



Min Xin Holdings Limited
閩信集團有限公司

Stock Code 股份代號 : 222

閩
信 聚
創 金
未 融
來

2019
ANNUAL REPORT 年報



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公司資料 CORPORATE INFORMATION

董事會

BOARD OF DIRECTORS

執行董事

Executive Directors

嚴正 (主席)
王非 (副主席)
陳宇 (總經理)

YAN Zheng (Chairman)
WANG Fei (Vice Chairman)
CHEN Yu (General Manager)

非執行董事

Non-executive Directors

韓孝捷
楊敬朝

HON Hau Chit
YANG Jingchao

獨立非執行董事

Independent Non-executive Directors

葉啟明
張文海
梁創順

IP Kai Ming
CHEUNG Man Hoi
LEUNG Chong Shun

審核委員會

AUDIT COMMITTEE

張文海 (主席)
葉啟明
梁創順

CHEUNG Man Hoi (Chairman)
IP Kai Ming
LEUNG Chong Shun

薪酬委員會

REMUNERATION COMMITTEE

葉啟明 (主席)
張文海
梁創順
陳宇
陳廣宇

IP Kai Ming (Chairman)
CHEUNG Man Hoi
LEUNG Chong Shun
CHEN Yu
CHAN Kwong Yu

提名委員會

NOMINATION COMMITTEE

嚴正 (主席)
葉啟明
張文海
梁創順

YAN Zheng (Chairman)
IP Kai Ming
CHEUNG Man Hoi
LEUNG Chong Shun

授權代表

AUTHORISED REPRESENTATIVE

嚴正
陳廣宇 (2019年5月1日獲委任)
侯寶萍 (2019年5月1日辭任)
葉啟明 (嚴正替任代表)

YAN Zheng
CHAN Kwong Yu (appointed on 1 May 2019)
HAU Po Ping (resigned on 1 May 2019)
IP Kai Ming (alternate to YAN Zheng)

公司秘書

陳廣宇 (2019年5月1日獲委任)
侯寶萍 (2019年5月1日辭任)

核數師

畢馬威會計師事務所
(於《財務匯報局條例》下的註冊公眾利益
實體核數師)

法律顧問

的近律師行

主要往來銀行

廈門國際銀行股份有限公司
澳門國際銀行股份有限公司
集友銀行有限公司
招商銀行股份有限公司
中國銀行(香港)有限公司
中國建設銀行(亞洲)股份有限公司
中信銀行(國際)有限公司
中國民生銀行股份有限公司

股份過戶登記處

卓佳標準有限公司
香港
皇后大道東 183 號
合和中心 54 樓

註冊辦事處

香港中環
紅棉路 8 號
東昌大廈 17 樓
電話：(852) 2521 5671
傳真：(852) 2530 5488
網址：<http://www.minxin.com.hk>
電郵：mxhl.equiry@minxin.com.hk

股份上市

香港聯合交易所有限公司主板
股份代號：222

COMPANY SECRETARY

CHAN Kwong Yu (appointed on 1 May 2019)
HAU Po Ping (resigned on 1 May 2019)

AUDITOR

KPMG
(Public Interest Entity Auditor registered in accordance
with the Financial Reporting Council Ordinance)

LEGAL ADVISOR

Deacons

PRINCIPAL BANKERS

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

SHARE REGISTRAR

Tricor Standard Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

17th Floor, Fairmont House
8 Cotton Tree Drive
Central, Hong Kong
Tel: (852) 2521 5671
Fax: (852) 2530 5488
Website: <http://www.minxin.com.hk>
Email: mxhl.equiry@minxin.com.hk

SHARE LISTING

Main Board of The Stock Exchange of Hong Kong Limited
Stock Code: 222

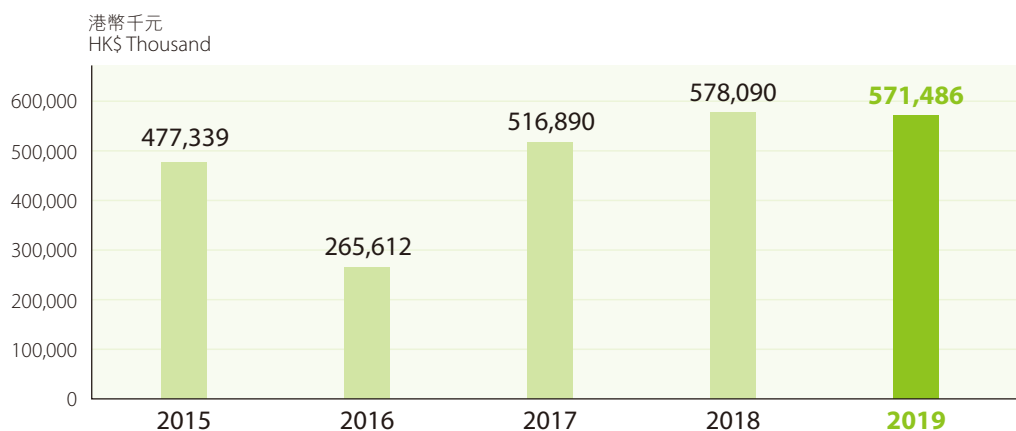
五年財務摘要*

FIVE-YEAR FINANCIAL SUMMARY*

		2015	2016	2017	2018	2019
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
業績	Results					
除稅前溢利	Profit before taxation	486,020	272,087	536,923	610,526	593,585
所得稅支出	Income tax expense	(8,681)	(6,475)	(20,033)	(32,436)	(22,099)
本公司股東應佔溢利	Profit attributable to shareholders of the Company	477,339	265,612	516,890	578,090	571,486

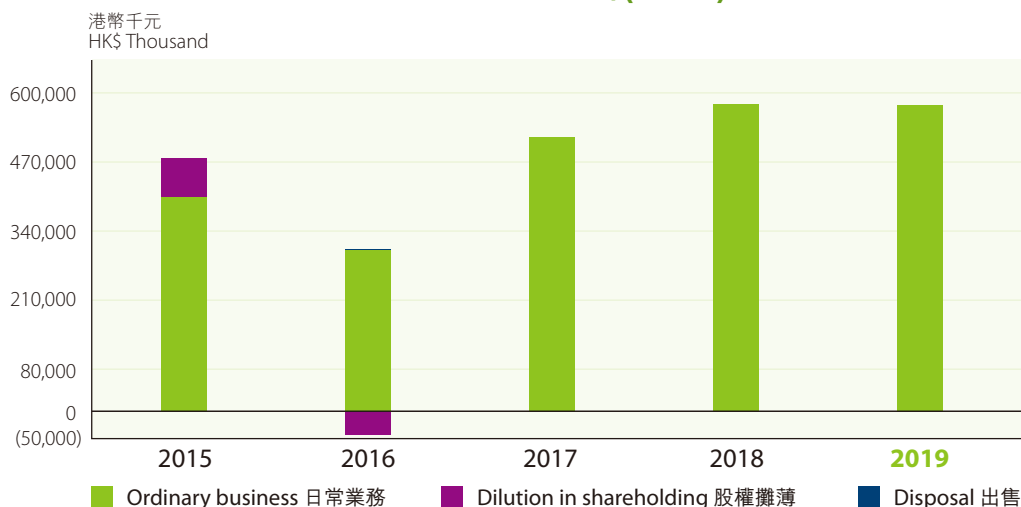
本公司股東應佔溢利

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY



溢利／(虧損)性質

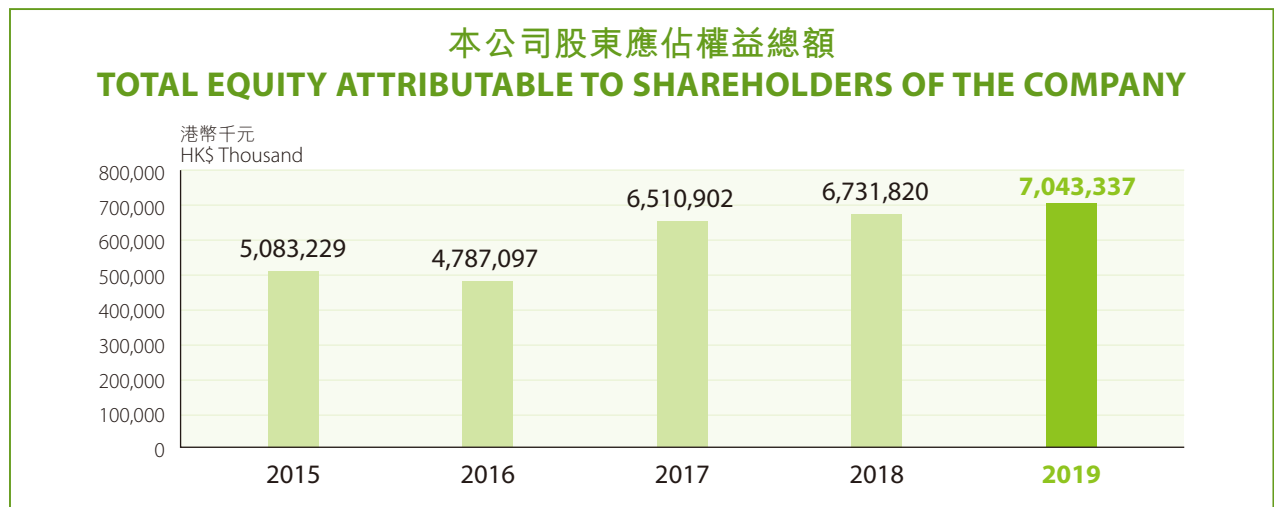
NATURE OF PROFIT/(LOSS)



* 由於本財政年度生效之香港財務報告準則，上述五年財務摘要並非按統一基準編制。會計政策之變動已載列於本集團綜合財務報表註釋2.2。
Due to the Hong Kong Financial Reporting Standards that came into effect during the financial year, the above five-year financial summary has not been prepared on a consistent basis. Changes in accounting policies are set out in Note 2.2 to the consolidated financial statements of the Group.

五年財務摘要*
FIVE-YEAR FINANCIAL SUMMARY*

		2015	2016	2017	2018	2019
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
物業、機器及設備	Property, plant and equipment	19,061	17,999	16,878	20,935	26,499
無形資產	Intangible assets	-	-	2,504	1,573	735
投資物業	Investment properties	179,215	170,536	169,818	169,632	159,415
聯營公司	Associates	3,263,977	4,082,002	4,842,032	4,988,673	5,532,229
按公平值計入其他 全面收益的金融資產	Financial assets at fair value through other comprehensive income	-	-	-	570,417	423,343
可供出售金融資產	Available-for-sale financial assets	728,713	551,158	503,514	-	-
按攤銷成本計量的金融資產	Financial assets at amortised cost	-	-	-	3,129	-
持至到期日金融資產	Held-to-maturity financial assets	-	3,091	3,119	-	-
客戶貸款及應收 利息	Loans to customers and interest receivable	1,519	436	39	-	-
再保險資產	Reinsurance assets	2,479	4,420	213	1,546	1,029
其他應收賬款及預付款	Other debtors and prepayments	1,549	1,500	180	6	15,777
現金及銀行結存	Cash and bank balances	-	-	-	227,800	506,009
遞延所得稅資產	Deferred income tax assets	6,746	10,767	10,150	535	451
流動資產	Current assets	1,684,713	1,497,393	1,693,972	1,312,644	1,037,740
流動負債	Current liabilities	(226,823)	(928,549)	(467,330)	(323,516)	(254,225)
保險合約	Insurance contracts	(33,844)	(38,268)	(37,659)	(17,482)	(19,316)
租賃負債	Lease liabilities	-	-	-	-	(65)
銀行借款	Bank borrowings	(502,116)	(552,774)	(198,131)	(199,966)	(199,965)
控股股東貸款	Loan from the controlling shareholder	-	-	-	-	(149,943)
遞延所得稅負債	Deferred income tax liabilities	(41,960)	(32,614)	(28,397)	(24,106)	(36,376)
資產淨值	Net assets	5,083,229	4,787,097	6,510,902	6,731,820	7,043,337
股本	Share capital	891,135	891,135	1,715,377	1,715,377	1,715,377
其他儲備金	Other reserves	1,501,099	1,036,270	1,628,236	1,504,672	1,393,720
保留溢利	Retained profits	-	-	-	-	-
擬派股息	Proposed dividend	22,971	22,971	47,781	59,726	59,726
其他	Others	2,666,165	2,836,721	3,119,508	3,452,045	3,874,514
於其他全面收益確認 及於權益賬累計與 持作出售的資產 有關的款項	Amount recognised in other comprehensive income and accumulated in equity relating to assets held for sale	1,859	-	-	-	-
本公司股東應佔權益 總額	Total equity attributable to shareholders of the Company	5,083,229	4,787,097	6,510,902	6,731,820	7,043,337



* 由於本財政年度生效之香港財務報告準則，上述五年財務摘要並非按統一基準編制。會計政策之變動已載列於本集團綜合財務報表註釋2.2。
Due to the Hong Kong Financial Reporting Standards that came into effect during the financial year, the above five-year financial summary has not been prepared on a consistent basis. Changes in accounting policies are set out in Note 2.2 to the consolidated financial statements of the Group.

主席報告書 CHAIRMAN'S STATEMENT

本人欣然匯報本集團2019年度錄得預期的穩定業績。

I am pleased to report that the Group recorded an expected stable full-year results for 2019.

主席 嚴正
Chairman **YAN Zheng**



對於環球經濟而言，2019年是充滿挑戰的一年。於回顧年內，持續的環球政治和經濟不確定性嚴重影響投資活動和家庭消費。環球經濟形勢正面臨困難時期及承受顯著的下行壓力。

我們的表現

我們於2019年取得穩定業績。截至2019年12月31日止年度，本集團錄得經審核股東應佔溢利港幣57,149萬元，比較上年度減少1.1%。每股基本盈利下跌1.1%至港幣95.69仙。

本集團的總資產持續增長，於2019年12月31日錄得港幣77億元，比較2018年年底的港幣73億元增長5.6%。

董事會議決建議派發2019年度末期股息每股港幣10仙，與2018年度末期股息維持相同水平。

The year 2019 was a challenging one for the global economy. Ongoing global political and economic uncertainties have significantly affected the investment activities and household consumption during the year under review. The global economic well-being faced a difficult time and the downward pressures were prominent.

OUR PERFORMANCE

We managed to achieve a stable result in 2019. For the year ended 31 December 2019, the Group recorded an audited profit attributable to shareholders of HK\$571.49 million, decreased by 1.1% when compared to the previous year. Basic earnings per share decreased by 1.1% to 95.69 HK cents.

Total assets of the Group continued to grow and recorded an increase of 5.6% to HK\$7.7 billion at 31 December 2019 as compared to HK\$7.3 billion at the end of 2018.

The Directors have resolved to recommend a final dividend of 10 HK cents per share for 2019, maintained at the same level as compared to the final dividend for 2018.

主席報告書 CHAIRMAN'S STATEMENT

於2019年12月31日，我們的銀行業務總資產佔本集團資產總額的71.2%。於2019年12月31日，本公司的每股淨資產值達港幣11.79元，約77.8%來自廈門國際銀行股份有限公司（「廈銀」，連同集友銀行有限公司（「集友」）及澳門國際銀行股份有限公司（「澳銀」）統稱為「廈銀集團」）的投資。銀行業務分部於2019年度佔本集團股東應佔溢利的96.1%。

本集團最重要的金融投資廈銀於2019年度貢獻本集團業績約96.1%。本集團於2019年度攤佔廈銀集團業績比2018年的港幣61,407萬元下跌6.3%至港幣57,517萬元，主要是由於廈銀集團的貸款及金融資產減值準備金率上升所致。

本公司現為廈銀第二大股東，廈銀集團實現令人滿意的資產負債表增長，於2019年12月31日的總資產比2018年年底的人民幣8,064.2億元上升13.9%至人民幣9,183.4億元。

於回顧年內，廈銀集團致力於大中華地區擴大分行網絡。廈銀集團繼續投資於人才和系統基礎設施，令廈銀集團實現科技創新和運營增強，致力為客戶提供便捷的方案和更佳的服務體驗。廈銀集團整合跨境金融服務和系統基礎設施的競爭優勢，通過「跨境金融區塊鏈服務平台」開展業務，實現中國城市商業銀行成功完成的第一筆交易。廈銀集團繼續增加綠色金融和普惠金融發展力度，以及強化財富管理業務。在2019年7月《銀行家》雜誌評選的「2019全球1000大銀行排名」中，廈銀以資產總額躍居全球第158位，及以一級資本總額位列全球第193位。在「2019年亞洲銀行競爭力排名」中，廈銀排名第80位，在中國城市商業銀行中排名第4。

Total assets of our banking business accounted for 71.2% of the Group's total assets at 31 December 2019. The net asset value per share of the Company amounted to HK\$11.79 at 31 December 2019, about 77.8% came from the investment in Xiamen International Bank Co., Ltd. ("XIB", together with its subsidiaries, Chiyu Banking Corporation Limited ("CYB") and Luso International Banking Ltd. ("LIB"), are collectively referred to as "XIB Group"). The results of banking business segment represented 96.1% of the Group's profit attributable to shareholders in 2019.

XIB, the most significant financial investment of the Group, has contributed about 96.1% of the results of the Group in 2019. The Group's share of results of XIB Group was HK\$575.17 million in 2019, a decrease of 6.3% as compared to HK\$614.07 million in 2018 mainly due to the increase in impairment provision rate of loans and financial assets of XIB Group.

The Company is the second largest shareholder of XIB, XIB Group has achieved a satisfactory growth in its balance sheet and the total assets grew by 13.9% to RMB918.34 billion at 31 December 2019 as compared to RMB806.42 billion at the end of 2018.

XIB Group strived to expand its branch network in the Greater China region during the year under review. XIB Group continued to invest in people and the systems infrastructure and in turn, XIB Group achieved its digital innovations and operational enhancements aimed at delivering convenient solutions and better service experience to its customers. XIB Group integrated its competitive strengths in cross-border financial services and systems infrastructure to conduct business through "cross-border financial blockchain service platform", being the first transaction successfully completed by China city commercial bank. XIB Group continued to increase effects in developing green finance and inclusive finance and to strengthen its assets management business. XIB was ranked 158th in total assets and 193th in Tier-one Capital in the 2019 Top 1000 World Banks announced by The Banker in July 2019. XIB was also ranked 80th in 2019 Asian Bank Competitiveness Ranking and was ranked 4th among the China city commercial banks.

主席報告書 CHAIRMAN'S STATEMENT

廈銀作為中國內地極少數在港澳均擁有附屬機構的銀行，未來將以跨境金融服務為紐帶，尋求高品質和可持續發展，密切保持中國內地與港澳的經濟金融聯繫，並繼續深化普惠和綠色金融為實體經濟服務，以及一如既往地踐行企業社會責任。我們預計銀行業務將繼續保持穩健的財務業績，長遠而言能夠實現可持續的價值增長。

於回顧年內，我們繼續專注改善保險業務的營運，並取得良好的表現。香港及澳門保險業務均保持保費增長勢頭，總毛保費收入於2019年大幅上升48.3%至港幣8,982萬元。我們於2019年實現扣除承保業務的管理費用後的承保溢利港幣1,041萬元，比2018年的港幣498萬元上升109%，主要由於滿期保費淨額增加以及撥回以往年度計提的勞工保險業務預期最終索償成本所致。

我們於回顧年內再注入額外資本金港幣6,000萬元以支持保險業務的長遠發展。我們的保險業務管理團隊將繼續分配資源，在競爭日益激烈的市場環境中識別新機會，以及努力實施預期的業務計劃，以促進可持續的業務發展及實現更好的財務業績。

XIB, being one of the very few banks in Mainland China that owns subsidiaries both in Hong Kong and Macau, takes advantage of cross-border financial services hub so as to seek high-quality and sustainable development, maintains the economic and financial links closely between Mainland China, Hong Kong and Macau, and continues to deepen inclusive and green finance services in order to serve the real economy, and as always, fulfills the corporate social responsibility. We expect the banking business will continue to maintain a solid financial performance and achieve sustainable growth and long-term value.

We continued to focus on improving the operation of our insurance business and achieved a good performance during the year under review. The premiums growth momentum continues for both Hong Kong and Macau insurance business. The total gross insurance premiums increased significantly by 48.3% to HK\$89.82 million in 2019. We have achieved an underwriting profit after charging management expenses for underwriting business of HK\$10.41 million in 2019, an increase of 109% as compared to HK\$4.98 million in 2018 which was mainly due to the increase in net earned insurance premiums and the write back of the expected costs of claims of employees' compensation insurance business made in previous years.

We have injected an additional capital of HK\$60 million during the year under review to support the long-term development of our insurance business. The management team of our insurance business will further allocate resources to identify new opportunities in an increasingly competitive market environment and endeavour to implement the anticipated business plan in order to enhance sustainable business development and achieve a better financial performance.

展望

展望 2020 年，國際金融市場動盪及公共衛生問題的綜合效應將繼續對本地及全球經濟增長造成壓力。本集團擁有健康的財務狀況及充裕的財務實力，有信心把握機遇並應對挑戰，繼續堅持審慎的財務管理策略，採取行動優化營運效率及提升競爭優勢，並繼續專注發展核心業務，並於大中華地區強化我們的金融服務投資。本集團將繼續開拓新的市場機會，力求收入來源更多元化，實現真實和長期的價值創造，確保達成持份者的長遠期望。

本人希望借此機會衷心感謝董事會各成員給予的寶貴意見和支持，並感謝管理層團隊和全體僱員的全力投入和至誠服務。本人亦代表董事會對業務合作夥伴和股東對我們的長期信任及支持表示誠摯的謝意。

主席
嚴正

香港，2020 年 3 月 26 日

PROSPECTS

Looking ahead to 2020, the combined effects of turbulence in international financial markets and public health issues will continue to assert pressure on the local and global economic growth. Our Group possessing healthy financial position and sufficient financial capability, is confident to seize opportunities and respond to challenges, continue to adhere to prudent financial management strategies, take actions to optimise operational efficiency and enhance competitive strengths, remain focused on developing our core businesses, and last but not least, strengthen our financial services investments in the Greater China region. Our Group will continue in exploration of new market opportunities, striving for diversification of income sources, creation and realisation of the real and long-term value to assure the uphold of the stakeholders' long-term expectations.

I wish to take this opportunity to express my heartfelt appreciation to my fellow board members for their invaluable advice and support and thank the management team and all our staff for their commitment and dedicated services. Also, on behalf of the Board, I wish to offer sincere thanks to our business partners and shareholders for their long-standing loyalty and continued support.

YAN Zheng
Chairman

Hong Kong, 26 March 2020

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧

中美貿易緊張局勢的持續不確定性及市場的不穩定，使2019年成為全球經濟充滿挑戰的一年。經濟增長下滑的跡象，伴隨著投資支出和個人消費減弱，負面影響逐漸浮現。

經營業績

本集團於2019年取得穩定的業績，股東應佔溢利港幣57,149萬元，比2018年的港幣57,809萬元下跌港幣660萬元或1.1%。年內每股基本盈利港幣95.69仙，比2018年的港幣96.79仙減少港幣1.1仙或1.1%。

金融服務

本集團的金融服務業務包括透過持有的主要聯營公司廈銀集團分別於中國內地、香港及澳門經營銀行業務，及於中國內地經營小額貸款業務。

本集團的金融服務業務於2019年錄得稅後利潤港幣56,087萬元，比2018年的港幣58,500萬元下跌4.1%。

銀行業務

廈銀集團透過完善的分行網絡和科技設施在中國內地、香港及澳門提供全面金融服務。

廈銀集團實現稅後利潤人民幣52億元，比2018年的人人民幣53.6億元，下跌人民幣16,788萬元或3.1%。源於貸款組合的增長，2019年的淨利息收入比2018年上升16.4%，然而仍繼續受到息差收窄所影響。由於投資收益增加及外匯兌換虧損減少，2019年的非利息收入大幅增長。

BUSINESS REVIEW

The ongoing uncertainties of Sino-US trade tensions and market instability made 2019 a challenging year for the global economy. The adverse impact was revealed gradually with signs of decline in economic growth accompanied by weakened investment spending and domestic consumption.

Operating Results

The Group achieved a stable results in 2019 and the profit attributable to shareholders was HK\$571.49 million, representing a decrease of HK\$6.6 million or 1.1%, as compared to HK\$578.09 million in 2018. Basic earnings per share for the year was 95.69 HK cents, a decrease of 1.1 HK cents or 1.1%, as compared to 96.79 HK cents in 2018.

Financial Services

The financial services business of the Group includes the engagement of banking business through its major associates, XIB Group in Mainland China, Hong Kong and Macau respectively, and the provision of micro credit business in Mainland China.

The Group's financial services business reported a profit after tax of HK\$560.87 million in 2019, a decrease of 4.1% as compared to HK\$585 million in 2018.

Banking Business

XIB Group offers comprehensive financial services in Mainland China, Hong Kong and Macau through its well-established branch network and technological infrastructures.

XIB Group reported a profit after tax of RMB5.2 billion, a decrease of RMB167.88 million or 3.1%, as compared to RMB5.36 billion in 2018. Net interest income grew by 16.4% in 2019 as compared with 2018, which was achieved by the growth in loan portfolios, however, it continued to be affected by the narrowed interest margin. Non-interest income increased significantly in 2019 due to the increase in investment income and decrease in foreign exchange loss.

業務回顧 (續)**金融服務 (續)****銀行業務 (續)**

廈銀集團的總資產於2019年再創新高達逾人民幣9,000億元，貸款業務及客戶存款同時錄得雙位數的增長。於2019年12月31日，總資產比2018年年底的人民幣8,064.2億元，上升13.9%至人民幣9,183.4億元。客戶貸款由2018年年底的人民幣3,598.6億元上升29.7%至人民幣4,666.3億元。在貸款組合大幅增長的同時，廈銀繼續保持良好的資產質量，不良貸款率低於1%。客戶存款由2018年年底的人民幣5,371.6億元，上升18.2%至人民幣6,346.8億元。

儘管困難的經營環境預計在2020年仍然持續，廈銀將繼續發展綠色金融和普惠金融，為實體經濟提供服務。廈銀將繼續增強跨境金融服務和金融科技服務平台的競爭實力，為客戶提供最佳的服務和體驗。憑藉集友及澳銀在大中華地區相對繁榮的城市建立的新分行網絡，再加上廈銀現有的分支機構網絡，廈銀集團將努力加強跨境銀行服務以提升新盈利增長點。

小額貸款業務

本公司一家全資附屬公司三明市三元區閩信小額貸款有限公司(「三元小貸」)，專門為福建省三明市的中小企業及個人提供小額貸款服務。三元小貸將繼續積極主動管理及採取所有措施收回不良貸款。

於2019年12月31日，不良貸款餘額為人民幣23,397萬元(等值港幣26,170萬元)，較2018年年底的人民幣24,412萬元(等值港幣27,805萬元)減少4.2%。於2019年12月31日，減值準備對貸款及應收利息總額比率為92.3%，比2018年年底的92.1%上升0.2個百分點。三元小貸於年內向客戶收取利息收入人民幣124萬元(等值港幣140萬元)，2018年則為人民幣4萬元(等值港幣4萬元)。三元小貸於2019年錄得稅後溢利人民幣1,050萬元(等值港幣1,192萬元)，2018年則錄得稅後虧損人民幣327萬元(等值港幣401萬元)，主要因為2018年度撤銷確認遞延所得稅資產。

BUSINESS REVIEW (Continued)**Financial Services (Continued)****Banking Business (Continued)**

XIB Group achieved a record high in its total assets in 2019 of over RMB900 billion with double-digit annual growth in both loan books and customers' deposit. At 31 December 2019, the total assets grew by 13.9% to RMB918.34 billion as compared to RMB806.42 billion at the end of 2018. Gross loans to customers were RMB466.63 billion, an increase of 29.7% as compared to RMB359.86 billion at the end of 2018. XIB substantially grew its loans portfolio while continuing to uphold good asset quality with non-performing loan ratio less than 1%. Total deposits from customers were up 18.2% to RMB634.68 billion from RMB537.16 billion at the end of 2018.

XIB will continue to develop green finance and inclusive finance in order to serve the real economy despite the fact that the difficult operating conditions are expected to be continued in 2020. XIB will continue to enhance its competitive strengths in cross-border financial services and technological financial services infrastructure in order to deliver the best services and experiences to its customers. With the new branch network set up by CYB and LIB in the more prosperous cities in the Greater China region coupled with the existing branch network of XIB, XIB Group will endeavour to strengthen its cross-border banking services to boost new profit growth point.

Micro Credit Business

Sanming Sanyuan District Minxin Micro Credit Company Limited ("Sanyuan Micro Credit"), a wholly-owned subsidiary of the Company, had been engaged in the provision of micro loans to small and medium-sized enterprises and individuals in Sanming City, Fujian Province. Sanyuan Micro Credit will continue to proactively manage and use all measures to recover its non-performing loans.

At 31 December 2019, non-performing loan balances were RMB233.97 million (equivalent to HK\$261.7 million), a decrease of 4.2% from RMB244.12 million (equivalent to HK\$278.05 million) at the end of 2018. The allowances to total loans and interest receivable ratio was 92.3% at 31 December 2019, an increase of 0.2 percentage points as compared to 92.1% at the end of 2018. Sanyuan Micro Credit received RMB1.24 million (equivalent to HK\$1.4 million) interest income from customers during the year, as compared to RMB0.04 million (equivalent to HK\$0.04 million) in 2018. Sanyuan Micro Credit recorded a profit after tax of RMB10.5 million (equivalent to HK\$11.92 million) in 2019, as compared to a loss after tax of RMB3.27 million (equivalent to HK\$4.01 million) in 2018, mainly due to the derecognition of deferred tax assets in 2018.

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業務回顧 (續)

保險業務

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

閩信保險於2019年錄得毛保費收入港幣8,982萬元，比2018年的港幣6,057萬元增加48.3%。澳門保險業務於年內表現再次超越香港保險業務。憑藉高品質的銀保業務，澳門保險業務的毛保費收入錄得38.1%的增長至港幣7,359萬元；香港保險業務毛保費收入上升122.3%至港幣1,623萬元。

於扣除承保業務的管理費用前，承保溢利比2018年的港幣1,339萬元增加65.3%至港幣2,214萬元，主要為滿期保費淨額增加及撥回以往年度計提的勞工保險業務預期最終索償成本所致。於扣除承保業務的管理支出後，閩信保險於2019年錄得承保溢利港幣1,041萬元，比2018年的承保溢利港幣498萬元增加109%。

閩信保險於2019年錄得稅後溢利港幣345萬元，比2018年的稅後溢利港幣830萬元下降58.4%，主要因投資物業重估收益減少港幣1,173萬元。

BUSINESS REVIEW (Continued)

Insurance Business

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

Min Xin Insurance recorded gross insurance premium of HK\$89.82 million in 2019, increased by 48.3% as compared to HK\$60.57 million in 2018. The Macau insurance business has again outperformed the Hong Kong insurance business during the year. The gross insurance premium of Macau insurance business registered a 38.1% growth to HK\$73.59 million supported by high-quality bancassurance business, and the gross insurance premium of Hong Kong insurance business recorded an increase of 122.3% to HK\$16.23 million.

Underwriting profit before deducting management expenses for underwriting business increased by 65.3% to HK\$22.14 million as compared to HK\$13.39 million in 2018, mainly due to the increase in net earned insurance premiums and the write back of the expected ultimate costs of claims of employees' compensation business made in previous years. Min Xin Insurance recorded an underwriting profit of HK\$10.41 million in 2019, increased by 109% as compared to an underwriting profit of HK\$4.98 million in 2018, after charging management expenses for underwriting business.

Min Xin Insurance recorded a profit after tax of HK\$3.45 million in 2019, representing a decrease of 58.4% as compared to a profit after tax of HK\$8.3 million in 2018, mainly due to the decrease in gain on revaluation of investment properties of HK\$11.73 million.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

保險業務 (續)

為支持閩信保險的長遠發展，於回顧年內注入額外資本金港幣6,000萬元。閩信保險管理團隊將繼續發展新分銷渠道及新细分市场，把握未來香港和地區性的新機遇。閩信保險管理團隊將竭盡全力逐步實施預期的業務計劃。

閩信保險將持續拓寬分銷渠道及加強網絡分銷系統應對客戶需求及市場狀況，以秉承卓越的服務聲譽及優化整體客戶服務。閩信保險將繼續分配資源，在競爭日益激烈的市場中識別新機會，以獲得更好的財務業績。

於華能國際電力股份有限公司的投資 (「華能A股」)

2019年12月31日的上證綜合指數比2018年年底上升約22.3%。然而，華能國際電力股份有限公司(「華能」)的A股收市競買價由2018年12月31日的每股人民幣7.37元下跌至2019年12月31日的每股人民幣5.57元。根據華能A股收市競買價評估的華能A股之公平值為港幣42,334萬元(等值人民幣37,849萬元)。本集團於2019年錄得其公平淨值變動產生的虧損港幣14,707萬元(2018年：收益港幣6,690萬元)已於其他全面收益內確認，並在股東權益的公平值儲備金(不可循環)內分開累計。

本集團旨在長期持有華能A股。華能A股為本集團持續貢獻滿意的股息收益率。於2019年，華能派發2018年度末期股息每股人民幣0.1元。本集團於2019年錄得股息收入人民幣680萬元(等值港幣771萬元)，與2018年收取的2017年度末期股息每股人民幣0.1元錄得股息收入人民幣680萬元(等值港幣842萬元)維持相同水平。

BUSINESS REVIEW (Continued)

Insurance Business (Continued)

In order to support the long-term development of Min Xin Insurance, an additional capital of HK\$60 million was injected during the year under review. The management team of Min Xin Insurance will continue to develop new distribution channels and new market segments and grasp new future opportunities in Hong Kong and regionally. The management team of Min Xin Insurance will make great efforts to gradually implement the anticipated business plan.

Min Xin Insurance will continue to broaden its distribution channels and strengthen its online distribution system to meet the clients' needs and market conditions in order to uphold service reputation and optimise the overall customer services. Min Xin Insurance will further allocate resources to identify new opportunities in an increasingly competitive market to achieve a better financial performance.

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

At 31 December 2019, the Shanghai Composite Index increased by about 22.3% as compared to that at the end of 2018. However, the closing bid price per A-Share of Huaneng Power International, Inc. (“Huaneng”) as quoted on the Shanghai Stock Exchange decreased from RMB7.37 per share at 31 December 2018 to RMB5.57 per share at 31 December 2019. The fair value of the Huaneng A-Shares measured with reference to the closing bid price per A-Share of Huaneng stood at HK\$423.34 million (equivalent to RMB378.49 million). In 2019, the Group recorded a loss of HK\$147.07 million (2018: gain of HK\$66.9 million) arising from the net movement in its fair value change in other comprehensive income and accumulated separately in equity in the fair value reserve (non-recycling).

The Group aimed to hold Huaneng A-Shares in the long term. Huaneng A-Shares continues to contribute a satisfactory dividend yield to the Group. In 2019, Huaneng paid a final dividend for 2018 of RMB0.1 per share. The Group recorded dividend income totalling RMB6.8 million (equivalent to HK\$7.71 million) in 2019, maintained at the same level as compared to the final dividend for 2017 of RMB0.1 per share totalling RMB6.8 million (equivalent to HK\$8.42 million) recorded by the Group in 2018.

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業務回顧 (續)

於華能國際電力股份有限公司的投資 (「華能A股」)(續)

華能公布2019年全年中國內地各運行電廠按合併報表口徑累計完成發電量4,050億千瓦時，比2018年全年下跌5.9%。華能完成售電量3,881.8億千瓦時，比2018年全年下跌4.4%，主要原因是2019年全社會用電量增速較2018年明顯回落及電力需求下滑。新加坡大士能源有限公司2019年全年累計發電量市場佔有率為20.7%，比2018年全年的21.1%下降0.4個百分點，原因是其新加坡能源市場競爭策略的優化調整。

物業投資

本集團的物業投資業務為於中國內地出租若干投資物業。物業投資業務於2019年錄得稅後溢利港幣327萬元，2018年則錄得稅後虧損港幣11萬元，主要因物業重估虧損下降。

福建省福州市寫字樓的市場租金於2019年仍然疲弱。雖然本集團位於福州市的商業物業及車位(「福州物業」)的租用率有所改善，但新簽租約的月租金反映市場情況已出現下跌。由於福州物業的一名租戶並未如期支付租金，本集團決定在租賃到期日之前取消該租賃，並於年內將該單元改為自用。由於可出租總面積減少，本集團於2019年錄得租金收入人民幣359萬元，比2018年的人民幣392萬元減少8.4%。於2019年12月31日，福州物業的公平值為港幣5,541萬元(不包括業主自用部分)，比2018年年底的港幣6,483萬元下跌14.5%。本集團於2019年錄得公平值虧損港幣338萬元及扣除遞延稅後公平值虧損港幣139萬元，比較2018年的公平值虧損港幣819萬元及扣除遞延稅後公平值虧損港幣307萬元，分別下跌58.7%及54.7%。

BUSINESS REVIEW (Continued)

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

Huaneng announced that its total power generation by power plants within Mainland China on consolidated basis amounted to 405 billion kWh in 2019, representing a decrease of 5.9% as compared to that of 2018. Its total electricity sold amounted to 388.18 billion kWh in 2019, representing a decrease of 4.4% as compared to that of 2018, which was mainly attributable to the significant decline in the growth rate of the electricity consumption nation-wide in 2019 as compared to that of 2018 and the decline in the demand for power. The accumulated power generation of Tuas Power Limited accounted for a market share of 20.7% in 2019, representing a decrease of 0.4 percentage points as compared to 21.1% in 2018, which was due to the optimal adjustment of its competition strategy in Singapore energy market.

Property Investment

The property investment business of the Group represents the leasing of certain investment properties in Mainland China. In 2019, the property investment business reported a profit after tax of HK\$3.27 million as compared to a loss after tax of HK\$0.11 million in 2018, mainly due to a decrease in the revaluation loss of investment properties.

The market rental of office space in Fuzhou, Fujian Province was soft in 2019. Although the occupancy rate of the commercial properties and parking spaces (the “Fuzhou Property”) of the Group in Fuzhou improved, the monthly rental of new lettings declined reflecting the market conditions. As one of the tenants of the Fuzhou Property had not paid the rent as scheduled, the Group decided to cancel the lease prior to the expiration date and changed the unit to its own use during the year. Due to the decrease in total lettable area, the Group recorded a rental income of RMB3.59 million in 2019, a decrease of 8.4% as compared to RMB3.92 million in 2018. At 31 December 2019, the fair value of the Fuzhou Property was HK\$55.41 million (excluded owner-occupied portion), a decrease of 14.5% as compared to the fair value of HK\$64.83 million at the end of 2018. The Group recorded a fair value loss of HK\$3.38 million and a fair value loss after deferred tax of HK\$1.39 million in 2019, decreased by 58.7% and 54.7% respectively as compared to a fair value loss of HK\$8.19 million and a fair value loss after deferred tax of HK\$3.07 million in 2018.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

汽車貿易

本公司一家全資附屬公司福建閩信投資有限公司曾從事(除其他業務外)汽車貿易業務。我們已於2019年3月停止此業務。

2019年的汽車銷售收益人民幣944萬元(等值港幣1,105萬元),2018年為人民幣77,284萬元(等值港幣93,062萬元)。2019年的汽車銷售成本人民幣937萬元(等值港幣1,096萬元),2018年為人民幣76,255萬元(等值港幣91,822萬元)。2019年的毛利為人民幣4萬元(等值港幣5萬元),2018年為人民幣849萬元(等值港幣1,023萬元)。2019年的汽車貿易業務產生的稅後虧損為人民幣16萬元(等值港幣19萬元),2018年為稅後溢利人民幣483萬元(等值港幣582萬元)。

財務回顧

本集團一直堅持並貫徹審慎的財務管理策略,以保持健康的財務狀況水平。

每股資產淨值

按2019年12月31日的已發行股本597,257,252股(2018年:597,257,252股)計算,於2019年12月31日,每股資產淨值港幣11.79元(2018年:港幣11.27元)。

總負債佔權益比率及流動比率

於2019年12月31日,本集團總負債為港幣65,989萬元(2018年:港幣56,507萬元),總負債為本公司股東應佔權益的9.4%(2018年:8.4%)。於2019年12月31日,本集團流動資產及流動負債分別為港幣103,774萬元(2018年:港幣131,264萬元)及港幣25,423萬元(2018年:港幣32,352萬元),流動比率為4.1倍(2018年:4.1倍)。

BUSINESS REVIEW (Continued)

Trading in Motor Vehicles

Fujian Minxin Investments Co., Ltd., a wholly-owned subsidiary of the Company, had been engaged in the trading in motor vehicles business, among other businesses. We had ceased the business in March 2019.

The revenue from the sale of motor vehicles was RMB9.44 million (equivalent to HK\$11.05 million) in 2019, as compared to RMB772.84 million (equivalent to HK\$930.62 million) in 2018. The cost of motor vehicles sold was RMB9.37 million (equivalent to HK\$10.96 million) in 2019, as compared to RMB762.55 million (equivalent to HK\$918.22 million) in 2018. Gross profit amounted to RMB0.04 million (equivalent to HK\$0.05 million) in 2019, as compared to RMB8.49 million (equivalent to HK\$10.23 million) in 2018. The loss after tax generated from trading in motor vehicles business was RMB0.16 million (equivalent to HK\$0.19 million) in 2019, as compared to profit after tax of RMB4.83 million (equivalent to HK\$5.82 million) in 2018.

FINANCIAL REVIEW

The Group adheres to the principle of prudent financial management and strives to maintain a healthy financial position.

Net Asset Value per Share

Based on 597,257,252 shares in issue at 31 December 2019 (2018: 597,257,252 shares), the net asset value per share was HK\$11.79 at 31 December 2019 (2018: HK\$11.27).

Total Liabilities to Equity Ratio and Current Ratio

At 31 December 2019, the total liabilities of the Group were HK\$659.89 million (2018: HK\$565.07 million) and the ratio of total liabilities to total equity attributable to shareholders of the Company was 9.4% (2018: 8.4%). At 31 December 2019, the current assets and current liabilities of the Group were HK\$1,037.74 million (2018: HK\$1,312.64 million) and HK\$254.23 million (2018: HK\$323.52 million) respectively with a current ratio of 4.1 (2018: 4.1).

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧 (續)

借款及資產抵押

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

於2019年12月31日，本集團的借款港幣46,000萬元，包括本地銀行借款港幣26,000萬元及控股股東貸款港幣20,000萬元，比2018年年底的港幣40,000萬元增加15%。根據貸款文件所載的定期還款日期，港幣11,000萬元的餘額將於一年內到期及償還，另一筆港幣25,000萬元的餘額將於多於一年但於兩年內到期及償還，而港幣10,000萬元的餘額將於多於兩年但於三年內到期及償還。本集團將於需要時考慮為該等借款安排重新融資。該等貸款均為港幣及以浮動利率計息。於2019年12月31日，實際年利率介乎3.5厘至4.5厘（2018年：3.1厘至5.2厘）。

此外，本集團於2019年12月31日尚有未提取的銀行循環貸款額度港幣22,000萬元。

於2019年12月31日，港幣6,000萬元的銀行循環貸款以賬面淨值港幣941萬元的自用辦事處物業作抵押，及港幣20,000萬元的銀行定期貸款以借款銀行為收益人的備用信用證作抵押。該備用信用證以本公司於中國內地的一家全資附屬公司的一筆人民幣20,000萬元（等值港幣22,370萬元）（2018年：人民幣20,000萬元，等值港幣22,780萬元）的三年期銀行存款作為抵押品。

除上述所披露之外，本集團的其他資產於2019年及2018年12月31日均無抵押。

負債比率

於2019年12月31日，本集團的資本負債比率（總借款除以資產淨值）為6.5%（2018年：5.9%）。

FINANCIAL REVIEW (Continued)

Borrowings and Charged Assets

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

At 31 December 2019, the Group had borrowings of HK\$460 million, comprised HK\$260 million granted by local banks and HK\$200 million granted by the controlling shareholder, increased by 15% as compared to HK\$400 million at the end of 2018. Based on the scheduled repayment dates set out in the loan facilities, an outstanding amount of HK\$110 million will mature and is repayable within one year, and another outstanding amount of HK\$250 million will mature and is repayable more than one year but within two years whilst the balance of HK\$100 million will mature and is repayable more than two years but within three years. The Group will consider to arrange refinancing of the borrowings if necessary. These loans are in Hong Kong dollars and subject to floating interest rates. The effective interest rate at 31 December 2019 ranged from 3.5% to 4.5% (2018: 3.1% to 5.2%) per annum.

In addition, the Group had undrawn revolving bank loans of HK\$220 million at 31 December 2019.

At 31 December 2019, the revolving bank loan of HK\$60 million was secured by the self-use office building with a net book value of HK\$9.41 million and the term bank loan of HK\$200 million was secured by a standby letter of credit issued in favour of the lending bank. The standby letter of credit was collateralised by a three-year bank deposit of RMB200 million (equivalent to HK\$223.7 million) (2018: RMB200 million, equivalent to HK\$227.8 million) placed by a wholly-owned subsidiary of the Company in Mainland China.

Save for the above, no other assets of the Group were pledged at 31 December 2019 and 2018 respectively.

Gearing Ratio

At 31 December 2019, the gearing ratio of the Group (total borrowings divided by total net assets) was 6.5% (2018: 5.9%).

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧 (續)

現金狀況

本集團之銀行存款附有當時市場利率之利息。於2019年12月31日，本集團之銀行存款總額為港幣135,264萬元(2018年：港幣140,537萬元)，其中港幣存款佔7.2%，人民幣存款佔87.6%及其他貨幣存款佔5.2%(2018年：港幣存款佔12.7%，人民幣存款佔86.1%及其他貨幣存款佔1.2%)。

根據保險業監管局之規定，受其監管的一家全資附屬公司需經常將為數不少於港幣1,600萬元之資金以保險業監管局賬戶名義撥為銀行存款。於2019年12月31日，該附屬公司於香港一家銀行以保險業監管局賬戶名義存放港幣1,600萬元(2018年：港幣1,600萬元)之定期存款以符合有關規定。該附屬公司亦維持澳門幣1,532萬元(等值港幣1,487萬元)(2018年：澳門幣1,510萬元，等值港幣1,466萬元)及港幣2,621萬元(2018年：港幣1,710萬元)之銀行存款以符合澳門《保險活動管制法例》(法令第27/97/M號六月三十日)(「澳門《保險活動管制法例》」)之若干規定。

匯率波動風險

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

FINANCIAL REVIEW (Continued)

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. At 31 December 2019, the total bank deposits of the Group amounted to HK\$1,352.64 million (2018: HK\$1,405.37 million) of which 7.2% were in Hong Kong Dollars, 87.6% in Renminbi and 5.2% in other currencies (2018: 12.7% in Hong Kong Dollars, 86.1% in Renminbi and 1.2% in other currencies).

Pursuant to the requirements from the Insurance Authority, a wholly-owned subsidiary shall maintain at all times a portion of its funds of not less than HK\$16 million in the name of Insurance Authority account in bank deposits. At 31 December 2019, that subsidiary has placed fixed deposits of HK\$16 million (2018: HK\$16 million) in the name of Insurance Authority account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP15.32 million (equivalent to HK\$14.87 million) (2018: MOP15.1 million, equivalent to HK\$14.66 million) and HK\$26.21 million (2018: HK\$17.1 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance (Decree-Law no.27/97/M of 30 June) (the "Macau Insurance Companies Ordinance").

Risk of Exchange Rate Fluctuation

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

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧 (續)

資本承擔

於2019年12月31日，本集團有關物業、機器及設備及投資物業的資本承擔總額港幣19萬元(2018年：港幣20萬元)。

或然負債

於2019年及2018年12月31日，本集團並無重大或然負債。

僱員及薪酬政策

於2019年12月31日，本集團共有82名僱員。僱員的薪酬以個別僱員的表現及資歷釐定。本集團亦為僱員提供其他福利，包括但不限於退休福利及醫療福利。

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

客戶關係

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

FINANCIAL REVIEW (Continued)

Capital Commitments

At 31 December 2019, the Group's capital commitments relating to property, plant and equipment and investment properties amounted to HK\$0.19 million (2018: HK\$0.2 million).

Contingent Liabilities

At 31 December 2019 and 2018, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2019, the Group had 82 employees. The remuneration of employees is based on individual merits and experience. The Group also provides other benefits to employees included but not limited to retirement benefits and medical scheme.

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

CUSTOMER RELATIONSHIPS

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

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

環境政策

作為一家具社會責任的企業，本集團繼續支持環保措施，保護天然資源。我們高度重視業務活動對環境造成的影響，並藉安裝節能照明及使用公共交通工具以減少能源消耗。此外，本集團亦主動鼓勵僱員在辦公室節約用電、食水及紙張，如電子存檔和廢紙重用。

遵守法例及法規

合規乃本集團企業管治的重要部份。我們確切理解因違反監管要求而可能引致的合規風險。就董事會所知，本集團已在重大方面遵守與其業務及營運有重大影響的相關法律和法規。

主要風險及不明朗因素

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

保險及財務風險

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

ENVIRONMENTAL POLICY

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

KEY RISKS AND UNCERTAINTIES

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

Insurance and Financial Risks

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

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

主要風險及不明朗因素 (續)

業務風險

銀行業務

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

保險業務

香港及澳門的保險市場受嚴格規管。在香港及澳門經營保險業務的公司須分別從保險業監管局及澳門金融管理局獲得授權，並須符合保險業監管局及澳門金融管理局不時訂立的規定。有關授權只會給予符合《保險業條例》(香港法例第41章)(「《保險業條例》」)及澳門《保險活動管制法例》所載若干規定的保險公司。遵守適用法律、規則及法規可能令本集團的保險業務受限制，並需要本集團動用大量資源及時間以進行有關合規行動。新訂或經修訂的法律、規則及法規可能不時推行，而有關變動可能對本集團在香港及澳門的保險業務造成重大不利影響。

KEY RISKS AND UNCERTAINTIES (Continued)

Business Risks

Banking Business

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

Insurance Business

The insurance industries in Hong Kong and Macau are highly regulated. Companies carrying on insurance business in Hong Kong and Macau must obtain authorisation from Insurance Authority and Autoridade Monetária De Macau respectively and are subject to the requirements imposed by Insurance Authority and Autoridade Monetária De Macau from time to time. Authorisation will only be granted to insurers when certain requirements under the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong) (the "Insurance Ordinance") and the Macau Insurance Companies Ordinance are met. Compliance with applicable laws, rules and regulations may restrict the operations of the Group's insurance business and requires the Group to deploy significant resources and to devote considerable time to such compliance efforts. New or revised laws, rules and regulations may be introduced from time to time and such changes may have an adverse effect on the insurance business of the Group in Hong Kong and Macau.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

主要風險及不明朗因素 (續)

業務風險 (續)

華能 A 股

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

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

物業投資

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

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

KEY RISKS AND UNCERTAINTIES (Continued)

Business Risks (Continued)

Huaneng A-Shares

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

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

Property Investment

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

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

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

嚴正先生，58歲，自2018年4月起獲委任為本公司執行董事、董事會主席、常務董事委員會及提名委員會的主席，以及本公司授權代表。他持有廈門大學經濟系財政金融專業本科學歷及持有中央黨校經濟學（經濟管理）研究生學歷。他具有中國大陸高級經濟師職稱及自2006年起被委任為福建省高級經濟師評委會委員。他自2018年起被委任為第十三屆全國人民代表大會代表。他具有豐富的金融機構管理、企業管理及資本運作經驗。他現任福建省投資開發集團有限責任公司黨委書記、董事長及法定代表人，該公司為本公司之控股股東。他同時擔任廈門國際銀行股份有限公司黨委書記。

他自1987年至1991年擔任中國農業銀行福建省分行教育處副處長、自1991年至1995年擔任中國農業銀行福建省分行農商信貸處副處長及自1995年至1996年先後擔任中國農業銀行福建省分行國際業務部副總經理及總經理。他自1996年至2000年擔任中國農業銀行廈門市分行副行長及自1998年至2000年擔任黨委副書記。他自2000年至2005年擔任中國長城資產管理公司（為中國長城資產管理股份有限公司的前身）福州分公司副總經理、黨委委員及紀委書記。他自2005年至2009年擔任福建省農村信用社聯合社副主任及黨委委員，及自2009年至2016年擔任主任、副理事長及黨委副書記。

EXECUTIVE DIRECTORS

Mr YAN Zheng, aged 58, has been appointed as an Executive Director, the Chairman of the Board, the Chairman of both the Executive Committee and the Nomination Committee, and an Authorised Representative of the Company since April 2018. He holds a Bachelor degree in Economics from the Department of Economics of Xiamen University and a Postgraduate degree in Economics (Economics Management) from the Party School of the Central Committee of C.P.C.. He is a Senior Economist in Mainland China and has been appointed as a member of Fujian Provincial Senior Economist Evaluation Committee since 2006. He has also been elected as deputy to the 13th National People's Congress since 2018. He has extensive experience in financial institutions management, corporate management and capital operations. He is currently the secretary of the Party Committee, the chairman of the board of directors and the legal representative of Fujian Investment & Development Group Co., Ltd. which is a controlling shareholder of the Company. He is also the secretary of the Party Committee of Xiamen International Bank Co., Ltd..

He was the deputy director of the Department of Education from 1987 to 1991, the deputy director of the Rural Commercial Credit Department from 1991 to 1995, and successively served as the deputy general manager and the general manager of the International Business Department from 1995 to 1996 at Fujian Branch of Agricultural Bank of China. He was the deputy general manager from 1996 to 2000 and the deputy secretary of the Party Committee from 1998 to 2000 at Xiamen Branch of Agricultural Bank of China. He served as the deputy general manager, a member of the Party Committee and the secretary of the Commission for Discipline Inspection from 2000 to 2005 at Fujian Branch of China Great Wall Asset Management Corporation*, the predecessor of China Great Wall Asset Management Co., Ltd.). He was the deputy director-general and a member of the Party Committee from 2005 to 2009, and the director-general, the vice chairman and the deputy secretary of the Party Committee from 2009 to 2016 of Fujian Rural Credit Union.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

王非先生，53歲，自2014年8月起獲委任為本公司執行董事、董事會副主席及常務董事委員會成員。他持有工商管理碩士及經濟學博士學位，具有中國大陸高級經濟師職稱。他在企業發展及管理、金融投資管理及管理創投公司等方面具有豐富經驗。他現任福建省投資開發集團有限責任公司副總經理，該公司為本公司之控股股東。他是興業證券股份有限公司（證券代碼：601377）之董事，該公司為上海證券交易所上市公司。他亦為廈門國際銀行股份有限公司之董事、海峽滙富產業投資基金管理有限公司之董事及副董事長、福建省創新創業投資管理有限公司之董事長、永誠財產保險股份有限公司之董事，以及福建省產業股權投資基金有限公司之董事長。

他曾擔任福建投資企業公司投資管理部副總經理、福建國際信託投資公司發展研究部副總經理、福建投資企業集團公司發展部及金融投資管理部總經理，以及福建省投資開發集團有限責任公司總經理助理。他曾是海峽金橋財產保險股份有限公司之董事長以及貴信有限公司之董事兼董事長，該公司為本公司之控股股東。

EXECUTIVE DIRECTORS

Mr WANG Fei, aged 53, has been appointed as an Executive Director, the Vice Chairman of the Board and a member of the Executive Committee of the Company since August 2014. He holds a Master's degree in Business Administration and a Doctorate degree in Economics. He is a Senior Economist in Mainland China. He has extensive experience in corporate development and management, financial investment management as well as venture capital management. He is currently the deputy general manager of Fujian Investment & Development Group Co., Ltd. which is a controlling shareholder of the Company. He is a director of Industrial Securities Co., Ltd. (Stock code: 601377), a company listed on the Shanghai Stock Exchange. He is also a director of Xiamen International Bank Co., Ltd., a director and the vice chairman of Haixia Capital Management Co., Ltd., the chairman of Fujian Innovation Venture Investment Management Co., Ltd., a director of Alltrust Insurance Company Limited and the chairman of 福建省產業股權投資基金有限公司 (Fujian Industrial Equity Investment Fund Company Limited*).

