



Annual Report
2016 年報



Min Xin Holdings Limited
閩信集團有限公司

Stock Code 股份代號 : 222

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公司資料

CORPORATE INFORMATION

董事會

執行董事：

彭錦光 (主席·2016年4月25日委任)
翁若同 (主席·2016年4月25日辭任)
(執行董事·2016年10月19日
辭任)
王非 (副主席)
劉承 (總經理)

非執行董事：

劉倫
韓孝捷 (2016年3月30日委任)
楊方 (2016年4月25日辭任)

獨立非執行董事：

葉啟明
史習陶
蘇合成

審核委員會

史習陶 (主席)
葉啟明
蘇合成

薪酬委員會

葉啟明 (主席)
史習陶
蘇合成
劉承
陳廣宇

提名委員會

彭錦光 (主席)
葉啟明
史習陶
蘇合成

BOARD OF DIRECTORS

Executive Directors:

PENG Jin Guang (Chairman, appointed on 25 April 2016)
WENG Ruo Tong (Chairman, resigned on 25 April 2016)
(Executive Director, resigned
on 19 October 2016)
WANG Fei (Vice Chairman)
LIU Cheng (General Manager)

Non-executive Directors:

LIU Lun
HON Hau Chit (appointed on 30 March 2016)
YANG Fang (resigned on 25 April 2016)

Independent Non-executive Directors:

IP Kai Ming
SZE Robert Tsai To
SO Hop Shing

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

授權代表

彭錦光 (2016年4月25日委任)
侯寶萍 (2016年7月6日委任)
葉啟明 (彭錦光替任代表)

公司秘書

侯寶萍 (2016年7月6日委任)

核數師

羅兵咸永道會計師事務所

法律顧問

的近律師行

主要往來銀行

廈門國際銀行股份有限公司
澳門國際銀行股份有限公司
集友銀行有限公司
中國銀行(香港)有限公司
招商銀行股份有限公司

股份過戶登記處

卓佳標準有限公司
香港灣仔
皇后大道東183號
合和中心22樓

註冊辦事處

香港中環
紅棉道8號
東昌大廈17樓

股份代號

00222

公司網址

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

AUTHORISED REPRESENTATIVE

PENG Jin Guang (appointed on 25 April 2016)
HAU Po Ping (appointed on 6 July 2016)
IP Kai Ming (alternate to PENG Jin Guang)

COMPANY SECRETARY

HAU Po Ping (appointed on 6 July 2016)

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISOR

Deacons

PRINCIPAL BANKERS

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

SHARE REGISTRAR

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

REGISTERED OFFICE

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

STOCK CODE

00222

COMPANY'S WEBSITE

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

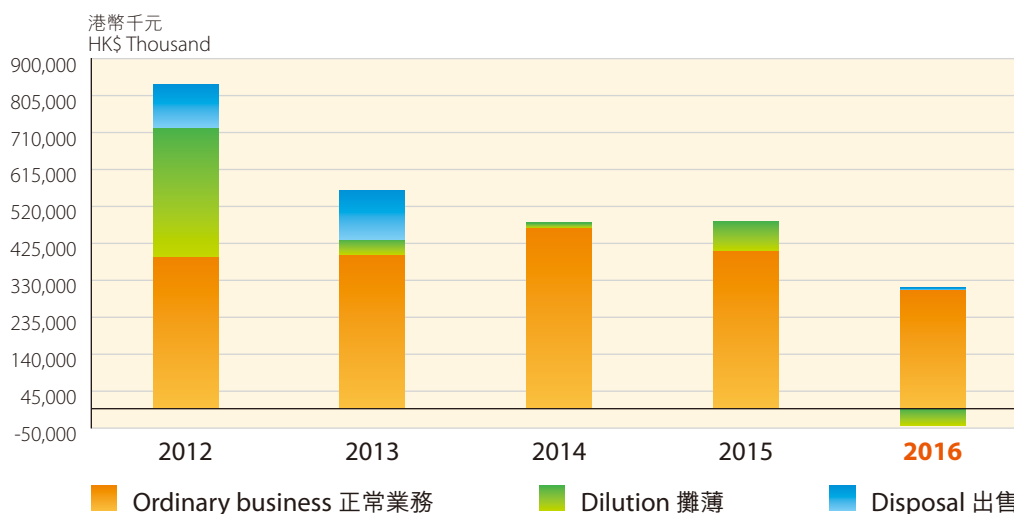
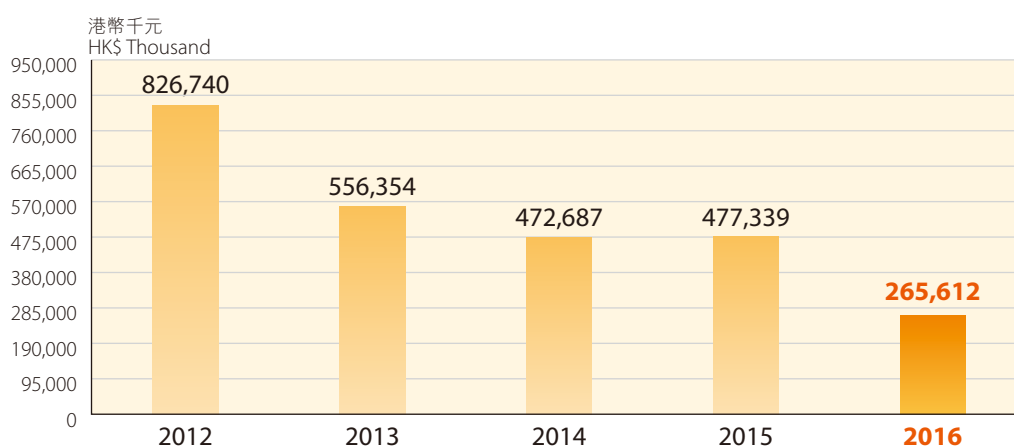
五年財務摘要

FIVE-YEAR FINANCIAL SUMMARY

		2012	2013	2014	2015	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
業績	Results					
除稅前溢利	Profit before taxation	858,802	574,614	491,202	486,020	272,087
所得稅支出	Income tax expense	(32,062)	(18,260)	(18,515)	(8,681)	(6,475)
本公司股東應佔 本年度溢利	Profit for the year attributable to shareholders of the Company	<u>826,740</u>	<u>556,354</u>	<u>472,687</u>	<u>477,339</u>	<u>265,612</u>

本公司股東應佔溢利

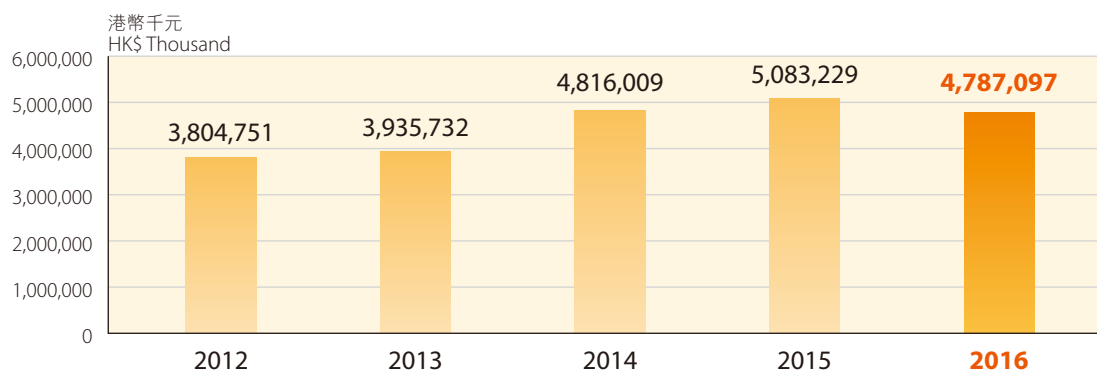
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY



五年財務摘要
FIVE-YEAR FINANCIAL SUMMARY

		2012	2013	2014	2015	2016
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產淨值	Net assets					
物業、機器及設備	Property, plant and equipment	19,445	20,404	20,122	19,061	17,999
投資物業	Investment properties	136,193	154,825	165,762	179,215	170,536
合營公司	Joint ventures	64,901	-	-	-	-
聯營公司	Associates	2,237,071	2,468,663	2,945,890	3,263,977	4,082,002
可供出售金融資產	Available-for-sale financial assets	622,094	452,522	770,129	728,713	551,158
持至到期日金融資產	Held-to-maturity financial assets	-	-	-	-	3,091
客戶貸款及應收利息	Loans to customers and interest receivable	-	-	-	1,519	436
再保險資產	Reinsurance assets	2,523	2,097	3,402	2,479	4,420
預付款	Prepayments	-	-	-	1,549	1,500
遞延所得稅資產	Deferred income tax assets	419	376	4,281	6,746	10,767
流動資產	Current assets	1,166,764	1,209,443	1,668,361	1,684,713	1,497,393
流動負債	Current liabilities	(392,133)	(305,125)	(686,001)	(226,823)	(928,549)
銀行貸款	Bank borrowings	-	-	-	(502,116)	(552,774)
保險合約	Insurance contracts	(14,554)	(21,896)	(27,707)	(33,844)	(38,268)
遞延所得稅負債	Deferred income tax liabilities	(37,972)	(45,577)	(48,230)	(41,960)	(32,614)
資產淨值	Net assets	3,804,751	3,935,732	4,816,009	5,083,229	4,787,097
權益總額	Total equity					
股本	Share capital	459,429	459,429	891,135	891,135	891,135
其他儲備金	Other reserves	1,927,830	1,595,645	1,716,858	1,501,099	1,036,270
保留溢利	Retained profits					
擬派股息	Proposed dividend	41,348	22,971	22,971	22,971	22,971
其他	Others	1,307,833	1,857,687	2,185,045	2,666,165	2,836,721
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	68,311	-	-	1,859	-
本公司股東應佔權益總額	Total equity attributable to shareholders of the Company	3,804,751	3,935,732	4,816,009	5,083,229	4,787,097

本公司股東應佔權益總額
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY



主席報告書 CHAIRMAN'S STATEMENT

本人謹代表董事會，欣然提呈本公司及其附屬公司截至2016年12月31日止年度之年度業績。

在成功推行支持穩定經濟和長遠經濟轉型的政策措施下，中國內地的經濟增長符合中央政府的目標。然而，在2016年，我們面對極具挑戰性的經營環境，本集團的短期表現因而受到影響。

扣除本公司錄得攤薄所持廈門國際銀行（「廈銀」）股權的虧損港幣4,042萬元（2015年則錄得攤薄股權收益港幣7,304萬元）及本公司因股權被攤薄令應佔廈銀業績比2015年減少港幣4,705萬元的影響，股東應佔溢利下跌12.7%。以匯報基準計算，本集團2016年股東應佔溢利為港幣26,561萬元，比2015年港幣47,734萬元，下跌44.4%。2016年每股基本盈利港幣57.81仙，下跌44.4%。

我們在中國內地的小額貸款業務繼續面臨嚴峻的挑戰。貸款信貸質量進一步惡化，於2016年底，減值準備對貸款總額及應收利息比率增加41.2個百分點至87%，反映惡劣的信貸環境和抵押品的資產質量。

我們開展新的汽車貿易業務，於2016年12月我們與一獨立第三方簽訂一份合約，以總代價人民幣2,025萬元購買50部汽車。於呈報日後，此業務的增長符合我們的預期。

在充滿挑戰且競爭激烈的經營環境下，我們的銀行業務取得了預期的業績。於2016年，本集團應佔銀行業務的業績為港幣47,092萬元，比2015年的港幣51,797萬元減少9.1%，主要由於本公司所持廈銀的股權於2015年6月由14.8005%被攤薄至10.6289%所致。

On behalf of the Board, I am pleased to present the annual results of the Company and its subsidiaries for the year ended 31 December 2016.

Economic growth in Mainland China was within the Central Government's target range amidst the success of policy measures designed to support economic stability and long-term economic transition. However, we faced challenging operating conditions in 2016 and the short-term performance of the Group has suffered.

Excluding the impacts of the HK\$40.42 million loss on dilution of the Company's shareholding in Xiamen International Bank ("XIB") as compared to HK\$73.04 million gain on dilution in 2015 and the decrease in share of results of XIB for the year of HK\$47.05 million as compared to that of 2015 resulted from dilution in shareholding, underlying attributable profit declined by 12.7%. On a reported basis, the Group's profit attributable to shareholders was HK\$265.61 million in 2016, representing a decrease of 44.4% as compared to HK\$477.34 million in 2015. Basic earnings per share declined by 44.4% to 57.81 HK cents in 2016.

Our micro credit business in Mainland China continued to face severe challenges. The credit quality of the loans was further deteriorated and allowances to total loans and interest receivable ratio was 87% at the end of 2016, an increase of 41.2 percentage points, reflecting the more challenging credit environment and asset quality of the collaterals.

We started our new business of trading in motor vehicles when we entered into an agreement for the acquisition of 50 motor vehicles at a total consideration of RMB20.25 million from an independent third party in December 2016. Subsequent to the reporting date, the business growth meets our expectations.

We achieved anticipated results in our banking business under the challenging and highly competitive operating conditions. In 2016, the Group's share of results of its banking business stood at HK\$470.92 million, representing a decrease of 9.1% as compared to HK\$517.97 million in 2015, primarily due to the dilution of the Company's shareholding in XIB from 14.8005% to 10.6289% in June 2015.

我們於2016年12月成功獲得中國銀行業監督管理委員會批准認購1.4億股廈銀新股份。本公司透過成功投入資本金人民幣6.72億元到廈銀以減低攤薄影響，於2016年年底所持廈銀的股權為9.7635%。

本集團維持滿意的資產質量。總資產為港幣63.4億元，比2015年年底的港幣58.9億元增加7.7%。作為以投資為基礎的公司，我們的銀行業務總資產佔本集團資產總額的65.7%，銀行業務貢獻本集團股東應佔溢利的167.4%。

董事會議決建議派發截至2016年12月31日止年度之末期股息每股港幣5仙。

展望未來一年，監管環境日益嚴格，將令我們投入更多資源在風險管理和合規方面，以及在資本規劃方面採取更保守的態度。我們將繼續探索拓展香港及澳門的保險業務的機會。與此同時，我們將進一步加強信貸控制，加大力度收回小額貸款業務的不良貸款。

於2016年12月，廈銀的一家全資附屬公司廈門國際投資有限公司訂立買賣協議合共購入集友銀行有限公司總發行股份的64.31%股權。有關協議已於2017年3月完成，廈銀已取得發展的重大進展，實現進軍香港銀行業的策略性舉措。

We had successfully obtained the approval from China Banking Regulatory Commission for the subscription of 140 million new shares of XIB in December 2016. The dilution effect had been minimised through the successful capital contribution into XIB of RMB672 million and our shareholding percentage in XIB was 9.7635% at the end of 2016.

Asset quality of the Group remains satisfactory. Total assets stood at HK\$6.34 billion, representing an increase of 7.7% as compared to HK\$5.89 billion at the end of 2015. As an investment-based company, total assets of our banking business accounted for 65.7% of the Group's total assets and results contributed by banking business represented 167.4% of the Group's profit attributable to shareholders.

The Board has resolved to recommend the payment of a final dividend of 5 HK cents per share for the year ended 31 December 2016.

Looking at the year ahead, the tightening regulatory environment will require greater allocation of resources to risk management and compliance, as well as a more conservative attitude to capital planning. We will continue to explore opportunities to expand our insurance business in Hong Kong and Macau. At the same time, we will further tighten our credit control and redouble our efforts to recover non-performing loans of our micro credit business.

Xiamen International Investment Limited, a wholly-owned subsidiary of XIB, had entered into a sale and purchase agreement to acquire in aggregate 64.31% of the total issued shares of Chiyu Banking Corporation Limited in December 2016. The agreement was completed in March 2017 and XIB has made a significant progress in development and implemented a strategic move into Hong Kong banking market.

主席報告書 CHAIRMAN'S STATEMENT

誠如本公司日期為2017年3月17日之公告所披露，我們建議按2017年5月12日合資格股東每持有本公司十股現有股份獲發三股供股股份之基準，以供股方式按每股供股股份港幣6元發行137,828,596股供股股份，以籌集約港幣8.27億元的資金（扣除開支前）。本公司的控股股東貴信有限公司已承諾認購其及其附屬公司獲暫定配發的全部供股股份，並包銷其他合資格股東無接納的供股股份。本集團的資本基礎將於供股完成後得到加強，以及經改善的財務狀況為本公司滿足其日後拓展需求提供充足的內部資源和融資能力。

最後，本人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員工的全力投入和至誠服務。本人亦代表董事會對業務夥伴及股東對我們的長期信任及支持表示誠摯的謝意。

主席
彭錦光

香港，2017年3月30日

As disclosed in the announcement of the Company on 17 March 2017, we had proposed to raise funds of about HK\$827 million before expenses by way of Rights Issue of 137,828,596 Rights Shares at a price of HK\$6 per Rights Share on the basis of three Rights Shares for every ten existing Shares held by the Qualifying Shareholders of the Company on 12 May 2017. Vigour Fine Company Limited, a controlling shareholder of the Company, had undertaken to subscribe the Rights Shares provisionally allotted to it and its subsidiary, and to underwrite the Rights Shares not taken up by other Qualifying Shareholders. The capital base of the Company will be strengthened after completion of the Rights Issue and the improved financial position provided sufficient internal resources and financing capacity for the Company to meet its future expansion needs.

In closing, I take this opportunity to express my heartfelt appreciation to my fellow board members for their invaluable advice and support. I also 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.

PENG Jin Guang
Chairman

Hong Kong, 30 March 2017

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧

於2016年，中國內地的經濟增長進一步放緩及去槓桿化持續為經營環境帶來挑戰。本集團的短期表現因極具挑戰性的經營環境而受到影響。

經營業績

於2016年，本集團實現股東應佔溢利港幣26,561萬元，比2015年的港幣47,734萬元減少港幣21,173萬元，或44.4%。本年度每股基本盈利港幣57.81仙，比2015年的港幣103.9仙減少港幣46.09仙。

有關減少主要由於(i)本公司所持廈銀股權於2016年12月由10.6289%被攤薄至9.7635%，錄得攤薄廈銀股權的一次性虧損港幣4,042萬元（主要為人民幣兌港元貶值所致），而2015年則錄得攤薄廈銀股權的一次性收益港幣7,304萬元；及(ii)本公司所持廈銀股權於2015年6月由14.8005%被攤薄至10.6289%，因此，截至2016年12月31日止年度本公司應佔廈銀業績比2015年度減少港幣4,705萬元。

扣除攤薄本公司所持廈銀股權的虧損港幣4,042萬元（相對於2015年的攤薄股權收益港幣7,304萬元）及本公司因股權被攤薄令應佔廈銀業績比2015年減少港幣4,705萬元的影響，股東應佔溢利下跌12.7%。

金融服務

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

BUSINESS REVIEW

In 2016, the economic growth in Mainland China slowed further and deleveraging continued to present challenging operating conditions. The short-term performance of the Group has suffered in challenging operating conditions.

