Increase of interest payable	應付利息的增加	(46,885)	-	(6,256)	(53,141)
Interest expenses (Note(2))	利息費用 (附註(2))	217,964	277,041	35,244	530,249
Total other changes	其他變動總額	171,079	277,041	28,988	477,108
At 31 December 2018	於2018年12月31日	5,454,632	3,339,281	246,337	9,040,250

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

12 CASH AND CASH EQUIVALENTS (CONTINUED)

12 貨幣資金 (續)

(c) Reconciliation of liabilities arising from financing activities: (continued)

(c) 籌資活動引起的負債調節表 (續)

		Interest-bearing borrowing 計息借款 RMB'000 人民幣千元	Debts securities issued 應付債券 RMB'000 人民幣千元	Financial assets sold under repurchase agreement 賣出回購金融資產 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017	2017年12月31日	2,969,460	3,655,265	1,168,306	7,793,031
Changes from financing cash flow	籌資活動現金流變動				
Proceeds from interest-bearing borrowings	取得計息借款收到的現金	1,963,923	-	-	1,963,923
Proceeds from the issuance of debt securities	發行債券所得款項	-	908,950	-	908,950
Proceeds from financial assets sold under repurchase agreement	賣出回購金融資產收到的現金	-	-	657,021	657,021
Repayment of interest-bearing borrowings	償還計息借款本金支付的現金	(1,125,626)	-	-	(1,125,626)
Repayment of debt securities	償還債券支付的現金	-	(309,035)	-	(309,035)
Repurchase of assets with repurchase agreement	回購賣出回購資產支出的現金	-	-	(956,535)	(956,535)
Interest paid	償還利息支付的現金	(130,813)	(205,255)	(102,208)	(438,276)
Total changes from financing cash flows	籌資活動現金流變動總額	707,484	394,660	(401,722)	700,422
Other changes:	其他變動				
(Increase)/decrease of Interest payable	應付利息的增加/(減少)	(45,831)	-	7,996	(37,835)
Interest expenses(Note(2))	利息費用(附註(2))	176,644	217,967	94,212	488,823
Total other changes	其他變動總額	130,813	217,967	102,208	450,988
At 31 December 2017	於2017年12月31日	3,807,757	4,267,892	868,792	8,944,441

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

13 TIME AND RESTRICTED BANK DEPOSITS

The balance represents the deposits at banks for the credit guarantees that the Group provides to third parties for their borrowing from banks and the deposits at banks whose maturities are above 3 months.

13 期限在3個月以上的定期存款和存出擔保保證金

所有定期及受限銀行存款為本集團就其銀行借款向第三方提供信用擔保而須存放於銀行的存款以及期限在三個月以上的定期存單。

14 TRADE AND OTHER RECEIVABLES

14 應收及其他應收款項

		31 December 12月31日 2018 2018年 RMB'000 人民幣千元	31 December 12月31日 2017 2017年 RMB'000 人民幣千元
Receivables for default payments (Note 14(a))	應收代償款 (附註14(a))	861,471	1,045,456
Trade receivables (Note 14(c))	應收賬款 (附註14(c))	31,742	11,655
Less: allowance for doubtful debts (Note 14(b))	減：壞賬準備 (附註14(b))	(342,032)	(454,040)
		551,181	603,071
Interest receivables	應收利息	118,793	280,862
Receivables for assets disposal	應收資產轉讓款	789,660	546,000
Other prepayments, deposits and other receivables	其他預付款項、押金 及其他應收款項	719,009	510,576
		2,178,643	1,940,509

As at 31 December 2018, except for deposits of RMB26.3 million (2017: RMB28.6 million), all of the remaining other prepayment, deposits and other receivables are expected to be recovered or recognized as expense within one year.

於2018年12月31日，除押金人民幣26.3百萬元（於2017年12月31日為人民幣28.6百萬元）外，其他所有應收及其他應收款項預計於一年內收回或確認為費用。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Ageing analysis:

As at 31 December 2018 and 2017, the ageing analysis of receivables for default payments, based on the invoice date and net of allowance for doubtful debts, is as follows:

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年以內	220,941	215,233
Over 1 year but less than 2 years	一至二年	136,631	204,755
Over 2 years but less than 3 years	二至三年	119,428	324,120
Over 3 years but less than 4 years	三至四年	205,616	234,534
Over 4 years but less than 5 years	四至五年	133,801	28,803
Over 5 years	五年以上	45,054	38,011
		861,471	1,045,456
Less: allowance for doubtful debts	減：壞賬準備	(342,032)	(454,040)
		519,439	591,416

14 應收及其他應收款項 (續)

(a) 賬齡分析：

於截至2018年和2017年12月31日期內，根據發票日期及扣除壞賬準備後的應收代償款的賬齡分析如下：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of receivables for default payments:

Impairment losses in respect of receivables for default payments are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against receivables for default payments directly (see Note 1(k)(ii)).

The movement in the allowance for doubtful debts during the years ended 31 December 2018 and 2017 is as follows:

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	454,040	743,758
Impairment loss recognised in the consolidated statement of profit and loss (Note 4)	於合併損益表確認的資產減值損失(附註4)	85,976	135,997
Recoveries	收回已核銷	17,394	441
Write-off	本年核銷	(215,378)	(426,156)
At 31 December	於12月31日	342,032	454,040

At 31 December 2018, the Group's receivables for default payments of RMB861.5 million were individually determined to be impaired. The individually impaired receivables were related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB342.0 million were recognised.

14 應收及其他應收款項(續)

(b) 應收款項減值：

應收代償款的資產減值損失以備抵賬記錄，除非本集團認為收回有關款項的機會甚微，在該情況下，資產減值損失將直接從應收代償款核銷(見附錄1(k)(ii))。

以下為截至2018年及2017年12月31日止年度的壞賬準備變動(包括個別及組合損失部份)：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	454,040	743,758
Impairment loss recognised in the consolidated statement of profit and loss (Note 4)	於合併損益表確認的資產減值損失(附註4)	85,976	135,997
Recoveries	收回已核銷	17,394	441
Write-off	本年核銷	(215,378)	(426,156)
At 31 December	於12月31日	342,032	454,040

於2018年12月31日，本集團有人民幣861.5百萬元的應收代償款被個別擬定為減值。個別減值應收款項涉及財務困難的客戶，而管理層作出評估時亦預計僅能收回當中部份的應收款項。因此，已在2018年12月31日作出人民幣342.0百萬元的個別壞賬準備。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of receivables for default payments: (continued)

At 31 December 2017, the Group's receivables for default payments of RMB1,045.5 million, were individually determined to be impaired. The individually impaired receivables were related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, the individually assessed allowances for doubtful debts of RMB454.0 million were made at 31 December 2017.

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	31 December	31 December
	12月31日	12月31日
	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Neither past due nor impaired	31,742	11,655

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

14 應收及其他應收款項 (續)

(b) 應收款項減值：(續)

於2017年12月31日，本集團有人民幣1,045.5百萬元的應收代償款被個別釐定為減值。個別減值應收款項涉及財務困難的客戶，而管理層作出評估時亦預計僅能收回當中部份的應收款項。因此，已在2017年12月31日作出人民幣454.0百萬元的個別壞賬準備。

(c) 未減值的應收款項

對既未個別計提也未組合計提的應收款項的賬齡分析如下：

	31 December	31 December
	12月31日	12月31日
	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Neither past due nor impaired	31,742	11,655

未逾期未減值的應收款項與一系列從未有違約歷史的客戶相關。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

15 RECEIVABLES FOR FACTORING BUSINESS

15 應收保理款

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Receivables for factoring business (Note 15(a))	應收保理款 (附註15 (a))	2,399,890	1,659,924
Add: Interest receivable (Note 15(a))	加：應收利息 (附註15 (a))	110,663	-
Less: allowance for doubtful debts (Note 15(b))	減：壞賬準備 (附註15 (b))	(42,247)	(16,853)
		2,468,306	1,643,071

Receivables for factoring business included financial assets sold repurchase agreements amounting to RMB232.3 million (2017:RMB432.7 million) as at 31 December 2018 (see Note 28).

截至2018年12月31日，應收保理款中包括賣出回購合約下質押的賬面值為人民幣232.3百萬元（2017年：人民幣432.7百萬元）（見附註28）。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

15 RECEIVABLES FOR FACTORING BUSINESS (CONTINUED)

(a) Ageing analysis:

As at 31 December 2018 and 2017, the aging analysis of receivables for factoring business, based on the invoice date and net of allowance for doubtful debts, is as follows:

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年以內	2,342,728	1,651,234
Over 1 year but less than 2 years	一年至兩年	165,635	8,690
Over 2 years but less than 3 years	兩年至三年	2,190	-
		2,510,553	1,659,924
Less: Allowance for doubtful debts	減：壞賬準備	(42,247)	(16,853)
		2,468,306	1,643,071

15 應收保理款 (續)

(a) 賬齡分析：

根據發票日期及壞賬準備淨值對應收保理款的賬齡在2018年及2017年12月31日的分析如下：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

15 RECEIVABLES FOR FACTORING BUSINESS (CONTINUED)

(b) Impairment of receivables for factoring business:

Impairment losses in respect of receivables for factoring business are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against receivables for factoring business directly (see Note 1(k)(ii)).

15 應收保理款 (續)

(b) 應收保理款的資產減值損失：

應收保理款的資產減值損失以備抵賬記錄，除非本集團認為收回有關款項的機會甚微，在該情況下，資產減值損失將直接從應收保理款核銷（見附錄1(k)(ii)）。

		At 31 December 2018 於2018年12月31日			
		12-month ECL	Lifetime ECL credit Not impaired	Lifetime ECL credit Impaired	Total
		未來12個月 預期信用損失	整個存續期內 預期信用損失 未發生信用減值	整個存續期內 預期信用損失 已發生信用減值	合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January (Note 1(c))	於1月1日 (附註1(c))	26,382	-	198	26,580
Charge for the period	本期計提	8,635	4,117	2,915	15,667
At 31 December	於12月31日	35,017	4,117	3,113	42,247

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

15 RECEIVABLES FOR FACTORING BUSINESS (CONTINUED)

(b) Impairment of receivables for factoring business: (continued)

15 應收保理款 (續)

(b) 應收保理款的資產減值損失： (續)

		At 31 December 2017 於2017年12月31日		
		Receivables for factoring business for which allowances are collectively assessed	Impaired receivables for factoring business for which allowances are individually assessed	Total
		按組合方式 評估的應收 保理款減值準備	按個別方式 評估的已減值的 應收保理款 減值準備	合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January	於1月1日	6,022	1,618	7,640
Charge/(reversal) for the year	本期計提或轉回	10,556	(1,343)	9,213
At 31 December	於12月31日	16,578	275	16,853

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS

(a) Analysed by nature

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
SME lending	小額貸款	4,711,230	6,085,363
Entrusted loans	委託貸款	1,134,107	1,980,021
Gross loans and advances to customers	發放貸款及墊款總額	5,845,337	8,065,384
Add: Interest receivable	加：應收利息	140,013	-
Less: Allowances for impairment losses	減：貸款減值準備	(319,207)	(324,313)
Net loans and advances to customers	發放貸款及墊款淨額	5,666,143	7,741,071

Loans and advances to customers included loans under repurchase agreements, amounting to RMB14.0 million (2017: RMB436.1 million) as at 31 December 2018 (See Note 28).

Loans and advances to customers included loans of RMB1,042.7 million arising from the consolidation of structured entities which issued micro loan backed securities to institutional investors by the Group as at 31 December 2018 (31 December 2017: RMB2,068.9 million) (Note 43).

16 發放貸款及墊款

(a) 按性質分析

31 December	31 December
12月31日	12月31日
2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元

SME lending	小額貸款	4,711,230	6,085,363
Entrusted loans	委託貸款	1,134,107	1,980,021

Gross loans and advances to customers	發放貸款及墊款總額	5,845,337	8,065,384
---------------------------------------	-----------	------------------	-----------

Add: Interest receivable	加：應收利息	140,013	-
--------------------------	--------	----------------	---

Less: Allowances for impairment losses	減：貸款減值準備	(319,207)	(324,313)
--	----------	------------------	-----------

Net loans and advances to customers	發放貸款及墊款淨額	5,666,143	7,741,071
-------------------------------------	-----------	------------------	-----------

於2018年12月31日，發放貸款及墊款中包括賣出回購合約下質押的貸款，其賬面價值為人民幣14百萬元（於2017年12月31日為人民幣436.1百萬元）（見附註28）。

於2018年12月31日，發放貸款及墊款中包括因本集團合併向機構投資者發行小額貸款資產支援證券的結構化主體而產生的小額貸款，其賬面價值為人民幣1,042.7百萬元（於2017年12月31日為人民幣2,068.9百萬元）（見附註43）。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款(續)

(b) Analysed by industry sector (exclusive interest receivable)

(b) 按行業分析(不包括應收利息)

		31 December 2018		31 December 2017	
		於2018年12月31日		於2017年12月31日	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Wholesale and retail	批發和零售業	380,711	6.51%	430,126	5.33%
Real estate	房地產	332,740	5.69%	491,536	6.09%
Construction	建築業	230,216	3.94%	450,485	5.59%
Leasing and commercial services	租賃和商業服務業	193,190	3.31%	326,870	4.05%
Manufacturing	製造業	143,617	2.46%	250,694	3.11%
Others	其他	212,359	3.63%	327,729	4.07%
Micro-lending	小微企業貸款	1,492,833	25.54%	2,277,440	28.24%
Retail loans	個人貸款	4,352,504	74.46%	5,787,944	71.76%
Gross loans and advances to customers	發放貸款及墊款總額	5,845,337	100.00%	8,065,384	100.00%
Less: Allowances for impairment losses	減：貸款減值準備	(319,207)		(324,313)	
Net loans and advances to customers	發放貸款及墊款淨額	5,526,130		7,741,071	

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(c) Analysed by type of collateral (exclusive interest receivable)

(c) 按抵押品種類分析 (不包括應收利息)

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Secured loans	保證貸款	3,389,716	3,493,776
Unsecured loans	無擔保貸款	1,031,018	2,454,526
Guaranteed loans	抵質押貸款	1,424,603	2,117,082
Gross loans and advances to customers	發放貸款及墊款總額	5,845,337	8,065,384
Less: Allowances for impairment losses	減：貸款減值準備	(319,207)	(324,313)
Net loans and advances to customers	發放貸款及墊款淨額	5,526,130	7,741,071

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款(續)

(d) Overdue loans analysed by overdue period (exclusive interest receivable)

(d) 已逾期貸款的逾期期限分析 (不包括應收利息)

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Overdue within 3 months (inclusive)	逾期3個月以內(含3個月)	327,728	212,230
Overdue more than 3 months to 6 months (inclusive)	逾期3個月至6個月 (含6個月)	77,661	87,764
Overdue more than 6 months to one year (inclusive)	逾期6個月至1年(含1年)	68,839	137,234
Overdue more than one year	逾期1年以上	190,084	256,867
		664,312	694,095

Overdue loans represent loans, of which the whole or part of the principal or interest were overdue for one day or more.