He had previously assumed the positions of the deputy general manager of Investment Management Department of Fujian Investment and Enterprise Corporation, the deputy general manager of Development and Research Department of Fujian International Trust and Investment Corporation, the general manager of Development Department and Financial Investment Management Department of Fujian Investment & Enterprise Holdings Corporation and the assistant to general manager of Fujian Investment & Development Group Co., Ltd.. He was the chairman of Haixia Goldenbridge Insurance Co., Ltd. and was also a director and the chairman of Vigour Fine Company Limited which is a controlling shareholder of the Company.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

陳宇先生，56歲，自2018年9月起獲委任為本公司執行董事、總經理以及常務董事委員會及薪酬委員會的成員。他於2018年8月加入本公司獲委任為常務副總經理。他同時為閩信保險有限公司及福建閩信投資有限公司之董事長，以及本公司若干附屬公司之董事。他持有福州大學土木建築工程系水利水電工程專業本科學歷。他具有中國大陸高級經濟師職稱。他具有豐富的金融科技、資本運作及融資再擔保經驗。他為貴信有限公司之總經理、董事兼董事長，該公司為本公司之控股股東。他同時是Samba Limited之董事，該公司為本公司之主要股東。

他於1985年7月至2000年4月期間在中國建設銀行福建省分行工作，先後擔任投資處及營業部科員、營業部信貸部副經理、業務拓展部經理以及資產保全科科長。他於2000年4月至2004年7月期間先後擔任中國光大銀行福州分行私人業務部副總經理、信貸管理部負責人以及辦公室副總經理。他於2004年7月至2007年4月期間擔任中國光大銀行福州分行鼓樓支行行長。他於2007年4月至2018年2月期間在福建省農村信用社聯合社工作，先後於2007年4月至2007年12月期間擔任科技處副處長，於2008年2月至2009年9月期間擔任科技處處長及科技服務中心總經理，於2009年9月至2011年6月期間擔任科技處處長、科技服務中心總經理及寧德辦事處主任，於2011年6月至2015年2月期間擔任科技處處長及科技服務中心總經理，於2015年2月至2018年2月期間擔任科技部(科技服務中心)總經理兼創新發展部總經理。他於2018年2月至2018年8月期間擔任福建省閩投融資再擔保有限責任公司(前稱福建省中小企業信用再擔保有限責任公司)總經理，及於2018年2月至2019年11月期間擔任董事長及法定代表人。他同時於2018年2月至2018年9月期間擔任福建省農業信貸擔保有限公司董事長及法定代表人。

EXECUTIVE DIRECTORS

Mr CHEN Yu, aged 56, has been appointed as an Executive Director, the General Manager, and a member of the Executive Committee and the Remuneration Committee of the Company since September 2018. He joined the Company as the Executive Deputy General Manager in August 2018. He is also the chairman of the board of directors of Min Xin Insurance Company Limited and Fujian Minxin Investments Co., Ltd., and a director of certain subsidiaries of the Company. He holds a Bachelor degree in Water Resources and Hydropower Engineering from Department of Civil Engineering and Architecture of Fuzhou University. He is a Senior Economist in Mainland China. He has extensive experience in financial technology, capital operations and financing re-guarantee. He is the general manager, a director and the chairman of Vigour Fine Company Limited which is a controlling shareholder of the Company. He is also a director of Samba Limited which is a substantial shareholder of the Company.

He worked in Fujian Branch of China Construction Bank from July 1985 to April 2000, and successively served as a clerk of the Investment Department and the Sales Department, the deputy manager of the Sales and Credit Department, the manager of the Business Development Department, and the section chief of the Asset Preservation Department. He successively served as the deputy general manager of the Private Business Department, the principal of the Credit Management Department and the deputy general manager of the Office Management Department of Fuzhou Branch of China Everbright Bank from April 2000 to July 2004. He was the general manager of Gulou Sub-branch, Fuzhou Branch of China Everbright Bank from July 2004 to April 2007. He worked in Fujian Rural Credit Union from April 2007 to February 2018, and successively served as the deputy director of the Technology Department from April 2007 to December 2007, the director of the Technology Department and the general manager of the Technology Service Center from February 2008 to September 2009, the director of Technology Department, the general manager of Technology Service Center and the director of Ningde Office from September 2009 to June 2011, the director of the Technology Department and the general manager of the Technology Service Center from June 2011 to February 2015, the general manager of the Technology Department (Technology Service Center) and the Innovation Development Department from February 2015 to February 2018. He was the general manager from February 2018 to August 2018 and the chairman of the board of directors and the legal representative from February 2018 to November 2019 of 福建省閩投融資再擔保有限責任公司 (Fujian Provincial Mintou Financing Re-guarantee Company Limited*, 前稱福建省中小企業信用再擔保有限責任公司). He was also the chairman of the board of directors and the legal representative of 福建省農業信貸擔保有限公司 (Fujian Provincial Agricultural Credit Guarantee Company Limited*) from February 2018 to September 2018.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

非執行董事

韓孝捷先生，45歲，自2016年3月起獲委任為本公司非執行董事。他現時是冠城大通股份有限公司（「冠城大通」，證券代碼：600067）之董事總經理，該公司於上海證券交易所上市。他於2004年12月加入冠城大通擔任董事副總經理，並於2006年4月獲委任為冠城大通之董事總經理。他現時為福建省青年商會副會長、福建省房地產協會開發委員會副會長及中國人民政治協商會福州委員會常委。

楊敬朝先生，54歲，自2018年12月起獲委任為本公司非執行董事。他持有中國人民大學財政系國際金融專業學士學位及澳大利亞拉籌伯大學工商管理碩士學位。他具有中國大陸經濟師職稱。他具有豐富的金融投資及資本運作經驗。他現時為福建省投資開發集團有限責任公司金融資本部總經理及貴信有限公司之董事，該兩家公司均為本公司之控股股東。他同時分別為華福證券有限責任公司、海峽金橋財產保險股份有限公司、福建省創新創業投資管理有限公司、福建省產業股權投資基金有限公司以及福建省國騰信息科技有限公司之董事。

NON-EXECUTIVE DIRECTORS

Mr HON Hau Chit, aged 45, has been appointed as a Non-executive Director of the Company since March 2016. He is currently the managing director of Citychamp Dartong Company Limited ("Citychamp Dartong", Stock code: 600067), a company listed on the Shanghai Stock Exchange. He joined Citychamp Dartong in December 2004 as the deputy managing director and then appointed as the managing director since April 2006. He is currently the vice chairman of Fujian Youth Chamber of Commerce, the vice chairman of Development Committee of Fujian Real Estate Association and a member of the Standing Committee of Fuzhou Municipal Committee of Chinese People's Political Consultative Conference.

Mr YANG Jingchao, aged 54, has been appointed as a Non-executive Director of the Company since December 2018. He holds a Bachelor degree in International Finance from Department of Finance of Renmin University of China and a Master of Business Administration of La Trobe University. He is an economist in Mainland China. He has extensive experience in financial investment and capital operations. He is currently the general manager of Finance Capital Department of Fujian Investment & Development Group Co., Ltd. and a director of Vigour Fine Company Limited, both of which are controlling shareholders of the Company. He is also a director of each of Huafu Securities Co., Ltd., Haixia Goldenbridge Insurance Co., Ltd., Fujian Innovation Venture Investment Management Co., Ltd., 福建省產業股權投資基金有限公司 (Fujian Industrial Equity Investment Fund Company Limited*) and 福建省國騰信息科技有限公司 (Fujian Guoteng Information Technology Company Limited*).

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

非執行董事

楊先生於1987年7月至1992年9月期間先後擔任福建投資企業公司金融部、外匯資金部及資金管理部科員，於1992年9月至1994年1月期間擔任福建投資企業公司資金管理部副主任科員，於1994年1月至1995年12月期間擔任福建投資企業公司資金部副經理。他於1995年12月至2003年4月期間擔任福建國際信託投資公司國際金融部副總經理。他分別於2003年4月至2005年9月及2006年9月至2009年5月期間擔任福建投資企業集團公司金融投資部副總經理。他於2009年5月至2015年1月期間擔任中海石油福建新能源有限公司副總經理，他同時於2012年3月至2015年1月期間擔任福建中閩物流有限公司總經理及法定代表人。他於2015年1月至2016年10月期間擔任福建省投資開發集團有限責任公司綜合投資部副總經理。他於2016年10月至2018年9月期間擔任平潭綜合實驗區金融控股集團有限公司總經理，同時於2017年8月至2018年9月期間擔任黨委書記、董事長及法定代表人。

獨立非執行董事

葉啟明先生，68歲，自1998年7月起獲委任為本公司獨立非執行董事，並為本公司薪酬委員會主席，以及審核委員會和提名委員會成員。他現時為廈門國際銀行股份有限公司的監事會主席及澳門國際銀行股份有限公司的董事會高級顧問，並為香港銀行學會以及香港董事學會的資深會員，於銀行界及財經界具逾40年豐富經驗。他亦為澳門中華總商會會董。他持有香港浸會大學公司管治與董事學理學碩士學位。

NON-EXECUTIVE DIRECTORS

Mr YANG successively served as a clerk of the Finance Department, the Foreign Exchange Department and the Fund Management Department from July 1987 to September 1992, the deputy chief officer of the Fund Management Department from September 1992 to January 1994 and the deputy manager of the Treasury Department from January 1994 to December 1995 of Fujian Investment and Enterprise Corporation. He served as the deputy general manager of the International Finance Department of Fujian International Trust and Investment Corporation from December 1995 to April 2003. He was the deputy general manager of the Financial Investment Department of Fujian Investment & Enterprise Holdings Corporation from April 2003 to September 2005 and from September 2006 to May 2009 respectively. He served as the deputy general manager of 中海石油福建新能源有限公司 (CNOOC Fujian New Energy Company Limited*) from May 2009 to January 2015. He was also the general manager and the legal representative of 福建中閩物流有限公司 (Fujian Zhongmin Logistics Company Limited*) from March 2012 to January 2015. He served as the deputy general manager of the Integrated Investment Department of Fujian Investment & Development Group Co., Ltd. from January 2015 to October 2016. He was the general manager from October 2016 to September 2018 and was also the secretary of the Party Committee, the chairman of the board of directors and the legal representative from August 2017 to September 2018 of 平潭綜合實驗區金融控股集團有限公司 (Pingtan Comprehensive Experimental Zone Financial Holding Group Company Limited*).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr IP Kai Ming, aged 68, has been appointed as an Independent Non-executive Director of the Company since July 1998. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. He is currently the chairman of the Supervisory Board of Xiamen International Bank Co., Ltd. and the senior advisor to the board of directors of Luso International Banking Limited. He is a fellow member of both The Hong Kong Institute of Bankers and The Hong Kong Institute of Directors, and has over 40 years' extensive experience in banking and finance. He is also a director of the Macao Chamber of Commerce. He has a Master of Science degree in Corporate Governance and Directorship from the Hong Kong Baptist University.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

獨立非執行董事

張文海先生，49歲，FCCA，CPA，自2017年4月起獲委任為本公司獨立非執行董事，並為本公司審核委員會主席，他亦自2018年4月起獲委任為本公司提名委員會及薪酬委員會成員。張先生於1993年畢業於香港理工大學，持有會計學（榮譽）文學士，並於2003年取得香港中文大學工商管理碩士學位。他亦為特許公認會計師公會資深會員及香港會計師公會會員。他在專業會計、業務諮詢及企業管理方面擁有超過20年經驗。他於2014年至2018年期間擔任五洲國際控股有限公司（股份代號：1369）之首席財務官及公司秘書，分別於2011年至2012年及2009年至2012年期間擔任綠地香港控股有限公司（原名盛高置地（控股）有限公司）（股份代號：337）之執行董事及首席財務官，於2007年至2008年期間擔任玖龍紙業（控股）有限公司（股份代號：2689）之集團財務總監，於2000年至2003年期間擔任天津發展控股有限公司（股份代號：882）之集團財務總監及公司秘書，所有這些公司均於聯交所主版上市。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr CHEUNG Man Hoi, aged 49, FCCA, CPA, has been appointed as an Independent Non-executive Director and the Chairman of the Audit Committee since April 2017 and has also been appointed as a member of the Nomination Committee and the Remuneration Committee of the Company since April 2018. He graduated from the Hong Kong Polytechnic University with a Bachelor of Arts (Hons) in Accountancy in 1993 and the Chinese University of Hong Kong with a MBA degree in 2003. He is also a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has accumulated over 20 years of experience in professional accounting, business consulting and corporate management. He was the chief financial officer and the company secretary of Wuzhou International Holdings Limited (Stock code:1369) from 2014 to 2018, the executive director and the chief financial officer of Greenland Hong Kong Holdings Limited (formerly known as SPG Land (Holdings) Limited) (Stock code: 337) from 2011 to 2012 and from 2009 to 2012 respectively, the group financial controller of Nine Dragons Paper (Holdings) Limited (Stock code: 2689) from 2007 to 2008, and the group financial controller and the company secretary of Tianjin Development Holdings Limited (Stock code: 882) from 2000 to 2003, all these companies are listed on the Main Board of the Stock Exchange.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

獨立非執行董事

梁創順先生，54歲，自2018年5月起獲委任為本公司獨立非執行董事以及審核委員會、提名委員會及薪酬委員會成員。他於1988年畢業於香港大學，獲得法學榮譽學士學位。他具有香港及英國律師資格並為中國司法部委任的中國委託公證人。他現時為胡關李羅律師行的合夥人及自1991年起於香港成為執業律師。他曾任胡關李羅律師行北京辦事處首席代表。他在企業融資、併購及商事法律方面具有豐富經驗，並曾參與多家中國H股及紅籌公司的上市及收購。他現時擔任石四藥集團有限公司（股份代號：2005）、中國中煤能源股份有限公司（股份代號：1898）及康哲藥業控股有限公司（股份代號：867）的獨立非執行董事。他曾分別自2011年1月至2017年11月擔任中國交通建設股份有限公司（股份代號：1800）及自2007年7月至2018年5月擔任中國中材股份有限公司（股份代號：1893）的獨立非執行董事。所有這些公司均於聯交所主板上市。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr LEUNG Chong Shun, aged 54, has been appointed as an Independent Non-executive Director and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company since May 2018. He graduated from the University of Hong Kong in 1988 and obtained a Bachelor's degree in laws with honors. He is qualified as a solicitor in Hong Kong and England and a China Appointed Attesting Officer appointed by the Ministry of Justice of the PRC. He is currently a partner of Woo Kwan Lee & Lo and has been a practicing solicitor in Hong Kong since 1991. He was the chief representative of Woo Kwan Lee & Lo Beijing Office. He has accumulated extensive experience in corporate finance, mergers and acquisitions and commercial law and has been involved in various listing and acquisition transactions of Chinese H Share companies and red chip companies. He is currently an independent non-executive director of SSY Group Limited (Stock code: 2005), China Coal Energy Company Limited (Stock code: 1898) and China Medical System Holdings Limited (Stock code: 867). He was an independent non-executive director of China Communications Construction Company Limited (Stock code: 1800) from January 2011 to November 2017 and China National Materials Company Limited (Stock code: 1893) from July 2007 to May 2018, respectively. All these companies are listed on the Main Board of the Stock Exchange.

* The relevant English name is only a transliteration of the Chinese name for reference only.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

高級管理人員

陳廣宇先生，本公司副總經理、財務總監及公司秘書。他同時為本公司薪酬委員會成員、本公司福州代表處首席代表，以及閩信保險有限公司、福建閩信投資有限公司、三明市三元區閩信小額貸款有限公司及本公司若干附屬公司之董事。他於2000年4月加入本公司，並分別於2004年7月出任副財務總監、2008年1月出任財務總監、2014年3月出任副總經理及2019年5月出任公司秘書。他持有商業學（會計）學士學位，並為會計師和特許公認會計師公會資深會員，以及澳大利亞和新西蘭保險與金融學會（ANZIIF）資深準會員。他亦為香港董事學會會員及風險管理協會技術專家。於加入本公司前，他曾於數家香港上市公司任職。

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

翁衛建女士，於2018年1月加入本公司出任總稽核之職。她同時為閩信保險有限公司、福建閩信投資有限公司及三明市三元區閩信小額貸款有限公司之監事。她畢業於閩江大學財務專科及華東政法大學法學本科，並持有中國大陸高級會計師職稱。她在風險管控、會計核算、資產管理和金融管理等方面具有逾26年豐富經驗。她同時為本公司主要股東 Samba Limited 之董事及閩港控股有限公司（股份代號：181）之非執行董事，該公司於聯交所主板上市。

SENIOR MANAGEMENT

Mr CHAN Kwong Yu, is the Deputy General Manager, Financial Controller and Company Secretary of the Company. He is also a member of the Remuneration Committee of the Company, the Chief Representative of the Fuzhou Representative Office of the Company, and a director of Min Xin Insurance Company Limited, Fujian Minxin Investments Co., Ltd., Sanming Sanyuan District Minxin Micro Credit Company Limited and certain subsidiaries of the Company. He joined the Company in April 2000 and was appointed as Deputy Financial Controller in July 2004, Financial Controller in January 2008, Deputy General Manager in March 2014 and Company Secretary in May 2019 respectively. He holds a Bachelor of Commerce in Accounting, and is a Certified Public Accountant, a Fellow of the Association of Chartered Certified Accountants and Senior Associate of Australian and New Zealand Institute of Insurance and Finance (ANZIIF). He is also a member of The Hong Kong Institute of Directors and a Technical Specialist of the Institute of Risk Management. Before joining the Company, he had worked for various listed companies in Hong Kong.

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

Ms WENG Wei Jian, joined the Company as Group Chief Auditor in January 2018. She is also the supervisor of Min Xin Insurance Company Limited, Fujian Minxin Investments Co., Ltd. and Sanming Sanyuan District Minxin Micro Credit Company Limited. She graduated in the major of finance and accounting from Minjiang University and in the major of law from East China University of Political Science and Law. She is a Senior Accountant in Mainland China. She has over 26 years' extensive experience in risk management and control, accounting, asset management and financial management. She is also a director of Samba Limited which is a substantial shareholder of the Company and a non-executive director of Fujian Holdings Limited (Stock code: 181) which is listed on the Main Board of the Stock Exchange.

企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治常規

本公司董事會（「董事會」）致力維持及堅持高水平之企業管治，以實現本公司的業務目標及持續發展。本公司已採用《香港聯合交易所有限公司（「聯交所」）證券上市規則》（「《上市規則》」）附錄十四所載之《企業管治守則》（「《企業管治守則》」）中列載的原則及守則條文。

董事認為，除下文所述之偏離外，本公司於截至2019年12月31日止整個年度已遵守《企業管治守則》中的所有適用守則條文：

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

《企業管治守則》第E.1.2條規定，董事會主席須出席股東週年大會。董事會主席、執行董事嚴正先生及董事會副主席、執行董事王非先生因其他公務未能出席本公司於2019年6月19日舉行之股東週年大會（「2019年股東週年大會」）。執行董事兼總經理陳宇先生在2019年股東週年大會上擔任主席，他有足夠的能力及知識回答提問（如有）。

董事會將繼續監控及定期檢討本公司之企業管治常規以確保遵守《企業管治守則》。

CORPORATE GOVERNANCE PRACTICES

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

In the opinion of the Directors, the Company has complied with all the applicable code provisions set out in the CG Code throughout the year ended 31 December 2019 except for the following deviations:

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

CG Code E.1.2 provides that the chairman of the board should attend the annual general meeting. Mr YAN Zheng, the Chairman of the Board and an Executive Director of the Company, and Mr WANG Fei, the Vice Chairman of the Board and an Executive Director of the Company, were unable to attend the annual general meeting of the Company held on 19 June 2019 (the "2019 AGM") due to other business commitments. Mr CHEN Yu, the General Manager and an Executive Director of the Company took the chair at the 2019 AGM, was of sufficient calibre and knowledge to answer questions, if any.

The Board will continue to monitor and periodically review the Company's corporate governance practices to ensure its compliance with the CG Code.

董事會

董事會的組成

本公司董事會現時由合共八位董事組成，包括三位執行董事、兩位非執行董事以及三位獨立非執行董事。

現時董事會成員的組成代表了技能、經驗及資歷混合均衡。董事會成員來自不同背景，擁有商業及專業等專長。執行董事及非執行董事在金融機構管理、企業發展及管理、資本運作、金融科技、金融投資及融資再擔保方面具有豐富經驗。三位獨立非執行董事具有適當之學術及專業資歷，以及在銀行、會計、法律、企業融資及併購等方面具有豐富經驗，為本公司的未來長遠發展作出貢獻。所有獨立非執行董事均向董事會分享了他們的經驗和專業知識，並展示了他們對本公司業務及營運的獨立看法和判斷能力。

董事會已採納了一項落實董事會多元化方針的政策（「董事會多元化政策」），旨在加強董事會的效率及企業管治水平，以及實現業務目標及可持續發展。本公司從多方面考慮董事會多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、所需專才、技能、知識及服務年期。

BOARD OF DIRECTORS

Board Composition

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

The composition of the current Board members represents a balanced mixture of skills, experiences and qualifications. Members of the Board, who come from a variety of different backgrounds, have a diverse range of business and professional expertise. The Executive Directors and Non-executive Directors have extensive experiences in financial institutions management, corporate development and management, capital operations, financial technology, financial investment and financing re-guarantee. The three Independent Non-executive Directors possess appropriate academic and professional qualifications and have experiences in banking, accounting, legal, corporate finance and mergers and acquisitions which would contribute to the long-term development of the Company. All the Independent Non-executive Directors have shared their experiences and expertise to the Board and demonstrated their ability to provide independent view and judgement in the Company's affairs.

The Board has adopted a policy setting out the approach to achieve diversity on the Board (the "Board Diversity Policy") with the aim of enhancing Board effectiveness and corporate governance as well as achieving our business objectives and sustainable development. Board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, required expertise, skills, knowledge and length of service.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

BOARD OF DIRECTORS (Continued)

董事會的組成 (續)

Board Composition (Continued)

於2019年12月31日，董事會的成員組合分析如下：

An analysis of the Board's composition at 31 December 2019 is as follows:

		董事	
		人數 Number	百分比 Percentage
職位	Designation		
執行董事	Executive Directors	3	37.5%
嚴正先生 (主席)	Mr YAN Zheng (<i>Chairman</i>)		
王非先生 (副主席)	Mr WANG Fei (<i>Vice Chairman</i>)		
陳宇先生 (總經理)	Mr CHEN Yu (<i>General Manager</i>)		
非執行董事	Non-executive Directors	2	25.0%
韓孝捷先生	Mr HON Hau Chit		
楊敬朝先生	Mr YANG Jingchao		
獨立非執行董事	Independent Non-executive Directors	3	37.5%
葉啟明先生	Mr IP Kai Ming		
張文海先生	Mr CHEUNG Man Hoi		
梁創順先生	Mr LEUNG Chong Shun		
性別	Gender		
男性	Male	8	100%
年齡組別	Age Group		
61-70 歲	61-70 years old	1	12.5%
51-60 歲	51-60 years old	4	50.0%
41-50 歲	41-50 years old	3	37.5%
擔任本公司董事的年期 (年數)	Directorship with the Company (Number of years)		
超過 20 年	over 20 years	1	12.5%
1-10 年	1-10 years	7	87.5%
擔任其他上市公司的董事 (公司數目)	Directorship with other listed companies (Number of Companies)		
3	3	1	12.5%
1	1	2	25.0%
0	0	5	62.5%

董事會 (續)

委任及重選董事

本公司董事會成員的最新名單，包括各董事擔任的角色和職能，以及彼等是否獨立非執行董事，已登載於本公司及聯交所網站內。各位董事的最新簡歷載列於本年報第22頁至29頁的「董事及高級管理人員個人簡歷」一節內。本公司已在所有企業通訊中披露本公司董事姓名，並註明各獨立非執行董事的身份。

本公司設有任命新董事的正式程序。任何提名委任首先由董事會提名委員會檢視及考慮董事會的技能、知識和經驗的平衡。根據提名委員會的建議，董事會於充分考慮有關委任事宜後，如認為合適者，將由董事會或由本公司股東（「股東」）在任何股東大會上批准有關委任建議。

所有董事須最少每三年輪值退任一次。根據本公司《組織章程細則》規定，所有退任董事均有資格在股東週年大會膺選連任。任何被委任以填補期中空缺或作為董事會的新增成員，其任期僅至本公司下屆股東大會，並符合資格膺選連任。

董事會的角色及職能

董事會負責制定本集團的整體企業目標、業務策略及營運政策。董事會持續監控及評估本集團的營運及財務表現，維持對管理層、風險評估及業務營運的有效監察。董事會亦決定年度預算及業務計劃、重大交易、新董事的委任、重新委任董事或董事調任，以及股息分派及會計政策等事宜。董事會已將推行業務策略及管理本集團日常業務營運之權力及職責轉授予本公司總經理帶領的總經理辦公會執行。

BOARD OF DIRECTORS (Continued)

Appointment and Re-election of Directors

An updated list of Directors and their roles and functions together with the information of their roles as Independent Non-executive Directors is posted on the websites of the Company and the Stock Exchange. The updated biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 22 to 29 of this annual report. Independent Non-executive Directors are also identified as such in all corporate communications that disclose the names of the Company's Directors.

The Company has a formal procedure for the appointment of new directors. Any proposed appointment will be first reviewed by the Nomination Committee of the Board, taking into account the balance of skills, knowledge and experience on the Board. Upon recommendation of the Nomination Committee, the proposed appointment will then be reviewed by the Board and, if thought fit, approved by the Board or by the shareholders of the Company (the "Shareholders") in any general meeting.

All directors are subject to retirement by rotation at least once every three years. All retiring directors are eligible for re-election at each annual general meeting in accordance with the Articles of Association of the Company. Any new director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

Role and Function of the Board

The Board determines the Group's overall corporate objectives, business strategies and operational policies. The Board continuously monitors and evaluates its operational and financial performance, maintains effective oversight over the management, risks assessment and controls over business operations. The Board also decides on matters such as annual budgets and business plans, major transactions, appointment of new directors, re-appointment or re-designation of directors, and dividend distribution and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the General Manager Meeting which is led by the General Manager of the Company.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

董事會的角色及職能 (續)

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

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

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

全體董事均須向本公司披露於其他上市公眾公司或組織擔任的職位、其他重大委任以及專業資格。

BOARD OF DIRECTORS (Continued)

Role and Function of the Board (Continued)

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

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

- To develop and review the Company's policies and practices on corporate governance, including but not limited to the Approval Authority Policy of the Company;
- To review and monitor the training and continuous professional development of directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the directors and employees; and
- To review the Company's compliance with the code of corporate governance and disclosure requirements in the Corporate Governance Report.

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

董事會 (續)

董事會會議

董事會每年至少舉行四次常規會議，以檢討本集團的業務發展和表現，並在有需要時將另加開會議。為了促使全體董事能盡量出席會議，定期董事會會議的日期一般會預先計劃。每位董事均獲邀提出任何擬在會議中討論和動議的事項。公司秘書協助董事會預備會議議程。在召開董事會會議或董事會委員會會議日期至少3天前，董事或董事會委員會成員獲寄發會議議程及相關董事會文件或董事會委員會文件。管理層亦會向董事會及董事會委員會提供充足的資料及解釋，以使各董事能夠在董事會及董事會委員會審批議案前，在財務和其他信息方面作出有根據的評估。會議紀錄的初稿和最終稿會分別發送給全體董事及董事會委員會成員征求意见和記錄。董事會及董事會委員會會議紀錄由公司秘書保存，並公開予董事查閱。

全體董事均有權及時全面查閱本集團的業務文件和資料。此外，管理層向全體董事提供對本集團的業務表現、狀況及前景作出平衡及可理解的評估並有充分細節的月度更新報告，以供董事會及每名董事履行其《上市規則》的職責。董事會及個別董事亦可以獨立及自行接觸本公司的高級管理人員和公司秘書。

董事均可於適當情況下向董事會提出要求尋求獨立專業意見，有關費用由本公司支付。

BOARD OF DIRECTORS (Continued)

Board Meetings

The Board meets regularly, and at least four times a year, to review business development and performance of the Group and additional meetings will be held as and when required. Board meetings are normally scheduled in advance to facilitate fullest possible attendance. Each Director is invited to present any businesses that he wishes to discuss or propose at such meetings. The Company Secretary assists the Board in preparing the agenda for meetings. Directors or Board Committee members receive the meeting agenda and accompanying Board papers or Board Committee papers at least three days before the date of Board meeting or Board Committee meeting. Management also supplies the Board and the Board Committees with sufficient information and explanations so as to enable them to make an informed assessment of financial and other information put before the Board and the Board Committees for review and approval. Draft and final versions of minutes are circulated to all the Directors and Board Committee members for their comments and records respectively. Minutes of Board meetings and Board Committee meetings are kept by the Company Secretary and are open for inspection by the Directors.

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

Directors may seek independent professional advice in appropriate circumstances at the Company's expense upon making requests to the Board.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

董事會會議 (續)

各董事親自出席董事會會議或透過電話會議，積極參與制定發展策略、政策及作出決策。

本公司於2019年舉行的五次董事會會議及股東週年大會的出席記錄載列如下：

BOARD OF DIRECTORS (Continued)

Board Meetings (Continued)

Directors make their best efforts to contribute to the development of strategy, policies and decision-making by attending the Board meetings in person or via telephone conferencing.

The attendance records of five scheduled Board meetings held in 2019 and the annual general meeting of the Company are set out below:

董事姓名	Name of Directors	出席記錄／會議次數	
		董事會 Board Meetings	股東週年大會 Annual General Meeting
執行董事	Executive Directors		
嚴正先生 (主席)	Mr YAN Zheng (Chairman)	4/5	0/1
王非先生 (副主席)	Mr WANG Fei (Vice Chairman)	4/5	0/1
陳宇先生 (總經理)	Mr CHEN Yu (General Manager)	5/5	1/1
非執行董事	Non-executive Directors		
韓孝捷先生	Mr HON Hau Chit	5/5	1/1
楊敬朝先生	Mr YANG Jingchao	5/5	1/1
獨立非執行董事	Independent Non-executive Directors		
葉啟明先生	Mr IP Kai Ming	5/5	1/1
張文海先生	Mr CHEUNG Man Hoi	5/5	1/1
梁創順先生	Mr LEUNG Chong Shun	5/5	1/1

主席及行政總裁

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

Chairman and Chief Executive

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

董事會 (續)

主席及行政總裁 (續)

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

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

除常規董事會會議外，主席在其他董事及高級管理人員避席情況下，與獨立非執行董事召開會議。

獨立非執行董事之獨立性

董事會超過三分之一的成員為獨立非執行董事，其中至少有一名具備合適的專業資格或會計或相關財務管理專業。

每位獨立非執行董事已就其獨立性向本公司提交週年獨立性確認書及已參照《上市規則》第3.13條所載之準則進行評估。董事會經評核後確認所有獨立非執行董事均保持獨立。

重選任職已超過九年的獨立非執行董事的議案將以獨立決議案形式由股東在股東週年大會審議通過。董事會會評估該等獨立非執行董事的獨立性，並說明董事會認為該等獨立非執行董事仍屬獨立人士的原因，並向股東推薦對該等獨立非執行董事的重選投贊成票。

BOARD OF DIRECTORS (Continued)

Chairman and Chief Executive (Continued)

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

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

Other than regular Board meetings, the Chairman also held meetings with the Independent Non-executive Directors without the presence of other Directors and senior management.

Independence of Independent Non-executive Directors

More than one-third of the members of the Board consist of independent non-executive directors and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise.

Each of the Independent Non-executive Directors has made an annual confirmation of independence to the Company and their independence have been assessed with reference to the criteria as set out in Rule 3.13 of the Listing Rules. Following such assessment, the Board has affirmed that all Independent Non-executive Directors remain independent.

The re-election of an Independent Non-executive Director who has served the Board for more than nine years will be subject to a separate resolution to be approved by the Shareholders in the annual general meeting. The Board will assess the independence of the Independent Non-executive Directors and state the reasons why the Board considers the Independent Non-executive Directors are still independent and recommend the Shareholders to vote in favor of the re-election of the Independent Non-executive Directors.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

非執行董事的任期

本公司的非執行董事並沒有按《企業管治守則》第A.4.1條的規定有指定任期，但他們須按本公司《組織章程細則》規定在本公司股東週年大會上輪值退任及膺選連任。

董事培訓

本公司鼓勵所有董事參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。於2019年，本公司為董事及高級管理人員安排了一次研討會，主題涵蓋須予公布的交易及關連交易的要求。本公司同時提供培訓資料予董事，重點包括《上市規則》關於企業管治的更新、非香港公司的新披露要求及企業收購或出售的董事責任。

根據本公司備存的記錄，董事接受培訓的摘要如下：

BOARD OF DIRECTORS (Continued)

Term of appointment of Non-executive Directors

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

Directors' Training

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. In 2019, the Company has arranged one seminar for the Directors and senior management with topics covered the requirements of notifiable transactions and connected transactions. The Company has also provided training materials to the Directors with the emphasis on latest updates of the Listing Rules regarding corporate governance, new disclosure requirements regarding non-Hong Kong companies and the duties of directors regarding corporate acquisitions or disposals.

According to the records maintained by the Company, the Directors received trainings in the following areas:

董事姓名	Name of Directors	出席講座 Attended seminar	閱讀資料 Read materials
執行董事	Executive Directors		
嚴正先生 (主席)	Mr YAN Zheng (Chairman)	✓	✓
王非先生 (副主席)	Mr WANG Fei (Vice Chairman)	✓	✓
陳宇先生 (總經理)	Mr CHEN Yu (General Manager)	✓	✓
非執行董事	Non-executive Directors		
韓孝捷先生	Mr HON Hau Chit	✓	✓
楊敬朝先生	Mr YANG Jingchao	✓	✓
獨立非執行董事	Independent Non-executive Directors		
葉啟明先生	Mr IP Kai Ming	✓	✓
張文海先生	Mr CHEUNG Man Hoi	✓	✓
梁創順先生	Mr LEUNG Chong Shun	✓	✓

董事會 (續)

董事責任保險

本公司已為董事及高級管理人員安排適當之董事及高級管理人員責任保險，以保障彼等有可能承擔的法律訴訟。於2019年度並無任何根據該保單提出的索償個案。

董事會委員會

董事會成立了四個董事會委員會，分別是常務董事委員會、審核委員會、薪酬委員會及提名委員會。每個董事會委員會有其職權範圍，清晰界定委員會成員的權力和職權以履行其職責。所有非執行董事會委員會的職權範圍已上載於本公司網站 (www.minxin.com.hk) 及聯交所網站。

審核委員會僅由獨立非執行董事組成。大部分薪酬委員會成員和提名委員會成員均為獨立非執行董事，而常務董事委員會則由所有執行董事組成。常務董事委員會已設立由執行董事兼總經理和高級管理人員組成的總經理辦公會。

常務董事委員會

董事會已將推行業務策略及管理本集團日常業務營運之權限及責任轉授給常務董事委員會，常務董事委員會現時由嚴正先生 (主席)，王非先生和陳宇先生三名執行董事組成。

BOARD OF DIRECTORS (Continued)

Liability Insurance for Directors

The Company has arranged appropriate insurance coverage on directors' and officers' liabilities against possibility of legal action to be taken against the directors and the senior management. No claim under such insurance policy was made in 2019.

BOARD COMMITTEE

The Board has established four Board Committees, namely Executive Committee, Audit Committee, Remuneration Committee and Nomination Committee. Each of the Board Committees has its terms of reference with defined powers and authorities given to the Committee members to discharge their duties. The terms of reference of all the Non-executive Board Committees have been made available on the Company's website (www.minxin.com.hk) and the website of the Stock Exchange.

Audit Committee comprises solely of Independent Non-executive Directors. Majority of the Remuneration Committee members and Nomination Committee members are Independent Non-executive Directors while the Executive Committee comprises all Executive Directors. The General Manager Meeting set up by the Executive Committee comprises the General Manager, who is also an Executive Director, and senior management.

Executive Committee

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

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會委員會 (續)

常務董事委員會 (續)

為進一步改善工作流程及提高效率，本公司已成立總經理辦公會，以行使董事會轉授予常務董事委員會的權力和責任。總經理辦公會為直接隸屬於常務董事委員會的管理委員會，每月至少召開一次會議。總經理辦公會根據常務董事委員會的職權範圍以及其他由常務董事委員會不時制定的政策及指示，就本集團的管理和日常營運，行使常務董事委員會授予的權力、權限和酌處權。

審核委員會

審核委員會現時由三名獨立非執行董事組成，由張文海先生擔任主席。張文海先生在專業會計、業務諮詢及企業管理方面擁有超過20年經驗。其他成員包括葉啟明先生和梁創順先生。

審核委員會負責審視(其中包括)本集團的財務報告、審計的性質和範圍、內部監控和風險管理系統的有效性以及相關財務報告的合規性。審核委員會同時負責就委任、重新委任、罷免本集團之外聘核數師及釐定其薪酬向董事會作出建議。審核委員會定期開會以履行職責，及在管理層避席情況下與外聘核數師舉行單獨會議，討論任何審計問題以及外聘核數師可能希望提出的任何其他事項。在履行職責時審核委員會可以不受限制地與本集團的外聘核數師和內部審計師接觸。審核委員會獲提供充足的資源以履行其職責，包括但不限於在適當情況下取得法律或其他獨立專業意見，有關費用由本公司支付。

BOARD COMMITTEE (Continued)

Executive Committee (Continued)

To further improve the work process and enhance the effectiveness, the Company has set up a General Manager Meeting to exercise the authority and responsibility delegated by the Board to Executive Committee. The General Manager Meeting meets at least once per month and operates as a general management committee under the direct authority of the Executive Committee. It exercises the powers, authorities and discretions as directed by the Executive Committee in so far as they concern the management and daily operations of the Group in accordance with its terms of reference and such other policies and directives as the Executive Committee may determine from time to time.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors and is chaired by Mr CHEUNG Man Hoi. Mr CHEUNG Man Hoi has accumulated over 20 years of experience in professional accounting, business consulting and corporate management. The other members are Mr IP Kai Ming and Mr LEUNG Chong Shun.

The Audit Committee is responsible for reviewing, among other things, the Group's financial reporting, the nature and scope of audit, the effectiveness of the systems of internal control and risk management, and compliance relating to financial reporting. The Audit Committee is also responsible for making recommendation to the Board on the appointment, re-appointment, removal and remuneration of the Group's external auditor. The Audit Committee meets regularly to perform its duties and has a separate meeting with the external auditor in the absence of management to discuss any audit issues and any other matters the external auditor may wish to raise. The Audit Committee can perform its duties with unrestricted access to both the Group's external and internal auditors. Sufficient resources are provided to the Audit Committee to discharge its duties including but not limited to obtaining legal or other independent professional advice in appropriate circumstances at the Company's expense.

董事會委員會 (續)

審核委員會 (續)

於年內，審核委員會履行了 (其中包括) 以下職責：

- 審閱及與外聘核數師討論截至2018年12月31日止年度的全年業績和截至2019年6月30日止6個月期間的中期業績，並向董事會推薦建議審批；
- 檢討並從管理層獲得關於中期及全年業績的闡釋，當中包括與前會計期間變動的原因、採納新會計政策的影響以及《上市規則》及相關法規的合規情況；
- 檢討本集團內部審計職能的工作，以及有關內部審計報告提及之調查結果和建議；
- 審閱2019年度的內部審計工作計劃；
- 就本公司外聘核數師的重新委任向董事會提供建議；
- 審閱2019年度的審計工作計劃；
- 考慮本公司在會計及財務匯報職能方面的資源、僱員專業資格及經驗的足夠性，以及僱員培訓課程及預算；及
- 至少每年在管理層避席情況下與外聘核數師舉行會議一次，討論任何審計問題以及外聘核數師可能希望提出的任何其他事項。

BOARD COMMITTEE (Continued)

Audit Committee (Continued)

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

- reviewed and discussed with external auditor the annual results for the year ended 31 December 2018 and the interim results for the six months ended 30 June 2019 and recommended to the Board for approval respectively;
- reviewed and obtained explanation from management on the interim and annual results, including causes of changes from the previous accounting period, effects on the application of new accounting policies, and compliance with the Listing Rules and relevant legislation;
- reviewed the activities of the Group's internal audit function and its findings and recommendations as laid down in the internal audit reports;
- reviewed the internal audit plan for the year 2019;
- recommended to the Board regarding the re-appointment of the Company's external auditor;
- reviewed the audit plan for the year 2019;
- considered the adequacy of resources, professional qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget; and
- held meetings with the external auditor, at least annually, in the absence of management, to discuss any audit issues and any other matters the external auditor may wish to raise.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會委員會 (續)

BOARD COMMITTEE (Continued)

審核委員會 (續)

Audit Committee (Continued)

審核委員會於2019年舉行了二次會議。每位成員之出席記錄載列如下：

In 2019, the Audit Committee held two meetings. The attendance record of each committee member is set out below:

成員姓名	Name of Committee Members	出席記錄／會議次數 Attendance/Number of Meetings
張文海先生 (主席)	Mr CHEUNG Man Hoi (Chairman)	2/2
葉啟明先生	Mr IP Kai Ming	2/2
梁創順先生	Mr LEUNG Chong Shun	2/2

薪酬委員會

Remuneration Committee

薪酬委員會現時由五位成員組成，其中大部分成員為獨立非執行董事。薪酬委員會由獨立非執行董事葉啟明先生出任主席，其他成員包括張文海先生、梁創順先生、陳宇先生及陳廣宇先生。

The Remuneration Committee currently comprises five committee members, the majority of whom are Independent Non-executive Directors. The Remuneration Committee is chaired by Mr IP Kai Ming who is an Independent Non-executive Director, the other members are Mr CHEUNG Man Hoi, Mr LEUNG Chong Shun, Mr CHEN Yu and Mr CHAN Kwong Yu.

薪酬委員會負責審議本公司的薪酬政策，以及制定及檢討本公司董事及高級管理人員的薪酬方案，並向董事會作出建議。薪酬委員會每年至少召開一次會議並於會議後向董事會匯報其議決或建議。薪酬委員會獲提供充足資源以履行其職責，包括但不限於在適當情況下取得法律或其他獨立專業意見，有關費用由本公司支付。

The Remuneration Committee is responsible for considering and making recommendations to the Board on the Company's remuneration policy, and the formulation and review of the remuneration packages of all Directors and senior management of the Company. The Remuneration Committee meets at least once each year and reports to the Board on the decisions or recommendations following each meeting. Sufficient resources are provided to the Remuneration Committee to discharge its duties including but not limited to obtaining legal or other independent professional advice in appropriate circumstances at the Company's expense.

董事會委員會 (續)

BOARD COMMITTEE (Continued)

薪酬委員會 (續)

Remuneration Committee (Continued)

於年內，薪酬委員會履行了(其中包括)以下職責：

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

- 檢討本公司僱員薪酬調整之建議，並向董事會推薦審批；
 - 檢討發放獎金予高級管理人員之建議，並向董事會推薦審批；及
 - 檢討2019年度董事袍金，並向董事會推薦審批。
- reviewed the proposal for salary adjustments to its employees and recommended the same to the Board for approval;
 - reviewed the proposal for payment of bonus to senior management and recommended the same to the Board for approval; and
 - reviewed the Directors' fees for the year of 2019 and recommended the same to the Board for approval.

薪酬委員會於2019年度舉行了一次會議。每位成員之出席記錄載列如下：

In 2019, the Remuneration Committee held one meeting. The attendance record of each committee member is set out below:

成員姓名	Name of Committee Members	出席記錄／會議次數 Attendance/Number of Meeting
葉啟明先生 (主席)	Mr IP Kai Ming (Chairman)	1/1
張文海先生	Mr CHEUNG Man Hoi	1/1
梁創順先生	Mr LEUNG Chong Shun	1/1
陳宇先生	Mr CHEN Yu	1/1
陳廣宇先生	Mr CHAN Kwong Yu	1/1

有關董事之薪酬詳情已按個別基準披露，並載列於本集團綜合財務報表註釋10。截至2019年12月31日止年度，支付予本公司高級管理人員的酬金按酬金範圍載列如下：

Details of the remuneration of Directors are disclosed on an individual basis and are set out in Note 10 to the consolidated financial statements of the Group. The remuneration payable to senior management of the Company by band for the year ended 31 December 2019 is as follows:

		人數 Number of Individuals
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	2
港幣 4,000,001 元 – 港幣 4,500,000 元	HK\$4,000,001 – HK\$4,500,000	1

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會委員會 (續)

提名委員會

提名委員會由四位成員組成。提名委員會主席由董事會主席嚴正先生擔任，其他三位成員包括獨立非執行董事葉啟明先生、張文海先生及梁創順先生。

提名委員會負責根據本公司的《提名政策》就提名、委任或重新委任董事及董事會委員會成員向董事會提供建議。《提名政策》已制定識別及推薦董事會候選人的步驟、程序及標準。提名委員會考慮及檢視（其中包括）董事會的架構、規模、組成及多元化、候選人的技能、知識和經驗的平衡，獨立非執行董事的獨立性、重選退任董事、非執行董事（包括獨立非執行董事）的任期和承諾付出的時間，以及各董事會委員會成員的資格。提名委員會同時負責制定及檢視本公司的《董事會多元化政策》的可計量目標，以確保其有效性。提名委員會每年至少召開一次會議，並在會議後向董事會匯報其議決或建議。提名委員會獲提供充足的資源以履行其職責，包括但不限於在適當情況下取得法律或其他獨立專業意見，有關費用由本公司支付。

於年內，提名委員會履行了（其中包括）以下職責：

- 根據《董事會多元化政策》檢討董事會的架構、規模及組成（其中包括但不限於技能、知識及經驗等因素），並向董事會作出匯報；
- 檢討及評核獨立非執行董事之獨立性；及
- 檢討及向董事會推薦於2019年股東週年大會上重選退任董事。

BOARD COMMITTEE (Continued)

Nomination Committee

The Nomination Committee comprises four committee members. The Nomination Committee is chaired by Mr YAN Zheng, the Chairman of the Board, and the other members are three Independent Non-executive Directors, Mr IP Kai Ming, Mr CHEUNG Man Hoi and Mr LEUNG Chong Shun.

The Nomination Committee is responsible for making recommendations to the Board on nominations, appointments or re-appointments of Directors and Board Committee members in accordance with the Company's Nomination Policy. The Nomination Policy set out the procedures, process and criteria for identifying and recommending candidates for election to the Board. The Nomination Committee considers and reviews, among other things, the structure, size, composition and diversity of the Board, the balance of skills, knowledge and experience of the candidates, independence of Independent Non-executive Directors, re-election of retiring Directors, term of appointment and time commitment of Non-executive Directors (including Independent Non-executive Directors) and the membership of respective Board Committees. The Nomination Committee is also responsible for developing and reviewing measurable objectives for the Company's Board Diversity Policy to ensure its effectiveness. The Nomination Committee meets at least once a year and reports to the Board on their decisions or recommendations following each meeting. Sufficient resources are provided to the Nomination Committee to discharge its duties including but not limited to obtaining legal or other independent professional advice in appropriate circumstances at the Company's expense.

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

- reviewed the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board in accordance with the Board Diversity Policy and reported to the Board;
- reviewed and assessed the independence of the Independent Non-executive Directors; and
- reviewed and recommended to the Board for the proposed re-election of the retiring Directors at the annual general meeting held in 2019.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會委員會 (續)

BOARD COMMITTEE (Continued)

提名委員會 (續)

Nomination Committee (Continued)

提名委員會於2019年舉行了一次會議。每位成員之出席記錄載列如下：

In 2019, the Nomination Committee held one meeting. The attendance record of each committee member is set out below:

成員姓名	Name of Committee Members	出席記錄／會議次數 Attendance/Number of Meeting
嚴正先生 (主席)	Mr YAN Zheng (<i>Chairman</i>)	1/1
張文海先生	Mr CHEUNG Man Hoi	1/1
葉啟明先生	Mr IP Kai Ming	1/1
梁創順先生	Mr LEUNG Chong Shun	1/1

董事的證券交易

DIRECTORS' SECURITIES TRANSACTIONS

本公司已採納一套自行制定關於董事進行證券交易的操守準則(「《操守準則》」)，其條款不低於《上市規則》附錄十所載之《上市公司董事進行證券交易的標準守則》(「《標準守則》」)所規定的標準。本公司已向全體董事作出特定查詢，所有董事均確認截至2019年12月31日止整個年度一直遵守《標準守則》所載的規定標準及本公司的《操守準則》。

The Company has adopted its own code of conduct regarding directors' securities transactions (the "Code of Conduct") on terms no less exacting than the required standard in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all Directors and all Directors of the Company have confirmed that they have complied with the required standard as set out in the Model Code and the Company's Code of Conduct throughout the year ended 31 December 2019.

企業管治報告 CORPORATE GOVERNANCE REPORT

問責及審核

財務報告

董事會致力對本公司之表現、狀況及前景作平衡、清晰及全面之評估。董事負責監督編制真實及公平反映本公司及其附屬公司各財政年度於報告期末之財務狀況、截至報告期末期間之財務表現及現金流量之綜合財務報表。在編制截至2019年12月31日止年度之綜合財務報表時，董事採納合適之會計政策並貫徹應用，採納與其營運相關及財務報表相關的《香港財務報告準則》及《香港會計準則》，作出合理審慎之判斷及估計，並按持續經營基準編制賬目。

董事均知悉彼等對按持續經營基準編制本公司賬目之責任。本公司及其附屬公司截至2019年12月31日止年度之綜合財務報表，已由外聘核數師畢馬威會計師事務所審核及經審核委員會審閱。截至2019年12月31日，董事並不知悉任何或會嚴重影響本公司持續經營業務能力之重大不明朗事件或情況。

外聘核數師對於本公司及其附屬公司截至2019年12月31日止年度之綜合財務報表的審核工作之責任列載於本年報第97至105頁內之獨立核數師報告。

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims at making a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The Directors are responsible for overseeing the preparation of consolidated financial statements of each financial year which give a true and fair view of the financial position of the Company and its subsidiaries as at the end of the reporting period and of their financial performance and cash flows for that period then ended. In preparing the consolidated financial statements for the year ended 31 December 2019, the Directors selected suitable accounting policies and applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are pertinent to its operations and relevant to the financial statements, made judgement and estimates that are prudent and reasonable, and prepared the accounts on a going concern basis.

The Directors acknowledge their responsibility for preparing the accounts of the Company on a going concern basis. The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 have been audited by the external auditor, KPMG, and reviewed by the Audit Committee. At 31 December 2019, the Directors were not aware of any material uncertainties relating to events or conditions which might cast significant doubt on the Company's ability to continue as a going concern.

The responsibilities of the external auditor with respect to the audit of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 are set out in the "Independent Auditor's Report" on pages 97 to 105 of this annual report.

問責及審核 (續)

風險管理及內部監控

董事會知悉承擔維持及監督合適和有效的風險管理及內部監控系統的責任。風險管理及內部監控系統監控本集團業務及營運等重要環節以及保障其資產。該系統的設計只為於可接受的風險範圍內管理本集團風險，而並非消除未能達致本集團業務目標的風險，因此只能提供合理但不是絕對的保證，以避免出現嚴重誤報或損失之情況，並管理及減低營運系統故障的風險。

董事會已採納《風險管理政策》，涵蓋本集團在戰略和營運層面的風險偏好和風險管理框架，以識別、衡量、監控和控制風險包括信用風險、市場風險、保險風險、營運風險、投資風險和合規風險等，詳情列載於本年報第 54 至 61 頁內之《風險管理及內部監控披露報告》。

董事會在審核委員會及本公司風險管理部的協助下監督風險管理及內部監控系統的有效性。風險管理部負責制定風險登記冊及風險管理手冊，以實踐施行風險管理和內部監控措施。風險管理部經理同時負責審查本集團的風險管理狀況，監察和檢討已制定的風險控制政策和措施的執行和遵守情況。定期進行審計或審查，以保證本集團業務和營運單位的風險控制已到位。風險管理部經理就風險管理及內部監控系統的有效性向審核委員會成員呈交報告。

ACCOUNTABILITY AND AUDIT (Continued)

Risk Management and Internal Control

The Board acknowledges its responsibility for maintaining and overseeing an appropriate and effective risk management and internal control systems. The risk management and internal control systems will monitor the material aspects of the Group's business and operations and also to safeguard its assets. Such systems are designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss, and to manage and minimise risks of failure in operational systems.

The Board has adopted the Risk Management Policy which covers the Group's risk appetite and risk management framework at strategic and operational levels in identifying, measuring, monitoring and controlling risks including credit risk, market risk, insurance risk, operational risk, investment risk and compliance risk etc., the details of which were set out in the "Risk Management and Internal Control Report" on pages 54 to 61 of this annual report.

The Board oversees the effectiveness of the Group's risk management and internal control systems with the assistance of the Audit Committee and the Risk Management Department of the Company. Risk Management Department developed the risk registers and risk management manual for implementing risk management and internal control practices. The Manager of Risk Management Department is also responsible for reviewing the risk management status in the Group, to monitor and review the execution of and compliance with the established risk control policies and measures. Regular audits or reviews are conducted to provide assurance that the risk controls are in place in business and operational units of the Group. The Manager of Risk Management Department presents reports to the members of the Audit Committee on the effectiveness of risk management and internal control systems.

企業管治報告 CORPORATE GOVERNANCE REPORT

問責及審核 (續)

風險管理及內部監控 (續)

董事會亦將檢討本集團風險管理及內部監控系統有效性之責任轉授予審核委員會。審核委員會透過內部審計部監督本集團的風險管理程序和內部監控系統。內部審計部負責對本集團的所有重大監控作出持續評估及定期獨立審查、檢視政策和標準的合規性，並評估本集團整個內部監控架構的有效性。

審核委員會於年內檢討本集團之風險管理及內部監控系統的有效性，有關檢討涵蓋所有重要監控包括財務、營運、合規和風險管理職能以及內部監控運作的資源分配。審核委員會於每次會議後向董事會匯報檢討報告結果。董事會審閱、認為及滿意本集團之風險管理及內部監控系統和風險管理功能是有效、恰當，並且遵守《企業管治守則》內之風險管理及內部監控守則條文。

核數師之酬金

於回顧年內，已支付或應付本公司外聘核數師畢馬威會計師事務所關於法定核數服務，查證工作（有關本公司的中期財務報表）以及稅務及諮詢服務分別為港幣 1,787,000 元，港幣 299,000 元及港幣 114,000 元。

ACCOUNTABILITY AND AUDIT (Continued)

Risk Management and Internal Control (Continued)

The Board also delegates the responsibility for reviewing the effectiveness of the Group's risk management and internal control systems to the Audit Committee. The Audit Committee monitors the Group's risk management processes and internal control systems through the Internal Audit Department. Internal Audit Department performs ongoing assessments and regular independent reviews of all material controls of the Group, checks for compliance with policies and standards and evaluates the effectiveness of internal control structures across the Group.

The Audit Committee reviewed the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational, compliance, and risk management functions during the year and the resources allocated to internal control operations. The Audit Committee reported the review result to the Board following each Audit Committee meeting. The Board reviewed, considered and satisfied with the Group's risk management and internal control systems and risk management functions are effective, adequate and in compliance with the risk management and internal control code provisions of the CG Code.

AUDITOR'S REMUNERATION

During the year under review, the fees paid or payable to the external auditor of the Company, KPMG, for statutory audit services, attestation work (in relation to interim financial statements issued by the Company), and tax and consultancy services were HK\$1,787,000, HK\$299,000 and HK\$114,000 respectively.

公司秘書

陳廣宇先生為本公司之公司秘書兼授權代表，彼為本公司之全職僱員，並了解本公司日常事務。他應向董事會主席及總經理匯報，並負責向董事會提供管治方面的意見。彼確認已於2019年度內接受不少於15小時之相關專業培訓以更新其技能和知識。

股東權利

召開股東大會（「股東大會」）

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

該要求：

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

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

COMPANY SECRETARY

Mr CHAN Kwong Yu is the Company Secretary and an Authorised Representative of the Company, he is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. He should report to the Chairman and the General Manager and is responsible for advising the Board on governance matters. He confirmed that he has taken no less than 15 hours relevant professional training to update his skills and knowledge during the year 2019.

SHAREHOLDERS' RIGHTS

Convening a General Meeting (“GM”)

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

The request:

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

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

企業管治報告 CORPORATE GOVERNANCE REPORT

股東權利 (續)

召開股東大會 (「股東大會」)(續)

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

由該等股東召開之會議，須盡可能按董事召開有關會議的同樣方式召開。

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

有關更多的詳細資料，請各股東參考《公司條例》(香港法例第 622 章)(「《公司條例》」)第 566 條至 568 條之規定。

動議股東週年大會的決議 (「股東週年大會」)

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

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

SHAREHOLDERS' RIGHTS (Continued)

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

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

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

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

For further details, shareholders are kindly requested to refer to Sections 566 to 568 of the Companies Ordinance (Chapter 622 of the Laws of the Hong Kong) (the "Companies Ordinance").

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

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

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

股東權利 (續)

動議股東週年大會的決議 (「股東週年大會」) (續)

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

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

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

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

於股東大會上傳閱陳述書

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

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

SHAREHOLDERS' RIGHTS (Continued)

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

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

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

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

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

Circulation of Statement at General Meetings

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

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

企業管治報告 CORPORATE GOVERNANCE REPORT

股東權利 (續)

於股東大會上傳閱陳述書 (續)

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

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

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

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

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

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

SHAREHOLDERS' RIGHTS (Continued)

Circulation of Statement at General Meetings (Continued)

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

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

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

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

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

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

股東權利 (續)

向董事會提出查詢

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

與股東的溝通

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

股息政策

本公司已採納股息政策（「股息政策」），該政策以制定向股東派付股息的原則及程序，藉以為股東提供穩定及可持續的回報及與股東分享本公司的利潤。董事會可不時宣派中期股息或建議向股東派付末期股息及特別股息，並須待股東於股東大會上批准。本公司擬向合資格股東提供股東應佔本集團當年度約 10% 至 20% 的綜合溢利作為股息，當年度餘下綜合利潤將作為本公司未來發展及營運之用。

憲章文件

本公司的《組織章程細則》已登載於本公司及聯交所網站內。截至 2019 年 12 月 31 日止年度內概無任何修訂。

SHAREHOLDERS' RIGHTS (Continued)

Putting Enquiries to the Board

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

COMMUNICATION WITH SHAREHOLDERS

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

DIVIDEND POLICY

The Company has adopted the dividend policy (the "Dividend Policy") which has set out the principle and procedures for the payment of dividend to Shareholders to provide stable and sustainable returns to the Shareholders and to share the profits of the Company with the Shareholders. The Board may decide from time to time to declare interim dividend or to recommend the payment of final dividend and special dividend to the Shareholders which is subject to the Shareholders' approval in a general meeting. The Company intends to provide the eligible Shareholders with approximately 10% to 20% of the Group's consolidated profit for the year attributable to the Shareholders as dividend, the remaining consolidated profit for the year will be used for the future development and operations of the Company.