Operating Results

In 2016, the Group achieved profit attributable to shareholders of HK\$265.61 million, representing a decrease of HK\$211.73 million, or 44.4%, as compared to HK\$477.34 million in 2015. Basic earnings per share for the year was 57.81 HK cents, a decrease of 46.09 HK cents as compared to 103.9 HK cents in 2015.

Such decrease is primarily due to (i) the recognition of the one-off loss on dilution of the Company's shareholding in XIB from 10.6289% to 9.7635% in December 2016 of HK\$40.42 million mainly due to the depreciation of Renminbi against Hong Kong Dollars, as compared to the one-off gain on dilution of the Company's shareholding in XIB of HK\$73.04 million in 2015; and (ii) the decrease in share of results of XIB for the year ended 31 December 2016 of HK\$47.05 million as compared to that of 2015 as the Company's shareholding in XIB had been diluted from 14.8005% to 10.6289% in June 2015.

Excluding the impacts of the HK\$40.42 million loss on dilution of the Company's shareholding in XIB as compared to HK\$73.04 million gain on dilution in 2015 and the decrease in share of results of XIB for the year of HK\$47.05 million as compared to that of 2015 resulted from dilution in shareholding, underlying attributable profit declined by 12.7%.

Financial Services

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

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

金融服務 (續)

本集團的金融服務業務於2016年錄得稅後利潤港幣27,562萬元，比2015年的港幣47,249萬元減少41.7%。扣除攤薄本公司所持廈銀股權的虧損港幣4,042萬元（相對於2015年的攤薄股權收益港幣7,304萬元）及本公司因股權被攤薄令應佔廈銀業績比2015年減少港幣4,705萬元的影響，股東應佔溢利港幣36,309萬元，比2015年的港幣39,945萬元下跌9.1%，主要由於小額貸款業務利息收入減少所致。

銀行業務

憑藉完善的網上銀行和流動理財基礎設施，廈銀致力於為大中華市場提供創新、高效和可靠的金融服務。於2016年12月，廈銀的一家全資附屬公司廈門國際投資有限公司訂立買賣協議合共購入集友銀行有限公司總發行股份的64.31%股權。廈銀已採取所有可行措施為其股東締造可觀價值。

按中國會計準則要求編制的廈銀稅後利潤人民幣38.2億元，比2015年稅後利潤人民幣33.2億元，增加人民幣5億元或15.2%。受惠於貸款規模的增長，淨利息收入於2016年持續錄得增長，上升11.1%。非利息收入於2016年增幅達146.6%，主要由於手續費及佣金淨收入有穩健增長以及淨匯兌虧損大幅減少。

於2016年12月31日，總資產比2015年年底的人民幣4,592億元，上升22.7%至人民幣5,635.3億元。客戶貸款由2015年年底的人民幣1,535.9億元上升39.4%至人民幣2,140.8億元。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2015年年底的人民幣3,103.4億元，上升30.3%至人民幣4,042.7億元。

BUSINESS REVIEW (Continued)

Financial Services (Continued)

The Group's financial services business reported a profit after tax of HK\$275.62 million in 2016, a decrease of 41.7% as compared to HK\$472.49 million in 2015. Excluding the impacts of the HK\$40.42 million loss on dilution of the Company's shareholding in XIB as compared to HK\$73.04 million gain on dilution in 2015 and the decrease in share of results of XIB for the year of HK\$47.05 million as compared to that of 2015 resulted from dilution in shareholding, underlying attributable profit amounted to HK\$363.09 million, declined by 9.1% as compared to HK\$399.45 million in 2015 mainly due to the decrease in interest income from micro credit business.

Banking Business

Supported by well-established online banking and mobile banking infrastructures, XIB committed to deliver more innovative, efficient and reliable financial services for the Great China market. Xiamen International Investment Limited, a wholly-owned subsidiary of XIB, had entered into a sale and purchase agreement to acquire in aggregate 64.31% of the total issued shares of Chiyu Banking Corporation Limited in December 2016. XIB had taken all possible measures to deliver substantial value for its shareholders.

XIB reported a profit after tax prepared in accordance with the PRC Accounting Standards of RMB3.82 billion, an increase of RMB0.5 billion, or 15.2%, as compared to RMB3.32 billion in 2015. Net interest income continued to grow and recorded an increase of 11.1% in 2016, mainly driven by the growth of its loan portfolio. Non-interest income increased by 146.6% in 2016, which was mainly due to the solid growth in net fee and commission income and the significant decrease in net exchange losses.

At 31 December 2016, the total assets grew by 22.7% to RMB563.53 billion as compared to RMB459.2 billion at the end of 2015. Gross loans to customers were RMB214.08 billion, an increase of 39.4% as compared to RMB153.59 billion at the end of 2015. 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 30.3% to RMB404.27 billion from RMB310.34 billion at the end of 2015.

業務回顧 (續)

金融服務 (續)

銀行業務 (續)

於年內，廈銀以每股人民幣4.8元發行20億新股，總代價為人民幣96億元。本公司已與廈銀訂立增資協議，以代價人民幣6.72億元認購1.4億股廈銀新股份。於2016年12月，本公司成功獲得中國銀行業監督管理委員會批准認購1.4億股廈銀新股份，於2016年年底廈銀增資擴股完成後，本公司於廈銀的持股比例被攤薄至9.7635%。

於中國內地12個城市的超過60家分支機構及在澳門的13家分行為客戶帶來便利的服務。隨著在2017年3月成功完成收購集友銀行有限公司，廈銀已取得發展的重大進展及實現進軍香港銀行業的策略性舉措。憑藉在中國內地、香港和澳門設立的網絡，廈銀將為客戶提供更佳的服務，以滿足零售和企業銀行客戶日益提高的需求。相信廈銀將為股東帶來可觀價值。

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（「閩信小貸」），專門從事為福建省三明市的中小企業及個人提供小額貸款服務。

閩信小貸於2016年繼續面對充滿挑戰的經營環境。由於營運資金短缺及再融資能力不足，三明市的中小型企業仍然面對困難的經營環境。於2016年，因我們的客戶拖欠利息和本金還款的情況使貸款組合的信貸質量進一步惡化。閩信小貸的不良貸款比率為98.3%，比2015年年底的78.5%，上升19.8個百分點。

BUSINESS REVIEW (Continued)

Financial Services (Continued)

Banking Business (Continued)

During the year, XIB had issued 2 billion new shares at RMB4.8 per share for a total consideration of RMB9.6 billion. The Company had entered into a capital contribution agreement with XIB to subscribe for 140 million new shares for a consideration of RMB672 million. The Company had successfully obtained the approval of the subscription of 140 million new shares of XIB from China Banking Regulatory Commission in December 2016 and our shareholding percentage in XIB was diluted to 9.7635% at the end of 2016 upon the completion of the capital contribution of XIB.

The presence of over 60 branches and sub-branches in 12 cities in Mainland China and 13 branches in Macau provides convenient services to customers. With the successful completion of the acquisition of Chiyu Banking Corporation Limited in March 2017, XIB has made a significant progress in development and implemented a strategic move into Hong Kong banking market. Supported by the networks established in Mainland China, Hong Kong and Macau, XIB will serve its customers better in order to meet the increasingly sophisticated needs of retail and corporate banking clients. It is believed that XIB will generate substantial value for shareholders.

Micro Credit Business

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

Minxin Micro Credit continued to face challenging operating conditions in 2016. The operating conditions of the small and medium size enterprises in Sanming City remain difficult due to shortage of operating funds and limited re-financing capacity. The credit quality of the loan portfolio has further deteriorated as a result of the default in interest payment and principal repayment by our customers in 2016. The non-performing loan ratio of Minxin Micro Credit stood at 98.3%, an increase of 19.8 percentage points as compared to 78.5% at the end of 2015.

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業務回顧 (續)

金融服務 (續)

小額貸款業務 (續)

於2016年12月31日，客戶貸款為人民幣27,623萬元（等值港幣30,837萬元），較2015年年底的人民幣28,681萬元（等值港幣34,226萬元）減少3.7%。該等客戶貸款主要為抵押、質押及擔保貸款。基於年內大量拖欠利息和本金還款的情況，及根據於呈報日各逾期貸款客戶的信貨質量、抵押物的價值，本集團於2016年年底計提的客戶貸款及應收利息減值準備增加至人民幣24,974萬元（等值港幣27,880萬元），比2015年年底計提的人民幣13,587萬元（等值港幣16,213萬元）增加83.8%或人民幣11,387萬元。於2016年12月31日，減值準備對貸款總額（包括應收利息）比率為87%，比2015年年底的45.8%提高41.2個百分點。

扣除計提已減值貸款的利息收入，閩信小貸於年內錄得貸款產生的利息收入人民幣413萬元（等值港幣487萬元），比2015年的人民幣2,575萬元（等值港幣3,190萬元）減少83.9%，主要由於大量拖欠利息的情況。由於年內額外提撥減值虧損人民幣11,387萬元（等值港幣13,417萬元），閩信小貸錄得稅後虧損人民幣10,924萬元（等值港幣12,871萬元），比2015年的人民幣8,217萬元（等值港幣10,179萬元）上升32.9%。

閩信小貸已採取積極的行動來管理資產質量，包括但不限於收緊信貸指引，以控制未償還貸款組合的質量，並加大力度收回不良貸款。閩信小貸對若干未能償還逾期利息和本金的借款人提出訴訟，以取得抵押資產的所有權。閩信小貸管理層於未來一年將增加資源及力度以收回不良貸款。

BUSINESS REVIEW (Continued)

Financial Services (Continued)

Micro Credit Business (Continued)

At 31 December 2016, loans to customers were RMB276.23 million (equivalent to HK\$308.37 million), a decrease of 3.7% from RMB286.81 million (equivalent to HK\$342.26 million) at the end of 2015. These loans mainly comprised secured, pledged and guaranteed loans. In view of the widespread of default in interest payment and principal repayment during the year and based on the credit quality of the respective overdue loans to customers and the value of the collaterals pledged at the reporting date, the Group had increased the impairment allowances on loans and interest receivable to RMB249.74 million (equivalent to HK\$278.8 million) at the end of 2016, increased by 83.8% or RMB113.87 million, as compared to RMB135.87 million (equivalent to HK\$162.13 million) at the end of 2015. Allowances to total loans (included interest receivable) ratio was 87% at 31 December 2016, was up 41.2 percentage points as compared with 45.8% at the end of 2015.

Excluding the interest income accrued on impaired loans, Minxin Micro Credit reported interest income generated from loans of RMB4.13 million (equivalent to HK\$4.87 million) during the year, a decrease of 83.9% as compared to RMB25.75 million (equivalent to HK\$31.9 million) in 2015, mainly due to the widespread of default in interest payment. Due to the additional provision of impairment allowances of RMB113.87 million (equivalent to HK\$134.17 million) recorded for the year, Minxin Micro Credit recorded a loss after tax of RMB109.24 million (equivalent to HK\$128.71 million), an increase of 32.9% as compared to RMB82.17 million (equivalent to HK\$101.79 million) in 2015.

Minxin Micro Credit took aggressive action to manage asset quality, including but not limited to tighten the credit guidelines in order to control the quality of outstanding loans portfolio and redouble our efforts to recover the non-performing loans. Minxin Micro Credit had sued against certain borrowers who were delinquent in interest and principal repayment in order to take possession of the pledged assets. The management of Minxin Micro Credit will increase resources and efforts to recover non-performing loans for the year ahead.

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2016年錄得毛保費收入港幣6,133萬元，比2015年的港幣6,192萬元，微跌1%，主要為2015年下半年起停止建築勞工保險業務。扣除建築勞工保險業務的毛保費收入影響，毛保費收入比2015年增長22.5%。澳門的保險業務表現良好，毛保費收入於2016年錄得10.3%的增幅。扣除停止建築勞工保險業務的影響，香港保險業務實現滿意的成績，2016年毛保費收入上升52.8%。

自2015年下半年起停止建築勞工保險業務後，閩信保險專注於短期和相對低風險的保險業務。閩信保險再次實現承保業績改善。於扣除承保業務的管理費用前，承保溢利比2015年的港幣640萬元增長46%至港幣935萬元，主要為澳門銀保業務有所增長及申索情況有所改善。於扣除承保業務的管理費用後，2016年承保虧損減少17.2%至港幣159萬元。

閩信保險錄得稅後利潤港幣384萬元，比2015年的港幣543萬元減少29.2%，主要為物業重估收益淨額減少所致。

為推廣其品牌名稱，閩信保險於年內舉行產品發布酒會及歡樂時光聚會酒會。為提高服務質量及加快工作流程，閩信保險亦已推出網上系統促進標準化保險產品的承保效率。

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\$61.33 million in 2016, declined slightly by 1% as compared to HK\$61.92 million in 2015, mainly due to the cessation of Construction EC business from the second half of 2015. Excluding the impact of the gross insurance premium of the Construction EC business, underlying gross insurance premium increased by 22.5% as compared to that of 2015. The Macau insurance business performed well and achieved a 10.3% increase in gross insurance premium in 2016. The Hong Kong insurance business showed a satisfactory results and the gross insurance premium grew by 52.8% in 2016, excluding the impact of the cessation of Construction EC business.

Min Xin Insurance has focused on short-term and relatively low risk insurance business after cessation of Construction EC business from the second half of 2015. Min Xin Insurance once again achieved improvement in underwriting results. Underwriting profit before deducting management expenses for underwriting business increased by 46% to HK\$9.35 million as compared to HK\$6.4 million in 2015, mainly due to the growth of Macau bancassurance business and improved claims experience. If management expenses for underwriting business are deducted from the underlying underwriting results, the underwriting loss reduced by 17.2% to HK\$1.59 million in 2016.

Min Xin Insurance recorded a profit after tax of HK\$3.84 million, a decrease of 29.2% from HK\$5.43 million in 2015, mainly due to decrease in net gains generated from revaluation of investment property.

In order to promote its brand name, Min Xin Insurance held a product launch cocktail reception and a happy hour gathering party during the year. To enhance its service quality and speed up the workflow, Min Xin Insurance had also launched online system to facilitate the underwriting efficiency of standardised insurance products.

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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(「福建閩信」)於2016年12月開展其新的汽車貿易業務。

福建閩信於2016年12月與一獨立第三方簽訂一份合約，以總代價人民幣2,025萬元(等值約港幣2,261萬元)購買50部汽車。於呈報日後，此業務的增長符合我們的預期。

物業發展及投資

本集團的物業發展及投資業務主要包括中國內地的房地產開發業務及出租若干投資物業。因物業重估虧損，物業發展及投資業務於2016年錄得稅後虧損港幣303萬元，2015年則錄得稅後利潤港幣22萬元。

本集團持有位於福建省福州市的商業物業及車位(「福州物業」)維持滿意的市場租金收入。本集團於2016年錄得租金收入人民幣488萬元，比2015年人民幣555萬元減少12%。受到寫字樓供過於求的影響，福州市的市場租金普遍下降。於2016年12月31日，福州物業的公平值為人民幣7,044萬元，比2015年年底的人民幣8,004萬元下跌12%。本集團於2016年錄得公平值虧損港幣1,688萬元及扣除遞延稅後公平值虧損港幣654萬元，比2015年的公平值虧損港幣1,174萬元及扣除遞延稅後公平值虧損港幣411萬元分別上升43.7%及59.1%。

BUSINESS REVIEW (Continued)

Trading in Motor Vehicles

Fujian Minxin Investments Co., Ltd. ("Fujian Minxin"), a wholly-owned subsidiary of the Company, started its new business of trading in motor vehicles in December 2016.

Fujian Minxin had entered into an agreement for the acquisition of 50 motor vehicles at a total consideration of RMB20.25 million (equivalent to approximately HK\$22.61 million) from an independent third party in December 2016. Subsequent to the reporting date, the business growth meets our expectations.

Property Development and Investment

The property development and investment business of the Group mainly comprises the real estate development business and the leasing of certain investment properties in Mainland China. In 2016, the property development and investment business reported a loss after tax of HK\$3.03 million due to revaluation loss of investment properties, as compared to a profit after tax of HK\$0.22 million in 2015.

The Group was able to maintain a satisfactory market rental income from its commercial properties and car parks in Fuzhou, Fujian Province (the "Fuzhou Property"). The Group recorded a rental income of RMB4.88 million in 2016, a decline of 12% as compared to RMB5.55 million in 2015. The market rental income in Fuzhou has generally declined due to over supply of office building. At 31 December 2016, the fair value of the Fuzhou Property was RMB70.44 million, a decrease of 12% as compared to the fair value of RMB80.04 million at the end of 2015. The Group recorded a fair value loss of HK\$16.88 million and a fair value loss after deferred tax of HK\$6.54 million in 2016, an increase of 43.7% and 59.1% respectively as compared to a fair value loss of HK\$11.74 million and a fair value loss after deferred tax of HK\$4.11 million in 2015.