已逾期貸款是指全部或部份本金或利息逾期1天或以上的貸款。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(e) Analysed by methods for assessing allowances for impairment losses (exclusive interest receivable)

(e) 按減值損失準備金評估方法分析 (不包括應收利息)

		31 December 2018			
		2018年12月31日			
		12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
		未來12個月	整個存續期	整個存續期	
		預期信用損失	預期信用損失	預期信用損失	
		預期信用損失	未發生信用減值	已發生信用減值	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Micro-lending	小微企業貸款	1,337,663	7,000	148,170	1,492,833
Retail Loans	個人貸款	3,950,193	186,065	216,246	4,352,504
Gross loans and advances to customers	發放貸款及墊款總額	5,287,856	193,065	364,416	5,845,337
Less: Allowances for impairment losses	減：貸款減值準備	(128,368)	(17,989)	(172,850)	(319,207)
Net loans and advances to customers	發放貸款及墊款淨額	5,159,488	175,076	191,566	5,526,130

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(e) Analysed by methods for assessing allowances for impairment losses (exclusive interest receivable) (continued)

(e) 按減值損失準備金評估方法分析 (不包括應收利息) (續)

		At 31 December 2017 於2017年12月31日					
		Impaired loans and advances 已減值貸款及墊款					
Loans and advances for which allowances are collectively assessed 按組合方式評估減值準備的貸款及墊款		for which allowances are collectively assessed 其減值準備按組合方式評估		for which allowances are individually assessed 其減值準備按個別方式評估		Subtotal 小計	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
Micro-lending	小微企業貸款	2,173,305	5,916	98,219	104,135	2,277,440	
Retail Loans	個人貸款	5,653,169	109,522	25,253	134,775	5,787,944	
Gross loans and advances to customers	發放貸款及墊款總額	7,826,474	115,438	123,472	238,910	8,065,384	
Less: Allowances for impairment losses	減：貸款減值準備	(164,516)	(95,501)	(64,296)	(159,797)	(324,313)	
Net loans and advances to customers	發放貸款及墊款淨額	7,661,958	19,937	59,176	79,113	7,741,071	

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(f) Movements of allowances for impairment losses

(f) 減值損失準備金的變動

		31 December 2018 2018年12月31日			
		12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit Impaired	Total
		未來12個月 預期信用損失	整個存續期 預期信用損失- 未發生信用減值	整個存續期 預期信用損失- 已發生信用減值	合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 1 January (Note 1(c))	於1月1日 (附註1(c))	233,695	12,547	227,998	474,240
Transfer:	階段轉換				
- to 12-month ECL	- 未來12個月預期信用損失	11,411	(1,803)	(9,608)	-
- to lifetime ECL not credit-impaired	- 整個存續期預期信用損失 未發生信用減值的貸款	(6,635)	7,683	(1,048)	-
- to lifetime ECL credit-impaired	- 整個存續期預期信用損失 已發生信用減值的貸款	(366)	(11)	377	-
(Reversal)/charge for the year	本期(轉回)/計提	(109,737)	(427)	240,381	130,217
Write-offs	本年核銷	-	-	(298,868)	(298,868)
Recoveries	收回已核銷貸款及墊款	-	-	13,618	13,618
As 31 December	於12月31日	128,368	17,989	172,850	319,207

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(f) Movements of allowances for impairment losses (continued)

(f) 減值損失準備金的變動 (續)

		At 31 December 2017 於2017年12月31日				
		Allowances for loans and advances	Impaired loans and advances 已減值貸款及墊款的減值準備			
		which are collectively assessed 按組合方式 評估減值 準備的 貸款及墊款 RMB'000 人民幣千元	which are collectively assessed 其減值 準備按組合 方式評估 RMB'000 人民幣千元	which are individually assessed 其減值 準備按個別 方式評估 RMB'000 人民幣千元	Subtotal	Total
					小計	合計
					RMB'000 人民幣千元	RMB'000 人民幣千元
As at 1 January	於1月1日	195,856	137,186	56,222	193,408	389,264
(Reversal)/charge for the year	本年(轉回)/計提	(31,340)	109,116	39,139	148,255	116,915
Write-offs	本年核銷	-	(155,558)	(31,086)	(186,644)	(186,644)
Recoveries	收回已核銷貸款 及墊款	-	4,757	21	4,778	4,778
As at 31 December	於12月31日	164,516	95,501	64,296	159,797	324,313

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(g) Analysed by credit quality

(g) 按信貸品質的分佈列示如下

		At 31 December 12月31日 2018 2018年 RMB'000 人民幣千元
Gross balance of loans and advances to customers that are assessed for 12-month ECLs	未來12個月預期信用損失發放貸款及墊款總額	
– Neither overdue nor credit-impaired	– 既未逾期也未發生信用減值	5,313,217
– Overdue but not credit-impaired	– 已逾期未發生信用減值	114,652
Sub-total	小計	5,427,869
Gross balance of loans and advances to customers that assessed for lifetime ECLs not credit-impaired	整個存續期未發生預期信用損失發放貸款及墊款總額	
– Overdue but not credit-impaired	– 已逾期但未發生信用損失	193,065
Sub-total	小計	193,065
Gross balance of loans and advances to customers that are assessed for lifetime ECLs credit-impaired	整個存續期預期信用損失發放貸款及墊款總額	
– Overdue and credit-impaired	– 已逾期已發生信用減值	364,416
Sub-total	小計	364,416
Less: Allowances for impairment losses	減：貸款減值準備	(319,207)
Net value	淨值	5,666,143

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

16 發放貸款及墊款 (續)

(g) Analysed by credit quality (continued)

(g) 按信貸品質的分佈列示如下
(續)

		At 31 December 12月31日 2017 2017年 RMB'000 人民幣千元
Gross balance of loans and advances to customers		
發放貸款及墊款總額		
- Neither past due nor impaired	- 未逾期末減值	7,371,289
- Overdue but not impaired	- 已逾期末減值	455,185
- Impaired	- 已減值	238,910
		8,065,384
Less: Allowances for impairment losses		
減：發放貸款及墊款		
- Neither past due nor impaired	- 未逾期末減值	(130,685)
- Overdue but not impaired	- 已逾期末減值	(33,831)
- Impaired	- 已減值	(159,797)
		(324,313)
Net balance		
淨額		
- Neither past due nor impaired	- 未逾期末減值	7,240,604
- Overdue but not impaired	- 已逾期末減值	421,354
- Impaired	- 已減值	79,113
		7,741,071

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

17 FINANCE LEASE RECEIVABLES

17 應收融資租賃款

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Finance lease receivables	應收融資租賃款	342,802	394,237
Less: Unearned finance lease income	減：未實現融資收益	(40,004)	(44,412)
Present value of minimum finance lease receivables	最低融資租賃收款額	302,798	349,825
Less: Allowance for impairment losses	減：減值準備	(29,709)	(3,526)
Net balance	淨額	273,089	346,299

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

17 FINANCE LEASE RECEIVABLES (CONTINUED)

17 應收融資租賃款(續)

(a) Ageing analysis:

Finance lease receivables, unearned finance lease income and minimum finance lease receivables analysed by remaining period are listed as follows:

(a) 賬齡分析：

應收融資租賃款、未實現融資收益和最低融資租賃收款額剩餘到期日分析：

		At 31 December 2018			At 31 December 2017		
		於2018年12月31日			於2017年12月31日		
		Unearned	Minimum		Unearned	Minimum	
Finance lease	finance lease	finance lease	Finance lease	finance lease	finance lease	finance lease	
receivables	income	receivables	receivables	income	receivables	receivables	
融資租賃	未實現融資	最低融資租賃	融資租賃	未實現融資	最低融資租賃	最低融資租賃	
收款額	收益	收款額	收款額	收益	收款額	收款額	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Less than 1 year	少於1年	234,251	(27,336)	206,915	195,162	(21,985)	173,177
1 year to 2 years	1年至2年	73,744	(8,606)	65,138	122,444	(13,794)	108,650
2 years to 3 years	2年至3年	21,585	(2,519)	19,066	58,859	(6,631)	52,228
3 years to 5 years	3年至5年	13,222	(1,543)	11,679	17,772	(2,002)	15,770
		342,802	(40,004)	302,798	394,237	(44,412)	349,825
Less: Allowance for impairment losses	減：減值準備		(29,709)				(3,526)
			273,089				346,299

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

17 FINANCE LEASE RECEIVABLES (CONTINUED)

17 應收融資租賃款 (續)

(b) Impairment of finance lease receivables:

(b) 融資租賃收款額減值損失

		At 31 December 2018			
		2018年12月31日			
		Lifetime ECL	Lifetime ECL		
		credit Not	credit		
		impaired	Impaired		
		12-month ECL		Total	
		整個存續期預期	整個存續期預期		
		信用損失 –	信用損失 –		
		未來12個月	已發生信用		
		預期信用損失	減值的貸款	減值的貸款	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January (Note 1(c))	於1月1日 (附註1(c))	4,235	-	-	4,235
(Reversal)/charge for the year	本年計提或轉回	(2,757)	-	28,231	25,474
At 31 December	於12月31日	1,478	-	28,231	29,709

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

17 FINANCE LEASE RECEIVABLES (CONTINUED)

17 應收融資租賃款 (續)

(b) Impairment of finance lease receivables: (continued)

(b) 融資租賃收款額減值損失 (續)

		At 31 December 2017 2017年12月31日		
		Finance lease receivables for which allowances are collectively assessed 按組合方式 評估減值準備 的融資 租賃收款 RMB'000 人民幣千元	Impaired finance lease receivables for which allowances are individually assessed 減值準備按 個別方式評估 的融資 租賃收款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January	於1月1日	2,830	–	2,830
Charge for the year	本年計提	696	–	696
At 31 December	於12月31日	3,526	–	3,526

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

18 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the result, assets or liabilities of the Group.

18 對附屬公司的投資

下表載列的附屬公司僅包括將對本集團的業績、資產或負債產生主要影響的附屬公司的詳情。

	Equity interest held by the Group 本集團持有的股本權益			Particulars of paid in capital as at 31 December 2018 於2018年12月31日 實收資本的詳情	Principal activity 主要業務
	Place and date of incorporation/ establishment 註冊／成立 時間地點	At 31 December 2018 於2018年 12月31日	At 31 December 2017 於2017年 12月31日		
Chongqing Hanhua Assets Management Co., Ltd. (重慶瀚華資產管理有限公司)	Chongqing 29 May 2007 重慶 2007年5月29日	100.00%	100.00%	500,000	Assets management 資產管理
Chongqing Hanhua Micro-credit Co., Ltd. (“Chongqing Micro-credit”) (重慶市瀚華小額貸款有限公司)	Chongqing 25 September 2008 重慶 2008年9月25日	86.00%	86.00%	430,000	SME lending 中小企業貸款
Sichuan Hanhua Micro-credit Co., Ltd. (“Sichuan Micro-credit”) (四川瀚華小額貸款有限公司)	Chengdu 19 May 2009 成都 2009年5月19日	85.71%	61.43%	600,000	SME lending 中小企業貸款
Hanhua Financing Guarantee Co., Ltd. (瀚華融資擔保股份有限公司)	Chongqing 19 August 2009 重慶 2009年8月19日	100.00%	100.00%	3,500,000	Financial guarantee 融資擔保
Sichuan Small & Medium-sized Assets Management Co., Ltd. (四川中微資產管理有限公司)	Chengdu 21 October 2010 成都 2010年10月21日	100.00%	100.00%	200,000	Assets management 資產管理
Tianjin Hanhua Micro-credit Co., Ltd. (天津瀚華小額貸款有限公司)	Tianjin 29 June 2011 天津 2011年6月29日	100.00%	100.00%	200,000	SME lending 中小企業貸款
Shenyang Financial and Commercial Development District Hanhua Technology Micro-credit Co., Ltd. (瀋陽金融商貿開發區瀚華科技小額貸款有限公司)	Shenyang 30 September 2011 瀋陽 2011年9月30日	100.00%	100.00%	300,000	SME lending 中小企業貸款

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

18 對附屬公司的投資 (續)

	Equity interest held by the Group 本集團持有的股本權益			Particulars of paid in capital as at 31 December 2018 於2018年12月31日 實收資本的詳情	Principal activity 主要業務
	Place and date of incorporation/ establishment 註冊／成立 時間地點	At 31 December 2018 於2018年 12月31日	At 31 December 2017 於2017年 12月31日		
Chongqing Huiwei Investment Co., Ltd. (重慶惠微投資有限公司)	Chongqing 7 January 2013 重慶 2013年1月7日	100.00%	100.00%	100,000	Investment consulting 投資諮詢
Beijing Hanhua Internet Technology Co., Ltd. ("Hanhua Internet") (北京瀚華網路科技有限公司)	Beijing 11 October 2013 北京 2013年10月11日	100.00%	100.00%	120,000	Technical consulting and technical service 技術諮詢及技術服務
Guiyang Nanming District Hanhua Micro-credit Co., Ltd. (貴陽市南明區瀚華小額貸款有限公司)	Guiyang 10 April 2014 貴陽 2014年4月10日	100.00%	100.00%	100,000	SME lending 中小企業貸款
Chongqing Changjiang Financial Factoring Co., Ltd. (重慶長江金融保理有限公司)	Chongqing 1 July 2014 重慶 2014年7月1日	91.00%	91.00%	273,000	Financial Factoring 金融保理
Nanning Hanhua Micro-credit Co., Ltd. (南寧市瀚華小額貸款有限公司)	Nanning 8 December 2011 南寧 2011年12月8日	100.00%	100.00%	150,000	SME lending 中小企業貸款
Hanhua Internet Financing Services (Shenzhen) Co., Ltd. ("Hanhua Internet Financing") (瀚華互聯網金融服務(深圳)有限公司)	Shenzhen 2 March 2015 深圳 2015年3月2日	100.00%	100.00%	60,000	Internet Financing 互聯網金融
Beijing Hanhua Management Consulting Co., Ltd. (北京瀚華管理諮詢有限公司)	Beijing 20 July 2015 北京 2015年7月20日	100.00%	100.00%	5,000	Management consulting 管理諮詢
Nanjing Hanhua Technology Micro-credit Co., Ltd. (南京市瀚華科技小額貸款有限公司)	Nanjing 29 October 2014 南京 2014年10月29日	70.00%	70.00%	105,000	SME lending 中小企業貸款

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

18 對附屬公司的投資 (續)

	Equity interest held by the Group 本集團持有的股本權益			Particulars of paid in capital as at 31 December 2018 於2018年12月31日 實收資本的詳情	Principal activity 主要業務
	Place and date of incorporation/ establishment 註冊／成立 時間地點	At 31 December 2018 於2018年 12月31日	At 31 December 2017 於2017年 12月31日		
Hanhua Capital Investment Management Co., Ltd. (瀚華資本投資管理有限公司)	Beijing 25 December 2014 北京 2014年12月25日	65.00%	65.00%	6,500	Investment consulting 投資諮詢
Shenzhen Hanhua Micro-credit Co., Ltd. (深圳瀚華小額貸款有限公司)	Shenzhen 20 January 2016 深圳 2016年1月20日	100.00%	100.00%	300,000	SME lending 中小企業貸款
Heilongjiang Hanhua Internet Micro-credit Co., Ltd. (黑龍江瀚華互聯網小額貸款有限公司)	Harbin 17 November 2014 哈爾濱 2014年11月17日	100.00%	100.00%	300,000	SME lending 中小企業貸款
Liaoning Fu'an Financial Assets Management Ltd. ("Fu'an AMC") (遼寧富安金融資產管理有限公司)	Shenyang 9 May 2017 瀋陽 2017年5月9日	55.00%	55.00%	550,000	Assets management 資產管理
Huiwei Hong Kong Holding Co., Ltd ("Huiwei HK") (惠微香港控股有限公司)	Hong Kong 8 September 2015 香港 2015年9月8日	100.00%	100.00%	77,999	Investment consulting 投資諮詢
Hanhua Hong Kong Holdings Co., Ltd ("Hanhua HK") (瀚華香港控股有限公司)	Hong Kong 11 October 2012 香港 2012年10月11日	100.00%	100.00%	8	Investment consulting 投資諮詢
Xi'an Micro-credit Co., Ltd. (“Xi'an Micro-credit”) (西安瀚華小額貸款有限公司) (Note)	Xi'an 12 September 2013 西安 2013年9月12日	65.00%	65.00%	260,000	SME lending 中小企業貸款

Note: As at 31 December 2018, Xi'an Micro-credit was in the process of termination.

附註：截至2018年12月31日，西安小貸處於清算過程中。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

All of the above subsidiaries (exclusive Huiwei HK and Hanhua HK) are companies with limited liability incorporated and operated in the PRC. The English translation of the names of these companies is for reference only. The official names of these companies are in Chinese.

Pursuant to the share purchase agreement entered into by the Group and other share-holders of Sichuan Micro-credit dated in 29 March 2018, the Group has purchased equity interest of 24.28% with the amount of RMB184.9 million from the counterparties. Upon the completion of agreement, the Group held equity interest in Sichuan Micro-credit increased from approximately 61.43% to 85.71%. The difference between the purchase amount and the carrying amount of the 24.28% equity interest in Sichuan Micro-credit amounted to RMB17.8 million was recorded as capital reserve on the consolidated statement of financial position.

19 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

18 對附屬公司的投資 (續)

所有上述附屬公司 (除了惠微香港和瀚華香港) 均於中國註冊及經營的有限責任公司。各附屬公司的英文譯名僅供參考。各附屬公司的正式名稱以中文為準。

根據本集團於2018年3月29日與四川小貸其他股東訂立的股份收購協議，本集團向對手方以184.9萬元的金額購買24.28%的股權。收購完成後，本集團持有的四川小貸股權比例由61.43%增加至85.71%。收購溢價人民幣17.8百萬元在合併資產負債表中確認為資本公積。

19 以公允價值計量且其變動計入當期損益的金融資產

	At 31 December 12月31日 2018 2018年 RMB'000 人民幣千元	At 31 December 12月31日 2017 2017年 RMB'000 人民幣千元
Equity instrument:		
– Listed	110,988	–
– Unlisted	466,299	–
Debt instrument:		
– Unlisted	756,715	–
Non-performing asset packages (Note)	239,758	50,000
	1,573,760	50,000

Note: Non-performing asset packages are the distressed debt assets acquired from financial institutions and non-financial institutions by a subsidiary of the Company. The non-performing asset packages mainly include bank loans, entrustment loans and accounts receivable.

附註：不良資產包是指本公司子公司從金融機構和非金融機構收購的不良債務資產。不良資產主要包括銀行貸款、委託貸款和應收賬款。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

20 AVAILABLE-FOR-SALE FINANCIAL ASSETS

20 可供出售金融資產

		At 31 December 12月31日 2018 2018年 RMB'000 人民幣千元	At 31 December 12月31日 2017 2017年 RMB'000 人民幣千元
Available-for-sale equity instrument	可供出售權益工具		
– Listed	–上市	–	133,612
– Unlisted	–非上市	–	288,706
Available-for-sale debt instrument	可供出售債務工具		
– Listed	–上市	–	9,341
– Unlisted	–非上市	–	251,950
Wealth management products (Note)	理財產品 (附註)	–	50,000
		–	733,609

Note: The types of structured entities that the Group does not consolidate but in which it holds an interest include entities set up for wealth management products issued by banks. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of third party investors. These vehicles are financed through the issue of units to investors. The variable interest from these structured entities are not significant thus we do not consolidate these structured entities. The maximum loss exposure of interests held by the Group is the same as the carrying amount.