CONSTITUTIONAL DOCUMENTS

The Articles of Association of the Company is posted on the websites of the Company and the Stock Exchange. There has been no change during the year ended 31 December 2019.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

為實現永續經營並對股東負責，閩信集團有限公司（「本公司」）及其附屬公司（「本集團」）需建立完善的風險管理及內部監控系統。本公司董事會（「董事會」）應確認風險管理及內部監控體系的有效性，高級管理層則負責相關體系的建立與實施，並以有效的風險管理流程將因業務活動所產生的風險控制在可接受的範圍。

Min Xin Holdings Limited (the “Company”) and its subsidiaries (the “Group”) strive to establish a sound risk management and internal control system to achieve sustainable development and be responsible to shareholders. The Board of the Company (the “Board”) has the overall responsibility for maintaining the effectiveness of the risk management and internal control system. The senior management is charged with the responsibility to establish and implement such system to control risks arising from business activities within an acceptable level via an effective risk management process.

於回顧年度，本集團已遵守上述原則與《企業管治守則》第C.2.1至C.2.5條及建議最佳常規第C.2.6和C.2.7條，概述如下：

During the year under review, the Group complied with the above principles and the CG Codes C.2.1 to C.2.5 and recommended best practices C.2.6 and C.2.7. The details are summarised as follows:

圖1：風險管理框架
Figure 1: Risk Management Framework

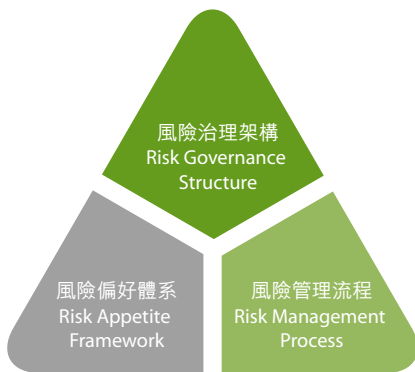
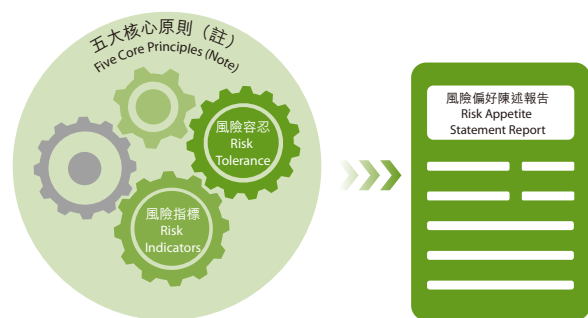


圖2：風險偏好體系
Figure 2: Risk Appetite Framework



註：五大核心原則為：保持充足的資本、維持充裕的流動性、保護良好的聲譽、滿足監管與合規管理要求，及收益與風險相匹配。
Note: Five core principles include: Securing capital adequacy; Maintaining a strong liquidity position; Preserving good reputation; Complying with regulatory and compliance management requirements; Matching between risks and returns.

圖3：風險治理架構
Figure 3: Risk Governance Structure

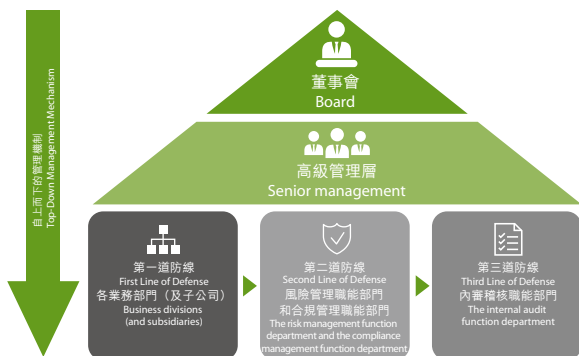


圖4：風險管理流程
Figure 4: Risk Management Process



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

風險管理框架 (圖1)

制定風險管理框架的目的在於明確指出本集團風險管理的目標、風險偏好、風險監控以及報告機制，以確保本集團可有效地執行風險管理流程。當識別出對集團有顯著影響的重大風險時，須將相關資訊即時呈報高級管理層或知會至少二位以上的董事會成員，從而採取適當的風險管理應對措施。

風險偏好體系 (圖2)

本集團的風險偏好係建立在五大核心原則下，包括：保持充足的資本、維持充裕的流動性、保證良好的聲譽、滿足監管與合規管理要求、及收益與風險相匹配。

高級管理層根據五大核心原則和經營情況設計風險指標及風險限額並定期向董事會報告其執行情況。同時應確保每年至少一次編制風險偏好陳述報告，並報請董事會審批。

風險治理架構及三道防線模式 (圖3)

本集團採用系統化的風險管理方法，建立自上而下的管理機制。目前風險管理組織架構包含董事會、高級管理層及各業務部門。

- 董事會為風險管理的最高指導單位，並在審核委員會的協助下評估本集團達成策略目標時所願意接納的風險，確保風險管理及內部監控系統的有效性。
- 高級管理層負責制定風險策略、風險政策、風險管理框架，建立風險管理文化，執行及監察風險管理及內部監控系統。

RISK MANAGEMENT FRAMEWORK (FIGURE 1)

The Group has established a risk management framework to define its risk management objectives, risk appetite, risk monitoring and reporting mechanism to enable the effective implementation of the risk management process by the Group. If there are any material risks being identified that can have significant effect on the Group, it should be immediately reported to the senior management or notified to at least two Directors to take appropriate risk management action against the material risks.

RISK APPETITE FRAMEWORK (FIGURE 2)

The Group's risk appetite is based on five core principles, including: Securing capital adequacy; Maintaining a strong liquidity position; Preserving good reputation; Complying with regulatory and compliance management requirements; Matching between risks and returns.

The senior management shall design risk indicators and risk limits based on the five core principles and operating environment. The senior management shall also report its implementation status to the Board on a regular basis. Meanwhile, a risk appetite statement report should be compiled at least once a year and subsequently submitted to the Board for approval.

RISK GOVERNANCE STRUCTURE AND THREE LINES OF DEFENSE MODEL (FIGURE 3)

The Group has adopted a systematic risk management approach to implement a top-down management mechanism. The current risk management organisational structure includes the Board, the senior management and business divisions.

- The Board is the highest steering committee for risk management, and with the assistance of the Audit Committee, it evaluates the risks that the Group is willing to accept during the phase of achieving strategic goals, so as to ensure the effectiveness of the risk management and internal control system.
- The senior management is responsible for formulating risk strategies, risk policies and risk management framework; establishing a risk management culture; and implementing and supervising the risk management and internal control system.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險治理架構及三道防線模式 (圖3) (續)

RISK GOVERNANCE STRUCTURE AND THREE LINES OF DEFENSE MODEL (FIGURE 3) (Continued)

表 1： 三道防線

Table 1: Three Lines of Defense

第一道防線 First Line Of Defense	第二道防線 Second Line Of Defense	第三道防線 Third Line Of Defense
<p>各業務部門（及子公司）為風險管理的第一道防線，負責管理因業務活動所產生的風險。其應依風險管理政策制定相關的規章制度與流程，並具體開展風險管理工作；同時，須定期向風險管理職能部門提供風險指標以追蹤風險管理執行情況。此外，各業務部門（及子公司）應與合規管理職能部門共同合作確保各項規章制度的設計已符合主管機關的相關規定。</p> <p>Business divisions (and subsidiaries) serve as the first line of defense. They shall be responsible for managing the risks arising from business activities. At the same time, they shall formulate relevant regulations and processes in accordance with risk management policies, carry out specific risk management work, as well as provide risk indicators to the risk management function on a regular basis to track the performance of risk management. In addition, business divisions (and subsidiaries) shall work with the compliance management function to ensure that the design of various policies was in conformity with the related regulations of competent authorities.</p>	<p>風險管理職能部門和合規管理職能部門為風險管理的第二道防線。風險管理職能部門負責收集各重大風險資訊及其風險指標的執行情況，並在風險指標將超出風險限額時，須出具風險提示。合規監管職能部門負責管理公司內部制度，並監督各職能部門於執行業務時是否已依循內部的相關規定，並適時履行合規審核、合規檢查等監督檢查職能，對業務運作過程的合規性進行監督檢查。同時，風險管理職能部門和合規管理職能部門應定期向高級管理層、審核委員會及董事會彙報風險管理的執行狀況。</p> <p>The risk management function and the compliance management function are responsible for the second line of defense. The risk management function is responsible for collecting key risk information, managing the implementation status of its risk indicators as well as issuing risk warnings when those risk indicators are close to exceeding the risk limits. The compliance management function is responsible for managing the Company's internal systems, monitoring whether each business divisions has complied with relevant internal policies in business operations, duly performing supervisions and inspections such as compliance check and compliance examination, and conducting inspections on the compliance practice in business operations. Meanwhile, the risk management function and the compliance management function shall report the implementation status of risk management to the senior management, the Audit Committee and the Board on a regular basis.</p>	<p>內審稽核職能部門作為第三道防線，在董事會及審核委員會領導下對集團內部監控系統的充足程度、有效性進行定期檢查評價並提出改進要求。</p> <p>The internal audit function acts as the third line of defense. The Board and the Audit Committee are responsible for leading the internal audit function in inspecting and evaluating the adequacy and the effectiveness of the Group's internal control system regularly, and requesting for enhancements where appropriate.</p>

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

風險治理架構及三道防線模式 (圖3) (續)

- 各業務部門為各項工作的執行單位，並須在現行的工作基礎下定期提供各項風險指標予本公司的風險管理部或內審稽核職能部門，或子公司內相當於風險管理部或內審稽核職能部門的部門以進行風險管理活動。

同時，為有效落實風險管理及內部監控系統的運作，並達到「風險為本，依法合規」的目標，本集團依比例原則建立「三道防線」模式(表1)，確保風險管理活動已深入涵蓋在本集團的經營管理和業務流程中。

風險管理流程 (圖4)

本集團採用下述風險管理步驟進行風險管理：

步驟1：風險識別 – 識別本集團所面臨的重要風險源以及風險類別；

步驟2：風險分析 – 對所面臨的風險進行評估；

步驟3：風險監控 – 基於風險偏好體系，就已識別的重大風險制定關鍵風險指標並定期監控風險變化；

步驟4：風險報告 – 總結及分析風險管理的結果，向高級管理層、董事會彙報。報告概述以下各項：

- 風險指標及限額的執行情況；
- 風險評估

RISK GOVERNANCE STRUCTURE AND THREE LINES OF DEFENSE MODEL (FIGURE 3) (Continued)

- Each business division is an implementation entity of its respective business activities, and shall regularly provide risk indicators to the risk management department or internal audit function of the Company, or to its equivalent under the subsidiaries for conducting risk management activities on the basis of its current work.

At the same time, in order to implement the risk management and internal control system effectively and to achieve the goal of “To be risk-oriented and to comply with the laws”, the Group sets up a “Three Lines of Defense” model (Table 1) in accordance with the proportional principle to ensure that the operational management and business processes of the Group have been embedded with risk management activities.

RISK MANAGEMENT PROCESS (FIGURE 4)

The Group conducts risk management by adopting the following risk management steps:

Step 1: Risk Identification – Identifying the significant sources and types of risks faced by the Group;

Step 2: Risk Analysis – Evaluating the existing risks;

Step 3: Risk Monitoring – Setting key risk indicators for identified significant risks based on the risk appetite framework, and monitoring risk changes on a regular basis;

Step 4: Risk Reporting – Concluding and analysing the results of risk management and reporting the results to the senior management and the Board. The report also outlines the following items:

- Implementation of risk indicators and limits;
- Risk assessment.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

本集團所面臨的重大風險

本集團已識別出主要業務的重大風險，來源可歸納為聯營公司風險、保險風險、信用風險、市場風險及操作風險。其內容及相關管理措施概述如下：

聯營公司風險

「聯營公司風險」係指聯營公司未能實現投資公司的利益的風險。

本集團最重要的投資為廈門國際銀行，故為降低不確定性，本公司通過提名董事以及對長期投資業績的持續監控等方式進行風險管理。

於2019年底，我們的銀行業務總資產占本集團資產總額的71.2%。

保險風險

「保險風險」係指經營保險業務時，於收取保險費並開始承擔被保險人移轉之風險後，依合約支付理賠款項及相關費用時，因非預期之變化造成損失之風險。

閩信保險已建立核保制度以篩選優質業務，並透過合適的理賠程序以降低處理理賠過程中因作業不當或疏失產生的風險，同時透過再保險安排將風險控制在可接受的範圍內。閩信保險於2019年底的曝險金額（即保險責任總值，淨額）為港幣7,889.4萬元。

SIGNIFICANT RISKS TO THE GROUP

The Group has identified significant risks in principal businesses, which can be categorised as: Associated company risk, Insurance risk, Credit risk, Market risk and Operational risk. The summary about the risks and related management measures are as follows:

Associated Company Risk

“Associated company risk” is the risk of difficulty in realisation of investment institution’s interests of an associated company.

The Group holds the most significant investment in Xiamen International Bank. Therefore, the Company conducts risk management by nominating Directors and continuously monitoring long-term investment performance to reduce uncertainty.

At the end of 2019, the total assets of our banking business accounted for 71.2% of the Group’s total assets.

Insurance Risk

“Insurance risk” refers to the risk of losses resulting from unexpected changes in the payment of claims and related expenses in accordance with the contract after receiving premiums and starting to undertake the risk of the insured in the insurance business.

In order to reduce the risk, Min Xin Insurance focuses on high-quality new businesses with mature underwriting policies, and adopts appropriate claim procedures to reduce the risks in claim processing due to improper operations or negligence. Besides, Min Xin Insurance has arranged the reinsurance to control risks within an acceptable range. The risk exposure (total insurance liabilities, net) of Min Xin Insurance at the end of 2019 was HK\$78.894 million.

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

本集團所面臨的重大風險 (續)

信用風險

「信用風險」係指交易對手或債務人無法或拒絕履行合約義務，而產生潛在財務損失的風險。

閩信保險的信用風險主要來自合約再保險人未能履行再保險合約而使閩信保險產生財務損失之風險，並可能導致本集團合併資產之減損。閩信保險於再保安排前已揀選信用評級標準普爾在A-以上（或相當於）的合約再保險人作為合作夥伴，並定期監控合約再保險人之信用評級。截至2019年12月31日，合作之合約再保險人共8家，其信用評級均在A-以上。

三元小貸的信用風險主要來自於債務人無法或拒絕償還貸款，造成不良債權餘額上升，而可能導致本集團合併資產之減損。截至2019年12月31日，不良貸款餘額為人民幣23,397萬元（等值港幣26,170萬元），較2018年底的人民幣24,412萬元（等值港幣27,805萬元）減少4.2%。三元小貸目前已停止新貸款業務，並繼續採取積極主動方式收回不良貸款。

於債券投資部分，本集團僅限投資於投資級別的債券。截至2019年12月31日，債券曝險金額為港幣311.5萬元（面值）。

SIGNIFICANT RISKS TO THE GROUP (Continued)

Credit Risk

“Credit risk” is the risk of potential financial loss due to counterparty or debtor failing or declining to perform contractual obligations.

The credit risk of Min Xin Insurance is mainly from the risk of treaty-reinsurer failing to execute the reinsurance treaty resulting in Min Xin Insurance suffering financial loss and may lead to an impairment of the Group’s consolidated assets. Min Xin Insurance has selected treaty-reinsurers with credit ratings of A- or above from Standard & Poor’s (or equivalent) as business partners prior to arranging reinsurance and has regularly monitored their credit ratings. There were 8 treaty-reinsurers cooperating with Min Xin Insurance, and their credit ratings were all above A- as at 31 December 2019.

The credit risk of the Sanyuan Micro Credit arises from the debtor failing or refuses to repay the loans resulting in the increase of non-performing debts and may lead to an impairment of the Group’s consolidated assets. At 31 December 2019, non-performing loan balances were RMB233.97 million (equivalent to HK\$261.70 million), a decrease of 4.2% from RMB244.12 million (equivalent to HK\$278.05 million) at the end of 2018. Sanyuan Micro Credit has stopped underwriting new loan business and will continue to adopt proactive measures to recover its non-performing loans.

As to bond investments, the Group is limited to invest in investment grade bonds. The risk exposure of bonds as at 31 December 2019 was HK\$3.115 million (face value).

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

本集團所面臨的重大風險（續）

市場風險

「市場風險」係指因金融市場工具之價格變動，進而影響本集團金融資產價值產生損失之風險。

本集團的風險管理目標是在提高股東價值的同時，確保將風險控制在集團可接受範圍。於2019年底，本集團於主要的金融工具曝險金額分別為：債券：港幣311.5萬元（面值），股票：884萬元（市值），基金：等值約港幣1.68億元（市值），結構型存款：人民幣6.38億元（等值港幣7.13億元）（本金）。

操作風險

「操作風險」係指因內部作業、人員及系統之不當或失誤，或因外部事件所造成之損失。

本集團通過有效的職責分工與制衡，梳理關鍵業務環節，並建立正式的規章制度等方式進行風險管理及控制。

內幕消息及披露

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

SIGNIFICANT RISKS TO THE GROUP (Continued)

Market Risk

“Market risk” is the risk due to price changes in financial market instruments which affect the value of the Group’s financial assets and in turn create losses.

The Group’s risk management objective is to increase shareholders’ value while ensuring that the risks will be controlled within the Group’s acceptable range. The risk exposures of the Group in major financial instruments at the end of 2019 were: Bonds: HK\$3.115 million (face value), Stocks: HK\$8.84 million (market value), Funds: equivalent to approximately HK\$168 million (market value), Structured deposits: RMB638 million (equivalent to HK\$713 million) (principal).

Operational Risk

“Operational risk” is the risk of losses due to improper or faulty of internal operation, personnel and system, or external events.

The Group manages and controls the risks through methods such as effective work division and balancing mechanism, sort major business segments and set up formal policies.

INSIDE INFORMATION AND DISCLOSURE

The Group has formulated the “Inside Information Disclosure Policy” to have strict specification on areas such as the definition of inside information, the requirements for the release of inside information, the roles and responsibilities of the Board and the senior management on inside information management, the procedures and internal control for processing and issuing inside information as well as public communication. The announcement of the disclosure of inside information shall be submitted to the Board or an authorised officer for approval.

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

內部監控

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

風險管理及內部監控的檢討

根據《企業管治守則》第C.2.1及第C.2.2條的規定，董事會及其下屬審核委員會已於2019年就本集團財務、營運、合規和風險管理職能等方面進行評核。高級管理層已向董事會及其下屬審核委員會確認，現有的風險管理及內部監控體系是足夠且有效的。截至2019年12月31日，根據有關檢討結果及高級管理層的確證，董事會及其下屬審核委員會認為本集團的風險管理及內部監控體系是足夠且有效的。具體如下：

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

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

本集團將會繼續加強風險管理及內部監控體系的管理及其執行情況，以符合《企業管治守則》條文及最佳實務。

INTERNAL CONTROL

The Group's internal controls are designed to improve the operational efficiency, prevent misuse and unauthorized processing of assets, maintain proper accounting records to deliver a true and fair view for the financial statements, and ensure the compliance with relevant laws and regulations.

REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with the CG Code C.2.1 and C.2.2, the Board and the Audit Committee reviewed the Group's financial, operational, compliance, and risk management functions in 2019. The senior management has confirmed to the Board and the Audit Committee that the current risk management and internal control systems of the Group are adequate and effective. Based on the review results and the senior management's confirmation, the Board and the Audit Committee considered the Group's risk management and internal control systems to be adequate and effective as of 31 December 2019. Details of which are summarized below:

In the year under review, the Board reviewed the Group's risk management framework which contained risk management objectives, risk appetite framework, risk monitoring and risk reporting.

In the year under review, the Board was of the view that the risk management and internal control system has been continuously improved by the Group. It strives to make the risk management methods more standardised, including the enhancement of risk appetite system, risk indicators and risk limits, and risk monitoring system for the Group in the future.

The Group will continue to strengthen the management and implementation of risk management and internal control system in order to comply with the provisions in the CG Code and best practices.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

關於本報告

這份環境、社會及管治報告（「本報告」）旨在回顧閩信集團有限公司（「本公司」）及其附屬公司（「本集團」）於報告期內在環境、社會及企業管治方面所做的努力以及績效，披露本集團承擔社會責任做出的實踐以及本集團的可持續性發展理念。作為與各持份者的溝通平台，本報告同時回應所有持份者在我們促進相互理解的努力中的主要關切。

本報告是根據《香港聯合交易所有限公司證券上市規則》（「《上市規則》」）附錄二十七《環境、社會及管治報告指引》（「《指引》」）所載列之「不遵守就解釋」條文編制而成，覆蓋時間由2019年1月1日至2019年12月31日。《指引》中所載列的「重要性」、「量化」、「平衡」和「一致性」匯報原則為編制本報告的準備和內容以及信息呈報的基礎。

本報告涵蓋了本集團的主要業務，包括本公司及其下列三家附屬公司：

附屬公司名稱 Name of Subsidiaries	主要業務 Principal Activities
閩信保險有限公司 Min Xin Insurance Company Limited	承保一般保險業務 Writing of general insurance business
福建閩信投資有限公司 Fujian Minxin Investments Co., Ltd.	投資控股 Investment holding
三明市三元區閩信小額貸款有限公司 Sanming Sanyuan District Minxin Micro Credit Company Limited	提供小額貸款及委託貸款業務 Provision of micro credit and entrusted loans

本報告的範圍與2018年環境、社會及管治報告所載者並無重大變動。

本報告所載之所有資料均來自本集團及其收集所得之官方文件、統計數據以及管理及營運資料。

ABOUT THIS REPORT

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

This ESG Report has been prepared in accordance with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide (the “Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited, which covers the period from 1 January 2019 to 31 December 2019. The reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency” set out in the Guide underpinned the preparation and contents of this ESG Report, as well as the presentation of the information.

This ESG Report covers the Group’s major operations including the Company and its three subsidiaries listed below:

There were no significant changes in the scope of this ESG Report from that of the 2018 ESG Report.

All information in this ESG Report is sourced from the official documents, statistical data, and management and operational information of and collected by the Group.

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

環境、社會及管治的理念

本公司竭盡全力保護環境、提供優質的工作場所及服務更廣泛的社區。董事會全面負責環境、社會及管治的管理和匯報的決策。管理層負責監察具體實施和匯報過程的表現，為計劃和執行企業社會責任的倡議而檢視有關趨勢和法規。

環境、社會及管治的相關風險的性質及範圍會適時進行評估及檢討，並已制定風險管理及內部監控系統，以管理及控制未能實現業務目標的風險。因此，本公司可以更好地了解及管理環境、社會及管治的相關風險，為持份者創造更大的價值。

持份者參與、溝通及重要性評估

本集團強調社會各界的信任與支持對企業可持續發展的重要性，因此，本集團十分重視通過各種有效的溝通渠道與持份者的溝通與交流。本集團積極主動傾聽來自政府及監管機構、本公司股東、僱員、供應商、客戶以及社會公眾的聲音，致力盡可能滿足其期望與訴求。

ESG PHILOSOPHY

The Company has put great effort to protect the environment, provide a quality workplace, and serve the wider community. The Board has overall responsibility for decision-making regarding ESG management and reporting. The management monitors the performance of the actual implementation and reporting process, relevant trends and regulations for planning and executing initiatives of corporate social responsibility.

The nature and extent of ESG related risks are evaluated and reviewed whenever appropriate. Risk management and internal control systems are in place to manage and control the risk of failure to achieve business objective. Hence, the Company can better understand and manage ESG related risks and create greater value for our stakeholders.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION AND MATERIALITY ASSESSMENT

The Group emphasises the importance of trust and support of all sectors of the society to the sustainable development of the Group. Accordingly, the Group attaches great importance to maintaining communication and interaction with the stakeholders through a diverse array of effective communication channels. The Group has been actively collecting opinions and suggestions from government and regulatory authorities, shareholders of the Company, employees, suppliers, customers and the general public so as to meet their expectations and demands as far as possible.



環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

持份者參與、溝通及重要性評估 (續)

STAKEHOLDER ENGAGEMENT AND COMMUNICATION AND MATERIALITY ASSESSMENT (Continued)

持份者 Stakeholder	溝通渠道 Communication Channel	期望與訴求 Concern and Demand	回應與反饋 Response and Feedback
政府及監管機構 Government and regulatory authorities	<ul style="list-style-type: none"> • 合規管理； • 主動納稅； • 政策執行。 • Compliance management; • Proactive tax payment; • Comply with policies. 	<ul style="list-style-type: none"> • 依法經營與納稅； • 支持經濟發展。 • Carry out its operation and pay tax in accordance with laws; • Support economic development. 	<ul style="list-style-type: none"> • 接受稅務檢查； • 遵守當地法規、商業道德並促進經濟發展。 • Subject to tax examination; • Comply with local regulations and business ethics, and make contribution to local economic development.
本公司股東 Shareholders of the Company	<ul style="list-style-type: none"> • 股東大會； • 定期報告； • 直接溝通； • 公司網站。 • General meeting; • Regular reporting; • Direct communication; • Company website. 	<ul style="list-style-type: none"> • 確保企業獲得持續的收益，保證投入資本安全； • 確保企業信息披露的完整、真實、及時、有效性。 • Ensure sustainable income and safe investments; • Ensure the completeness, truthfulness, timeliness and validity of corporate information disclosure. 	<ul style="list-style-type: none"> • 持續提高經營管理、管治與風險管理水平，為投資者創造長期及穩健上升的價值回報； • 建立科學合理高效的企業治理架構，規範及完善信息披露制度。 • Continuously enhance its operating management, governance and risk management to deliver long term and steadily rising investment return; • Establish a scientific, reasonable and efficient corporate governance framework to regulate and refine information disclosure system.
僱員 Employees	<ul style="list-style-type: none"> • 僱員大會； • 定期績效考核； • 直接溝通； • 團建活動。 • Town hall meeting; • Regular performance assessment; • Direct communication; • Team-building activities. 	<ul style="list-style-type: none"> • 公平競爭與晉升發展的機會； • 健康安全的工作環境； • 薪酬與福利得到保障。 • Fair competition and prospect of promotion and development; • Healthy and safe workplace; • Security of remuneration and benefits. 	<ul style="list-style-type: none"> • 優質的工作場所； • 完善的薪資福利及晉升體系； • 組織多樣化的文體活動。 • Quality workplace; • Comprehensive system of remuneration, benefits and promotion; • Organise various cultural and recreational activities.
供應商 Suppliers	<ul style="list-style-type: none"> • 全面管理招投標程序； • 按合同開展項目； • 定期評估及審核。 • Comprehensive management of bidding and tendering; • Carry out projects in accordance with contracts; • Assessment and review regularly. 	<ul style="list-style-type: none"> • 公平、公開、公正的招投標程序； • 誠信經營。 • Fair, open and just bidding and tendering; • Committed to business integrity. 	<ul style="list-style-type: none"> • 建立採購管理辦法以規範招投標及招商程序。 • Develop administrative rules on procurement to regulate procedures relating to bidding, tendering and business solicitation.

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

持份者參與、溝通及重要性評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

持份者 Stakeholder	溝通渠道 Communication Channel	期望與訴求 Concern and Demand	回應與反饋 Response and Feedback
客戶 Customers	<ul style="list-style-type: none"> 滿意度調查； 客戶交流。 Carry out customer satisfaction survey; Maintain interactions and open ways of communication with our customers. 	<ul style="list-style-type: none"> 高品質的產品及服務，客戶及消費者的各項權益得到保障。 Provide quality products and services to protect various rights of customers and consumers. 	<ul style="list-style-type: none"> 以客戶滿意度為第一標準，提供優質的產品與服務並建立規範的制度以保護信息及私隱。 Put customer satisfaction as first priority in providing quality products and services, and develop regulatory systems for protection of information and privacy.
社會公眾 General public	<ul style="list-style-type: none"> 公益活動； 公司網站； 僱員的義工活動。 Charity activities; Company website; Staff volunteer activities. 	<ul style="list-style-type: none"> 積極參與公益活動，承擔企業社會責任。 Proactive in corporate social responsibility by actively participating in charity activities. 	<ul style="list-style-type: none"> 創造就業機會、加強社區投資建設。 Provide job opportunities and expand community investment.

本集團組織邀請內外部持份者參與重要性評估調查，通過此項工作進一步了解持份者的期望與訴求，加強與各持份者的進一步溝通，提升本報告的針對性和回應性，同時展現出我們在推動可持續發展工作的積極態度以及所做出的努力。

The Group organised and implemented various surveys on the importance for internal and external stakeholders. Through these efforts, we refined the relevancy of responses in this ESG Report as we gained a better understanding of expectations and needs of stakeholders and strengthened our communication with various stakeholders. These surveys also demonstrate our activeness in promoting sustainable development and the efforts we made.

調研工作主要通過問卷調查、組織必要的小組討論、並有針對性地進行訪談等形式開展。綜合考慮各持份者重視程度以及對本集團業務的重大相關性程度，確定了本集團概述於以下的重要性議題矩陣。本公司將根據《指引》要求對概述於以下的對持份者視為最重要的十大重要議題在本報告中逐一給予真實、具有針對性的回應。

These surveys were conducted mainly by questionnaires, interviews, group discussions as necessary and targeted calls. We considered priorities of major concerns of the stakeholders and materiality of these concerns to our businesses to develop the materiality matrix of the Group as outlined in the Materiality Matrix below. The Company will make realistic and targeted responses to the ten major concerns considered as most critical to our stakeholders as outlined in the Ten Major Concerns below in further detail in the rest of this ESG Report in accordance with the Guide.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

持份者參與、溝通及重要性評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

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

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

持份者參與、溝通及重要性評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

十大重要議題 Ten Major Concerns		
排序 No.	主要範疇 Major Areas	十大重要議題 Ten Major Concerns
1	社會 - 營運慣例 Social-Operating Practices	22 保護消費者資料及私隱 22 Protection of consumer data and privacy
2	社會 - 營運慣例 Social-Operating Practices	18 客戶滿意度 18 Customer satisfaction
3	社會 - 營運慣例 Social-Operating Practices	23 防止賄賂、勒索、欺詐及洗錢 23 Prevention of bribery, extortion, fraud and money laundering
4	社會 - 營運慣例 Social-Operating Practices	24 反貪污政策、措施及舉報機制 24 Anti-corruption policies and measures and whistle-blowing policy
5	社會 - 營運慣例 Social-Operating Practices	19 合理的營銷及推廣 19 Acceptable marketing and promotion
6	社會 - 僱傭及勞工常規 Social-Employment and Labour Practices	9 僱員薪酬待遇及福利 9 Remuneration packages and benefits of employees
7	社會 - 僱傭及勞工常規 Social-Employment and Labour Practices	11 僱員發展及培訓 11 Development and training of employees
8	社會 - 僱傭及勞工常規 Social-Employment and Labour Practices	10 職業健康與安全 10 Occupational health and safety
9	社會 - 營運慣例 Social-Operating Practices	20 保護知識產權 20 Protection of intellectual property rights
10	社會 - 僱傭及勞工常規 Social-Employment and Labour Practices	12 防止童工及強制勞工 12 Prevention of child and forced labour

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境

本集團致力於保護環境，並明白環境的可持續發展對可持續營運的重要性。本集團不僅減少對環境的影響，而且不斷推廣綠色環保方案，提升僱員的環保意識，倡導僱員積極參與環境保護。本集團將繼續堅持集團的環保政策，並致力在營運上精益求精，提高效率，推動綠色經濟的發展及降低對環境的影響。

本集團致力於遵守香港及其經營所在地的有關環境法律及法規。於2019年，本集團並無任何違反相關法例與法規的個案問題。

本集團的業務並無產生大量的排放物或污染物，亦無需大量使用如能源、水、原材料及包裝物等資源。然而，本集團加強排放物的管理，盡力減少排放物、溫室氣體、土壤污染物和有害及無害廢物。

I. 廢氣及溫室氣體排放

本集團於2019年的溫室氣體排放數據如下：

溫室氣體排放範圍 Scope of Greenhouse Gas Emissions	排放來源 Emission Sources	排放量 (以千克二氧化碳當量計) Emission (in kg of CO ₂ e)	
		2019	2018
直接排放 Direct Emission	公司用車汽油排放 Company car gasoline emissions	16,386	38,290
間接排放 Indirect Emission	購電 Purchased electricity	67,683	75,329
其他間接排放 Other Indirect Emission	僱員乘坐飛機出外公幹 Business air travel by employees	8,359	13,430
總計 Total		92,428	127,049

ENVIRONMENTAL

The Group is committed to protecting the environment and understands the importance of sustainable development of the environment for sustainable operations. The Group not only reduces the environmental impact but also promotes the green environmental protection plan, improves the staff's environmental protection consciousness, and advocates employees to take an active part in environmental protection. Also, the Group continues to uphold the environmental policy while striving to achieve excellence in operation, improve efficiency, promote the development of green economy and reduce the impact on the environment.

The Group strives to comply with the environmental laws and regulations of Hong Kong and the locations in which it operates. There were no cases of non-compliance with relevant laws and regulations during 2019.

The Group's business does not involve significant generation of emissions or pollutants, or the use of resources such as energy, water, raw and packaging materials. However, the Group strengthens management of emissions and tries its best to reduce emissions, greenhouse gases, soil pollutants and the hazardous and harmless wastes.

I. Air and Greenhouse Gas Emissions

The Group's greenhouse gas emissions data in 2019 are as follows:

環境 (續)

I. 廢氣及溫室氣體排放 (續)

於報告期內，本集團之主要業務營運所排放之溫室氣體為約92,428千克(2018年：約127,049千克)二氧化碳當量。年度購電排放密度以辦公室單位面積每平方米計算約40千克(2018年：約59千克)二氧化碳當量。

有害及無害廢棄物

基於本集團的主要業務性質，產生的有害廢棄物非常有限。本集團於2019年產生約2,802公斤(2018年：約3,314公斤)無害廢棄物(主要為於堆填區處置廢紙)，平均每名僱員產生約34公斤(2018年：約42公斤)。香港辦公室產生約631公斤(2018年：約674公斤)一般辦公室廢物，平均每名僱員產生約9公斤(2018年：約12公斤)。

減少碳排放的措施

本集團制定了「辦公室環保節能措施」以指導全體僱員保護環境與節約資源，鼓勵踐行節能環保的企業文化。於2019年，本集團實施了以下環保措施：

僱員的參與

本集團鼓勵所有僱員參與綠色辦公室政策。鼓勵僱員在下班時關閉電腦、顯示器、印表機和所有電器，並在不使用時切換到節能模式。

使用節能照明設備

本集團已逐步將其香港辦公室的T5燈管替換為LED燈管，並以6瓦特LED燈膽取替原來的12伏特50瓦特燈膽，以減少用電產生的碳排放。

ENVIRONMENTAL (Continued)

I. Air and Greenhouse Gas Emissions (Continued)

There were about 92,428 kg (2018: about 127,049 kg) of carbon dioxide equivalent (CO₂e) greenhouse gases emitted from the key operations of the Group in the reporting period. The annual purchased electricity emission intensity was about 40 kg (2018: about 59 kg) of carbon dioxide equivalent per square meter of office area.

Hazardous and Non-hazardous Wastes

Hazardous waste was minimal due to the nature of the key business operations of the Group. The Group generated non-hazardous waste of about 2,802 kg (2018: about 3,314 kg) in 2019 which was mainly come from disposal of paper waste at landfills, represented about 34 kg (2018: about 42 kg) per employee on average. About 631 kg (2018: about 674 kg) of general office waste was generated in Hong Kong office, represented about 9 kg (2018: about 12 kg) per employee on average.

Measures to Mitigate Emissions

The Group formulated “Environmental Protection and Energy Saving Measures” to guide all staff to protect the environment and save resources, encourage the practice of enterprise culture of energy conservation and environmental protection. We have taken the following measures in 2019:

Staff engagement

The Group encourages all employees to participate in the green office policies. Employees are encouraged to switch off computers, monitors, printers and all electrical appliances at the end of the working day and switch on to energy-saving mode when not in use.

Use of energy efficient lighting equipment

The Group has gradually replaced T5 fluorescent lamps with LED tubes, and 12V50W spotlights with 6W LED spotlights in its Hong Kong office, to reduce carbon emissions through electricity used.

環境 (續)

I. 廢氣及溫室氣體排放 (續)

節省能源的僱員差旅

本集團鼓勵僱員以最具成本效益的方式出差，並在適當時安排電話或視頻會議，以減少碳排放。

其他環保措施

本集團還採取了以下措施來減少碳排放：

- 鼓勵僱員乘坐公共交通工具，減少對私家車的依賴；
- 啟動電腦顯示器和複印機的節能模式和電源管理設置；
- 紙張回收及循環使用紙箱、塑料袋和信封；
- 廣泛使用具有列印、掃描和傳真功能的多功能複印機；
- 鼓勵無紙化辦公室及盡可能雙面打印；
- 電器和電腦回收；
- 回收及循環使用碳粉盒和墨水匣。

II. 資源使用

本集團致力於有效利用自然資源並減少業務營運中的廢棄物。本集團亦加強辦公室用品的回收及通過推廣綠色辦公室實踐提高僱員的環保意識。

ENVIRONMENTAL (Continued)

I. Air and Greenhouse Gas Emissions (Continued)

Cost-effective staff travel

The Group encourages most cost-effective travel for staff business trips and arrange telephone or video conferences when appropriate to reduce carbon emissions.

Other environmental practices

The Group has also adopted the following practices to reduce carbon emissions:

- Encouraging employees to take public transport and reduce reliance on private cars;
- Energy saving mode and power management setting activated for computer monitors and copiers;
- Paper recycling and reuse cartons, plastic bags and envelopes;
- Multi-function photocopiers with printing, scanning and fax functions widely used;
- Encouraging paperless workspace and double-sided printing whenever possible;
- Electrical appliances and computer recycling;
- Recycling and reuse of toner and ink cartridges.

II. Use of Resources

The Group is committed to using natural resources efficiently and reducing waste within our business operations. The Group also strengthens recycling use of office supplies and promotes staff's environmental awareness by promoting green office practices.

環境 (續)

II. 資源使用 (續)

電力

本集團之主要業務營運於報告期內耗電量約85,675千瓦時(2018年:約95,353千瓦時),僱員人均耗電量約1,045千瓦時(2018年:約1,222千瓦時),每平方米辦公室單位面積耗電量約51千瓦時(2018年:約75千瓦時)。

水

本集團內地子公司於報告期內耗用約567立方米(2018年:約419立方米)辦公室用水,僱員人均耗水量約為24立方米(2018年:約30立方米),每平方米辦公室單位面積耗水約為1立方米(2018年:約3立方米)。

回收

本集團提倡無紙化辦公室以及在可行情況下採用雙面列印。載有機密資料的文件會收集在指定的袋子中,經過切碎處理後再作回收。

本集團香港辦公室於報告期內共回收廢紙約288公斤(2018年:約360公斤)。

本集團於報告期內共回收約48個墨盒、電腦及電器(2018年:約50個碳粉盒/墨盒)。

ENVIRONMENTAL (Continued)

II. Use of Resources (Continued)

Electricity

The key operations of the Group consumed about 85,675 kWh (2018: about 95,353 kWh) of electricity during the reporting period, electricity consumption per staff was about 1,045 kWh (2018: about 1,222 kWh), and electricity consumption per square meter of office area was about 51 kWh (2018: about 75 kWh).

Water

The Company's subsidiaries in Mainland China consumed approximately around 567 cubic meters (2018: around 419 cubic meters) of water for office use during the reporting period, water consumption per staff was about 24 cubic meters (2018: about 30 cubic meters), and water consumption per square meter of office area was about 1 cubic meters (2018: about 3 cubic meters).

Recycling

The Group promotes paperless workspace and double-sided printing whenever possible. Documents containing confidential information are collected in designated bags and shredded before being recycled.

Hong Kong office of the Group recycled about 288 kg (2018: about 360 kg) of waste paper during the reporting period.

The Group recycled about 48 pieces of cartridges, computer and electrical appliances (2018: about 50 toner cartridges/cartridges) during the reporting period.

環境、社會及管治報告

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環境 (續)

III. 環境及天然資源

本集團注重環境保護，並推行不同的環保措施，同時通過提高僱員的環保意識，促進自然資源的有效利用。本集團在日常工作中通過減少紙張、電力、水和汽油的耗用以及紙張和其他辦公用品的回收使用，向僱員提供環境保護指導，以發展低碳企業文化。

儘管業務營運不會對環境和自然資源產生重大影響，但本集團對可持續性的承諾已在一系列環保和節能措施中得到體現。本集團致力於提高資源利用效益，減少不必要的資源浪費，以減少對環境的影響。

僱傭及勞工常規

本集團努力為持份者，包括但不限於投資者、僱員、客戶、供應商、政府、監管機構、行業協會、商會和社區等創造可持續和長遠的價值。本集團非常重視與持份者的溝通，以瞭解他們的需求和期望，並透過不同渠道解決他們的關切，締造互惠互利的關係推動可持續發展。

I. 僱傭

本集團嚴格遵守香港及其經營所在地有關僱傭及勞工常規的相關法律和法規。本集團制定了一系列招聘、解僱、晉升及其他人事調動的內部政策及程序。

ENVIRONMENTAL (Continued)

III. The Environment and Natural Resources

The Group aims to care for the environment by implementing different green initiatives and promote the efficient use of natural resources by raising staff awareness. The Group offers guidance on environmental protection to its staff to develop a low-carbon corporate culture through reduction in paper, electricity, water and gasoline consumption, and recycling of papers and other office supplies in daily work.

Although the business operations do not have significant impact on the environment and natural resources, the Group's commitment to sustainability has been demonstrated in a series of environmental protection and energy saving measures. The Group is committed to improving the efficiency of resources utilisation whilst reducing unnecessary waste of resources in order to minimise the impact on the environment.

EMPLOYMENT AND LABOUR PRACTICES

The Group endeavors to create sustainable and long-term values for its stakeholders including but not limited to investors, employees, customers, suppliers, governments, regulators, industry associations, chambers of commerce and communities. The Group attaches great importance to the communication with stakeholders in order to understand their need and expectations and address their concerns through different channels to develop mutually beneficial relationships and promote sustainability.

I. Employment

The Group strictly complies with relevant laws and regulations in relation to employment and labour practices of Hong Kong and the locations in which it operates. The Group has formulated a series of internal policies and procedures related to recruitment, dismissal, promotion and other staff movement.

僱傭及勞工常規 (續)

I 僱傭 (續)

薪酬及福利

《員工手冊》乃根據適用的法律和法規制定，是訂明與僱員福利、薪酬和專業操守相關的政策和程序。本集團積極保障僱員的基本權益，制定具競爭力的薪酬待遇，還提供醫療和住院保險計劃、婚假、考試假、生日假、年假等法定節假日之外的僱員福利。本集團除了根據《強制性公積金計劃條例》(香港法例第485章)(「《強制性公積金計劃條例》」)的要求提供標準強積金供款外，在適當的情況下還向僱員提供強積金自願性供款。



本集團向僱員提供與其經驗和職責相稱的具競爭力的薪酬待遇和福利。僱員報酬包括基本薪金、年終雙糧和根據僱員個人表現和公司整體業績情況而發放的酌情獎金。

EMPLOYMENT AND LABOUR PRACTICES (Continued)

I. Employment (Continued)

Remuneration and Welfare Benefits

The Employee Handbook was developed in accordance with the applicable laws and regulations and stipulates the policies and procedures relevant to employee benefits, compensation and professional behavioural expectations. The Group actively protects the basic rights and benefits of employees, establishes competitive remuneration packages and provides welfare benefits such as medical and hospital insurance plans, wedding leave, examination holiday, birthday leave, annual leave in addition to the statutory holidays. The Group makes voluntary mandatory provident fund contributions to employees in addition to the standard employer's contributions required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) (the "Mandatory Provident Fund Schemes Ordinance"), where appropriate.

The Group rewards its employees with competitive remuneration packages and welfare benefits which are commensurate with their experience and responsibilities. The remuneration package for employees comprises a basic salary, year-end double pay and a discretionary bonus based on both the individual's performance and overall performance of the company.

僱傭及勞工常規 (續)

I 僱傭 (續)

平等就業機會

本集團致力於提供公平及安全的工作環境，為不同國籍、宗教、性別、年齡、家庭狀況、種族、身體殘疾或性取向的僱員提供平等的機會，以促進及包容多樣性。在招聘、解僱、晉升和其他人事調動過程中強調公平、平等和正直。本集團相信，所有僱員均可按他們擁有的技能和素質，獲得公平考慮委予合適職位的權利，並在其任職期間受到公平對待。

平衡工作與家庭生活

本集團鼓勵在工作與家庭生活之間取得平衡。管理層竭盡全力確保所有全職僱員在任職期間都享有所有休息日、公共假期和帶薪年假。本公司的康樂會組織一系列僱員參與的活動，例如月度生日會、年度晚宴、聖誕晚會和體育活動等，以滿足僱員的不同興趣。僱員直系親屬積極參與於報告期內舉辦的廣西桂林四天短途旅行。



EMPLOYMENT AND LABOUR PRACTICES (Continued)

I. Employment (Continued)

Equal Employment Opportunities

The Group is committed to providing a fair and safe work environment with equal opportunities to staff and embracing diversity regardless of nationality, religion, gender, age, family status, race, physical disability or sexual orientation. Fairness, equality and integrity are emphasised in the process of recruitment, dismissal, promotion and other staff movement. The Group believes that it is the right of all employees to be fairly considered for all positions within the Group for which they have the necessary skills and qualities, and to be treated fairly during their employment.

Balance between Work and Family Life

The Group encourages a balance between work and family life. The management makes every effort to ensure that all rest days, public holidays and paid annual leave are utilised by all full-time employees during employment. The Recreation Club of the Company organises a range of staff engagement activities, such as monthly birthday party, annual dinner, Christmas party, and sports activities in order to accommodate the diverse interests of the employees. A four-day short trip to Guilin, Guangxi was arranged with active participation of immediate family members of staff during the reporting period.



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僱傭及勞工常規 (續)

EMPLOYMENT AND LABOUR PRACTICES
(Continued)

I 僱傭 (續)

I. Employment (Continued)

於2019年12月31日，本集團僱員總數為82人，詳情如下：

At 31 December 2019, the total number of the employees of the Group was 82 and the details are as below:

	2019	2018
僱員總數 Total number of employees	82	78
按性別劃分 By gender		
男 Male	39	39
女 Female	43	39
按年齡組別劃分 By age group		
20-30 歲 years old	15	18
31-40 歲 years old	27	25
41-50 歲 years old	22	22
51-60 歲 years old	16	13
61 歲或以上 years old or above	2	-
按地區 By region		
香港及澳門 Hong Kong and Macau	58	54
中國大陸 Mainland China	24	24
按職級 By grading		
高級管理層 Senior management	9	9
中級管理層 Middle management	19	16
普通職員 General staff	54	53

僱傭及勞工常規 (續)

EMPLOYMENT AND LABOUR PRACTICES
(Continued)

I 僱傭 (續)

I. Employment (Continued)

本集團僱員的流失率分析如下：

The employee turnover rate is analysed as follows:

按年齡組別劃分 By age group	地區 Region			
	香港及澳門 Hong Kong and Macau		中國大陸 Mainland China	
	2019 %	2018 %	2019 %	2018 %
20-30 歲 years old	45	47	-	-
31-40 歲 years old	47	77	-	-
41-50 歲 years old	29	40	-	33
51-60 歲 years old	23	36	-	-

按地區 By region	性別 Gender			
	男 Male		女 Female	
	2019 %	2018 %	2019 %	2018 %
香港及澳門 Hong Kong and Macau	48	63	23	37
中國大陸 Mainland China	-	8	-	-

	2019	2018
未來5年內合資格退休的僱員人數 Number of employees eligible to retire within the next 5 years	6	5

僱傭及勞工常規 (續)

II. 健康與安全

本集團致力為僱員提供健康及安全的工作環境，並採取一切切實可行的步驟以確保全體僱員的健康與安全。於報告期內，沒有任何與提供安全工作環境和保護僱員免受職業危害的重大違規個案。

本集團在辦公室實施禁吸煙政策和禁飲酒政策。本公司的綜合管理部定期安排清洗和消毒地毯、滅蟲、更換過濾器及清洗飲水器等措施。

本集團採取清晰措施以確保工作場所安全。本集團制定在辦公室環境中正確使用電器的嚴格措施以最大限度防止火災發生。香港辦公室定期安排培訓和消防演習，以確保所有僱員在發生火災時都熟悉應急程序。緊急出口和程序、消防疏散計劃和緊急出口標誌均已正確標誌和維護。

本集團關心僱員的身心健康，倡導在工作與家庭生活之間取得平衡。本集團鼓勵僱員樹立良好的身心健康觀念，並參加本公司資助的健身活動。本集團採取適當的健康措施，例如免費提供流感疫苗注射服務，並在辦公室放置適當的急救設施，並由指定僱員妥善維護。

康樂會舉辦多項體育活動和慈善活動，以增強團隊凝聚力和動力，並促進健康的生活方式，例如「公益金便服日」、「愛心月餅」和「保齡球友誼比賽」。



EMPLOYMENT AND LABOUR PRACTICES (Continued)

II. Health and Safety

The Group strives to provide a healthy and safe working environment for our employees and takes all practicable steps to ensure the health and safety of staff at work. There were no significant non-compliance cases relating to the provision of a safe work environment and the protection of employees from occupational hazards during the reporting period.

The Group implemented no smoking policy and no alcohol policy in the office. Regular cleaning and disinfection of carpets, pest control, filter replacement and cleaning of bottled water cooler are arranged by the General Affairs Department of the Company.

The Group implements clear measures to ensure a safe workplace. In order to minimise fire hazards, the Group has a strict policy on proper use of electrical appliances in office environments. Regular training and fire drills in Hong Kong office are arranged to ensure that all staff are familiar with the emergency procedures in case of a fire. Emergency exits and procedures, fire evacuation plans and illuminated exit signs are properly displayed and maintained.

The Group cares about the physical and mental health of employees and advocates a balance between work and family life. The Group encourages employees to set up a good physical and mental health concept and participate in fitness activities subsidised by the Company. The Group implements appropriate health measures, such as providing free of charge influenza vaccination injection services and placing adequate first aid facilities on office premises and properly maintained by designated employees.

The Recreation Club organised a number of sports activities and charity events to enhance the team cohesion in the workplace and motivation and promote a healthy lifestyle, such as "Community Chest Casual Wear Day", "Love Moon Cake" and "Bowling Friendship Match".

僱傭及勞工常規 (續)

EMPLOYMENT AND LABOUR PRACTICES
(Continued)

III. 發展及培訓

III. Development and Training

本集團鼓勵僱員參加培訓，以掌握最新的知識和技能，並掌握我們的企業文化和價值觀。本集團提供培訓及教育津貼，以鼓勵僱員提高學歷和專業技能，使他們能夠勝任和有效地承擔所有任務。僱員還可以通過參加外部研討會和培訓課程來發展自己的技能，以發揮自己的個人潛力。

The Group encourages employees to participate in training so as to equip themselves with up-to-date knowledge and skills and acquire our corporate culture and values. The Group offers training and education allowances as an incentive for employees to advance their academic qualifications and professional skills so that they can competently and effectively undertake all assignments. Employees can also develop their skills by participating in external seminars and training courses in order to realise their own personal potential.



本集團僱員於報告期內的培訓詳情如下：

The details of staff training statistics of the Group for the reporting period are as follows:

	2019		2018			
僱員完成培訓總時數 Total number of hours of training completed by employees	967		755			
按培訓類別 By type of training						
外辦培訓課程時數 Number of hours of external training	700		460			
公司內部培訓時數 Number of hours of internal training	267		295			
按性別劃分 By gender	性別 Gender					
	男 Male		女 Female			
	2019	2018	2019	2018		
每名僱員平均培訓時數 Average hours of training per employee	7.44	7.13	13.42	8.54		
接受培訓僱員百分比 Percentage of employees who received training	72%	77%	72%	74%		
按僱員類別 By employee category	高級管理層 Senior management		中級管理層 Middle management		普通職員 General staff	
	2019	2018	2019	2018	2019	2018
每名僱員平均培訓時數 Average hours of training per employee	16.39	11.86	15.97	17.95	9.56	6.82
接受培訓僱員百分比 Percentage of employees who received training	78%	78%	79%	88%	69%	72%

僱傭及勞工常規 (續)

III. 發展及培訓 (續)

本集團在報告期內舉辦多次合規和企業文化培訓研討會，以提高僱員的合規和風險意識。本集團建立表現評估制度，以確定僱員的發展及培訓需要，同時監察和評估僱員的年度表現。表現評估還用作僱員與管理層之間的交流平台，以促進關於僱員表現和職業目標的雙向討論。此外，本集團鼓勵並組織在職培訓，以進一步提高僱員的工作表現和能力。

僱員嘉許

本集團認可僱員的長期服務和貢獻。於2019年獲得長期服務獎僱員的摘要如下：

服務年期 Years of Service	僱員人數 Number of Staff	
	2019	2018
10 年 years	–	3
15 年 years	1	–
25 年 years	1	–
	2	3

IV. 勞工準則

本集團嚴格遵守《僱傭條例》(香港法例第57章)及香港和其經營所在地的其他適用法律和法規，以保護僱員的基本權益。本集團沒有任何參與或涉及童工、強迫或強制勞工的風險。

本集團的招聘程序嚴格審核申請人的個人信息，以避免失實陳述和避免任何形式的強迫勞工。一份正式的僱傭合同清楚說明相關的條款和條件，並確保每位僱員都獲得充分的簡明介紹和獲得合適的工作安排。

EMPLOYMENT AND LABOUR PRACTICES (Continued)

III. Development and Training (Continued)

The Group held various compliance and corporate culture training seminars to raise employees' compliance and risk awareness during the reporting period. A performance appraisal system is in place to identify employees' need for development and training, whilst monitor and evaluate employees' performance annually. The appraisals also serve as a communication platform between employees and management to promote two-way discussion on staff performance and career goals. In addition, the Group encourages and organises on-the-job trainings in order to further enhance staff work performance and competency.

Staff Recognition

The Group recognises staff's long-term service and contribution. The summary of staff received the Long Service Award is as follows:

IV. Labour Standards

The Group strictly complies with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and other applicable laws and regulations of Hong Kong and the locations in which it operates in relation to employment practices so as to protect the basic rights and interests of employees. The Group has no risk of potential involvement in or exposure to child, forced or compulsory labour.

The recruitment procedures of the Group involve a stringent monitoring process to verify a candidate's personal information in order to avoid misrepresentation and any form of forced labour. An official employment contract clearly states relevant terms and conditions, and each individual is well briefed and duly assigned.

營運慣例

I. 供應鏈管理

本集團致力於優化供應鏈管理，通過透明招標、責任採購、質量管理和交付評估，確保綠色採購和供應。

作為一家主要從事金融服務和保險業務的投資性公司，本集團評估供應商和合作夥伴的重點關注是價格、專業資格、產品質量、服務能力和交付標準。供應鏈管理的原則包括公平、誠實、正直和合規。本集團在採購活動中，在適當的情況下嚴格遵守《中華人民共和國招標投標法》的要求以及其他適用的法律和法規。

本集團在服務供應商評估、篩選和監察中將相關選擇標準納入保險業務營運。本集團亦維持合格服務供應商名單，並將定期評估服務供應商的質量，以確保這些合格服務供應商繼續符合本集團的標準。

本集團希望所有家俱、設備、文具和其他辦公用品的供應商在開展業務時均遵守所有適用的法律和法規。在可行的情況下，本集團將在人權、勞工權益、環境、健康、安全以及反腐等原則方面識別、評估和監察供應商的營運慣例。

OPERATING PRACTICES

I. Supply Chain Management

The Group is committed to optimising supply chain management in order to ensure green sourcing and supply through transparent tendering, responsible sourcing, quality management and delivery evaluation.

As an investment-based company which is principally engaged in financial services and insurance businesses, the Group assesses suppliers and business partners with a focus on price, professional qualification, product quality, services capability and delivery standards. The principles for supply chain management include fairness, honesty, integrity and compliance. Where appropriate, the Group strictly follows the requirements of the Tendering and Bidding Law of the PRC and other applicable laws and regulations in its sourcing and procurement activities.

The Group integrates related selection criteria in services provider assessment, screening and monitoring into its insurance business operation. The Group also maintains lists of qualified services providers and will evaluate the quality of services providers periodically to make sure that those qualified services providers continue to meet the standards of the Group.

The Group expects all suppliers of furniture, equipment, stationery and other office supplies to comply with all applicable laws and regulations in the conduct of their business. The Group will identify, assess and monitor supplier practices with regard to human and labour rights, the environment, health and safety, and anti-corruption principles, if practical.