業務回顧 (續)

於華能國際電力股份有限公司的投資
(「華能股份」)

2016年12月31日上證綜合指數比2015年年底上升約12.3%。然而，華能A股收市競買價由2015年12月31日的每股人民幣8.72元下降至2016年12月31日的每股人民幣7.05元。本集團根據華能A股收市競買價評估的華能股份之公平值為港幣55,054萬元(等值人民幣49,316萬元)，其公平值變動產生的虧損港幣17,738萬元(2015年：港幣4,221萬元)已於其他全面收益內確認，並在股東權益的投資重估儲備金內分開累計。

華能股份作為本集團長期持有的可供出售金融資產，為本集團帶來穩定的股息收入。於年內，華能派發2015年度末期股息每股人民幣0.47元。本集團錄得股息收入人民幣3,288萬元(等值港幣3,831萬元)，2015年則收取2014年度末期股息每股人民幣0.38元，錄得股息收入人民幣2,658萬元(等值港幣3,322萬元)。

華能已公布按中國會計準則編制的2016年年度業績，營業收入同比減少11.7%，主要由於上網電價下調及境內計劃電量下跌，營業成本同比減少2.3%，年內錄得權益持有人淨利潤人民幣88.1億元，比2015年減少36.1%，每股收益人民幣0.58元，比2015年每股收益人民幣0.95元減少38.9%。

BUSINESS REVIEW (Continued)

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

At 31 December 2016, the Shanghai Composite Index increased by about 12.3% as compared to that at the end of 2015. However, the closing bid price of Huaneng's A-share declined from RMB8.72 per share at 31 December 2015 to RMB7.05 per share at 31 December 2016. The fair value of the Group's investment in Huaneng Shares measured with reference to the closing bid price of Huaneng's A-Share stood at HK\$550.54 million (equivalent to RMB493.16 million). The loss of HK\$177.38 million (2015: HK\$42.21 million) arising from the change in its fair value was recorded in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

Being classified as a long term available-for-sale financial asset of the Group, Huaneng Shares generate a stable dividend income to the Group. During the year, Huaneng paid a final dividend for 2015 of RMB0.47 per share. The Group recorded dividend income totaling RMB32.88 million (equivalent to HK\$38.31 million), as compared to the final dividend for 2014 of RMB0.38 per share totaling RMB26.58 million (equivalent to HK\$33.22 million) recorded by the Group in 2015.

Huaneng has announced its 2016 annual results under the PRC Accounting Standards. Its operating revenue has decreased by 11.7% year-on-year, while its operating expenses have reduced by 2.3% as compared with last year. Such decrease in operating revenue was mainly due to the decrease of lowered on-grid tariff and reduced domestic power generation. Its profit attributable to equity holders has decreased by 36.1% to RMB8.81 billion with earnings per share of RMB0.58 for the year, a decrease of 38.9% as compared to RMB0.95 per share in 2015.

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財務回顧

每股資產淨值

本集團一直堅持並貫徹審慎的財務策略，以保持健康的財務狀況水平。按2016年12月31日的已發行股本459,428,656股（2015年：459,428,656股）計算，於2016年12月31日，每股資產淨值港幣10.42元（2015年：港幣11.06元）。

總負債佔權益比率及流動比率

於2016年12月31日，本集團總負債為港幣155,221萬元（2015年：港幣80,474萬元），總負債為本公司股東應佔權益的32.4%（2015年：15.8%）。於2016年12月31日，本集團流動資產及流動負債分別為港幣149,739萬元（2015年：港幣167,202萬元）及港幣92,855萬元（2015年：港幣22,682萬元），流動比率為1.6倍（2015年：7.4倍）。

借款及資產抵押

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

於2016年12月31日，本集團的借款包括本地銀行貸款合共港幣136,323萬元（2015年：港幣62,584萬元），較2015年年底增加港幣73,739萬元。根據貸款額度所載的預定還款日期，貸款全部於三年內到期，其中港幣80,635萬元於一年內償還，港幣35,688萬元於一年至兩年內償還及港幣20,000萬元於兩年至五年內償還。本集團的貸款均以港幣為單位，以浮動利率計息。於2016年12月31日，實際年利率介乎3.3厘至4厘（2015年：介乎3.1厘至3.4厘）。

於2016年12月31日，有抵押部份的銀行貸款以本集團存放於借款銀行的銀行存款人民幣4,100萬元（等值港幣4,577萬元）（2015年：人民幣4,100萬元，等值港幣4,893萬元），及賬面淨值港幣1,018萬元（2015年：港幣1,044萬元）的自用辦事處物業作抵押。

除此以外，本集團的其他資產於2016年及2015年12月31日均無抵押。

FINANCIAL REVIEW

Net Asset Value per Share

The Group adheres to the principle of prudent financial management and strives to maintain a healthy financial position. Based on 459,428,656 shares in issue at 31 December 2016 (2015: 459,428,656 shares), the net asset value per share was HK\$10.42 at 31 December 2016 (2015: HK\$11.06).

Total Liabilities to Equity Ratio and Current Ratio

At 31 December 2016, the total liabilities of the Group were HK\$1,552.21 million (2015: HK\$804.74 million) and the ratio of total liabilities to total equity attributable to shareholders of the Company was 32.4% (2015: 15.8%). At 31 December 2016, the current assets and current liabilities of the Group were HK\$1,497.39 million (2015: HK\$1,672.02 million) and HK\$928.55 million (2015: HK\$226.82 million) respectively with a current ratio of 1.6 (2015: 7.4).

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 2016, the Group's borrowings from local banks totaled HK\$1,363.23 million (2015: HK\$625.84 million), an increase of HK\$737.39 million as compared to the end of 2015. The maturity profile of the loans based on the scheduled repayment dates set out in the loan facilities is spread over a period of three years, with HK\$806.35 million repayable within one year, HK\$356.88 million repayable more than one year but within two years and HK\$200 million repayable more than two years but within five years. The loans of the Group are in Hong Kong dollars and subject to floating interest rates. The effective interest rate at 31 December 2016 ranged from 3.3% to 4% per annum (2015: 3.1% to 3.4% per annum).

At 31 December 2016, the secured portion of the bank loans were secured by the Group's bank deposits of RMB41 million (equivalent to HK\$45.77 million) (2015: RMB41 million, equivalent to HK\$48.93 million) placed with the lending banks and the self-use office building with a net book value of HK\$10.18 million (2015: HK\$10.44 million).

Save for the above, no other assets of the Group were pledged at 31 December 2016 and 2015 respectively.

財務回顧 (續)

負債比率

於2016年12月31日，本集團資本負債比率(總銀行貸款除以資產淨值)為28.3%(2015年：12.1%)。

現金狀況

本集團之銀行存款附有當時市場利率之利息。於2016年12月31日，本集團之銀行存款總額為港幣127,440萬元(2015年：港幣143,210萬元)，其中港幣存款佔5.5%，人民幣存款佔93.3%及其他貨幣存款佔1.2%(2015年：港幣存款佔4.3%，人民幣存款佔94.7%及其他貨幣存款佔1%)。

根據香港保險業監理處(「香港保監處」)之規定，受其監管的一家附屬公司需經常將為數不少於港幣1,600萬元之資金以保險業監督賬戶名義撥為銀行存款。於2016年12月31日，該附屬公司於香港一家銀行以保險業監督賬戶名義存放人民幣1,390萬元(等值港幣1,552萬元)及港幣200萬元(2015年：人民幣1,390萬元，等值港幣1,659萬元及港幣100萬元)之定期存款以符合有關規定。該附屬公司亦維持澳門幣1,410萬元(等值港幣1,369萬元)、人民幣368萬元(等值港幣410萬元)及港幣120萬元(2015年：澳門幣1,340萬元，等值港幣1,301萬元及人民幣368萬元，等值港幣439萬元)之銀行存款以符合澳門《保險活動管制法例》之若干規定。

根據中國內地的法律及法規，一家附屬公司於2016年12月31日存放人民幣874萬元(等值港幣976萬元)(2015年：無)的銀行存款作為向當地法院申請保全違約客戶的財產的保證金。

FINANCIAL REVIEW (Continued)

Gearing Ratio

At 31 December 2016, the gearing ratio of the Group (total bank borrowings divided by total net assets) was 28.3% (2015: 12.1%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. At 31 December 2016, the total bank deposits of the Group amounted to HK\$1,274.4 million (2015: HK\$1,432.1 million) of which 5.5% were in Hong Kong Dollars, 93.3% in Renminbi and 1.2% in other currencies (2015: 4.3% in Hong Kong Dollars, 94.7% in Renminbi and 1% in other currencies).

Pursuant to the requirements from the Office of the Commissioner of Insurance in Hong Kong (the "HKOCI"), a subsidiary shall maintain at all times a portion of its funds of not less than HK\$16 million in the name of Insurance Authority account in bank deposits. At 31 December 2016, that subsidiary has placed a fixed deposit of RMB13.9 million (equivalent to HK\$15.52 million) and HK\$2 million (2015: RMB13.9 million, equivalent to HK\$16.59 million and HK\$1 million) in the name of Insurance Authority account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP14.1 million (equivalent to HK\$13.69 million), RMB3.68 million (equivalent to HK\$4.1 million) and HK\$1.2 million (2015: MOP13.4 million, equivalent to HK\$13.01 million and RMB3.68 million, equivalent to HK\$4.39 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

Pursuant to the laws and regulations in Mainland China, a subsidiary has placed bank deposits of RMB8.74 million (equivalent to HK\$9.76 million) at 31 December 2016 (2015: Nil) to guarantee the application to the local court for property preservation right against default customers.

管理層討論及分析

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財務回顧 (續)

匯率波動風險

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

資本承擔

於2016年12月31日，本集團有關投資物業的資本承擔總額港幣19萬元（2015年：港幣20萬元）。

於2016年12月31日，本集團有關購買新電腦系統的資本承擔總額港幣150萬元（2015年：港幣163萬元）。

或然負債

於2016年及2015年12月31日，本集團並無重大或然負債。

僱員及薪酬政策

於2016年12月31日，本集團共有70名僱員。僱員的薪酬以個別僱員的表現及資歷釐定。本集團亦為僱員提供其他福利，包括退休福利及醫療福利。

本集團視人力資源為寶貴資產。本集團為員工提供各種僱員福利及不同類型的團體活動。為激勵僱員提升和發展彼等的專業知識和技能，本集團為僱員提供在職培訓及工作坊，並鼓勵僱員參加與彼等工作相關的研討會和培訓，有關費用由本集團資助。本集團亦為員工舉辦了多元化的活動及工作坊，包括戶外康樂活動、烹飪和體育活動。

FINANCIAL REVIEW (Continued)

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

Capital Commitments

At 31 December 2016, the Group's capital commitments relating to investment properties amounted to HK\$0.19 million (2015: HK\$0.2 million).

At 31 December 2016, the Group's capital commitments relating to the purchase of new computerised systems amounted to HK\$1.5 million (2015: HK\$1.63 million).

Contingent Liabilities

At 31 December 2016 and 2015, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2016, the Group had 70 employees. The remuneration of the employees is based on individual merits and experience. The Group also provides other benefits to the employees including retirement benefits and medical scheme.

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

客戶關係

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

環境政策

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

遵守法例及法規

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

主要風險及不明朗因素

本集團的業務、財務狀況、經營業績及前景可能受多種風險及不明朗因素所影響。下文為本集團所識辨的主要風險及不明朗因素。此等因素並不全面或所有因素未能詳錄，且除下列風險外，亦可能存在其他本集團未知的風險，或目前未必屬於重大但日後可能變成重大的風險。

CUSTOMER RELATIONSHIPS

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

ENVIRONMENTAL POLICY

Being a responsible corporate citizen, the Group continues to support the environmental protection initiatives to conserve the natural resources. We place a high priority on minimisation of the environmental impact of our business activities by promoting energy-efficient lighting to reduce energy consumption. In addition, we actively encourages staff members 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 followings are the key risks and uncertainties identified by the Group. They 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.

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主要風險及不明朗因素 (續)

財務風險

本集團的營業活動承受著多種財務風險，包括保險風險、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。有關本集團的財務風險承擔詳情載列於綜合財務報表註釋4。

業務風險

銀行業務

廈銀集團的增長取決於影響香港、中國內地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或法規變化、宏觀調控政策的變動、市場流動性、信貸政策的變動、貸款需求的變動以及金融改革及利率市場化進程。廈銀集團可能因上述一個或多個因素或其他因素的不利變動而無法維持自身的增長率，從而對其財務狀況、經營業績及前景造成重大不利影響。

小額貸款業務

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

KEY RISKS AND UNCERTAINTIES (Continued)

Financial risks

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

Business risks

Banking Business

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

Micro Credit Business

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

主要風險及不明朗因素 (續)

業務風險 (續)

保險業務

香港及澳門的保險公司受嚴格規管。在香港及澳門經營或源自香港及澳門的保險業務的公司須分別從香港保監處及澳門金融管理局(「澳門金管局」)獲得授權，並須符合香港保監處及澳門金管局不時訂立的規定。有關授權只會給予符合《保險公司條例》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，而有關變動可能對香港及澳門的保險公司造成重大不利影響。

本集團就已呈報及未呈報索償設立準備金，以應付估計損失及相關費用。估計準備金可能受到若干變數的影響，例如賠付處理程序、通脹、遺失賠償、立法及法規變動。此等變數大多不能直接計量(特別是按預測基準)，且屬本集團控制範圍之外。因此，儘管於計算準備金時採用精算分析，惟實際賠償款項可能與準備金之估計有重大差別。倘本集團的準備金不足而須於未來期間增加，對本集團的保險業務會造成不利影響。

KEY RISKS AND UNCERTAINTIES (Continued)

Business risks (Continued)

Insurance Business

The insurance industries in Hong Kong and Macau are highly regulated. Companies carrying on insurance business in or from Hong Kong and Macau must obtain authorisation from the HKOCI and Autoridade Monetária De Macau (the "AMCM") respectively and are subject to the requirements imposed by HKOCI and AMCM from time to time. Authorisation will only be granted to insurers when certain requirements under the Insurance Companies Ordinance and Macau Insurance Companies Ordinance are met. Compliance with applicable laws, rules and regulations may restrict the operations of the Group's insurance business and require 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 companies in Hong Kong and Macau.

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

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主要風險及不明朗因素 (續)

業務風險 (續)

物業投資

租金及出租率將視乎多種因素，包括但不限於現有寫字樓供求狀況、中國內地經濟狀況以及物業質素。本集團無法保證能夠在短期內覓得新租戶或促成新租約或按現行市場價格續訂現有租約。

本集團須於各呈報期末重估投資物業的公平值，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於日後繼續按相若或相同水平產生任何投資物業公平值變動帶來的收益或虧損，亦無法保證本集團投資物業的公平值日後不會進一步下降。

華能股份的投資

華能股份於上海證券交易所上市，並分類為本集團的可供出售金融資產。華能股份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重估華能股份的公平值，公平值變動於其他全面收益內確認，並在股東權益的投資重估儲備金內分開累計。本集團根據華能A股收市競買價評估華能股份的公平值。

華能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、股票市場的投資情緒或信心，以及中國內地的經濟狀況。

KEY RISKS AND UNCERTAINTIES (Continued)

Business risks (Continued)

Property Investment

The rental rates and the occupancy rates 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 rates.

The Group is required to reassess the fair value of 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 from fair value changes in investment properties at similar level or at same level, or there will be no further decline in the fair value of the Group's investment properties.

Investment in Huaneng Shares

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

The Group is required to reassess the fair value of Huaneng Shares at the end of each reporting period and the change in fair value is recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve. The fair value of the Group's investment in Huaneng Shares is measured by the closing bid price of Huaneng's A-Share.

The closing bid price of Huaneng's A-Share may be volatile and is affected by various factors which are beyond the Group's control, including but not limited to, the results of operation of Huaneng, investor sentiment or confidence in the stock market and changes in economic conditions of Mainland China.

未來展望

2016年中國內地經濟增長符合中央政府的目標，預期2017年經濟增長大致相若。本集團將繼續專注資產質量控制，並加大力度收回小額貸款業務的不良貸款。隨著在2017年3月成功完成收購集友銀行有限公司，廈銀實現進軍香港銀行業的策略性舉措。憑藉在中國內地、香港和澳門設立的網絡，廈銀將為客戶提供最佳的服務及為股東帶來可觀價值。

本集團將透過多元化的保險產品和拓寬分銷的渠道，逐步拓展香港及澳門保險業務。本集團將繼續採取審慎的承保策略及迅速應對客戶需求。本集團將繼續充份利用系統資源提高服務質量和深化與客戶關係。

作為以投資為基礎的公司，本集團憑藉良好的財務狀況，將繼續在大中華地區開拓及擴大具盈利能力的金融服務業務，以及抓住「一帶一路」計劃的新商機。

PROSPECTS

The economic growth on the Mainland China was within the Central Government's target range in 2016. Looking ahead, the economic growth in 2017 is anticipated to maintain a similar pace of annual expansion. The Group will continue to focus on asset quality control and put more efforts to recover non-performing loans of its micro credit business. XIB implemented a strategic move into Hong Kong banking market with the successful completion of the acquisition of Chiyu Banking Corporation Limited in March 2017 and XIB will serve its customers better supported by the networks established in Mainland China, Hong Kong and Macau and generate substantial value for shareholders.

The Group will gradually expand its insurance business in Hong Kong and Macau through diversification of insurance products and broaden of distribution channels. The Group will continue to adopt prudent underwriting strategies and swiftly respond to the needs of our clients. The Group will also continue to optimise the utilisation of system resources to enhance service quality and deepen relationships with our clients.