附註： 本集團通過直接持有投資而發起設立的結構化主體中享有的權益為銀行理財產品。這些結構化主體的性質和目的主要是管理投資者的資產並賺取管理費，其融資方式是向投資者發行相關投資產品的份額。本集團自這些結構化主體所取得的可變回報並不顯著，因此本集團未將這些結構化主體納入本集團的合併財務報表的合併範圍。本集團在這些結構化主體中的最大損失敞口為本集團所持有的權益的賬面價值。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

21 PROPERTY, PLANT AND EQUIPMENT

21 物業、廠房及設備

		Buildings held for own use	Motor vehicles	Office and Other equipment	Leasehold improvements	Construction in process	Total
		建築物	運輸設備	辦公及 其他設備	租賃物業 改良支出	在建工程	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：						
At 1 January 2017	於2017年1月1日	365,538	29,331	57,882	89,346	52,127	594,224
Additions	增加	22,676	2,595	5,561	12,867	16,836	60,535
Transfers to intangible assets	轉入無形資產	-	-	-	-	(14,862)	(14,862)
Disposals	處置	-	(1,045)	(812)	-	-	(1,857)
At 31 December 2017 and 1 January 2018	於2017年12月31日及 2018年1月1日	388,214	30,881	62,631	102,213	54,101	638,040
Additions	增加	63,979	819	5,947	18,083	13,265	102,093
Transfer in/(out)	轉入／轉出	3,337	-	1,589	-	(4,926)	-
Transfers to intangible assets	轉入無形資產	-	-	-	-	(864)	(864)
Disposals	處置	-	(1,858)	(3,447)	-	-	(5,305)
At 31 December 2018	於2018年12月31日	455,530	29,842	66,720	120,296	61,576	733,964
Accumulated depreciation:	累計折舊：						
At 1 January 2017	於2017年1月1日	(38,607)	(20,362)	(35,909)	(64,863)	-	(159,741)
Charge for the year	本年計提	(12,028)	(2,423)	(10,762)	(11,877)	-	(37,090)
Written back on disposals	處置撥回	-	878	660	-	-	1,538
At 31 December 2017 and 1 January 2018	於2017年12月31日及 2018年1月1日	(50,635)	(21,907)	(46,011)	(76,740)	-	(195,293)
Charge for the year	本年計提	(13,292)	(2,028)	(10,942)	(15,701)	-	(41,963)
Written back on disposals	處置撥回	-	1,565	3,092	-	-	4,657
At 31 December 2018	於2018年12月31日	(63,927)	(22,370)	(53,861)	(92,441)	-	(232,599)
Net book value:	賬面淨值：						
At 31 December 2018	於2018年12月31日	391,603	7,472	12,859	27,855	61,576	501,365
At 31 December 2017	於2017年12月31日	337,579	8,974	16,620	25,473	54,101	442,747

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

22 INTANGIBLE ASSETS

All intangible assets of the Group are software during the years ended 31 December 2018 and 2017.

22 無形資產

於截至2018年及2017年12月31日止年度，本集團的所有無形資產為軟件。

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost	成本		
At the beginning of the year	於年初	33,970	12,156
Additions	本年增加	9,415	21,814
Disposals	本年處置	(23)	-
At the end of the year	於年末	43,362	33,970
Less: Accumulated amortisation	減：累計攤銷		
At the beginning of the year	於年初	(8,877)	(5,922)
Charge for the year	本年計提	(3,143)	(2,955)
Written back on disposals	處置撥回	17	-
At the end of the year	於年末	(12,003)	(8,877)
Net book value	賬面淨額		
At the end of the year	於年末	31,359	25,093
At the beginning of the year	於年初	25,093	6,234

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

23 INTEREST IN ASSOCIATES

The following list contains only the particulars of material associates, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate 聯營企業名稱	Form of business structure 組織結構	Place of incorporation and business 主要經營地	Particulars of issued and paid up capital 股本 RMB'000 人民幣千元	Proportion of ownership interest 持股比例			Principal activity 主營業務
				Group's effective interest 集團實際持股	Held by the Company 直接持股	Held by a subsidiary 間接持股	
Shandong Financial Assets Exchange Co., Ltd. (山東金融資產交易中心有限公司)	Incorporated 股份有限公司	Jinan 濟南	200,000 ordinary shares 普通股	30%	30%	-	Financial asset trading services 金融資產交易服務
Chongqing Fumin Bank Co., Ltd. (重慶富民銀行股份有限公司)	Incorporated 股份有限公司	Chongqing 重慶	3,000,000 ordinary shares 普通股	30%	30%	-	Banking 銀行業

All of the above associates are accounted for using the equity method in the consolidated financial statements.

23 長期股權投資－聯營企業

下表儘載列重要聯營企業的詳情，這些企業均為非上市公司，無法獲得其市值資訊。

以上聯營企業在合併報表中採用權益法核算。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

23 INTEREST IN ASSOCIATES (CONTINUED)

Summarized financial information of the material associates reconciled to the carrying amounts in the consolidated financial statements are disclosed below:

23 長期股權投資－聯營企業（續）

將聯營企業的主要財務信息及合併財務報表賬面價值的調節披露如下：

		Chongqing Fumin Bank Co., Ltd		Shandong Financial Assets Exchange Co., Ltd	
		2018	2017	2018	2017
		2018年	2017年	2018年	2017年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Gross amount of the associate	聯營企業的總金額				
Total assets	資產總計	37,020,349	18,362,760	1,480,539	1,517,268
Total liabilities	負債合計	(33,946,546)	(15,350,150)	(1,271,979)	(1,311,355)
Net assets	淨資產	3,073,803	3,012,610	208,560	205,913
Revenue	收入	392,652	269,535	99,825	37,938
Post-tax profit or loss	稅後利潤／虧損	52,605	10,808	8,647	5,408
Reconciled to the Group's interest in the associate	本集團對聯營企業投資調節表				
Gross amount of net assets of the associate	聯營企業的淨資產	3,073,803	3,012,610	208,560	205,913
Group's effective interest	本集團實際持股	30%	30%	30%	30%
Group's share of net assets of the associate	本集團按持股比例計算的淨資產份額	922,141	903,783	62,568	61,774
Dividend from the associate	聯營企業的股息	-	-	1,800	-
Carrying amount in the consolidated financial statements	對聯營企業的投資的賬面價值	922,141	903,783	62,568	61,774

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

23 INTEREST IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	合併財務報表中單家非重要聯營公司的賬面價值總額	539,961	146,417
Aggregate amounts of the Group's share of those associates' Gains/(loss) from continuing operations	本集團佔該聯營公司當期損益合計份額 來自持續運營的收益或損失	13,917	(127)
Other comprehensive income	其他綜合收益	(2,576)	-
Total comprehensive income	綜合收入合計	11,341	(127)

23 長期股權投資－聯營企業(續)

單家非重要聯營公司的匯總資訊如下：

24 INTEREST IN JOINT VENTURES

Details of the Group's interest in the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

24 長期股權投資－合營企業

關於本集團於在合併報表中採用權益法核算的合營企業擁有的權益載列如下：

Name of joint venture 合營企業名稱	Form of business structure 組織結構	Place of incorporation and business 主要經營地	Particulars of issued and paid up capital 股本 RMB'000 人民幣千元	Proportion of ownership interest 持股比例			Principal activity 主營業務
				Group's effective interest 集團實際持股	Held by the Company 直接持股	Held by a subsidiary 間接持股	
Chongqing Gongkang Enterprise Management Co., Ltd. ("Gong Kang") (重慶共康企業管理有限公司)	Incorporated 股份有限公司	Chongqing 重慶	20,000 ordinary shares 普通股	50%	-	50%	Management Consulting 管理諮詢

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

24 INTEREST IN JOINT VENTURES (CONTINUED)

Gong Kang, the only joint venture in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

Summarised financial information of Gong Kang and a reconciliation to the carrying amount in the consolidated financial statements are disclosed below:

24 長期股權投資－合營企業（續）

作為本集團唯一的合營企業，共康，是一家非上市公司，無法獲得其公開市場報價。

共康的財務信息概要及與合併財務報表賬面價值的調節披露如下：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Gross amounts of Gong Kang	共康總金額		
Total assets	總資產	461,870	281,968
Total liabilities	總負債	453,260	264,766
Equity	所有者權益	8,610	17,202
Included in the above assets and liabilities:	包含於上述資產和負債：		
Cash and cash equivalents	現金及現金等價物	14,663	4,154
Financial liabilities (excluding trade and other payables and provisions)	金融負債（不包括貿易及其他應付款項及撥備）	256,150	176,400
Revenue	收入	-	-
Loss from continuing operations	來自持續經營的虧損	(8,592)	(2,799)
Total comprehensive income	綜合收益總額	(8,592)	(2,799)
Included in the above profit:	包含於上述利潤：		
Interest and commission expenses	利息和佣金支出	5,193	176

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

24 INTEREST IN JOINT VENTURES (CONTINUED)

24 長期股權投資－合營企業(續)

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Reconciled to the Group's interest in Gong Kang	調節後的本集團持有共康份額		
Gross amount of Gong Kang's net assets	共康淨資產總額	8,610	17,202
Group's effective interests	本集團持股比例	50%	50%
Group's share of Gong Kang's net assets	本集團享有的共康淨資產份額	4,305	8,601
Carrying amount in the consolidated financial statements	合併財務報表賬面金額	4,305	8,601

25 GOODWILL

25 商譽

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost	成本		
At the beginning and the end of the year	於年初／末	11,190	11,190
Accumulated impairment losses:	累計資產減值損失：		
At the beginning of the year	於年初	(1,470)	-
Impairment loss	資產減值損失	-	(1,470)
At the end of the year	於年末	(1,470)	(1,470)
Carrying amount	賬面值		
At the end of the year	於年末	9,720	9,720
At the beginning of the year	於年初	9,720	11,190

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

25 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified as follows:

Zhongli Insurance Sales Co., Ltd. ("Zhongli Insurance")	(中利保險銷售有限公司)
Beijing Beiniu Technology Co., Ltd. ("Beijing Beiniu")	(北京貝牛科技有限公司)

25 商譽 (續)

含商譽的現金產生單元的減值測試

商譽按本集團已識別出的現金產生單元("CGU")分配如下：

31 December 12月31日 2018 2018年 RMB'000 人民幣千元	31 December 12月31日 2017 2017年 RMB'000 人民幣千元
--	--

		9,720	9,720
		-	-
		9,720	9,720

On 6 February 2015, Hanhua Internet, a wholly-owned subsidiary of the Company, acquired 100% equity interests of Beijing Beiniu from its former shareholders at an aggregate consideration of RMB1.5 million. Following the completion of the transaction on 6 February 2015, Beijing Beiniu became a wholly owned subsidiary of Hanhua Internet. The excess of the aggregate consideration over the net fair value of the Beijing Beiniu's identifiable net assets measured as at the acquisition date, amounting to RMB1.47 million was recognized as goodwill by Beijing Hanhua Internet.

於2015年2月6日，瀚華科技(本公司全資附屬公司)與北京貝牛原股東簽訂股權轉讓協議，受讓北京貝牛100%的股權，支付對價為人民幣1.5百萬元，自2015年2月6日起北京貝牛成為北京瀚華科技的全資附屬公司，收購時點北京貝牛可辨認淨資產公允價值高於其淨資產1.47百萬元，由北京瀚華網絡科技有限公司確認為商譽。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

25 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill (continued)

On 31 August 2015, Hanhua Internet Financing, a wholly-owned subsidiary of the Company, acquired 95% equity interests of Zhongli Insurance from its former shareholders at an aggregate consideration of RMB56.5 million. Following the completion of the transaction on 31 August 2015, Zhongli Insurance became a 95% non-wholly owned subsidiary of Hanhua Internet Financing. The excess of the aggregate consideration over the net fair value of Zhongli Insurance's identifiable net assets measured as at the acquisition date, amounting to RMB9.72 million was recognized as goodwill by Hanhua Internet Financing.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond five-year period are extrapolated using an estimated weighted average growth rate, which is consistent with the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate, which reflects specific risks relating to the acquired subsidiaries.

Based on the result of the impairment testing, RMB1.47 million of impairment losses on goodwill have been recognized in 2017.

25 商譽 (續)

包涵商譽的現金產生單元的減值測試 (續)

於2015年8月31日，瀚華互聯網(本公司全資附屬公司)與中利保險原股東簽訂股權轉讓協議，受讓中利保險95%的股權，瀚華互聯網收購中利保險對價為人民幣56.5百萬元。自2015年8月31日起中利保險成為瀚華互聯網金融的非全資附屬公司，收購時點中利保險的可辨認淨資產公允價值高於其淨資產9.72百萬元，由瀚華互聯網確認為商譽。

「現金產生單元」可回收金額基於可利用的價值計算而來。該計算使用的現金流是經管理層批准的對未來五年現金流的預測值，超過五年期限的現金流則按與該行業報告預測一致的增長率進行加權平均計算。該增長率不超過行業長期平均增長率。同時，可回收金額按能夠反映對應風險的折現率折現得到。

基於減值測試結果，2017年對商譽計提了1.47百萬元減值。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

26 INTEREST-BEARING BORROWINGS

The interest-bearing borrowings were repayable as follows:

26 計息借款

計息借款的流動性如下：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year or on demand	實時償還或1年以內	2,627,882	1,568,141
After 1 year but within 2 years	1年至2年	722,771	–
After 2 years but within 5 years	2年至5年	1,292,305	1,433,931
After 5 years	5年以上	811,674	805,685
Interest payables	應付利息	74,738	–
		5,529,370	3,807,757

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

26 INTEREST-BEARING BORROWINGS (CONTINUED)

26 計息借款 (續)

The interest-bearing borrowings were secured as follows:

計息借款按擔保方式分析如下：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank loans (Note (i))	銀行借款 (附註(i))		
– Unsecured	– 無擔保	1,001,075	765,502
– Secured by properties of the Group (Note (ii))	– 本集團物業抵押 (附註(ii))	192,759	127,000
– Secured by other assets of the Group (Note (iii))	– 本集團其他資產質押 (附註(iii))	646,560	440,000
– Guaranteed by third parties	– 第三方擔保	220,000	–
		2,060,394	1,332,502
Other loans (Note (iv))	其他借款 (附註(iv))		
– Unsecured	– 無擔保	2,186,338	1,551,058
Other interest-bearing liabilities (Note (v))	其他計息負債 (附註(v))	1,207,900	924,197
		5,454,632	3,807,757
Interest payables	應付利息	74,738	–
		5,529,370	3,807,757

Notes:

附註：

- (i) All of the Group's bank loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the loans would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 37(c). At 31 December 2018 and 2017, none of covenants relating to the bank loans had been breached.

- (i) 所有本集團的銀行借款須履行與金融機構訂立的借款合同。倘本集團違反約定，貸款須按合同要求償還。本集團定期監控履約情況。本集團對流動性風險管理的更多詳情載於附註37(c)。於2018年12月31日，均無違約情況。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

26 INTEREST-BEARING BORROWINGS (CONTINUED)

Notes: (continued)

- (ii) The bank loans are secured by the Group's buildings held for own use. The aggregate carrying value of the secured properties amounted to RMB251.0 million as at 31 December 2018 (2017: RMB184.0 million).
- (iii) The bank loans are secured by receivables for factoring business owned by the Group. The aggregate carrying value amounted to RMB391.0 million as at 31 December 2018 (31 December 2017: RMB140.0 million).
- (iv) Other loans bear interest at various interest rate, which are unsecured and repayable by 31 December 2020.
- (v) The Group issued trust plans of RMB333.7 million at 31 December 2018 (31 December 2017: Nil) to finance for SME business, and the Group acquired all the interests of the subordinated tranches of the trust plans and the Group provided financial guarantee against the investors that required the senior tranches (see Note 43).

The remaining other interest-bearing liabilities represents third party investors' interest of RMB874.2 million (31 December 2017: RMB855.4 million) in the consolidated structured entities (see Note(43)).

During the year ended 31 December 2018, loans and advances amounted to Nil (31 December 2017: RMB68.8 million) were transferred to independent third parties by the Group with the same consideration. However, the Group still provides guarantee for the default payments of the principles and interests of the loans and advances transferred. As the transfer did not meet the requirement for derecognition of financial assets, the loans and advances were not derecognised from the consolidated financial statements and the amount of proceeds received by the Group was recorded as other interest-bearing liabilities.