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

營運慣例 (續)

OPERATING PRACTICES (Continued)

I. 供應鏈管理 (續)

I. Supply Chain Management (Continued)

於報告期內，本集團主要的供應商類型如下：

The types of main suppliers of the Group during the reporting period are as follows:

供應商類別 Type of Suppliers	服務 / 產品 Services/Products	已識別的主要社會 與環境影響因素 Main Social and Environmental Factors Identified
保險業務服務 Insurance business services	保險產品代理、理賠及再保等 Insurance products distributions, claims and reinsurance, etc.	合規及營運慣例 Compliance and operating practices
法律等專業諮詢服務 Legal and other professional advisory services	法律諮詢、稅務及審計等 Legal advice, tax and audit, etc.	合規及營運慣例 Compliance and operating practices
電子產品等 Electrical appliances and electronic products, etc.	硬件 (電腦、打印機) 及軟件等 Hardware (computer, printer) and software, etc.	環境 Environment
設計、印刷等 Design and printing, etc.	活動承辦及印刷品等 Recreational activities and leaflet, etc.	合規及營運慣例 Compliance and operating practices

供應商數目，按地區 Number of suppliers by region	2019	2018
香港及澳門 Hong Kong and Macau	17	14
中國大陸 Mainland China	6	7

營運慣例 (續)

II. 產品責任

本集團嚴格遵守香港以及其經營所在地的適用法律和法規。本集團保險業務的運作嚴格遵守《公司條例》和保險業監管局的規定。

本集團關心我們向客戶提供的服務和產品的質量。本集團透過內部管理系統優化服務流程，並為客戶提供優質可靠的服務。本集團定期進行檢查，以確保服務質量和保險合同中的條款必須妥當。

我們的保險產品不存在具體的回收程序。如果客戶對我們的服務或保險合同中的條款不滿意，本集團願意進行必要的調整。

本集團執行《客戶投訴處理指引》，以處理客戶對我們的服務和保險產品的投訴。於報告期內，本集團未收到任何與我們的服務或保險產品相關的投訴。

知識產權

本集團強調保護知識產權。考慮到本集團業務營運的性質，與知識產權相關的關注領域主要涉及許可軟件的使用和保險產品營銷材料的設計。合規及風險管理部監察所有保險營銷材料和電腦軟件的合法使用情況，以確保不侵犯知識產權。僱員禁止在本集團內的任何信息技術設備內安裝電腦軟件。

OPERATING PRACTICES (Continued)

II. Product Responsibility

The Group complies strictly with the applicable laws and regulations of Hong Kong and the locations it operates. The operations of the Group's insurance business strictly comply with the Companies Ordinance and regulations of the Insurance Authority.

The Group cares about the quality of our services and products offered to customers. The Group has internal management system in place to optimise the service process and provide customers with high quality and reliable service. The Group conducts periodic checks to ensure that the quality of service and the terms of the insurance contracts are properly arranged.

There are no recall procedures for our insurance products. If customers are dissatisfied with our service or the terms of the insurance contract, the Group is willing to make necessary adjustment instead.

The Group implements the Customer Complaint Handling Guidelines to deal with the complaints of our service and insurance products from customers. The Group did not receive any complaint against our service or insurance products during the reporting period.

Intellectual Property Rights

The Group emphasises the protection of intellectual property rights. Given the nature of our business operations, the areas of concern related to intellectual property rights are mainly related to the use of licensed software and the design of marketing materials of insurance products. The Compliance and Risk Management Department monitors the legal use of all insurance marketing materials and computer software to ensure no infringement on intellectual property rights. The employees are prohibited to install computer software onto any information technology equipment within the Group.

營運慣例 (續)

II. 產品責任 (續)

個人資料私隱政策

本集團承諾採納並遵守《個人資料(私隱)條例》(香港法例第486章)(「《個人資料(私隱)條例》」)及其他適用法律及法規的所有有關規定。本集團堅持依照個人資料私隱保護原則收集、保留、處理和使用個人資料。本集團指定個人資料保護主任負責監察落實《個人資料(私隱)條例》，當部門主管直接管控個人資料時，個人資料保護主任將提供相關的合規協助。本集團還制定一些內部指引，並使用安全技術保護營運中所收集的個人資料。

III. 反貪污

本集團堅持誠信經營，並嚴格遵守香港以及其經營所在地的適用法律和法規。本集團致力於打擊貪污、賄賂、洗錢、勒索、欺詐和其他金融犯罪。本集團將立即終止任何違反或存在違反法律、法規或本公司政策風險的業務關係。本公司的合規監管部負責實施和定期監察適用於本集團的監管準則及相關措施。

本集團為新僱員舉辦企業文化和合規培訓，以介紹包括但不限於《防止賄賂條例》(香港法例第201章)和香港其他相關法律和法規。本集團提供預防貪污方面的建議，以提高僱員對常見的貪污陷阱的防範意識。

OPERATING PRACTICES (Continued)

II. Product Responsibility (Continued)

Personal Data Privacy Policy

The Group is committed to adopting and complying with all relevant provisions of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the "PDPO Ordinance") and other applicable laws and regulations. The Group upholds the personal data privacy protection principles therein for the purposes of collecting, retaining, processing and using personal data. The Group has designated the Personal Data Protection Officer for monitoring compliance with the PDPO Ordinance. While heads of departments are in direct control of personal data, the Personal Data Protection Officer also offers assistance on the relevant compliance issues. The Group also formulates several internal guidelines and uses certain security technologies to protect personal data collected in operations.

III. Anti-corruption

The Group adheres to the integrity of business and complies strictly with the applicable laws and regulations of Hong Kong and the locations it operates. The Group is committed to combating corruption, bribery, money laundering, extortion, fraud and other financial crimes. The Group will terminate immediately any business relationship that violates or presents the risk of violating such laws, regulations or policies of the Company. The Compliance Management Department of the Company is responsible to ensure that regulatory guidelines applicable to the Group are assessed and the associated initiatives are implemented and regularly monitored.

The Group holds corporate culture and compliance training for new employees to introduce including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and other relevant laws and regulations of Hong Kong. The Group provides advice on corruption prevention in order to enhance the staff awareness of the common pitfalls of corruption.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

營運慣例 (續)

III. 反貪污 (續)

本集團將對從事或助長賄賂或不遵守所有適用法律和法規的僱員採取紀律處分。本集團將對違規風險進行自我評估，並由內部審計部進行測試程序。於報告期內，本集團及其僱員未發生涉及貪污的訴訟。

預防措施和舉報程序

各級別僱員都應做到誠實、公正和守信用。本集團鼓勵僱員對內部任何可疑的不當行為或瀆職行為提出舉報，不必擔心受到迫害或騷擾。

本集團已制定舉報政策以實現上述公司管治目標，並且該政策適用於所有級別的僱員。如果發現任何貪污、洗錢、勒索、欺詐和其他金融犯罪事件，本集團將採取法律或紀律處分措施，以保障本集團及其持份者的利益。本公司審核委員會全面負責監督、監察和審查舉報政策的運作以及針對調查建議的應採取措施，日常職責則由本公司總經理負責。

OPERATING PRACTICES (Continued)

III. Anti-corruption (Continued)

The Group will impose disciplinary actions against employees who engage in or facilitate bribery, or who fail to comply with all applicable laws and regulations. The Group will conduct self-assessment of the risk of violation and testing processes performed by Internal Audit Department. There were no litigations involving the Group and its employees with regard to corruption during the reporting period.

Preventive Measures and Whistle-blowing Procedures

Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. Employees are encouraged to raise concerns in relation to suspected misconduct or malpractice within the Group, without fear of victimization or harassment for having done so.

The Group has formulated a whistle-blowing policy to achieve the aforementioned corporate governance goal and the policy applies to employees at all levels. If any incident of corruption, money laundering, extortion, fraud or other financial crimes was discovered, the Group will take legal or disciplinary actions to protect the interests of the Group and its stakeholders. The Audit Committee of the Company has overall responsibility for overseeing, monitoring and reviewing the operation of the whistle-blowing policy and recommendations for actions resulting from investigation while the day-to-day responsibility is assigned to the General Manager of the Company.

營運慣例 (續)

OPERATING PRACTICES (Continued)

IV. 社區投資

IV. Community Investment

作為負責任的企業公民，本集團致力於保護環境並服務於有需要的人，特別是弱勢群體和老年人群體。「回饋社區」是本集團企業文化的核心部分。

As a responsible corporate citizen, the Group is dedicated to protecting the environment and serving the needy, especially those underprivileged and elderly groups. "Rewarding the Community" is a core value of the Group's culture.



本集團積極參與「公益金便服日」，並於報告期內捐款港幣5,000元（2018年：港幣5,000元）。本集團鼓勵僱員額外捐款並收集一定的捐款。

The Group actively participates in the "Community Chest Casual Wear Day" and made a donation of HK\$5,000 (2018: HK\$5,000) during the reporting period. The Group encouraged employees to make additional donation and collected a certain amount of donation from employees.

於報告期內，康樂會舉辦「愛心月餅」活動，本集團僱員探訪一家老人護理中心，並向長者分派中秋月餅。

The Recreation Club organised "Love Moon Cake" event during the reporting period, and the employees of the Group visited an elderly care center and distributed mooncakes to the elders.



董事會報告

REPORT OF THE DIRECTORS

董事會同寅謹將截至2019年12月31日止年度報告及已經審核財務報表呈覽。

主要業務

本公司之主要業務為投資控股，而本公司及其附屬公司（「本集團」）主要從事金融服務、保險、物業投資以及策略投資。本公司之主要附屬公司及聯營公司之主要業務及其他摘要分別載於綜合財務報表註釋38及17。

本財政年度內按經營分部分析之本集團收入及業績載於綜合財務報表註釋5。

業績及分配

本集團截至2019年12月31日止年度之業績載於綜合損益表第106頁。

董事會議決於2020年6月3日（星期三）舉行之股東週年大會（「2020年股東週年大會」）上建議派發截至2019年12月31日止年度之末期股息每股港幣10仙，合共港幣59,725,725.20元（2018年：末期股息每股港幣10仙，合共港幣59,725,725.20元）。如獲通過，上述股息將於2020年6月19日或之前派發。

業務回顧

根據《公司條例》附表5規定須予披露的本集團業務討論及分析，包括對本集團業務的中肯審視，本集團面對的主要風險及不明朗因素的討論，在2019年財政年度結束後發生的並對本集團有影響的重大事件之詳情，本集團業務未來的可能發展的揭示，運用財務指標對本集團表現的分析，本集團對環境政策及表現的探討，對有重大影響的相關法律及法規的遵守情況的探討，以及對本集團有重大影響及對本集團成功關鍵之持份者的關係說明，已分別載於本年報第6至21頁及第30至85頁的「主席報告書」、「管理層討論及分析」、「企業管治報告」、「風險管理及內部監控披露報告」及「環境、社會及管治報告」各節內。

The Directors hereby present their report together with the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, and the Company and its subsidiaries (the "Group") are principally engaged in financial services, insurance, property investment and strategic investment. The principal activities and other particulars of the principal subsidiaries and associates are set out in Notes 38 and 17 respectively to the consolidated financial statements.

An analysis of the revenue and results of the Group by operating segment during the financial year is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated income statement on page 106.

The Board has resolved to recommend at the forthcoming annual general meeting of the Company to be held on Wednesday, 3 June 2020 (the "2020 AGM") the payment of a final dividend of 10 HK cents per share totalling HK\$59,725,725.20 for the year ended 31 December 2019 (2018: final dividend of 10 HK cents per share totalling HK\$59,725,725.20). The proposed dividend, if approved, will be paid on or before 19 June 2020.

BUSINESS REVIEW

A discussion and analysis of the activities of the Group as required to be disclosed by Schedule 5 to the Companies Ordinance, including a fair review of the Group's business, a discussion of the principal risks and uncertainties being faced by the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2019, an indication of likely future development in the Group's business, an analysis of the Group's performance using financial key performance indicators, a discussion on the Group's environmental policies and performance, the Group's compliance with the relevant laws and regulations that have a significant impact on the Group, and an account of the key relationships with its stakeholders that have a significant impact on the Group and on which the Group's success depends, are provided in the "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report", "Risk Management and Internal Control Report", and "Environmental, Social and Governance Report" set out on pages 6 to 21 and pages 30 to 85 respectively of this annual report.

暫停股份過戶登記

確定出席2020年股東週年大會並投票的資格

為確定出席2020年股東週年大會並在會上投票的資格，本公司將於2020年5月29日（星期五）至2020年6月3日（星期三）（包括首尾兩天在內）暫停辦理股份過戶登記手續。為確保符合資格出席2020年股東週年大會並在會上投票，所有填妥的股份過戶表格連同有關股票，須於2020年5月28日（星期四）下午4時30分前送達本公司股份過戶登記處卓佳標準有限公司辦理登記手續，地址為香港皇后大道東183號合和中心54樓。

確定收取擬派股息的資格

擬派發截至2019年12月31日止年度的末期股息須待本公司股東在2020年股東週年大會上批准後方可作實。為確定股東收取末期股息的資格，本公司將於2020年6月9日（星期二）至2020年6月10日（星期三）（包括首尾兩天在內）暫停辦理股份過戶登記手續。為確保符合資格享有末期股息，所有填妥的股份過戶表格連同有關股票，須於2020年6月8日（星期一）下午4時30分前送達本公司股份過戶登記處卓佳標準有限公司辦理登記手續，地址為香港皇后大道東183號合和中心54樓。

五年財務摘要

本集團過去五個財政年度之業績、資產淨值及權益總額摘要載於第4頁及第5頁。

物業、機器及設備

本集團之物業、機器及設備變動詳情載於綜合財務報表註釋14。

CLOSURE OF REGISTER OF MEMBERS

For Determining the Entitlement to Attend and Vote at the 2020 AGM

For the purpose of ascertaining the entitlement to attend and vote at the 2020 AGM, the register of members of the Company will be closed from Friday, 29 May 2020 to Wednesday, 3 June 2020, (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the right to attend and vote at the 2020 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 28 May 2020.

For Determining the Entitlement to the Proposed Dividend

The proposed final dividend for the year ended 31 December 2019 is subject to the approval by the Shareholders at the 2020 AGM. For the purpose of ascertaining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 9 June 2020 to Wednesday, 10 June 2020, (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 8 June 2020.

FIVE-YEAR FINANCIAL SUMMARY

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group is set out in Note 14 to the consolidated financial statements.

董事會報告 REPORT OF THE DIRECTORS

持有之主要物業權益

本集團持有之主要物業權益詳情載於第 276 頁。

股本

本公司之股本詳情載於綜合財務報表註釋 32(a)。

儲備金

本集團及本公司於年內之儲備金變動分別載於第 110 頁及綜合財務報表註釋 37(a)。

可供分派儲備

根據《公司條例》第 6 部計算，本公司於 2019 年 12 月 31 日可供分派儲備為港幣 557,625,000 元（2018 年：港幣 634,435,000 元）。

董事

於年內及截至本報告日期，在職之本公司董事芳名載於本年報第 2 頁內。

根據本公司《組織章程細則》第 94 及 95 條，嚴正先生、王非先生及梁創順先生將於 2020 年股東週年大會上輪值告退，並符合資格且願意膺選連任。

本公司概無與擬於 2020 年股東週年大會上膺選連任之董事訂立任何於一年內由本公司予以終止而須作出賠償（法定賠償除外）之服務合約。

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

本公司已接獲各獨立非執行董事根據聯交所《上市規則》第 3.13 條規定就其獨立性提交的年度確認書，本公司認為所有獨立非執行董事仍為獨立人士。

PRINCIPAL PROPERTY INTERESTS HELD

Details of the principal property interests held by the Group are set out on page 276.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 32(a) to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out on page 110 and in Note 37(a) to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2019, calculated under Part 6 of the Companies Ordinance, amounted to HK\$557,625,000 (2018: HK\$634,435,000).

DIRECTORS

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

In accordance with Articles 94 and 95 of the Articles of Association of the Company, Mr YAN Zheng, Mr WANG Fei and Mr LEUNG Chong Shun will retire by rotation at the 2020 AGM and, being eligible, offer themselves for re-election.

No Director proposed for re-election at the 2020 AGM has any service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

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

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

董事個人簡歷

本公司之現任董事之個人簡歷載於本年報之「董事及高級管理人員個人簡歷」一節。

董事資料的變更

根據《上市規則》第13.51B(1)條，自本公司2019年中期報告刊發日期起直至本年報批准日期，須予披露之本公司之董事資料之變更詳列如下：

本公司執行董事及總經理陳宇先生自2019年11月25日起辭任福建省閩投融資再擔保有限責任公司（前稱福建省中小企業信用再擔保有限責任公司）之董事長及法定代表人。

附屬公司董事

於年內及截至本報告日期，出任本公司附屬公司董事會的董事芳名載列如下：

陳宇先生
陳廣宇先生
吳徐斌先生
熊安台先生
張燕南先生
郭祥先生
陳芬女士
張帆先生
錢文榮先生
吳嘉志先生（附註）

附註：吳嘉志先生辭任董事，自2019年9月9日起生效。

BIOGRAPHICAL DETAILS OF DIRECTORS

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

CHANGE IN THE INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of the Directors of the Company required to be disclosed since the publication of 2019 interim report of the Company up to the date of approval of this annual report is set out below:

Mr CHEN Yu, an Executive Director and the General Manager of the Company, resigned as the chairman and the legal representative of 福建省閩投融資再擔保有限責任公司 (Fujian Provincial Mintou Financing Re-guarantee Company Limited*, 前稱福建省中小企業信用再擔保有限責任公司) with effect from 25 November 2019.

* The relevant English name is only a transliteration of the Chinese name for referent only.

DIRECTORS OF SUBSIDIARIES

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

Mr CHEN Yu
Mr CHAN Kwong Yu
Mr WU Xubin
Mr SHIUNG An Tai
Mr ZHANG Yannan
Mr GUO Xiang
Ms CHEN Fen
Mr ZHANG Fan
Mr QIAN Wen Rong
Mr NG Ka Chi (Note)

Note: Mr NG Ka Chi resigned as a director with effect from 9 September 2019.

董事會報告 REPORT OF THE DIRECTORS

董事及行政總裁於本公司股份、相關股份及債券之權益及淡倉

於2019年12月31日，本公司董事及行政總裁在本公司及其相聯法團（根據《證券及期貨條例》（香港法例第571章）（「《證券及期貨條例》」）第XV部所指的定義）的股份、相關股份及債券中擁有根據《證券及期貨條例》第352條須予備存的登記冊所記錄或根據《上市規則》之《標準守則》須知會本公司及聯交所之權益及淡倉如下：

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At 31 December 2019, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code in the Listing Rules were as follows:

董事姓名 Name of Director	權益性質 Nature of interests	持有股份數量 Number of shares held	佔本公司已發行股本之概約百分比 Approximate percentage of the issued share capital of the Company
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於本公司普通股份之好倉 Long Position in Ordinary Shares of the Company

葉啟明 IP Kai Ming	個人權益 Personal interest	865,800	0.14%
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除上文所披露者外，於2019年12月31日，本公司董事及行政總裁概無在本公司或其任何相聯法團（根據《證券及期貨條例》第XV部所指的定義）的股份、相關股份或債券中擁有任何須根據《證券及期貨條例》第352條須予備存的登記冊所記錄或根據《標準守則》須知會本公司及聯交所之權益或淡倉；董事或彼等之配偶或18歲以下之子女於年內亦無持有任何權利以認購本公司的證券或已行使該等權利。

Save as disclosed above, at 31 December 2019, none of the Directors and Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and none of the Directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

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

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

董事於競爭業務之權益

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

董事之交易、安排及合約權益

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

獲准許彌償條文

本公司《組織章程細則》列明，在《公司條例》的規限下，本公司每名董事因其執行及履行其職責時或與之相關所招致之一切成本、收費、損失、開支及負債，均有權從本公司資產中獲得彌償。本公司已為本公司及其附屬公司的董事及高級職員安排投保董事及高級管理人責任保險，受保條款及範圍每年進行檢討及續保。

PERMITTED INDEMNITY PROVISION

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

董事會報告 REPORT OF THE DIRECTORS

主要股東及其他人士的股份權益

於2019年12月31日，根據《證券及期貨條例》第336條本公司須予備存的登記冊中記錄或本公司獲通知，主要股東及其他人士（本公司董事及行政總裁除外）持有本公司股份及相關股份之權益或淡倉如下：

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

At 31 December 2019, substantial shareholders and other persons (other than Directors and Chief Executive of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company, were as follow:

名稱 Name	身份 Capacity	附註 Notes	持有股份數量 Number of shares held	佔本公司 已發行股本 之概約百分比 Approximate percentage of the issued share capital of the Company
於本公司普通股份之好倉 Long Positions in Ordinary Shares of the Company				
Samba Limited ("Samba")	實益擁有人 Beneficial Owner	1	144,885,000	24.26%
貴信有限公司（「貴信」） Vigour Fine Company Limited ("Vigour Fine")	實益擁有人及受控法團權益 Beneficial Owner and interest of Controlled Corporation	1	355,552,883	59.53%
福建省投資開發集團有限 責任公司（「福建投資集團」） Fujian Investment & Development Group Co., Ltd. ("FIDG")	受控法團權益 Interest of Controlled Corporation	2	355,552,883	59.53%
冠城鐘錶珠寶集團有限公司 （「冠城鐘錶」） Citychamp Watch & Jewellery Group Limited ("Citychamp")	實益擁有人 Beneficial Owner	3	88,150,000	14.76%
朝豐有限公司（「朝豐」） Full Day Limited ("Full Day")	受控法團權益 Interest of Controlled Corporation	3	88,150,000	14.76%
信景國際有限公司 （「信景國際」） Sincere View International Limited ("Sincere View")	實益擁有人及受控法團權益 Beneficial Owner and interest of Controlled Corporation	3	99,398,000	16.64%
韓國龍（「韓先生」） HON Kwok Lung ("Mr Hon")	受控法團權益 Interest of Controlled Corporation	4	99,398,000	16.64%
林淑英（「林女士」） LAM Suk Ying ("Ms Lam")	配偶的權益 Interest of Spouse	4	99,398,000	16.64%

主要股東及其他人士的股份權益 (續)

附註：

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

除上文所披露者外，於 2019 年 12 月 31 日，本公司並無收到任何人士（本公司董事及行政總裁除外）知會其於本公司股份或相關股份擁有根據《證券及期貨條例》第 336 條本公司須予備存的登記冊所記錄，或已知會本公司及聯交所之任何權益或淡倉。

購入、出售或贖回股份

本公司及其附屬公司於本年度內並無購回、出售或贖回任何本公司之已發行股份。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES (Continued)

Notes:

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

Save as disclosed above, at 31 December 2019, the Company had not been notified by any person (other than Directors and Chief Executive of the Company) who had any interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

董事會報告 REPORT OF THE DIRECTORS

管理合約

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

除上文所披露者外，本公司於年內並無與貴信簽訂任何重要合約。

陳宇先生及楊敬朝先生為貴信之董事而被視為於上述交易有利益關係。

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

主要客戶及供應商

年內本集團五大供應商合共所佔之購貨款百分比及本集團五大客戶合共所佔之銷售貨品或提供服務的收入百分比各不超過本集團總購貨款及總收入的30%。

銀行借款及其他貸款

本集團於2019年12月31日之銀行借款及控股股東貸款詳情分別載於綜合財務報表註釋28及29。

遵守《保險業條例》

本公司之全資附屬公司閩信保險有限公司受保險業監管局的監管，並須符合《保險業條例》關於每年毛保費收入限制的規定。

MANAGEMENT CONTRACTS

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

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

Mr CHEN Yu and Mr YANG Jingchao were deemed to be interested in the above transaction by virtue of being directors of Vigour Fine.

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, both the percentage of purchases attributable to the Group's five largest suppliers combined and the percentage of revenue from sales of goods or rendering of services attributable to the Group's five largest customers combined were less than 30% of the total purchases and total revenue of the Group respectively.

BANK BORROWINGS AND OTHER LOANS

Details of the bank borrowings and loan from the controlling shareholder of the Group at 31 December 2019 are set out in Notes 28 and 29 respectively to the consolidated financial statements.

COMPLIANCE WITH THE INSURANCE ORDINANCE

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

關連交易

本集團於截至2019年12月31日止年度內進行的重大關聯方交易詳情載於綜合財務報表註釋17(b), 17(c), 36(a), 36(b), 36(c)及36(d)內，惟此等關聯方交易按《上市規則》規定無須作為關連交易披露。

其他亦構成《上市規則》所指之關連交易之關聯方交易載於綜合財務報表註釋9, 10(a)(iii)及29內。

《上市規則》第13.21條之持續披露規定

根據本公司與若干本地銀行簽訂的定期貸款授信函及循環貸款授信函（統稱「貸款授信函」），本公司承諾將促使本公司的控股股東福建投資集團，於貸款授信函期內(i)維持（無論直接或間接）持有本公司已發行股本不少於35%的實益權益；或(ii)維持（無論直接或間接）持有本公司已發行股本不少於51%的實益權益及擁有對本公司行使（無論直接或間接）管理控制的權力。違反該等承諾將構成違約事件，而本公司在貸款授信函項下的所有到期未償還金額（包括本金及利息）可變為即時到期及應付。

公眾持股量

茲提述本公司日期為2019年11月15日之公告。誠如該公告所披露，本公司之公眾持股量自2017年11月23日起跌至低於《香港聯合交易所有限公司（「聯交所」）證券上市規則》（「《上市規則》」）第8.08(1)(a)條規定之最低百分比25%。

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2019, which are not required to be disclosed under the Listing Rules as connected transactions, are disclosed in Notes 17(b), 17(c), 36(a), 36(b), 36(c) and 36(d) to the consolidated financial statements.

Other related party transactions, which also constitute connected transactions under the Listing Rules, are disclosed in Notes 9, 10(a)(iii) and 29 to the consolidated financial statements.

CONTINUING DISCLOSURE REQUIREMENT PURSUANT TO RULE 13.21 OF THE LISTING RULES

Pursuant to the term loan and revolving loan facilities (collectively, the “Loan Facilities”) entered into between the Company and certain banks in Hong Kong, the Company undertakes to procure FIDG, a controlling shareholder of the Company, (i) shall maintain (whether directly or indirectly) not less than 35% beneficial interests in the issued share capital of the Company; or (ii) shall maintain (whether directly or indirectly) not less than 51% beneficial interests in the issued share capital of the Company and have the power to exercise (whether directly or indirectly) management control over the Company, during the term of the Loan Facilities. Breach of such undertaking will constitute an event of default and all amounts (including principal and interest) due and owing by the Company to the banks under the Loan Facilities shall become immediately due and payable.

PUBLIC FLOAT

Reference is made to the announcement of the Company dated 15 November 2019. As disclosed in the announcement, the public float of the Company has fallen below the minimum prescribed percentage of 25% as required under Rule 8.08(1)(a) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 23 November 2017.

董事會報告 REPORT OF THE DIRECTORS

於本年報日期，本公司的核心關連人士（定義見《上市規則》）（即福建省投資開發集團有限責任公司、韓國龍先生（「韓先生」）及本公司獨立非執行董事葉啟明先生）持有的本公司已發行股本的權益總額百分比約為76.31%。因此，由公眾持有的本公司已發行股本的權益百分比約為23.69%，仍低於《上市規則》第8.08(1)(a)條規定之最低百分比25%。

本公司管理層正與相關各方商討恢復公眾持股量的可行措施，包括但不限於與韓先生進行討論以減少其在本公司的股份以及探索其他替代解決方案。本公司將於適當時候刊發有關恢復公眾持股量之公告。

企業管治

有關本公司實踐企業管治之詳情載於本年報第30至53頁內之《企業管治報告》。

核數師

畢馬威會計師事務所已經審核截至2019年12月31日止年度的綜合財務報表，其將於2020年股東週年大會退任，惟有資格亦願應聘連任。有關重新委任畢馬威會計師事務所及授權董事釐定其酬金的決議案將於2020年股東週年大會上提呈。

董事會代表

主席
嚴正

香港，2020年3月26日

At the date of this annual report, the aggregate percentage of shareholding interests in the issued share capital of the Company held by the core connected persons of the Company (as defined in the Listing Rules) (being Fujian Investment & Development Group Co., Ltd., Mr Hon Kwok Lung ("Mr Hon") and Mr Ip Kai Ming who is an Independent Non-executive Director of the Company) was approximately 76.31%. Thus, the percentage of shareholding interests in the issued share capital of the Company held by public was approximately 23.69% and was below the minimum prescribed percentage of 25% as required under Rule 8.08(1) (a) of the Listing Rules.

The management of the Company is in the process of working out with relevant parties to identify feasible measures to restore the public float, including but not limited to discussion with Mr Hon to reduce his shareholding in the Company and exploration of other alternative solutions. Further announcement will be made by the Company on the restoration of public float as and when appropriate.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" on pages 30 to 53 in this annual report.

AUDITOR

The consolidated financial statements for the year ended 31 December 2019 have been audited by KPMG who will retire and, being eligible, offer itself for re-appointment at the 2020 AGM. A resolution to re-appoint KPMG and to authorise the Directors to fix its remuneration will be proposed at the 2020 AGM.

On behalf of the Board

YAN Zheng
Chairman

HONG KONG, 26 March 2020

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

致閩信集團有限公司成員
(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第106至275頁閩信集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表註釋,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

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

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

Opinion

We have audited the consolidated financial statements of Min Xin Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 106 to 275, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and 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 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

對聯營公司權益的會計核算 Accounting for interest in an associate

請參閱綜合財務報表註釋 17 及第 124 至 126 頁的會計政策
Refer to note 17 to the consolidated financial statements and the accounting policies on pages 124 to 126.

關鍵審計事項 The Key Audit Matter

貴集團所持廈門國際銀行及其附屬公司（廈銀集團）約 9.7635% 的股份，於集團綜合財務報表中以採用權益法進行核算。

The Group's approximately 9.7635% interest in Xiamen International Bank and its subsidiaries ("XIB Group") is accounted for in the consolidated financial statements under the equity method.

截至二零一九年十二月三十一日止年度，貴集團應佔廈銀集團之稅後溢利為約港幣 57,517 萬元；貴集團於廈銀集團權益的帳面價值為約港幣 548,296 萬元。上述數額約佔截至二零一九年度貴集團股東應佔溢利的 100.64% 及截至二零一九年十二月三十一日貴集團總資產的 71.18%。

The Group's share of the profit after tax from XIB Group for the year ended 31 December 2019 was approximately HK\$575.17 million and the carrying value of the Group's interest in XIB Group was approximately HK\$5,482.96 million. This represented approximately 100.64% of the Group's profit attributable to equity shareholders of the Company for the year ended 31 December 2019 and approximately 71.18% of the Group's total assets as at 31 December 2019.

我們於審計中處理該事項的方法 How the matter was addressed in our audit

我們用於評估於廈銀集團的權益的會計核算的審計程序包括以下各項：

Our audit procedures to assess the accounting for the interest in XIB Group included the following:

- 評估關鍵的集團層面內部控制設計、實施和操作的有效性，以及廈銀集團權益以權益法核算的合併過程；
evaluating the design, implementation and operating effectiveness of key group-wide internal controls and the consolidation process for equity accounting for the Group's interest in XIB Group;
- 將廈銀集團的權益合併和重新分類調整與相關基礎文件進行比較；
comparing consolidation and reclassification journal adjustments in respect of the interest in XIB Group with relevant underlying documentation;
- 根據廈銀集團的財務資料，重新計算貴集團應佔淨資產和貴集團於本年度的應佔溢利；
recalculating the Group's share of net assets and the Group's share of profit for the year with reference to the financial information of XIB Group;

對聯營公司權益的會計核算 (續)

Accounting for interest in an associate (Continued)

關鍵審計事項

The Key Audit Matter

我們將對聯營公司權益的會計核算列為關鍵審計事項，是由於其對貴集團綜合財務報表的重大影響，以及編制廈銀集團財務資料所涉及的複雜性和管理層判斷，特別是評估發放貸款及墊款和按攤銷成本計量的金融資產的減值準備，增加了廈銀集團綜合財務報表出現重大錯報陳述的風險。減值準備的評估存在固有不確定性及涉及重大判斷和估計，從而增加錯誤或潛在管理層判斷偏見的風險。We identified the accounting for the interest in XIB Group as a key audit matter because of its material impact on the Group's consolidated financial statements and the complexity and management judgement involved in the preparation of the financial information of XIB Group, which increases the risk of material misstatement in XIB Group's consolidated financial statements, particularly in respect of the assessment of impairment allowances of loans and advances to customers and financial assets at amortised cost of XIB Group. The assessment of impairment allowances is inherently subjective and require significant judgement and estimation which increases the risk of error or potential management bias.

廈銀集團綜合財務報表中的任何錯報，都可能通過權益法核算而對貴集團綜合財務報表產生重大的影響。

Any misstatement in XIB Group's consolidated financial statements could have a consequential material impact on the Group's consolidated financial statement through the equity method of accounting.

我們於審計中處理該事項的方法

How the matter was addressed in our audit

- 指示廈銀集團的核數師（「組成部分核數師」）據本所發出的集團審計指引，對廈銀集團的財務資料執行全面的審計；
instructing the auditors of XIB Group ("the component auditors") to perform a full scope audit of the financial information of XIB Group in accordance with the Group Audit Instructions issued by us;
- 參與組成部分核數師的風險評估程序，以確定廈銀集團的財務資料相關的重大錯報風險及與組成部分核數師討論對該等風險的應對；及
participating in the component auditors' risk assessment process to identify significant risks of material misstatement of the financial information of XIB Group and discussing with the component auditors their responses to address such risks; and
- 與組成部分核數師討論其審計發現和結論，並通過審閱組成部分核數師的工作底稿，評估相關的審計證據對於我們就綜合財務報表進行的審計是否充足和恰當。
discussing with the component auditors their findings and conclusions with regard to their audit and evaluating the sufficiency and appropriateness of the audit evidence for purpose of our audit of the consolidated financial statements by reviewing the component auditor's working papers.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

三明市三元區閩信小額貸款有限公司（「三元小貸」）客戶貸款及應收利息減值準備 Impairment allowances on loans to customers and interest receivable of Sanming Sanyuan District Minxin Micro Credit Company Limited (“Sanyuan Micro Credit”)

請參閱綜合財務報表註釋23及第146至152頁的會計政策
Refer to note 23 to the consolidated financial statements and the accounting policies on pages 146 to 152.

關鍵審計事項 The Key Audit Matter

截止二零一九年十二月三十一日，三元小貸（貴公司一家全資附屬公司）客戶貸款及應收利息總額約為人民幣24,420萬元（等值約港幣27,314萬元），佔貴集團總資產比例約為3.55%。管理層就客戶貸款及應收利息計提的減值準備約為人民幣22,544萬元（等值約港幣25,216萬元）。減值準備佔客戶貸款及應收利息總額的比率為92.32%。

As at 31 December 2019, the balance of total loans to customers and interest receivable of Sanyuan Micro Credit, a wholly-owned subsidiary of the Company, amounted to approximately RMB244.2 million (equivalent to approximately HK\$273.14 million), representing approximately 3.55% of the Group's total assets. Impairment allowances on loans to customers and interest receivable amounting to approximately RMB225.44 million (equivalent to approximately HK\$252.16 million), were provided by management. The impairment allowances to total loans to customers and interest receivable ratio was 92.32%.

基於預期信用損失模型，100%的客戶貸款及應收利息被評估為已發生信用減值。三元小貸減值準備評估涉及若干關鍵參數和假設的應用，包括違約損失率、折現率和其他調整因素。

Under the expected credit loss model, 100% of the loans to customers and interest receivable were assessed as credit-impaired. The determination of loss allowances for Sanyuan Micro Credit is subject to some key parameters and assumptions, such as loss given default, discount rate and other adjustment factors.

我們於審計中處理該事項的方法 How the matter was addressed in our audit

與評估三元小貸客戶貸款及應收利息減值準備的相關審計程序包括以下程序：

Our audit procedures to assess the impairment allowances of loans to customers and interest receivable of Sanyuan Micro Credit included the following:

- 了解和評估與三元小貸客戶貸款及應收利息減值準備計提相關的關鍵內部控制的設計，實施和操作有效性；
understanding and assessing the design, implementation and operating effectiveness of key internal controls of Sanyuan Micro Credit's impairment assessment of loans to customers and interest receivable;
- 我們在選取已發生信用減值樣本的基礎上，將三元小貸持有的抵押物的管理層估值和預計未來現金流與抵押物的市場價格進行比較。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，就三元小貸的回收計畫的可靠性進行考量，並考慮管理層認定的其他還款來源；
for selected samples of loans to customers and interest receivable that are credit-impaired, evaluating management's assessment of the value of collaterals and forecast cashflows, by comparing collaterals' market prices with management's assessment of value, and evaluating the viability of management's recovery plans. We also evaluated the timing and means of realisation of collateral and evaluated other credit enhancements that are integral to the contract terms;

三明市三元區閩信小額貸款有限公司（「三元小貸」）客戶貸款及應收利息減值準備（續）
Impairment allowances on loans to customers and interest receivable of Sanming Sanyuan District
Minxin Micro Credit Company Limited (“Sanyuan Micro Credit”) (Continued)

關鍵審計事項
The Key Audit Matter

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配合程度。管理層在評估抵押房產的價值時，會參考合資格的第三方評估機構出具的抵押物評估報告，並同時考慮抵押物的市場價格、地理位置及用途。另外，抵押物變現的可執行性、時間和方式也會影響抵押物可收回金額。
Management 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. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held as collateral. 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 loss allowances as at the end of the reporting period.

由於客戶貸款及應收利息的減值準備存在固有不確定性及涉及管理層判斷，所以我們將三元小貸客戶貸款及應收利息的減值準備識別為關鍵審計事項。

We identified the impairment allowances of loans to customers and interest receivable as a key audit matter because of the inherent uncertainty and management judgement involved.

我們於審計中處理該事項的方法
How the matter was addressed in our audit

- 基於上述工作，我們選取樣本利用預期信用損失模型重新計算了客戶貸款及應收利息的減值準備，以核實減值準備計算的準確性；及
having considered the above, recalculating the amount of credit loss allowance using the expected credit loss model for samples of loans to customers and interest receivable, to verify the calculation accuracy of the credit loss allowance; and
- 評價與客戶貸款及應收利息的減值準備相關的披露是否符合香港財務報告準則第7號「金融工具：披露」的披露要求。
evaluating whether the disclosures on impairment allowances on loans to customers and interest receivable meet the disclosure requirements of HKFRS 7 – Financial Instruments: Disclosures.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

綜合財務報表及其核數師報告以外的信息

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

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

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

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

審核委員會協助董事履行監督貴集團財務報告過程的責任。

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此之外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional 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.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表承擔的責任 (續)

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

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

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

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

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

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計項目合夥人是李嘉林。

畢馬威會計師事務所
執業會計師

香港中環
遮打道十號
太子大廈八樓
二零二零年三月二十六日

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

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

The engagement partner on the audit resulting in this independent auditor's report is Li Ka Lam.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
26 March 2020

綜合損益表

CONSOLIDATED INCOME STATEMENT

截至2019年12月31日止年度 For the year ended 31 December 2019

			2019	2018
		註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
收益總額	Total revenues	5	152,484	1,038,698
其他虧損 – 淨額	Other losses – net	6	(11,262)	(11,427)
保險業務產生的 賠償淨額及佣金 費用	Net insurance claims incurred and commission expenses incurred on insurance business	7	(46,028)	(36,973)
銷售成本	Costs of sales		(10,996)	(920,394)
客戶貸款及應收利息 減值虧損撥回	Write back of impairment loss on loans to customers and interest receivable	23	6,255	4,016
銷售及分銷成本	Selling and distribution costs		(332)	(2,332)
行政及其他費用	Administrative and other expenses		(57,070)	(52,260)
營業溢利	Operating profit	8	33,051	19,328
融資成本	Finance costs	9	(18,645)	(26,165)
應佔聯營公司業績	Share of results of associates		579,179	617,363
除稅前溢利	Profit before taxation		593,585	610,526
所得稅支出	Income tax expense	11	(22,099)	(32,436)
本年度溢利	Profit for the year		571,486	578,090
股息	Dividend			
末期股息	Final dividend	12	59,726	59,726
			港仙 HK CENTS	港仙 HK CENTS
每股盈利	Earnings per share			
基本及攤薄	Basic and diluted	13	95.69	96.79
每股股息	Dividend per share			
末期股息	Final dividend		10	10

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2019年12月31日止年度 For the year ended 31 December 2019

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
本年度溢利	Profit for the year	571,486	578,090
其他全面收益	Other comprehensive income		
不會重新分類至損益表的項目：	Items that will not be reclassified to income statement:		
按公平值計入其他全面收益的股權投資 公平值儲備金（不可循環） 變動淨額	Equity investments at fair value through other comprehensive income Net movement in fair value reserve (non-recycling)	(147,074)	66,903
租賃樓房重新分類至投資物業 租賃樓房重估產生的未變現盈餘 遞延所得稅	Leasehold buildings reclassified to investment properties Unrealised surplus on revaluation of leasehold buildings Deferred income tax	2,747 (732)	– –
		2,015	–
應佔聯營公司的其他全面收益	Share of other comprehensive income of associates	946	(171)
		(144,113)	66,732
其後可能重新分類至損益表的項目：	Items that may be reclassified subsequently to income statement:		
換算海外附屬公司及聯營公司的財務報表所產生的匯兌差額	Exchange differences arising on translation of the financial statements of foreign subsidiaries and associates	(117,036)	(311,630)
應佔聯營公司的其他全面收益	Share of other comprehensive income of associates	62,534	191,041
		(54,502)	(120,589)
經扣除稅項後的本年度其他全面收益	Other comprehensive income for the year, net of tax	(198,615)	(53,857)
本年度全面收益總額	Total comprehensive income for the year	372,871	524,233

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2019年12月31日結算 As at 31 December 2019

			2019	2018
		註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
非流動資產	Non-current assets			
物業、機器及設備	Property, plant and equipment	14	26,499	20,935
無形資產	Intangible assets	15	735	1,573
投資物業	Investment properties	16	159,415	169,632
聯營公司	Associates	17	5,532,229	4,988,673
按公平值計入其他全面收益 的金融資產	Financial assets at fair value through other comprehensive income	18	423,343	570,417
按攤銷成本計量的金融資產	Financial assets at amortised cost	19	-	3,129
再保險資產	Reinsurance assets	22	1,029	1,546
其他應收賬款及預付款	Other debtors and prepayments		15,777	6
現金及銀行結存	Cash and bank balances	25	506,009	227,800
遞延所得稅資產	Deferred income tax assets	31	451	535
			6,665,487	5,984,246
流動資產	Current assets			
存貨	Inventories		-	10,668
遞延取得成本	Deferred acquisition costs	20	28,905	21,242
保險應收款	Insurance receivable	21	23,025	13,134
再保險資產	Reinsurance assets	22	7,947	4,791
客戶貸款及應收利息	Loans to customers and interest receivable	23	20,981	22,875
其他應收賬款、預付款及 按金	Other debtors, prepayments and deposits		9,310	5,862
按攤銷成本計量的金融資產	Financial assets at amortised cost	19	3,115	-
按公平值透過損益列賬 的金融資產	Financial assets at fair value through profit or loss	24	97,822	306
銀行承兌匯票	Banker's acceptance		-	56,186
現金及銀行結存	Cash and bank balances	25	846,635	1,177,580
			1,037,740	1,312,644
流動負債	Current liabilities			
保險合約	Insurance contracts	26	68,554	65,523
保險應付款	Insurance payable	27	16,147	9,196
其他應付賬款及應計費用	Other creditors and accruals		33,106	24,498
租賃負債	Lease liabilities	30	191	-
銀行借款	Bank borrowings	28	60,000	198,804
控股股東貸款	Loan from the controlling shareholder	29	49,943	-
應付本期稅項	Current income tax payable		26,284	25,495
			254,225	323,516
流動資產淨值	Net current assets		783,515	989,128
總資產減流動負債	Total assets less current liabilities		7,449,002	6,973,374

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2019年12月31日結算 As at 31 December 2019

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
	註釋 Note		
非流動負債	Non-current liabilities		
保險合約	Insurance contracts	19,316	17,482
租賃負債	Lease liabilities	65	-
銀行借款	Bank borrowings	199,965	199,966
控股股東貸款	Loan from the controlling shareholder	149,943	-
遞延所得稅負債	Deferred income tax liabilities	36,376	24,106
		<u>405,665</u>	<u>241,554</u>
資產淨值	Net assets	<u>7,043,337</u>	<u>6,731,820</u>
權益	Equity		
股本	Share capital	1,715,377	1,715,377
其他儲備金	Other reserves	1,393,720	1,504,672
保留溢利	Retained profits	3,934,240	3,511,771
本公司股東應佔權益 總額	Total equity attributable to shareholders of the Company	<u>7,043,337</u>	<u>6,731,820</u>

嚴正
董事

YAN Zheng
Director

陳宇
董事

CHEN Yu
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2019年12月31日止年度 For the year ended 31 December 2019

		其他儲備金									股東權益 總額	
		股本	法定 儲備金	普通 儲備金	資本 儲備金	公平值 儲備金 (可循環)	公平值 儲備金 (不可循環)	租賃樓房 重估儲備金 Leasehold buildings revaluation reserve	外匯折算 儲備金 Exchange translation reserve	其他 儲備金 總額		保留溢利
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2018年1月1日	At 1 January 2018	1,715,377	871,411	84,476	329,956	(180,099)	281,765	3,192	19,651	1,410,352	3,128,441	6,254,170
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	578,090	578,090
其他全面收益	Other comprehensive income	-	-	-	-	172,154	66,732	-	(292,743)	(53,857)	-	(53,857)
股息	Dividend	-	-	-	-	-	-	-	-	-	(47,781)	(47,781)
一家聯營公司出售按公平值 計入其他全面收益的 股權證券時撥回	Released on disposal of equity investments at fair value through other comprehensive income by an associate	-	-	-	-	-	(13)	-	-	(13)	13	-
應佔一家聯營公司的資本 儲備金變動	Share of movement in capital reserve of an associate	-	-	-	1,198	-	-	-	-	1,198	-	1,198
調撥	Transfers	-	99,235	47,757	-	-	-	-	-	146,992	(146,992)	-
於2018年12月31日	At 31 December 2018	<u>1,715,377</u>	<u>970,646</u>	<u>132,233</u>	<u>331,154</u>	<u>(7,945)</u>	<u>348,484</u>	<u>3,192</u>	<u>(273,092)</u>	<u>1,504,672</u>	<u>3,511,771</u>	<u>6,731,820</u>
組成如下：	Representing:											
2018年擬派股息	2018 proposed dividend	-	-	-	-	-	-	-	-	-	59,726	59,726
其他	Others	1,715,377	970,646	132,233	331,154	(7,945)	348,484	3,192	(273,092)	1,504,672	3,452,045	6,672,094
於2018年12月31日	At 31 December 2018	<u>1,715,377</u>	<u>970,646</u>	<u>132,233</u>	<u>331,154</u>	<u>(7,945)</u>	<u>348,484</u>	<u>3,192</u>	<u>(273,092)</u>	<u>1,504,672</u>	<u>3,511,771</u>	<u>6,731,820</u>
於2019年1月1日	At 1 January 2019	1,715,377	970,646	132,233	331,154	(7,945)	348,484	3,192	(273,092)	1,504,672	3,511,771	6,731,820
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	571,486	571,486
其他全面收益	Other comprehensive income	-	-	-	-	54,215	(146,128)	2,015	(108,717)	(198,615)	-	(198,615)
股息	Dividend	-	-	-	-	-	-	-	-	-	(59,726)	(59,726)
應佔一家聯營公司的資本 儲備金變動	Share of movement in capital reserve of an associate	-	-	-	(1,628)	-	-	-	-	(1,628)	-	(1,628)
調撥	Transfers	-	72,850	16,441	-	-	-	-	-	89,291	(89,291)	-
於2019年12月31日	At 31 December 2019	<u>1,715,377</u>	<u>1,043,496</u>	<u>148,674</u>	<u>329,526</u>	<u>46,270</u>	<u>202,356</u>	<u>5,207</u>	<u>(381,809)</u>	<u>1,393,720</u>	<u>3,934,240</u>	<u>7,043,337</u>
組成如下：	Representing:											
2019年擬派股息	2019 proposed dividend	-	-	-	-	-	-	-	-	-	59,726	59,726
其他	Others	1,715,377	1,043,496	148,674	329,526	46,270	202,356	5,207	(381,809)	1,393,720	3,874,514	6,983,611
於2019年12月31日	At 31 December 2019	<u>1,715,377</u>	<u>1,043,496</u>	<u>148,674</u>	<u>329,526</u>	<u>46,270</u>	<u>202,356</u>	<u>5,207</u>	<u>(381,809)</u>	<u>1,393,720</u>	<u>3,934,240</u>	<u>7,043,337</u>

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至2019年12月31日止年度 For the year ended 31 December 2019

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
	註釋 Note		
經營活動現金	Net cash (outflow)/inflow		
(流出)／流入淨額	from operations		
已收利息	Interest received	35(a) (30,971)	101,231
已付利息	Interest paid	27,510	36,703
已付其他借款成本	Other borrowing costs paid	(16,739)	(21,626)
已付稅項	Tax paid	35(b) (166)	(1,234)
		(9,060)	(26,000)
經營業務活動現金	Net cash (outflow)/inflow		
(流出)／流入淨額	from operating activities	(29,426)	89,074
投資活動	Investing activities		
根據保險業監管機構規定而存放之銀行存款	Placement of bank deposits pursuant to insurance regulatory requirements	(9,322)	(3,667)
提取有限制之銀行存款	Withdrawal of restricted bank deposits	1,118	1,133
存放原到期日超過三個月之銀行存款	Placement of bank deposits with original maturity over three months	(585,012)	(104,942)
購入物業、機器及設備	Purchase of property, plant and equipment	(867)	(1,902)
購入無形資產	Purchase of intangible assets	(270)	(1,080)
已收一家聯營公司股息	Dividend received from an associate	-	153,195
贖回應收款項類投資	Redemption of investment receivables	-	136,666
出售物業、機器及設備	Sale of property, plant and equipment	-	12
投資活動現金	Net cash (outflow)/inflow from		
(流出)／流入淨額	investing activities	(594,353)	179,415
融資活動前現金	Net cash (outflow)/inflow before		
(流出)／流入淨額	financing activities	(623,779)	268,489

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至2019年12月31日止年度 For the year ended 31 December 2019

		2019	2018
	註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
融資活動	Financing activities		
向控股股東取得貸款	Loan obtained from the controlling shareholder		
	35(b)	200,000	–
取得銀行貸款	Bank loans obtained		
	35(b)	60,000	200,000
償還銀行貸款	Bank loans repaid		
	35(b)	(200,000)	(356,880)
派發股息	Dividend paid		
		(59,726)	(47,781)
租賃付款	Lease payments		
	35(b)	(124)	–
存放有限制之銀行存款	Placement of restricted bank deposit		
	35(b)	–	(227,800)
提取有限制之銀行存款	Withdrawal of restricted bank deposits		
	35(b)	–	46,699
融資活動現金 流入／(流出)淨額	Net cash inflow/(outflow) from financing activities	150	(385,762)
現金及現金等價物減少	Decrease in cash and cash equivalents	(623,629)	(117,273)
1月1日結存之現金及 現金等價物	Cash and cash equivalents at 1 January	1,003,425	1,184,547
匯率變動之影響	Effect of foreign exchange rates changes	(18,202)	(63,849)
12月31日結存之現金及 現金等價物	Cash and cash equivalents at 31 December	361,594	1,003,425
現金及現金等價物結餘 分析	Analysis of the balances of cash and cash equivalents		
現金及銀行結存	Cash and bank balances	1,352,644	1,405,380
減：根據保險業監管機構 規定而存放之銀行 存款	Less: Bank deposits placed pursuant to insurance regulatory requirements	(57,082)	(47,760)
有限制之銀行存款	Restricted bank deposits	(223,700)	(228,939)
原到期日超過三個月 之銀行存款	Bank deposits with original maturity over three months	(710,268)	(125,256)
		361,594	1,003,425

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 一般資料

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

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

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

本綜合財務報表已於2020年3月26日獲董事會批准刊發。

2 主要會計政策

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

2.1 編制基準

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

1 GENERAL INFORMATION

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

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

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

These consolidated financial statements have been approved for issue by the Board of Directors on 26 March 2020.

2 PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.1 編制基準 (續)

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

- 按公平值計入其他全面收益的金融資產
- 按公平值透過損益列賬的金融資產及金融負債（包括衍生金融工具）
- 投資物業

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

- financial assets at fair value through other comprehensive income
- financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss
- investment properties

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

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

Estimates and judgement made by management are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更

本集團已採納下列香港會計師公會頒布的新準則及準則修訂：

- 香港財務報告準則第16號 租賃
- 修訂香港會計準則第19號 計劃修訂、縮減或結算
- 修訂香港會計準則第28號 於聯營公司及合營公司之長期權益
- 修訂香港財務報告準則第9號 具有負補償之預付款項特性
- 香港(國際財務報告詮釋委員會)– 詮釋第23號 所得稅處理的不確定性
- 2015–2017週期的香港財務報告準則的年度改進

除了香港財務報告準則第16號「租賃」外，採納上述新準則及準則修訂並沒對本集團於本期間或過往期間已編制或呈列的業績及財務狀況有重大影響。有關會計政策變動詳情如下。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

The Group has adopted the following new standards and amendments to standards issued by the HKICPA:

- HKFRS 16 Leases
- Amendments to HKAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures
- Amendments to HKFRS 9 Prepayment Features with Negative Compensation
- HK(IFRIC) – Interpretation 23 Uncertainty over Income Tax Treatments
- Annual Improvements to HKFRSs 2015 – 2017 Cycle

Except for HKFRS 16, Leases, none of the adoption has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. Details of the changes in accounting policies are discussed below.

2 主要會計政策 (續)

2.2 會計政策變更 (續)

香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋、香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會)－詮釋第15號「經營租賃－優惠」及香港(準則詮釋委員會)－詮釋第27號「評估涉及租賃法律形式交易的內容」。其引入單一承租人會計處理模式，並規定承租人就所有租賃確認資產及負債，除非該租賃的租賃期為12個月或以下(「短期租賃」)及低價值資產租賃。香港財務報告準則第16號大致繼承香港會計準則第17號內出租人的會計處理規定。

香港財務報告準則第16號亦引入新增的定性及定量披露規定，旨在讓財務報表的使用者能評估租賃對實體財務狀況、財務業績和現金流量的影響。

本集團已於2019年1月1日初始採納香港財務報告準則第16號。本集團選擇使用經修訂的追溯法，亦因此將累計影響作為2019年1月1日期初權益結餘的調整。比較資訊沒有重列，並繼續根據香港財務報告準則第17號報告。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

HKFRS 16 replaces HKAS 17, Leases, and the related interpretations, HK(IFRIC) 4, Determining whether an Arrangement contains a Lease, HK(SIC) 15, Operating Leases – Incentives and HK(SIC) 27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更 (續)

(a) 租賃的新定義

租賃定義的變化主要與控制權的概念有關。香港財務報告準則第16號對租賃的定義是根據客戶是否在一段時間內控制一項可識辨資產的使用，而此判決是可以根據客戶是否可控制該資產的使用量而釐定。控制權表示客戶既有權主導使用該可識辨資產，又有權從使用該資產而獲得幾乎所有經濟利益。

本集團對香港財務報告準則第16號的租賃新定義僅用於2019年1月1日或之後簽訂或變更的合同。對於2019年1月1日前訂立的合同，本集團已根據過渡時期的簡便實務操作方法按之前的評估以確定現存的安排是否為租賃或包含租賃。

因此，本集團對之前根據香港會計準則第17號評估為租賃的合同繼續按香港財務報告準則第16號的租賃入賬，而之前評估為非租賃服務安排的合同繼續以執行合同入賬。

(b) 承租人的會計處理及過渡影響

香港財務報告準則第16號消除了之前香港會計準則第17號要求承租人分類租賃為經營租賃或融資租賃的要求。相反，除了獲豁免的短期租賃及低價值資產租賃外，本集團需要資本化所有為承租人的租賃，包括之前根據香港會計準則第17號分類為經營租賃的租賃。就本集團而言，該等新資本化租賃主要與註釋14所披露的物業、機器及設備有關。有關本集團如何應用承租人的會計處理的闡釋，載於註釋2.8(a)。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(a) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in Note 14. An explanation of how the Group applies lessee accounting is described in Note 2.8(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更 (續)

(c) 租賃投資物業

根據香港財務報告準則第16號，本集團須對所有持有以賺取租金收入及／或資本增值的租賃物業（「租賃投資物業」）作為投資物業入賬。因為本集團之前對於2018年12月31日為投資目的而持有的所有租賃物業已選擇應用香港會計準則第40號「投資物業」入賬，所以採納香港財務報告準則第16號對本集團的財務報表並無重大影響。因此，該等租賃投資物業繼續按公平值列賬。

(d) 出租人的會計處理

適用於本集團作為出租人的會計政策與香港會計準則第17號內出租人的會計政策大致維持不變。

截至本綜合財務報表刊發日期，香港會計師公會已頒布多項新準則及準則修訂；該等新準則及準則修訂於截至2019年12月31日止會計年度尚未生效，亦沒有在本綜合財務報表內提早採納如下：

- 香港財務報告準則第17號 保險合約
- 修訂香港會計準則第1號及香港會計準則第8號 重大的定義
- 修訂香港財務報告準則第3號 業務的定義
- 修訂香港財務報告準則第10號及香港會計準則第28號 投資者與其聯營公司或合營公司之間之資產出售及注資
- 2018年度財務報告的概念框架

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(c) Leasehold investment property

Under HKFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation ("leasehold investment properties"). The adoption of HKFRS 16 does not have a significant impact on the Group's financial statements as the Group previously elected to apply HKAS 40, Investment Property, to account for all of its leasehold properties that were held for investment purposes at 31 December 2018. Consequentially, these leasehold investment properties continue to be carried at fair value.