As an investment-based company with sound financial position, the Group will continue to develop and enlarge its financial services business in Greater China region in a profitable manner and grasp new business opportunities under "One Belt, One Road" initiative.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

彭錦光先生，54歲，於2016年4月25日獲委任為本公司之執行董事、董事會主席、常務董事委員會及提名委員會主席，以及本公司之授權代表。彭先生具有大學學歷，經濟學學士，以及中國大陸高級會計師和高級講師職稱。彭先生長期從事企業管理工作，有豐富的企業管理、財務管理及資本運作經驗。彭先生現時為本公司控股股東福建省投資開發集團有限責任公司之總經理及副董事長。彭先生曾擔任福建寧德財經學校教研室主任及教務科科長，福建投資開發總公司會計核算中心主任、副總會計師、總經理助理及總會計師，中海福建天然氣有限公司財務總監，以及福建省投資開發集團有限責任公司之副總經理及總會計師。彭先生曾於2012年6月18日至2014年8月26日擔任本公司之執行董事及副主席。

EXECUTIVE DIRECTORS

Mr PENG Jin Guang, aged 54, has been appointed as an Executive Director, the Chairman of the Board, the Chairman of the Executive Committee and Nomination Committee and an authorised representative of the Company with effect from 25 April 2016. Mr Peng is a university graduate and holds a Bachelor's Degree in Economics. He is a Senior Accountant and Senior Lecturer in Mainland China. He has spent a substantial period of time in corporate management and has extensive experience in corporate, financial and capital management. He is currently the General Manager and the Vice Chairman of Fujian Investment & Development Group Co., Ltd., a controlling shareholder of the Company. He has previously assumed the positions of the Director of the Teaching and Research Section and the Chief of the Academic Affairs Office of Fujian Ningde Finance and Economics School, Director of Accounting Center, Deputy Chief Accountant, Assistant General Manager and Chief Accountant of Fujian Investment and Development Corporation, the Financial Controller of CNOOC Fujian Natural Gas Co., Ltd., the Deputy General Manager and the Chief Accountant of Fujian Investment & Development Group Co., Ltd.. Mr Peng has also assumed the positions of an Executive Director and the Vice Chairman of the Company for the period from 18 June 2012 to 26 August 2014.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事 (續)

王非先生，50歲，自2014年8月起獲委任為本公司的執行董事、副董事長及常務董事委員會成員。王先生持有工商管理碩士及經濟學博士學位，具中國大陸高級經濟師職稱。王先生在企業發展及管理、金融投資管理及管理創投公司等方面具有豐富經驗。他曾擔任福建投資企業公司投資管理部副總經理、福建國際信托投資公司發展研究部副總經理、福建投資企業集團公司發展部總經理及金融投資管理部總經理、福建省投資開發集團有限責任公司總經理助理，以及多間創投公司之董事長。王先生現時為福建省投資開發集團有限責任公司之副總經理及貴信有限公司之董事兼董事長，該兩間公司均為本公司之主要股東。王先生現時為興業證券股份有限公司（證券代碼：601377）及廈門金龍汽車集團股份有限公司（證券代碼：600686）之董事，該兩間公司均為上海證券交易所上市公司。王先生亦為廈門國際銀行的董事、海峽滙富產業投資基金管理有限公司之董事及副董事長及海峽金橋財產保險股份有限公司之董事長。

EXECUTIVE DIRECTORS (Continued)

Mr WANG Fei, aged 50, has been appointed as an Executive Director, Vice Chairman and a member of the Executive Committee of the Company since August 2014. Mr Wang holds a Master's Degree in Business Administration and a Doctorate Degree in Economics. He is a Senior Economist in Mainland China. Mr Wang has extensive experience in corporate development and management, financial investment management as well as venture capital management. He has previously assumed the positions of the Deputy General Manager of Investment Management Department of Fujian Investment and Enterprise Corporation, the Deputy General Manager of Development and Research Department of Fujian International Trust and Investment Corporation, the General Manager of Development Department, the General Manager of Financial Investment Management Department of Fujian Investment & Enterprise Holdings Corporation, an Assistant to General Manager of Fujian Investment & Development Group Co., Ltd., and the Chairman of various venture capital companies. Mr Wang is currently the Deputy General Manager of Fujian Investment & Development Group Co., Ltd. and the Director and the Chairman of Vigour Fine Company Limited, both of which are substantial shareholders of the Company. Mr Wang is currently the Director of Industrial Securities Co., Ltd. (Stock code: 601377) and Xiamen King Long Motor Group Co., Ltd. (Stock code: 600686), both of which are companies listed on the Shanghai Stock Exchange. Mr Wang is also the Director of Xiamen International Bank, the Director and Vice-Chairman of Haixia Capital Management Co., Ltd.*, and the Chairman of Haixia Goldenbridge Insurance Co., Ltd.*.

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

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事 (續)

劉承先生，56歲，自2013年6月起獲委任為本公司的非執行董事，並於2014年8月26日起獲委任為本公司常務副總經理，和改任為本公司執行董事，其後自2014年9月27日起獲委任為本公司總經理、常務董事委員會及薪酬委員會成員。劉先生具有中國大陸高級經濟師職稱，在投資管理、企業管理以及物流的投資經營管理等方面具有豐富經驗。劉先生曾擔任福建中閩國貿發展公司總經理助理和副總經理、福州智和經貿有限公司總經理、福建中閩天然氣汽車加氣站項目籌建辦主任、城市燃氣籌備組組長、福建中閩海油燃氣有限責任公司總經理，以及福建省投資開發集團有限責任公司燃氣投資經營管理部總經理及能源投資經營管理部總經理。劉先生現時為閩信保險有限公司及福建閩信投資有限公司之董事長及本公司若干附屬公司之董事。他亦為貴信有限公司及Samba Limited之董事，該兩家公司均為本公司之主要股東。

非執行董事

劉倫先生，44歲，於2015年12月18日獲委任為本公司的非執行董事。劉先生於特華博士後科研工作站完成應用經濟科學的博士後研究工作，持有特華博士後科研工作站的博士後證書。劉先生亦持有中國農業大學農業經濟管理學科管理學博士、新疆農業大學農業經濟及管理學科管理學碩士，以及石河子大學貿易經濟學科經濟學學士。劉先生具中國大陸金融學副研究員職稱。

EXECUTIVE DIRECTORS (Continued)

Mr LIU Cheng, aged 56, has been appointed as a Non-executive Director of the Company since June 2013 and has been re-designated as an Executive Director of the Company following his appointment as the Executive Deputy General Manager of the Company on 26 August 2014. He has been appointed as the General Manager, a member of the Executive Committee and the Remuneration Committee of the Company on 27 September 2014. Mr Liu is a Senior Economist in Mainland China. He has extensive experience in investment management, corporate management and logistics management. Mr Liu has previously assumed the positions of an Assistant General Manager and the Deputy General Manager of Fujian Zhong Min International Trade Development Company, the General Manager of Fujian Zhi He Trading Co., Ltd., the Director of the preparatory group for Fujian Zhong Min Natural Gas Vehicle Filling Station, Leader of the preparatory group for the urban natural gas project, General Manager of CNOOC Fujian Gas Co., Ltd., the General Manager of the Gas Investment and Management Division and the General Manager of the Energy Investment and Management Division of Fujian Investment & Development Group Co., Ltd.. Mr Liu is currently the Chairman of Min Xin Insurance Company Limited and Fujian Minxin Investments Co., Ltd. and directors of certain subsidiaries of the Company. He is also the Director of Vigour Fine Company Limited and Samba Limited, both of which are substantial shareholders of the Company.

NON-EXECUTIVE DIRECTORS

Mr LIU Lun, aged 44, has been appointed as a Non-executive Director of the Company with effect from 18 December 2015. Mr Liu had completed a Postdoctoral research study in applied economics at Tehua Postdoctoral Programme and holds a Certificate of Postdoctoral of Tehua Postdoctoral Programme. Mr Liu also holds a Doctorate Degree in Management of Agricultural Economics from China Agricultural University, a Master's Degree in Management of Agricultural Economics from Xinjiang Agricultural University and a Bachelor's Degree in Economics from Shihezi University. Mr Liu is an Associate Researcher in Finance in Mainland China.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

非執行董事 (續)

劉先生現時為本公司主要股東福建省投資開發集團有限責任公司金融資本部副總經理。彼曾擔任中國工商銀行新疆分行項目信貸部信貸經理、北京農村商業銀行總行三農授信風險管理部高級經理、銀通投資諮詢公司研究信息部之高級研究員、雲南昆明市晉寧縣政府副縣長及烟台銀行戰略發展部總經理。

韓孝捷先生，42歲，於2016年3月30日獲委任為本公司的非執行董事。韓先生現時是冠城大通股份有限公司（「冠城大通」，證券代碼：600067）之董事總經理，該公司於上海證券交易所上市。韓先生於2004年12月加入冠城大通擔任董事副總經理，並於2006年4月獲委任為冠城大通之董事總經理。韓先生現時為福建省青年商會副會長、福建省房地產協會開發委員會副會長及福州市政治協商委員會委員。

獨立非執行董事

葉啟明先生，65歲，自1998年7月起獲委任為本公司之獨立非執行董事，並為本公司薪酬委員會主席，以及審核委員會和提名委員會成員。葉先生現時為廈門國際銀行的監事會主席及澳門國際銀行的董事會高級顧問，並為香港銀行學會以及香港董事學會的資深會士，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及曾任澳門金融學會管理委員會副主席。葉先生持有香港浸會大學公司管治與董事學理學碩士學位。

NON-EXECUTIVE DIRECTORS (Continued)

Mr Liu is currently the Deputy General Manager of the Ministry of Finance Capital of Fujian Investment & Development Group Co., Ltd., a substantial shareholder of the Company. He has previously assumed the positions of Credit Manager of Credit Department (Project) of Industrial and Commercial Bank of China, Xinjiang Branch, the Senior Manager of Agro-Credit Risk Management Department of Head Office of Beijing Rural Commercial Bank, the Senior Researcher of Information Research Department of Yin Tong Investment Consultant Company, the Deputy County Mayor of the Government of Jinning Xian, Kunming City, Yunnan and the General Manager of Strategic Development Department of Yantai Bank.

Mr HON Hau Chit, aged 42, has been appointed as a Non-executive Director of the Company with effect from 30 March 2016. Mr Hon is currently the Managing Director of Citychamp Dartong Company Limited ("Citychamp Dartong", Stock code: 600067), a company listed in the Shanghai Stock Exchange. Mr Hon joined Citychamp Dartong in December 2004 as the Deputy Managing Director and then appointed as the Managing Director since April 2006. Mr Hon is currently the Vice Chairman of Fujian Youth Chamber of Commerce, the Vice Chairman of Development Committee of Fujian Real Estate Association and a member of Fuzhou Municipal Committee of Chinese People's Political Consultative Conference.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr IP Kai Ming, aged 65, has been appointed as an Independent Non-executive Director of the Company since July 1998. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr Ip is currently the Chairman of the Supervisory Board of Xiamen International Bank 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 and was the Vice Chairman of the Executive Board of the Macao Institute of Financial Services. Mr Ip has a Master of Science Degree in Corporate Governance and Directorship from the Hong Kong Baptist University.

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（續）

史習陶先生，76歲，自1999年5月起獲委任為本公司之獨立非執行董事，並為本公司審核委員會主席，以及薪酬委員會和提名委員會成員。史先生為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員，曾為一間國際會計師行合夥人，執業逾20年。史先生現時為香港多間上市公司之獨立非執行董事，包括香港中旅國際投資有限公司（股份代號：308）、大新銀行集團有限公司（股份代號：2356）、大新金融集團有限公司（股份代號：0440）、合興集團控股有限公司（股份代號：47）、Nanyang Holdings Limited（股份代號：212）及新華滙富金融控股有限公司（股份代號：188）。

蘇合成先生，69歲，自2004年9月起獲委任為本公司之獨立非執行董事，亦是本公司審核委員會、薪酬委員會及提名委員會之成員。蘇先生為香港執業律師，蘇合成律師行之高級合伙人。蘇先生持有倫敦大學法學士，香港城市大學及中國人民大學法學碩士，北京大學法學博士學位。

高級管理人員

張帆先生，44歲，於2013年8月加入本公司出任副總經理之職。張先生畢業於廈門大學國際金融專業，持有經濟學學士學位，具有中國大陸經濟師職稱，張先生在財務管理和投資管理具有逾21年豐富經驗，他現時為閩信保險有限公司及福建閩信投資有限公司之董事，並為三明市三元區閩信小額貸款有限公司之董事長，以及本公司主要股東Samba Limited之董事。

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr SZE Robert Tsai To, aged 76, has been appointed as an Independent Non-executive Director of the Company since May 1999. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. He is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and was a partner of an international firm of accountants with which he practised for over 20 years. Mr Sze is currently an Independent Non-executive Director of a number of Hong Kong listed companies including China Travel International Investment Hong Kong Limited (Stock Code: 308), Dah Sing Banking Group Limited (Stock Code: 2356), Dah Sing Financial Holdings Limited (Stock Code: 0440), Hop Hing Group Holdings Limited (Stock Code: 47), Nanyang Holdings Limited (Stock Code: 212) and Sunwah Kingsway Capital Holdings Limited (Stock Code: 188).

Mr SO Hop Shing, aged 69, has been appointed as an Independent Non-executive Director of the Company since September 2004. He is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr So is a practising solicitor and senior partner of Tang and So, Solicitors and Notaries. Mr So is the holder of Bachelor of Laws Degree from the University of London, Master of Laws Degree from the City University of Hong Kong and The People's University of China, and Doctor of Laws Degree from Peking University.

SENIOR MANAGEMENT

Mr ZHANG Fan, aged 44, joined the Company as the Deputy General Manager in August 2013. He graduated from the Xiamen University in International Finance, holds a Bachelor of Economics Degree. He is an Economist in Mainland China and has over 21 years' extensive experience in financial management and investment management. He is currently the Director of Min Xin Insurance Company Limited and Fujian Minxin Investments Co., Ltd. and the Chairman of Sanming Sanyuan District Minxin Micro Credit Company Limited. He is also the Director of Samba Limited, a substantial shareholder of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

高級管理人員 (續)

陳廣宇先生，46歲，為本公司副總經理兼財務總監。陳先生於2000年4月加入本公司，並分別於2004年7月出任副財務總監、2008年1月出任財務總監及2014年3月出任副總經理。陳先生持有商業學(會計)學士學位，並為會計師和特許公認會計師公會資深會員，以及澳大利亞和新西蘭保險與金融學會(ANZIIF)資深準會員。他亦為香港董事學會會員及風險管理協會技術專家。於加入本公司前，陳先生曾於數家香港上市公司任職。他現時為本公司薪酬委員會成員、本公司福州代表處之首席代表，以及本公司全資附屬公司閩信保險有限公司、福建閩信投資有限公司和三明市三元區閩信小額貸款有限公司之董事。

吳玉琦女士，51歲，於2013年8月加入本公司出任總稽核之職。吳女士擁有廈門大學工商管理碩士學歷，並持有中國大陸高級會計師職稱和國際註冊內部審計師資格。吳女士在風險防控、審計、資產管理和金融管理等方面具逾26年豐富經驗。她現時為閩信保險有限公司及三明市三元區閩信小額貸款有限公司之監事。

SENIOR MANAGEMENT (Continued)

Mr CHAN Kwong Yu, aged 46, is the Deputy General Manager and Financial Controller of the Company. Mr Chan joined the Company in April 2000 and was appointed as Deputy Financial Controller in July 2004, Financial Controller in January 2008 and Deputy General Manager in March 2014 respectively. He holds a Bachelor of Commerce Degree in Accounting, and is a Certified Public Accountant, a Fellow of the Association of Chartered Certified Accountants and Senior Associate of Australian and New Zealand Institute of Insurance and Finance (ANZIIF). He is also a member of The Hong Kong Institute of Directors and Technical Specialist of the Institute of Risk Management. Before joining the Company, Mr Chan has worked for various listed companies in Hong Kong. He is currently a member of the Remuneration Committee of the Company and the Chief Representative of the Fuzhou Representative Office of the Company and the Director of Min Xin Insurance Company Limited, Fujian Minxin Investments Co., Ltd. and Sanming Sanyuan District Minxin Micro Credit Company Limited, wholly-owned subsidiaries of the Company.

Ms WU Yu Qi, aged 51, joined the Company as Group Chief Auditor in August 2013. She has a Master of Business Administration Degree from the Xiamen University. She is a Senior Accountant in Mainland China and a Certified Internal Auditor. She has over 26 years' extensive experience in risk management and control, audit, assets management and financial management. She is currently the Supervisor of Min Xin Insurance Company Limited and Sanming Sanyuan District Minxin Micro Credit Company Limited.

企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治常規

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

董事認為，除下文所披露者外，本公司於2016年12月31日止年度內已遵守企管守則：

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

董事會

董事會的組成及職能

本公司董事會現時由合共八位董事組成，包括三位執行董事、二位非執行董事以及三位獨立非執行董事。

以下為本公司董事會於2016年12月31日的成員名單：

執行董事

Executive Directors

彭錦光 (主席)
PENG Jin Guang (Chairman)

王非 (副主席)
WANG Fei (Vice Chairman)

劉承 (總經理)
LIU Cheng (General Manager)

非執行董事

Non-executive Directors

劉倫
LIU Lun

韓孝捷
HON Hau Chit

獨立非執行董事

Independent Non-executive Directors

葉啟明
IP Kai Ming

史習陶
SZE Robert Tsai To

蘇合成
SO Hop Shing

CORPORATE GOVERNANCE PRACTICES

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

In the opinion of the Directors, the Company has complied with the CG Code throughout the year ended 31 December 2016 save as disclosed below:

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

BOARD OF DIRECTORS

Board Composition and Functions

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

As at 31 December 2016 the composition of the Board of the Company was as follow:

董事會 (續)

董事會的組成及職能 (續)

自2016年1月1日開始，董事會若干變動載列如下：

韓孝捷先生獲委任為非執行董事，自2016年3月30日起生效。

彭錦光先生獲委任為執行董事及董事會主席，自2016年4月25日起生效。

翁若同先生因國內其他工作安排已辭任董事會主席，自2016年4月25日起生效及已辭任執行董事，自2016年10月19日起生效。

楊方先生因國內其他工作安排已辭任非執行董事，自2016年4月25日起生效。

目前董事會的成員組合已代表了一個在技能、經驗及資歷上保持均衡的董事會。執行董事及非執行董事在金融投資及管理、企業發展及管理方面具備豐富經驗，而三位獨立非執行董事具備適當之學術及專業資歷，以及在銀行、會計及法律方面經驗豐富，此等豐富經驗為本公司帶來廣泛的商務機會，為本公司的未來長遠發展作出貢獻。

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

BOARD OF DIRECTORS (Continued)

Board Composition and Functions (Continued)

Since 1 January 2016, there have been a number of changes in the Board as set out below:

Mr HON Hau Chit was appointed as a Non-executive Director with effect from 30 March 2016.

Mr PENG Jin Guang was appointed as an Executive Director and the Chairman of the Board with effect from 25 April 2016.

Mr WENG Ruo Tong resigned as the Chairman of the Board with effect from 25 April 2016 and resigned as an Executive Director with effect from 19 October 2016 due to his other work commitments in Mainland China.

Mr YANG Fang resigned as a Non-executive Director with effect from 25 April 2016 due to his other work commitments in Mainland China.

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

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

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

董事會的組成及職能 (續)

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

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

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

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

BOARD OF DIRECTORS (Continued)

Board Composition and Functions (Continued)

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

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

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

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

董事會 (續)

董事會的組成及職能 (續)

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

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

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

BOARD OF DIRECTORS (Continued)

Board Composition and Functions (Continued)

Board meetings are normally scheduled in advance to facilitate fullest possible attendance. Each Director is invited to present any businesses that he wishes to discuss or propose at such meetings. Full Board papers or Board Committee papers will be sent to all Directors or Board Committee members at least 3 days before the intended date of the Board meeting or Board Committee meeting. Management also supplies the Board and the Board Committees with sufficient information and explanations so as to enable them to make an informed assessment of financial and other information put before the Board and the Board Committees for review and approval. Draft and final versions of minutes are circulated to all the Directors and Board Committee members for their comment and records respectively.