26 計息借款 (續)

附註：(續)

- (ii) 該銀行貸款由本集團建築物抵押。於2018年12月31日，抵押物業的總賬面值為人民幣251.0百萬元（2017年12月31日為人民幣184.0百萬元）。
- (iii) 該銀行貸款由本集團持有的應收融資租賃款和銀行存款抵押。於2018年12月31日，抵押物總賬面值分別為人民幣391.0百萬元（2017年12月31日分別為人民幣140.0百萬元）。
- (iv) 其他不同年息率的備款為無擔保並且最遲須於2020年12月31日償還。
- (v) 截至2018年12月31日（2017年12月31日：無）本集團發行了333.7百萬元人民幣的信託計劃，為中小企業業務融資，本集團收購了信託計劃次級部份的全部權益，本集團向優先順序部份的投資者提供了財務擔保（見附註43）。

其餘的其他有息負債表示協力廠商投資者在合併結構化實體中的利息為874.2百萬元人民幣（2017年12月31日：855.4百萬元人民幣）（見附註(43)）。

截至2018年12月31日止年度，本集團以相同對價向獨立第三方轉讓貸款和墊款（2017年12月31日：68.8百萬元人民幣）。但是，本集團仍對所轉讓貸款和墊款的本金和利息的違約支付提供擔保。由於轉讓不符合終止確認金融資產的要求，貸款和墊款未從合併財務報表中終止確認，本集團收到的收益金額記為其他計息負債。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

27 DEBTS SECURITIES ISSUED

27 應付債券

			31 December	31 December
			12月31日	12月31日
			2018	2017
			2018年	2017年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Fixed rate corporate bonds maturing in June 2020	2020年到期的固定利率公司債券	(i)	1,423,726	1,493,708
Fixed rate corporate bonds maturing in November 2019	2019年到期的固定利率公司債券	(ii)	852,191	850,441
Fixed rate bonds	固定利率債券			
– maturing in February 2019	– 2019年2月到期的	(iii)	66,388	–
– maturing in July 2020	– 2020年7月到期的	(iv)	47,898	–
– maturing in September 2020	– 2020年9月到期的	(v)	47,383	–
Assets backed securities payable – senior tranches	應付資產支持證券 – 優先順序	(vi)	901,695	1,923,743
Interest payables	應付利息		53,639	–
At the end of the year	期末餘額		3,392,920	4,267,892

Notes:

- (i) Fixed rate corporate bonds with nominal value RMB1,500.0 million and a tenure of five years were issued on 10 June 2015. The coupon rate is 6.10% per annum. The Group has an option to increase the coupon rate for the remaining duration at the end of the third year. After the Group announce whether to increase the coupon rate, the investors have an option to redeem all or part of the debts held at the nominal amounts. On 10 June 2018, the Group increased the coupon rate to 6.90% per annum for the remaining duration and redeemed RMB72.8 million of the bonds.

As at 31 December 2018, the fair value of corporate bonds amounted to RMB1,431.0 million.

附註

- (i) 於2015年6月10日發行的固定利率公司債券面值人民幣1,500百萬元，期限為五年期。票面利率為6.10%。本集團在第三年末有上調票面利率的選擇權。在本集團公告是否上調票面利率後，投資者可以要求本集團按面值贖回所持的全部或部份債券。2018年6月10日，本集團已上調本債券後續期限的票面利率至6.90%，並贖回債券本金72.8百萬元。

截至2018年12月31日，此公司債券的公允價值為人民幣1,431.0百萬元。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

27 DEBTS SECURITIES ISSUED (CONTINUED)

Notes: (continued)

- (ii) Fixed rate corporate bonds with nominal value RMB900.0 million and a tenure of four years were issued on 3 November 2015. The coupon rate is 5.60% per annum. The Group has an option to increase the coupon rate for the remaining duration at the end of the second year. After the Group announce whether to increase the coupon rate, investors have an option to redeem all or part of the debts held at the nominal amounts. On 3 November 2017, the Group increased the coupon rate to 6.60% per annum for the remaining duration and repurchased RMB46.1 million of the bonds.

As at 31 December 2018, the fair value of corporate bonds amounted to RMB855.7 million.

- (iii) Fixed rate bonds with nominal value RMB66.6 million and a term of a year were issued on 13 February 2018 by a subsidiary. The coupon rate is 6.50% per annum.

As at 31 December 2018, the fair value of corporate bonds amounted to RMB66.4 million.

- (iv) Fixed rate bonds with nominal value RMB50.0 million and a term of a year were issued on 16 July 2018 by a subsidiary. The coupon rate is 7.30% per annum.

As at 31 December 2018, the fair value of corporate bonds amounted to RMB47.9 million.

- (v) Fixed rate bonds with nominal value RMB50.0 million and a term of a year were issued on 18 September 2018 by a subsidiary. The coupon rate is 7.30% per annum.

As at 31 December 2018, the fair value of corporate bonds amounted to RMB47.4 million.

27 應付債券(續)

附註(續)

- (ii) 於2015年11月3日發行的固定利率公司債券面值人民幣900百萬元，期限為四年期。票面利率為5.60%。本集團在第二年未有上調票面利率的選擇權。在本集團公告是否上調票面利率後，投資者可以要求本集團按面值贖回所持的全部或部份債券。2017年11月3日，本集團已上調本債券後續期限的票面利率至6.60%，並回購債券本金46.1百萬元。

截至2018年12月31日，此公司債券的公允價值為人民幣855.7百萬元。

- (iii) 子公司於2018年2月13日發行面值為人民幣66.6百萬元，期限為一年的固定利率債券。票面利率為每年6.50%。

於2018年12月31日，該筆公司債券的公允價值為66.4百萬元。

- (iv) 子公司於2018年7月16日發行面值為人民幣50.0百萬元，期限為一年的固定利率債券。票面利率為每年7.30%。

於2018年12月31日，該筆公司債券的公允價值為47.9百萬元。

- (v) 子公司於2018年9月18日發行面值為人民幣50.0百萬元，期限為一年的固定利率債券。票面利率為每年7.30%。

於2018年12月31日，該筆公司債券的公允價值為47.4百萬元。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

27 DEBTS SECURITIES ISSUED (CONTINUED)

Notes: (continued)

- (vi) During the year ended 31 December 2018, RMB1,042.7 million of micro loans were transferred to structured entities. After that, the structured entities issue asset-backed securities (“the Products”) to investors, while the Group acquired all the interests of subordinated tranches of the Products and provided guarantee against the investors that acquired the senior tranches. As the Group has retained substantially all the risks and rewards of these transferred micro loans, which did not qualify for the derecognition of financial assets, the Group continued to recognise the transferred micro loans and the net proceeds amounting to RMB901.7 million received by the Group was booked as assets backed securities payable.

27 應付債券 (續)

附註 (續)

- (vi) 於截至2018年12月31日為止年度，本集團將人民幣1,042.7百萬元的小額貸款轉讓給結構化主體。再由結構化主體向投資者發行資產支援證券(「產品」)，同時本集團持有該產品全部次級部份以及為所有優先順序部份提供擔保。由於本集團保留了轉讓小額貸款的幾乎全部風險和報酬，相關金融資產不滿足終止確認的條件，因此本集團繼續在資產負債表中確認上述資產，並將收到的人民幣901.7百萬元轉讓款在應付資產支持證券中列示。

28 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENT

28 賣出回購金融資產

		31 December 12月31日 2018 2018年 RMB'000 人民幣千元	31 December 12月31日 2017 2017年 RMB'000 人民幣千元
Benefit rights of loans and advances to customers	發放貸款及墊款收益權	14,000	436,053
Benefit rights of receivables for factoring business	應收保理款收益權	232,337	432,739
Interest payables	應付利息	9,367	-
		255,704	868,792

Details of the carrying values of underlying assets of financial assets under repurchased agreement are set out in Note 16(a) and Note 15.

賣出回購金融資產的相關資產賬面值詳情載於附註16(a)和附註(15)。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

29 PROVISIONS FOR GUARANTEE LOSSES

29 擔保賠償準備金

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
As at 1 January (Note 1(c))	年初 (附註1(c))	377,595	350,596
(Reversal)/charge for the year	本年 (轉回)/計提	(1,080)	26,731
As at 31 December	年末	376,515	377,327

30 CUSTOMER PLEDGED DEPOSITS

30 存入保證金

Customer pledged deposits refer to deposits received from customers as collateral security of the credit guarantee issued by the Group. These deposits are interest-free, and will be returned to customers after the guarantee contracts expire.

存入保證金指向客戶所收的保證金，以作為本集團提供擔保的擔保抵押。此等押金為無息，並將於擔保合約屆滿時退還客戶。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

31 ACCRUALS AND OTHER PAYABLES

31 應計及其他應付款

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest payables	應付利息	-	84,603
Other payables	其他應付款項	381,495	281,120
Financial liabilities measured at amortised cost	按攤餘成本計算金融負債	381,495	365,723
Accrued staff cost	應付職工薪酬		
– Salaries, wages, bonuses and other benefits	–工資、獎金、津貼及其他福利	87,224	77,114
Value-added tax and other surcharges payable	應付增值稅及其他附加費	9,209	1,436
Withholding individual income tax payable	預扣應交個人所得稅	4,100	3,889
Receipts in advance	預收賬款	20,416	51,557
Total	合計	502,444	499,719

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

32 EQUITY SETTLED SHARE-BASED TRANSACTION

Chongqing Huitai Company Limited (“**Huitai**”) was established as the Group’s vehicle for implementing a share-based incentive scheme (the “**Share Incentive Scheme**”) to provide share incentive to the senior management of the Group. On 20 June 2013 (the “**Grant Date**”), details of the Share Incentive Scheme were finalised under which 15 directors, supervisors and senior management of the Company (the “**Grantees**”) were granted entitlement to shares of the Company through their equity interests in Huitai (the “**share awards**”) at a discounted price. The share awards would vest in installments on a monthly basis over the 8-year service period from 1 January 2013 to 31 December 2020. When a Grantee terminates his/her employment with the Group, any unvested portion of benefits will be reallocated to the remaining Grantees in proportion to their then respective interests in Huitai.

Huitai held 7.88% of the equity interests of the Company on the Grant Date for the purpose of the Share Incentive Scheme and did not carry out any other business.

32 以權益結算的股份支付

重慶慧泰投資有限公司(「**慧泰**»)是包括本公司在內的瀚華擔保股份所有投資者在成立瀚華擔保股份之時為了向未來本集團管理層提供股權激勵計劃(「**股權激勵計劃**»)而專門成立的投資控股公司。具體的股權激勵計劃在2013年6月20日(「**股份授予日**»)確定，本公司的15名董事、監事和高管(「**激勵對象**»)以折扣價格獲取慧泰的股權從而間接持有本公司的股份。自2013年1月1日至2020年12月31日，股權激勵將在該8年內按月分期確認。如任何激勵對象離開本集團時，該激勵對象未獲處分的目標股權將由其餘激勵對象按照慧泰的持股比例享有。

在股份授予日，慧泰持有本公司7.88%的股權，全部用於股權激勵計劃，與本公司沒有開展任何其他業務。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

32 EQUITY SETTLED SHARE-BASED TRANSACTION (CONTINUED)

32 以權益結算的股份支付(續)

(a) The terms and conditions of the grants are as follows:

(a) 授予項目的條款及條件如下：

	Number of Instruments 股份數量	Vesting conditions 行權條件
Awards granted to directors and supervisors: – on 20 June 2013	193,918,615	Every month from 1 January 2013 to 31 December 2020
授予董事及監事的股份： 於2013年6月20日		從2013年1月1日至2020年12月31日的每個月滿時可獲得相應的股份
Awards granted to employees: – on 20 June 2013	76,351,233	Every month from 1 January 2013 to 31 December 2020
授予高管的股份於2013年6月20日		從2013年1月1日至2020年12月31日的每個月滿時可獲得相應的股份
Total share awards granted 授予股份總數	270,269,848	

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

32 EQUITY SETTLED SHARE-BASED TRANSACTION (CONTINUED)

32 以權益結算的股份支付(續)

(b) The number and weighted average exercise prices of share awards are as follows:

(b) 股權激勵的數量和平均行權如下：

		2018 2018年	
		Weighted average exercise price 平均行權價 (RMB) (人民幣)	Number of shares 股份數量
Outstanding at the beginning of the year	年初發行在外	0.42	270,269,848
Granted during the year	本年授予	-	-
Exercised during the year	本年行權	-	-
Outstanding at the end of the year	年末發行在外	0.42	270,269,848
Exercisable at the end of the year	年末可行權	0.42	202,702,386

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

32 EQUITY SETTLED SHARE-BASED TRANSACTION (CONTINUED)

(c) Fair value of share awards and assumptions

The fair value of services received in return for share awards granted is measured by reference to the fair value of share awards granted. The Company accounts for the Share Incentives Scheme on the basis of the pool of shares granted rather than treating the individual Grantee as the unit of account. The fair value of the total pool of shares is measured at the Grant Date with the non-vesting condition effectively ignored for valuation purposes. Subsequent forfeitures and reallocations would have no effect on the accounting treatment and the measurement of share awards granted to management. The estimate of the fair value of the share awards granted is measured based on a Cox-Ross-Rubinstein Binomial Pricing model. The contractual life of the share awards is used as an input into this model.

32 以權益結算的股份支付 (續)

(c) 股份期權的公允價值及假設

本公司以授出股份期權而獲取的服務的公允價值參考授予日股份期權的公允價值確定。本公司在對股權激勵計劃進行會計處理時，是將其視為股權激勵計劃池而不是以單獨激勵物件基礎進行會計核算。股權激勵計劃池的公允價值在授予日計量，且在進行價值評估時不考慮行權條件。授予日後發生的因激勵物件離開本集團時，該激勵物件未獲處分權的目標股權將由其餘激勵對象按照在慧泰的持股比例重新分配，該重新分配對會計處理沒有影響。股份期權的公允價值使用Cox-Ross-Rubinstein Binomial Pricing模型進行估計。股份期權的合同年限作為此模型的一項參數。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

32 EQUITY SETTLED SHARE-BASED TRANSACTION (CONTINUED)

32 以權益結算的股份支付 (續)

(c) Fair value of share awards and assumptions (continued)

(c) 股份期權的公允價值及假設 (續)

		Share awards granted on	
		2018	20 June 2013
		於2013年6月20日	
		2018年	授予的股份期權
Fair value at measurement date (RMB)	於計量日期的公允價值 (人民幣)	1.77	1.77
Share price (RMB)	現行股價 (人民幣)	2.26	2.26
Exercise price (RMB)	行權價格 (人民幣)	0.53	0.53
Expected volatility (expressed as weighted average volatility used in the modelling under Cox-Ross-Rubinstein Binomial Pricing model)	股價預計波動率 (以Cox-Ross-Rubinstein Binomial 模型所運用的加權平均波幅表示)	64.3%	64.3%
Option life (expressed as weighted average life used in the modelling under Cox-Ross-Rubinstein Binomial Pricing model)	期權的有效期 (以Cox-Ross-Rubinstein Binomial 模型所運用的加權平均限期表示)	7.53 years	7.53 years
Expected dividend yield	預計股利	1.3%	1.3%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率 (根據外匯基金票據)	1.45%	1.45%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share awards), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

股價預計波動率是基於歷史波動率 (以加權平均計算的股份期權的剩餘期間為基礎)，基於公開可獲得的資訊對未來預計波動率任何可預期的差異進行調整。預期股利是基於歷史股利數據，輸入數據的變化會對公允價值的估計產生重大影響。

Share awards were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share awards grants.

股份期權是在服務條件下授予的。在授予日的公允價值計量中未考慮這個條件。該股份期權不涉及市場條件。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

33 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Movements in current taxation in the consolidated statement of financial position are as follows:

33 載於合併財務狀況表的所得稅

(a) 即期稅項於合併財務狀況表的變動如下：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance of income tax payable at the beginning of the year	年初應交所得稅餘額	203,360	185,637
Provision for income tax on the estimated taxable profit for the year (Note 6(a))	年內按估計應納稅所得額計提的所得稅費用(附註6(a))	155,736	128,380
Income tax paid during the year	本年已繳納所得稅	(165,703)	(110,657)
Balance of income tax payable at the end of the year	年末應交所得稅結餘	193,393	203,360

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

33 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

33 載於合併財務狀況表的所得稅 (續)

(b) Deferred tax assets and liabilities recognised:

(b) 已確認遞延所得稅資產及負債：

The components of deferred tax (liabilities)/assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

本集團於合併財務狀況表確認的遞延所得稅(負債)/資產項目及年度變動如下：

		Deferred tax assets 遞延所得稅資產				Deferred tax liabilities 遞延所得稅負債		
		Provisions for impairment losses	Accrued staff cost	Provisions for guarantee losses and accruals	Fair value adjustments on Financial assets measured at fair value	Total	Fair value adjustments on Financial assets measured at fair value	Net
Deferred tax arising from:	遞延稅項產生自：	資產減值 損失撥備 RMB'000 人民幣千元	應付 職工薪酬 RMB'000 人民幣千元	未到期責任準備 金及預收賬款 RMB'000 人民幣千元	計量的 金融資產 RMB'000 人民幣千元	合計 RMB'000 人民幣千元	計量的 金融資產 RMB'000 人民幣千元	淨額 RMB'000 人民幣千元
At 1 January 2017	2017年1月1日	327,434	110	99,191	2,098	428,833	(164)	428,669
Recognised to the consolidated statement of profit or loss	於合併損益表確認 (附註6(a))	23,186	67	(1,868)	-	21,385	-	21,385
Charged to reserves (Note 10)	計入公積金(附註10)	-	-	-	(87)	(87)	(2,433)	(2,520)
At December 31, 2017	2017年12月31日	350,620	177	97,323	2,011	450,131	(2,597)	447,534
Impact of adopting HKFRS 9	適用HKFRS 9的影響 (附註1(c))	29,115	-	3,664	-	32,779	-	32,779
At January 1, 2018	2018年1月1日	379,735	177	100,987	2,011	482,910	(2,597)	480,313
Recognised to the consolidated statement of profit or loss	於合併損益表確認 (附註6(a))	41,197	14	(14,047)	7,229	34,393	(9,702)	24,691
At 31 December 2018	2018年12月31日	420,932	191	86,940	9,240	517,303	(12,299)	505,004

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

33 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 1(p), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB1,288.0 million (2017: RMB1,175.2 million) at 31 December 2018, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses incurred by the Company and its subsidiaries in the PRC will expire in five years since initial occurrence under current tax legislation.