(d) Lessor accounting

The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

Up to the date of issuance of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards which are not yet effective for the accounting year ended 31 December 2019 and which have not been early adopted in these consolidated financial statements as follows:

- HKFRS 17 Insurance Contracts
- Amendments to HKAS 1 and HKAS 8 Definition of Material
- Amendments to HKFRS 3 Definition of a Business
- Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Conceptual Framework for Financial Reporting 2018

2 主要會計政策 (續)

2.2 會計政策變更 (續)

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

2.3 綜合基準

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

(a) 附屬公司及非控股權益

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

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

2.3 Basis of consolidation

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

(a) Subsidiaries and non-controlling interests

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(a) 附屬公司及非控股權益 (續)

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

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

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

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

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

2 主要會計政策 (續)

2.3 綜合基準 (續)

(a) 附屬公司及非控股權益 (續)

當本集團失去附屬公司的控制權時，即以出售該附屬公司的整體權益入賬，相關收益或虧損於綜合損益表內確認。失去控制權當日於該前附屬公司之任何餘下權益需重新以公平值計量，此數額視為金融資產初始確認的公平值（註釋 2.10），或（如適用）視為投資聯營公司的初始確認成本（註釋 2.3(b)）。另外，任何之前於綜合全面收益表內確認有關該附屬公司的數額將猶如本集團已直接出售相關資產或負債而記賬。這可理解為當本集團失去附屬公司的控制權時，之前於綜合全面收益表內確認的數額重新分類至綜合損益表或直接記入保留溢利。

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(a) 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 the consolidated income statement. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2.10) or, when appropriate, the cost on initial recognition of an investment in an associate (Note 2.3(b)). In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in consolidated statement of comprehensive income are reclassified to the consolidated income statement or transferred directly to retained profits when the Group loses control of the subsidiary.

Intra-group transactions, balances and unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(a) 附屬公司及非控股權益 (續)

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

非控股權益持有人的貸款及其他對此等持有人的合約義務根據註釋 2.19 或 2.20 按其債務性質在綜合財務狀況表內以金融負債列示。

在本公司之財務狀況表內，於附屬公司之投資按成本值扣除減值虧損（註釋 2.12(b)）列賬，但如分類為持作出售（或包括在分類為持作出售的出售組合內）（註釋 2.16）的投資則除外。附屬公司之業績由本公司按已收及應收股息入賬。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

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

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

Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2.19 or 2.20 depending on the nature of the liability.

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less impairment losses (Note 2.12(b)), unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.16). The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司

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

聯營公司投資在綜合財務報表內以權益會計法入賬，但如分類為持作出售（或包括在分類為持作出售的出售組合內）（註釋2.16）則除外。根據權益會計法，有關投資初始以成本確認，並按本集團應佔投資對象於收購日的可識辨資產淨值的公平值超過投資成本（如有）的數額而調整。投資成本包括收購價款、與收購該投資直接相關的其他成本、以及對聯營公司的任何直接投資而構成本集團股權投資的部分。其後，有關投資按本集團於購入後應佔投資對象資產淨值的變動及有關投資減值虧損而調整（註釋2.4及2.12(b)）。綜合損益表反映收購日超過成本的數額，本集團購入後應佔有關投資對象之年度除稅後溢利及減值虧損，而本集團購入後應佔有關投資對象之年度除稅後其他全面收益項目則於綜合全面收益表內確認。有關投資對象的會計政策已按需要於綜合財務報表內作出調整，以確保與本集團採用的政策一致。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates

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

Investments in associates are accounted for in the consolidated financial statements under the equity method, unless they are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.16). Under the equity method, the investments are initially recognised at cost, adjusted for any excess of the Group's share of the acquisition-date fair value of the investees' identifiable net assets over the cost of the investments (if any). The cost of the investments include purchase price, other costs directly attributable to the acquisition of the investments, and any direct investment into the associates that forms part of the Group's equity investments. Thereafter, the investments are adjusted for the post-acquisition changes in the Group's share of the investees' net assets and any impairment losses relating to the investments (Notes 2.4 and 2.12(b)). The consolidated income statement includes the acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year, whereas the Group's share of the post-acquisition, post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income. The accounting policies of the investees have been aligned, where necessary, in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司 (續)

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

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

當本集團失去聯營公司的重大影響力時，即以出售該投資對象的整體權益入賬，相關收益或虧損於綜合損益表內確認。失去重大影響力當日於該前投資對象之任何餘下權益需重新以公平值計量，此數額視為金融資產初始確認的公平值（註釋 2.10）。另外，任何之前於綜合全面收益表內確認有關該投資對象的數額將猶如本集團已直接出售相關資產或負債而記賬。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates (Continued)

When the Group's share of losses exceeds its interests in an associate, the Group's interests are reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interests in an associate are the carrying amount of the investments under the equity method together with the Group's long-term interests that in substance form part of the Group's net investments in the associate.

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

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in the consolidated income statement. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2.10). In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that investee are accounted for as if the Group had directly disposed of the related assets or liabilities.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司 (續)

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

在本公司之財務狀況表內，於聯營公司之投資按成本值扣除減值虧損（註釋2.12(b)）列賬，分類為持作出售（或包括在分類為持作出售的出售組合內）（註釋2.16）則除外。聯營公司之業績由本公司按已收及應收股息入賬。

2.4 商譽

商譽指：

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates (Continued)

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

In the Company's statement of financial position, the investments in associates are stated at cost less impairment losses (Note 2.12(b)), unless they are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.16). The results of associates are accounted for by the Company on the basis of dividend received and receivable.

2.4 Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in the consolidated income statement as a gain on a bargain purchase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.4 商譽 (續)

商譽按成本值扣除累計減值虧損列賬。業務合併產生的商譽分配至預計會從相關業務合併獲取效益的各現金產生單位或現金產生單位的組合，並須每年作減值測試 (註釋 2.12(b))。

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

2.5 物業、機器及設備

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.4 Goodwill (Continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2.12(b)).

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

2.5 Property, plant and equipment

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

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

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

2 主要會計政策 (續)

2.5 物業、機器及設備 (續)

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

(a) 直線法

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

傢俬、裝修及 辦事處設備	10% – 20%
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汽車	20% – 25%
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資產的剩餘價值及可使用年期於各呈報日審閱及進行適當調整。若資產賬面值高於其估計可收回價值，將立即調減至可收回價值（註釋2.12(b)）。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

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

(a) Straight line method

Leasehold land and land use rights held for own use	Over the unexpired term of the lease
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Buildings held for own use	Over the shorter of the unexpired term of the lease and 30 years
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Computer equipment	20% – 50%
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(b) Reducing balance method

Furniture, fixtures and office equipment	10% – 20%
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Motor vehicles	20% – 25%
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An asset's residual value and useful life are reviewed, and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12(b)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.6 無形資產

無形資產 (包括軟件) 皆按歷史成本值扣除累計攤銷和減值虧損列賬。歷史成本包括收購該資產直接應佔的開支。

與保養電腦系統相關的成本在產生的期間於損益表內支銷。

無形資產的攤銷按其估計可用年期3至4年內按直線法確認。

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

無形資產的攤銷期限及攤銷方法於各呈報日審閱及進行適當調整。若無形資產賬面值高於其估計可收回價值，將立即調減至可收回價值 (註釋 2.12(b))。

2.7 投資物業

投資物業指以租賃權益 (註釋 2.8(a)) 擁有或持有以賺取租金收入及／或資本增值的土地及／或樓宇，且並非由本集團內的公司佔用。投資物業包括持有現時尚未確定未來用途的土地及興建或發展以便日後用作投資物業用途的物業。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.6 Intangible assets

Intangible assets which comprise software are stated at historical cost less accumulated amortisation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Costs associated with maintaining computer system are expensed in the income statement during the period in which they are incurred.

Amortisation of intangible assets is recognised on a straight-line basis over their estimated useful lives of 3 to 4 years.

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

The amortisation period and the amortisation method for an intangible asset are reviewed, and adjusted, if appropriate, at each reporting date. An intangible asset's carrying amount is written down immediately to its recoverable amount if the intangible asset's carrying amount is greater than its estimated recoverable amount (Note 2.12(b)).

2.7 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (Note 2.8(a)) to earn rental income and/or for capital appreciation, and are not occupied by the companies within the Group. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

2 主要會計政策 (續)

2.7 投資物業 (續)

投資物業初始按其成本計量，包括相關的交易成本。在初始確認後，投資物業按公平值列賬。公平值根據活躍市場價格計算並在有需要時，就個別資產的性質、地點或狀況的任何差異作出調整。如沒有此項資料，本集團利用其他估值方法，例如較不活躍市場的近期價格或折現現金流預測法。為繼續用作為投資物業而正在重建或市場已變得不再活躍的投資物業，繼續按公平值計量。

其後成本只有在與該項目有關的未來經濟利益很有可能流入本集團，而該項目的成本能可靠計量時，才計入在資產的賬面值中。所有其他維修及保養成本在產生的期間內於損益表內支銷。

投資物業的公平值變動及出售收益或虧損在損益表的「其他收益／（虧損）－淨額」內確認。

當一項持作自用的物業因用途變更而重新分類為投資物業時，於重新分類為投資物業之日，持作自用物業重新分類為投資物業前的賬面值與重估時公平值的任何差額確認如下：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Investment properties (Continued)

Investment properties are measured initially at their costs, including related transaction costs. After initial recognition, investment properties are carried at fair value. Fair value is based on active market prices and adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

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

Changes in fair value and gain or loss on disposal of an investment property are recognised in the income statement as part of "Other gains/(losses) – net".

When a property held for own use is reclassified to investment property following a change in its use, any difference arising at the date of reclassification between the carrying amount of the property held for own use immediately prior to the reclassification and the fair value as a result of revaluation is recognised as below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.7 投資物業 (續)

- (a) 若物業的賬面值於重估時增加，該增加於其他全面收益內確認，並在股東權益的租賃樓房重估儲備金內分開累計；及
- (b) 若物業的賬面值於重估時減少，該減少於損益表內確認。

投資物業其後出售時，於租賃樓房重估儲備金確認的重估盈餘將會直接撥入保留溢利。

若一項投資物業變為業主自用物業，該物業被重新分類為持作自用物業，根據註釋 2.5 的會計方法，其於重新分類當日的公平值作為日後的等同成本入賬。

於比較期間，當本集團以營業租賃持有的物業權益，並使用該物業以賺取租金收入及／或資本增值時，本集團可選擇按每項物業的基準分類，並將有關權益以投資物業入賬。任何已分類為投資物業的物業權益猶如其為融資租賃而記賬（註釋 2.8(a)），對該權益採用與以融資租賃持有的其他投資物業相同的會計政策。有關租賃付款入賬載於註釋 2.8(a)。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Investment properties (Continued)

- (a) If the carrying amount of the property is increased as a result of the revaluation, the increase shall be recognised in other comprehensive income and accumulated separately in equity in the leasehold buildings revaluation reserve; and
- (b) If the carrying amount of the property is decreased as a result of the revaluation, the decrease shall be recognised in the income statement.

On subsequent disposal of the investment property, the revaluation surplus recognised in the leasehold buildings revaluation reserve will be transferred directly to retained profits.

If an investment property becomes owner-occupied, it is reclassified as a property held for own use and its fair value at the date of reclassification becomes its deemed cost for subsequent accounting in accordance with Note 2.5.

In the comparative period, when the Group held a property interest under an operating lease and used the property to earn rental income and/or for capital appreciation, the Group could elect on a property-by-property basis to classify and account for such interest as an investment property. Any such property interest which had been classified as an investment property was accounted for as if it were held under a finance lease (Note 2.8(a)), and the same accounting policies were applied to that interest as were applied to other investment properties leased under finance leases. Lease payments were accounted for as described in Note 2.8(a).

2 主要會計政策 (續)

2.8 租賃

於訂立合同時，本集團評估該合同是否為租賃或包含租賃。倘合同為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合同為租賃或包含租賃。控制權表示客戶既有權主導使用該可識別資產，又有權從使用該資產而獲得幾乎所有經濟利益。

(a) 作為承租人

2019年1月1日起適用的政策

倘合同包含租賃部分及非租賃部分，則本集團選擇不分開非租賃部分，並對所有租賃的每個租賃部分及任何相關非租賃部分當作單一租賃部分記賬。

除了租賃期為12個月或以下的短期租賃和低價值資產的租賃外，於租賃開始日期，本集團確認使用權資產和租賃負債。對本集團而言，低價值資產一般是辦事處設備。當本集團就低價值資產訂立租賃時，本集團決定是否按每份租賃的基準將租賃資本化。與沒被資本化租賃相關的租賃付款於租賃期內按系統基準確認為費用。

當資本化租賃時，租賃負債初始按租賃期內應付的租賃付款的現值確認，使用租賃中隱含的利率折算，或如無法輕易確定該利率，則使用相關的增量借款利率。初始確認後，租賃負債按攤餘成本計量及利息支出按實際利息法計算。不依賴於指數或利率的可變租賃付款不包括在租賃負債的計量中，因此於發生時的會計期間於損益內扣減。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(a) As a lessee

Policy applicable from 1 January 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the commencement date of a lease, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. For the Group, the low-value assets are typically office equipment. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.8 租賃 (續)

(a) 作為承租人 (續)

租賃資本化時確認的使用權資產初始按成本計量，其中包括租賃負債的初始金額加上於生效日期或之前的任何租賃付款，以及產生的任何初始直接成本。在適用的情況下，使用權資產的成本還包括拆除和移除相關資產或恢復相關資產或其所在地點的成本估計，折算至現值，並減去任何收到的租賃獎勵。除了下列類別的使用權資產外，使用權資產其後按成本減累計折舊及減值虧損列賬 (註釋 2.5 及 2.12(b))：

- 符合投資物業定義的使用權資產根據註釋 2.7 按公平值列賬。

當指數或利率變動引起的未來租賃付款發生變化，或本集團在剩餘價值擔保下預期應付金額的估計發生變化，或重新評估本集團是否合理地確定行使購買、延期或終止選擇權發生變化時，租賃負債會重新計量。以這種方式重新計量租賃負債時，對使用權資產的賬面值進行相應的調整，如使用權資產的賬面值減少至零時，則相應的調整計入損益內。

本集團將不符合投資物業定義的使用權資產列入財務狀況表的「物業、機器及設備」內及租賃負債於財務狀況表內分開列示。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Leases (Continued)

(a) As a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (Note 2.5 and 2.12(b)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 2.7.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "Property, plant and equipment" and presents lease liabilities separately in the statement of financial position.

2 主要會計政策 (續)

2.8 租賃 (續)

(a) 作為承租人 (續)

2019年1月1日前適用的政策

於比較期間，所有回報及風險實質上轉讓予承租人的租賃列為融資租賃。除此以外的其他租賃為營業租賃，但以下情況除外：

- 以經營租賃持有的物業符合投資物業的定義按每項物業的基準分類為投資物業。若已被分類為投資物業，則猶如以融資租賃持有的物業記賬（註釋2.7）；及
- 以經營租賃持有的自用土地，若於租賃開始時其公平值不可與位於其上的樓宇的公平值分開計量，則以融資租賃持有的土地記賬，除非該樓宇亦明確地以經營租賃持有。就此情況，租賃開始的時間是指本集團首次訂立租賃時或從先前的承租人接收時。

營業租賃（包括租賃土地）款額在扣除收取自出租人之任何優惠金後，於租賃期內以直線法在損益表內支銷。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Leases (Continued)

(a) As a lessee (Continued)

Policy applicable prior to 1 January 2019

In the comparative period, leases where substantially all the risks and rewards of ownership of assets transferred to the lessee are accounted for as finance leases. All other leases are operating leases with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property was classified as investment property on a property-by-property basis and, if classified as investment property, was accounted for as if held under a finance lease (Note 2.7); and
- land held for own use under an operating lease, the fair value of which could not be measured separately from the fair value of a building situated thereon at the inception of the lease, was accounted for as being held under a finance lease, unless the building was also clearly held under an operating lease. For these purposes, the inception of the lease was the time that the lease was first entered into by the Group, or taken over from the previous lessee.

Payments made under operating leases (including those for leasehold land) net of any incentives received from the lessor are charged to the income statement on a straight-line basis over the lease periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.8 租賃 (續)

(b) 作為出租人

當本集團作為出租人時，其於租賃開始時釐定各租賃為融資租賃或經營租賃。倘租賃實質上轉讓相關資產所有權附帶的所有回報及風險予承租人，則該租賃分類為融資租賃。否則，該租賃分類為經營租賃。

當合同包含租賃和非租賃部分時，本集團按相關單獨售價基準將合同代價分配至各部分。經營租賃之租金收入根據註釋 2.26(b) 確認

2.9 抵債資產

抵債資產乃本集團通過法庭程序或借款人自願交出擁有權收回的抵押品資產。

抵債資產初始按公平值入賬。相關未償還貸款及應收利息，連同相關的減值準備於綜合財務狀況表內終止確認。抵債資產毋須計算折舊或攤銷。

抵債資產其後按資產賬面值與公平值扣除出售成本兩者中之較低者計量。當一項抵債資產的公平值扣除出售成本低於其賬面值時，減值虧損於損益表內確認。

當一項抵債資產出售時，銷售所得款項淨額與資產賬面值之間的差額於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Leases (Continued)

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2.26(b).

2.9 Repossessed assets

Repossessed assets are collateral assets taken by the Group through court proceedings or voluntary delivery of possession by the borrowers.

Repossessed assets are initially recognised at fair value, and the related outstanding loans and interest receivable together with the related impairment allowances are derecognised from the consolidated statement of financial position. Repossessed assets are not depreciated or amortised.

Repossessed assets are subsequently measured at the lower of carrying amount and fair value less costs to sell. When the fair value less costs to sell is lower than the carrying amount of a repossessed asset, an impairment loss is recognised in the income statement.

When a repossessed asset is disposed of, the difference between the net sale proceeds and the carrying amount is recognised in the income statement.

2 主要會計政策 (續)

2.10 金融工具

(a) 確認及初始計量

應收款及客戶貸款於產生時初始確認。所有其他金融資產(包括一般買賣的金融資產)及金融負債,在本集團成為金融工具合同條款的一方時初始確認。

金融資產(除非是沒有重大融資成分的應收款)或金融負債初始按公平值計量及,對於非按公平值透過損益列賬的項目,包括直接歸屬於其收購或發行的交易成本計量。沒有重大融資成分的應收款初始按交易價格計量。

(b) 分類

初始確認時,金融資產分類為(i)按攤銷成本,(ii)按公平值計入其他全面收益(「按公平值計入其他全面收益」)或(iii)按公平值透過損益列賬(「按公平值透過損益列賬」)計量。

金融資產在初始確認後不會重新分類,除非本集團更改管理金融資產的業務模式,在此情況下,所有受影響的金融資產在業務模式變更後的首個報告期間的第一天重新分類。

倘金融資產同時符合下列條件且未被指定為按公平值透過損益列賬,則按攤銷成本計量:

- 其持有資產的商業模式為以收取合約現金流為目標;及
- 其合約條款在指定日期產生現金流量,該現金流量純粹為支付本金和未償還本金的利息。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments

(a) Recognition and initial measurement

Trade receivables and loans to customers are initially recognised when they are originated. All other financial assets (including regular-way purchases and sales of financial assets) and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) Classification

On initial recognition, a financial asset is classified as measured at (i) amortised cost, (ii) fair value through other comprehensive income ("FVOCI") or (iii) fair value through profit or loss ("FVPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.10 金融工具 (續)

(b) 分類 (續)

倘債務投資同時符合下列條件且未指定為按公平值透過損益列賬，則以按公平值計入其他全面收益計量：

- 其持有的商業模式為以收取合約現金流量及出售金融資產為目標；及
- 其合約條款在指定日期產生現金流量，該現金流量純粹為支付本金和未償還本金的利息。

於初始確認非持作買賣的股權投資時，本集團可不可撤銷地選擇於其他全面收益內確認該項投資隨後的公平值變動。有關選擇按個別投資為基準而作出。

不符合上述分類為以攤銷成本計量或按公平值計入其他全面收益計量的所有金融資產，均按公平值透過損益列賬計量。這包括所有衍生金融資產。於初始確認時，倘可抵銷或大幅度減低可能產生的會計錯配，本集團可以將符合以攤銷成本或按公平值計入其他全面收益計量的金融資產不可撤銷地指定為按公平值透過損益列賬計量。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(b) Classification (Continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2 主要會計政策 (續)

2.10 金融工具 (續)

(b) 分類 (續)

業務模式評估

本集團以組合層面評估持有的金融資產的業務模式目標，因為這最能反映業務的管理方式和提供予管理層的信息。考慮的信息包括：

- 組合的既定政策和目標以及該等政策的實施情況。這包括管理層的策略是否著重於賺取合約利息收益，維持特定利率概況，調配金融資產和任何相關負債或預期現金流出的期限，或通過出售資產實現現金流量；
- 如何評估組合的表現並向本集團管理層匯報；
- 影響業務模式（以及該業務模式中持有的金融資產）表現的風險及如何管理該等風險；
- 如何補償業務經理 — 例如補償是基於所管理資產的公平值或是所收取的合約現金流量；及
- 於以往期間出售金融資產的頻率、數量和時間，出售原因以及對未來出售活動的預期。然而，有關出售活動的信息不會獨立考慮，而是作為對本集團如何實現管理金融資產的既定目標及如何實現現金流的整體評估的一部分。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(b) Classification (Continued)

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.10 金融工具 (續)

(b) 分類 (續)

金融資產轉移至第三方的交易若不符合終止確認條件不會被視為出售，與本集團持續確認資產的政策一致。

持作買賣或按公平值管理及評估表現的金融資產按公平值透過損益列賬計量。

評估合約現金流量是否純粹為支付本金及利息

就該評估而言，「本金」定義為初始確認時金融資產的公平值。「利息」定義為貨幣時間值、於特定時期內未償還本金金額相關的信用風險以及其他基本貸款風險和成本（如流動資金風險和行政費用）的代價，以及利潤率。

於評估合約現金流量是否純粹為支付本金及利息時，本集團考慮該工具的合約條款。這包括評估該金融資產是否包含可以改變合約現金流量時間或金額的合約條款，以使其不符合此條件。於作出評估時，本集團考慮：

- 可以改變現金流量金額或時間的或有事件；
- 槓桿特點；
- 可能調整合約票面息率的條款，包括浮動利率特徵；

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(b) Classification (Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- terms that may adjust the contractual coupon rate, including variable-rate features;

2 主要會計政策 (續)

2.10 金融工具 (續)

(b) 分類 (續)

- 預付款和延期特性；
- 限制本集團對指定資產的現金流量索賠的條款（例如無追索權特徵）；及
- 修改貨幣時間值代價的特點（例如，定期重設利率）。

若預付款金額實質為支付本金和未償還本金的利息，則預付款特性與純粹為支付本金及利息的標準一致，這可能包括提前終止合約的合理額外補償。另外，對於以合約面值折讓價或溢價收購的金融資產，倘預付款的公平值在初始確認時並不重大，則容許或要求實質為合約面值金額及應計（但未付）合約利息（可能亦包括提前終止的合理額外補償）的預付金額的特性將被視為與此標準一致。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(b) Classification (Continued)

- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.10 金融工具 (續)

(b) 分類 (續)

其後計量及盈虧

按公平值透過損益列賬的金融資產：該等資產其後按公平值計量。收益及虧損淨額 (包括任何利息或股息收益) 於損益內確認。

按攤銷成本計量的金融資產：該等資產其後按實際利息法計算攤銷成本。攤銷成本扣除減值虧損列賬。利息收益、外匯盈虧及減值於損益內確認。終止確認的任何盈虧於損益內確認。

按公平值計入其他全面收益的債務投資：該等資產其後按公平值計量。按實際利息法計算的利息收益、外匯盈虧及減值在損益內確認。其他收益及虧損淨額在其他全面收益內確認。於終止確認時，其他全面收益的累計盈虧重新分類至損益內。

按公平值計入其他全面收益的股權投資：該等資產其後按公平值計量。除非股息明確為部分投資成本的回收，否則股息在損益內確認為收益。其他收益及虧損淨額在其他全面收益內確認，決不會重新分類至損益。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(b) Classification (Continued)

Subsequent measurement and gains and losses

Financial assets at FVPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

2 主要會計政策 (續)

2.10 金融工具 (續)

(b) 分類 (續)

金融負債 — 分類、其後計量及盈虧

金融負債分類為按攤銷成本或按公平值透過損益列賬計量。倘金融負債分類為持作買賣、金融負債為衍生工具或於初始確認時被指定為衍生工具，將分類為按公平值透過損益列賬計量。按公平值透過損益列賬的金融負債按公平值計量，收益及虧損淨額（包括任何利息支出）在損益內確認。其他金融負債其後按實際利息法計量攤銷成本。利息支出及外匯盈虧於損益內確認。終止確認的任何收益或虧損亦於損益內確認。

(c) 終止確認

金融資產

當從金融資產收取現金流量的合約權利經已到期，或經已轉讓交易中收取現金流量的合約權利，而金融資產擁有權的所有風險和回報已實質上轉讓，或本集團概無轉讓或保留擁有權實質上的所有風險和回報，亦無保留對該金融資產的控制權，本集團即終止確認金融資產。

本集團進行交易轉讓於財務狀況表內確認的資產，但保留轉讓資產的所有或實質上所有風險及回報。在此等情況下，轉讓的資產不會被終止確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(b) Classification (Continued)

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as measured at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(c) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.10 金融工具 (續)

(c) 終止確認 (續)

本集團在交易中概無保留或轉讓金融資產擁有權實質上的所有風險和回報，但仍保留對該資產的控制時，本集團按持續參與的部分繼續確認該資產，並按承受轉讓資產價值變動的程度上釐定。

金融資產終止確認時，該資產的賬面值（或分配至終止確認資產部分的賬面值）與 (i) 所收取的代價（包括取得的任何新資產減去所承擔的任何新負債）及 (ii) 已於其他全面收益內確認的任何累計收益或虧損的總和的差額於損益內確認。

從2018年1月1日起，指定為按公平值計入其他全面收益計量的股權投資證券於其他全面收益內確認的任何累計收益／虧損，於終止確認該等證券時不會於損益內確認。本集團建立或保留符合終止確認條件的已轉讓金融資產的任何權益均確認為獨立資產或負債。

金融負債

當金融負債的合約義務經已解除或取消或屆滿時，本集團即終止確認金融負債。當金融負債的條款被修改且經修改的負債的現金流量大不相同時，本集團即終止確認金融負債，在此情況下，基於修訂條款的新金融負債按公平值確認。

金融負債於終止確認時，已終止的賬面值與已付代價（包括已轉讓的任何非現金資產或承擔的負債）之間的差額於損益內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(c) Derecognition (Continued)

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

From 1 January 2018, any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as measured at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2 主要會計政策 (續)

2.10 金融工具 (續)

(d) 抵銷

本集團只會在目前有合法權利可將金融資產與金融負債抵銷，並計劃以淨額基準結算，或同時將資產變現及償還負債的情況下，才會將金融資產與金融負債作出抵銷，並將抵銷淨額於財務狀況表內列賬。

只有在香港財務報告準則所准許，或收益及虧損由類似交易組別所產生（如本集團買賣活動）時，收益及開支才以淨額基準呈列。

(e) 公平值計量

「公平值」是指在計量日期本集團已進入的主要交易市場或如沒有主要交易市場的情況下的最有利的市場，市場參與者進行有序交易出售資產將收到的價格或轉讓負債將支付的價格。負債的公平值反映其不履約風險。

當可用時，本集團使用該工具的活躍市場中的報價來計量工具的公平值。若資產或負債的交易頻率和交易量足以持續提供定價信息，則該市場被視為「活躍」。

如活躍市場沒有報價，本集團採用估值模式，並盡量利用相關可觀察數據及減少使用不可觀察數據。所選擇的估值模式包含市場參與者對交易定價時考慮的所有因素。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under HKFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(e) Fair value measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.10 金融工具 (續)

(e) 公平值計量 (續)

金融工具初始確認的公平值的最佳證據一般為交易價格 — 即付出或收到的代價的公平值。如本集團釐定初始確認的公平值與交易價格不同，而該公平值的釐定並非就相同資產或負債在活躍市場取得的報價，亦不是使用估值模式，而所用的不可觀察數據於計量時並不重大，則金融工具初始按公平值計量，調整以推遲初始確認的公平值與交易價格之間的差額。其後，該差額在該金融工具有效期內在適當的基礎上在損益內確認，但不遲於估值完全由可觀察市場數據支持或交易結束時。

如按公平值計量的資產或負債具有買入價和賣出價，則本集團以買入價計算資產及好倉，以賣出價計算負債及淡倉。

本集團管理的金融資產及金融負債組合承受市場風險及信貸風險，對市場風險或信貸風險的承擔淨值乃根據出售淨好倉將收到的價格（或支付以轉讓淨淡倉）計量。投資組合水平調整 — 例如根據承擔淨值反映計量的買賣調整或信貸風險調整 — 根據投資組合內個別工具的相關風險調整分配予個別資產和負債。

具需求特點的金融負債的公平值不低於按要求支付的金額，從可能需要支付金額的第一天貼現。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(e) Fair value measurement (Continued)

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

2 主要會計政策 (續)

2.10 金融工具 (續)

(e) 公平值計量 (續)

本集團於發生轉移的呈報期末確認公平值架構各等級間的轉移。

2.11 對沖會計法

本集團並未對可能有資格符合作為現金流量對沖或公平值對沖之衍生工具採用對沖會計法。

2.12 減值

(a) 非衍生金融資產

金融工具

本集團確認預期信貸虧損「預期信貸虧損」的虧損準備於：

- 按攤銷成本計量的金融資產 (包括債務投資、客戶貸款及應收利息、保險應收款、再保險資產、其他應收賬款、現金及銀行結存)；及
- 按公平值計入其他全面收益的債務投資。

本集團按相等於整個存續期的預期信貸虧損金額計量虧損準備，下列按 12 個月預期信貸虧損計量者除外：

- 於呈報日確定具低信貸風險的債務證券；及
- 其他債務證券和銀行結存，其信貸風險 (即金融工具的預計年期內發生的違約風險) 自初始確認後並未顯著增加。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Financial instruments (Continued)

(e) Fair value measurement (Continued)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2.11 Hedge Accounting

The Group does not adopt hedge accounting for derivatives which may qualify as eligible cash flow hedges or fair value hedges.

2.12 Impairment

(a) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost (including debt investments, loans to customers and interest receivable, insurance receivable, reinsurance assets, other debtors, cash and bank balances); and
- debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.12 減值 (續)

(a) 非衍生金融資產 (續)

當一項債務證券的信貸風險評級等同於全球理解的「投資級別」定義時，本集團認為該債務證券具低信貸風險。

儘管現金和銀行結存亦須進行預期信貸虧損評估，惟已確定的虧損準備並不重大。

貿易應收款的虧損準備一直按相等於整個存續期的預期信貸虧損金額計量。

保險應收款、再保險資產及其他應收賬款的虧損準備一直按相等於整個存續期的預期信貸虧損金額計量。於呈報日，該等金融資產的預期信貸虧損根據本集團過往的信貸虧損經驗採用撥備矩陣法計量，並就債務人的特定因素及評估當前及預測整體經濟狀況予以調整。

就客戶貸款、應收利息及所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損準備，惟若該項金融工具的信貸風險自初始確認後有顯著增加，則須以相等於整個存續期的預期信貸虧損的金額計量虧損準備。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Impairment (Continued)

(a) Non-derivative financial assets (Continued)

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of “investment grade”.

While cash and bank balances are also subject to the ECL assessment, the identified loss allowance was immaterial.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Loss allowances for insurance receivable, reinsurance assets and other debtors 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 loans to customers, interest receivable and 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.

2 主要會計政策 (續)

2.12 減值 (續)

(a) 非衍生金融資產 (續)

信貸風險顯著增加

於釐定金融資產的信貸風險自初始確認後是否有顯著增加及於計量預期信貸虧損時，本集團考慮在無需付出過度成本及努力下可獲得的合理可靠資料。這包括根據本集團過往經驗、知情信貸評估及前瞻性信息而獲得的定量和定性的信息及分析。

在評估信貸風險自初始確認後有否顯著增加時，尤其考慮下列信息：

- 合約到期時無法支付本金或利息；
- 金融工具的外部或內部信貸評級（如有）出現實際或預期的顯著惡化；
- 債務人經營業績出現實際或預期的顯著惡化；及
- 科技、市場、經濟或法律環境現有或預測的變化，對債務人履行其對本集團的義務的能力產生重大不利影響。

視乎金融資產的性質，按個別或組合基準評估信貸風險有否顯著增加。按組合基準評估時，金融資產根據共享信貸風險特徵（如逾期狀況、信貸風險評級和抵押品類型）進行分組。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Impairment (Continued)

(a) Non-derivative financial assets (Continued)

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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.

Depending on the nature of the financial assets, 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 assets are grouped based on shared credit risk characteristics, such as past due status, credit risk ratings and collateral types.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.12 減值 (續)

(a) 非衍生金融資產 (續)

如金融資產逾期超過30天，本集團假設該金融資產的信貸風險有顯著增加。

本集團認為下列情況下金融資產屬違約：

- 不借助本集團資源作出行動如以變現抵押品(如持有)的情況下，借款人無法向本集團悉數償還其信貸責任；或
- 金融資產逾期超過90天。

預期信貸虧損的計量

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損以所有預期現金短缺(即根據合約應償還予本集團的現金流量與本集團預計收到的現金流量之間的差額)的現值計量。

整個存續期的預期信貸虧損指於預計存續期內所有可能發生違約事件而導致的預期信貸虧損。

12個月預期信貸虧損指預期呈報日後12個月內(或較短期間，如工具預計年期少於12個月)可能發生違約事件而導致的預期信貸虧損。

預期信貸虧損以金融資產的實際利率折算。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Impairment (Continued)

(a) Non-derivative financial assets (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- 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
- the financial asset is more than 90 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are discounted at the effective interest rate of the financial assets.

2 主要會計政策 (續)

2.12 減值 (續)

(a) 非衍生金融資產 (續)

估計預期信貸虧損時考慮的最長期限為本集團承受信貸風險的最長合約期間。

預期信貸虧損於各呈報日重新計量，以反映金融工具自初始確認後的信貸風險變動。預期信貸虧損的變動金額於損益內確認為減值收益或虧損。

信貸減值金融資產

於各呈報日，本集團評估按攤銷成本計量的金融資產及按公平值計入其他全面收益計量的債務證券是否出現信貸減值。當發生一宗或多宗事件對金融資產估計的未來現金流量有不利影響，金融資產出現信貸減值。

金融資產出現信貸減值的證據包括以下的可觀察事項：

- 債務人或主發行人出現重大財政困難；
- 違反合約如逾期或逾期超過90天；
- 本集團給予的貸款或墊款重組，一般情況下本集團不予考慮的條款；
- 科技、市場、經濟或法律環境出現重大變化而對債務人產生不利影響；

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Impairment (Continued)

(a) Non-derivative financial assets (Continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are remeasured at each reporting date to reflect changes in the financial assets' credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.12 減值 (續)

(a) 非衍生金融資產 (續)

- 借款人很有可能破產或進行其他財務重組；或
- 因財務困難而導致一項抵押品失去活躍市場。

信貸減值金融資產利息收益的計算基準

根據註釋 2.26(a) 確認的金融資產利息收益按其總賬面值計算，除非金融資產出現信貸減值，在此情況下，金融資產利息收益按攤銷成本計算（即總賬面值扣除虧損準備）。

在財務狀況表中列示預期信貸虧損的虧損準備

按攤銷成本計量的金融資產，虧損準備從資產的總賬面值扣除。

按公平值計入其他全面收益計量的債務證券，虧損準備於損益內支銷並於其他全面收益內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Impairment (Continued)

(a) Non-derivative financial assets (Continued)

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Basis of calculation of interest income on credit-impaired financial assets

Interest income recognised in accordance with Note 2.26(a) 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. gross carrying amount net of loss allowance) of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in other comprehensive income.

2 主要會計政策 (續)

2.12 減值 (續)

(a) 非衍生金融資產 (續)

撇銷

當本集團沒有合理預期收回全部或部分金融資產時，金融資產總賬面值將予以撇銷。本集團根據是否有合理預期收回，分別就撇銷的時間及金額作出評估。本集團預期不會自撇銷金額大幅收回。然而，已撇銷金融資產仍然可能受到執法活動的約束，以遵守本集團收回欠款的程序。

(b) 其他非金融資產

本集團在各呈報日評估是否有跡象顯示一項非金融資產經已出現減值。無限定使用年期或尚未可供使用之資產無需攤銷，但最少每年就減值進行測試。當有事件出現或情況改變顯示賬面值可能無法收回時就資產進行減值檢討。

如任何此等跡象存在，或須對非金融資產進行年度減值測試時，則估計該資產的可收回金額。可收回金額以資產之公平值扣除出售成本或使用價值兩者之較高者為準。在評估使用價值時，估計未來現金流量會按照能反映當時市場對貨幣時間值和資產特定風險的評估的稅前折現率，折現至其現值。如果資產所產生的現金流入基本上並非獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產組合（即一個現金產生單位）來釐定可收回金額。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Impairment (Continued)

(a) Non-derivative financial assets (Continued)

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(b) Other non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset is impaired. Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are at least tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If any such indication exists, or when annual impairment testing for a non-financial asset is required, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.12 減值 (續)

(b) 其他非金融資產 (續)

當資產或其所屬的現金產生單位的賬面值超過可收回金額時，於損益表內確認減值虧損。在確認現金產生單位的減值虧損時，首先減少已分配至該現金產生單位的任何商譽的賬面值，其後再按比例減少該單位內其他資產的賬面值，但資產的賬面值不可減少至低於其個別公平值扣除出售成本或其使用價值（如能釐定）。

之前已確認的商譽減值虧損不會在較後期間撥回。只有當釐定資產之可收回價值的估計改變時，之前已確認的其他資產減值虧損方可撥回，惟撥回的金額不得超過以往期間假設該資產並無確認減值虧損而應已釐定的賬面值（扣除任何攤銷或折舊）。撥回的減值虧損於其產生期間撥入損益表內。

(c) 中期財務報告及減值

根據《上市規則》，本集團須按香港會計準則第34號「中期財務報告」編制有關年度首六個月的中期財務報告。於中期期末，本集團採用的減值測試、確認方法以及撥回準則皆與財政年度完結時所用的相同（註釋2.12(a)及2.12(b)）。

於中期期間確認有關商譽的減值虧損不會於下一期間轉回。即使若在中期期間相關的財政年度完結時評估減值，而毋須確認任何虧損或只有些微虧損，情況亦同樣不變。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Impairment (Continued)

(b) Other non-financial assets (Continued)

An impairment loss is recognised in the income statement for the amount by which the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Previously recognised impairment losses on goodwill are not reversed in subsequent periods. Previously recognised impairment losses on other assets are reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any amortisation or depreciation), had no impairment loss been recognised against the asset in prior periods. Reversal of impairment loss is credited to the income statement in the period in which it arises.

(c) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting" in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year (Notes 2.12(a) and 2.12(b)).

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.

2 主要會計政策 (續)

2.13 保險合約分類

本集團簽發轉移保險風險的合約。

保險合約乃轉移重大保險風險的合約。本集團界定重大保險風險為有可能須於投保事件發生時支付的賠償較並無發生投保事件時須支付的賠償高最少 10% 以上。

2.14 保險合約

(a) 分類

保險合約按風險年期，以及條款及條件是否固定作出分類。

本集團簽發的短期保險合約為意外傷亡及財產保險合約。

意外傷亡保險合約保障本集團客戶因進行合法活動而導致對第三者造成損害而產生財務損失的風險。賠償包括合約及非合約事故，兩者皆受到保障。通常提供的保障是為僱主向受工傷僱員負起工傷意外的法定補償責任（僱主責任），及為個人及商業客戶向第三者的人身傷害或財物損毀負起的法定補償責任（公眾責任）。

財產保險合約主要向本集團客戶就其財產損毀或財產遺失的價值而作出賠償。客戶於其物業內進行商業活動，如因在承保物業內不能進行營業活動導致的盈利損失亦可得到賠償（營業中斷保障）。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 Insurance contracts classification

The Group issues contracts that transfer insurance risk.

Insurance contracts are those contracts that transfer significant insurance risk. The Group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

2.14 Insurance contracts

(a) Classification

Insurance contracts are classified depending on the duration of risk and whether or not the terms and conditions are fixed.

Short-term insurance contracts issued by the Group are casualty and property insurance contracts.

Casualty insurance contracts protect the Group's customers against the risk of financial loss arising from causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.14 保險合約 (續)

(a) 分類 (續)

賠償及損失調整費用於發生時於損益表內扣減，有關數額乃根據對合約持有人或第三者（因合約持有人引致損害）負上的估計賠償責任。此等費用包括截至呈報日為止已發生事故（即使仍未呈報予本集團）所產生的直接及間接理賠成本。本集團不以貼現方法計算其未付賠償責任。未付賠償責任根據對已呈報本集團的個別個案進行評估，而已發生但未呈報的索償則就統計分析作出估計，至於較為複雜的索償，會估計可能受外來因素（例如法庭裁決）影響的預期最終成本。

(b) 遞延取得成本（「遞延取得成本」）

佣金及其他取得成本與獲得新訂合約及續保現有合約相關，且因合約業務不同而有所差異，乃資本化為資產－遞延取得成本。所有其他成本於產生時列作開支。遞延取得成本其後於賺取保費之合約期內予以攤銷。

(c) 負債充足性測試

於各呈報日進行負債充足性測試是為保證扣除相關遞延取得成本後的合約負債的充足性。進行該等測試時，按未來合約現金流量、賠付處理及行政費用的現時最佳估計予以評估。任何不足額隨即於損益表內扣除，而扣除方式為先沖銷遞延取得成本，再為負債充足性測試產生的損失作出撥備（未滿期風險撥備）。任何因上述測試而沖銷的遞延取得成本不可於其後復原。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.14 Insurance contracts (Continued)

(a) Classification (Continued)

Claims and loss adjustment expenses are charged to the income statement as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the reporting date even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate costs of more complex claims that may be affected by external factors (such as court decisions).

(b) Deferred acquisition costs (“DAC”)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an asset, DAC. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts as premium is earned.

(c) Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses are used. Any deficiency is immediately charged to the income statement initially by writing off DAC and subsequently by establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision). Any DAC written off as a result of this test cannot subsequently be reinstated.

2 主要會計政策 (續)

2.14 保險合約 (續)

(d) 持有再保險合約

本集團與再保險人訂立合約，據此本集團簽發的一項或多項合約獲損失補償，並符合註釋2.13保險合約分類的要求，此等合約分類為持有再保險合約。不符合此項分類要求的合約分類為金融資產。本集團簽發的保險合約，其合約持有人為另一保險人（分入再保險）的列入綜合財務狀況表的「保險合約」內。

本集團根據其再保險合約享有的利益以再保險資產入賬。此等資產包括再保險人短期欠款，以及相關再保險合約產生的預期賠償及利益的較長期應收款。可向再保險人攤回的款項或欠再保險人款項的計量方法與再保險合約相關的款項一致，並根據每項再保險合約的條款計算。再保險責任主要為再保險合約的應付保費，並按再保險合約條款列作開支，並列入綜合財務狀況表的「保險應付款」內。

本集團定期評估其再保險資產有否減值。若再保險資產已減值的客觀證據存在的話，本集團將其再保險資產賬面值減至其可收回金額，並於綜合損益表內確認減值虧損。本集團收集客觀證據以確定其再保險資產有否減值，減值虧損依據註釋2.12(a)採用的相同程序計算。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.14 Insurance contracts (Continued)

(d) Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts in Note 2.13 are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included as "Insurance contracts" in the consolidated statement of financial position.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense over the terms of reinsurance contracts and are included as "Insurance payable" in the consolidated statement of financial position.

The Group assesses its reinsurance assets for impairment on a regular basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the consolidated income statement. The Group gathers the objective evidence that a reinsurance asset is impaired and calculates the impairment losses using the same processes adopted as described in Note 2.12(a).

2 主要會計政策 (續)

2.14 保險合約 (續)

(e) 與保險合約有關的應收款及應付款

應收款及應付款於到期時入賬。此等款額包括欠代理人、經紀及保險合約持有人款項或此等人士的欠款。

若保險應收款已減值的客觀證據存在的話，本集團將其保險應收款賬面值減至其可收回金額，並於綜合損益表內確認減值虧損。本集團收集客觀證據以確定其保險應收款有否減值，減值虧損依據註釋 2.12(a) 採用的相同程序計算。

(f) 損餘及代位權付還

若干保險合約容許本集團出售已取得財產 (通常已損毀) 以結清索償 (損餘)。本集團亦有權向第三者追索部分或全部費用 (代位權)。

估計損餘追償於計量索償保險責任時作為備抵項目，而損餘財產則於保險責任結清時確認為其他資產。備抵項目的金額為出售財產時可合理收回的金額。

代位權付還亦於計量索償保險責任時作為備抵項目，並於保險責任結清時確認為其他資產。備抵項目的金額為評估透過訴訟可向第三責任人收回的金額。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.14 Insurance contracts (Continued)

(e) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable to its recoverable amount and recognises that impairment loss in the consolidated income statement. The Group gathers the objective evidence that an insurance receivable is impaired and calculates the impairment losses using the same processes adopted as described in Note 2.12(a).

(f) Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (salvage). The Group may also have the right to pursue third parties for payment of some or all costs (subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the amount assessed that can be recovered from the action against the liable third party.

2 主要會計政策 (續)

2.15 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。

成本按適當的特定辨識基準計算，並包括所有採購成本及其他促使存貨達致其目前所在地及狀況之費用。

可變現淨值乃根據日常業務過程中之估計售價，扣除完工及銷售所需之估計成本。

當存貨出售時，其賬面值於相關收益確認期間列作開支。存貨撇減至可變現淨值之任何金額及所有存貨虧損均於撇減或虧損發生期間列作開支。任何撥回金額於撥回發生期間內確認為開支之扣減。

2.16 持作出售的非流動資產 (或出售組合)

若非流動資產 (或出售組合) 的賬面值主要透過出售收回而並非透過繼續使用收回，及該資產 (或出售組合) 可在現況下出售的話，則分類為持作出售類別。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.15 Inventories

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

Cost is calculated on specific identification basis as appropriate and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is based on the estimated selling price in the ordinary course of business less the estimated costs to be incurred to completion and disposal.

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

2.16 Non-current assets (or disposal groups) held for sale

A non-current asset (or disposal group) is classified as held for sale if the carrying amount is recovered principally through a sale transaction rather than through a continuing use and the asset (or disposal group) is available for sale in its present condition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.16 持作出售的非流動資產 (或出售組合) (續)

於初始分類為持作出售類別前，非流動資產（及在出售組合內所有每項資產及負債）的賬面值按適用的香港財務報告準則計量。資產初始分類為持作出售類別及至售出時，非流動資產（以下所述之若干資產除外）或出售組合會以賬面值或公平值扣除出售成本兩者中之較低者入賬。遞延稅項資產、金融資產（於附屬公司及聯營公司的投資除外）、保險合約及投資物業，即使分類為持作出售，亦會繼續按註釋2的會計政策計量。

只要非流動資產被分類為持作出售，或被列入分類為持作出售之出售組合，該非流動資產即不予計提折舊或攤銷。

若先前已分類為持作出售類別或被列入分類為持作出售之出售組合的非流動資產不再符合上述確認標準，本集團以該資產未分類為持作出售類別前的賬面值（經調整該資產假設未分類為持作出售類別而應已入賬的折舊、攤銷或重估的數額）或其後決定不出售之日該資產的可收回金額兩者中之較低者計量。

本集團就停止分類為持作出售的非流動資產於其後決定不出售之日，在持續營運所得的收入內計入任何所需調整。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.16 Non-current assets (or disposal groups) held for sale (Continued)

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets (and all individual assets and liabilities in the disposal group) shall be measured in accordance with applicable HKFRSs. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. Deferred tax assets, financial assets (other than investments in subsidiaries and associates), insurance contracts and investment properties, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

If a non-current asset previously classified as held for sale, or included in a disposal group that is classified as held for sale no longer met the recognition criteria stated above, the Group measures that asset at the lower of its carrying amount before that asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluation that would have been recognised had that asset not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell.

The Group includes any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale in income from continuing operations at the date of the subsequent decision not to sell.

2 主要會計政策 (續)

2.17 其他應收賬款

其他應收賬款初步以公平值確認，其後按實際利息法計量的攤銷成本，扣除減值虧損列賬（如有）。

2.18 現金及現金等價物

現金及現金等價物包括銀行結存、庫存現金、銀行通知存款、由投資日起計原到期日為三個月或以下的現金投資，扣除銀行透支。

2.19 金融負債 — 借款

借款初步按公平值並扣除產生的交易成本確認。交易成本為取得、發行或出售某項金融負債直接所佔的新增成本，包括支付予借款人的費用和佣金。借款其後按實際利息法計量的攤銷成本列賬；初步確認的公平值與贖回價值的任何差額，連同任何利息及應付費用，於借款期間內在損益表內確認。

除非本集團有無條件權利將負債的結算遞延至呈報日後最少十二個月，否則借款分類為流動負債。

2.20 金融負債 — 應付賬款及應付款

應付賬款及應付款初步以公平值確認，其後按實際利息法計量的攤銷成本列賬。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.17 Other debtors

Other debtors are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less impairment losses, if any.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, deposits held at call with banks, cash investments with original maturity of three months or less from the date of investment less bank overdrafts.

2.19 Financial liabilities – Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial liability, including fees and commissions paid to the borrowers. Borrowings are subsequently stated at amortised cost with any difference between the amount initially recognised and redemption value is recognised in the income statement over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

2.20 Financial liabilities – Creditors and payables

Creditors and payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.21 撥備

當本集團因已發生的事件須承擔現有之法律性或推定性的責任，很有可能需要經濟利益流出以償付責任，且金額已經可靠估計，需就有關責任作出撥備。如有多項類似責任，其需要在償付中經濟利益流出的可能性，根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的經濟利益流出的可能性極低，仍須確認撥備。

撥備採用稅前利率按照預期需償付有關責任的開支的現值計量，該利率反映當時市場對貨幣時間值和有關責任特定風險的評估。隨著時間過去而增加的撥備確認為利息開支。

當本集團預計撥備款可獲償付，例如有保險合約作保障，則將償付款確認為一項獨立資產，惟只能在償付款可實質地確定時確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow of economic benefits will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow of economic benefits with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2 主要會計政策 (續)

2.22 或然負債及或然資產

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要經濟利益的流出，或責任金額未能可靠地計量而未有入賬。

或然負債不會被確認，但會在綜合財務報表註釋中披露。假若經濟利益的流出之可能性改變導致很可能出現流出，此等負債將被確認為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於很有可能收到經濟利益時在綜合財務報表註釋中披露。當實質確定流入時確認為資產。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.22 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic benefits will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow of economic benefits occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When the inflow is virtually certain, an asset is recognised.

2 主要會計政策 (續)

2.23 外幣換算

(a) 功能貨幣及列賬貨幣

包含在綜合財務報表中本集團各實體的會計項目，均以該實體經營所在的主要經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表以港元呈報，港元為本公司的功能及列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計價的貨幣資產和負債以收市匯率換算產生的匯兌盈虧在損益表內確認。

非貨幣金融資產及負債（例如持有按公平值透過損益列賬的股權工具）的換算差額在損益表內呈報為公平值盈虧的一部分。非貨幣項目（例如按公平值計入其他全面收益的股權投資）的換算差額包括在其他全面收益內，並在股東權益內分開累計。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.23 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at FVPL, are reported as part of the fair value gains or losses in the income statement. Translation differences on non-monetary items, such as equity investments at FVOCI, are included in other comprehensive income and accumulated separately in equity.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.23 外幣換算 (續)

(c) 集團公司

所有集團實體的功能貨幣(當中沒有嚴重通脹貨幣經濟體的貨幣)與本公司的列賬貨幣不同的,其業績和財務狀況按以下方法換算為列賬貨幣:

- 財務狀況表內的資產和負債按該財務狀況表日期的收市匯率換算;
- 損益表內的收入和支出按平均匯率換算,除非此平均匯率並不代表交易日期匯率的累計影響的合理約數。在此情況下,收支項目按交易日期的匯率換算;及
- 所有由此產生的匯兌差額確認為權益的獨立組成部分。

換算海外業務的淨投資所產生的匯兌差額在其他全面收益內確認,並在股東權益的外匯折算儲備金內分開累計。當一項海外業務作出部分處置或出售時,與該出售的海外業務有關的累計匯兌差額由股東權益重新分類至損益表,並計入出售盈虧的一部分。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債,並按收市匯率換算。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.23 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- assets and liabilities in their statement of financial position are translated at the closing rate at the date of that statement of financial position;
- income and expenses in their income statement are translated at average exchange rates, unless these average exchange rates are not a reasonable approximation of the cumulative effect of the rates prevailing at the transaction dates. In such case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of the net investments in foreign operations are recognised in other comprehensive income and accumulated separately in equity in the exchange translation reserve. When a foreign operation is partially disposed of or sold, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of that foreign entity and translated at the closing rate.

2 主要會計政策 (續)

2.24 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債的變動。本期稅項及遞延稅項資產和負債的變動在損益表內確認，而與在其他全面收益內或直接在股東權益內確認的項目有關者則分別在其他全面收益內或直接在股東權益內確認。

本期稅項為本年度對應課稅收入按呈報日已生效或基本上已生效的稅率計算的預計應付稅項，並包括以往年度的應付稅項的任何調整。

遞延稅項資產及負債是因納稅基礎計算的資產及負債與作財務申報之賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異而產生。遞延稅項資產也包括未使用的稅損及稅項抵免。

除了某些有限的例外情況外，所有遞延稅項負債及未來很可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在該可扣稅之暫時性差異預期轉回之同一期間內轉回，或在由該遞延稅項資產產生的稅損可以收回或留存之期間內轉回。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計該稅損或稅免可使用之期間內轉回時，會計入該等差異。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.24 Income tax

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

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

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

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

2 主要會計政策 (續)

2.24 所得稅 (續)

在有限的例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始確認時不影響會計及應課稅溢利的資產或負債（須不是業務合併的一部分）、及有關投資附屬公司的暫時性差異，就應課稅差異而言，本集團可控制該差異轉回的時間而該差異在可見將來不大可能會轉回；而就扣稅差異而言，除非該差異在可見將來很可能會轉回。

就根據註釋2.7的會計政策以公平值列賬的投資物業而言，本集團按該物業在呈報日以賬面值出售的適用稅率計算其遞延稅項，但如該物業為可折舊，且按其差不多全部經濟利益可隨時間過去而非通過出售而消耗的商業模式持有則除外。在其他所有情況下，確認遞延稅項的金額是根據該資產及負債的賬面值的預期收回或結算的方式，按在呈報日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作貼現。

遞延稅項資產的賬面值於各呈報日重新檢視，對很可能不再有足夠的應課稅溢利以實現相關稅務利益時予以扣減。被扣減的遞延稅項資產於很可能有足夠的應課稅溢利時轉回。

本期稅項與遞延稅項結餘及其變動之數額會分別列示而不會相互抵銷。本集團只會在有合法權利可將本期稅項資產與負債抵銷及符合以下附帶條件的情況下，才會將本期稅項資產與負債作出抵銷及將遞延稅項資產與負債作出抵銷：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.24 Income tax (Continued)

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

Where investment property is carried at its fair value in accordance with the accounting policy set out in Note 2.7, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of that investment property at its carrying value at the reporting date unless that investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in that investment property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.24 所得稅 (續)

- 就本期稅項資產及負債而言，本集團計劃以淨額基準結算，或同時將資產變現及償還負債；或
- 就遞延稅項資產及負債而言，其涉及同一稅務機關對同一個應課稅實體徵收所得稅所產生。

2.25 股本

直接歸屬於發行新股或認股權的新增成本在權益內列為所得款的減少（扣除稅項）。

2.26 收益確認

本集團將其日常業務過程中源自銷售貨品、提供服務或租賃項下其他人士使用本集團資產的收益分類為收益。

當產品或服務的控制權按本集團預期有權獲取的承諾代價款項（不包括代表第三方收取的款項）轉移至客戶或承租人有權使用資產時，收益予以確認。收益不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

如對貨物和服務的控制權隨時間的推移而轉移，則在合同期間參照完全履行履約義務的進度確認收益。否則，收益在客戶獲得對商品和服務的控制權的時間點確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.24 Income tax (Continued)

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on the same taxable entity.