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

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

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

董事會的組成及職能 (續)

於2016年，本公司共舉行了八次董事會會議及2016年度股東週年大會。各位董事之個別出席紀錄載列如下：

BOARD OF DIRECTORS (Continued)

Board Composition and Functions (Continued)

In 2016, eight Board meetings and the annual general meeting for the year 2016 were held. The individual attendance of each Director is set out below:

		會議次數 出席／舉行 Number of Meeting attended/held	
		董事會 Board Meeting	2016 股東週年大會 2016 Annual General Meeting
執行董事			
Executive Directors			
彭錦光先生 (主席， 於2016年4月25日委任) (提名委員會主席， 於2016年4月25日委任)	Mr PENG Jin Guang (Chairman, appointed on 25 April 2016) (Chairman of the Nomination Committee, appointed on 25 April 2016)	4/6	0/1
翁若同先生 (主席， 於2016年4月25日辭任) (提名委員會主席， 於2016年4月25日辭任) (董事，於2016年 10月19日辭任)	Mr WENG Ruo Tong (Chairman, resigned on 25 April 2016) (Chairman of the Nomination Committee, resigned on 25 April 2016) (Director, resigned on 19 October 2016)	7/7	1/1
王非先生 (副主席)	Mr WANG Fei (Vice Chairman)	8/8	0/1
劉承先生 (總經理)	Mr LIU Cheng (General Manager)	8/8	1/1
非執行董事			
Non-executive Directors			
劉倫先生	Mr LIU Lun	8/8	1/1
韓孝捷先生 (於2016年3月30日委任)	Mr HON Hau Chit (appointed on 30 March 2016)	7/7	1/1
楊方先生 (於2016年4月25日辭任)	Mr YANG Fang (resigned on 25 April 2016)	1/2	不適用 N/A
獨立非執行董事			
Independent Non-executive Directors			
史習陶先生 (審核委員會主席)	Mr SZE Robert Tsai To (Chairman of the Audit Committee)	8/8	1/1
葉啟明先生 (薪酬委員會主席)	Mr IP Kai Ming (Chairman of the Remuneration Committee)	7/8	0/1
蘇合成先生	Mr SO Hop Shing	7/8	1/1

董事會 (續)

企業管治職能

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

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

主席及行政總裁

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

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

BOARD OF DIRECTORS (Continued)

Corporate Governance Functions

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

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

Chairman and Chief Executive

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

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

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

主席及行政總裁 (續)

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

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

獨立非執行董事之獨立性

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

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

BOARD OF DIRECTORS (Continued)

Chairman and Chief Executive (Continued)

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

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

Independence of Independent Non-executive Directors

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

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

董事會 (續)

委任、重選和罷免

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

根據本公司組織章程細則第94條及第95條，劉承先生、葉啟明先生及史習陶先生將於2017年股東週年大會（「2017年股東週年大會」）上輪值告退。所有退任董事已表示如再度獲選，願意繼續連任。所有退任董事的詳細個人簡歷將刊載於通函連同2017年股東週年大會通告及本年報內。

非執行董事的任期

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

董事的持續專業發展

本公司鼓勵所有董事參與持續專業發展，發展並更新其知識及技能，以確保其對董事會作出有見識及合適的貢獻。於2016年，本公司為董事及高級管理人員安排了一次研討會，主題是治理、風險及內控。

BOARD OF DIRECTORS (Continued)

Appointment, Re-election and Removal

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

Pursuant to Articles 94 and 95 of the Articles of Association of the Company, Mr LIU Cheng, Mr IP Kai Ming and Mr SZE Robert Tsai To will be subject to retirement by rotation at the annual general meeting for the year 2017 (the "2017 AGM"). All of the retiring Directors have offered themselves for re-election at the 2017 AGM. The biographical details of the retiring Directors will state in the circular, accompanied by the notice of the 2017 AGM and this Annual Report.

Term of appointment of Non-executive Directors

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

Directors' Continuous Professional Development

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. In 2016, the Company has arranged one seminar for the Directors and senior management with topics covering the governance, risk and internal control.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會 (續)

BOARD OF DIRECTORS (Continued)

董事的持續專業發展 (續)

Directors' Continuous Professional Development (Continued)

於年內，各董事出席研討會的出席紀錄載列如下：

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

		出席研討會 Attending seminars	閱讀有關法規的最新規定 Reading regulatory updates
執行董事			
彭錦光先生 (主席) (於2016年4月25日委任)	Mr PENG Jin Guang (Chairman) (appointed on 25 April 2016)	–	✓
翁若同先生 (主席) (主席，於2016年4月25日辭任) (董事，於2016年10月19日辭任)	Mr WENG Ruo Tong (Chairman) (Chairman, resigned on 25 April 2016) (Director, resigned on 19 October 2016)	✓	✓
王非先生 (副主席)	Mr WANG Fei (Vice Chairman)	✓	✓
劉承先生 (總經理)	Mr LIU Cheng (General Manager)	✓	✓
非執行董事			
劉倫先生	Mr LIU Lun	✓	✓
韓孝捷先生 (於2016年3月30日委任)	Mr HON Hau Chit (appointed on 30 March 2016)	✓	✓
楊方先生 (於2016年4月25日辭任)	Mr YANG Fang (resigned on 25 April 2016)	不適用 N/A	✓
獨立非執行董事			
史習陶先生	Mr SZE Robert Tsai To	✓	✓
葉啟明先生	Mr IP Kai Ming	–	✓
蘇合成先生	Mr SO Hop Shing	✓	✓

董事會權力的轉授

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

常務董事委員會

董事會已將推行業務策略及管理本集團日常業務運作之權力及職責轉授常務董事委員會。該委員會現時由董事會三位執行董事組成，即彭錦光先生（主席，於2016年4月25日委任）、王非先生及劉承先生。

翁若同先生「翁先生」於2016年4月25日辭任本公司主席，亦不再擔任本公司常務董事委員會主席，自2016年4月25日起生效。翁先生曾任為常務董事委員會會員，直至他於2016年10月19日辭任本公司執行董事。常務董事委員會成員常在有需要時舉行會議。

審核委員會

審核委員會由三名獨立非執行董事組成，史習陶先生為審核委員會主席，史習陶先生曾為一間國際會計師行的合夥人，執業逾二十年。其他成員包括葉啟明先生和蘇合成先生。審核委員會的職權範圍已登載於本公司網站及聯交所網站內。

DELEGATION BY THE BOARD

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

Executive Committee

The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the Executive Committee which currently consists of three Executive Directors, namely Mr PENG Jin Guang (Chairman, appointed on 25 April 2016), Mr WANG Fei and Mr LIU Cheng.

Mr WENG Ruo Tong ("Mr Weng") ceased to be the Chairman of the Executive Committee with effect from 25 April 2016 following his resignation as the Chairman of the Company on 25 April 2016. Mr Weng was a member of the Executive Committee until his cessation on 19 October 2016 following his resignation as the Executive Director of the Company. Members of the Executive Committee meet as frequently as necessary.

Audit Committee

The Audit Committee comprises three Independent Non-executive Directors and is chaired by Mr SZE Robert Tsai To who was a partner of an international firm of accountants with which he practiced for over 20 years. The other members are Mr IP Kai Ming and Mr SO Hop Shing. The Company has maintained the terms of reference of the Audit Committee on its website and the website of the Stock Exchange.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會權力的轉授 (續)

審核委員會 (續)

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

於年內，審核委員會履行了 (其中包括) 以下職責：

- 審閱及與外聘核數師討論截至2015年12月31日止年度的全年業績和截至2016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；
- 檢討本集團內部審計部門的工作，以及有關內部審計報告提及之調查結果和建議；
- 審閱2016年度的內審工作計劃；
- 考慮並向董事會推薦重聘羅兵咸永道會計師事務所為本公司外聘核數師；
- 審閱2016年度的審計工作計劃；

DELEGATION BY THE BOARD (Continued)

Audit Committee (Continued)

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

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

- reviewed and discussed with external auditor the annual results for the year ended 31 December 2015 and the interim results for the six months ended 30 June 2016 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, 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 2016;
- considered and recommended to the Board the re-appointment of PricewaterhouseCoopers as the Company's external auditor;
- reviewed the audit plan for the year 2016;

董事會權力的轉授 (續)

審核委員會 (續)

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

審核委員會於2016年舉行了兩次會議，每位成員出席紀錄載列如下：

DELEGATION BY THE BOARD (Continued)

Audit Committee (Continued)

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

In 2016, the Audit Committee held two meetings, and the attendance records of individual committee members are set out below:

		會議次數 出席／舉行 Number of Meetings attended/held
史習陶先生 (主席)	Mr SZE Robert Tsai To (<i>Chairman</i>)	2/2
葉啟明先生	Mr IP Kai Ming	2/2
蘇合成先生	Mr SO Hop Shing	2/2

薪酬委員會

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

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

Remuneration Committee

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

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

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會權力的轉授 (續)

薪酬委員會 (續)

於年內，薪酬委員會履行了(其中包括)以下職責：

- 檢討本公司員工薪酬調整建議，並向董事會推薦審批；
- 檢討發放獎金予高級管理人員建議，並向董事會推薦審批；及
- 檢討2016年度董事袍金，並向董事會推薦審批。

薪酬委員會於2016年度舉行了一次會議，每位成員出席紀錄載列如下：

DELEGATION BY THE BOARD (Continued)

Remuneration Committee (Continued)

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

- reviewed the proposal for salary adjustments to its employees and recommended the same to the Board for approval;
- reviewed the proposal for payment of bonus to senior management and recommended the same to the Board for approval; and
- reviewed the Directors' fees for the year of 2016 and recommended the same to the Board for approval.

In 2016, the Remuneration Committee held one meeting, and the attendance records of individual committee members are set out below:

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

葉啟明先生 (主席)
史習陶先生
蘇合成先生
劉承先生
陳廣宇先生

Mr IP Kai Ming (<i>Chairman</i>)	1/1
Mr SZE Robert Tsai To	1/1
Mr SO Hop Shing	1/1
Mr LIU Cheng	1/1
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2016年12月31日，本公司支付予高級管理人員的酬金按酬金範圍詳情如下：

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 2016 was as follows:

人數
**Number of
Individuals**

港幣 1,500,001 元 – 港幣 2,000,000 元
港幣 3,000,001 元 – 港幣 3,500,000 元

HK\$1,500,001 – HK\$2,000,000	1
HK\$3,000,001 – HK\$3,500,000	2

董事會權力的轉授 (續)

提名委員會

提名委員會由四位成員組成，其中大部份成員為獨立非執行董事。提名委員會由本公司主席彭錦光先生(於2016年4月25日委任)擔任主席，其他成員包括葉啟明先生、史習陶先生及蘇合成先生。

繼翁若同先生於2016年4月25日辭任本公司主席，翁先生不再為提名委員會主席。提名委員會的職權範圍已登載於本公司及聯交所網站內。

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

於年內，提名委員會履行了(其中包括)以下職責：

- 根據董事會多元化政策檢討董事會的架構、人數及組成(其中包括但不限於技能、知識及經驗等因素)，並於每年作出匯報；
- 檢討及評核獨立非執行董事之獨立性；
- 檢討及向董事會推薦委任新董事；及
- 檢討及向董事會推薦於2016年股東週年大會上重選退任董事。

DELEGATION BY THE BOARD (Continued)

Nomination Committee

The Nomination Committee comprises four committee members and the majority of whom are Independent Non-executive Directors. The Nomination Committee is chaired by Mr PENG Jin Guang (appointed on 25 April 2016), the Chairman of the Company, and the other members are three Independent Non-executive Directors, Mr IP Kai Ming, Mr SZE Robert Tsai To and Mr SO Hop Shing.

Mr WENG Ruo Tong ceased to be the chairman of the Nomination Committee with effect from 25 April 2016 following his resignation as the Chairman of the Company. The Company has maintained the terms of reference of the Nomination Committee on its website and the website of the Stock Exchange.

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

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

- reviewed the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board in accordance with the Board Diversity Policy and reported to the Board annually;
- reviewed and assessed the independence of the Independent Non-executive Directors;
- reviewed and recommended to the Board for appointment of new Directors; and
- reviewed and recommended to the Board for the proposed re-election of the retiring Directors at the annual general meeting to be held in 2016.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會權力的轉授 (續)

提名委員會 (續)

提名委員會於2016年舉行了兩次會議，各位成員之個別出席紀錄載列如下：

彭錦光先生 (主席)
(於2016年4月25日委任)
翁若同先生 (主席)
(於2016年4月25日辭任)
葉啟明先生
史習陶先生
蘇合成先生

董事的證券交易及股份權益

遵守標準守則

本公司已採納一套自行制定關於董事進行證券交易的操守準則，其條款不低於上市規則附錄十所載之「上市公司董事進行證券交易的標準守則」(「標準守則」)的規定。本公司所有董事均確認其於2016年12月31日止年度全年已遵守標準守則所規定的標準及本公司有關董事進行證券交易的操守準則。

董事的股份權益

董事於2016年12月31日持有本公司股份權益已於本年報內董事會報告之「董事權益」一節中披露。

DELEGATION BY THE BOARD (Continued)

Nomination Committee (Continued)

In 2016, the Nomination Committee held two meetings, and the attendance records of individual committee members are set out below:

	會議次數 出席／舉行 Number of Meetings attended/held
Mr PENG Jin Guang (Chairman, appointed on 25 April 2016)	不適用 N/A
Mr WENG Ruo Tong (Chairman, resigned on 25 April 2016)	2/2
Mr IP Kai Ming	2/2
Mr SZE Robert Tsai To	2/2
Mr SO Hop Shing	2/2

DIRECTORS' SECURITIES TRANSACTIONS AND SHARE INTERESTS

Compliance with Model Code

The Company has adopted its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to the Listing Rules. All Directors of the Company have confirmed that they have complied with the required standard as set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the year ended 31 December 2016.

Share Interests of Directors

Details of Directors' interests in shares of the Company as at 31 December 2016 have been disclosed in the section headed "Directors' Interests" in the Report of the Directors of this Annual Report.

財務報告

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

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

風險管理及內部監控

董事會在審核委員會的協助下對於維持本集團穩固有效的風險管理及內部監控系統承擔整體責任。於2016年，董事會通過審核委員會及內部審計部，對本集團風險管理及內部監控系統進行了年度檢討。年度檢討由本集團內部審計部門統籌，透過高級管理人員及各業務和營運部門進行自我評估，內部審計部對檢討過程及結果進行獨立的檢查及後評工作。2016年的年度風險管理及內部監控系統檢討詳情載於本年報第52至58頁之「風險管理及內部監控披露報告」內並已向審核委員會及董事會匯報。

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

FINANCIAL REPORTING

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board, with the assistance of the Audit Committee, has the responsibility for maintaining good and effective risk management and internal control of the Group. In 2016, the Board, through the Audit Committee and Internal Audit Department, conducted an annual review of the Group's risk management and internal control system. The annual review was co-ordinated by the Group's Internal Audit Department, and the Internal Audit Department has carried out independent examination and other post-assessment work on the review process and results after self-assessment by senior management and each business and operational unit. The annual review of risk management and internal control system for the year 2016 had been reported to the Audit Committee and the Board, details of which as set out in the "Risk Management and Internal Control Report" in pages 52 to 58 of this Annual Report.

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

企業管治報告 CORPORATE GOVERNANCE REPORT

風險管理及內部監控 (續)

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

環境、社會及管治

本集團致力承擔社會責任以及秉承集團的可持續性發展理念，並對2016年集團在環境、社會及企業管治方面所做的工作以及績效進行了年度回顧，詳情載於本年報第59至77頁之「環境、社會及管治報告」內。此報告亦同時回應各權益人所關注的重要議題，以為各權益人提供互動溝通平台，促進相互理解。

核數師之酬金

本集團已支付或應付外聘核數師關於2016年度核數服務，查證工作（有關本公司的中期財務報表），特定委聘的專業服務以及稅務及諮詢服務分別為港幣2,388,000元，港幣360,000元，港幣500,000元及港幣140,000元。

核數師於財務報表之責任

羅兵咸永道會計師事務所就其對股東之申報責任載於本年報第89至101頁之「獨立核數師報告」內。

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is also committed to social responsibilities and its philosophies of sustainable development, and has conducted an annual review on the efforts and achievements made by the Group for environmental, social and governance issues in 2016, details of which as disclosed in the "Environmental, Social and Governance Report" on pages 59 to 77 of this Annual Report, which also serves as a platform for communication with all equity owners by making responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

AUDITOR'S REMUNERATION

The fees paid or payable to the external auditor for statutory audit services, attestation work (in relation to interim financial statements issued by the Company), professional services for special engagement, and tax and consultancy services were HK\$2,388,000, HK\$360,000, HK\$500,000 and HK\$140,000 respectively for the year 2016.

Auditor's Responsibilities for Financial Statements

The reporting responsibilities of PricewaterhouseCoopers to the Shareholders are set out in the "Independent Auditor's Report" on pages 89 to 101 of this Annual Report.

公司秘書

全體董事均可向公司秘書諮詢有關意見和服務。於二零一六年七月六日，梁艷如小姐已辭任公司秘書，且不再擔任本公司授權代表，而侯寶萍小姐（「侯小姐」）（其為本集團僱員）則已獲委任為本公司之公司秘書兼授權代表，自二零一六年七月六日起生效。公司秘書向董事會主席報告有關管治事宜，並負責確保遵守董事會程序及促進董事與股東及管理層溝通。於回顧年度內，侯小姐已參與逾 15 小時之專業培訓，以更新其技能及知識。公司秘書已遵守上市規則第 3.29 條的相關專業培訓要求。

股東權利

召開股東大會（「股東大會」）

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

該要求：

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

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. On 6 July 2016, Ms LEUNG Yim Yu has resigned as the Company Secretary and has ceased to act as an Authorised Representative of the Company, and Ms HAU Po Ping (“Ms Hau”), who is an employee of the Group, has been appointed as the Company Secretary and an Authorised Representative of the Company with effect from 6 July 2016. The Company Secretary reports to the Chairman on the Board governance matters, and is responsible for ensuring that the Board procedures are followed, and for facilitating communications among Directors as well as with shareholders and management. During the period under review, Ms. Hau undertook over 15 hours of professional training to update her skills and knowledge. The Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening a General Meeting (“GM”)

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 the GM of the Company.