33 載於合併財務狀況表的所得稅 (續)

(c) 未確認的遞延所得稅資產

根據載於附註1(p)的會計政策，由於不大可能在可預見的將來獲得可用於抵扣有關虧損的未來應稅利潤，故本集團並無就2018年12月31日的累計可抵扣虧損為人民幣1,288.0百萬元（2017年為人民幣1,175.2百萬元）確認遞延所得稅資產。根據現行稅法，本公司及境內子公司所產生的可抵扣虧損自發生年度起可以在不超過5年的期間內抵扣未來應稅利潤。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

34 CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

The reconciliation between the opening and closing of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share capital 股本 RMB'000 人民幣千元 Note 34(c) 附註34(c)	Share premium 股份溢價 RMB'000 人民幣千元 Note 34(d)(i) 附註34(d)(i)	Capital reserve 資本公積 RMB'000 人民幣千元 Note 34(d)(ii) 附註34(d)(ii)	Surplus reserve 盈餘公積 RMB'000 人民幣千元 Note 34(d)(iii) 附註34(d)(iii)	Accumulated losses 未彌補虧損 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Balance at 1 January 2017	2017年1月1日的餘額	4,600,000	1,091,555	402,601	82,784	(125,479)	6,051,461
Changes in equity for 2017:	2017年的權益變動：						
Profit for the year and total comprehensive income	淨收益及綜合收益總額	-	-	-	-	282,959	282,959
Appropriation to surplus reserve	提取盈餘公積	-	-	-	27,783	(27,783)	-
Equity-settled share-based payment	以權益結算的股份支付	-	-	38,828	-	-	38,828
Cash dividends paid to the equity shareholders of the Company	向本公司股東支付之現金股息	-	-	-	-	(184,000)	(184,000)
Balance at 31 December 2017 and 1 January 2018:	2017年12月31日及2018年1月1日的餘額：	4,600,000	1,091,555	441,429	110,567	(54,303)	6,189,248
Changes in equity for 2018:	2018年的權益變動：						
Profit for the year and total comprehensive income	淨收益及綜合收益總額	-	-	-	-	99,002	99,002
Appropriation to surplus reserve	提取盈餘公積	-	-	-	-	-	-
Appropriation to general reserve	提取一般準備金	-	-	-	-	-	-
Equity-settled share-based payment	以權益結算的股份支付	-	-	25,109	-	-	25,109
Cash dividends paid to the equity shareholders of the Company	向本公司股東支付之現金股息	-	-	-	-	(184,000)	(184,000)
Balance at 31 December 2018	2018年12月31日的餘額	4,600,000	1,091,555	466,538	110,567	(139,301)	6,129,359

34 資本、儲備及股息

(a) 權益項目變動

集團年初及年末各項目的綜合權益的對賬載列於合併股東權益變動表。本公司獨立權益項目由年初至年末的變動詳情載列如下：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

In accordance with the resolution of the shareholders' meeting held on 26 March 2018, the proposed dividends appropriations for the year ended 31 December 2017 are as follows:

- Declare cash dividends to all shareholders of RMB184.0 million representing RMB0.40 per 10 shares before tax.

(c) Share capital

The share capital were issued and fully paid.

34 資本、儲備及股息 (續)

(b) 股息

本公司於2018年3月26日會議審議通過，本公司2017年度股利分配方案如下：

- 向全體股東派發現金股息，每10股派人民幣0.40元（稅前），共計人民幣1.84億元。

(c) 股本

股本均已發行和繳足。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

34 資本、儲備及股息 (續)

(d) Nature and purpose of reserves

(d) 儲備性質及目的

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and capital proceeds received from the issuance of the shares of the Company.

(i) 股份溢價

股份溢價指本公司股份面值與發行本公司股份所得款項之間的差額。

(ii) Capital reserve

The capital reserve mainly comprises the following:

- the cumulative net change in the fair value of financial assets measured at fair value held at the end of the reporting period and is dealt with in accordance with the accounting policies in Note 1(k)(i);
- the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 1(o).

(ii) 資本公積

資本公積包括下列各項：

- 於報告期末所持的以公允價值計量的交易性金融資產的公允價值的累計淨變動，並已根據附註1(k)(i)所載的會計政策處理；
- 已根據附註1(o)以權益結算的股份支付所採納的會計政策確認的向本公司僱員授出的未執行股權於授出日期的公允價值部份。

(iii) Surplus reserve

The surplus reserve represents statutory surplus reserve fund. The Company is required to appropriate 10% of its net profit as determined under the Accounting Standards for Business Enterprises and other relevant requirements issued by the Ministry of Finance of the PRC after making good prior year's accumulated loss, to the statutory surplus reserve fund until the reserve fund balance reaches 50% of its registered capital.

(iii) 盈餘公積

盈餘公積指法定盈餘公積金。於彌補以前年度的累計虧損後，本公司須根據中國財政部頒佈的企業會計準則及其他相關規定，將其10%的淨利潤轉撥至法定盈餘公積金，直至盈餘公積累計餘額達到其註冊資本的50%。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves (continued)

(iv) General reserve

Pursuant to relevant regulations, the subsidiaries engaged in credit guarantee business are required to set aside a general reserve through appropriations of profit after tax according to 10% of its profit after tax as determined under the Accounting Standard for Business Enterprise and other relevant requirements issued by the Ministry of Finance of the PRC after making good prior year's accumulated loss to cover potential losses against their assets.

While subsidiaries engaged in providing a range of loan and services to the small sized and micro enterprises (“**SME enterprises**”) are required to set aside a general reserve through appropriations of profit after tax according to a certain provision ratio of the ending balance of gross risk-bearing assets to cover potential losses against their assets. In principal, the general reserve balance should not be lower than 1.0% of the ending balance of gross risk-bearing assets.

(v) Exchange reserve

Foreign exchange differences arising from activities of Huiwei Hong Kong Holding Limited and Hanhua Hong Kong Holdings Limited (accounted in HK dollars) are recognised as “exchange reserve” in the shareholder's equity in the consolidated statement of financial position.

34 資本、儲備及股息 (續)

(d) 儲備性質及目的 (續)

(iv) 一般風險準備

根據相關規定，本公司及其從事信用擔保業務的附屬公司需從稅後利潤中提取作為一般風險準備，金額為彌補以前年度累計虧損後的淨利潤的10%（根據中國財政部頒佈的企業會計準則及其他相關規定），以彌補其資產可能出現的虧損。

而從事中小企業貸款業務的附屬公司需從稅後利潤中提取作為一般風險準備，金額為風險資產總額期末結餘的若干百分比，以彌補其資產可能出現的虧損。原則上，一般風險準備結餘不得少於風險資產總額期末結餘的1.0%。

(v) 外幣報表折算差額

產生自惠微香港控股有限公司和瀚華香港控股有限公司（以港幣記賬）經營活動的外幣折算差異，在合併財務狀況表中被確認為股東權益中的外幣報表折算差額。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

34 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurate with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher equity holder/shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There were no changes in the Group's approach to capital management during the years ended 31 December 2018 and 2017.

Particularly for guarantee and credit loan operation, the Group monitors regularly the residual balance of outstanding guarantees or/and credit loans for single customers and multiples of the total outstanding guarantees or/and credit loans in relation to paid-in/share capital of companies in the Group engaging guarantee or/and credit loan business respectively, so as to keep the capital risk within an acceptable limit. The decision to manage the share capital of companies in the Group to meet the needs of developing guarantee or/and credit loans business rests with the directors.

34 資本、儲備及股息 (續)

(e) 資本管理

本集團在資本管理上的首要目的是保障本集團能夠根據持續經營基礎經營，從而透過與風險水準相應的產品及服務定價以及獲得合理成本的融資繼續為權益持有人／股東提供回報及為其他持份者謀求利益。

本集團積極地定期覆核並管理其資本架構，以在較高股權持有人／股東回報情況下可能伴隨的較高借貸水準，以及良好的資本狀況帶來的好處與保證之間取得平衡，並依據經濟狀況的變動調整資本架構。

於截至2018年及2017年12月31日止年度，本集團資本管理的方法並無改變。

針對擔保及信用貸款業務，本集團定期監察單一客戶的擔保餘額或／及信用貸款餘額及有關本集團旗下分別從事擔保或／及信用貸款業務公司的擔保或／及信用貸款總額的實收資本／股本的倍數，以保持資本風險處於可接受的範圍內。有關管理本集團旗下公司的實收資本／股本以符合發展擔保或／及信用貸款業務的需要的決策由董事釐定。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

35 NON-CONTROLLING INTERESTS

35 非控制性權益

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fu'an AMC	遼寧富安金融資產管理 有限公司	472,065	455,388
Xi'an Micro-credit	西安市瀚華小額貸款有限公司	139,707	144,538
Sichuan Micro-credit	四川瀚華小額貸款有限公司	105,619	316,768
Chongqing Micro-credit	重慶市瀚華小額貸款 有限責任公司	87,975	88,532
Others	其他	80,482	80,455
		885,848	1,085,681

36 SEGMENT REPORTING

36 分部報告

The Group manages its business by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group defines reporting segments based on the following operating segments:

Partnership finance business

Based on the Group's operation network across the country, this segment mainly provides integrated financial services and solutions to a range of small sized and micro enterprises ("SME enterprises"). These services includes credit guarantee business and capital business (capital business mainly includes accounts receivables for factoring business, bill discount business, finance lease, and entrusted loans), financial assets management, and other services.

本集團根據業務條線進行業務管理。本集團的經營分部已按與內部報送資訊一致的方式列報，這些內部報送資訊是提供給本集團管理層以向分部份配資源並評價分部業績，本集團以經營分部為基礎，確定了下列報告分部：

夥伴金融業務集群

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

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

36 SEGMENT REPORTING (CONTINUED)

SME lending

With the Group's microfinance companies established in Chongqing, Chengdu, Tianjin, Shenyang, Nanning, Guiyang, Nanjing, Harbin and Shenzhen as its networks, this segment provides micro, distributed and integrated financial services and solutions to small and individual business proprietors and individual clients.

Capital investment and management

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

Others

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

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets. Segment liabilities include all liabilities managed directly by the segments.

36 分部報告 (續)

信貸業務

以本集團通過設立於重慶、成都、天津、瀋陽、南寧、貴陽、南京、哈爾濱及深圳的小額貸款公司為網路，主要面向小微企業、個體工商戶及個人提供小額、分散的綜合性金融服務解決方案。

資本投資及管理業務

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

總部及待分攤業務分部

指承擔總部管理職能以及無法完全劃分為上述任一分部的其他業務條線及經營業績。

(a) 分部利潤、資產及負債

為了評價各個分部的業績及向其配置資源，本集團管理層會定期審閱歸屬於各分部業績、資產及負債，這些資訊的編製基礎如下：

分部資產包括歸屬於分部的所有有形資產、無形資產及流動資產，但不包括遞延所得稅資產。分部負債包括所有由各分部直接管理的負債。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

36 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (continued)

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments.

Internal charges and transfer prices are determined with reference to market rates and have been reflected in the performance of each segment.

The Group has further restructured the assessment and management on business segments and optimized the resource allocation at Group level during the reporting period. The Group has integrated guarantee and entrusted loan business, factoring business and leasing business into Partnership finance business, separated Capital investment and management from others.

Compared to the prior years, the current segment structure better reflects current management model of the Group. The comparative figures for the year ended 31 December 2017 have been restated accordingly.

36 分部報告 (續)

(a) 分部利潤、資產及負債 (續)

分部經營成果是指各個分部產生的收入，扣除各個分部發生的費用、歸屬於各分部的資產發生的折舊和攤銷及其他費用的淨額，以分配至該等分部。

分部之間的內部收費和轉讓定價均參照市場利率確定，並已反映在各分部的表現中。

本集團在報告期內進一步優化業務分部的評估、管理和資源配置。本集團將擔保及委託貸款業務、保理業務和租賃業務合併為夥伴集群業務，從其他業務中剝離出資本投資及管理業務。

與以往列報方式相比，新披露方式更好地反映了本集團當期的管理模式。2017年12月31日止期間的比較資料已重述。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

36 SEGMENT REPORTING (CONTINUED)

36 分部報告 (續)

(a) Segment results, assets and liabilities (continued)

(a) 分部利潤、資產及負債 (續)

		Year ended 31 December 2018					
		2018年12月31日					
		Partnership finance business	Capital investment and SME management	Others		Total	
		夥伴金融 業務集群	Lending 信貸業務	資本投資及 管理業務	總部及待分攤 業務分部	合計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Net guarantee and consulting fee income	擔保及諮詢費淨收入	674,511	-	-	-	674,511	
Net interest and handling fee income/(expense)	利息及手續費淨收入/(支出)	363,208	572,446	17,200	(171,809)	781,045	
Reportable segment income/(expense)	分部收入/(支出)	1,037,719	572,446	17,200	(171,809)	1,455,556	
Other net income	其他收入淨額	45,150	12,262	4,881	3,972	66,265	
Share of profits of associate	聯營企業收益	(8,279)	-	5,320	35,252	32,293	
Share of losses of joint venture	合營企業損失	(4,296)	-	-	-	(4,296)	
Reversal for guarantee losses	轉回擔保賠償準備金	1,080	-	-	-	1,080	
Impairment losses	資產減值損失	(135,096)	(125,635)	3,397	-	(257,334)	
Operating expenses	營運支出	(352,690)	(217,445)	(13,907)	(231,149)	(815,191)	
Net foreign exchange gain	匯兌收益淨額	-	-	-	(2,156)	(2,156)	
Net trading losses	交易淨損失	-	-	(6,564)	(10,117)	(16,681)	
Reportable segment profit/(losses) before taxation	分部稅前利潤/(損失)	583,588	241,628	10,327	(376,007)	459,536	

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

36 SEGMENT REPORTING (CONTINUED)

36 分部報告 (續)

(a) Segment results, assets and liabilities (continued)

(a) 分部利潤、資產及負債 (續)

		At 31 December 2018 2018年12月31日				
		Partnership finance business 夥伴金融 業務集群 RMB'000 人民幣千元	SME Lending 信貸業務 RMB'000 人民幣千元	Capital investment and management 資本投資及 管理業務 RMB'000 人民幣千元	Others 總部及待分攤 業務分部 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Segment assets	分部資產	10,713,689	4,917,533	841,739	1,867,739	18,340,700
Segment liabilities	分部負債	(4,164,890)	(2,499,755)	(890,278)	(3,426,920)	(10,981,843)

		Year ended 31 December 2017 2017年12月31日				
		Partnership finance business 夥伴金融 業務集群 RMB'000 人民幣千元	SME Lending 信貸業務 RMB'000 人民幣千元	Capital investment and management 資本投資及 管理業務 RMB'000 人民幣千元	Others 總部及待分攤 業務分部 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Net guarantee and consulting fee income	擔保及諮詢費淨收入	631,386	-	-	-	631,386
Net interest and handling fee income/(expense)	利息及手續費淨 收入/(支出)	378,954	559,535	18,220	(144,985)	811,724
Reportable segment income/(expense)	分部收入/(支出)	1,010,340	559,535	18,220	(144,985)	1,433,110
Other net income	其他收入淨額	40,477	3,375	10,985	4,704	59,541
Provisions for guarantee losses	擔保損失準備金	(26,731)	-	-	-	(26,731)
Impairment losses	資產減值損失	(171,815)	(84,280)	(6,726)	(1,470)	(264,291)
Operating expenses	營運支出	(321,859)	(219,852)	(8,682)	(241,048)	(791,441)
Net foreign exchange gain	匯兌淨收益	-	-	-	217	217
Reportable segment profit/(losses) before taxation	分部稅前利潤/ (損失)	530,412	258,778	13,797	(382,582)	420,405

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

36 SEGMENT REPORTING (CONTINUED)

36 分部報告 (續)

(a) Segment results, assets and liabilities (continued)

(a) 分部利潤、資產及負債 (續)

		At 31 December 2017 2017年12月31日				
		Partnership finance business	SME Lending 信貸業務	Capital investment and management	Others	Total
		夥伴金融 業務集群	信託業務	資本投資及 管理業務	總部及待分攤 業務分部	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment assets	分部資產	9,985,855	6,324,838	784,054	1,364,349	18,459,096
Segment liabilities	分部負債	3,485,531	3,312,234	868,630	3,168,602	10,834,997

(b) Reconciliation of reportable segment assets

(b) 分部資產的調節

		31 December 12月31日 2018 2018年 RMB'000 人民幣千元	31 December 12月31日 2017 2017年 RMB'000 人民幣千元
Assets	資產		
Reportable segment assets	分部資產	18,340,700	18,459,096
Deferred tax assets	遞延所得稅資產	505,004	447,534
Consolidated total assets	資產合計	18,845,704	18,906,630

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practice used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in a financial loss to the Group. Credit risk is primarily attributable to unexpired guarantee issued by the Group and financial assets measured at amortized cost.