2.25 Share capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.26 Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

2 主要會計政策 (續)

2.26 收益確認 (續)

如合同包含為客戶提供超過12個月的重大融資利益的融資成分，則收益按應收款項的現值計量，並使用與客戶的個別融資交易中反映的折現率折算，利息收益按實際利息法分開計提。如合同包含為本集團提供重大融資利益的融資成分，則根據該合同確認的收益，包括根據合同負債按實際利息法計算的利息支出。本集團利用香港財務報告準則第15號，在實際運作上，如融資期限為12個月或以下，則不會就重大融資成分的任何影響調整代價。

有關本集團收益確認政策的進一步詳情載列如下：

(a) 利息收入

利息收入採用實際利息法按時間比例基準確認。按攤銷成本或按公平值計入其他全面收益(可循環)計量而未信貸減值的金融資產，以其總賬面值按實際利率計算利息。就信貸減值的金融資產，以攤銷成本(即總賬面值減虧損準備)按實際利率計算利息。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue recognition policies are as follows:

(a) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.26 收益確認 (續)

(b) 投資物業租金收入

除非有更具代表性的基準衡量從租賃資產獲取利益的模式，否則營業租賃之租金收入按該租賃期所涵蓋的年期以等額分期於損益表內確認。營業租賃協議所涉及的獎勵措施均在損益表內確認為租賃淨收款總額的組成部分。不依賴指數或費率的可變租賃付款於賺取的會計期間內確認為收入。

(c) 股息收入

股息收入在股東收取款項的權利被確立時予以確認。

(d) 短期保險合約

短期保險合約的毛保費於承保日確認收益。

已賺保費於承保期間按比例以收益入賬。於合約生效期內已收取與呈報日未滿期風險有關的部分保費列為未滿期保費責任。保費以扣除佣金前之數額列賬。

(e) 管理費

管理費在提供服務時入賬。

(f) 銷售汽車

收益於客戶控制並接受汽車時確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

(b) Rental income from investment properties

Rental income receivable under operating leases is recognised in the income statement in equal installments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(c) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(d) Short-term insurance contracts

Gross premiums from the sale of short-term insurance contracts are recorded when written.

Earned premiums are recognised as revenue proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

(e) Management fee

Management fee is recognised upon the provision of services.

(f) Sales of motor vehicles

Revenue is recognised when the customer takes control of and accepts the motor vehicles.

2 主要會計政策 (續)

2.26 收益確認 (續)

(g) 政府補貼

於能夠合理確定本集團將會獲得政府補貼，並且將符合所有附帶條件時，政府補貼初步確認為收入。補償本集團開支的補貼按系統基準在開支發生的同一期間確認為收入。

2.27 借款成本

借款成本於產生年度在損益表內支銷，但如該等成本是直接因收購、興建或製造需時甚久方可達到其預定用途或出售的資產，則會轉化為資本性開支入賬。

作為合資格資產成本一部分的借款成本在該資產的開支正在產生、借款成本正在產生及為準備該資產作為預定用途或出售的所需活動進行時開始資本化。當大部分為準備該合資格資產作為預定用途或出售的所需活動已被中斷或完成時，借款成本資本化亦暫停或終止。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

(g) Government grants

Government grants are recognised as income initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income on a systematic basis in the same periods in which the expenses are incurred.

2.27 Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.28 僱員福利

(a) 短期僱員福利

薪金及年終花紅於僱員提供相關服務之年度支付或計提。當支付或償付有所遞延而其影響為重大時，此等款額按其現值入賬。

(b) 退休福利成本

本集團以強制性、合約性或自願性方式向公開或私人管理的退休計劃供款。此等計劃是本集團支付固定供款的界定供款退休計劃，本集團作出供款後，即無額外付款責任。若該基金並無持有足夠資產向所有僱員就其在當期及以往期間的服務支付福利，本集團亦無法定或推定責任支付額外供款。

本集團的供款在應付時確認為僱員福利開支，且可由全數歸屬供款前離開計劃的僱員所放棄的供款而減少。預付供款若可現金退款或可減少未來付款則確認為資產。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.28 Employee benefits

(a) Short-term employee benefits

Salaries and annual bonuses are paid or accrued in the year in which the associated services are rendered by employees. When payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(b) Retirement benefit costs

The Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. These pension plans are defined contribution schemes which the Group pays fixed contributions and has no further payment obligations once the contributions have been paid. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services rendered in the current and prior periods.

The Group's contributions are recognised as employee benefits expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2 主要會計政策 (續)

2.28 僱員福利 (續)

(c) 僱員假期福利

僱員應享有的年假於累計予僱員時確認。截至呈報日已計提因僱員已提供服務而享有之年假所引致的估計負債。

僱員應享有的病假及分娩假於發生時才予以確認。

(d) 終止服務權益

當本集團在僱員正常退休日期前終止其聘用，或當僱員接受自願遣散以換取有關福利時，終止服務權益即須支付。本集團在可證明承諾如下時確認終止服務權益：根據一項詳細的正式計劃終止現有僱員的僱用；或因為提出一項要約以鼓勵自願遣散而提供的終止服務權益（沒有撤回的實際可能性）。超過呈報日後十二個月支付的福利貼現為現值。

2.29 分部報告

在本綜合財務報表列報的經營分部及各分部項目金額，於定期向本集團最高行政管理層提供的財務資料中識辨。管理層依據該等財務資料分配資源予本集團的不同業務及地區，以及評核該等業務和地區的表现。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.28 Employee benefits (Continued)

(c) Employee's leave entitlements

Employee's entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Employee's entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan or providing termination benefits as a result of an offer made to encourage voluntary redundancy without realistic possibility of withdrawal. Benefits falling due more than twelve months after the reporting date are discounted to present value.

2.29 Segment reporting

Operating segments, and the amounts of each segment item reported in these consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.29 分部報告 (續)

就財務報表而言，個別重大的經營分部不會總計，惟分部有類似經濟特性及在產品或服務性質、生產程序性質、客戶類別和等級、用作銷售產品或提供服務之方法以及監管環境性質方面相類似則除外。並非個別重大的經營分部倘符合大部分此等標準，則該等經營分部可能會總計。

2.30 股息分派

分派予本公司股東的股息在股息獲批准分派期內於本集團及本公司的財務報表內列為負債。

2.31 關聯方

在編制本綜合財務報表時，關聯方指與本集團有關連之人士或實體。

- (a) 某人士或其近親家庭成員被視為與本集團有關連，如該人士：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員的成員。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.29 Segment reporting (Continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products or services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2.30 Dividend distribution

Dividend distribution to the shareholders of the Company is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved for distribution.

2.31 Related parties

For the purposes of these consolidated financial statements, a related party is a person or entity that is related to the Group.

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

2 主要會計政策 (續)

2.31 關聯方 (續)

- (b) 如符合任何下列情況，某實體被視為與本集團有關連：
- (i) 該實體與本集團皆為同一集團的成員（指各自的母公司、附屬公司及同系附屬公司互相有關連）。
 - (ii) 某實體為另一實體的聯營公司或合營公司（或為某集團成員的聯營公司或合營公司，而另一實體為該集團的成員）。
 - (iii) 兩個實體皆為同一第三方的合營公司。
 - (iv) 某實體為第三實體的合營公司，而另一實體為該第三實體的聯營公司。
 - (v) 該實體為提供福利予本集團僱員或本集團關聯實體的僱員的離職後福利計劃。
 - (vi) 該實體由註釋2.31(a)定義的人士所控制或共同控制。
 - (vii) 在註釋2.31(a)(i)中定義的人士對該實體有重大影響力或為該實體（或該實體母公司）的主要管理人員的成員。

某人士的近親家庭成員指預期可影響該人士或受該人士影響他們與該實體處事的家庭成員。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.31 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in Note 2.31(a).
 - (vii) a person identified in Note 2.31(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 關鍵會計估計及判斷

在編制財務報表時，管理層必須對未來作出估計和假設，此等估計和假設將影響本綜合財務報表呈報的資產、負債、收益及支出。估計和假設的應用如因管理層的判斷有所改變或因應實際環境的演變而有所改變，會引致本集團的財務狀況及業績有所不同。

估計和判斷會被持續評估，並根據過往經驗和其他因素（包括在有關情況下相信為合理的對未來事件的預測）進行評價。本集團認為，於編制本綜合財務報表時已作出適當假設和估計，因此在各個重要層面，本綜合財務報表均能公平地反映本集團的財務狀況和業績。

在未來十二個月很大機會導致資產和負債的賬面值作出重大調整風險的估計和假設討論如下。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets, liabilities, revenues and expenses in these consolidated financial statements. The application of assumptions and estimates means that any changes of them, either due to changes of management's judgement or the evolution of the actual circumstances, would cause the Group's financial position and results to differ.

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group believes that the assumptions and estimates that have been made in the preparation of these consolidated financial statements are appropriate and that these consolidated financial statements therefore present fairly the Group's financial position and results in all material respects.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are discussed below.

3 關鍵會計估計及判斷 (續)

3.1 投資物業公平值的估計

本集團所持投資物業公平值的最佳證據為在活躍市場相類似的租賃或其他合約的當時價格。若沒有此等資料，本集團在一系列合理的公平值估計範圍內釐定有關金額。在作出判斷時，本集團會考慮多方面的資料，包括在活躍市場不同性質、狀況或地點的物業的當時價格（或受限於不同租賃或其他合約），經調整以反映此等差別；或在較不活躍市場相類似物業的近期價格，附帶調整以反映該等價格出現的交易日期後經濟狀況的任何變動。於2019年12月31日，本集團的投資物業公平值約港幣15,942萬元（註釋16）。

3.2 於廈銀的投資

本公司持有廈銀約9.7635%股權。儘管本公司持有廈銀的投票權少於20%，但本公司於廈銀董事會內有兩名代表，以及透過在廈銀董事會設立的委員會代表參與政策制定程序，因此本公司認為其有能力對廈銀的財務及營運決策行使重大影響力。因此，本公司認為廈銀將繼續被分類為本公司的聯營公司，而其所持廈銀的權益將繼續按照香港財務報告準則以權益會計法入賬（註釋17）。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

3.1 Estimate of fair value of investment properties

The best evidence of fair value of investment properties held by the Group is current prices in an active market for similar lease or other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making this judgement, the Group considers information including current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts) adjusted to reflect those differences, or recent prices of similar properties in less active markets with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. As at 31 December 2019, the fair value of the Group's investment properties was approximately HK\$159.42 million (Note 16).

3.2 Investment in XIB

The Company holds approximately 9.7635% shareholding in XIB. The Company considered that it has the ability to exercise significant influence over the financial and operating policy decisions of XIB through its two representatives on the board of directors of XIB as well as the participation in policy-making processes through the representations in committees set up by the board of directors of XIB even though the Company holds less than 20% of the voting power of XIB. Accordingly, the Company considers that XIB will continue to be classified as an associate of the Company and the Company's interest in XIB will continue to be accounted for using equity method in accordance with the HKFRSs (Note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

3.3 意外傷亡及財產保險合約負債

就意外傷亡及財產保險合約而言，須對於呈報日已呈報索償預期最終成本及於呈報日已發生但未呈報（「已發生但未呈報」）索償預期最終成本作出估計。確立最終賠償成本可能耗時甚長，故就若干保單而言，已發生但未呈報索償責任構成了綜合財務狀況表中保險責任的主要部分。未決賠償的最終成本乃通過使用多種標準的保險精算賠款預測方法作出估計，如Bornhuetter-Ferguson（「BF」）法。

與該等方法相關的主要假設為過往的賠償發展經驗可用於預測未來的賠償發展，從而得出最終賠償成本。因此，該等方法根據分析過往年度的發展及預期虧損比率來推斷已付及已發生的虧損發展、平均每宗賠償的成本及賠償數目。歷史賠償發展主要按事故年度、重大業務類別及賠償種類作出分析。重大賠償通常單獨作出考慮，按照理賠師估計的金額計提或進行單獨預測，以反映其未來發展。使用的假設隱含在歷史賠償發展數據並用於預測。為評估過往趨勢在多大程度上不適用於未來（例如反映一次性事件、公眾對賠償的態度、經濟條件、賠償通脹水平、司法決定及立法等外部或市場因素的變動，以及產品組合、保單條件及賠償處理程序等內部因素的變動），會使用額外定性判斷，以在考慮了所有涉及的不確定因素後，在各種可能的結果中呈列出很可能的估計最終賠償成本。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

3.3 Casualty and property insurance contract liabilities

For casualty and property insurance contracts, estimates have to be made for both the expected ultimate costs of claims reported at the reporting date and for the expected ultimate costs of claims incurred but not reported (“IBNR”) at the reporting date. It may take a significant period of time before the ultimate costs of claims can be established with certainty and for some type of policies, IBNR claims form the majority of the insurance liabilities in the consolidated statement of financial position. The ultimate costs of outstanding claims are estimated by using a range of standard actuarial claims projection techniques, such as the Bornhuetter-Ferguson (“BF”) method.

The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate costs of claims. As such, these methods extrapolate the development of paid and incurred losses, average cost per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident year, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value based on loss adjustors’ estimates or separately projected in order to reflect their future development. The assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (for example to reflect one-off occurrence, changes in external or market factors such as public attitudes of claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures), so as to arrive at the estimated ultimate costs of claims that present the likely outcome from the range of possible outcomes, taking into account all of the uncertainties involved.

3 關鍵會計估計及判斷 (續)

3.4 當期所得稅及遞延所得稅

本集團須在不同司法權區繳納所得稅。在釐定所得稅撥備及繳納有關稅金的時間安排時，需要作出重大判斷。於日常業務過程中，可能出現多項涉及未能確切釐定最終稅務的交易及計算。如此等事件的最終稅務結果與最初記錄的金額不同，此等差額將影響稅務釐定期內的所得稅和遞延所得稅撥備。於2019年12月31日，本集團的遞延所得稅負債約港幣3,638萬元（註釋31）。若實際適用稅率差異為1%，遞延所得稅負債將增加或減少約港幣249萬元。

3.5 一家聯營金融機構的關鍵會計估計及判斷

本集團的主要聯營金融機構，廈銀集團，主要在中國內地、香港及澳門經營銀行業務（註釋17）。廈銀集團管理層已編制一套綜合財務報表供本集團財務報表之用。廈銀集團的會計政策已按需要於綜合財務報表內作出調整，以確保與本集團採用的會計政策一致。廈銀集團應用的若干關鍵會計估計及判斷敘述如下：

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

3.4 Current income tax and deferred income tax

The Group is subject to income tax in various jurisdictions. Significant judgement is required in determining the amounts of the provision for income tax and the timing of the payment of the related income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provisions for current income tax and deferred income tax in the period in which such determination is made. As at 31 December 2019, the Group had deferred income tax liabilities of approximately HK\$36.38 million (Note 31). The deferred income tax liabilities will increase or decrease by approximately HK\$2.49 million if the actual applicable tax rate differs by 1%.

3.5 Critical accounting estimates and judgement of an associated financial institution

The Group's major associated financial institution, XIB Group, is principally conducted banking business in Mainland China, Hong Kong and Macau (Note 17). The management of XIB Group has prepared a set of consolidated financial statements for the Group's reporting purposes. In preparing its consolidated financial statements, the accounting policies of XIB Group have been aligned, where necessary, in the consolidated financial statements to ensure consistency with those accounting policies adopted by the Group. Certain critical accounting estimates and judgement have been applied by XIB Group as described below:

3 關鍵會計估計及判斷 (續)

3.5 一家聯營金融機構的關鍵會計估計及判斷 (續)

(a) 金融資產的分類

金融資產按兩個標準分類：管理金融資產的業務模式；及金融資產的合約現金流量是否純粹為支付本金和未償還本金的利息。廈銀集團管理層已評估組合內持有的金融資產的業務模式的目標，因為這最能反映業務的管理方式和提供予管理層的信息。於評估合約現金流量是否純粹為支付本金及利息時，廈銀集團已根據該資產初始確認時存在的事實及情況而作出。於評估合約現金流量是否純粹為支付本金及利息時，廈銀集團考慮金融資產的合約條款。這包括評估該金融資產是否包含可以改變合約現金流量時間或金額的合約條款，以使其不符合此條件。

(b) 金融工具公平值

對於無法獲得活躍市場報價的金融工具，廈銀集團使用了估值模式計算其公平值。估值模式包括市場比較法及折現現金流分析和模式等。在實際操作中，估值模式盡可能地只使用可觀察資料，但是廈銀集團管理層仍需要對如加權平均資本成本、交易雙方信貸風險、市場波動性及相關性等因素進行估計。若上述因素的假設發生變化，金融工具公平值的評估將受到影響。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

3.5 Critical accounting estimates and judgement of an associated financial institution (Continued)

(a) Classification of financial assets

The classification of financial assets is based on two criteria: the business model for managing the financial assets; and whether the financial assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. The management of XIB Group has made an assessment of the objective of the business model in which an asset is held at a portfolio level because this best reflected the way the business is managed and information is provided to management. The assessment of whether the contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. In assessing whether the contractual cash flows are solely payments of principal and interest, XIB Group considered the contractual terms of the financial asset. This included assessing whether the financial asset contained a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(b) Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by XIB Group using valuation techniques. Valuation techniques used include market comparison approach and discounted cash flows analysis and models. To the extent practical, models use only observable data, however areas such as weighted average cost of capital, credit risks (both own and counterparty), volatilities and correlations require management of XIB Group to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

3 關鍵會計估計及判斷 (續)

3.5 一家聯營金融機構的關鍵會計估計及判斷 (續)

(c) 貸款及墊款減值準備

廈銀集團採納預期信貸虧損計量貸款及墊款減值準備。預期信貸虧損是信貸虧損的概率加權估計。採用預期信貸虧損模式時，不再需要出現虧損事件才確認減值虧損。因此，廈銀集團於根據事實及情況而確認的貸款及墊款的信貸虧損可能出現提早將信貸虧損確認為12個月預期信貸虧損或整個存續期的預期信貸虧損。於釐定貸款及墊款的信貸風險自初始確認後有否顯著增加及估計預期信貸虧損時，廈銀集團考慮根據其過往經驗、知情信貸評估及前瞻性信息獲得的定量和定性的信息及分析。信貸虧損以所有預期現金短缺（即根據合約應償還予廈銀集團的現金流量與廈銀集團預計收到的現金流量之間的差額）的現值計量，並以貸款及墊款的實際利率折算。於各呈報期末檢視評估信貸風險所使用的方法和假設及釐定貸款及墊款是否出現信貸減值，以及確認預期信貸虧的金額。預期信貸虧損的變動金額於損益內確認為減值收益或虧損。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

3.5 Critical accounting estimates and judgement of an associated financial institution (Continued)

(c) Impairment allowances on loans and advances

XIB Group adopts ECL model for measurement of impairment allowances on loans and advances. ECLs are a probability-weighted estimate of credit losses. It will no longer be necessary for a loss event to occur before an impairment loss is recognised under ECL model. Therefore it may result in earlier recognition of credit losses as either 12 month ECLs or lifetime ECLs on XIB Group's loans and advances depending on the facts and circumstances. When determining whether the credit risk of a loan and advance has increased significantly since initial recognition and when estimating ECLs, XIB Group considers both quantitative and qualitative information and analysis, based on XIB Group's historical experience and informed credit assessment and including forward-looking information. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to XIB Group in accordance with the contract and the cash flows that XIB Group expects to receive) which are discounted at the effective interest rate of the individual loan and advance. The methodology and assumptions used in assessing the credit risk and determining whether a loan and advance is credit-impaired and the amount of ECLs recognised are reviewed at each reporting date. Any change in the amount of ECL is recognised as an impairment gain or loss in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

3.5 一家聯營金融機構的關鍵會計估計及判斷 (續)

(d) 商譽減值準備的估計

根據收購成本及集友可識辨淨資產的公平值，廈銀集團確認收購集友約64.31%股權於收購日產生綜合商譽。在評估綜合商譽的減值時，集友現金產生單位的可收回金額根據使用價值計算確定。計算使用價值時，廈銀集團須估計集友現金產生單位的未來現金流預測（根據高級管理層作出的判斷和假設所擬定的財務預算而釐定）和稅前折現率，從而計算現值。根據廈銀集團管理層於2019年12月31日作出的評估，該綜合商譽並無減值虧損。然而，由於廈銀集團管理層就未來現金流預測而作出的關鍵假設可能會有所變動，因此，有關假設的不利變動或會導致賬面值超過其可收回金額。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

3.5 Critical accounting estimates and judgement of an associated financial institution (Continued)

(d) Estimation of impairment allowance on goodwill

XIB Group has recognised a consolidated goodwill on acquisition of approximately 64.31% shareholding in CYB at the date of acquisition based on the costs of acquisition and the fair value of identifiable net assets of CYB. In assessing the impairment of the consolidated goodwill, the recoverable amount of CYB cash-generating units is determined based on the value in use calculation. The value in use calculation requires XIB Group to estimate the future cash flow projections of CYB cash-generating units based on financial budgets covering judgement and assumptions made by senior management and the pre-tax discount rate in order to calculate the present value. Based on the impairment assessment performed by XIB Group on such consolidated goodwill at 31 December 2019, no impairment loss was recognised. However, as key assumptions on which management of XIB Group has made in respect of future cash flow projections are subject to change, an adverse change in the assumptions could cause the carrying amount to exceed its recoverable amount.

4 保險及財務風險管理

4.1 保險及財務風險因素

本集團的營業活動承受著多種的保險風險及財務風險，包括市場風險（包括外匯風險、價格風險及利率風險）、信貸風險及流動資金風險。本註釋總結本集團的這些風險承擔，以及其管理的目標、政策與程序及量度這些風險的方法。

本集團的投資政策是在可控制的風險水平內，以既能滿足本集團流動資金需要，又能取得最佳投資回報的方式，審慎投資其資金。本集團的整體風險管理專注於財務市場的難預測性及尋求儘量減低對本集團財務表現的潛在不利影響。

董事會代表著股東的利益，是本集團風險管理的最高決策機構，並對風險管理負最終責任。董事會已採納評估及批准重大投資決定的程序。基於其金融資產及金融負債的性質，本集團主要按質量方式監察其所承擔的風險。

總經理辦公會（包括本公司總經理（「總經理」）及高級管理人員）負責管理本集團各類風險，審批詳細的風險管理政策，並在董事會授權範圍內審批重大風險承擔或交易。

本集團建立了一套內部控制系統，包括設立權責分立清晰的組織架構，以監察業務運作是否符合既定政策、程序及限額。適當的匯報機制足以確保監控職能獨立於業務範疇，同時機構內有足夠的職責分工，有助營造適當的內部控制環境。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT

4.1 Insurance and financial risk factors

The Group's business activities expose it to a variety of insurance risk and financial risks including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. This note summarises the Group's exposure to these risks, as well as its objectives, policies and processes for managing and the methods used to measure these risks.

The Group's investment policy is to prudently invest its funds in a manner which satisfies the Group's liquidity requirements and generates optimal returns to the Group within a manageable risk level. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance.

The Board, representing the interest of shareholders, is the highest decision making authority of the Group and has the ultimate responsibility for risk management. The Board has adopted procedures for evaluating and approving significant investment decisions. Given the nature of the Group's financial assets and liabilities, their risk exposures are monitored by the Group primarily on a qualitative basis.

The General Manager Meeting comprises the General Manager ("GM") and senior management of the Company, is responsible for managing the Group's various types of risks, approving detailed risk management policies, and approving material risk exposures or transactions within its authority delegated by the Board.

The Group has put in place an internal control system, including establishment of the Group's organisation structure that sets adequately clear lines of authority and responsibility for monitoring compliance with policies, procedures and limits. Proper reporting lines also provide sufficient independence of the control functions from the business areas, as well as adequate segregation of duties throughout the organisation which helps to promote appropriate internal control environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險

本集團簽發轉移保險風險的合約。本節概括說明此等風險及本集團對有關風險控制的方式。

任何一份保險合約的風險是指發生保險事故的可能性及由此產生的賠償金額的不確定性的風險。由於保險合約的特有的性質，其風險屬不規則的風險，因此為不可預料的風險。

如保險合約組合應用定價及撥備的或然性原則，本集團面臨的主要風險是實際賠償金額超過已計提保險責任的賬面值。這種風險在索賠頻率或賠付的嚴重程度超過估計的情況下均可能出現。由於保險事故屬不規則的，故此實際賠償宗數及金額將與採用統計技術設定的水平每年均有所不同。

經驗證明相類似的保險合約組合越大，其相對之預期結果可變性越低。另外，較多元化的合約組合較不容易受組合中某部分的變動而使整體受到影響。

保險風險上升的因素包括未有將風險的種類及金額、地區以及覆蓋行業分散所致。

(i) 賠償的頻率及嚴重程度

賠償的頻率及嚴重程度可以受多項因素影響。最主要為蒙受損毀的賠償程度增加，及向法院提出申訴的不活躍或長時期潛在的個案增加。估計的通貨膨脹亦為一重大因素，此乃由於此等個案一般需要頗長時間才得以解決。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk

The Group issues contracts that transfer insurance risk. This section summarises these risks and the way the Group manages such risks.

The risks under any one insurance contract are the possibility that the insured event occurs and the uncertainty of the amount of the resulting claims. By the very nature of an insurance contract, these risks are random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the amount of the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims are greater than estimated. Insurance events are random and the actual numbers and amounts of claims will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(i) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered and the increase in number of cases coming to court that were inactive or latent for a long period of time. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(i) 賠償的頻率及嚴重程度 (續)

本集團透過其承保策略、足夠的再保險安排及賠償處理等方式控制有關風險。

承保策略用意在於確保承保風險可以在風險種類及金額、行業及地區等方面充分地分散。

承保設有限額以執行適當的風險挑選準則。例如，本集團有權重新定價、取消或不續保一份合約，亦可施加自負額及有權拒絕支付欺詐索償。保險合約亦使本集團有權向第三者追索部分或全部費用（代位權）。除法例規定外，本集團的策略限制任何個別保單的風險總額超出某一數額。

再保險協議包括臨時再保險、比例合約及超額損失再保險範圍。此等再保險協議使本集團不會遭受保險損失淨值總額高於指定總額的損失。在整體的再保險計劃以外，如有需要時，本集團會安排為個別風險增加額外再保險保障。

有關按地區分析的已承擔保險在再保險前後之保險風險的集中度歸納如下，並以保險合同產生的保險責任（毛額及再保險後淨額）的賬面值作參考：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(i) Frequency and severity of claims (Continued)

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geographical location.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right to re-price, cancel or not to renew a contract, it can impose deductibles and it has the right to reject the payment of fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (subrogation). Unless the legislation requires, the Group's strategy limits the total exposure of any individual policy to a certain amount.

The reinsurance arrangements include facultative, proportional treaties and excess of loss coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses more than the prescribed amount. In addition to the overall reinsurance program, additional reinsurance protection for any individual risk will be arranged when necessary.

The concentration of insurance risk before and after reinsurance by territory in relation to type of insurance accepted is summarised below, with reference to the carrying amounts of the insurance liabilities (gross and net of reinsurance) arising from insurance contracts:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(a) 保險風險 (續)

(a) Insurance risk (Continued)

(i) 賠償的頻率及嚴重程度 (續)

(i) Frequency and severity of claims (Continued)

		2019				
		汽車 Motor	一般 法律責任 General liability	財物損毀 Property damage	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross					
香港	Hong Kong	15,358	13,492	1,960	871	31,681
澳門	Macau	9,032	781	44,512	1,864	56,189
保險責任總值，毛額	Total insurance liabilities, gross	24,390	14,273	46,472	2,735	87,870
淨額	Net					
香港	Hong Kong	13,410	12,363	1,751	605	28,129
澳門	Macau	8,380	693	40,017	1,675	50,765
保險責任總值，淨額	Total insurance liabilities, net	21,790	13,056	41,768	2,280	78,894
		2018				
		汽車 Motor	一般 法律責任 General liability	財物損毀 Property damage	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross					
香港	Hong Kong	19,423	23,029	107	492	43,051
澳門	Macau	5,323	1,015	31,229	2,387	39,954
保險責任總值，毛額	Total insurance liabilities, gross	24,746	24,044	31,336	2,879	83,005
淨額	Net					
香港	Hong Kong	17,236	21,487	60	485	39,268
澳門	Macau	5,184	920	29,210	2,086	37,400
保險責任總值，淨額	Total insurance liabilities, net	22,420	22,407	29,270	2,571	76,668

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源

保險合約的賠償於發生索償時支付。本集團須為所有於合約期內發生的保險事故負責，即使損失於合約期完結後才發現。由於賠償於一段長時間才能結清，故此對已發生但未呈報的索償提撥較大的準備金。此等合約的現金流量的金額及產生的時間受到若干變數的影響。此等變數主要與個別合約持有人的潛在風險及採用的風險管理程序有關。此等合約的賠償為給予蒙受人身傷害的金錢賠償。有關賠償為一次整筆清付的付款，按受傷人士因意外而損失的收入及康復費用的現值計算。

估計賠償成本包括結清索償產生的直接費用，扣除預計代位權價值及其他可收回款項。本集團採取所有合理措施確保其對所承擔的賠償風險獲得適當的資料。但是，由於提撥賠償準備金的不確定性，最終結果可能證明與最初提撥的責任不同。此等合約的責任包括於呈報日就已發生但未呈報的索償提撥的準備金、就已呈報但未賠付的索償提撥的準備金，及就未滿期風險提撥的準備金。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments

Claims on insurance contracts are payable on a claim-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of claims provision relates to incurred but not reported claims. There are several variables that affect the amounts and timing of cash flows from these contracts. These mainly relate to the inherent risks by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered. Such awards are lump-sum payments that are calculated as the present value of the lost of earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated costs of claims include direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liabilities established. The liabilities for these contracts comprise provisions for IBNR, provisions for reported claims not yet paid and provisions for unexpired risks at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源 (續)

於計算未付賠償 (已呈報及未呈報) 的估計成本時，本集團的估計技術以損失率基準估計 (損失率定義為於某一特定財政年度內與此等索償有關的保險賠償的最終成本與已賺保費之間的比率) 結合採用根據實際賠償經驗預先釐定的公式作出的估計，而實際賠償經驗的比重將隨著時間的流逝增加。

對已發生但未呈報的索償的估計，比已呈報予本集團的索償 (索償事故資料為可知的) 的成本估計，受到不確定性程度的限制較大。在估計已發生但未呈報的索償金額時，是需要預估未來賠償成本、相關賠償費用及運用模式模擬賠償責任結果從而計算合理的賠償準備金及未滿期風險。這些模式是很多法律、社會和經濟影響力的縮影，但可能未必完全適合所分析的保險業務種類。可以確定的是將來真正的賠款和賠償費用不會完全如預計般吻合，並有可能嚴重偏離估計。

於估計已呈報但未賠付的索償成本責任時，本集團考慮從理賠師所得知的任何資料及於以往期間相類似特性的已結清索償成本資料而作出估計。考慮到大額索償的發展及發生率對組合內其他索償的潛在破壞影響，大額索償以個別個案作出獨立評估或預計。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments (Continued)

In calculating the estimated costs of unpaid claims (both reported and not reported), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate costs of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and estimates based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the costs of settling claims already notified to the Group, where information about the claim event is available. In estimating the amounts of IBNR which make reasonable provisions for the claims and the unexpired risks, it is necessary to project future costs of claims and associated claims expenses and simulate the outcomes of claims liabilities using models. These models are simplified representation of many legal, social and economic forces and may not be entirely appropriate for the types of insurance business being analysed. It is certain that actual future claims and claims expenses will not develop exactly as projected and may vary significantly from the projections.

In estimating the liabilities for the costs of reported claims not yet paid the Group considers any information available from loss adjusters and information on the costs of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源 (續)

在可能的情況下，本集團採用多項技術對所需撥備程度作出估計。這對預計趨勢的固有經驗提供較佳的理解。利用多種方法作出的預計亦有助於估計可能發生的結果。選取最合適的估計技巧已計入業務類別的特性及每個意外年度的發展程度。

(iii) 決定假設的方法

本集團使用多項統計方法，考慮不同的假設以估計最終賠償成本。每個業務類別於每一事故年度所採用的結果，取決於評估最適合分析歷史發展的方法。在若干情況下，同一業務類別於個別事故年度或事故年度組別會選用不同的方法或綜合不同方法從而作出估計。

於估計本集團的汽車、勞工及財物損毀保險組合的賠償責任時，應用已付及已發生的損失發展法，並以BF法增補。至於其他保險組合類別，預測賠償責任的方法採用已發生的損失發展法。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments (Continued)

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

(iii) Process used to decide on assumptions

The Group uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate costs of claims. The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, different techniques or combination of techniques have been selected for individual accident year or group of accident years within the same class of business.

In estimating the claims liabilities of the Group's motor, employees' compensation and property damage insurance portfolio, the paid and incurred loss development methods supplemented by BF method are applied. For other classes of insurance portfolio, the incurred loss development method is used to project the claims liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iii) 決定假設的方法 (續)

預測最終賠償成本採用已付及已發生的損失發展模式，而BF法則依據從估計損失比率至經驗比率逐步發展的預測。BF法應用於較近期的事故年度，因為採用已付及已發生的損失發展模式，可能產生不太準確的結果。

(iv) 敏感度分析 – 保險賠償發展的敏感度報表

估計方法的合理性以不同情況的敏感度分析進行測試。給予蒙受人身傷害的金錢賠償及僱主責任賠償的改變對估計此等保險合約所使用的假設最為關鍵。

本集團相信就此等賠償計提的責任於呈報日是足夠的。但此等賠償的成本如增加百分之十將需要確認額外損失約港幣320萬元(2018年：約港幣420萬元)(已扣除再保險)。

上述對除稅前溢利的影響並未計入其他變數的改變，此乃由於此等變數被視為較不重要。有關評估及個別變數的相對重要性可能於將來有所改變。

除了進行情況測試外，保險責任的發展提供了本集團估計最終賠償成本能力的基準。下表闡明本集團的汽車、勞工及財物損毀保險組合於每一事故年度估計未決賠償淨額於接續呈報日的變動情況。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iii) Process used to decide on assumptions (Continued)

The paid and incurred loss development methods are used to project the ultimate costs of the claims, and the BF method relies on a gradual transition from an estimated loss ratio to an experience-rated development. BF method is applied to the more recent accident years, for which the paid and incurred loss development methods may yield less accurate results.

(iv) Sensitivity analysis – sensitivity of insurance claims development tables

The reasonableness of the estimation process is tested by an analysis of sensitivity around different scenarios. The change in the monetary awards granted for bodily injury suffered and also the employers' liabilities claims are the most critical to the assumptions used to estimate the liabilities for these insurance contracts.

The Group believes that the liabilities for these claims carried at the reporting date are adequate. However, an increase of 10% in the costs of these claims would require the recognition of an additional loss of approximately HK\$3.2 million (2018: approximately HK\$4.2 million) net of reinsurance.

The impact on the profit before taxation described above does not take into account of changes in other variables, as they are considered to be less material. Such an assessment and the relative materiality of individual variable may change in the future.

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate costs of claims. The table below illustrates how the Group's estimate of net claims outstanding of the Group's motor, employees' compensation and property damage insurance portfolio for each accident year has changed at successive reporting dates.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表 (續)

汽車保險

事故年度	Accident year	2015	2016	2017	2018	2019	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
估計最終賠償成本 於事故年底	Estimate of ultimate costs of claims at end of accident year	7,549	10,067	16,561	9,269	7,931	
一年後	one year later	6,831	7,468	11,578	15,306		
二年後	two years later	5,189	7,819	18,675			
三年後	three years later	4,797	9,579				
四年後	four years later	5,432					
當期估計之累計賠償	Current estimate of cumulative claims	5,432	9,579	18,675	15,306	7,931	56,923
至今累計付款	Cumulative payment to date	(5,115)	(8,376)	(14,810)	(11,053)	(1,698)	(41,052)
		317	1,203	3,865	4,253	6,233	15,871
2015年度前之責任	Liabilities in respect of prior years before 2015						170
							16,041

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables (Continued)

Motor insurance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(a) 保險風險 (續)

(a) Insurance risk (Continued)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表 (續)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables (Continued)

勞工保險

Employees' compensation insurance

事故年度	Accident year	2015	2016	2017	2018	2019	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
估計最終賠償成本 於事故年底	Estimate of ultimate costs of claims at end of accident year	11,965	8,981	19,720	4,375	2,243	
一年後	one year later	12,051	6,225	4,365	4,775		
二年後	two years later	7,496	11,761	7,879			
三年後	three years later	9,306	14,247				
四年後	four years later	12,599					
當期估計之累計賠償	Current estimate of cumulative claims	12,599	14,247	7,879	4,775	2,243	41,743
至今累計付款	Cumulative payment to date	(10,376)	(12,380)	(5,035)	(4,471)	(77)	(32,339)
		2,223	1,867	2,844	304	2,166	9,404
2015年度前之責任	Liabilities in respect of prior years before 2015						799
							10,203

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表 (續)

財物損毀保險

事故年度	Accident year	2015	2016	2017	2018	2019	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
估計最終賠償成本 於事故年底	Estimate of ultimate costs of claims at end of accident year	5	301	9,375	4,263	5,234	
一年後	one year later	5	236	7,875	4,977		
二年後	two years later	6	249	8,132			
三年後	three years later	3	249				
四年後	four years later	3					
當期估計之累計賠償 至今累計付款	Current estimate of cumulative claims Cumulative payment to date	3	249	8,132	4,977	5,234	18,595
		(3)	(249)	(7,875)	(4,263)	(559)	(12,949)
		-	-	257	714	4,675	5,646
2015年度前之責任	Liabilities in respect of prior years before 2015						-
							5,646

本集團為若干短期保險產品訂立一系列有效的分保合同。本集團以分散方式分出分保，以致本集團既不依賴單一再保險人，營運亦不大依賴任何單一再保險合同。本集團亦著重與再保險人的長期業務往來。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables (Continued)

Property damage insurance

The Group has in place a series of effective reinsurance covers on a number of short-term insurance products. The placement of reinsurance is diversified such that the Group is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract. The Group also considers the long-established business relationship with the reinsurers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表 (續)

本集團亦通過使用再保險安排將其風險限制在一定水平，以局限例如地震和水災等災難性事件的風險。該等承保和再保險策略的目的是根據本集團的風險偏好，將災難風險限制在預定的最高金額內。就單一實際災難性事件而言，風險的最高值少於按淨額基準計算全資附屬公司閩信保險的股東權益的5%。

(b) 市場風險

市場風險是指因為市場息率及價格波動導致出現虧損的風險。風險包括因為外匯匯率、利率、股票價格及商品價格波動引致的潛在損失。

本集團的風險管理目標是在提高股東價值的同時，確保風險控制在可接受的水平之內。本集團規定必須在董事會批准的限定交易工具類別內進行投資，從而控制市場風險，並確保全面識別、正確量度及充分監控所有的風險。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables (Continued)

The Group has also limited its exposure to a certain level by use of reinsurance arrangements in order to limit exposure to catastrophic events, such as earthquakes and flood damages. The purpose of these underwriting and reinsurance strategies is to limit the exposure to catastrophes to a pre-determined maximum amount based on the Group's risk appetite. For a single realistic catastrophic event, the maximum exposure is less than 5% of the shareholders' equity of the wholly-owned subsidiary, Min Xin Insurance, on a net basis.

(b) Market risk

Market risk is the risk of loss that results from movements in market rates and prices. The risk includes potential losses arising from changes in foreign exchange rates, interest rates, equity prices and commodity prices.

The Group's risk management objective is to enhance shareholders' value by maintaining risk exposures within acceptable limits. The Group's control of market risk is based on restricting individual operation to invest within a list of permissible instruments authorised by the Board to ensure all risks arising are thoroughly identified, properly measured and adequately controlled.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險

外匯風險是因匯率之不利變動導致以外幣計價的投資出現虧損的風險。本集團主要在香港、中國內地及澳門營運，故此承受已確認以人民幣計量的資產和負債以及海外業務的淨投資產生的外匯風險。

對於並非按有關業務的功能貨幣列賬的應收款、應付款及現金結存而言，本集團於有需要時會以即期匯率買賣外幣來應付短期失衡，確保應收款、應付款及現金結存的風險淨值維持於可接受水平。

本集團的借款按貸款實體的功能貨幣計價。因此，管理層預期本集團的借款不涉及任何重大貨幣風險。

下表列示本集團於呈報日確認的並非以有關實體的功能貨幣計量的資產和負債所承受的外匯風險：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk

Foreign exchange risk is the risk of loss due to adverse movements in foreign exchange rates relating to investments denominated in foreign currencies. The Group mainly operates in Hong Kong, Mainland China and Macau and is exposed to foreign exchange risk arising from recognised assets and liabilities and net investments in foreign operations measured in Renminbi ("RMB").

In respect of receivables, payables and cash balances held in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Group's borrowings are in the functional currency of the entity taking out the loans. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

The following table details the Group's exposure to foreign exchange risk arising from recognised assets and liabilities measured in a currency other than the functional currency of the entity to which they relate at the reporting date:

		2019	2018
		人民幣千元 RMB'000	人民幣千元 RMB'000
按公平值計入其他全面 收益的金融資產	Financial assets at fair value through other comprehensive income	378,492	500,805
其他應收賬款	Other debtors	3,182	1,252
現金及銀行結存	Cash and bank balances	135,925	176,714
其他應付賬款及應計費用	Other creditors and accruals	(6,816)	(8,787)
應付本期稅項	Current income tax payable	(20,929)	(20,929)
		489,854	649,055

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(b) 市場風險 (續)

(b) Market risk (Continued)

(i) 外匯風險 (續)

(i) Foreign exchange risk (Continued)

下表列示本集團於呈報日因應匯率出現的合理可能變動而承受重大風險對本集團的除稅後溢利 (及保留溢利) 及權益其他組成部分產生的大約影響：

The following table indicates the approximate changes in the Group's profit after taxation (and retained profits) and other components of equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the reporting date:

		2019			2018		
		外匯兌換率 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響	外匯兌換率 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響
		Increase/ (decrease) in foreign exchange rate	Effect on profit after taxation and retained profits	Effect on other components of equity	(decrease) in foreign exchange rate	Effect on profit after taxation and retained profits	Effect on other components of equity
		百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000
人民幣	Renminbi	5 (5)	6,228 (6,228)	21,167 (21,167)	5 (5)	8,443 (8,443)	28,521 (28,521)

上述敏感度分析乃假設匯率變動已於呈報日發生及已於呈報日重新計量本集團持有的金融工具之外匯風險，而所有其他變數 (特別是利率) 則維持不變。

The above sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred and had been applied to remeasure those financial instruments held by the Group which expose to foreign exchange risk at the reporting date, and that all other variables, in particular interest rate, remained constant.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險 (續)

所載變動指管理層對直至下一個年度呈報日止期間匯率出現的合理可能變動的評估。就此而言，管理層假設港元與美元間的聯繫匯率將不會受到美元兌其他貨幣任何重大匯率變動的影響。上表呈列的分析結果代表本集團各實體按各自功能貨幣計量的除稅後溢利及權益，為呈列目的而按呈報日的匯率換算為港元時的整體影響。2018年的分析按相同基準進行。

就以人民幣計價的投資對象的投資，本集團也承受所產生的外匯風險。

(ii) 價格風險

本集團對在綜合財務狀況表內分類為按攤銷成本計量、按公平值計入其他全面收益或按公平值透過損益列賬的金融資產的投資承受價格風險。

本集團按公平值透過損益列賬的金融資產包括上市股權投資及非上市投資基金。購入或出售此等投資的決定乃根據個別投資相對於有關指數的表現及本集團對流動資金的需要。按公平值計入全面收益的金融資產包括上市股權投資。此等投資的選擇乃根據其長期升值潛力，並定期監察其實際表現是否符合預期。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date. In this respect, it is assumed that the pegged rate between the Hong Kong Dollars and the United States Dollars would be materially unaffected by any changes in movement in value of the United States Dollars against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on profit after taxation and equity of each of the Group's entities measured in the respective functional currencies, translated into Hong Kong Dollars at the exchange rate ruling at the reporting date for presentation purposes. The analysis is performed on the same basis for 2018.

The Group is also exposed to foreign exchange risk from its investments in investees which are in Renminbi.

(ii) Price risk

The Group is exposed to price risk on investments held by the Group classified in the consolidated statement of financial position as financial assets at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

The Group's financial assets at fair value through profit or loss comprise listed equity investments and unlisted investment funds. Decisions to buy or sell these investments are based on the performance of individual investment compared to that of the index and the Group's liquidity needs. Financial assets at fair value through other comprehensive income comprise listed equity investments. These investments have been chosen based on their long term growth potential and are monitored regularly for performance against expectation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(b) 市場風險 (續)

(b) Market risk (Continued)

(ii) 價格風險 (續)

(ii) Price risk (Continued)

於2019年12月31日，如投資基金的市場報價上升或下跌百分之五，而所有其他變數維持不變，估計本集團之除稅後溢利及保留溢利將會增加或減少約港幣407萬元（2018年：無）。

At 31 December 2019, it is estimated that if the quoted prices of investment funds increased or decreased by 5%, with all other variables held constant, would increase or decrease the Group's profit after taxation and retained profits by approximately HK\$4.07 million (2018: Nil).

下表列示本集團於呈報日因應上市投資的相關股票市場指數出現的合理可能變動而承受重大風險對本集團的除稅後溢利及保留溢利及權益其他組成部分產生的大約影響：

The following table indicates the approximate changes in the Group's profit after taxation and retained profits and other components of equity in response to reasonably possible changes in the relevant stock market index for listed investments to which the Group has significant exposure at the reporting date:

	2019			2018		
	相關風險變數 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響	相關風險變數 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響
	Increase/ (decrease) in the relevant risk variance	Effect on profit after taxation and retained profits	Effect on other components of equity	Increase/ (decrease) in the relevant risk variance	Effect on profit after taxation and retained profits	Effect on other components of equity
	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000
上市投資之 相關股市 指數	Stock market index in respect of listed investments					
恆生指數	Hang Seng Index	5 (5)	732 (732)	- -		
					16 (16)	- -
上海綜合指數	Shanghai Composite Index	5 (5)	- -	21,281 (21,281)		
					- -	28,637 (28,637)
納斯達克綜合 指數	Nasdaq Composite Index	5 (5)	121 (121)	- -		
					- -	- -

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(ii) 價格風險 (續)

上述敏感度分析已假設相關股票市場指數的合理可能變動已於呈報日發生及已於呈報日計量存在之股權證券之價格風險。在假設所有其他變數維持不變下，本集團的股權投資的公平值將根據與相關股票市場指數之歷史掛鈎關係而變動及所有其他變數維持不變。所載變動指管理層對直至下一個年度呈報日止期間相關股票市場指數出現的合理可能變動的評估。2018年的分析按相同基準進行。

(iii) 現金流量及公平值利率風險

公平值利率風險指由於市場利率變動，導致金融工具價值出現波動的風險。現金流量利率風險指由於市場利率變動，導致金融工具的未來現金流量出現波動的風險。

本集團的有息資產及負債主要包括固定或浮動利率之銀行存款、場外債券（「場外債券」）、銀行借款及控股股東貸款，令本集團分別承擔公平值利率風險及現金流量利率風險。本集團主要透過將此等資產及負債的到期日維持於短期至中期內以控制有關風險，並監控市場利率走勢以便本集團能於利率變動逆轉時作出相應反應。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(ii) Price risk (Continued)

The above sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index had occurred and had been applied to the exposure to equity price risk in existence at the reporting date. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index and that all other variables remained constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index over the period until the next reporting date. The analysis is performed on the same basis for 2018.

(iii) Cash flow and fair value interest rate risks

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest bearing assets and liabilities mainly comprise bank deposits, over-the-counter ("OTC") bond, bank borrowings and loan from the controlling shareholder, bore in fixed or floating rates, which expose the Group to fair value interest rate risk and cash flow interest rate risk respectively. The Group manages these risks primarily through maintaining the maturity profile of these assets and liabilities within a short to medium period and monitoring the market interest rate movements so that the Group can react accordingly when there are adverse interest rate movements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(iii) 現金流量及公平值利率風險 (續)

下表列示本集團於呈報日因應銀行存款、銀行借款及控股股東貸款的利率出現的合理可能變動，而所有其他變數維持不變，對本集團的除稅後溢利及保留溢利產生的大約影響：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

The following table indicates the approximate changes in the Group's profit after taxation and retained profits in response to reasonably possible changes in interest rates with all other variables held constant for bank deposits, bank borrowings and loan from the controlling shareholder at the reporting date:

		2019		2018	
		對除稅後溢利及保留溢利的影響 Effect on profit after taxation and retained profits		對除稅後溢利及保留溢利的影響 Effect on profit after taxation and retained profits	
		利率變動 Change in interest rates	利率變動 Change in interest rates	利率變動 Change in interest rates	利率變動 Change in interest rates
		基點 Basis points	港幣千元 HK\$'000	基點 Basis points	港幣千元 HK\$'000
銀行存款	Bank deposits	100 (100)	7,393 (7,393)	100 (100)	11,442 (11,442)
銀行借款	Bank borrowings	100 (100)	(2,075) 2,075	100 (100)	(2,055) 2,055
控股股東貸款	Loan from the controlling shareholder	100 (100)	(1,343) 1,343	100 (100)	– –

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(iii) 現金流量及公平值利率風險 (續)

上述敏感度分析已假設利率變動已於呈報日發生及已於呈報日計量本集團持有的浮動利率金融工具之利率風險。上調或下調100個基點為管理層對直至下一個年度呈報日止期間利率出現的合理可能變動的評估。2018年的分析按相同基準進行。

(c) 信貸風險

本集團承受的信貸風險，是指顧客或交易對手將無法或不願意履行其責任償還欠付本集團款項的風險。本集團的信貸風險主要歸屬於客戶貸款及應收利息、保險相關應收款、場外債券及其他應收款。

本集團承受的信貸風險主要受各顧客的個別特性影響，因此，重大信貸風險集中主要於本集團對個別客戶承受重大風險時產生。

就保險相關應收款及其他應收款而言，本集團透過審查交易對手、持續監察及取得交易對手提供的抵押品而限制其所承受的信貸風險。該等應收款須符合本集團設定之財務要求，並於有需要時由第三者向本集團出具擔保。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

The above sensitivity analysis has been determined assuming that the changes in interest rates had occurred and had been applied to the exposure to interest rate risk for financial instruments with variable interest rates held by the Group at the reporting date. The 100 basis points increase or decrease represents management's assessment of the reasonably possible changes in interest rates over the period until the next reporting date. The analysis is performed on the same basis for 2018.

(c) Credit risk

The Group is exposed to credit risk, which is the risk that a customer or counterparty will be unable to or unwilling to fulfill its repayment obligations for amounts due to the Group. The Group's credit risk is primarily attributable to loans to customers and interest receivable, insurance related receivables, OTC bond and other receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

In respect of the insurance related receivables and other receivables, the Group limits its exposure to credit risk by screening the counterparties, on-going monitoring and acquiring collateral from counterparties. These receivables are required to meet the Group's established financial requirements and the Group will obtain third party guarantees when it considered necessary.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(c) 信貸風險 (續)

本集團對客戶貸款及應收利息確認相等於整個存續期的預期信貸虧損的虧損準備。於2019年12月31日，本集團的客戶貸款及應收利息減值準備為港幣25,216萬元(2018年：港幣26,693萬元)，減值準備對客戶貸款及應收利息比率為92.32%(2018年：92.11%)。

就場外債券而言，本集團只會投資於具有投資級別的債券，並須符合若干挑選準則。

於2019年12月31日，銀行結存分散存放於信譽良好的金融機構。

本集團未有出具任何會導致本集團承受信貸風險的擔保。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

The Group has recognised an impairment allowance at an amount equal to lifetime ECLs for loans to customers and interest receivable. At 31 December 2019, the Group's impairment allowances on loans to customers and interest receivable were HK\$252.16 million (2018: HK\$266.93 million) and impairment allowances to loans to customers and interest receivable ratio was 92.32% (2018: 92.11%).

In respect of the OTC bond, the Group will only invest in investment grade bond with certain selection criterion imposed.

At 31 December 2019, bank balances were placed with reputable financial institutions with diversification.

The Group does not provide any guarantees which would expose the Group to credit risk.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(c) 信貸風險 (續)

如不計入任何持有的抵押品或其他改善信貸條件，於呈報日的信貸風險的最高值相當於綜合財務狀況表內金融資產的賬面淨值。信貸風險的最高值概述如下：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

The maximum exposure to credit risk at the reporting date without taking into account of any collateral held or other credit enhancement is the net carrying amount of the financial assets stated in the consolidated statement of financial position. A summary of the maximum exposure is as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
按攤銷成本計量的 金融資產	Financial assets at amortised cost	3,115	3,129
保險應收款	Insurance receivable	23,025	13,134
再保險資產	Reinsurance assets	8,976	6,337
客戶貸款及應收利息	Loans to customers and interest receivable	20,981	22,875
銀行承兌匯票	Banker's acceptance	-	56,186
其他應收賬款	Other debtors	23,577	2,927
現金及銀行結存	Cash and bank balances	1,352,644	1,405,380
		1,432,318	1,509,968

有關本集團保險應收款信貸風險的進一步數據披露載於註釋 21，而客戶貸款及應收利息信貸風險的進一步數據披露載於註釋 23。

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from insurance receivable are set out in Note 21 and that arising from loans to customers and interest receivable are set out in Note 23.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(d) 流動資金風險

流動資金風險指實體難以滿足其現金流量需要或承擔的風險。導致出現流動資金風險的原因可能是無法快速地籌集新資金、按公平值將金融資產出售、交易對手未能履行合約償付責任或保險責任較預期提早到期支付。

本集團的政策為定期監控其流動資金需要及是否符合貸款協議，確保本集團維持充裕的現金儲備、可即時變現的有價證券及從信譽良好的財務機構取得足夠的承諾信貸融資，以應付其短期及較長期的流動資金需要。

本集團旗下之獨立營運實體自行負責現金管理工作，包括現金盈餘之短期投資及籌措貸款以應付預期現金需求。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its cash flow needs or commitments. Liquidity risk may result from either inability to raise new funds, sell financial assets quickly at their fair value, a counterparty failing on repayment of a contractual obligation or an insurance liability falling due for payment earlier than expected.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from reputable financial institutions to meet its liquidity requirements in the short and longer term.

Individual operating entity within the Group is responsible for its own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(d) 流動資金風險 (續)

下表列示於呈報日本集團的再保險資產及金融負債按合約未折現現金流(包括按合約利率或如屬浮息則根據呈報日通行之利率計算之利息)計算之剩餘合約到期值,以及本集團或須償還有關款項之最早日期詳情:

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(d) Liquidity risk (Continued)

The following table details the remaining contractual maturity value at the reporting date of the Group's reinsurance assets and financial liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

		2019				2018			
		合約未折現 現金流總額 Total	第一年至 或按要求 Within one year or on demand	第二年至 第五年內 (包括 首尾兩年) In the second to fifth year inclusive	賬面值 Carrying amount	合約未折現 現金流總額 Total	第一年至 或按要求 Within one year or on demand	第二年至 第五年內 (包括 首尾兩年) In the second to fifth year inclusive	賬面值 Carrying amount
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產	Assets								
再保險資產	Reinsurance assets	8,976	8,976	7,947	1,029	6,337	6,337	4,791	1,546
負債	Liabilities								
保險合約	Insurance contracts	87,870	87,870	68,554	19,316	83,005	83,005	65,523	17,482
保險應付款	Insurance payable	16,147	16,147	16,147	-	9,196	9,196	9,196	-
其他應付賬款及應計費用	Other creditors and accruals	33,106	33,106	33,106	-	24,498	24,498	24,498	-
租賃負債	Lease liabilities	256	263	198	65	-	-	-	-
銀行借款	Bank borrowings	259,965	272,856	66,721	206,135	398,770	422,968	210,619	212,349
控股股東貸款	Loan from the controlling shareholder	199,886	215,066	57,683	157,383	-	-	-	-
		597,230	625,308	242,409	382,899	515,469	539,667	309,836	229,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理

本集團的聯營金融機構，廈銀集團的財務風險及管理目標和政策概述如下：

(i) 概述

廈銀集團的經營活動使其承擔各種各樣的財務風險，主要為信用風險、流動性風險和市場風險（包括外匯風險、價格風險及利率風險）。廈銀集團持續地識別、評估和監控此等風險。廈銀集團的目標是達到風險與效益之間適當的平衡，同時儘量減少對其財務表現的不利影響。

廈銀集團的董事會（「廈銀董事會」）制定風險管理戰略。其高級管理層根據廈銀董事會核准的風險管理戰略，制定相應的風險管理政策及程序，包括外匯風險、利率風險、信用風險、使用衍生金融工具及非衍生金融工具等專項風險管理政策。這些風險管理政策及程序經廈銀董事會批准後由各部門負責執行。此外，其內部審計部門負責對於風險管理和控制環境進行獨立的審查。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution

The financial risks exposure and management objectives and policies of the Group's associated financial institution, XIB Group, are summarised as below:

(i) Overview

The activities of XIB Group expose it to a variety of financial risks including credit risk, liquidity risk and market risk (including foreign exchange risk, price risk and interest rate risk). XIB Group continuously identifies, evaluates and monitors these risks. XIB Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

The board of directors of XIB Group ("XIB Board") provides strategy for overall risk management. Its senior management establishes related risk management policies and procedures under the strategy approved by the XIB Board, including written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. Those risk management policies and procedures are implemented by various departments after XIB Board's approval. In addition, its Internal Audit Department is responsible for the independent review of risk management and control environment.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(ii) 信用風險

信用風險是廈銀集團在其經營活動中所面臨的最重要的風險之一，信用風險主要來自貸款及墊款、投資組合、貿易融資、擔保及其他支付承諾。

廈銀集團採用標準化的授信政策和流程。廈銀集團通過信用評級、風險度計量、經濟資本、差異化貸後管理、指標控制、組合監測、風險預警、風險報告等手段和方法管理信用風險。

(iii) 流動性風險

流動性風險是指廈銀集團需確保隨時備有充足的資金來源，以滿足存款提取及償還到期負債的需要，同時應付客戶貸款的要求及把握新的投資機會的風險。

廈銀集團採用了一系列流動性指標來評估和監控其流動性風險，並及時檢討該等指標。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(ii) Credit risk

Credit risk is one of the main risks that XIB Group faces in its operations which arises primarily from loans and advances, investment portfolios, trade finance, guarantees and other payment acceptance.