The request:

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

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)

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發出的日期後的28日內舉行。

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

由該等股東召開之會議，須盡可能按董事召開有關會議的同樣方式召開。

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

有關更多的詳細資料，請各股東參考公司條例第566條至568條之規定。

動議股東週年大會的決議 (「股東週年大會」)

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

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

SHAREHOLDERS' RIGHTS (Continued)

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

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

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

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

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

For further details, shareholders are kindly requested to refer to Sections 566 to 568 of 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 the AGM, notice of resolution that may properly be moved and is intended to be moved at the AGM. Such shareholders must represent:

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

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 1000 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 the GM, they can submit a written statement of not more than 1,000 words with respect to that matter or business and request the Company to circulate their written statement to shareholders of the Company entitled to receive notice of the GM. Such shareholders must represent:

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

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

For further details, 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 the 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。

股東通訊政策

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

憲章文件

本公司的組織章程細則已登載於本公司及聯交所網站內。截至2016年12月31日止年度內概無任何修訂。

SHAREHOLDERS' RIGHTS (Continued)

Putting Enquiries to the Board

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

SHAREHOLDERS COMMUNICATION POLICY

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

CONSTITUTIONAL DOCUMENTS

The Company's Articles of Association is posted on the websites of the Company and the Stock Exchange. There has been no change during the year ended 31 December 2016.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

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

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

風險管理框架

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

The Board is responsible for maintaining consistent and effective risk management and internal control systems, and also responsible for reviewing the effectiveness of internal control system and so that the group asset and shareholders' equity are protected. The management of the Group is responsible for the implementation of risk management and internal control systems. The systems are designed to manage or mitigate rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

In the year under review, the Group complies with the above principles and code provisions C.2.1 to C.2.5 and the recommended best practices C.2.6 to C.2.7, which are summarized as follows:

RISK MANAGEMENT FRAMEWORK

The Group has developed a risk management framework with defined risk management objectives, risk appetite, risk monitoring and warning systems and also the reporting mechanisms, so that the Group and its subsidiaries can identify, assess, manage, monitor and report all significant risks to senior management, the Audit Committee and the Board. The fundamental objective of this framework is to support the growth of shareholder value while ensuring commitments to stakeholders are achieved, the Group's reputation is protected.

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

風險管理架構及三道防線模式

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

- 董事會（或下屬審核委員會）為風險管理的最高指導單位，負責評估本集團達成策略目標時所願意接納的風險，確保建立及維持有效的風險管理及內部監控系統。
- 集團管理層負責制定風險策略、風險政策、風險管理架構及建立風險管理文化，執行及監察風險管理及內部監控系統。
- 合規監管部協助管理層搭建風險管理框架，分析集團面臨的主要風險，並定期準備風險管理報告。
- 內審稽核對風險管理及內部監控系統安排稽核和監察活動，並作出獨立性評估。

本集團以全面風險管理為導向，把風險管理各項要求融入集團及附屬子公司的管理和業務流程中，構建起風險控制的三道防線。

RISK MANAGEMENT FRAMEWORK AND “THREE LINES OF DEFENSE” MODEL

The Group has adopted a systematic risk management approach which is to establish a top-down management mechanism. The risk management framework includes the Board, the management, business sectors, compliance management and the internal audit departments.

- As the highest steering group for risk management, the Board (or its subordinate Audit Committee) is responsible for determining the risk which could be taken in achieving the strategic objectives, and also for establishing and maintaining the effectiveness of the risk management and internal control systems.
- The management is responsible for establishing the risk strategies, risk policies, risk management framework and risk management culture. Besides, the management is also responsible for the implementation and monitoring of the effectiveness of risk management and internal control systems.
- The compliance management department assists the management in setting up a risk management framework, analyzing the major risks faced by the Group, and preparing risk management reports on a regular basis.
- Internal audit arranges auditing and monitoring activities towards risk management and internal monitoring systems, and makes independent assessments.

The Group takes comprehensive risk management manner as the guidance and incorporates the risk management into its business processes of the Group and its subsidiaries, setting up three lines defense framework of risk management and internal control.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險管理架構及三道防線模式 (續)

第一道防線 • 各個業務部門為集團各業務單元風險管理的第一道防線。負責在業務開展過程遵守並落實集團風險偏好，同時也承擔風險識別、評估和風險控制的第一責任，制定部門規章制度，規範業務流程，並定期進行合規自查，向合規管理部門報告風險管理資訊，支援並配合合規管理部門監測和評估，各部門與企業負責人負責重大風險管理策略和解決方案的具體實施。

第二道防線 • 合規監管部門為風險管理的第二道防線。對各重大風險管理策略和解決方案實施情況開展過程監控，並將面臨的超出風險限額重大風險提出預警，定時向管理層、審計委員會和董事會彙報。

第三道防線 • 審計部門，包括內審稽核部與外部審計機構，作為第三道防線，在董事會及審核委員會領導下對集團內部監控系統的充足程度、有效性進行檢查評價並提出改進要求。

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

First line of defense • As the first line of defense of risk management for all business units of the Group, each business department is responsible for complying and implement of group risk appetites in business operations. Each business unit identifies, assesses and controls risks, and it develops department rules and regulations, standardizes business processes and fulfils self-assessment regularly. Each business department reports to the compliance department regarding risk management information. And business depratment also coordinates with compliance management department to monitor and evaluate risk. Along with the leaders of the Group, all business departments are responsible for the implementation of major risk management strategies and approaches.

Second line of defense • As the second line of defense for risk management, the compliance management department take the reponsibilities of monitoring business process on the implementation of risk management strategies and approchs. And the compliance department is also responsible reporting to the management, Audit Committee and the Board for early warning of significant risks beyond risk limits periodically.

Third line of defense • The audit department, including the internal audit and the external audit institution, is the third line of defense for internal control and risk management. Under the guidance of the Board and the Audit Committee, it inspects and evaluates the adequacy and effectiveness of the internal control systems, and further to provide improvement requirements regarding risk management and internal control.

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

風險管理架構及三道防線模式 (續)

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

風險偏好體系

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

Risk Appetite Framework

The Group preliminarily formulates a group-wide risk appetite framework that focuses on five core principles: securing capital adequacy; maintaining a strong liquidity position; preserving reputation for the group; complying with laws and regulations; matching between risks and returns. The Group's risk appetite report includes risk indicators and risk limits, which is submitted to the management for review, and then obtained the Board for final approval.

風險管理流程

RISK MANAGEMENT PROCESS

本集團採用下述風險管理步驟進行風險管理：

The Group adopts the following risk management steps:

步驟 1：風險識別 – 識別集團及附屬子公司所面臨的風險；

Step 1: Risk Identification – Identify risks faced by the Group and its subsidiaries;

步驟 2：風險分析 – 對所面臨的風險進行評估；

Step 2: Risk Analysis – Evaluate the existing risks;

步驟 3：風險監控 – 基於識別的重要風險以及風險偏好體系，制定重要風險監控指標並定期監測風險變化；

Step 3: Risk Monitoring – Based on the significant risk and risk appetite, identifying the important risk monitoring indicators and also monitoring the changes regularly;

步驟 4：風險報告 – 總結風險管理分析的結果，向集團管理層、董事會彙報。報告概述以下各項：

Step 4: Risk Reporting – Summarize and analysis the result of the risk management and report the results to the management and the Board. The report outlines the following items:

- 風險指標及限額的執行情況；
- 風險評估。

- Implementations 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

根據本集團 2016 年的風險管理流程，下列各項視為本集團面臨的重大風險：

投資風險

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

保險風險

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

信用風險

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

SIGNIFICANT RISKS FACED BY THE GROUP

According to the Group's 2016 risk management process, the significant risks faced by the Group are identified as follows:

INVESTMENT RISK

The Group's current primary long-term investment is the Xiamen International Bank. In respect of long-term investment risk management, the Group mainly relies on the nomination of directors, as well as monitoring the long-term investment performance.

INSURANCE RISK

The risk under an insurance contract is the risk of an insurance accident and the uncertainty of the aggregate amount of compensation arising there from. The Group manages the risk through the underwriting policies, indemnity dispose, and adequate reinsurance arrangements.

CREDIT RISK

The Group's credit risk is primarily attributable to customer loans, credit risk of the reinsurance company, default risk of bond and settlement risk of trading in motor vehicles. Currently, Sanming Sanyuan District Minxin Micro Credit Company ("Minxin Micro Credit") completely ceases the new loan business, while strengthens the collection of the bad loans. In case of the credit risk of the reinsurance company in the insurance business, the Group chooses a good credit rating reinsurer to carry out the reinsurance. For the bond investment, the Group mainly invests the bond with the credit rating A- or more, and the board of directors and management of the Group set a risk limit for the settlement risk of trading in motor vehicles, strictly controlling the credit risk of the counterparties.

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

市場風險

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

操作風險

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

內幕消息及披露

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

內部監控

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

MARKET RISK

Market risk is the risk of a loss due to fluctuations in interest rates, market prices and other market prices related factors. The Group's risk management objective is to ensure that the risk is controlled within the tolerance scope while enhancing shareholders value.

OPERATIONAL RISK

Operational risk refers to the risk of loss caused by imperfect or problematic internal procedures, employees, information technology systems and as well as external events. Operational risk is mainly controlled by effective segregation of duties and the establishment of formal policies and procedures for key processes.

INSIDE INFORMATION AND DISCLOSURE

The Group has formulated the "Inside Information Disclosure Policy", which defines the definition of inside information, the requirements of inside information disclosure, the roles and responsibilities of the Board and senior management for inside information management, the procedures and internal control of processing and issuing inside information, and external communication etc. Announcement of inside information shall be approved by the Board or by an authorized officer.

INTERNAL CONTROL

The Group's internal controls are designed to enhance the effectiveness and efficiency of business operation, safeguard assets against unauthorized use or disposition, ensure the maintenance of proper accounting records and the provision of reliable financial statements, and also ensure the compliance with applicable laws and regulations.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險管理及內部監控的檢討

在遵守有關守則條文方面，董事會以及其下屬審核委員會就財務、營運及合規控制和風險管理功能等方面，對本集團及其附屬公司於截至2016年12月31日年度的內部監控系統進行檢討，具體如下：

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL REVIEW

In compliance with the code provisions, the Board and its subordinate Audit Committee conducted a review of the internal control system of the group and its subsidiaries as of 31 December 2016, in aspect of financial, operational and compliance control, and risk management functions, as follows:

In the year under review, the Board has reviewed the Group's risk management framework, including risk management objectives, risk appetite framework, risk monitoring and risk report.

In the year under review, the Board acknowledges that the Group has continuously improved its risk management and internal control systems in order to make the risk management and internal control more standardized including the establishment of the Group's risk appetite framework, risk indicators and limits, risk monitoring and so on.

The Group will continue to strengthen the risk management and internal control framework and to comply with the code provisions and industry best practices.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

關於本報告

本「環境、社會及管治報告」旨在回顧2016年閩信集團有限公司（以下簡稱「閩信集團」、「集團」或「我們」）在環境、社會及企業管治方面所做的工作以及績效，披露集團承擔社會責任做出的實踐以及集團的可持續性發展理念，同時回應各權益人所關注的重要議題，為各權益人提供互動溝通平台，促進相互理解。

本報告編寫遵循香港聯交所主板上市規則附錄二十七「環境、社會及管治報告指引」，覆蓋時間由2016年1月1日至2016年12月31日。本報告所覆蓋的組織範圍主要為閩信集團及下屬3家子公司。

本報告所有數據來自問卷調查、評價訪談、政府機構公開數據以及就談正式文件或者統計報告等。本集團承諾報告內容不存在任何虛假記載、誤導性陳述或者重大遺漏，並努力保證本報告內容的平衡性、實質性及真實性與完整性。

ABOUT THIS REPORT

This “Environmental, Social and Governance Report” serves as a review on the efforts and achievements made by Min Xin Holdings Limited (the “Group”, “Min Xin Holdings” or “we”) for environmental, social and governance issues in 2016. This Report discloses the Group’s practice for its commitment to social responsibilities and its philosophies of sustainable development. As a platform for communication with all equity owners, this Report also makes responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

This Report has been prepared in accordance with Appendix 27 of the Main Board Listing Rules “Environmental, Social and Governance Reporting Guide”, which covers the period from 1 January 2016 to 31 December 2016. The entities covered in this Report mainly include Min Xin Holdings and its three subsidiaries.

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

權益人參與溝通及重要議題評估

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

STAKEHOLDER ENGAGEMENT AND COMMUNICATION AND MATERIALITY ASSESSMENT

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

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

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權益人參與溝通及重要議題評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

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

環境、社會及管治報告

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權益人參與溝通及重要議題評估 (續)

STAKEHOLDER ENGAGEMENT AND COMMUNICATION AND MATERIALITY ASSESSMENT (Continued)

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

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

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

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

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

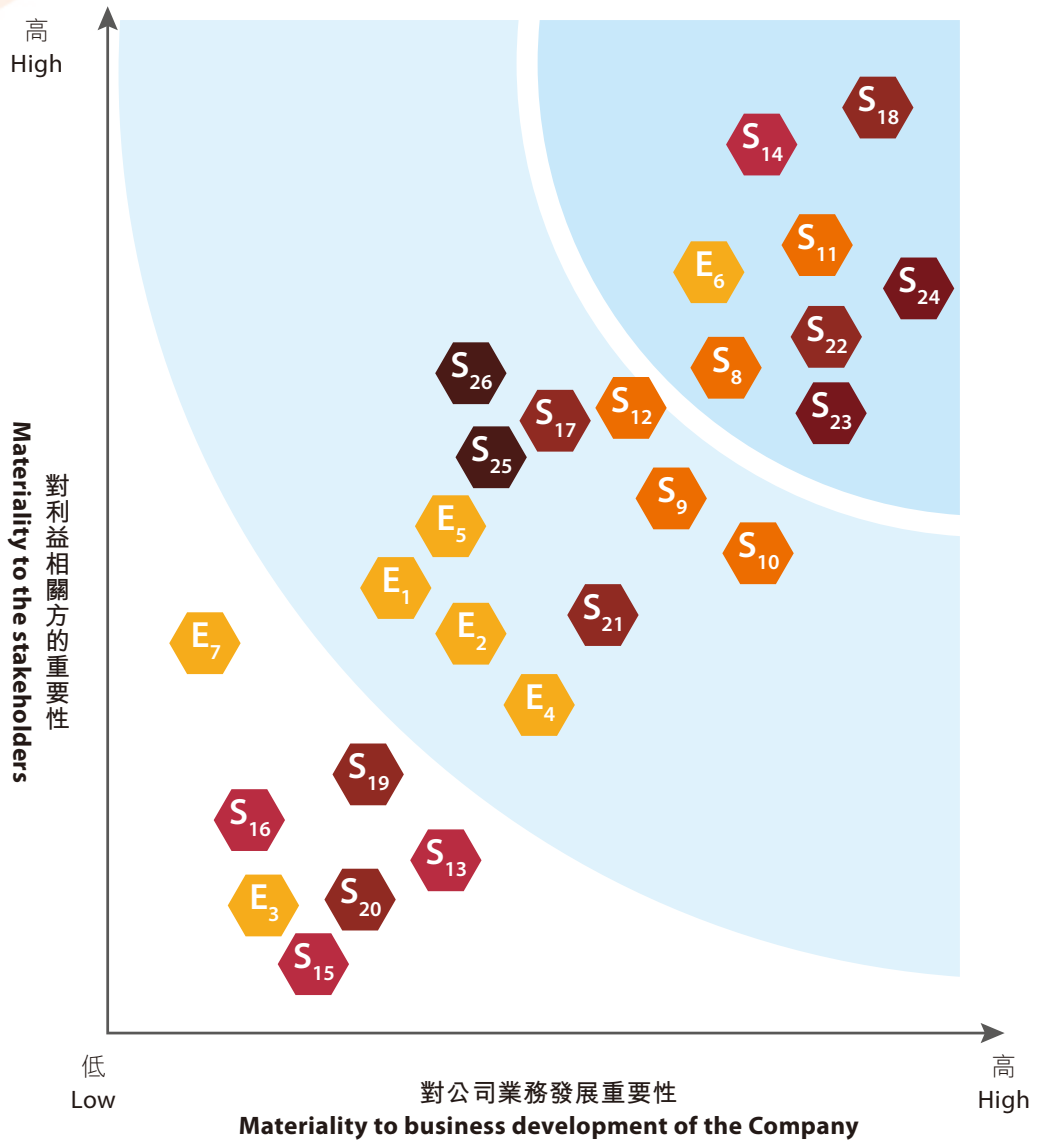
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權益人參與溝通及重要議題評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

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

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

一. 環境

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

本集團嚴格遵守香港以及運營所在地區關於環境的法律及法規。於2016年內，並未發生任何環境相關的重大違規事宜。

排放物

本集團加強排放物的管理，儘量減少廢氣及溫室氣體排放、向土地的排污、有害及無害廢物的產生。於2016年內，本集團的主要排放物種類如下：

- 溫室氣體，包括二氧化碳等；
- 空氣污染物，包括二氧化硫、懸浮粒子等；
- 廢棄物，包括辦公垃圾、綠化垃圾、垃圾袋等；
- 生活污水。

I. ENVIRONMENT

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

The Group strictly complies with environment laws and regulations of Hong Kong and areas where its business is carried out. There were no material non-compliance issues involving the Group with regard to environment during 2016.

Emissions

The Group maintains strict control of emissions and tries its best to reduce emissions, greenhouse gases, pollutants to the soil and the production of hazardous and harmless wastes. In 2016, the Group discharged the following substances:

- Greenhouse gases, including carbon dioxide;
- Air pollutants, including sulphur dioxide and suspended particulates;
- Waste, including office waste, green waste and garbage bags;
- Domestic sewage.