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets as at the end of the reporting periods. Except for the guarantee as disclosed below, the Group has no credit risk arising from any other guarantee.

Credit risk arising from guarantee business

The Group has taken measures to identify credit risks arising from guarantee business. The Group manages credit risk at every stage of the risk management system, including pre-approval, review and credit approval and post-transaction monitoring processes. The Group conducts customer acceptance and due diligence by business department and risk management department during the pre-approval process. A transaction may be subject to the review and approval of credit approval officer, regional risk committee, deputy chairman and chairman depending on the transaction size.

37 財務風險管理及金融工具的公允價值

本集團的日常業務過程中面臨信用、利率及流動性風險。

本集團會定期審閱這些風險管理政策及有關內部控制系統，以適應市場情況或本集團經營活動的改變。

(a) 信用風險

信用風險是指因客戶違反合約責任而導致本集團出現財務虧損的風險。信用風險主要來自本集團發行的未到期擔保及按攤餘成本計量的金融資產。

所面對的最大信用風險指於報告期末各種金融資產的淨賬面值。除下列所披露的擔保外，本集團概無產生信用風險的任何其他擔保。

擔保業務產生的信用風險

本集團已採取措施識別擔保業務產生的信用風險。本集團通過風險管理系統管理每個階段的信用風險，包括盡職審查、審查、信用審批及擔保後回訪。於審批前，本集團委派業務部及風險管理部進行客戶接納及盡職審查。根據交易的規模而定，交易可能交由信用審批人、地區風險委員會、副主席及主席審查及審批。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Credit risk arising from guarantee business (continued)

During the post-transaction monitoring process, the Group conducts on-site inspection and ongoing post-transaction reviews focusing on various aspects, including but not limited to customers' product markets, operating income, assets and liabilities, cash flows from operating activities to detect potential risks. The Group takes proactive preventive actions based on the risk analysis and design contingency plans accordingly.

When a certain number of clients undertake the same business activities, stay in the same geographical locations, or bear similar economic features for their industries, their ability to fulfill contracts will be affected by the same economic changes. Concentration of credit risk reflects the sensitivity of the Group's operating results to specific industries or geographical locations. As the Group mainly operates its businesses in the PRC, there exists a certain level of geographical concentration risk for its guarantee and loan portfolios in that it might be affected by changes in the PRC economic conditions.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

擔保業務產生的信用風險 (續)

擔保後回訪，本集團就（包括但不限於）客戶產品市場、經營收入、資產負債情況、經營活動的現金流量等多個方面進行實地檢查及持續回訪，以偵測潛在風險。本集團根據風險分析作出積極的防範措施並設計相應的應變計劃。

當若干數量的客戶進行相同的業務活動，處於相同的地理位置或其行業具有相似的經濟特性，他們的履約能力將受到同一經濟變化的影響。信用風險的集中程度反映了本集團業績對某一特定行業或地理位置的敏感程度。由於本集團主要在中國經營業務，其擔保及貸款組合因此承擔一定的地理集中風險，並可能因中國經濟狀況的變化而受到影響。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

37 財務風險管理及金融工具的公允價值 (續)

(a) Credit risk (continued)

(a) 信用風險 (續)

Credit risk arising from guarantee business (continued)

擔保業務產生的信用風險 (續)

The guarantees issued and outstanding are analysed by type as follows:

在保餘額按其種類分析如下：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Traditional financing guarantees	傳統融資擔保	9,068,122	10,516,340
Bond guarantees	債項擔保	24,355,000	23,350,000
Financing guarantees	融資擔保	33,423,122	33,866,340
Re-guarantee	再擔保	(800,000)	-
Subtotal	小計	32,623,122	33,866,340
Performance guarantees	履約擔保	10,980,593	12,263,546
Litigation guarantees	訴訟擔保	90,311	335,091
Maximum amount guarantee	擔保餘額	43,694,026	46,464,977
Less: Customer pledged deposits	減：存入保證金	(122,983)	(112,944)
Net guarantee exposure	淨擔保風險	43,571,043	46,352,033

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Credit risk arising from financial assets measured at amortized cost

The Group adopts the same pre-approval, review and credit approval risk management system for credit risk arising from financial assets measured at amortized cost. During the post-transaction monitoring process, the Group conducts a visit of customers within one month after disbursement of loans and receivables, and conducts on-site inspection on a semi-annual basis. The review focuses on the use of loans and receivables, the financial and operational conditions of the borrowers or the progress of projects and status of the collateral.

The Group classifies financial assets measured at amortized cost into three stages and makes provisions for expected credit losses accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

以攤餘成本計量的金融資產的信用風險

本集團就以攤餘成本計量的金融資產的信用風險採取相同的盡職調查、審查及信用審批。貸後回訪，本集團於發放貸款後一個月內回訪客戶，並每半年一次進行實地檢查。審查主要集中於貸款用途、借款人的財務及經營狀況、項目進度及抵押品的狀況。

本集團將以攤餘成本計量的金融資產劃分為三個階段，並據此計提預期信用損失，預期信用損失取決於該金融工具的信用風險自初始確認後是否出現大幅提高。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Credit risk arising from financial assets measured at amortized cost (continued)

The three stages are defined as follows:

Stage 1: A financial asset of which the credit risk has not significantly increase since initial recognition. The amount equal to 12-month expected credit losses is recognised as loss allowance.

Stage 2: A financial asset with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired. The amount equal to lifetime expected credit losses is recognised as loss allowance.

Stage 3: A financial asset is considered to be credit-impaired as at statement of financial position date. The amount equal to lifetime expected credit losses is recognised as loss allowance. Refer to Note 1(k)(ii) for the definition of credit-impaired financial assets.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

以攤餘成本計量的金融資產的信用風險 (續)

三階段定義如下：

階段一：自初始確認後信用風險未顯著增加的金融資產，將未來12個月預期信用損失確認為減值準備。

階段二：自初始確認以來信用風險顯著增加，但未被視為出現信用減值的金融資產，將未來全部預期信用損失確認為減值準備。

階段三：一項金融資產在財務報告日被視為信用減值，其減值金額等於存在期間全部預期信用損失金額。有關信用減值金融資產的定義，請參閱附註1(k)(ii)。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Significant increase in credit risk

The assessment of significant increase since initial recognition in the credit risk is performed at least on a quarterly basis for financial assets held by the Group. The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significantly change in credit risk for the purposes of classifying financial assets. The main considerations are regulatory and operating environment, internal and external credit risk gradings, debt-servicing capacity, operating capabilities, contractual terms, and repayment records. The Group compares the risk of default of a single financial asset or a portfolio of financial assets with similar credit risk characteristics as at statement of financial position date and its risk of default at the date of initial application to determine changes in the risk of default during the lifetime of a financial asset or a portfolio of financial assets. In determining whether credit risk of a financial asset has increased significantly since initial recognition, the Group considers factors indicating whether the probability of default has risen sharply, whether the financial asset has been past due for more than 30 days(except micro-lending business, which is 7 days), whether the market price has been falling to assess deterioration.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

信用風險顯著增加

自信用風險初步確認後，至少每季度對本集團持有的金融資產進行信用風險是否顯著增加的評估。本集團考慮所有合理以及可支援性的資料(包括前瞻性資料)，以反映信用風險的重大變動，並據此分類金融資產。主要考慮因素包括監管和運營環境，內部和外部信用風險評級，償債能力，運營能力，合同條款和還款記錄。在一項金融資產或金融資產組合的存續期內，本集團將該項金融資產或遇有類似信用風險特徵的金融資產組合的違約風險與財務報告日及初始確認日的違約風險進行比較，以確定違約風險的變化。在確定金融資產的信用風險自初始確認後是否顯著增加時，本集團考慮的因素包括違約概率是否大幅上升，金融資產是否逾期30天以上(小額貸款業務為7天)，市場價格是否下降到評估惡化的程度。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Impairment assessment

Generally, a financial asset is considered to be credit-impaired if:

- It has been overdue for more than 90 days;
- In light of economic, legal or other factors, the Group has made concessions to a customer in financial difficulties, which would otherwise have been impossible under normal circumstances;
- The customer is probable to be insolvent or carry out other financial restructurings;
- Due to serious financial difficulties, the financial asset cannot continue to be traded in an active market;
- There are other objective evidences that the financial asset is impaired.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

減值估計

通常，一項金融資產被視為信用減值，如果：

- 逾期超過90天；
- 受經濟，法律或其他因素影響，集團對有財務困難的客戶作出讓步，倘若不作出讓步，客戶將無法正常經營；
- 客戶可能破產或進行其他財務重組；
- 由於嚴重的財務困難，金融資產不能繼續在活躍市場中交易；
- 有其他證據證明金融資產已經發生減值。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Description of parameters, assumptions, and estimation techniques

Expect for the credit-impaired financial assets, expected credit losses (“**ECL**”) is measured at an amount equal to 12-month ECL or lifetime ECL depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the product of the Probability of Default (“**PD**”), Loss Given Default (“**LGD**”), and Exposure at Default (“**EAD**”), considering the time value of money. Related definitions are as follows:

PD is the possibility that a customer will default on its obligation within a certain period of time in light of forward-looking information.

LGD is the magnitude of the likely loss if there is a default in light of forward-looking information.

EAD refers to the total amount of on- and off-balance sheet exposures in the event of default and is determined based on the historical repayment records.

The assumptions underlying the ECL calculation, such as how the PDs and LGDs of different maturity profiles change are monitored and reviewed on a quarterly basis by the Group.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

參數，假設和估計技術的描述

對於預計信用減值的金融資產，預期信用損失 (**ECL**) 的金額等於12個月的ECL或存續期的ECL，具體要取決於自初始確認後信用風險是否發生顯著提高或資產是否被認為是信用減損。考慮到貨幣的時間價值，ECL是違約概率 (「**PD**」)，違約損失概率 (「**LGD**」) 和違約風險敞口 (「**EAD**」) 的乘積。相關定義如下：

PD是指客戶在一定時間內根據前瞻性信息違約的可能性。

LGD是指在前瞻性信息出現違約時，可能出現損失的幅度。

EAD是指違約時資產負債表表內和表外風險敞口的總額，其根據歷史還款記錄決定。

ECL計算的基本假設，例如不同期限下PD和LGD如何變化，均由本集團按季度進行監控和審核。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Description of parameters, assumptions, and estimation techniques (continued)

There have been no significant changes in estimation techniques or significant assumptions made during the year.

The impairment loss on credit-impaired assets applied cash flow discount method, if there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The allowance for impairment loss is deducted in the carrying amount. The impairment loss is recognised in the statement of profit or loss. In determining allowances on an individual basis, the following factors are considered:

- The sustainability of the customer's business plan;
- The customer's ability to improve performance once a financial difficulty has arisen;
- The estimated recoverable cash flows from projects and liquidation;
- The availability of other financial support and the realisable value of collateral; and
- The timing of the expected cash flows.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

參數，假設和估計技術的描述 (續)

本年估計技術和重大假設沒有顯著變化。

信用減值的資產減值損失採用現金流量折現法，如果有客觀證據表明已發生減值損失，則按照資產總賬面價值與預計未來現金流量現值之間的差額計量。未來現金流量按照實際利率貼現。減值損失在賬面金額中扣除，減值虧損與損益表確認。在確認個別減值時，要考慮如下因素：

- 客戶經營計劃的可持續性；
- 一旦出現財務困難，客戶能夠提高經營績效；
- 來自經營項目和清算的可預測可收回現金流量；
- 其他財務支持的可獲得性和抵押物的可變現價值；以及
- 預期現金流的時間安排。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Description of parameters, assumptions, and estimation techniques (continued)

It may not be possible to identify a single, or discrete events that result in the impairment, but it may be possible to identify impairment through the combined effect of several events. The impairment losses are evaluated at the end of each reporting period, unless unforeseen circumstances require more careful attention.

Forward-looking information contained in ECL

The calculation of ECL incorporates forward-looking information. The Group has performed historical analysis and identified the key economic variables, including GDP, CPI, PMI, M2, Industrial Added Value and Real Estate Climate Index, impacting ECL for each portfolio. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the correlations among the historical changes of the economic variables, PD and LGD. Forecasts of these economic variables are provided by the Group at least once per year and provide the best estimate view of the economy over the next year.

When calculating the weighted average ECL, the optimism, neutral and pessimism scenarios and its weightings determined by a combination of macro-statistical analysis and expert judgment are taken into account by the Group.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

參數，假設和估計技術的描述 (續)

可能無法識別導致損失的單個或離散事件，但可能通過若干事件的綜合影響來識別損失。除非不可預見的情況需要更謹慎的關注，減值損失在每個報告期末評估。

ECL中包涵的前瞻性信息

ECL計算包涵前瞻性信息。本集團已進行歷史分析，並確定了主要經濟變數，包括GDP，CPI，PMI，M2，工業增加值和房地產氣候指數，影響每個投資組合的ECL。這些經濟變數對PD和LGD的影響已經通過進行統計回歸分析來確定，以瞭解經濟變數PD和LGD的歷史變化之間的相關性。本集團每年至少提供一次這些經濟變數的預測，並提供明年經濟的最佳估計。

在計算加權平均ECL時，本集團會考慮由宏觀統計分析與專家判斷相結合所確定的樂觀、中性及悲觀情景及其權重。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Credit risk (continued)

Write-off policy

The Group writes off financial assets when it has exhausted practical recovery efforts and has concluded there is no reasonable expectation of recovery.

(b) Interest rate risk

The Group is principally engaged in the provision of credit guarantee, lending, factoring, finance lease and related consulting services to SME enterprises in the PRC. Its interest rate risk arises primarily from deposits with banks, loans and advances to customers and interest-bearing borrowings.

37 財務風險管理及金融工具的公允價值 (續)

(a) 信用風險 (續)

核銷政策

本集團在收回預計可收回的全部金額時核銷金融資產，併合理預期沒有繼續收回的可能性。

(b) 利率風險

本集團主要於中國從事提供信用擔保、小額貸款及提供相關顧問服務。本集團的利率風險主要源自銀行存款、發放貸款及墊款及計息借款。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

37 財務風險管理及金融工具的公允價值 (續)

(b) Interest rate risk (continued)

(b) 利率風險 (續)

(i) Interest rate profile

(i) 利率風險概況

The following tables details the interest rate profile of the Group's assets and liabilities as at the end of the year:

本集團於年末資產及負債的利率風險概況如下：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fixed interest rate	固定利率		
Financial assets	金融資產		
– Cash and cash equivalents	– 貨幣資金	64,419	601,166
– Time and restricted bank deposits	– 期限在3個月以上的定期存款和存出擔保保證金	1,703,049	1,621,316
– Loans and advances to customers	– 發放貸款及墊款	5,526,130	7,741,071
– Available-for-sale financial assets	– 可供出售金融資產	-	9,341
– Receivables for factoring business	– 應收保理款	2,357,643	1,643,071
– Finance lease receivables	– 應收融資租賃款	273,089	346,299
		9,924,330	11,962,264
Financial liabilities	金融負債		
– Interest-bearing borrowings	– 計息借款	(5,153,715)	(3,483,059)
– Financial assets sold under repurchase agreement	– 賣出回購金融資產	(246,337)	(868,792)
– Debts securities issued	– 應付債券	(3,339,281)	(4,267,892)
		(8,739,333)	(8,619,743)
Net	淨額	1,184,997	3,342,521

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

37 財務風險管理及金融工具的公允價值 (續)

(b) Interest rate risk (continued)

(b) 利率風險 (續)

(i) Interest rate profile (continued)

(i) 利率風險概況 (續)

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Variable interest rate	浮動利率		
Financial assets	金融資產		
– Cash and cash equivalents	– 貨幣資金	1,838,684	1,835,170
– Time and restricted bank deposits	– 期限在3個月以上的定期存款和存出擔保保證金	150,426	57,307
		1,989,110	1,892,477
Financial liabilities	金融負債		
– Interest-bearing borrowings	– 計息借款	(300,917)	(324,698)
Net	淨額	1,688,193	1,567,779
Fixed rate financial liabilities as a percentage of total financial liabilities	固定利率金融負債佔總金融負債的百分比	96.67%	96.37%

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(b) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2018, it is estimated that a general increase of 50 basis points in interest rates, with all other variables held constant, would have increased the Group's profit before taxation for the next 12 months by approximately RMB8.5 million (2017: RMB7.8 million).