The credit approval policies and procedures of XIB Group are standardised. Credit rating, risk measurement, economic capital, various post-lending management, indicator control, collective assessment, risk warning and risk reporting are measures for managing credit risk.

(iii) Liquidity risk

Liquidity risk is the risk that XIB Group has to ensure the availability of adequate funds to meet its needs to funding deposit withdrawals and other liabilities as they fall due, as well as being able to meet its obligations to funding loan originations and commitments and to take advantage of new investment opportunities.

XIB Group has set up a series of liquidity indices to assess and monitor its liquidity risk and reviewed such indices on a timely basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(iv) 市場風險

廈銀集團承擔由交易帳戶及銀行帳戶在利率、匯率、股票價格及商品價格產生的市場風險。交易帳戶包括由以交易為目的持有及為規避交易帳戶市場風險而持有的可以自由交易的金融工具及商品頭寸。銀行帳戶包括除交易帳戶外的金融工具（包括廈銀集團運用剩餘資金購買金融工具所形成的投資帳戶）。

廈銀集團目前建立了包括監管限額、頭寸限額、風險限額在內的限額結構體系以實施對市場風險的識別、監測及控制。廈銀集團定期通過敏感度分析來評估其交易帳戶和銀行帳戶所承受的利率及外匯風險。

外匯風險

廈銀集團大部分業務是人民幣業務，此外也有外幣業務，因此，匯率波動使廈銀集團的財務狀況及現金流量受到影響。廈銀集團通過控制外幣敞口淨額進行外匯風險的管理。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(iv) Market risk

XIB Group's market risk arises from open positions in the trading book and banking book in interest rate, foreign exchange rate, equities and commodities. The trading book consists of financial instruments and commodities that are free of any restrictive covenants on their tradability and held with trading intent, and in order to or for the purpose of hedging market risk of the trading book. The banking book consists of financial instruments not included in the trading book (including those financial instruments purchased with surplus funds and managed in the investment book).

XIB Group has established a structural system of limit controls including regulatory limits, position limits and risk limits to identify, monitor and control market risk. XIB Group performs sensitivity analysis on a regular basis to assess the interest rate risk and foreign exchange risk of its trading book and banking book.

Foreign exchange risk

XIB Group conducts the majority of its business in Renminbi with other transactions in foreign currencies, therefore XIB Group is exposed to the fluctuations in the prevailing foreign exchange rates on its financial position and cash flows. XIB Group manages its exposure to foreign exchange risk through management of its net foreign currency position.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(iv) 市場風險 (續)

利率風險

利率風險是指因為利率水平和利率結構變動導致廈銀集團的資產、負債、收益和經濟價值遭受或有損失的風險。重新定價風險是最主要和最常見的利率風險形式，來源於廈銀集團資產、負債和表外承擔的到期期限（就固定利率而言）或重新定價條款（就浮動利率而言）所存在的差異。現金流量的利率風險是指金融工具的未來現金流量隨著市場利率的變化而波動的風險。

廈銀集團需要管理的利率風險敞口主要來自當前市場利率在重新定價、公允價值和現金流波動的風險。廈銀集團在中國內地遵照中國人民銀行規定的利率體系經營業務。廈銀集團主要通過控制貸款及存款的到期日分佈、重新定價日及重新定價日資產負債缺口狀況等方式來控制其利率風險。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(iv) Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that XIB Group's assets, liabilities, revenue and economic value would suffer losses or have the risk of contingent losses due to fluctuations of interest rates and changes of interest rates structure. The re-pricing risk, the primary and most common interest rate risk, arises from the difference between maturity terms (for fixed interest rates) or between the re-pricing terms (for floating interest rates) of XIB Group's assets, liabilities and off balance sheet commitments. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

XIB Group mainly manages its exposure to the interest rate risk arising from fluctuations in the prevailing market interest rates on re-pricing, fair value and cash flows. XIB Group's business in Mainland China operates under the interest rate scheme regulated by the People's Bank of China. XIB Group controls its interest rate risk primarily through controlling the distribution of the maturity date or re-pricing date of loans and deposits and the asset-liability re-pricing gap.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.2 資本風險管理

本集團的資本管理政策，是保障本集團能繼續營運，為本公司股東提供回報及為其他持份者帶來得益，同時維持最佳的資本架構以減低資金成本。

與業內其他公司一樣，本集團利用資本負債比率監察其資本。此比率按照總借款除以總資產淨值計算。總借款包括在綜合財務狀況表內所列的所有銀行借款及控股股東貸款。總資產淨值包括在綜合財務狀況表內列為本公司股東應佔權益總額的所有組成部分。

於2019年，本集團的策略與2018年一樣維持不變，致力將資本負債比率維持在30%或以下的穩健水平。為了維持或調整資本架構，本集團可能調節分派予本公司股東的股息數額、發行新股份、籌集新的債務融資或出售資產以減少債務。

於2019年及2018年12月31日，本集團的資本負債比率如下：

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
總借款	Total borrowings	459,851	398,770
總資產淨值	Total net assets	7,043,337	6,731,820
資本負債比率	Gearing ratio	6.5%	5.9%

資本負債比率上升主要因2019年12月31日的未償還總借款結餘增加（註釋28及29）所致。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total net assets. Total borrowings comprise all bank borrowings and loan from the controlling shareholder as shown in the consolidated statement of financial position. Total net assets comprise all components of equity attributable to shareholders of the Company as shown in the consolidated statement of financial position.

During 2019, the Group's strategy, which was unchanged from 2018, was to maintain the gearing ratio at a healthy level of 30% or below. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders of the Company, issue new shares, raise new debt financing or sell assets to reduce debt.

The gearing ratio of the Group at 31 December 2019 and 2018 were as follows:

The increase in the gearing ratio resulted primarily from the increase in total borrowings outstanding at 31 December 2019 (Note 28 and 29).

4 保險及財務風險管理（續）

4.2 資本風險管理（續）

本公司一家全資附屬公司，閩信保險的資本規定主要由保險業監管局制定及監管，該等規定乃確保有足夠的償付準備金。閩信保險須維持其資產多於其負債及《保險業條例》第10條所指的有關數額的總和。根據《保險業條例》第25A條的規定，閩信保險亦須維持在香港的資產不少於其在香港保險業務中產生的訂明比例的負債及所釐定的有關數額的總和。

此外，閩信保險澳門分行須根據澳門《保險活動管制法例》的要求，設有技術準備金及設定一償付準備金，以保障其在澳門經營業務所引致的責任。除非獲澳門金融管理局批准使用海外的資產，技術準備金應以位於澳門的等值及合理資產作擔保。

閩信保險亦須維持健康的資本比率以支持其業務目標及提高股東的價值。為符合該等要求，閩信保險可能調節其分派予本公司的股息或發行新股份予本公司。

閩信保險定期評估呈報的數額和所需相關數額之間的任何缺口以管理其資本要求。閩信保險於財務報告期間內完全符合保險業監管局及澳門金融管理局施加的外部要求。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management (Continued)

The capital requirements of Min Xin Insurance, a wholly-owned subsidiary of the Company, are mainly set and regulated by the Insurance Authority and these requirements are put in place to ensure sufficient solvency margins. Min Xin Insurance is required to maintain the value of its assets to be greater than the aggregate amount of its liabilities and the relevant amount within the meaning of Section 10 of the Insurance Ordinance. Min Xin Insurance is also required to maintain assets in Hong Kong with an amount that is not less than the aggregate of a prescribed percentage of its liabilities arising from Hong Kong insurance business and the relevant amount determined in accordance with Section 25A of the Insurance Ordinance.

In addition, the Macau Branch of Min Xin Insurance is required by the Macau Insurance Companies Ordinance to set up technical reserves and to maintain a margin of solvency sufficient to meet the liabilities arising from its activities in Macau. The technical reserves shall be guaranteed by equivalent and congruent assets located in Macau, unless authorised by Autoridade Monetária De Macau to utilise overseas assets.

Min Xin Insurance also maintains a healthy capital ratios in order to support its business objectives and maximise shareholder's value. Min Xin Insurance may adjust the dividend paid to the Company or issue new shares to the Company to fulfill these requirements.

Min Xin Insurance manages its capital requirements by assessing any shortfalls between the reported and required relevant amounts on a regular basis. Min Xin Insurance fully complied with the externally imposed requirements of the Insurance Authority and Autoridade Monetária De Macau during the reported financial periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.2 資本風險管理 (續)

聯營金融機構的資本風險管理

廈銀集團的資本管理目標包括：(i) 遵守廈銀集團所在地監管機構設定的資本要求；(ii) 保障廈銀集團持續經營的能力，以便繼續為股東提供回報，和維護其他利益相關者的利益；及(iii) 保持雄厚的資本基礎，支持廈銀集團的業務發展。

廈銀集團管理層根據中國銀行保險監督管理委員會制定的監管指引，監控資本的充足性及監管資本。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management (Continued)

Capital risk management of associated financial institution

XIB Group's objectives when managing capital are: (i) to comply with the capital requirements set by the regulators of the markets where the entities within XIB Group operate; (ii) to safeguard the ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and (iii) to maintain a strong capital base to support the development of its business.

Capital adequacy and regulatory capital are monitored by XIB Group's management, employing techniques based on the guidelines developed by China Banking and Insurance Regulatory Commission, for supervisory purposes.

4 保險及財務風險管理 (續)

4.3 金融工具公平值

(a) 以公平值列賬的金融工具

公平值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計量公平值：

- 第一等級：僅使用於計量日相同資產或負債於活躍市場的未經調整報價計量公平值。
- 第二等級：使用包含於第一等級的直接（即價格）或間接（即來自價格）可觀察報價以外的數據計量公平值。為此等級估值的工具包括以下方式：就類似工具在活躍市場取得的市場報價；就相同或類似工具在較不活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的所有重要數據是可直接或間接從市場觀察所得的數據。
- 第三等級：使用並非根據可觀察市場數據的數據（不可觀察數據）計量公平值。為此等級估值的工具，其使用的數據並非根據可觀察市場數據，惟該等不可觀察數據可以對估值產生重大影響。為此等級估值的工具為類似金融工具的市場報價，當中需要作出不可觀察的調整或假設，以反映不同金融工具之間的差別。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments

(a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

- Level 1: fair value measured using only unadjusted quoted prices in active markets for identical instruments at the measurement date.
- Level 2: fair value measured using inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: fair value measured using inputs that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.3 金融工具公平值 (續)

(a) 以公平值列賬的金融工具 (續)

於活躍市場買賣的金融工具 (如按公平值透過損益列賬和按公平值計入其他全面收益的上市股權證券及按公平值透過損益列賬的上市投資基金) 的公平值根據呈報日的市場報價計量。本集團持有的金融資產採用的市場報價為當時的競買價。此等金融工具計入公平值架構的第一等級。

非上市投資基金的公平值根據基金管理人提供的市場報價或基金管理公司公布的市場報價計量，該等市場報價代表投資基金的每股資產淨值，該資產淨值來自相關資產及證券根據獨立可核實價格提供的價值或價格計量的公平值。本集團採用於呈報日該等基金的市場報價計量其公平值，此等金融工具計入公平值架構的第二等級。

年內金融工具並沒有於公平值架構的第一等級及第二等級之間轉移，或轉入或轉出公平值架構的第三等級。本集團的政策為於發生轉移的呈報期末確認公平值架構各等級間的轉移。

下表為根據三級分類法於呈報日以公平值計量本集團持有的金融工具賬面值，每項金融工具的公平值按根據最低級別且對公平值計量為重要的數據計量的公平值整體分類：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments (Continued)

(a) Financial instruments carried at fair value (Continued)

The fair value of financial instruments traded in active markets (such as listed equity securities measured at FVPL and FVOCI and listed investment funds measured at FVPL) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These financial instruments are included in Level 1 of the fair value hierarchy.

The fair value of unlisted investment funds is measured at quoted price provided by the fund administrators or published by the fund management companies. Such quoted prices represent the net asset value per share of the investment funds which are derived from the fair value of the underlying assets and securities measured using value or price provided by independent verifiable pricing sources. The Group adopted the quoted prices of the funds as their fair value at the reporting date and these financial instruments are included in Level 2 of the fair value hierarchy.

During the year there was no transfer of financial instruments between Level 1 and Level 2 of the fair value hierarchy, or transfer of financial instruments into or out of Level 3 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

The following table presents the carrying value of financial instruments held by the Group at the reporting date measured at fair value across the three levels of the fair value hierarchy, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement:

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 金融工具公平值 (續)

4.3 Fair value of financial instruments (Continued)

(a) 以公平值列賬的金融工具 (續)

(a) Financial instruments carried at fair value (Continued)

		2019				2018			
		第一等級	第二等級	第三等級	總額	第一等級	第二等級	第三等級	總額
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
經常性的公平值計量	Recurring fair value measurement								
資產	Assets								
按公平值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income	423,343	-	-	423,343	570,417	-	-	570,417
按公平值透過損益列賬的金融資產	Financial assets at fair value through profit or loss	17,020	80,802	-	97,822	306	-	-	306
		<u>440,363</u>	<u>80,802</u>	<u>-</u>	<u>521,165</u>	<u>570,723</u>	<u>-</u>	<u>-</u>	<u>570,723</u>

(b) 非以公平值列賬的金融工具公平值

(b) Fair value of financial instruments carried at other than fair value

按攤銷成本計量的金融資產、應收款扣除減值虧損(如有)及應付款的賬面值乃假定與其公平值相若。金融負債的公平值按本集團類似金融工具可得之現有市場利率折現未來合約現金流作出估算。

The carrying value of financial assets at amortised cost, trade receivables less impairment losses (if any) and trade payables are assumed to approximate their fair value. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

估計和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

董事認為本集團的金融資產及金融負債的公平值約相等於其於呈報日的賬面值。

In the Directors' opinion, the fair values of financial assets and financial liabilities of the Group approximate their carrying values at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料

5 REVENUE AND SEGMENTAL INFORMATION

本年內入賬的主要類別收益如下：

The amount of each significant category of revenue recognised during the year is as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
滿期保費淨額	Net earned insurance premiums		
毛保費收入	Gross insurance premiums	89,815	60,573
未滿期保費變動	Movement in unearned insurance premiums	(14,289)	(5,310)
再保費分出及再保 險人應佔未滿期 保費變動	Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	(7,887)	(5,372)
		67,639	49,891
客戶貸款利息收入 (a)	Interest income from loans to customers (a)	5,266	4,708
投資物業租金收入	Rental income from investment properties	8,623	9,245
按公平值計入其他全面 收益的金融資產股息 收入	Dividend income from financial assets at fair value through other comprehensive income	7,714	8,420
汽車銷售收益	Sales of motor vehicles	11,045	930,621
		32,648	952,994
其他收益	Other revenues		
銀行存款利息收入	Interest income from bank deposits	46,819	33,197
按攤銷成本計量的 金融資產利息收入	Interest income from financial assets at amortised cost	101	101
按公平值透過損益列賬的 金融資產股息收入	Dividend income from financial assets at fair value through profit or loss	2,294	20
政府補貼	Government grants	2,625	2,229
管理費	Management fee	-	4
其他	Others	358	262
		52,197	35,813
收益總額	Total revenues	152,484	1,038,698

5 收益及分部資料 (續)

- (a) 於年內，客戶貸款利息收入包括應計已減值之客戶貸款利息收入港幣3,861,000元(2018年：港幣4,664,000元)。
- (b) 源自中國內地兩位客戶的汽車銷售收益超過本集團2018年收益的10%，分別約港幣471,101,000元及港幣420,965,000元。

本集團按向包括董事會、常務董事委員會及總經理辦公會之主要營運決策人就策略性決策、資源分配及評估表現之內部呈報資料方式一致的基礎下確定須呈報的分部資料。

向主要營運決策人呈報之資料，乃按企業實體、持有之投資及投資對象而分類。對於企業實體及持有之投資，評估營運表現和資源分配是以個別企業實體的經營業務及本集團持有之投資為基礎。對於投資對象，本集團按個別投資對象評估其營運表現。

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

- (a) The interest income from loans to customers for the year included an interest income accrued for impaired loans to customers of HK\$3,861,000 (2018: HK\$4,664,000).
- (b) Revenues from sales of motor vehicles to two customers in Mainland China were approximately HK\$471,101,000 and HK\$420,965,000 respectively, which exceeded 10% of the Group's revenue for 2018.

The Group identifies its operating segments based on the reports reviewed internally by the chief operating decision-makers which include the Board, Executive Committee and the General Manager Meeting that are used to make strategic decisions, allocate resources and assess performance.

The reports to the chief operating decision-makers are analysed on the basis of business entities, investments held and investees. For business entities and investments held, operating performance evaluation and resources allocation are based on individual business activity operated and investment held by the Group. For investees, operating performance evaluation is based on individual investee of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料 (續)

本集團有下列須呈報分部：

- 金融服務：包括透過本集團持有的主要聯營公司廈銀、集友及澳銀分別於中國內地、香港及澳門經營銀行業務，及於中國內地經營小額貸款業務。
- 保險：包括於香港及澳門的一般保險業務。
- 物業投資：包括於中國內地出租優質寫字樓。
- 策略投資：本集團持有的華能A股。
- 其他：包括沒有直接確定為其他呈報分部的營運業績及公司的業務活動。
- 汽車貿易：包括於2019年3月終止的汽車貿易業務。

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

The Group has the following reportable operating segments:

- Financial services: this segment includes the engagement of banking business through the Group's major associates, XIB, CYB and LIB in Mainland China, Hong Kong and Macau respectively, and the provision of micro credit business in Mainland China.
- Insurance: this segment includes the general insurance business in Hong Kong and Macau.
- Property investment: this segment includes the leasing of high quality office space in Mainland China.
- Strategic investment: this segment represents the Huaneng A-Shares held by the Group.
- Others: this segment includes results of operations not directly identified under other reportable segments and corporate activities.
- Trading in motor vehicles: this segment includes the trading in motor vehicles business ceased in March 2019.

5 收益及分部資料 (續)

(a) 分部業績、資產及負債

在評估分部表現及分配分部間的資源時，本集團主要營運決策人按下列基準監控各呈報分部的業績、資產及負債：

可直接確定為各個別分部之源自客戶、產品及服務的收益將直接呈報於有關分部。不同分部的所有直接開支將歸類於有關分部。與本集團的策略性決策、日常業務管理及公司活動相關而不能合理地分配至其他分部、產品及服務的間接開支及支援部門開支呈列於其他項下。分部間之交易乃依據授予第三者或與第三者交易之同類條款定價。分部間之收益或支出於綜合賬內抵銷。呈報分部溢利以「本年度溢利」計量，即企業實體的除稅後溢利、持有投資產生的淨收入及應佔投資對象的業績。

分部資產包括企業實體持有的有形資產、無形資產及流動資產、持有投資的賬面淨值及應佔投資對象的資產淨值及給予投資對象的貸款。分部負債包括保險責任、應付賬款及應計費用、歸屬於個別分部的應付所得稅及遞延稅項負債以及分部直接管理或與該分部直接相關的借款。若負債是以資產作為抵押，該項資產及負債將歸類於同一分部。應付予本公司股東的股息於呈報分部資產及負債時列為未分配負債。

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision-makers monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenues derived from customers, products and services directly identifiable with individual segment are reported directly under respective segments. All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions' costs related to the strategic decision making and day-to-day management of the business of the Group and corporate activities that cannot be reasonably allocated to other segments, products and services are grouped under others. Transactions between segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income and expenses are eliminated on consolidation. The measure used for reporting segment profit is "profit for the year", i.e. profit after taxation of the business entities, net income generated from investments held and share of results of investees.

Segment assets include all tangible, intangible and current assets held by the business entities, net book value of investments held and share of net assets of and loans to investees. Segment liabilities include insurance liabilities, creditors and accruals, income tax payable and deferred tax liabilities attributable to respective segments and borrowings managed directly by the segments or directly related to those segments. An asset and a liability are grouped under same segment if the liability is collateralised by the asset. Dividend payable to shareholders of the Company is treated as unallocated liabilities in reporting segment assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料 (續)

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

(a) 分部業績、資產及負債 (續)

(a) Segment results, assets and liabilities (Continued)

	金融服務		保險		物業投資		策略投資		其他		汽車貿易*		分部抵銷		綜合	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
截至12月31日止年度	Year ended 31 December															
收益	Revenue															
滿期保費淨額	Net earned insurance premiums															
客戶貸款利息收入	Interest income from loans to customers															
租金收入	Rental income															
股息收入	Dividend income															
其他收益	Other revenues															
	9,116	7,013	75,560	56,281	4,034	4,652	7,714	8,420	44,980	31,639	35	72	-	-	141,439	108,077
根據香港財務報告準則第15號按收益確認時間分拆	Disaggregated by timing of revenue recognition under HKFRS 15															
時間點	Point in time															
隨時間	Over time															
	-	-	-	-	-	-	-	-	-	-	11,045	930,621	-	-	11,045	930,621
	-	-	-	-	-	-	-	-	-	-	11,045	930,621	-	-	11,045	930,621
外界客戶收益	Revenue from external customers															
跨分部	Inter-segments															
	9,116	7,013	75,560	56,281	4,034	4,652	7,714	8,420	44,980	31,639	11,080	930,693	-	-	152,484	1,038,698
可呈報分部收益	Reportable segment revenue															
其他(虧損)/收益 - 淨額	Other (losses)/gains - net															
客戶貸款及應收利息減值虧損撥回	Write back of impairment loss on loans to customers and interest receivable															
營業開支	Operating expenses															
	11,918	6,131	3,018	9,567	(642)	(5,222)	7,714	8,420	11,367	(6,405)	(248)	6,837	(76)	-	33,051	19,328
融資成本	Finance costs															
應佔聯營公司業績	Share of results of associates															
	(10,135)	(9,737)	(119)	-	-	-	-	-	(8,502)	(16,428)	-	-	111	-	(18,645)	(26,165)
	575,167	614,071	-	-	-	-	-	-	4,012	3,292	-	-	-	-	579,179	617,363
除稅前溢利/(虧損)	Profit/(loss) before taxation															
所得稅(支出)/抵免	Income tax (expense)/credit															
	576,950	610,465	2,899	9,567	(642)	(5,222)	7,714	8,420	6,877	(19,541)	(248)	6,837	35	-	593,585	610,526
本年度溢利/(虧損)	Profit/(loss) for the year															
	(16,076)	(25,462)	550	(1,264)	3,907	5,114	(771)	(842)	(9,771)	(8,043)	62	(1,939)	-	-	(22,099)	(32,436)
	560,874	585,003	3,449	8,303	3,265	(108)	6,943	7,578	(2,894)	(27,584)	(186)	4,898	35	-	571,486	578,090
利息收入	Interest income															
本年度折舊及攤銷	Depreciation and amortisation for the year															
	9,022	7,009	2,391	1,632	-	-	-	-	40,773	29,365	-	-	-	-	52,186	38,006
	228	171	3,081	1,146	-	-	-	-	846	668	4	14	(1,932)	-	2,227	1,999

* 於2019年3月終止業務
Business ceased in March 2019

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料 (續)

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

(a) 分部業績、資產及負債 (續)

(a) Segment results, assets and liabilities (Continued)

		金融服務		保險		物業投資		策略投資		其他		汽車貿易*		分部抵銷		綜合	
		Financial services		Insurance		Property investment		Strategic investment		Others		Trading in motor vehicles*		Inter-segment elimination		Consolidated	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於12月31日	At 31 December																
本公司及 附屬公司	The Company and subsidiaries	135,083	126,644	390,661	300,349	61,391	65,051	423,343	570,417	1,162,654	1,177,148	-	68,608	(2,134)	-	2,170,998	2,308,217
投資聯營公司	Investments in associates	5,482,955	4,942,748	-	-	-	-	-	-	49,274	45,925	-	-	-	-	5,532,229	4,988,673
總資產	Total assets	5,618,038	5,069,392	390,661	300,349	61,391	65,051	423,343	570,417	1,211,928	1,223,073	-	68,608	(2,134)	-	7,703,227	7,296,890
本公司及 附屬公司	The Company and subsidiaries	240,513	224,422	124,965	100,257	18,461	22,253	-	-	278,120	216,432	-	1,706	(2,169)	-	659,890	565,070
總負債	Total liabilities	240,513	224,422	124,965	100,257	18,461	22,253	-	-	278,120	216,432	-	1,706	(2,169)	-	659,890	565,070
本年度增添 非流動分部 資產	Additions to non-current segment assets during the year	93	4,140	4,439	81	-	-	-	-	531	966	-	-	(3,865)	-	1,198	5,187

* 於2019年3月終止業務
Business ceased in March 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料 (續)

(b) 地區資料

下表載列有關 (i) 本集團源自外界客戶的收益及 (ii) 本集團的物業、機器及設備、無形資產、投資物業及投資聯營公司 (「指定非流動資產」) 所在地區的資料。客戶所在地區按提供服務或貨物送達所在地劃分。指定非流動資產所在地區的劃分，物業、機器及設備及投資物業按資產實際所在地劃分，無形資產及投資聯營公司則以營運所在地劃分。

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

(b) Geographical information

The following table sets out the information about the geographical location of (i) the Group's revenues from external customers and (ii) the Group's property, plant and equipment, intangible assets, investment properties and investments in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties and the location of operations, in the case of intangible assets and investments in associates.

		香港 Hong Kong		中國內地 Mainland China		澳門 Macau		綜合 Consolidated	
		2019	2018	2019	2018	2019	2018	2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
截至12月31日止年度	Year ended 31 December								
外界客戶收益	Revenues from external customers	17,198	16,317	75,585	976,784	59,701	45,597	152,484	1,038,698
於12月31日	At 31 December								
本公司及附屬公司	The Company and subsidiaries	115,434	119,448	71,021	71,983	194	709	186,649	192,140
投資聯營公司	Investments in associates	-	-	5,532,229	4,988,673	-	-	5,532,229	4,988,673
指定非流動資產	Specified non-current assets	115,434	119,448	5,603,250	5,060,656	194	709	5,718,878	5,180,813

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 其他虧損 – 淨額

6 OTHER LOSSES – NET

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
按公平值透過損益列賬的金融資產的已變現及未變現(虧損)/收益淨額	Net realised and unrealised (losses)/gains on financial assets at fair value through profit or loss	(1,317)	1,547
投資物業重估公平值虧損	Fair value losses on revaluation of investment properties	(7,109)	(186)
出售抵債資產虧損	Loss on disposal of repossessed assets	-	(390)
匯兌虧損淨額	Net exchange losses	(2,836)	(12,398)
		(11,262)	(11,427)

7 保險業務產生的賠償淨額及佣金費用

7 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
保險業務產生的賠償淨額(a)	Net insurance claims incurred on insurance business (a)	3,179	5,125
保險業務產生的淨佣金費用(b)	Net commission expenses incurred on insurance business (b)	42,849	31,848
		46,028	36,973

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 保險業務產生的賠償淨額及佣金費用 (續)

7 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS (Continued)

(a) 保險業務產生的賠償淨額

(a) Net insurance claims incurred on insurance business

		2019		
		毛額	再保險	淨額
		Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000
本年度賠償及損失調整費用	Current year claims and loss adjustment expenses	4,210	(91)	4,119
往年度賠償及損失調整費用的額外成本	Additional cost for prior years' claims and loss adjustment expenses	4,207	217	4,424
已發生但未呈報的索償減少	Decrease in claims incurred but not reported	(2,870)	(1,840)	(4,710)
未滿期風險之預計賠償成本減少	Decrease in the expected cost of claims for unexpired risks	(654)	-	(654)
		4,893	(1,714)	3,179
		2018		
		毛額	再保險	淨額
		Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000
本年度賠償及損失調整費用	Current year claims and loss adjustment expenses	7,827	(1,552)	6,275
往年度賠償及損失調整費用的額外成本	Additional cost for prior years' claims and loss adjustment expenses	1,466	135	1,601
已發生但未呈報的索償減少	Decrease in claims incurred but not reported	(717)	(1,752)	(2,469)
未滿期風險之預計賠償成本減少	Decrease in the expected cost of claims for unexpired risks	(282)	-	(282)
		8,294	(3,169)	5,125

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 保險業務產生的賠償淨額及佣金費用 (續)

(b) 保險業務產生的淨佣金費用

7 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS (Continued)

(b) Net commission expenses incurred on insurance business

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
已付及應付佣金毛額	Gross commissions paid and payable	43,568	32,654
減：已收及應收再保險人佣金	Less: Commissions received and receivable from reinsurers	(719)	(806)
佣金費用淨額	Net commission expenses	42,849	31,848

8 營業溢利

8 OPERATING PROFIT

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
營業溢利已計入並扣除 下列各項：	Operating profit is stated after crediting and charging the following:		
計入	Crediting		
投資物業已收及應收 租金，扣除直接費用	Rentals received and receivable from investment properties less direct outgoings	7,740	8,227
扣除	Charging		
員工成本，包括董事酬金	Staff costs, including directors' emoluments	41,913	36,625
— 薪金、津貼及花紅	— Salaries, allowances and bonus	40,361	35,161
— 退休福利成本(a)	— Retirement benefit costs (a)	1,552	1,464
核數師酬金	Auditor's remuneration	2,086	2,086
— 當年準備	— provision for current year	1,787	1,813
— 中期查證工作	— interim attestation work	299	273
銷售成本	Costs of sales	10,996	920,394
— 存貨成本	— Cost of inventories	12,473	918,224
— (存貨減值撥回) / 存貨減值	— (Reversal of write down)/write down of inventories	(1,509)	1,552
— 其他	— Others	32	618
折舊及攤銷	Depreciation and amortisation	2,227	1,999
— 物業、機器及設備	— property, plant and equipment	2,100	1,999
— 使用權資產	— right-of-use assets	127	—
管理費(註釋10(a)(iii))	Management fee (Note 10(a)(iii))	1,880	1,880
出售物業、機器及設備 虧損	Loss on disposal of property, plant and equipment	29	57
匯兌虧損淨額	Net exchange losses	2,836	12,398
短期租賃及於2019年 12月31日或之前結束 的其他租賃之相關費用	Expense relating to short-term leases and other leases ended on or before 31 December 2019	110	—
房地產之營業租約租金	Operating lease rentals in respect of land and buildings	—	520

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 營業溢利 (續)

- (a) 在2000年11月30日前，本集團向一項界定供款計劃（「界定供款計劃」）供款，所有合資格之香港僱員皆可參加。界定供款計劃之資產與本集團之資產分開持有，由獨立管理基金保管。直至2000年11月30日界定供款計劃由根據《強制性公積金計劃條例》成立的強制性公積金計劃（「強積金計劃」）所取代當日止，本集團及僱員對界定供款計劃之供款額以僱員基本月薪之百分之十五計算。

本集團每月向強積金計劃之供款額（強制及自願）按僱員基本月薪百分之十（2000年9月30日後加入的僱員之供款額則為其基本月薪百分之六）或僱員每月總收入的百分之五以較高者為準計算（按內部評級制度釐定最高供款額為港幣2,000元、港幣3,000元或港幣4,000元）。僱員在取得全數供款利益前離開強積金計劃所被沒收之供款額可以用作減少本集團向強積金計劃之自願供款。於2019年及2018年12月31日並無任何重大未動用之沒收供款。

就中國內地的僱員而言，本集團亦有為其在中國內地各個經營業務地區參加當地市政府的僱員退休計劃。本集團按僱員薪金之百分比向此等計劃作出每月供款，而當地市政府亦保證承擔本集團所有僱員的退休福利責任。

8 OPERATING PROFIT (Continued)

- (a) The Group contributed to a defined contribution scheme (“DC Scheme”) which was available to all eligible Hong Kong employees prior to 30 November 2000. The assets of the DC Scheme were held separately from those of the Group in an independently administered fund. Contributions to the DC Scheme by the Group and employees were calculated at 15% of the employees’ basic salary until 30 November 2000 when the DC Scheme was replaced by a mandatory provident fund scheme (“MPF Scheme”) set up under the Mandatory Provident Fund Schemes Ordinance.

The Group’s monthly contributions (mandatory and voluntary) to the MPF Scheme for each employee are calculated at the higher of 10% (or 6% for employees who joined after 30 September 2000) of the monthly basic salary and 5% of the monthly total income, subject to a maximum contribution of HK\$2,000, HK\$3,000 or HK\$4,000 based on the internal grading system. The Group’s contributions to the MPF Scheme can be reduced by the Group’s voluntary contributions forfeited in relation to those employees who leave the MPF Scheme prior to vesting fully in the contributions. At 31 December 2019 and 2018, there were no material unutilised forfeited contributions.

For Mainland China employees, the Group participates in the employee pension schemes administered by the respective municipal government in various locations in Mainland China where the Group operates. The Group makes monthly contributions calculated at a percentage of the monthly payroll costs to these schemes and the respective municipal government undertakes to assume the retirement benefit obligations of the employees of the Group.

9 融資成本

9 FINANCE COSTS

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
銀行貸款利息支出	Interest expenses on bank loans	13,735	26,165
控股股東貸款利息支出	Interest expenses on loan from the controlling shareholder	4,902	-
租賃負債利息支出	Interest expenses on lease liabilities	8	-
		18,645	26,165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) 董事酬金

(a) Directors' emoluments

		作為董事 As director	作為管理層 As management		
		董事袍金 Directors' fees	薪俸、房屋及其他津貼、及實物利益 Salaries, housing and other allowances, and benefits in kind	獎金 Bonus	2019 總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
執行董事	Executive Directors				
嚴正先生 (主席)	Mr Yan Zheng (Chairman)	-	-	-	-
王非先生 (副主席)	Mr Wang Fei (Vice Chairman)	-	-	-	-
陳宇先生	Mr Chen Yu	60	1,489	520	2,069
非執行董事	Non-executive Directors				
韓孝捷先生	Mr Hon Hau Chit	60	-	-	60
楊敬朝先生	Mr Yang Jingchao	-	-	-	-
獨立非執行董事	Independent Non-executive Directors				
葉啟明先生	Mr Ip Kai Ming	250	-	-	250
張文海先生	Mr Cheung Man Hoi	350	-	-	350
梁創順先生	Mr Leung Chong Shun	250	-	-	250
		970	1,489	520	2,979

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) 董事酬金 (續)

(a) Directors' emoluments (Continued)

	作為董事 As director	作為管理層 As management		2018 總額 Total
		董事袍金 Directors' fees	薪俸、房屋 及其他津貼、 及實物利益 Salaries, housing and other allowances, and benefits in kind	
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
執行董事 Executive Directors				
嚴正先生 (主席) ¹ Mr Yan Zheng (Chairman) ¹	-	-	-	-
王非先生 (副主席) Mr Wang Fei (Vice Chairman)	-	-	-	-
陳宇先生 ³ Mr Chen Yu ³	22	582	220	824
彭錦光先生 (主席) ² Mr Peng Jin Guang (Chairman) ²	-	-	-	-
劉承先生 ⁴ Mr Liu Cheng ⁴	78	1,090	390	1,558
非執行董事 Non-executive Directors				
韓孝捷先生 Mr Hon Hau Chit	60	-	-	60
楊敬朝先生 ⁵ Mr Yang Jingchao ⁵	-	-	-	-
劉倫先生 ⁶ Mr Liu Lun ⁶	-	-	-	-
獨立非執行董事 Independent Non-executive Directors				
葉啟明先生 Mr Ip Kai Ming	250	-	-	250
張文海先生 Mr Cheung Man Hoi	350	-	-	350
梁創順先生 ⁷ Mr Leung Chong Shun ⁷	167	-	-	167
史習陶先生 ⁸ Mr Sze Robert Tsai To ⁸	86	-	-	86
蘇合成先生 ⁹ Mr So Hop Shing ⁹	112	-	-	112
	1,125	1,672	610	3,407

1 於2018年4月12日委任為主席及執行董事

2 於2018年4月12日辭任主席及執行董事

3 於2018年9月10日委任為執行董事

4 於2018年9月10日辭任執行董事

5 於2018年12月7日委任為非執行董事

6 於2018年11月15日辭任非執行董事

7 於2018年5月3日委任為獨立非執行董事

8 於2018年4月1日辭任獨立非執行董事

9 於2018年6月13日退任獨立非執行董事

1 Appointed as Chairman and Executive Director on 12 April 2018

2 Resigned as Chairman and Executive Director on 12 April 2018

3 Appointed as Executive Director on 10 September 2018

4 Resigned as Executive Director on 10 September 2018

5 Appointed as Non-executive Director on 7 December 2018

6 Resigned as Non-executive Director on 15 November 2018

7 Appointed as Independent Non-executive Director on 3 May 2018

8 Resigned as Independent Non-executive Director on 1 April 2018

9 Retired as Independent Non-executive Director on 13 June 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

(a) 董事酬金 (續)

- (i) 作為董事：該等款項指作為本公司或其附屬公司的董事所提供的服務而支付或應付的酬金。
- (ii) 作為管理層：該等款項指有關管理本公司事務所提供的其他服務而支付或應付的酬金。
- (iii) 本公司向一控股股東貴信支付管理費港幣 188 萬元 (2018 年：港幣 188 萬元)，作為其根據一份管理協議提供一些管理服務，包括提供董事予本公司董事會之費用。

(b) 五名最高酬金之個別人士

上述註(a)之分析並未計入董事以外而其酬金是本集團前五名最高酬金之個別人士，支付予此等人士之酬金詳情如下：

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

- (i) As director: The amounts represented emoluments paid or payable for the services as a director of the Company or its subsidiaries.
- (ii) As management: The amounts represented emoluments paid or payable for other services in connection with the management of the affairs of the Company.
- (iii) An amount of HK\$1.88 million (2018: HK\$1.88 million) was paid to Vigour Fine, the controlling shareholder of the Company, for the provision of certain management services which include the provision of directors to the Board of Directors of the Company pursuant to a management agreement.

(b) Five highest paid individuals

The analysis in note (a) above does not include those individuals who are not directors but whose emoluments are among the five highest in the Group. Details of the emoluments paid to those individuals are as follows:

	2019	2018
	港幣千元 HK\$'000	港幣千元 HK\$'000
薪俸、房屋及其他津貼、 及實物利益	4,968	4,427
退休福利計劃供款	96	96
獎金	5,400	5,126
	10,464	9,649

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) 五名最高酬金之個別人士 (續)

(b) Five highest paid individuals (Continued)

酬金範圍	Emoluments Band	2019	2018
		人數 <i>Number of Individuals</i>	人數 <i>Number of Individuals</i>
港幣 1,000,001 元 – 港幣 1,500,000 元	HK\$1,000,001 – HK\$1,500,000	–	1
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	2	1
港幣 2,500,001 元 – 港幣 3,000,000 元	HK\$2,500,001 – HK\$3,000,000	1	1
港幣 3,500,001 元 – 港幣 4,000,000 元	HK\$3,500,001 – HK\$4,000,000	–	1
港幣 4,000,001 元 – 港幣 4,500,000 元	HK\$4,000,001 – HK\$4,500,000	1	–

(c) 高級管理人員

(c) Senior management

應付予本公司高級管理人員之酬金 (按範圍) 詳情如下:

Details of the emoluments payable to senior management of the Company by band are as follows:

酬金範圍	Emoluments Band	2019	2018
		人數 <i>Number of Individuals</i>	人數 <i>Number of Individuals</i>
港幣 1,000,001 元 – 港幣 1,500,000 元	HK\$1,000,001 – HK\$1,500,000	–	2
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	2	1
港幣 3,500,001 元 – 港幣 4,000,000 元	HK\$3,500,001 – HK\$4,000,000	–	1
港幣 4,000,001 元 – 港幣 4,500,000 元	HK\$4,000,001 – HK\$4,500,000	1	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 所得稅支出

在綜合損益表支銷之稅項如下：

11 INCOME TAX EXPENSE

The amount of taxation charged to the consolidated income statement represents:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
當期稅項	Current tax		
香港利得稅	Hong Kong profits tax	358	281
中國內地企業所得稅	Mainland China corporate income tax	8,218	8,184
中國內地預提所得稅	Mainland China withholding tax	1,826	18,016
澳門稅項	Macau taxation	522	441
		10,924	26,922
往年度準備過多	Over provision in prior year		
澳門稅項	Macau taxation	(441)	-
遞延稅項	Deferred tax		
暫時差異的產生及轉回	Relating to the origination and reversal of temporary differences	11,616	5,514
所得稅支出	Income tax expense	22,099	32,436

香港利得稅乃按照年內估計應課稅溢利分別依兩級利得稅稅率8.25%及16.5%（2018年：8.25%及16.5%）提撥準備。

Hong Kong profits tax has been provided at the rate of 8.25% and 16.5% respectively under the Two-tiered Rates of Profits Tax (2018: 8.25% and 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

中國內地企業所得稅乃按照年內估計應納稅所得額依稅率25%（2018年：25%）計算。

Mainland China corporate income tax has been calculated at the rate of 25% (2018: 25%) on the estimated taxable profits for the year.

於中國內地成立的附屬公司及投資對象就2008年1月1日後賺取的利潤宣派股息時，本集團須分別就股息收入的5%及10%繳納中國內地預提所得稅。

Mainland China withholding tax is levied at 5% and 10% on dividend income received from subsidiaries and investees incorporated in Mainland China respectively when these subsidiaries and investees declared dividend out of profits earned after 1 January 2008.

澳門盈利之稅款則按照年內估計應納稅所得額依澳門之現行稅率計算。

Taxation on Macau profits has been calculated on the estimated taxable profits for the year at the rates of taxation prevailing in Macau.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 所得稅支出 (續)

本集團有關除稅前溢利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

11 INCOME TAX EXPENSE (Continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate in Hong Kong as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
除稅前溢利	Profit before taxation	593,585	610,526
按照在相關稅務管轄區之適用稅率計算除稅前溢利之名義稅項	Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	114,816	116,358
無須課稅之收入	Income not subject to taxation	(98,200)	(104,237)
不可扣稅之支出	Expenses not deductible for taxation purposes	6,138	9,224
未確認稅損及可扣減暫時差異(減少)/增加	(Decrease)/increase in unrecognised tax losses and deductible temporary differences	(194)	11,121
往年度準備過多	Over provision in prior year	(441)	-
其他	Others	(20)	(30)
所得稅支出	Income tax expenses	22,099	32,436

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 股息

12 DIVIDEND

	2019	2018
	港幣千元 HK\$'000	港幣千元 HK\$'000
於呈報日後擬派末期股息 每股港幣 10 仙 (2018 年：港幣 10 仙)	Final dividend proposed after the reporting date of 10 HK cents (2018: 10 HK cents) per share	Final dividend proposed after the reporting date of 10 HK cents (2018: 10 HK cents) per share
	59,726	59,726

於呈報日後擬派的股息並無於本綜合財務報表內列作負債，惟將於截至 2020 年 12 月 31 日止年度列作保留溢利分配。

The dividend proposed after the reporting date has not been recognised as a liability in these consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31 December 2020.

13 每股盈利

13 EARNINGS PER SHARE

每股基本盈利是根據截至 2019 年 12 月 31 日止年度本公司股東應佔溢利港幣 57,148.6 萬元 (2018 年：港幣 57,809 萬元) 及年內已發行股份之加權平均數 597,257,252 (2018 年：597,257,252) 股計算。

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the year ended 31 December 2019 of HK\$571,486,000 (2018: HK\$578,090,000) and the weighted average of 597,257,252 (2018: 597,257,252) shares in issue during the year.

本集團本年度及過往年度均無已發行具攤薄潛力之股份，因此於披露年度的每股攤薄盈利與每股基本盈利相同。

The Group has no dilutive potential shares in issue during the current and prior years and therefore diluted earnings per share is the same as basic earnings per share for the years presented.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 物業、機器及設備

14 PROPERTY, PLANT AND EQUIPMENT

		租賃土地及 土地使用權 Leasehold lands and land use rights	持作 自用樓宇 Buildings held for own use	使用權資產 - 租賃為自用 的其他物業 Right-of-use assets - other properties leased for own use	傢俬、裝修、 辦事處及 電腦設備 Furniture, fixtures, office and computer equipment	汽車 Motor vehicles	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2018年1月1日	At 1 January 2018						
成本	Cost	28,621	8,511	-	9,149	3,052	49,333
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(14,338)	(7,594)	-	(7,981)	(2,542)	(32,455)
賬面淨值	Net book value	14,283	917	-	1,168	510	16,878
截至2018年12月31日止年度	Year ended 31 December 2018						
期初賬面淨值	Opening net book value	14,283	917	-	1,168	510	16,878
匯兌差額	Translation differences	-	4	-	3	-	7
增添	Additions	-	1,019	-	511	607	2,137
自抵債資產重新分類	Reclassified from repossessed assets	-	3,050	-	-	-	3,050
本年度折舊	Charge for the year	(284)	(135)	-	(448)	(201)	(1,068)
出售	Disposals	-	-	-	(8)	(61)	(69)
期末賬面淨值	Closing net book value	13,999	4,855	-	1,226	855	20,935
於2018年12月31日及 2019年1月1日	At 31 December 2018 and 1 January 2019						
成本	Cost	28,621	12,580	-	8,928	2,591	52,720
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(14,622)	(7,725)	-	(7,702)	(1,736)	(31,785)
賬面淨值	Net book value	13,999	4,855	-	1,226	855	20,935

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 物業、機器及設備 (續)

14 PROPERTY, PLANT AND EQUIPMENT
(Continued)

	租賃土地及 土地使用權 Leasehold lands and land use rights	持作 自用樓宇 Buildings held for own use	使用權資產- 租賃為自用 的其他物業 Right-of-use assets - other properties leased for own use	傢俬、裝修、 辦事處及 電腦設備 Furniture, fixtures, office and computer equipment	汽車 Motor vehicles	總額 Total
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
截至2019年12月31日止年度	Year ended 31 December 2019					
期初賬面淨值	13,999	4,855	-	1,226	855	20,935
匯兌差額	-	(69)	-	(2)	-	(71)
增添	-	89	380	729	-	1,198
本年度折舊	(281)	(456)	(127)	(354)	(171)	(1,389)
出售	-	-	-	(29)	-	(29)
自投資物業重新分類 (a)	-	6,048	-	-	-	6,048
記入租賃樓房重估儲備金 之公平值收益 (b)	2,692	55	-	-	-	2,747
重新分類為投資物業 (b)	(2,708)	(232)	-	-	-	(2,940)
期末賬面淨值	13,702	10,290	253	1,570	684	26,499
於2019年12月31日	At 31 December 2019					
成本	28,543	18,263	380	9,540	2,569	59,295
累計折舊及減值 虧損	(14,841)	(7,973)	(127)	(7,970)	(1,885)	(32,796)
賬面淨值	13,702	10,290	253	1,570	684	26,499

(a) 位於中國內地的一項商業物業於年內從投資物業重新分類為業主自用物業。該物業於變更用途日的公平值確認為持作自用樓宇的成本。

(b) 位於中國內地的一項住宅物業於年內從業主自用物業重新分類為投資物業。重新分類前的公平值重估收益已於租賃樓房重估儲備金內確認。

(a) A commercial property located in Mainland China was reclassified from investment property to owner-occupied property during the year and its fair value at the date of change in use was recognised as cost of building held for own use.

(b) A residential property located in Mainland China was reclassified from owner-occupied property to investment property during the year and a fair value gain on revaluation immediately before the reclassification was recognised in leasehold buildings revaluation reserve.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 物業、機器及設備 (續)

14 PROPERTY, PLANT AND EQUIPMENT
(Continued)

(c) 租賃土地及土地使用權的賬面淨值分析如下：

(c) The net book values of leasehold lands and land use rights are analysed as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
在香港持有租約	Leases held in Hong Kong		
50年以上	Over 50 years	4,297	4,317
10年至50年	Between 10 and 50 years	9,405	9,664
在香港以外持有租約	Leases held outside Hong Kong		
10年至50年	Between 10 and 50 years	-	18
		<u>13,702</u>	<u>13,999</u>

15 無形資產

15 INTANGIBLE ASSETS

		軟件 Software	
		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
截至12月31日止年度	Year ended 31 December		
期初賬面淨值	Opening net book value	1,573	2,504
本年度攤銷	Charge for the year	(838)	(931)
期末賬面淨值	Closing net book value	<u>735</u>	<u>1,573</u>
於12月31日	At 31 December		
成本	Cost	2,850	2,850
累計攤銷	Accumulated amortisation	(2,115)	(1,277)
賬面淨值	Net book value	<u>735</u>	<u>1,573</u>

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 投資物業

16 INVESTMENT PROPERTIES

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
公平值	At fair value		
於1月1日	At 1 January	169,632	169,818
公平值虧損	Fair value losses	(7,109)	(186)
重新分類為物業、機器 及設備(註釋14(a))	Reclassified to property, plant and equipment (Note 14(a))	(6,048)	-
自物業、機器及設備 重新分類(註釋14(b))	Reclassified from property, plant and equipment (Note 14(b))	2,940	-
於12月31日	At 31 December	159,415	169,632

本集團的投資物業權益賬面值分析如下：

The Group's interests in investment properties at their carrying amount are analysed as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
在香港持有租約 10年至50年	Leases held in Hong Kong Between 10 and 50 years	98,200	102,000
在香港以外持有租約 10年至50年	Leases held outside Hong Kong Between 10 and 50 years	61,215	67,632
		159,415	169,632

一家附屬公司持有的公平值港幣9,820萬元(2018年：港幣10,200萬元)的一項位於香港的投資物業的業權契約由保險業監管局託管，以符合監管機構的有關規定。

The title deeds in respect of an investment property in Hong Kong with a fair value of HK\$98.2 million (2018: HK\$102 million) held by a subsidiary are placed in the custody of the Insurance Authority pursuant to the relevant regulatory requirements.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 投資物業 (續)

(a) 公平值架構

下表呈列於2019年12月31日按經常性基準計量的本集團投資物業的公平值，有關的公平值採納三級分類法（註釋4.3(a)）（定義見香港財務報告準則第13號「公平值計量」）分類。公平值計量分類的等級乃參考估值方法所用數據的可觀察性及重要性後釐定。

16 INVESTMENT PROPERTIES (Continued)

(a) Fair value hierarchy

The following table presents the fair value of investment properties held by the Group measured at 31 December 2019 on a recurring basis, categorised into the three-level fair value hierarchy (Note 4.3(a)) 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.

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
經常性的公平值計量	Recurring fair value measurement		
第三等級	Level 3		
中國內地	Mainland China		
商業物業	Commercial properties	53,683	63,044
住宅物業	Residential properties	5,810	2,800
車位	Car parks	1,722	1,788
		61,215	67,632
香港	Hong Kong		
商業物業	Commercial properties	98,200	102,000
		159,415	169,632

本集團持有按公平值列賬的所有投資物業皆採用公平值架構的第三等級計量。年內並沒有於公平值架構第三等級的轉移。本集團的政策為於發生轉移的呈報期末確認公平值架構各等級間的轉移。

All the investment properties carried at fair value held by the Group were measured using Level 3 of the fair value hierarchy. During the year there was no transfer into or out of Level 3 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

16 投資物業 (續)

(b) 公平值架構第三等級資料

投資物業由獨立專業評估師，第一太平戴維斯估值及專業顧問有限公司及威格斯資產評估顧問有限公司，按2019年12月31日的公平值基準重估。本集團已於各年度呈報日與獨立專業評估師討論有關估值假設及估值結果。

位於中國內地的商業物業及車位的公平值採用收入資本化法釐定。應用於估值計量時，該等商業物業及車位的重要不可觀察數據分別為資本化率及市場月租金，(i)商業物業的資本化率介乎4.3厘至4.5厘(2018年：4.3厘至4.5厘)，市場月租金介乎每平方米人民幣52元至人民幣76元(2018年：人民幣52元至人民幣77元)，(ii)車位的資本化率為2.8厘(2018年：2.8厘)，市場月租金為每車位人民幣630元(2018年：人民幣640元)。公平值計量與資本化率呈反比關係，與市場月租金呈正比關係。

位於中國內地的住宅物業的公平值採用市場比較法釐定，並參考可比較物業近期按每平方米的銷售價格，並就本集團的物業與可比較物業比較時的特定因素(例如位置及質量)作出溢價或折讓的調整。應用於估值計量時，折讓率的重要不可觀察數據並不重要。

位於香港的商業物業的公平值乃採用市場比較法釐定，並參考可比較物業近期按每平方呎的銷售價格，並就本集團的物業與可比較物業比較時的特定因素(例如較長租期及較大樓層面積)作出溢價或折讓的調整。折讓率越大，公平值越低。應用於估值計量時，折讓率的重要不可觀察數據約為10%(2018年：約10%)。

16 INVESTMENT PROPERTIES (Continued)

(b) Information about Level 3 of the fair value hierarchy

The investment properties were revalued based on their fair values at 31 December 2019 by independent professional valuers, namely Savills Valuation and Professional Services Limited and Vigers Appraisal & Consulting Limited. The Group has discussed with the independent professional valuers on the valuation assumptions and valuation results at each annual reporting date.

The fair values of commercial properties and car parks located in Mainland China were determined by income capitalisation approach. The significant unobservable inputs applied in valuation measurement are (i) capitalisation rates ranged from 4.3% to 4.5% (2018: 4.3% to 4.5%) and monthly market rental ranged from RMB52 to RMB76 (2018: RMB52 to RMB77) per square meter for commercial properties and (ii) capitalisation rate of 2.8% (2018: 2.8%) and monthly market rental of RMB630 (2018: RMB640) per unit for car parks respectively. The fair value measurement is negatively correlated to the capitalisation rate and positively correlated to the monthly market rental.

The fair value of residential properties located in Mainland China was determined by market comparison approach with reference to recent sales price per square meter of comparable properties, adjusted for a premium or a discount specific to the factors such as the location and quality of the Group's properties while compared to the comparable properties. The unobservable input for discount applied in valuation measurement was immaterial.

The fair value of commercial properties located in Hong Kong was determined by market comparison approach with reference to recent sales price per square foot of comparable properties, adjusted for a premium or a discount specific to the factors such as the longer period of tenancy and the larger floor area of the Group's properties while compared to the comparable properties. Larger discount will result in a lower fair value measurement. The significant unobservable input for discount applied in valuation measurement was approximately 10% (2018: approximately 10%).

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 投資物業 (續)

(b) 公平值架構第三等級資料
(續)

年內該等公平值架構第三等級的結餘變動如下：

		2019				2018			
		商業物業 Commercial properties	住宅物業 Residential properties	車位 Car parks	總額 Total	商業物業 Commercial properties	住宅物業 Residential properties	車位 Car parks	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	165,044	2,800	1,788	169,632	165,632	2,300	1,886	169,818
公平值(虧損)/收益	Fair value (losses)/gains	(7,113)	70	(66)	(7,109)	(588)	500	(98)	(186)
重新分類為物業、機器及設備(註釋14(a))	Reclassified to property, plant and equipment (Note 14(a))	(6,048)	-	-	(6,048)	-	-	-	-
自物業、機器及設備重新分類(註釋14(b))	Reclassified from property, plant and equipment (Note 14(b))	-	2,940	-	2,940	-	-	-	-
於12月31日	At 31 December	151,883	5,810	1,722	159,415	165,044	2,800	1,788	169,632
年內於綜合損益表的「其他虧損 - 淨額」內確認的未變現公平值(虧損)/收益總額	Total unrealised fair value (losses)/gains for the year recognised in the consolidated income statement as part of "Other losses - net"	(7,113)	70	(66)	(7,109)	(588)	500	(98)	(186)

16 INVESTMENT PROPERTIES (Continued)

(b) Information about Level 3 of the fair value hierarchy (Continued)

The movements in the balance of Level 3 of the fair value hierarchy during the year are as follows:

17 聯營公司

17 ASSOCIATES

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
應佔資產淨值	Share of net assets	5,521,512	4,977,956
貸款予一家聯營公司(b)	Loan to an associate (b)	10,717	10,717
		5,532,229	4,988,673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

17 ASSOCIATES (Continued)

(a) 本集團於聯營公司之投資分析如下：

(a) The Group's investments in associates are analysed below:

		廈銀集團 XIB Group	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2018年1月1日	At 1 January 2018	4,540,907	44,393	4,585,300
匯兌差額	Translation differences	(232,232)	(1,744)	(233,976)
應佔除稅後溢利	Share of profit after taxation			
除稅前溢利	Profit before taxation	736,275	3,643	739,918
所得稅支出	Income tax expense	(122,204)	(351)	(122,555)
已宣派股息	Dividend declared	(153,195)	-	(153,195)
公平值儲備金 (可循環)增加	Increase in fair value reserve (recycling)	172,154	-	172,154
公平值儲備金 (不可循環)(減少)	Decrease in fair value reserve (non-recycling)	(155)	(16)	(171)
應佔一家聯營公司的 資本儲備金變動	Share of movement in capital reserve of an associate	1,198	-	1,198
於2018年12月31日及 2019年1月1日	At 31 December 2018 and 1 January 2019	4,942,748	45,925	4,988,673
匯兌差額	Translation differences	(88,501)	(655)	(89,156)
應佔除稅後溢利	Share of profit after taxation			
除稅前溢利	Profit before taxation	650,838	4,587	655,425
所得稅支出	Income tax expense	(75,671)	(575)	(76,246)
公平值儲備金 (可循環)增加	Increase in fair value reserve (recycling)	54,215	-	54,215
公平值儲備金(不可循環) 增加/(減少)	Increase/(decrease) in fair value reserve (non-recycling)	954	(8)	946
應佔一家聯營公司的 資本儲備金變動	Share of movement in capital reserve of an associate	(1,628)	-	(1,628)
於2019年12月31日	At 31 December 2019	5,482,955	49,274	5,532,229

(b) 此貸款為本集團對該聯營公司之投資，並且為無抵押、免息及無限定還款期。

(b) The loan represented the Group's investments in that associate and was unsecured, interest free and had no fixed repayment terms.