一. 環境 (續)

排放物 (續)

本集團制定了「辦公室環保節能措施」以指導全體員工保護環境與節約資源，鼓勵踐行節能環保的企業文化。於2016年，本集團實施了以下環保措施：

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

I. ENVIRONMENT (Continued)

Emissions (Continued)

The Group formulated “Environmental Protection and Energy Saving Measures” to guide all staff to protect environment and save resources, encouraging the practice of enterprise culture of energy conservation and environmental protection. We have taken the following environmental protection measures in 2016:

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

一. 環境 (續)

資源使用與環境保護

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

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

- 通過張貼海報等方式，提醒員工在午膳時段或外出工作、開會時，關掉部分照明系統、電腦或顯示屏，並於下班時儘量全面關閉電源，提高員工的節能意識；
- 鼓勵員工自備環保餐具，避免使用一次性餐具；
- 在辦公區域統一採用LED燈具，進一步降低能量消耗；
- 鼓勵員工將紙箱、膠袋、信封循環再用，定期將已損壞電器等交予回收商進行處理；
- 實施辦公用紙雙面打印，並循環利用使用過的紙張，同時鼓勵員工多使用電子文件取代實體文件；
- 辦公區域安裝節水設備，並張貼節水標識，減少水資源浪費。

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

I. ENVIRONMENT (Continued)

Use of Resources and Environment Protection

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

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

- We reminded employees to turn off part of the lighting system, computer or display screen when they went out to work, participated in meeting and enjoyed lunch via poster. While employees getting off work, we reminded them to turn off the power supply as much as possible, so as to improve the staff’s energy saving consciousness.
- The Group encouraged employees to bring their own environmental protection tableware, avoiding the use of disposable tableware.
- We had LED lights installed in the office areas, which would help to further reduce energy consumption.
- The Group encouraged employees to use cartons, plastic bags, envelope recycled, and regularly sent damaged electrical appliances to recyclers for processing.
- We encouraged printing on both sides of the paper and recycling of used paper and encouraged employees to use electronic files instead of physical documents.
- The Group installed water-saving equipment in the office, and posted water-saving logo, to reduce the waste of water resources.

Through a series of environmental protection and energy saving measures, we are continuously improving the efficient use of resources and reducing unnecessary waste of resources, so as to reduce the impact on the environment.

二. 社會

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

僱傭

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

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

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

我們秉持公平的用人風格，逐步建立並完善了人才招聘機制，以工作經驗、技術技能、工作表現為關鍵指標決定人員的僱傭。不以性別、年齡、地域、國籍、種族、宗教信仰、性取向、身體殘疾、婚姻狀況等歧視員工。截至2016年12月31日，集團及附屬子公司員工總數為70人，僱員詳情如下：

II. SOCIETY

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

Employment

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

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

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

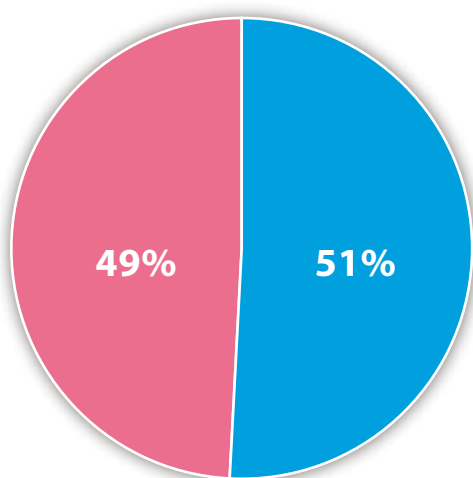
The Group gradually sets up and optimizes its evaluation mechanism for recruitment under the hiring principle of justice, equality and diversification, and decides who to hire based on their work experience, technical skills and work performance instead of their gender, age, region, nationality, race, religious beliefs, sexual orientation, physical disability and marital status. As of 31 December 2016, the total number of the employees of Min Xin Holdings and its subsidiaries is 70, and employees'00 details are as below.

二. 社會 (續)

僱傭 (續)

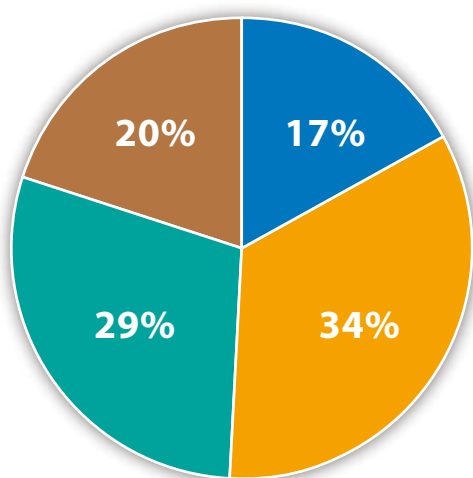
II. SOCIETY (Continued)

Employment (Continued)



閩信集團男女員工比例
Min Xin Holdings Gender Distribution

- 男 Male
- 女 Female



閩信集團男女員工比例
Min Xin Holdings Gender Distribution

- 20-30 歲 years old
- 31-40 歲 years old
- 41-50 歲 years old
- 51-60 歲 years old

二. 社會 (續)

健康與安全

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

集團多次組織員工參加提升身心健康的培訓，通過講座與研討會的方式幫助員工樹立良好的身心健康理念，全方位幫助員工緩解壓力、改善情緒、樹立積極心態、建立良好的職場及家庭關係。例如組織主題為「提升身心健康、建立正能量團隊」的研討會，分享如何在團隊工作中，保持身心愉悅；通過舉辦解決辦公室痛症的免費講座，指導員工如何避免久坐而引發的職業病。

我們組織了多樣化的文體活動，增強了團隊凝聚力和積極性。例如集團在2016年組織了聖誕聯歡會與保齡球比賽等，豐富了員工的日常生活，鼓勵員工參加體育鍛煉。於2016年內，因工作關係而死亡的人數為0。

II. SOCIETY (Continued)

Health and Safety

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

The Group has organized employees to attend training to develop sound physical and mental health many times. Also, we helped employees to set up a good physical and mental health concept through lectures and seminars, and helped staff to relieve stress, improve mood, build up a positive mental attitude, and establish a good relation between work and family. For example, we held seminar named "Improving Physical and Mental Health and Establish Positive Team Work" to share how to maintain pleasure mood in team work. Besides, we organized free lectures for employees on easing office syndromes and to guide them how to avoid occupational disease caused by sedentary.

We organized a variety of recreational activities to enhance the team cohesion and motivation. For example, the Group organized the Christmas Party and the Bowling Game and so on to enrich employees' daily life and encourage employees to participate in physical exercises. During 2016, none of our employees died for work.

環境、社會及管治報告

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二. 社會 (續)

發展及培訓

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

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

勞工準則

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

II. SOCIETY (Continued)

Development and Training

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

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

Labour Standards

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

二. 社會 (續)

供應鏈管理

本集團倡導誠信經營，重視維護與供應商的良好合作關係，攜手共創未來。

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

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

同時，集團定期維護合格供應商名錄，確保供應鏈的有效運行。

本集團供應商包括太平再保險有限公司、根寧翰保險公估(香港)有限公司、羅兵咸永道會計師事務所、的近律師行等公司。2016年，集團及附屬子公司主要的供應商類型如下：

II. SOCIETY (Continued)

Supply Chain Management

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

The Group establishes a unified regulation of "Administrative Rules on Procurement" to regulate supplier selection process. And we focus on professional qualifications, product quality, service capabilities, and price as to choose and assess our suppliers.

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

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

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

II. SOCIETY (Continued)

供應鏈管理 (續)

Supply Chain Management (Continued)

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

產品責任

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

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

Product Responsibility

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

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

二. 社會 (續)

產品責任 (續)

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

閩信集團附屬子公司依據各家公司業務特性規範並管理其產品質量。閩信保險有限公司嚴格按照香港及澳門的財產保險產品設立要求制定標準化產品，為客戶提供全面的財產保險業務，服務質量深受合作銀行與客戶的認同。三明市三元區閩信小額貸款有限公司以「敬業、樂群、共贏」為經營理念，以追求股東、員工、客戶和社會的共同滿意為目標，專業服務小微企業，支持地方經濟的行為指導，服務產品包括質押貸、信用貸、聯保貸、保證貸及抵押貸等。憑藉出眾的產品與優質的服務，公司2016年被評為三明市中小微企業公共服務示範平台，是全市唯一入選的融資服務示範平台。福建閩信投資有限公司積極進取，開拓創新，與福清江陰港銀河國際汽車進出口貿易有限公司達成戰略夥伴關係，開展平行進口汽車貿易項目，採購的汽車深受市場青睞。

II. SOCIETY (Continued)

Product Responsibility (Continued)

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

The subsidiaries of Min Xin Holdings manage their product quality according to their business characteristics. Min Xin Insurance Company Limited develops standardized products and provide customers with comprehensive property insurance business in strict accordance with the Hong Kong and Macao property insurance product requirements. The quality of service is highly acknowledged by the co-operative bank and the customer. Sanming City Sanyuan District Minxin Small Loans Limited takes "Dedicated, Friendly, Win-Win" as its business philosophy. The company is in pursuit of the goal of shareholders, employees, customers and the community's common satisfaction. Meanwhile, the company provides professional services for small micro-enterprises and supports the local economy's behavioral guidance. The service products include pledge loans, credit loans, loan insurance, guaranteed loans and mortgage loans. With outstanding products and quality service, the company was rewarded as the small and medium-sized micro-enterprise public service demonstration platform in 2016 and was the only selected financing services demonstration platform in the city. Fujian Minxin Investment Co., Ltd. is proactive, pioneering and innovative. The company and Fuqing Jiangyin Hong Kong Galaxy International Automobile Import and Export Trade Co., Ltd. reached a strategic partnership and carried out parallel import car trade projects. And the cars are favored by the market.

環境、社會及管治報告

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二. 社會 (續)

反貪污

本集團在經營過程中堅持誠信經營，嚴格遵循香港以及運營所在地區的相關法律法規，杜絕任何形式的貪污受賄行為。在2016年報告期間，並未發生涉及本集團及員工關於貪污、賄賂、勒索、欺詐及洗黑錢方面的訴訟個案。

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

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

II. SOCIETY (Continued)

Anti-corruption

The Group adheres to the integrity of business, complies strictly with the laws and regulations of the relevant jurisdictions of Hong Kong and areas where its business is carried out, to prevent any form of corruption and bribery. In addition, there were no litigations involving the Group and its employees with regard to corruption during 2016.

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

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

二. 社會 (續)

社區投資

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

在2016年，集團組織員工參與國際救盲抗盲非牟利志願機構—奧比斯(ORBIS)發起的「步步獻光明」慈善步行活動，並以資助善款的方式對眼疾患者提供支持與幫助。本活動讓員工在欣賞香港青蔥翠綠美景之餘，幫助世界上因貧困而未能治療眼疾的人群，看見復明之路，開啟快樂人生。

集團經常活躍於社會公益事業的各個角落，希望以自己行動的一小步，喚起社會愛心的一大步。集團在銀杏館(社會企業)舉辦中式餐桌禮儀活動，在向員工推廣中華民族傳統禮儀的同時，也幫助熱愛生活、熱愛工作、富有創意的長者拓展生活圈子，推動長者就業。集團將保持優良的企業文化，積極參與社區開發建設並貢獻社會。

II. SOCIETY (Continued)

Community Investment

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

In 2016, the group organized employees to participate in the “Step-by-step Charity Walk” initiated by ORBIS, an international voluntary non-profit making organization for the fight against blindness, and to provide help and support to patients with eye diseases help. This event allowed employees to enjoy the beauty of Hong Kong, while helping the patients who were too poor to get the eye medical treatment to recover from eye diseases and to start happy life.

The Group plays an active role in social welfare undertakings, hoping to take a small step in their own actions to form a major step forward to arouse social love. The Group organized Chinese Table Manners Activity at Ginkgo Hall (Social Enterprise). The activity promoted the traditional rituals of the Chinese people while improving employment of elderlies who love life, enjoy work and are creative to expand their living circles. The Group will maintain a good corporate culture, and actively participate in community development and contribution to the community.

董事會報告

REPORT OF THE DIRECTORS

董事會同寅謹將截至2016年12月31日止年度報告及已經審核財務報表呈覽。

主要業務

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

本集團在本年度之主要業務和經營地區分析載於綜合財務報表註釋5。

業務回顧

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

業績及分配

本集團截至2016年12月31日止年度之業績載於第102頁。本公司董事會議決於2017年6月21日舉行之股東週年大會（「2017年股東週年大會」）上建議派發截至2016年12月31日止年度之末期股息每股港幣5仙，合共港幣22,971,432.80元（2015年：末期股息每股港幣5仙，合共港幣22,971,432.80元）。如獲通過，上述股息將於2017年7月12日或之前派發。

The Directors hereby present their report together with the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

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

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

BUSINESS REVIEW

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out on page 102. The Board of the Company has resolved to recommend at the forthcoming Annual General Meeting of the Company to be held on 21 June 2017 (the "2017 AGM") the payment of a final dividend of 5 HK cents per share totaling HK\$22,971,432.80 for the year ended 31 December 2016 (2015: final dividend of 5 HK cents per share totaling HK\$22,971,432.80). The proposed dividend, if approved, will be paid on or before 12 July 2017.

記錄日期

為確定出席2017年股東週年大會並在會上投票的資格，本公司將在2017年6月16日（星期五）至2017年6月21日（星期三），包括首尾兩天在內，暫停辦理股份過戶登記手續。為確保享有出席2017年股東週年大會並在會上投票的資格，所有填妥的股份過戶文件連同有關股票，務請於2017年6月15日（星期四）下午4時30分前送達本公司股份過戶登記處卓佳標準有限公司辦理登記手續，地址為香港皇后大道東183號合和中心22樓。

暫停辦理股份過戶登記手續

擬派發截至2016年12月31日止年度的末期股息須待本公司股東在2017年股東週年大會上批准後方可作實。為確定收取擬派末期股息的資格，本公司將在2017年6月28日（星期三）至2017年6月29日（星期四），包括首尾兩天在內，暫停辦理股份過戶登記手續。為確保享有擬派末期股息，所有填妥的股份過戶文件連同有關股票，務請於2017年6月27日（星期二）下午4時30分前送達本公司股份過戶登記處卓佳標準有限公司辦理登記手續，地址為香港皇后大道東183號合和中心22樓。

五年財務摘要

本集團過去五個財政年度之業績、資產淨值及權益總額摘要載於第4頁及第5頁。

儲備金

本集團及本公司於年內之儲備金變動分別載於第106頁及綜合財務報表註釋37(a)。

RECORD DATE

For the purpose of determining the entitlement to attend and vote at the 2017 AGM, the register of members of the Company will be closed from Friday, 16 June 2017 to Wednesday, 21 June 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2017 AGM, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15 June 2017.

CLOSURE OF REGISTER OF MEMBERS

The proposed final dividend for the year ended 31 December 2016 is subject to the approval by the shareholders of the Company at the 2017 AGM. For the purpose of determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 28 June 2017 to Thursday, 29 June 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 27 June 2017.

FIVE-YEAR FINANCIAL SUMMARY

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

RESERVES

Movements in the reserves of the Group and the Company during the year are set out on page 106 and in Note 37(a) to the consolidated financial statements respectively.

董事會報告 REPORT OF THE DIRECTORS

物業、機器及設備

本集團之物業、機器及設備變動詳情載於綜合財務報表註釋 15。

持有之主要物業權益

集團持有之主要物業權益詳情載於第256頁。

股本

本公司之股本詳情載於綜合財務報表註釋 32(a)。

可供分配之儲備

於2016年12月31日，本公司根據公司條例第6部之規定計算之可供分配儲備為港幣479,690,000元（2015年：港幣554,244,000元）。

董事

於年內及截至本報告日期，在職之本公司董事芳名載於本年報第2頁內。

按照本公司組織章程細則第94及95條規定，劉承先生、葉啟明先生及史習陶先生將於2017年股東週年大會上輪值退任，並表示如再度獲選，願意繼續連任。

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

PROPERTY, PLANT AND EQUIPMENT

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

PRINCIPAL PROPERTY INTERESTS HELD

Details of the principal property interests held by the Group are set out on page 256.

SHARE CAPITAL

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

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2016, calculated under Part 6 of the Companies Ordinance amounted to HK\$479,690,000 (2015: HK\$554,244,000).

DIRECTORS

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

In accordance with Articles 94 and 95 of the Articles of Association of the Company, Mr LIU Cheng, Mr IP Kai Ming and Mr SZE Robert Tsai To will retire by rotation at the 2017 AGM and, being eligible, offer themselves for re-election.

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

董事 (續)

擬於2017年股東週年大會上膺選連任之董事概無與本公司訂立任何在無須作出賠償下本公司不可於一年內終止之服務合約。

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

董事個人簡歷

本公司之董事之個人簡歷載於本年報之「董事及高級管理人員個人簡歷」內。

董事資料的變更

根據上市規則第13.51B(1)條的規定，自本公司2016年中期報告刊發後，有關須予披露之本公司一名董事資料之變更詳列如下：

葉啟明先生，本公司的獨立非執行董事，已於2016年1月29日辭任澳銀的監事會主席，其後於2016年3月23日獲委任為澳銀的董事會高級顧問。

於2016年9月份，王非先生獲委任為海峽滙富產業投資基金管理有限公司之董事及副董事長，及海峽金橋財產保險股份有限公司之董事長。

DIRECTORS (Continued)

None of the Directors who are proposed for re-election at the 2017 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation.

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

BIOGRAPHICAL DETAILS OF DIRECTORS

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

CHANGE IN THE INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of a Director of the Company required to be disclosed since the publication of 2016 interim report of the Company is set out below:

Mr IP Kai Ming, an Independent Non-executive Director of the Company, had resigned as the Chairman of the Supervisory Board of LIB with effect from 29 January 2016 and then appointed as the Senior Advisor to the Board of Directors of LIB with effect from 23 March 2016.

Mr WANG Fei was appointed as a Director and Vice-Chairman of Haixia Capital Management Co., Ltd.*, and the Chairman of Haixia Goldenbridge Insurance Co., Ltd.* in September 2016.