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period.

(c) Liquidity risk

Management regularly monitors the Group's liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

37 財務風險管理及金融工具的公允價值 (續)

(b) 利率風險 (續)

(ii) 敏感度分析

於2018年12月31日，在其他變量不變的情況下，假定利率上浮50個基點，將會導致本集團於未來12個月的稅前利潤將上升約人民幣8.5百萬元（於2017年12月31日為人民幣7.8百萬元）。

上述的敏感度分析列出本集團於報告期末持有的浮動利率非衍生工具所產生的現金流利率風險。

(c) 流動性風險

本集團的政策是定期監控短期和長期的流動資金需求，以確保本集團維持足夠的現金儲備以應對短期及長期的流動性需求。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(c) Liquidity risk (continued)

The following tables provide an analysis of financial assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the year:

37 財務風險管理及金融工具的公允價值 (續)

(c) 流動性風險 (續)

於年末，本集團各金融資產和金融負債根據相關剩餘到期日分析如下：

		At 31 December 2018 2018年12月31日						
		Indefinite	Repayable	Within	Between	Between	More than	Total
		無期限	on demand	three	three months	one year and	five years	
		RMB'000	RMB'000	months	and one year	five years	five years	Total
		人民幣千元	人民幣千元	三個月以內	三個月至一年	一年至五年	五年以上	合計
				RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets	金融資產							
Cash and cash equivalents	貨幣資金	-	1,638,778	264,419	-	-	-	1,903,197
Time and restricted bank deposits	期限在3個月以上的定期存款和存出擔保保證金	-	394,008	126,002	487,319	843,351	2,795	1,853,475
Trade and other receivables	應收及其他應收款項	-	1,353,621	718,593	12,626	70,173	649	2,155,662
Receivables for factoring business	應收保理款	-	81,643	1,220,264	1,134,496	31,903	-	2,468,306
Loans and advances to customers	發放貸款及墊款	225,593	289,247	654,228	2,934,504	1,562,571	-	5,666,143
Financial assets measured at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	476,360	1,095,970	-	1,430	-	-	1,573,760
Available-for-sale financial assets	可供出售金融資產	-	-	-	-	-	-	-
Finance lease receivables	應收融資租賃款	-	-	104,266	86,239	82,584	-	273,089
Total	合計	701,953	4,853,267	3,087,772	4,656,614	2,590,582	3,444	15,893,632
Financial liabilities	金融負債							
Customer pledged deposits	存入保證金	-	40,676	14,309	48,962	15,692	3,344	122,983
Interest-bearing borrowings	計息借款	-	70,000	842,937	1,789,683	2,015,076	811,674	5,529,370
Debts securities issued	應付債券	-	-	120,027	1,753,886	1,519,007	-	3,392,920
Financial assets sold under repurchase agreement	賣出回購金融資產	-	-	79,579	176,125	-	-	255,704
Accruals and other payables	應計及其他應付款項	-	215,504	165,991	-	-	-	381,495
Total	合計	-	326,180	1,222,843	3,768,656	3,549,775	815,018	9,682,472
Net	淨值	701,953	4,527,087	1,864,929	887,958	(959,193)	(811,574)	6,211,160
Guarantee issued	提供的融資擔保							
Maximum amount guaranteed*	擔保上限金額*	-	123,925	3,159,792	11,310,655	24,206,859	4,769,812	43,571,043

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

37 財務風險管理及金融工具的公允價值 (續)

(c) Liquidity risk (continued)

(c) 流動性風險 (續)

		At 31 December 2017						
		2017年12月31日						
		Indefinite	Repayable on demand	Within three months	Between three months and one year	Between one year and five years	More than five years	Total
		無期限	實時償還	三個月以內	三個月至一年	一年至五年	五年以上	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets	金融資產							
Cash and cash equivalents	貨幣資金	-	1,497,795	938,616	-	-	-	2,436,411
Time and restricted bank deposits	存出擔保保證金	-	400,100	56,008	410,833	811,480	202	1,678,623
Trade and other receivables	應收及其他應收款項	-	1,164,611	720,548	8,336	43,123	-	1,936,618
Receivables for factoring business	應收保理款項	-	5,713	925,559	525,117	186,682	-	1,643,071
Loans and advances to customers	發放貸款及墊款	324,603	175,865	739,121	2,472,063	4,029,419	-	7,741,071
Financial assets measured at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	-	50,000	-	-	-	-	50,000
Available-for-sale financial assets	可供出售金融資產	422,318	206,950	50,000	45,000	9,341	-	733,609
Finance lease receivables	應收融資租賃款	-	-	42,210	129,098	174,991	-	346,299
Total	合計	746,921	3,501,034	3,472,062	3,590,447	5,255,036	202	16,565,702
Financial liabilities	金融負債							
Customer pledged deposits	存入保證金	-	11,446	20,246	64,335	13,572	3,345	112,944
Interest-bearing borrowings	計息借款	-	-	520,123	1,048,018	1,306,931	932,685	3,807,757
Debts securities issued	應付債券	-	-	-	260,383	4,007,509	-	4,267,892
Financial assets sold under repurchase agreement	賣出回購金融資產	-	25,000	186,000	657,792	-	-	868,792
Accruals and other payables	應計及其他應付款項	-	255,243	110,480	-	-	-	365,723
Total	合計	-	291,689	836,849	2,030,528	5,328,012	936,030	9,423,108
Net	淨額	746,921	3,209,345	2,635,213	1,559,919	(72,976)	(935,828)	7,142,594
Guarantee issued	提供的融資擔保							
Maximum amount guaranteed*	擔保上限金額*	-	13,734	2,969,499	14,899,394	7,997,430	20,471,976	46,352,033

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

37 財務風險管理及金融工具的公允價值 (續)

(c) Liquidity risk (continued)

(c) 流動性風險 (續)

* The maximum amount guaranteed represents the total amount of liability less the amount of customer pledged deposits should all customers default. Since a significant portion of guarantee is expected to expire without being called upon, the maximum liabilities do not represent expected future cash outflows.

* 倘所有客戶違約，擔保上限金額等於對外擔保金額減去存入保證金。由於絕大部份的擔保預期不會被要求履行償還義務，故負債的上限金額並不表示預期未來現金流出量。

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

本集團及本公司於報告期末的非衍生金融負債按未折現的合同現金流量（包括按合同利率計算的利息，如果是浮動利率則按報告期末的現行利率計算的利息）的剩餘合約期限，以及被要求支付的最早日期如下：

2018 Contractual undiscounted cash flow
2018年未經折現合同現金流

		Indefinite	Repayable on demand	Within three months	Between			Total	Carrying amount at 31 December
					three months and one year	Between one year and five years	More than five years		
		無期限	實時償還	三個月以內	三個月至一年	一年至五年	五年以上	合計	賬面價值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Customer pledged deposits	存入保證金	-	40,676	14,309	48,962	15,692	3,344	122,983	122,983
Interest-bearing borrowings	計息借款	-	68,605	921,322	1,932,678	2,166,005	908,786	5,997,396	5,529,370
Debts securities issued	應付債券	-	-	277,655	1,066,168	2,477,512	-	3,821,335	3,392,920
Financial assets sold under repurchase agreement	賣出回購金融資產	-	-	82,337	177,644	-	-	259,981	255,704
Accruals and other payables	應計及其他應付款項	-	215,504	165,991	-	-	-	381,495	381,495
Total	合計	-	324,785	1,461,614	3,225,452	4,659,209	912,130	10,583,190	9,682,472

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

37 財務風險管理及金融工具的公允價值 (續)

(c) Liquidity risk (continued)

(c) 流動性風險 (續)

		2017 Contractual undiscounted cash flow 2017年未經折現合同現金流						Carrying amount at 31 December 12月31日 賬面價值
		Indefinite	Repayable on demand	Within three months	Between three months and one year 三個月至 一年	Between one year and five years 一年至五年	More than five years	Total
		無期限 RMB'000 人民幣千元	實時償還 RMB'000 人民幣千元	三個月以內 RMB'000 人民幣千元	一年 RMB'000 人民幣千元	一年至五年 RMB'000 人民幣千元	五年以上 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Customer pledged deposits	存入保證金	-	11,446	20,246	64,335	13,572	3,345	112,944
Interest-bearing borrowings	計息借款	-	-	569,327	1,148,563	1,507,452	1,023,578	4,248,920
Debts securities issued	應付債券	-	-	45,259	484,788	4,480,126	-	5,010,173
Financial assets sold under repurchase agreement	賣出回購金融資產	-	25,672	197,671	670,736	-	-	894,079
Accruals and other payables	應計及其他應付款項	-	255,243	112,136	-	-	-	367,379
Total	合計	-	292,361	944,639	2,368,422	6,001,150	1,026,923	10,633,495

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(d) Fair values measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

37 財務風險管理及金融工具的公允價值 (續)

(d) 公允價值計量

(i) 按公允價值計量的金融資產及負債

公允價值層次

下表載列本集團按經常性基準於報告期末計量並根據香港財務報告準則第13號「公允價值計量」所界定的三個公允價值層次分類的金融工具公允價值。公允價值計量的三個層次分類乃參考估值方法所用的輸入數據的可觀察程度及重要性釐定如下：

- 第1層次估值：只採用第1層次輸入數據（即同一資產或負債於計量日期在活躍市場取得的未經調整報價）計量的公允價值
- 第2層次估值：採用第2層次輸入數據（即未能達到第1層次的可觀察輸入數據）及不採用重大不可觀察輸入數據計量的公允價值。不可觀察輸入數據為無市場數據之輸入數據
- 第3層次估值：使用重大不可觀察輸入數據計量的公允價值

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(d) Fair values measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

The Group has a team headed by the finance manager performing valuations for the financial instruments, including the unlisted debt instrument, listed and unlisted equity instrument, and non-performing asset packages. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer and the audit committee is held twice a year, to coincide with the reporting dates.

37 財務風險管理及金融工具的公允價值 (續)

(d) 公允價值計量 (續)

(i) 按公允價值計量的金融資產及負債 (續)

公允價值層次 (續)

本集團擁有一隻由財務經理領導之團隊負責金融工具的估值，包括非上市債務工具、權益工具和不良資產包。該團隊直接向財務總監及審計委員會報告。載有公允價值計量變動分析之估值報告乃由團隊於各中期及年度報告日期編製，並由財務總監審閱及批准。團隊就估值過程及結果每年與財務總監及審計委員會進行兩次討論，以與報告日期保持一致。

Fair value measurements as at 31 December 2018 categorised into 2018年12月31日公允價值分類

	Fair value at 31 December 2018 2018年12月31日 公允價值 RMB'000 人民幣千元	Level 1	Level 2	Level 3
		第一層次 RMB'000 人民幣千元	第二層次 RMB'000 人民幣千元	第三層次 RMB'000 人民幣千元
Recurring fair value measurements				
Financial assets:				
Debt instrument:				
- Unlisted	756,715	-	-	756,715
Equity instrument:				
- Listed	110,988	110,988	-	-
- Unlisted	466,299	-	-	466,299
Non-performing asset packages	239,758	-	-	239,758

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

37 財務風險管理及金融工具的公允價值 (續)

(d) Fair values measurement (continued)

(d) 公允價值計量 (續)

(i) Financial assets and liabilities measured at fair value (continued)

(i) 按公允價值計量的金融資產及負債 (續)

Fair value hierarchy (continued)

公允價值層次 (續)

Fair value measurements as at
31 December 2017 categorised into
2017年12月31日公允價值分類

	Fair value at 31 December 2017 2017年12月31日 公允價值 RMB'000 人民幣千元	Level 1 第一層次 RMB'000 人民幣千元	Level 2 第二層次 RMB'000 人民幣千元	Level 3 第三層次 RMB'000 人民幣千元
Recurring fair value measurements	持續的公允價值計量			
Financial assets:	金融資產：			
Financial assets measured at fair value through profit or loss	以公允價值計量且變動計入當期損益的金融資產			
Available-for-sale debt instrument:	可供出售債務工具：			
- Listed	- 上市	9,341	9,341	-
- Unlisted	- 非上市	251,950	-	251,950
Available-for-sale equity instrument:	可供出售權益工具：			
- Listed	- 上市	133,612	133,612	-
- Unlisted	- 非上市	288,706	-	288,706
Wealth management products	理財產品	50,000	-	50,000

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

37 財務風險管理及金融工具的公允價值 (續)

(d) Fair values measurement (continued)

(d) 公允價值計量 (續)

(i) Financial assets and liabilities measured at fair value (continued)

(i) 按公允價值計量的金融資產及負債 (續)

Fair value hierarchy (continued)

公允價值層次 (續)

The movement during the year in the balance of Level 3 fair value measurements is as follows:

第3層次公允價值計量結餘於期內變動如下：

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	640,656	188,356
Payment for purchases	購買	937,212	533,907
Net unrealised gains or losses recognised in profit or loss during the year	本年計入損益的利得或損失	3,312	-
Net unrealised gains or losses recognised in other comprehensive income during the year	本年計入其他綜合收益的利得或損失	-	29,927
Payment for sales	贖回	(118,408)	(111,534)
At 31 December	於12月31日	1,462,772	640,656

During the years ended 31 December 2018 and 2017, there were no transfers into or out of Level 3

於截至2018年12月31日及2017年12月31日止年度，無第三層次轉入或轉出的情況。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (CONTINUED)

(d) Fair values measurement (continued)

(ii) Valuation of financial instruments with significant unobservable inputs

Financial instruments valued with significant unobservable inputs are primarily the unlisted debt instrument, unlisted equity instrument, and non-performing asset packages, which are classified under fair value hierarchy at level 3 financial instruments. These financial instruments are valued based on a combination of market data, internal valuation models and valuation report, if any, issued by an independent licensed valuer. The models incorporate various non-observable assumptions such as discount rate reflecting specific risks relating to the financial instruments and average volatilities for the related business, etc.

(iii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as at 31 December 2018 and 2017.

37 財務風險管理及金融工具的公允價值 (續)

(d) 公允價值計量 (續)

(ii) 對重大不可觀察輸入值的金融資產的估計

以重大不可觀察輸入值估值的金融資產主要為被認定為歸入第三層次的非上市債務工具、非上市權益工具及不良資產包。這些金融工具的估值以市場數據、內部估值模型和獨立有資質的估值師出具的估值報告(如有)為基礎。模型考慮了各種不可觀察假設，如反映有關金融工具的特定風險和相關業務的平均波動率的貼現率等。

(iii) 按公允價值以外列賬之金融資產及負債之公允價值

於2018年12月31日及2017年12月31日，本集團按成本或攤銷成本列賬之金融工具之賬面值與其公允價值並無重大差異。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

38 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2018 not provided for in the financial statements were as follows:

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Commitments in respect of purchase of property, plant and equipment	已簽訂物業、廠房及設備		
– Contracted for	– 採購合同	22,580	9,966

38 承擔

(a) 於2018年12月31日並未於財務報表中反映的資本承擔額如下：

(b) At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases of properties are payable as follows:

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year (inclusive)	一年內(含一年)	54,504	65,750
After 1 year but within 3 years (inclusive)	一年以上三年內(含三年)	29,844	20,809
Over 3 years	三年以上	7,129	2,007
Total	合計	91,477	88,566

(b) 於2018年12月31日，根據不可撤銷的有關經營房屋租賃，本集團應支付的未來最低租賃款項如下：

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

38 COMMITMENTS (CONTINUED)

- (b) At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases of properties are payable as follows: (continued)

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of 1 – 5 years, at the end of which period all terms are renegotiated. None of the leases include contingent rentals.

39 MATERIAL RELATED PARTY TRANSACTIONS

- (a) Transactions with key management personnel remuneration

Key management personnel remuneration (Note (i))

Notes:

- (i) Remuneration for key management personnel of the Group includes amounts paid to the Company's directors as disclosed in Note 7 and the highest paid employees as disclosed in Note 8
- (ii) All the balances with key management personnel are included in "staff costs" (see Note 5(a)).