(c) 本集團在正常業務範圍內存放銀行存款於聯營金融機構，此等存款包括在現金及銀行結存賬內(註釋36(a))。

(c) Bank deposits placed by the Group with associated financial institutions in the normal course of business are included in cash and bank balances (Note 36(a)).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

- (d) 以下摘要只包括於2019年12月31日對本集團的業績或資產有重大影響的聯營公司。此等實體全部均為非上市公司及以權益會計法入賬。

17 ASSOCIATES (Continued)

- (d) The following list contains the particulars of those associates at 31 December 2019 which principally affected the results or assets of the Group. All of these entities are unlisted corporates and are accounted for using equity method.

聯營公司名稱	Name of associates	註冊及 經營地點 Place of incorporation and operations	已發行及 繳足股本詳情 Particulars of issued and paid up capital	本集團的 有效權益 Group's effective interest	主要業務 Principal activities
直接持有	Directly held				
廈門國際銀行股份有限公司及其附屬公司	Xiamen International Bank Co., Ltd., and its subsidiaries	中華人民共和國 The People's Republic of China	8,386.26百萬股 (人民幣83.8626億元) 8,386.26 million shares (RMB8,386.26 million)	9.7635%	銀行及投資控股 Banking and investment holding
澳門國際銀行股份有限公司	Luso International Banking Ltd.	澳門 Macau	2.61百萬股每股 (澳門幣26.1億元) 2.61 million shares (MOP2,610 million)	4.7880%	銀行 Banking
集友銀行有限公司	Chiyu Banking Corporation Ltd.	香港 Hong Kong	1,868.25百萬股 (港幣32.4598億元) 1,868.25 million shares (HK\$3,245.98 million)	6.3014%	銀行 Banking
廈門國際投資有限公司	Xiamen International Investment Limited	香港 Hong Kong	4,807.19百萬股 (港幣48.0719億元) 4,807.19 million shares (HK\$4,807.19 million)	9.7635%	投資控股 Investment holding
間接持有	Indirectly held				
閩信昌輝投資有限公司 ⁽¹⁾	Min Faith Investments Limited ⁽¹⁾	香港 Hong Kong	100股 (港幣100元) 100 shares (HK\$100)	40%	投資控股 Investment holding

- (1) 此聯營公司並非由畢馬威會計師事務所審核。應佔此聯營公司之資產淨值及除稅前溢利約佔本集團綜合總額之0.7%。

- (1) This associate is not audited by KPMG. Both the aggregate net assets and profit before taxation attributable to this associate represent approximately 0.7% of the Group's consolidated totals.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

17 ASSOCIATES (Continued)

(e) 重大聯營公司財務資料概要 (按本集團採納的會計政策編制，並經與綜合財務報表的賬面值對賬) 披露如下：

(e) Summarised financial information of the material associate prepared in accordance with the accounting policies adopted by the Group and reconciled to the carrying amount in the consolidated financial statements is disclosed below:

		廈銀集團 XIB Group	
		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
聯營公司下列各項總額	Gross amount of the associate's		
資產	Assets	1,027,204,506	918,564,205
負債	Liabilities	(957,661,654)	(856,199,285)
非控股權益	Non-controlling interests	(13,385,170)	(11,740,161)
股東應佔權益	Equity attributable to shareholders	56,157,682	50,624,759
收益總額	Total revenues	42,461,440	38,160,897
持續經營業務溢利	Profit from continuing operations	5,890,999	6,289,451
其他全面收益	Other comprehensive income	656,964	1,972,960
全面收益總額	Total comprehensive income	6,547,963	8,262,411
宣派股息	Dividend declared	-	153,195
對賬至本集團於 聯營公司的權益	Reconciled to the Group's interest in the associate		
聯營公司資產淨值總額	Gross amount of net assets of the associate	56,157,682	50,624,759
本集團的實際權益	Group's effective interest	9.7635%	9.7635%
綜合財務報表的 賬面值	Carrying amount in the consolidated financial statements	5,482,955	4,942,748

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

17 ASSOCIATES (Continued)

(f) 並非個別重大的聯營公司的匯總資料披露如下：

(f) Aggregate information of associates that are not individually material is disclosed below:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
於綜合財務報表內並非個別重大的聯營公司的賬面值總額	Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	49,274	45,925
本集團應佔該等聯營公司下列各項總額	Aggregate amount of the Group's share of those associates'		
持續經營業務溢利	Profit from continuing operations	4,012	3,292
其他全面收益	Other comprehensive income	(663)	(1,760)
全面收益總額	Total comprehensive income	3,349	1,532

18 按公平值計入其他全面收益的金融資產

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	570,417	503,514
於公平值儲備金(不可循環)記賬之公平值(虧損)/收益	Fair value (loss)/gain recognised in fair value reserve (non-recycling)	(147,074)	66,903
於12月31日	At 31 December	423,343	570,417
按公平值	At fair value		
股權證券	Equity securities listed on		
— 於上海證券交易所上市 (a)	— the Shanghai Stock Exchange (a)	423,343	570,417

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 按公平值計入其他全面收益的
金融資產（續）

- (a) 本集團於2019年及2018年12月31日持有於上海證券交易所上市的股權證券如下：

公司名稱	Company name	註冊地點 Place of incorporation	主要業務 Principal activities	本集團的有效權益 Group's effective interest
華能國際電力股份 有限公司（「華能」）	Huaneng Power International, Inc. ("Huaneng")	中華人民共和國 The People's Republic of China	發電及銷售電力 Generation and sale of electric power	0.43% (約6,795萬股A股) (approximately 67.95 million A-Share)

本集團指定其華能A股投資按公平值計入其他全面收益（不可循環），此乃由於有關投資為長期持有及具策略目的。

本公司於以前年度出售部份華能A股時取得中國內地北京市稅務局出具的所得收益免稅證明。因此，本集團沒有對於其他全面收益內確認，並在公平值儲備金（不可循環）內分開累計的公平值變動提撥稅項準備。

18 FINANCIAL ASSETS AT FAIR VALUE
THROUGH OTHER COMPREHENSIVE
INCOME (Continued)

- (a) The equity securities listed on the Shanghai Stock Exchange held by the Group at 31 December 2019 and 2018 are as follows:

註冊地點 Place of incorporation	主要業務 Principal activities	本集團的有效權益 Group's effective interest
中華人民共和國 The People's Republic of China	發電及銷售電力 Generation and sale of electric power	0.43% (約6,795萬股A股) (approximately 67.95 million A-Share)

The Group designated its investment in A-Share of Huaneng as FVOCI (non-recycling) as the investment is held for long-term and strategic purposes.

The tax bureau in Beijing, Mainland China had issued certificate of tax exemption for the gain from partial disposal of A-Share of Huaneng by the Company in previous year. Accordingly, the Group has not provided any tax provision against the fair value movements recognised in other comprehensive income and accumulated separately in the fair value reserve (non-recycling).

19 按攤銷成本計量的金融資產

- (a) 本集團持有的金融資產為2016年購入的投資級別場外債券。場外債券以美元計價，固定票面息率為年利率3.125厘，每半年支付利息，並將於2020年4月到期。
- (b) 於2019年及2018年12月31日，場外債券按實際利息法計算攤銷成本，未逾期且未減值。

19 FINANCIAL ASSETS AT AMORTISED COST

- (a) The financial asset held by the Group was an investment grade OTC bond acquired in 2016. The OTC bond is in United States Dollar, carries fixed coupon interest rate at 3.125% per annum payable half yearly and will mature in April 2020.
- (b) At 31 December 2019 and 2018, the OTC bond carried at amortised cost using the effective interest method and had neither past due nor impaired.

20 遞延取得成本

20 DEFERRED ACQUISITION COSTS

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	21,242	16,868
年內增加	Increase during the year	50,512	36,222
年內撥回	Release during the year	(42,849)	(31,848)
於12月31日	At 31 December	<u>28,905</u>	<u>21,242</u>

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 保險應收款

21 INSURANCE RECEIVABLE

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
保險中介人及合約持有人 欠款	Due from insurance intermediates and contract holders	22,743	11,276
再保險人欠款	Due from reinsurers	282	1,858
		23,025	13,134

保險應收款大部分之信貸期限一般由60天至90天不等。保險應收款之信貸條款(包括是否需要由第三者出具擔保)由高級管理人員決定。

The credit period for the majority of insurance receivable normally ranges from 60 to 90 days. The credit terms of insurance receivable, including whether guarantees from third parties are required, are determined by senior management.

於2019年12月31日，保險應收款的賬齡分析(按發票日期)概述如下：

At 31 December 2019, the ageing analysis of insurance receivable by invoice date was summarised as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	6,583	4,245
31至60日	31-60 days	6,560	5,751
61至90日	61-90 days	4,313	2,746
超過90日	Over 90 days	5,569	392
		23,025	13,134

於2019年12月31日，已過期但未減值的保險應收款的賬齡分析概述如下：

At 31 December 2019, the ageing analysis of the past due but not impaired insurance receivable was summarised as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
90日內	Within 90 days	6,674	2,744
超過90日	Over 90 days	633	316
		7,307	3,060

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 再保險資產

22 REINSURANCE ASSETS

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
再保險人應佔保險責任 (註釋 26)	Reinsurers' share of insurance liabilities (Note 26)	8,976	6,337

再保險人欠付本集團就分保合約已支付的賠償額的款項並未於再保險資產內確認。該款項計入保險應收款(註釋 21)內。

The amounts due from reinsurers in respect of claims already paid by the Group on the contracts that are reinsured are not recognised in the reinsurance assets. They are included in insurance receivable (Note 21).

23 客戶貸款及應收利息

23 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
小額貸款業務	Micro credit business		
– 擔保貸款	– guaranteed loans	149,847	161,479
– 抵押貸款	– secured loans	96,864	101,249
– 質押及擔保貸款	– pledged and guaranteed loans	10,738	10,934
– 抵押、質押及擔保貸款	– secured, pledged and guaranteed loans	4,250	4,387
客戶貸款	Loans to customers	261,699	278,049
應收利息	Interest receivable	11,442	11,753
		273,141	289,802
減值準備	Impairment allowances	(252,160)	(266,927)
		20,981	22,875

於 2019 年及 2018 年 12 月 31 日，客戶貸款及相關應收利息逾期超過 365 日且已信貸減值。

At 31 December 2019 and 2018, the loans to customers and related interest receivable were overdue over 365 days and credit-impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 客戶貸款及應收利息 (續)

23 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

減值準備變動如下：

The movement of impairment allowances was as follows:

		2019			2018		
		整個存續期的 預期信貸虧損			整個存續期的 預期信貸虧損		
		12個月預期 信貸虧損	信貸減值 Lifetime	總額	12個月預期 信貸虧損	信貸減值 Lifetime	總額
		12-month ECL	ECL credit impaired	Total	12-month ECL	ECL credit impaired	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	-	266,927	266,927	1	289,944	289,945
匯兌差額	Translation differences	-	(4,651)	(4,651)	1	(14,339)	(14,338)
在當年度損益表 記賬	Credited to current year's income statement	-	(6,255)	(6,255)	(2)	(4,014)	(4,016)
因折現價值上升 導致轉出減值 準備確認為 「利息收入」	Unwinding of discount of impairment allowances recognised as "interest income"	-	(3,861)	(3,861)	-	(4,664)	(4,664)
於12月31日	At 31 December	-	252,160	252,160	-	266,927	266,927

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 按公平值透過損益列賬的金融資產

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
按公平值	At fair value		
股權證券	Equity securities listed on		
— 於香港聯交所上市	— the Hong Kong Stock Exchange	6,739	306
— 於紐約證券交易所上市	— the New York Stock Exchange	2,412	—
投資基金	Investment funds listed on		
— 於香港聯交所上市	— the Hong Kong Stock Exchange	7,869	—
按市場報價	At quoted price		
非上市投資基金 (a)	Unlisted investment funds (a)	80,802	—
		97,822	306

(a) 有關金額為本集團於年內在香港及中國內地認購的非上市投資基金。該等投資基金分別以美元及人民幣計價。於2019年12月31日，該等投資基金其中一項賬面淨值約港幣741萬元的基金從認購日期起有18個月的鎖定期。

(a) The amount represented unlisted investment funds subscribed by the Group in Hong Kong and Mainland China during the year. These investment funds are in United States Dollars and Renminbi respectively. At 31 December 2019, one of these investment funds with carrying amount of approximately HK\$7.41 million had a lock-up period of 18 months from the subscription date.

25 現金及銀行結存

25 CASH AND BANK BALANCES

(a) 本集團之現金及銀行結存包括結存於中國內地，香港及澳門若干銀行之存款約人民幣105,965萬元（等值約港幣118,522萬元）（2018年：約人民幣106,228萬元，等值約港幣120,994萬元）。

(a) The cash and bank balances of the Group included deposits of approximately RMB1,059.65 million (equivalent to approximately HK\$1,185.22 million) (2018: approximately RMB1,062.28 million, equivalent to approximately HK\$1,209.94 million) placed with certain banks in Mainland China, Hong Kong and Macau by the Group.

25 現金及銀行結存 (續)

- (b) 根據保險業監管局之規定，受其監管的一家全資附屬公司需經常將為數不少於港幣 1,600 萬元之資金以保險業監管局賬戶名義撥為銀行存款。於 2019 年 12 月 31 日，該附屬公司於香港一家銀行以保險業監管局賬戶名義存放港幣 1,600 萬元 (2018 年：港幣 1,600 萬元) 之定期存款以符合有關規定。該附屬公司亦維持澳門幣 1,532 萬元 (等值約港幣 1,487 萬元) (2018 年：澳門幣 1,510 萬元，等值約港幣 1,466 萬元) 及港幣 2,621 萬元 (2018 年：港幣 1,710 萬元) 之銀行存款以符合澳門《保險活動管制法例》之若干規定。
- (c) 於 2019 年 12 月 31 日，根據本公司於 2018 年簽訂的貸款額度 (註釋 28) 的規定，一家全資附屬公司已質押其三年期銀行存款人民幣 20,000 萬元 (等值約港幣 22,370 萬元) (2018 年：人民幣 20,000 萬元，等值約港幣 22,780 萬元) 予借款銀行於中國內地一家分行，以使該分行簽發以借款銀行為收益人的備用信用證。
- (d) 一家全資附屬公司於 2018 年 12 月 31 日存放人民幣 100 萬元 (等值約港幣 114 萬元) 的銀行存款作為向當地法院申請對違約客戶採取法律行動的保證金已於年內解除。

25 CASH AND BANK BALANCES (Continued)

- (b) Pursuant to the requirements from Insurance Authority, a wholly-owned subsidiary shall maintain at all times a portion of its funds of not less than HK\$16 million in the name of Insurance Authority account in bank deposits. At 31 December 2019, that subsidiary has placed fixed deposits of HK\$16 million (2018: HK\$16 million) in the name of Insurance Authority account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP15.32 million (equivalent to approximately HK\$14.87 million) (2018: MOP15.1 million, equivalent to approximately HK\$14.66 million) and HK\$26.21 million (2018: HK\$17.1 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance.
- (c) At 31 December 2019, a wholly-owned subsidiary had pledged its three-year bank deposit of RMB200 million (equivalent to approximately HK\$223.7 million) (2018: RMB200 million, equivalent to approximately HK\$227.8 million) to a branch of the lending bank in Mainland China for the issuance of a standby letter of credit in favour of the lending bank pursuant to the requirements of the loan facilities (Note 28) entered into by the Company in 2018.
- (d) The bank deposit of RMB1 million (equivalent to approximately HK\$1.14 million) placed by a wholly-owned subsidiary to guarantee the application to the local court for legal actions against default customers at 31 December 2018 was released during the year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 保險合約及再保險資產

26 INSURANCE CONTRACTS AND REINSURANCE ASSETS

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross		
已呈報索償及損失調整費用	Claims reported and loss adjustment expenses	11,122	17,022
已發生但未呈報索償	Claims incurred but not reported	28,620	31,490
		39,742	48,512
未滿期保費	Unearned premiums	47,223	32,934
未滿期風險撥備	Unexpired risks provision	905	1,559
保險責任總值，毛額	Total insurance liabilities, gross	87,870	83,005
應收再保險人款項	Recoverable from reinsurers		
已呈報索償及損失調整費用	Claims reported and loss adjustment expenses	(5)	(572)
已發生但未呈報索償	Claims incurred but not reported	(7,359)	(5,519)
		(7,364)	(6,091)
未滿期保費	Unearned premiums	(1,612)	(246)
再保險人應佔保險責任總額（註釋22）	Total reinsurers' share of insurance liabilities (Note 22)	(8,976)	(6,337)
淨額	Net		
已呈報索償及損失調整費用	Claims reported and loss adjustment expenses	11,117	16,450
已發生但未呈報索償	Claims incurred but not reported	21,261	25,971
		32,378	42,421
未滿期保費	Unearned premiums	45,611	32,688
未滿期風險撥備	Unexpired risks provision	905	1,559
保險責任總值，淨額	Total insurance liabilities, net	78,894	76,668

已呈報索償毛額、損失調整費用及已發生但未呈報索償等責任的數額已扣除預期可從損餘及代位權收回的款額。

The liabilities for gross claims reported, loss adjustment expenses and claims incurred but not reported are net of expected recoveries from salvage and subrogation.

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26 保險合約及再保險資產 (續)

26 INSURANCE CONTRACTS AND REINSURANCE ASSETS (Continued)

(a) 賠償及損失調整費用變動

(a) Movement in claims and loss adjustment expenses

		2019			2018		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
已呈報賠償	Notified claims	17,022	(572)	16,450	25,978	(2,339)	23,639
已發生但未呈報	Incurred but not reported	31,490	(5,519)	25,971	32,207	(3,767)	28,440
於1月1日	At 1 January	48,512	(6,091)	42,421	58,185	(6,106)	52,079
年內以現金償付 的賠償	Cash paid for claims settled during the year	(14,317)	441	(13,876)	(18,249)	3,184	(15,065)
責任增加/(減少)	Increase/(decrease) in liabilities						
當年產生賠償	Arising from current year claims	4,210	(91)	4,119	7,827	(1,552)	6,275
往年產生賠償	Arising from prior year claims	4,207	217	4,424	1,466	135	1,601
已發生但未呈報 準備金之變動	Movement in provision for claims incurred but not reported	(2,870)	(1,840)	(4,710)	(717)	(1,752)	(2,469)
於12月31日	At 31 December	39,742	(7,364)	32,378	48,512	(6,091)	42,421
已呈報賠償	Notified claims	11,122	(5)	11,117	17,022	(572)	16,450
已發生但未呈報	Incurred but not reported	28,620	(7,359)	21,261	31,490	(5,519)	25,971
於12月31日	At 31 December	39,742	(7,364)	32,378	48,512	(6,091)	42,421

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26 保險合約及再保險資產 (續)

26 INSURANCE CONTRACTS AND REINSURANCE ASSETS (Continued)

(b) 未滿期保費準備金變動

(b) Movement in provision for unearned premiums

		2019			2018		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於1月1日	At 1 January	32,934	(246)	32,688	27,624	(206)	27,418
年內增加/(減少)	Increase/(decrease) during the year	46,293	(1,608)	44,685	39,657	(384)	39,273
年內撥回	Release during the year	(32,004)	242	(31,762)	(34,347)	344	(34,003)
於12月31日	At 31 December	47,223	(1,612)	45,611	32,934	(246)	32,688

未滿期保費準備金為本集團須承擔但於呈報日尚未到期的短期保險合約責任。

Provision for unearned premiums represented the liabilities for short-term insurance contracts for which the Group's obligations are not expired at the reporting date.

(c) 未滿期風險準備金變動

(c) Movement in provision for unexpired risks

		2019			2018		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於1月1日	At 1 January	1,559	-	1,559	1,841	-	1,841
年內減少	Decrease during the year	(654)	-	(654)	(282)	-	(282)
於12月31日	At 31 December	905	-	905	1,559	-	1,559

未滿期風險準備金與本集團預期支付賠償額超出相關未滿期保費準備金的保險合約有關。

The provision for unexpired risks related to the insurance contracts for which the Group expected to pay claims in excess of the related provision for unearned premiums.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 保險應付款

於2019年12月31日，保險應付款的賬齡分析（按發票日期）概述如下：

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	7,566	3,376
31至60日	31-60 days	4,152	2,863
61至90日	61-90 days	2,738	1,900
超過90日	Over 90 days	1,691	1,057
		16,147	9,196

27 INSURANCE PAYABLE

At 31 December 2019, the ageing analysis of the insurance payable by invoice date was summarised as follows:

28 銀行借款

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
長期銀行貸款 有抵押，以港元為單位 (b)	Long-term bank loans Secured, in HK Dollars (b)	199,965	199,966
無抵押，以港元為單位	Unsecured, in HK Dollars	-	198,804
		199,965	398,770
短期銀行貸款 有抵押，以港元為單位 (c)	Short-term bank loans Secured, in HK Dollars (c)	60,000	-
		259,965	398,770
減：包括於流動負債內之 一年內到期的款項	Less: Amounts due within one year included in current liabilities	(60,000)	(198,804)
		199,965	199,966

28 BANK BORROWINGS

(a) 根據貸款額度所載的定期還款日期，銀行貸款的本金到期日概述如下：

(a) The maturity profile of the principal of bank loans based on the scheduled repayment dates set out in the loan facilities was summarised as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
第一年內	Within 1 year	60,000	200,000
多於一年但於兩年內	More than 1 year but within 2 years	200,000	-
多於兩年但於五年內	More than 2 years but within 5 years	-	200,000
		260,000	400,000

28 銀行借款 (續)

- (b) 銀行貸款為本公司於2018年向香港一家銀行提取的浮息有期貸款的未償還結餘。根據該貸款額度的條款，有期貸款須於下列日期（以最早者為準）償還：(i) 提取有期貸款後36個月；(ii) 自本公司接納貸款額度日期起滿42個月當日；及(iii) 借款銀行於中國內地一家分行簽發的備用信用證到期前5個營業日。

該銀行貸款以借款銀行於中國內地一家分行簽發的備用信用證作抵押以履行本公司的還款責任。該備用信用證由本公司中國內地的一家全資附屬公司申請。於2019年12月31日，該附屬公司的三年期銀行存款人民幣20,000萬元（等值約港幣22,370萬元）（2018年：人民幣20,000萬元，等值約港幣22,780萬元）質押予借款銀行於中國內地一家分行。

該銀行貸款的利息按香港銀行同業拆息加息差計算，於2019年12月31日，實際年利率為3.5厘（2018年：3.1厘）。

根據該貸款額度的條款，本公司承諾促使福建投資集團須於該貸款額度期內維持（無論直接或間接）持有本公司已發行股本不少於35%的實益權益。

28 BANK BORROWINGS (Continued)

- (b) The bank loan represented the outstanding balance of a floating rate term loan obtained from a bank in Hong Kong by the Company in 2018. Pursuant to the terms of the loan facility, the term loan shall be repayable on the earliest of (i) 36 months after the drawdown date of the term loan; (ii) the date falling 42 months from the date of the Company's acceptance of the loan facilities; and (iii) 5 business days prior to the expiry date of the standby letter of credit issued by a branch of the lending bank in Mainland China.

The bank loan was secured by a standby letter of credit issued by a branch of the lending bank in Mainland China for the fulfillment of the Company's repayment obligations. The standby letter of credit was applied by a wholly-owned subsidiary of the Company in Mainland China. At 31 December 2019, a three-year bank deposit of RMB200 million (equivalent to approximately HK\$223.7 million) (2018: RMB200 million, equivalent to approximately HK\$227.8 million) of that subsidiary was pledged to the branch of the lending bank in Mainland China.

The bank loan bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rate was 3.5% per annum at 31 December 2019 (2018: 3.1%).

Pursuant to the terms of the loan facility, the Company shall procure FIDG to maintain (whether directly or indirectly) not less than 35% beneficial interest in the issued share capital of the Company during the tenor of the loan facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 銀行借款 (續)

- (c) 於年內，本公司向香港一家銀行提取短期銀行循環貸款港幣6,000萬元。

該短期銀行循環貸款以一家全資附屬公司擁有位於香港的自用辦事處物業作抵押，該物業於2019年12月31日的賬面淨值約港幣941萬元。

該短期銀行循環貸款的利息按香港銀行同業拆息加息差計算，並須於提取日後三個月內償還。於2019年12月31日，該短期銀行循環貸款的實際年利率為3.8厘。

根據該貸款額度的條款，本公司承諾促使福建投資集團須於該貸款額度期內維持持有本公司（無論直接或間接）已發行股本不少於35%的實益權益。

28 BANK BORROWINGS (Continued)

- (c) During the year, the Company has drew down a short-term revolving bank loan of HK\$60 million from a bank in Hong Kong.

The short-term revolving bank loan was secured by the self-use office building owned by a wholly-owned subsidiary in Hong Kong with a net book value of approximately HK\$9.41 million at 31 December 2019.

The short-term revolving bank loan bore interest at a spread over Hong Kong Interbank Offered Rate and shall be repayable within three months from the drawdown date. The effective interest rate was 3.8% per annum at 31 December 2019.

Pursuant to the terms of the loan facility, the Company shall procure FIDG to maintain (whether directly or indirectly) not less than 35% beneficial interest in the issued share capital of the Company during the tenor of the loan facility.

29 控股股東貸款

於年內，本公司向控股股東貴信提取浮息有期貸款港幣 20,000 萬元（「股東貸款」）。本公司運用股東貸款償還到期的銀行貸款。根據協議的條款，股東貸款須分期償還，即 (i) 於提取貸款日期計滿 12 個月當日償還港幣 5,000 萬元；(ii) 於提取貸款日期計滿 24 個月當日償還港幣 5,000 萬元；及 (iii) 於提取貸款日期計滿 36 個月當日償還港幣 10,000 萬元。本公司已償付直接歸屬於股東貸款的交易成本港幣 15 萬元予貴信。

股東貸款為無抵押及利息按 3 個月香港銀行同業拆息加 2.1 厘計算。於 2019 年 12 月 31 日，股東貸款的實際年利率為 4.5 厘。

於年內股東貸款的相關利息支出港幣 490 萬元，而於 2019 年 12 月 31 日的相關應付利息港幣 54 萬元。

根據貸款額度所載的定期還款日期，股東貸款的本金到期日概述如下：

29 LOAN FROM THE CONTROLLING SHAREHOLDER

During the year, the Company has drew down a floating rate term loan of HK\$200 million (the "Shareholder's Loan") from Vigour Fine, the controlling shareholder of the Company. The Shareholder's Loan was utilised by the Company to repay its matured bank loans. Pursuant to the terms of the agreement, the Shareholder's Loan shall be repayable by instalment, namely (i) HK\$50 million on the date falling 12 months after the drawdown date; (ii) HK\$50 million on the date falling 24 months after the drawdown date; and (iii) HK\$100 million on the date falling 36 months after the drawdown date. The Company has reimbursed Vigour Fine for the transaction cost of HK\$0.15 million directly attributable to the Shareholder's Loan.

The Shareholder's Loan was unsecured and bore interest at 3 months Hong Kong Interbank Offered Rate plus 2.1%. The effective interest rate was 4.5% per annum at 31 December 2019.

The related interest expense of the Shareholder's Loan was HK\$4.9 million for the year and the related interest payable was HK\$0.54 million at 31 December 2019.

The maturity profile of the principal of Shareholder's Loan based on the scheduled repayment dates set out in the loan facility was summarised as follows:

	2019	2018
	港幣千元 HK\$'000	港幣千元 HK\$'000
第一年內	50,000	-
多於一年但於兩年內	50,000	-
多於兩年但於五年內	100,000	-
	200,000	-

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30 租賃負債

於2019年12月31日及過渡至香港財務報告準則第16號日期，租賃負債的剩餘合約到期日概述如下：

30 LEASE LIABILITIES

The remaining contractual maturities of the lease liabilities at 31 December 2019 and the date of transition to HKFRS 16 was summarised as follows:

		12月31日 31 December 2019		1月1日 1 January 2019	
		最低租賃 付款的現值 Present value of the minimum lease payments	最低租賃 付款的總額 Total minimum lease payments	最低租賃 付款的現值 Present value of the minimum lease payments	最低租賃 付款的總額 Total minimum lease payments
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
第一年內	Within 1 year	191	198	-	-
多於一年但於兩年內	More than 1 year but within 2 years	65	65	-	-
		256	263	-	-

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31 遞延所得稅

遞延所得稅採用負債法就暫時差異按香港稅項之稅率 16.5% (2018 年：16.5%) 及中國內地稅項之稅率 25% (2018 年：25%) 作全數撥備。當有法定權利可將當期稅項資產與當期稅項負債抵銷，而遞延所得稅涉及同一稅務機關對同一個應課稅實體，則可將遞延所得稅資產與遞延所得稅負債互相抵銷。

遞延所得稅資產／(負債)之變動概述如下：

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
於 1 月 1 日	At 1 January	(23,571)	(18,247)
匯兌差額	Translation differences	(6)	190
在當年度損益表扣除之遞延所得稅	Deferred income tax charged to current year's income statement	(11,616)	(5,514)
在租賃樓房重估儲備金扣除之遞延所得稅	Deferred income tax charged to leasehold buildings revaluation reserve	(732)	-
於 12 月 31 日	At 31 December	(35,925)	(23,571)

遞延所得稅資產乃因應相關稅務利益很有可能透過未來應課稅溢利變現而就所結轉之稅損作確認。於 2019 年 12 月 31 日，本集團未確認的可以抵銷未來應課稅收入的稅損約港幣 3.93 億元 (2018 年：約港幣 3.8 億元)，而此稅損並無限期。

31 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a taxation rate of 16.5% (2018: 16.5%) for Hong Kong taxation and 25% (2018: 25%) for Mainland China taxation. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on the same taxable entity.

The movement on the deferred income tax assets/(liabilities) was summarised as follows:

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. At 31 December 2019, the Group did not recognise tax losses of approximately HK\$393 million (2018: approximately HK\$380 million) that can be carried forward against future taxable income and have no expiry date.

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31 遞延所得稅 (續)

於年內遞延所得稅資產及負債之變動 (與同一徵稅地區之結餘抵銷前) 概述如下：

遞延所得稅負債

		加速稅項折舊及 投資物業重估 Accelerated tax depreciation and revaluation of investment properties		股息收入 Dividend income		總額 Total	
		2019	2018	2019	2018	2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	35,484	39,328	-	-	35,484	39,328
匯兌差額	Translation differences	-	(1)	-	-	-	(1)
在當年度損益表 (記賬)/扣除	(Credited)/charged to current year's income statement	(4,518)	(3,843)	16,076	-	11,558	(3,843)
在租賃樓房重估 儲備金扣除	Charged to leasehold buildings revaluation reserve	732	-	-	-	732	-
於12月31日	At 31 December	31,698	35,484	16,076	-	47,774	35,484

31 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year was summarised as follows:

Deferred income tax liabilities

遞延所得稅資產

		應計費用 Accrued expenses		按公平值透過損益列賬 的金融資產公平值調整 Fair value adjustment for FVPL		客戶貸款及應收利息 減值準備 Impairment allowances on loans to customers and interest receivable		存貨減值 Write down of inventories		稅損 Tax losses		總額 Total	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	(188)	(308)	-	-	-	(9,924)	(367)	-	(11,358)	(10,849)	(11,913)	(21,081)
匯兌差額	Translation differences	-	-	16	-	-	(210)	(10)	21	-	-	6	(189)
在當年度損益表 扣除/(記賬)	Charged/(credited) to current year's income statement	-	120	(346)	-	-	10,134	377	(388)	27	(509)	58	9,357
於12月31日	At 31 December	(188)	(188)	(330)	-	-	-	-	(367)	(11,331)	(11,358)	(11,849)	(11,913)

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31 遞延所得稅 (續)

在計入適當抵銷遞延所得稅資產及負債後，下列金額在綜合財務狀況表內列示：

31 DEFERRED INCOME TAX (Continued)

The following amounts, determined after appropriate offsetting of deferred income tax assets and liabilities, are shown in the consolidated statement of financial position:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
遞延所得稅資產	Deferred income tax assets		
將於 12 個月後收回	To be recovered after 12 months	405	122
將於 12 個月內收回	To be recovered within 12 months	46	413
		<u>451</u>	<u>535</u>
遞延所得稅負債	Deferred income tax liabilities		
將於 12 個月後繳付	To be settled after 12 months	(20,300)	(24,106)
將於 12 個月內繳付	To be settled within 12 months	(16,076)	-
		<u>(36,376)</u>	<u>(24,106)</u>
		<u>(35,925)</u>	<u>(23,571)</u>

32 資本及儲備金

(a) 股本

		2019		2018	
		股份數目 No. of shares	港幣千元 HK\$'000	股份數目 No. of shares	港幣千元 HK\$'000
已發行及繳足股本 之普通股	Ordinary shares, issued and fully paid	<u>597,257,252</u>	<u>1,715,377</u>	<u>597,257,252</u>	<u>1,715,377</u>

根據《公司條例》第 135 條，本公司普通股股份並無票面值。

普通股持有人有權收取不時宣派的股息，並在本公司的股東大會上就每股有一票的投票權。所有普通股股份對本公司剩餘資產擁有同等權益。

32 CAPITAL AND RESERVES

(a) Share capital

In accordance with Section 135 of the Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the shareholders of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

32 資本及儲備金 (續)

(b) 儲備金的性質及用途

(i) 法定儲備金

法定儲備金主要包括：

- 一家聯營金融機構根據《澳門地區金融體系之法律制度》從保留溢利撥出之不可分配的法定儲備金。
- 一家聯營金融機構根據財政部頒布的《金融企業準備金計提管理辦法》(財金[2012]20號)設立的一般準備。該一般準備作為利潤分配處理，並作為股東權益組成部分，用以彌補尚未識辨的潛在減值虧損。
- 一家聯營金融機構根據香港金融管理局的規定從保留溢利撥出之監管儲備。

(ii) 普通儲備金

普通儲備金乃從保留溢利撥出並作一般用途。

(iii) 資本儲備金

資本儲備金包括：

- 2001年1月1日以前就業務合併及投資聯營公司而產生的商譽及本集團應佔被收購者的可識辨資產、負債及或然負債的公平淨值高於成本價的數額；
- 聯營公司及其附屬公司為增加股本及資本公積而將保留溢利及儲備金資本化；

32 CAPITAL AND RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Statutory reserve

The statutory reserve mainly comprises the following:

- Non-distributable reserve set aside by an associated financial institution from its retained profits in accordance with the Financial System Act of Macau.
- General reserve established and maintained within shareholders' equity of an associated financial institution pursuant to Caijin [2012] No. 20 "Regulation on Management of Financial Institutions for Reserves" issued by Ministry of Finance. The general reserve was established through the appropriation of income to cover unidentified potential impairment losses.
- Regulatory reserve set aside by an associated financial institution from its retained profits in accordance with the requirements of the Hong Kong Monetary Authority.

(ii) General reserve

The general reserve is transferred from retained profits and is available for general use.

(iii) Capital reserve

The capital reserve comprises the following:

- goodwill and the excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of business combination and the investments in associates prior to 1 January 2001;
- capitalisation of retained profits and reserves for the purpose of increasing the share capital and capital reserve of associates and their subsidiaries;

32 資本及儲備金 (續)

(b) 儲備金的性質及用途 (續)

(iii) 資本儲備金 (續)

- 應佔聯營公司在不導致失去其附屬公司控股權的變動時記入權益的儲備金變動。

(iv) 公平值儲備金 (可循環)

公平值儲備金 (可循環) 包括於呈報期末持有按公平值計入其他全面收益計量的債務投資的累計公平值變動淨額 (扣減相關遞延稅項支出)。

(v) 公平值儲備金 (不可循環)

公平值儲備金 (不可循環) 包括於呈報期末持有按公平值計入其他全面收益計量的股權投資的累計公平值變動淨額 (扣減相關遞延稅項支出)。

(vi) 租賃樓房重估儲備金

租賃樓房重估儲備金包括租賃樓房從業主自用物業重新分類為投資物業之日所產生的公平值變動淨值。

(vii) 外匯折算儲備金

外匯折算儲備金包括換算海外附屬公司及聯營公司的財務報表至本公司呈報貨幣所產生的所有匯兌差額。

32 CAPITAL AND RESERVES (CONTINUED)

(b) Nature and purpose of reserves (Continued)

(iii) Capital reserve (Continued)

- share of movement in reserves recorded in equity of associates for the change in the interest in their subsidiaries that do not result in a loss of control.

(iv) Fair value reserve (recycling)

The fair value reserve (recycling) comprises the cumulative net change in the fair value of debt investments measured at FVOCI (less related deferred tax charge) held at the end of the reporting period.

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI (less related deferred tax charge) held at the end of the reporting period.

(vi) Leasehold buildings revaluation reserve

The leasehold buildings revaluation reserve comprises the net change in the fair value of leasehold buildings at the date of reclassification from owner-occupied property to investment property.

(vii) Exchange translation reserve

The exchange translation reserve comprises all foreign exchange differences arising on translation of the financial statements of foreign subsidiaries and associates into the reporting currency of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 承擔

於2019年12月31日，本集團的承擔如下：

33 COMMITMENTS

At 31 December 2019, the Group had commitments as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
已簽約但未撥備	Contracted but not provided for		
– 物業、機器及設備	– property, plant and equipment	–	13
– 投資物業	– investment properties	185	189
		185	202

34 租約承擔

(a) 承租人

本集團為若干租賃物業的承租人，該等租賃先前根據香港會計準則第17號分類為經營租賃。該等租賃為與豁免資本化租賃有關的承擔，此乃由於該等租賃為短期租賃及剩餘租賃期於2019年12月31日或之前結束的其他租賃（註釋2.2）。根據註釋2.8的會計政策，自2019年1月1日起，未來租賃付款於綜合財務狀況表內確認為租賃負債，有關本集團未來租賃付款的詳情載於註釋30內。

於2018年12月31日，本集團根據不可撤銷之經營租賃而須於未來支付之最低租賃付款如下：

34 LEASE COMMITMENTS

(a) As lessee

The Group is the lessee of certain leased properties which were previously classified as operating leases under HKAS 17. These leases were commitments relating to leases exempt from capitalisation since they were short-term leases and other leases with remaining lease term ending on or before 31 December 2019 (Note 2.2). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in Note 2.8 and the details regarding the Group's future lease payments are disclosed in Note 30.

At 31 December 2018, the Group had future aggregate minimum lease payments payable under non-cancellable operating leases as follows:

		港幣千元 HK\$'000
房地產 第一年内	Land and buildings Within one year	<u>104</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 租約承擔 (續)

(b) 出租人

於2019年12月31日，本集團根據不可撤銷之經營租賃而於未來應收取之最低租賃付款如下：

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
房地產	Land and buildings		
第一年內	Within one year	6,652	8,880
第二年至第五年內 (包括首尾兩年)	In the second to fifth year inclusive	1,596	8,237
		8,248	17,117

本集團出租之商業物業之租賃年期由一年至八年不等，租賃期內之租金乃固定租金。

34 LEASE COMMITMENTS (Continued)

(b) As lessor

At 31 December 2019, the Group had future aggregate minimum lease payments receivable under non-cancellable operating leases as follows:

The lease terms for commercial properties leased out by the Group range from one to eight years and with fixed rentals throughout the lease periods.

35 綜合現金流量表註釋

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) 除稅前溢利與經營活動現金
(流出)／流入淨額對賬(a) Reconciliation of profit before taxation to net
cash (outflow)/inflow from operations

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
除稅前溢利	Profit before taxation	593,585	610,526
調整：	Adjustments for:		
應佔聯營公司業績	Share of results of associates	(579,179)	(617,363)
投資物業重估公平值 虧損	Fair value losses on revaluation of investment properties	7,109	186
折舊及攤銷	Depreciation and amortisation	2,227	1,999
客戶貸款及應收利息 減值虧損撥回 (存貨減值撥回)／ 存貨減值	Write back of impairment loss on loans to customers and interest receivable (Reversal of write down)/write down of inventories	(6,255)	(4,016)
出售物業、機器及設備 虧損	Loss on disposal of property, plant and equipment	29	57
利息收入	Interest income	(46,920)	(33,298)
減值客戶貸款利息 收入	Interest income from impaired loans to customers	(3,861)	(4,664)
利息支出	Interest expenses	18,645	26,165
匯兌虧損淨額	Net exchange losses	2,836	12,398
流動資金變動情況：	Changes in working capital:		
存貨減少	Decrease in inventories	11,944	73,170
遞延取得成本增加	Increase in deferred acquisition costs	(7,663)	(4,374)
保險應收款增加	Increase in insurance receivable	(9,891)	(2,280)
再保險資產增加	Increase in reinsurance assets	(2,639)	(25)
客戶貸款及應收利息 減少	Decrease in loans to customers and interest receivable	11,657	10,546
抵債資產減少	Decrease in repossessed assets	-	687
銀行承兌匯票 減少／(增加)	Decrease/(increase) in banker's acceptance	56,186	(56,186)
其他應收賬款、預付款 及按金減少	Decrease in other debtors, prepayments and deposits	154	92,835
按公平值透過損益列賬 的金融資產增加	Increase in financial assets at fair value through profit or loss	(97,516)	(2)
保險合約增加／(減少)	Increase/(decrease) in insurance contracts	4,865	(4,645)
保險應付款增加	Increase in insurance payable	6,951	1,946
其他應付賬款及應計 費用增加／(減少)	Increase/(decrease) in other creditors and accruals	8,274	(3,983)
經營活動現金(流出)／ 流入淨額	Net cash (outflow)/inflow from operations	(30,971)	101,231

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 綜合現金流量表註釋 (續)

(b) 下表載列本集團因融資活動所產生負債的變動詳情，包括現金及非現金變動。

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

		2019					2018		
		銀行借款	控股股東 貸款	租賃負債	抵押 銀行存款	淨額	銀行借款	抵押 銀行存款	淨額
		Bank borrowings	Loan from the controlling shareholder	Lease liabilities	Pledged bank deposits	Net	Bank borrowings	Pledged bank deposits	Net
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於年1月1日	At 1 January	398,770	-	-	(227,800)	170,970	552,272	(49,239)	503,033
融資現金流變動：	Changes in financing cash flows:								
向控股股東取得貸款	Loan obtained from the controlling shareholder	-	200,000	-	-	200,000	-	-	-
取得銀行貸款	Bank loans obtained	60,000	-	-	-	60,000	200,000	-	200,000
償還銀行貸款	Bank loans repaid	(200,000)	-	-	-	(200,000)	(356,880)	-	(356,880)
已付其他借款成本	Other borrowing costs paid	(16)	(150)	-	-	(166)	(1,234)	-	(1,234)
租賃付款	Lease payments	-	-	(124)	-	(124)	-	-	-
存放抵押銀行存款	Placement of pledged bank deposit	-	-	-	-	-	-	(227,800)	(227,800)
提取抵押銀行存款	Withdrawal of pledged bank deposits	-	-	-	-	-	-	46,699	46,699
非現金變動：	Non-cash changes:								
匯兌差額	Translation differences	-	-	-	4,100	4,100	-	2,540	2,540
年內訂立新租賃而 增加的租賃負債	Increase in lease liabilities from entering into new lease during the year	-	-	380	-	380	-	-	-
其他借款成本攤銷	Amortisation of other borrowing costs	1,211	36	-	-	1,247	4,612	-	4,612
於12月31日	At 31 December	259,965	199,886	256	(223,700)	236,407	398,770	(227,800)	170,970

36 關聯方交易

除於本綜合財務報表其他部分披露外，本集團在正常業務範圍內進行之重大關聯方交易摘要如下：

- (a) 於2019年12月31日，本集團結存於廈銀、集友及澳銀（全部為本集團之聯營公司）的存款合計港幣33,676萬元（2018年：港幣26,004萬元）。此等存款的利息以一般商業利率計算，本集團於年內由此所產生的利息收入為港幣1,151萬元（2018年：港幣801萬元）。
- (b) 於2019年12月31日，本集團應付集友（本集團一家聯營金融機構）的未償還銀行貸款結餘為港幣6,000萬元。該銀行貸款以一家全資附屬公司擁有位於香港的自用辦事處物業作抵押，該物業於2019年12月31日的賬面淨值約港幣941萬元。本公司已於年內全數償還於2018年12月31日應付集友的未償還無抵押銀行貸款結餘港幣10,000萬元。

該等銀行貸款的利息按香港銀行同業拆息加息差計算，於2019年12月31日，實際年利率為3.8厘（2018年：5.2厘）。於年內該等銀行貸款的相關利息支出港幣446萬元（2018年：港幣2,109萬元），而於2019年12月31日的相關應付利息港幣22萬元（2018年：港幣6萬元）。

36 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, significant related party transactions which were carried out in the normal course of the Group's business are as follows:

- (a) At 31 December 2019, the Group had deposits with XIB, CYB and LIB, all are associates of the Group, totalling HK\$336.76 million (2018: HK\$260.04 million). These deposits carried interest at normal commercial rates and had generated interest income of HK\$11.51 million (2018: HK\$8.01 million) to the Group during the year.
- (b) At 31 December 2019, the Group had outstanding bank loan of HK\$60 million from CYB, an associated financial institution of the Group. The bank loan was secured by the self-use office building owned by a wholly-owned subsidiary in Hong Kong with a net book value of approximately HK\$9.41 million at 31 December 2019. The outstanding unsecured bank loan of HK\$100 million from CYB at 31 December 2018 was fully repaid by the Company during the year.

These bank loans bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rates was 3.8% (2018: 5.2%) per annum at 31 December 2019. The related interest expense of these bank loans was HK\$4.46 million (2018: HK\$21.09 million) for the year and the related interest payable was HK\$0.22 million (2018: HK\$0.06 million) at 31 December 2019.

36 關聯方交易 (續)

(c) 於年內，本集團一家全資附屬公司承保聯營金融機構的保險而收取扣除折扣後的毛保費收入合計港幣459萬元(2018年：港幣432萬元)，此等保單與本集團承保其他第三者客戶所簽訂之合同和收取的費用無異。該附屬公司亦於年內就一家聯營金融機構轉介業務予本集團向其支付佣金港幣811萬元(2018年：港幣629萬元)。

(d) 主要管理人員

高級行政人員截至2019年及2018年12月31日止年度之酬金如下：

36 RELATED PARTY TRANSACTIONS (Continued)

(c) A wholly-owned subsidiary of the Group underwrote insurance policies with gross insurance premiums less discounts of HK\$4.59 million (2018: HK\$4.32 million) to the associated financial institutions of the Group at prices and terms not less favourable than those contracted with other third party customers of the Group during the year. That subsidiary also paid commissions of HK\$8.11 million (2018: HK\$6.29 million) to an associated financial institution for business referred to the Group during the year.

(d) Key management personnel

The senior executives' emoluments for the year ended 31 December 2019 and 2018 are detailed as follows:

	2019	2018
	港幣千元 HK\$'000	港幣千元 HK\$'000
董事袍金	970	1,125
薪俸、房屋及其他 津貼、及實物利益	5,576	6,036
退休福利計劃供款	96	96
獎金	3,956	4,135
	10,598	11,392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 本公司財務狀況表

37 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

有關本公司於呈報年末的財務狀況表資料如下：

Information about the statement of financial position of the Company at the end of the reporting year is as follows:

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
非流動資產	Non-current assets		
物業、機器及設備	Property, plant and equipment	6,250	3,657
投資物業	Investment properties	61,148	64,832
附屬公司	Subsidiaries	1,433,786	1,364,631
聯營公司	Associates	972,776	972,776
按公平值計入其他全面 收益的金融資產	Financial assets at fair value through other comprehensive income	423,343	570,417
其他應收賬款及預付款	Other debtors and prepayments	3,385	6
現金及銀行結存	Cash and bank balances	114,534	-
		3,015,222	2,976,319
流動資產	Current assets		
其他應收賬款、預付款 及按金	Other debtors, prepayments and deposits	739	1,971
按公平值透過損益列賬 的金融資產	Financial assets at fair value through profit or loss	8,514	306
現金及銀行結存	Cash and bank balances	53,472	248,495
		62,725	250,772
流動負債	Current liabilities		
其他應付賬款及應計費用	Other creditors and accruals	16,703	15,782
租賃負債	Lease liabilities	2,602	-
銀行借款	Bank borrowings	60,000	198,804
控股股東貸款	Loan from the controlling shareholder	49,943	-
應付本期稅項	Current income tax payable	23,409	23,838
		152,657	238,424
流動（負債）／資產淨值	Net current (liabilities)/assets	(89,932)	12,348
總資產減流動負債	Total assets less current liabilities	2,925,290	2,988,667

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 本公司財務狀況表 (續)

37 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

		2019	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000
非流動負債	Non-current liabilities		
銀行借款	Bank borrowings	199,965	199,966
控股股東貸款	Loan from the controlling shareholder	149,943	-
遞延所得稅負債	Deferred income tax liabilities	35,510	21,423
		<u>385,418</u>	<u>221,389</u>
資產淨值	Net assets	<u>2,539,872</u>	<u>2,767,278</u>
權益	Equity		
股本	Share capital	1,715,377	1,715,377
其他儲備金	Other reserves	202,297	349,371
保留溢利	Retained profits	622,198	702,530
權益總額	Total equity	<u>2,539,872</u>	<u>2,767,278</u>

嚴正
董事

YAN Zheng
Director

陳宇
董事

CHEN Yu
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 本公司財務狀況表 (續)

37 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) 有關年內股東權益總額變動資料如下：

(a) Information on the movement of the total equity during the year is as follows:

		其他儲備金 Other reserves				保留溢利 Retained profits	股東權益 總額 Total equity
		公平值 儲備金 (不可循環) Fair value reserve (non-recycling)	租賃樓房 重估儲備金 Leasehold buildings revaluation reserve	其他 儲備金 總額 Total other reserves	保留溢利 Retained profits		
		股本 Share capital	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2018年1月1日	At 1 January 2018	1,715,377	280,128	2,340	282,468	637,351	2,635,196
本年度溢利	Profit for the year	-	-	-	-	112,960	112,960
其他全面收益	Other comprehensive income	-	66,903	-	66,903	-	66,903
股息	Dividend	-	-	-	-	(47,781)	(47,781)
於2018年12月31日	At 31 December 2018	<u>1,715,377</u>	<u>347,031</u>	<u>2,340</u>	<u>349,371</u>	<u>702,530</u>	<u>2,767,278</u>
於2019年1月1日	At 1 January 2019	1,715,377	347,031	2,340	349,371	702,530	2,767,278
本年度虧損	Loss for the year	-	-	-	-	(20,606)	(20,606)
其他全面收益	Other comprehensive income	-	(147,074)	-	(147,074)	-	(147,074)
股息	Dividend	-	-	-	-	(59,726)	(59,726)
於2019年12月31日	At 31 December 2019	<u>1,715,377</u>	<u>199,957</u>	<u>2,340</u>	<u>202,297</u>	<u>622,198</u>	<u>2,539,872</u>

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 附屬公司

以下摘要只包括於2019年12月31日對本集團的業績、資產或負債有重大影響的附屬公司。

38 SUBSIDIARIES

The following list contains the particulars of those subsidiaries at 31 December 2019 which principally affected the results, assets or liabilities of the Group.

公司名稱	Name of company	註冊及 經營地點 Place of incorporation and operation	已發行及繳 足股本詳情 Particulars of issued and paid up capital	本集團 所佔權益 Group's equity interest	主要業務 Principal activity
直接持有	Directly held				
多創發展有限公司	Dorfine Development Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
福建閩信投資有限公司	Fujian Minxin Investments Co., Ltd.	中華人民共和國 The People's Republic of China	實收資本 (港幣1,010,536,200元) Paid-in capital (HK\$1,010,536,200)	100%	投資控股 Investment holding
閩信保險有限公司	Min Xin Insurance Company Limited	香港 Hong Kong	5,500萬股 (港幣2.35億元) 55 million shares (HK\$235 million)	100%	承保 一般保險業務 Writing of general insurance business
三明市三元區閩信小額貸款 有限公司	Sanming Sanyuan District Minxin Micro Credit Company Limited	中華人民共和國 The People's Republic of China	實收資本 (人民幣3億元) Paid-in capital (RMB300 million)	100%	提供小額貸款 及委託貸款業務 Provision of micro credit and entrusted loans
允智有限公司	Take Chance Company Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
騰勝有限公司	Thousand Limited	香港 Hong Kong	1股(港幣1元) 1 share (HK\$1)	100%	投資控股 Investment holding
宏湛發展有限公司	Welljet Development Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 比較數字

本集團於2019年1月1日按經修訂的追溯法初始應用香港財務報告準則第16號。根據此方法，比較資料沒有重列。有關會計政策變動的進一步詳情載於註釋2.2(b)內。

40 報告期後事項

除於本綜合財務報表其他部分披露外，報告期後的重要事項的摘要披露如下：

於2019年12月31日的預期信貸虧損，是按當日各種經濟預測情況為估計基礎。自2020年1月初新型冠狀病毒於中國內地爆發並向其他地方擴散，拖累商業及經濟活動。於2020年根據香港財務報告準則第9號估計預期信貸虧損時，將計及其對經濟下行嚴重性及可能性對本地生產總值以及其他主要指標造成的負面影響。

39 COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective method. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 2.2(b).

40 EVENTS AFTER THE REPORTING PERIOD

In addition to those disclosed elsewhere in these consolidated financial statements, a summary of significant events after the reporting period are disclosed as follows:

The ECL at 31 December 2019 was estimated based on a range of forecast economic conditions as at that date. Since early January 2020, the coronavirus outbreak has spread across Mainland China and beyond, causing disruption to business and economic activity. The impact on gross domestic product and other key indicators will be considered when determining the severity and likelihood of downside economic scenarios that will be used to estimate ECL under HKFRS 9 in 2020.

本集團持有之主要物業權益附表

SCHEDULE OF PRINCIPAL PROPERTY INTERESTS HELD BY THE GROUP

本集團於2019年12月31日持有作投資之主要物業權益詳情如下：

Details of the Group's principal property interests held for investment as at 31 December 2019 are as follows:

位置	Location	租約 屆滿期 Lease expiry	本集團 應佔權益 Group's attributable interest	概約建築 總面積 Approximate gross floor area	現時用途 Existing use
			百分比%	平方呎sq. ft.	
1	九龍油麻地廣東道847-865號永發大廈地下舖位7號及8號連8號舖之閣樓、1樓及2樓全層	2049	100	17,190	商業 Commercial
	Shops 7 & 8 on ground floor including store 8 on the cockloft therein and the whole of 1st and 2nd floors Winfield Building 847-865 Canton Road, Yaumatei Hong Kong				
2	中華人民共和國福建省福州市五四路158號環球廣場22樓(不包括1號室部份面積)及23樓	2044	100	37,090	商業 Commercial
	22/F (excluding partial area of unit no. 1) and 23/F, Worldwide Plaza 158 Wusi Road, Fuzhou, Fujian The People's Republic of China				
3	中華人民共和國福建省福州市五四路158號環球廣場地下三層車位號碼#24至#28及#42至#48	2044	100	5,227	商業 Commercial
	Carpark Nos. #24 to #28 and #42 to #48 Basement Level 3, Worldwide Plaza 158 Wusi Road, Fuzhou, Fujian The People's Republic of China				
4	中華人民共和國福建省福州市五四路119號嘉信大廈14樓西半層	2043	100	3,025	商業 Commercial
	West Half of 14/F, Reliance Building 119 Wusi Road, Fuzhou, Fujian The People's Republic of China				
5	中華人民共和國福建省福州市古田路121號華福大廈25樓C2及D2單元	2063	100	2,450	住宅 Residential
	Unit C2 & D2, 25/F, Huafu Building 121 Gutian Road, Fuzhou, Fujian The People's Republic of China				



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