38 承擔 (續)

- (b) 於2018年12月31日，根據不可撤銷的有關經營房屋租賃，本集團應支付的未來最低租賃款項如下：(續)

本集團為根據經營租賃租用多項物業的承租人。首段租賃期一般為一至五年，並可於屆滿期末重新磋商所有條款。概無包括或然租金。

39 重大關聯方交易

- (a) 關鍵管理人員薪酬

31 December 12月31日 2018 2018年 RMB'000 人民幣千元	31 December 12月31日 2017 2017年 RMB'000 人民幣千元
--	--

58,324 67,885

附註：

- (i) 集團關鍵管理人員薪酬包括在附註7中披露的支付給公司董事薪酬於在附註8中披露的最高薪酬
- (ii) 與關鍵管理人員薪酬相關的全部餘額均在此部份披露(見附註5(a))。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

39 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

39 重大關聯方交易 (續)

(b) Transactions with related parties other than key management personnel

(b) 與除關鍵管理人員以外的關聯方之間的交易

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Guarantee and consulting fee income 擔保及諮詢費收入	1,916	567
Interest and handling fee income 利息及手續費收入	2,829	4,373
Acquisition of non-controlling equity interests in subsidiaries 收購附屬公司非控股股權	218,804	-
Disposal of subsidiary 處置子公司股權	-	8,492
Additions of other receivables 新增其他應收款項	4,898	4,303
Decrease of other receivables 減少其他應收款項	(4,303)	(620)
Additions of other payables 新增其他應付款項	(65,677)	(626)
Decrease of other payables 減少其他應付款項	39,660	310
Addition of loans and advances to customers 發放貸款及墊款	31,000	130,000
Repayment of loans and advances to customers 收回發放貸款及墊款	(50,000)	(80,000)
Providing guarantee 對外擔保	313,500	87,000
Releasing guarantee 對外解除擔保	(12,000)	(110,000)
Other revenue 其他收入	6,308	6,812

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

39 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

39 重大關聯方交易 (續)

(c) Balances with related parties other than key management personnel

(c) 與除關鍵管理人員以外的關聯方之間的交易於資產負債日的餘額

		31 December	31 December
		12月31日	12月31日
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Assets	資產		
Cash and cash equivalents (Note 12(a))	貨幣資金 (附註12(a))	153,822	356,889
Trade and other receivables	應收及其他應收款項	4,898	4,303
Loans and advances to customers	發放貸款及墊款	31,000	50,000
Liabilities	負債		
Accruals and other payables	應計及其他應付款項	28,406	2,389
Off balance sheet	表外業務		
Outstanding guarantee	對外擔保	308,500	7,000

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

40 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

40 母公司財務狀況表

		31 December 12月31日 2018 2018年 RMB'000 人民幣千元	31 December 12月31日 2017 2017年 RMB'000 人民幣千元
Assets	資產		
Cash and cash equivalents	貨幣資金	18,707	117,438
Trade and other receivables	應收及其他應收款項	773,191	305,345
Entrusted loans	委託貸款	-	500,000
Interest in associate	長期股權投資－聯營企業	15,294	979,319
Investments in subsidiaries	長期股權投資－附屬公司	8,952,253	7,555,449
Property, plant and equipment	物業、廠房及設備	3,261	4,659
Intangible assets	無形資產	51	544
Repossessed assets	抵債資產	206	206
Total assets	總資產	9,762,963	9,462,960
Liabilities	負債		
Interest-bearing borrowings	計息借款	500,000	500,000
Accruals and other payables	應計及其他應付款項	857,687	429,563
Debts securities issued	應付債券	2,275,917	2,344,149
Total liabilities	總負債	3,633,604	3,273,712
NET ASSETS	資產淨值	6,129,359	6,189,248
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	4,600,000	4,600,000
Reserves	儲備	1,529,359	1,589,248
TOTAL EQUITY	權益合計	6,129,359	6,189,248

Approved and authorized for issue by the board of directors on 22 March 2019.

經董事會批准及授權於2019年03月22日刊發。

Name: Zhang Guoxiang
Position: Chairman of the Board
張國祥
董事會主席

Name: Ren Weidong
Position: Chief Financial Officer
任為棟
首席財務官

(Company stamp)

公司印章

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

41 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 32 and Note 37 contains information about the assumptions and their risk factors relating to fair value of share awards granted to directors, supervisors and senior management of the Company and financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairment of financial assets measured at amortised cost

The Group reviews portfolios of financial assets measured at amortised cost to assess whether any impairment losses exist and the amount of impairment losses if there is any indication of impairment. Objective evidence for impairment includes observable data indicating that there is a measurable decrease in the estimated future cash flows for financial assets measured at amortised cost. It also includes observable data indicating adverse changes in the repayment status of the debtors, or change in national or local economic conditions that causes the default in payment.

The impairment loss for financial assets measured at amortised cost using the expected credit loss model is subjected to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. The expected credit losses for financial assets measured at amortised cost are derived from estimates whereby management takes into consideration historical data, the historical loss experience and other adjustment factors. Historical loss experience is adjusted on the basis of the relevant observable data that reflect current economic conditions and the judgment based on management's historical experience. Management reviews the selection of those parameters and the application of the assumptions regularly to reduce any difference between loss estimates and actual loss.

41 會計判斷與會計估計

附註32及37包含了有關授予本公司董事、監事及高管的股份期權及金融工具的公允價值的假設及其風險因素。其他不確定估計的主要來源如下：

(a) 以攤餘成本計量的金融資產減值

本集團定期覆核以攤餘成本計量的金融資產，以評估是否出現任何資產減值損失，以及若出現任何減值跡象，則評估有關資產減值損失金額。減值客觀證據包括可觀察資料顯示以攤餘成本計量的金融資產的預計未來現金流出現可衡量的減幅。此外，亦包括可觀察資料顯示債務人的還款狀況出現不利變動、或國家或地方經濟狀況出現變動而導致拖欠還款。

以攤餘成本計量的金融資產在使用預期信用損失模型評估資產減值損失時，受若干關鍵參數和假設的影響，包括損失階段的確定，違約概率的估計，違約損失率，違約風險敞口，貼現率，調整前瞻性資訊和其他調整因素。在評估以攤餘成本計量的金融資產的預期信用損失時，要考慮管理層對於歷史數據，歷史損失經驗和其他調整因素的估計。歷史損失經驗根據當前經濟狀況的相關可觀察數據和管理層歷史經營的盤坐做出調整。管理層定期考慮這些參數的選擇及假設的應用，以降低損失估計與實際損失之間的差異。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

41 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Impairment of long-lived assets

If circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in accordance with accounting policy for impairment of long-lived assets as described in Note 1(n) (ii). The carrying amounts of long-lived assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

(c) Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated and amortized using the straight-line method over their useful lives after taking into account estimated residual value. The useful lives and residual value are regularly reviewed to determine the depreciation and amortization costs charged in each reporting period. The useful lives are determined based on historical experience of similar assets and the estimated technical changes. If there is an indication that there has been a change in the factors used to determine the depreciation, the rate of depreciation is revised.

41 會計判斷與會計估計 (續)

(b) 長期資產減值

倘若有跡象顯示長期資產的賬面值不能收回，則該資產可能視為「減值」，並根據附註1(n)所載有關長期資產減值的會計政策確認資產減值損失。長期資產的賬面值會定期覆核，以評估可收回金額是否低於賬面值。倘可收回金額低於賬面值，則賬面值會減至可收回金額。可收回金額為公允價值減處置費用與資產預計未來現金流量的現值的較高者。在釐定資產預計未來現金流量的現值時，資產產生的預計未來現金流量貼現至現值，並需就收益水準及營運成本作出重要判斷。本集團利用所有現時可用的資料，包括基於合理及已證實的假設作出的估計與對收益級別及營運成本的估計，以釐定可收回金額的合理數額。該等估計的變化將對資產賬面值有重大影響，並導致未來期間減值支出或減值撥回增加。

(c) 折舊與攤銷

本集團在考慮物業、廠房及設備及無形資產的估計殘值後，在預計可使用年期按直線法計提折舊和攤銷。本公司定期審閱預計可使用年期及殘值，以決定將計入每個報告期的折舊和攤銷成本。預計可使用年期是本公司根據對同類資產的過往經驗及估計的技術改變而確定。倘有證據表明用以釐定折舊的因素發生變化，則對折舊比率進行調整。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

41 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(d) Provisions for guarantee losses

The Group makes reasonable estimate on costs required to fulfil the relevant obligation of guarantee contracts when the Group computes the provisions of guarantee losses. Such estimation is made based on the available information as at the balance sheet date and is determined by the Group's practical experience, taking into consideration of industry information and market data.

(e) Tax

Determining income tax provisions involves judgment on the future tax treatment of certain transactions. The Group carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized, management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

41 會計判斷與會計估計 (續)

(d) 擔保賠償準備金

本集團於計算擔保賠償準備金時，本集團對履行擔保合同相關責任的成本作出合理估計。有關估計乃根據於結算日的可得資料，並按本集團的實際經驗、並考慮行業資訊及市場資料後釐定。

(e) 稅項

確定所得稅涉及對某些交易未來稅務處理的判斷。本集團慎重評估各項交易的稅務影響，並計提相應的所得稅準備。本集團定期根據更新的稅收法規重新評估這些交易的稅務影響。遞延所得稅資產按可抵扣稅務虧損及可抵扣暫時性差異確認。遞延所得稅資產只會在未來期間很有可能足夠應納稅所得用作抵扣暫時差異時確認，所以需要管理層判斷以評估未來應納稅所得的可能性。管理層持續審閱對遞延所得稅的判斷，如果預計未來很有可能獲得能利用遞延所得稅資產的未來應納稅所得，將確認相應的遞延所得稅資產。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

42 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

42 截至2018年12月31日止已頒佈但尚未生效的修訂、新準則及解釋的潛在影響

截至此等財務報表的刊發日期，香港會計師公會已頒佈多項於截至2018年12月31日止年度尚未生效且於此等財務報表內並未採納的修訂及新準則。

		Effective for accounting periods beginning on or after 於以下日期或以後開始的會計期間生效
HKFRS 16, <i>Leases</i>	香港（國際財務報告解釋委員會） 第16號租賃	1 January 2019 2019年1月1日
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i>	香港（國際財務報告解釋委員會） 第23號 所得稅處理的不確定性	1 January 2019 2019年1月1日
Annual Improvements to HKFRSs 2015-2017 Cycle	香港財務報告準則2015年至 2017年週期之年度改進	1 January 2019 2019年1月1日
Amendments to HKAS 28, <i>Long-term interest in associates and joint ventures</i>	香港會計準則（修訂本） 於聯營公司及合營公司的長期權益	1 January 2019 2019年1月1日

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

42 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impact upon the initial adoption of this standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standard is initially applied in the Group's interim financial report for the six months ended 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standard is initially applied in that financial report.

HKFRS 16, Leases

As disclosed in note 1(j), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

42 截至2018年12月31日止已頒佈但尚未生效的修訂、新準則及解釋的潛在影響(續)

本集團正著手評估此等修訂及新準則預計對香港財務報告準則於初步應用期間的影響。至今，本集團已識別出香港(國際財務報告解釋委員會)第16號若干方面可能對合併財務報表造成重大影響。有關預期影響的進一步詳情於下文論述。雖然對於香港財務報告準則第16號的評估已基本完成，但由於迄今完成的評估是基於本集團目前可獲得的資訊，因此標準初步採納時的實際影響可能與評估有所不同。本集團也可能在準則首次應用於截至2019年6月30日止6個月的中期財務報告之前，識別出進一步影響。本集團也可能在該財務報告生效前，改變其會計政策選擇準則，包括過渡時期的會計政策選擇。

香港財務報告準則第16號·租賃

如附註1(j)所述，本集團目前將租賃分類為融資租賃和經營租賃，並根據其劃分來進行不同的會計處理。在某些租賃中，本集團為出租人，其餘則為承租人。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

42 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

HKFRS 16, Leases (continued)

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease.

42 截至2018年12月31日止已頒佈但尚未生效的修訂、新準則及解釋的潛在影響 (續)

香港財務報告準則第16號·租賃 (續)

關於出租人的權利與義務的會計處理，香港財務報告準則第16號的執行並不會帶來重大影響。然而，一旦採用香港財務報告準則第16號，承租人將不再區分融資租賃與經營租賃。基於權宜，承租人將會對幾乎所有的租賃作類似融資租賃的會計處理，例如，在租賃開始日，承租人將最低租賃付款額現值確認並作為租賃負債的入賬價值，同時確認相應的「使用權」資產。該租賃資產和負債進行初始確認後，不同於現行準則下的經營租賃在租賃期間以系統的基礎確認租賃費用，承租人將會期末確認租賃負債的利息費用和租賃資產的折舊費用。實際執行中，承租人也可對短期租賃（租賃期少於或等於12個月）和價值較低的資產租賃選擇豁免，仍在租賃期間以系統的基礎確認租賃費用。

香港會計準則第16號將會在很大程度上影響本集團作為承租人對目前劃分為經營租賃的物業、廠房及設備的會計處理。新會計模型的實行將會導致資產端與負債端的增長，並影響租賃期間損益表中費用的確認時點。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

42 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

HKFRS 16, Leases (continued)

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. In addition, the Group plans to elect the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

On adoption, the Group expects to recognize lease liabilities with corresponding right-of-use assets of the same amount based on the present value of the remaining minimum rental payments under current leasing standards for operating leases existing on January 1, 2019.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statement from 2019 onwards.

42 截至2018年12月31日止已頒佈但尚未生效的修訂、新準則及解釋的潛在影響 (續)

香港財務報告準則第16號·租賃 (續)

香港財務報告準則第16號於2019年1月1日或之後的會計年度起生效。該準則提供了不同的過渡選項和實用的權宜之計，其中包括繼承先前評估對現有安排是或包含租賃的判斷的權宜之計。本集團因此將僅將香港財務報告準則第16號中的新租賃定義應用於首次採納新定義當日或之後訂立的合約。此外，本集團計劃選用實用的權宜之計對短期租賃和價值較低的資產租賃選擇豁免新準則。

新準則實施日，本集團將根據現行經營租賃準則下剩餘最低租賃付款額於2019年1月1日的現值確認租賃負債，同時相應的金額確認使用權資產。

除租賃負債與使用權資產以外，本集團預計首次採用香港財務報告準則第16號時，作出的過渡性調整並不重大。然而，上述會計政策變動可能對本集團自2019年起的財務報表產生重大影響。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

43 CONSOLIDATED STRUCTURED ENTITY

The Group has consolidated structured entities which issued micro loan backed securities and trust plans (“the Product”) of RMB1,042.7 million at 31 December 2018 (31 December 2017: RMB2,068.9 million) to institutional investors. The Group acquired all the interests of the subordinated tranches of the Products and the Group provided financial guarantee against the investors that required the senior tranches.

The Group has consolidated structured entities which issued trust plans of RMB333.7 million at 31 December 2018 (31 December 2017: Nil). The Group acquired all the interests of the subordinated tranches of the trust plans and the Group provided financial guarantee against the investors that required the senior tranches.

The Group has consolidated structured entities which initiated partnerships of RMB874.2 million at 31 December 2018 (31 December 2017: RMB855.4 million). The Group has the right to variable returns from its involvement and has the ability to affect its returns through its power over the entity and the Group provided financial guarantee against the limited liabilities partners that required the fixed returns.

As at 31 December 2018, the above structured entities consolidated by the Group amounted to RMB2,109.6 million (31 December 2017: RMB2,779.1 million).

The relevant activities of the structured entities are directed by means of contractual arrangement and the entity has been designed so that voting or similar rights are not the dominant factor in deciding who has control. These structured entities are consolidated as the Group is exposed or has the right to variable returns from its involvement with these entities and has the ability to affect its returns through its power over the entity.

43 結構化主體

納入本集團合併財務報表範圍的結構化主體為小額貸款資產支持證券和信託計劃(「產品」)。該產品2018年12月31日發行規模為人民幣1,042.7百萬元(2017年12月31日：人民幣2,068.9百萬元)，發行對象為機構投資者。本集團不僅持有該產品全部次級部份，同時還為所有優先順序部份提供擔保。

本集團已合併列示於2018年12月31日發行的人民幣333.7百萬元信託計劃的結構化主體。本集團取得信託計劃次級部份的全部權益，對優先級部份的投資者提供財務擔保。

納入本集團合併財務報表範圍的結構化主體包括設立的合夥企業。截至2018年12月31日已發起的合夥業務規模為人民幣874.2百萬元(2017年12月31日：人民幣855.4百萬元)。本集團因參與該等主體的營運而有權享有其可變回報，並能夠運用其對該等主體的權利影響上述回報，且本集團向獲取固定回報的有限責任合夥人提供財務擔保。

於2018年12月31日，納入本集團合併財務報表範圍的結構化主體餘額為人民幣2,109.6百萬元(2017年12月31日：人民幣2,779.1百萬元)。

由於該等結構化主體的相關活動是直接按照合同安排進行的，所以表決權不是決定是否控制該等結構化主體的主要因素。本集團因參與該等主體的營運而獲得或有權享有其可變回報，並能夠運用其對該等主體的權利影響上述回報。因此，本集團將該等結構化主體納入合併範圍。

Notes to the Financial Statements

財務報表附註

(Expressed in RMB'000 unless otherwise indicated) (除文意另有所指以外，均以人民幣千元列示)

44 COMPARATIVE FIGURES

The Group has initially applied HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 1(c).

Certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2018.

44 比較資料

本集團於2018年1月1日初步適用香港財務報告準則第9號。根據所選擇的過渡方法，未重述比較數據。有關會計政策變動的進一步詳情於附註1(c)披露。

為符合本年列報及提供2018年首次披露項目可比金額的要求，某些比較資料已調整。



信用 · 簡單 · 共享