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

董事會報告 REPORT OF THE DIRECTORS

附屬公司董事

於年內及截至本報告日期，出任本公司附屬公司董事會的董事芳名載列如下：

劉承先生
張帆先生
陳廣宇先生
陳國光先生
郭祥先生
葛青先生*
錢文榮先生
熊安台先生
陳芬女士

* 該董事已於年內辭任

董事權益

於2016年12月31日，本公司董事及行政總裁在本公司及其相聯法團（按證券及期貨條例（「證券及期貨條例」）第XV部所指的定義）的股份、相關股份及債券中擁有根據證券及期貨條例第352條須予備存的登記冊所記錄或根據上市規則之標準守則須知會本公司及聯交所之權益及淡倉如下：

DIRECTORS OF SUBSIDIARIES

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

Mr LIU Cheng
Mr ZHANG Fan
Mr CHAN Kwong Yu
Mr CHAN Kwok Kwong
Mr GUO Xiang
Mr GE Qing*
Mr QIAN Wen Rong
Mr SHIUNG An Tai
Ms CHEN Fen

* This Director had resigned during the year

DIRECTORS' INTEREST

At 31 December 2016, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules were as follows:

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

董事姓名 Name of Director	權益性質 Nature of interests	持有股份數量 Number of shares held	約佔發行股本之百分比 Approximately Percentage of the issued share capital of the Company
葉啟明 IP Kai Ming	個人權益 Personal interest	666,000	0.14%

董事權益 (續)

除上文所披露者外，於2016年12月31日止，本公司董事及行政總裁概無在本公司或其任何相聯法團（按證券及期貨條例第XV部所指的定義）的股份、相關股份或債券中擁有任何須根據證券及期貨條例第352條須予備存的登記冊所記錄或根據標準守則須知會本公司及聯交所之權益或淡倉；而本公司之董事或彼等之配偶或18歲以下之子女於年內亦無持有任何權利以認購本公司的證券或已行使該等權利。

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

董事於競爭業務之權益

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

董事於重大交易、安排及合約之權益

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

DIRECTORS' INTEREST (Continued)

Save as disclosed above, as at 31 December 2016, none of the Directors and Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and none of the Directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACT

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

董事會報告 REPORT OF THE DIRECTORS

獲准許的彌償條文

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

主要股東權益

於2016年12月31日止，根據本公司按證券及期貨條例第336條規定須予備存的登記冊中載錄，持有本公司股份及相關股份權益或淡倉之主要股東（本公司董事及行政總裁除外）如下：

PERMITTED INDEMNITY PROVISION

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 31 December 2016, substantial shareholders (other than Directors and Chief Executive of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follow:

公司名稱 Name of Corporation	身份 Capacity	附註 Notes	持有股份數量 Number of shares held	佔本公司 已發行股本 百分比 Percentage of the issued share capital of the Company
Samba Limited ("Samba")	實益擁有人 Beneficial Owner	1	144,885,000 (好)(L)	31.54% (好)(L)
貴信有限公司（「貴信」） Vigour Fine Company Limited ("Vigour Fine")	實益擁有人及受控法團權益 Beneficial Owner and interest of Controlled Corporation	1	220,580,600 (好)(L)	48.01% (好)(L)
福建省投資開發集團有限 責任公司（「福建投資集團」） Fujian Investment & Development Group Co., Ltd. ("FIDG")	受控法團權益 Interest of Controlled Corporation	2	220,580,600 (好)(L)	48.01% (好)(L)

主要股東權益 (續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS
(Continued)

公司名稱 Name of Corporation	身份 Capacity	附註 Notes	持有股份數量 Number of shares held	佔本公司 已發行股本 百分比 Percentage of the issued share capital of the Company
CITIC Securities Co., Ltd.	實益擁有人 Beneficial Owner		14,126,000 (好) (L)	3.07% (好) (L)
			14,126,000 (淡) (S)	3.07% (淡) (S)
	對股份持有保證權益的人 Person having a security interest in shares		45,000,000 (好) (L)	9.80% (好) (L)
			45,000,000 (淡) (S)	9.80% (淡) (S)
JPMorgan Chase & Co.	實益擁有人 Beneficial Owner		45,104,000 (好) (L)	9.82% (好) (L)
			45,052,000 (淡) (S)	9.80% (淡) (S)
	保管人-法團/核准借出代理 Custodian corporation/approved Lending agent		22,000 (可借) (P)	0.00% (可借) (P)
福州景科投資有限公司 Fuzhou Jingke Investment Co., Ltd. ("Fuzhou Jingke")	實益擁有人 Beneficial Owner		45,000,000 (好) (L)	9.79% (好) (L)
冠城鐘錶珠寶有限公司 (「冠城鐘錶」) Citychamp Watch & Jewellery Group Limited ("Citychamp")	實益擁有人 Beneficial Owner	3	24,312,000 (好) (L)	5.29% (好) (L)
朝豐有限公司 (「朝豐」) Full Day Limited ("Full Day")	受控法團權益 Interest of Controlled Corporation	3	24,312,000 (好) (L)	5.29% (好) (L)
信景國際有限公司 (「信景國際」) Sincere View International Limited ("Sincere View")	實益擁有人及受控法團權益 Beneficial Owner and interest of Controlled Corporation	3	32,368,000 (好) (L)	7.05% (好) (L)
韓國龍 HON Kwok Lung	受控法團權益 Interest of Controlled Corporation	4	32,368,000 (好) (L)	7.05% (好) (L)
林淑芬 LAM Suk Ying	配偶的權益 Interest of spouse	4	32,368,000 (好) (L)	7.05% (好) (L)

董事會報告 REPORT OF THE DIRECTORS

主要股東權益 (續)

附註：

1. Samba持有本公司144,885,000股股份權益。貴信為Samba的控股股東，被視為擁有Samba於本公司所持144,885,000股股份的權益。貴信亦直接持有本公司75,695,600股股份。
2. 福建投資集團直接持有貴信的全部已發行股本，被視為擁有本公司220,580,600股股份權益。
3. 冠城鐘錶持有本公司24,312,000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24,312,000股股份權益。信景國際亦直接持有本公司8,056,000股股份。
4. 韓國龍先生（「韓先生」）持有朝豐的全部已發行股本，彼亦是信景國際的控股股東，韓先生被視為擁有本公司32,368,000股股份權益。林淑英，韓先生之配偶，被視為擁有本公司32,368,000股股份權益。

好： 好倉
淡： 淡倉
可借：可供借出的股份

除上文所披露者外，於2016年12月31日止，本公司並無收到任何人士（本公司董事及行政總裁除外）知會其股份或相關股份擁有根據本公司按證券及期貨條例第336條須予備存的登記冊所記錄之淡倉。

購入、出售或贖回股份

本公司及其附屬公司於本年度內並無購回、出售或贖回任何本公司之已發行股份。

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Notes:

1. 144,885,000 shares of the Company was held by Samba. Vigour Fine was the controlling shareholder of Samba and was deemed to be interested in the 144,885,000 shares of the Company held by Samba. Vigour Fine also directly held 75,695,600 shares of the Company.
2. FIDG directly held the entire issued share capital of Vigour Fine and was deemed to be interested in the 220,580,600 shares of the Company.
3. 24,312,000 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 24,312,000 shares of the Company. Sincere View also directly held 8,056,000 shares of the Company.
4. Mr HON Kwok Lung ("Mr Hon") held the entire issued share capital of Full Day and was the controlling shareholder of Sincere View, Mr Hon was deemed to be interested in the 32,368,000 shares of the Company. Ms LAM Suk Ying, the spouse of Mr Hon, was deemed to be interested in the 32,368,000 shares of the Company.

L: Long position
S: Short position
P: Lending Pool

Save as disclosed above, at 31 December 2016, the Company had not been notified by any persons (other than Directors and Chief Executive of the Company) who had short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

管理合約

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

王非先生及劉承先生，亦為貴信之董事而被視為於上述交易有利益關係。

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

除上文所披露者外，本公司於年內並無與其控股股東貴信簽訂任何重要合約。

主要客戶及供應商

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

銀行貸款

本集團於2016年12月31日之銀行貸款詳情載於綜合財務報表註釋30。

遵守保險公司條例

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

MANAGEMENT CONTRACTS

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

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

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

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

MAJOR CUSTOMERS AND SUPPLIERS

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

BANK BORROWINGS

Details of the bank borrowings of the Group at 31 December 2016 are set out in Note 30 to the consolidated financial statements.

COMPLIANCE WITH INSURANCE COMPANIES ORDINANCE

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

董事會報告 REPORT OF THE DIRECTORS

關連交易

本集團於截至2016年12月31日止年度內進行的重要關連方交易詳情載於綜合財務報表註釋17(b)、17(g)、17(i)、18(b)、36(a)、36(b)及36(d)內，惟此等關連方交易按上市規則規定不須披露為關連交易。

其他亦構成上市規則所指之關連交易之關連方交易載於綜合財務報表註釋10(a)(iii)、27及36(c)內。

上市規則第13.21條之持續披露規定

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

公眾持股量

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

核數師

本年度綜合財務報表已經由羅兵咸永道會計師事務所審核，該核數師將於2017年股東週年大會任滿告退，但表示願意應聘連任。

董事會代表

主席
彭錦光

香港，2017年3月30日

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2016, which are not required to be disclosed under the Listing Rules as connected transactions, are disclosed in Notes 17(b), 17(g), 17(i), 18(b), 36(a), 36(b) 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 10(a)(iii), 27 and 36(c) to the consolidated financial statements.

CONTINUING DISCLOSURE REQUIREMENT PURSUANT TO RULE 13.21 OF THE LISTING RULES

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

PUBLIC FLOAT

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

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the 2017 AGM.

On behalf of the Board

PENG Jin Guang
Chairman

HONG KONG, 30 March 2017

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

致閩信集團有限公司股東
(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第102至255頁閩信集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表和截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表註釋,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

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

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

Opinion

We have audited the consolidated financial statements of Min Xin Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 102 to 255, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

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

Key Audit Matters

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

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

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

關鍵審計事項
Key Audit Matters

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

請參閱集團綜合財務報表註釋3(f)
(關鍵會計估計及判斷)及註釋17
Refer to Note 3(f) (critical accounting
estimates and judgment) and Note 17 to
the Group's consolidated financial statements

貴集團所持廈銀集團約9.7635%的股份採用權益法進行核算。截至二零一六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47,092萬元，截至二零一六年十二月三十一日，貴集團應佔廈銀集團之資產淨值為約港幣404,394萬元。下文說明的數額為廈銀集團綜合財務報表內的數字（即按百分之百基準）。

The Group's approximately 9.7635% shareholding in XIB Group is accounted for under the equity method. The Group's share of the profit after tax from XIB Group for the year ended 31 December 2016 was approximately HK\$470.92 million and the Group's share of XIB Group's net assets was approximately HK\$4,043.94 million as at 31 December 2016. The amounts noted below are those in the XIB Group's consolidated financial statements (i.e. on a 100% basis).

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

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

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

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

關鍵審計事項 Key Audit Matters

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

貸款、墊款及應收款項類投資減值測試 – 截至二零一六年十二月三十一日，廈銀集團之貸款、墊款及應收款項類投資餘額（扣除減值準備）為約人民幣41,242,410萬元（等值約港幣46,040,965萬元），佔廈銀集團總資產比例為約73.19%。因此，貸款、墊款及應收款項類投資質量對貴集團綜合財務報表中應佔廈銀集團之稅後溢利及資產淨值有重大影響。

Impairment assessment of loans and advances and investments in receivable – The aggregated balances (net of impairment allowances) of loans and advances and investments in receivable of XIB Group amounted to approximately RMB412,424.1 million (equivalent to approximately HK\$460,409.65 million) as at 31 December 2016, representing approximately 73.19% of total assets of XIB Group. In this regard, the quality of loans and advances and investments in receivable has a material impact on the share of the profit after tax and net assets of XIB Group in the Group's consolidated financial statements.

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

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

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

對廈銀集團貸款、墊款及應收款項類投資減值測試執行的程序包括：

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

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

關鍵審計事項
Key Audit Matters

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

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

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

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

關鍵審計事項 Key Audit Matters

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

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

我們發現，在我們審計貴集團綜合財務報表的涵義下，廈銀集團管理層就貸款、墊款及應收款項類投資之減值損失作出的估計及判斷已獲所得憑證的支持。關於關鍵會計估計及判斷的披露詳見集團綜合財務報表第 159 頁之註釋 3(f)。

We found that, in the context of our audit of the Group's consolidated financial statements, the estimates and judgement of XIB Group's management in respect of the impairment allowances on its loans and advances and investments in receivable was supported by the available evidence. The critical accounting estimates and judgement have been appropriately disclosed in Note 3(f) to the Group's consolidated financial statements on page 159.

關鍵審計事項
Key Audit Matters

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

請參閱集團綜合財務報表註釋3(c)
(關鍵會計估計及判斷)及註釋23
Refer to Note 3(c) (critical accounting
estimates and judgment) and Note 23 to
the Group's consolidated financial statements

截至二零一六年十二月三十一日，閩信小貸(貴公司一家全資附屬公司)客戶貸款及應收利息總額為約人民幣28,699萬元(等值約港幣32,038萬元)，佔貴集團總資產比例為約5.05%。管理層就客戶貸款及應收利息計提的減值準備為約人民幣24,974萬元(等值約港幣27,880萬元)。減值準備佔客戶貸款及應收利息總額的比率為87.02%。因此，閩信小貸客戶貸款及應收利息之質量對貴集團綜合財務報表中稅後溢利及資產淨值有重大影響。

As at 31 December 2016, the balance of total loans to customers and interest receivable of Minxin Micro Credit, a wholly-owned subsidiary of the Company, amounted to approximately RMB286.99 million (equivalent to approximately HK\$320.38 million), representing approximately 5.05% of the Group's total assets. Impairment allowances on loans to customers and interest receivable amounting to approximately RMB249.74 million (equivalent to approximately HK\$278.8 million), were provided by management. The impairment allowances to total loans to customers and interest receivable ratio was 87.02%. In this regard, the quality of Minxin Micro Credit's loans to customers and interest receivable has a material impact on the profit after tax and net assets in the Group's consolidated financial statements.

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

對閩信小貸客戶貸款及應收利息之減值測試執行的程序包括：

The procedures performed in relation to impairment assessment of loans to customers and interest receivable of Minxin Micro Credit included:

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

關鍵審計事項 Key Audit Matters

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

閩信小貸客戶貸款及應收利息之 減值準備 (續)

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

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

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

此等評估均需管理層作出重大判斷。
All of these assessments involve significant judgement made by management.

關鍵審計事項
Key Audit Matters

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

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

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

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

我們發現，在我們審計貴集團綜合財務報表的涵義下，管理層就客戶貸款及應收利息之減值損失作出的估計及判斷已獲得憑證的支持。關於關鍵會計估計及判斷的披露詳見集團綜合財務報表第156頁之註釋3(c)。

We found that, in the context of our audit of the Group's consolidated financial statements, the management's estimates and judgement in respect of impairment allowances on loans to customers and interest receivable were supported by the available evidences. The critical accounting estimates and judgement have been appropriately disclosed in Note 3(c) to the Group's consolidated financial statements on page 156.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

年報內的其他信息

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

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

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

董事就綜合財務報表須承擔的責任

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

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

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

Other Information in the Annual Report

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

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

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

Responsibilities of Directors for the Consolidated Financial Statements

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

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

The Audit Committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

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。我們僅向閣下（作為整體）按照香港《公司條例》第405條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

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

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

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

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表承擔的責任 (續)

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

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

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

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

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

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

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

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楊尚圓。

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月三十日

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yeung Sheung Yuen, Shirley.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2017

綜合損益表

CONSOLIDATED INCOME STATEMENT

截至2016年12月31日止年度 For the year ended 31 December 2016

			2016	2015
		註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
營業額	Turnover	5	134,379	144,075
收入總額	Total revenues	5	154,563	168,574
其他(虧損)/收益－淨額	Other (losses)/gains – net	6	(64,948)	43,732
營業收入總額	Total operating income		89,615	212,306
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	(48,026)	(45,164)
客戶貸款及應收利息 減值虧損	Impairment loss on loans to customers and interest receivable	23	(154,777)	(136,785)
員工成本	Staff costs		(33,897)	(31,997)
折舊	Depreciation		(1,423)	(1,417)
其他營業開支	Other operating expenses		(16,105)	(18,865)
營業開支總額	Total operating expenses		(254,228)	(234,228)
營業虧損	Operating loss	8	(164,613)	(21,922)
融資成本	Finance costs	9	(35,001)	(12,958)
應佔聯營公司業績	Share of results of associates		471,701	520,900
除稅前溢利	Profit before taxation		272,087	486,020
所得稅支出	Income tax expense	11	(6,475)	(8,681)
本年度溢利	Profit for the year	12	265,612	477,339
股息	Dividend			
－末期股息	– Final dividend	13	22,971	22,971
			港仙 HK CENTS	港仙 HK CENTS
每股盈利	Earnings per share			
基本及攤薄	Basic and diluted	14	57.81	103.90
每股股息	Dividend per share			
－末期股息	– Final dividend		5	5

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2016年12月31日止年度 For the year ended 31 December 2016

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
本年度溢利	Profit for the year	265,612	477,339
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:		
租賃樓房重估儲備金	Leasehold buildings revaluation reserve		
租賃樓房轉撥至投資物業產生的未變現重估盈餘	Unrealised surplus on revaluation of leasehold building transferred to investment property	-	2,852
遞延所得稅	Deferred income tax	-	(521)
		-	2,331
其後可能重新分類至損益表的項目：	Items that may be reclassified subsequently to income statement:		
可供出售投資重估儲備金	Available-for-sale investment revaluation reserve		
在權益賬扣除的公平值變動	Fair value changes charged to equity	(177,342)	(42,280)
遞延所得稅	Deferred income tax	29	12
出售時撥回	Released on disposal	(207)	-
一家聯營公司權益被攤薄時撥回	Released on dilution of interest in an associate	3,793	(18,043)
		(173,727)	(60,311)
外匯折算儲備金	Exchange translation reserve		
換算海外附屬公司及聯營公司的財務報表所產生的匯兌差額	Exchange differences arising on translation of the financial statements of foreign subsidiaries and associates	(294,456)	(179,567)
出售一家聯營公司時撥回	Released on disposal of an associate	136	-
出售一家分類為持作出售的聯營公司時撥回	Released on disposal of an associate classified as held for sale	(1,804)	-
聯營公司權益被攤薄時撥回	Released on dilution of interest in associates	22,311	(22,566)
		(273,813)	(202,133)
應佔聯營公司的其他全面收益	Share of other comprehensive income of associates	(91,233)	61,293
		(538,773)	(201,151)
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	(538,773)	(198,820)
本年度全面收益總額	Total comprehensive income for the year	(273,161)	278,519

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2016年12月31日結算 As at 31 December 2016

			2016	2015
		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	15	17,999	19,061
投資物業	Investment properties	16	170,536	179,215
聯營公司	Associates	17	4,082,002	3,263,977
可供出售金融資產	Available-for-sale financial assets	18	551,158	728,713
持至到期日金融資產	Held-to-maturity financial assets	19	3,091	-
客戶貸款及應收利息	Loans to customers and interest receivable	23	436	1,519
再保險資產	Reinsurance assets	22	4,420	2,479
預付款	Prepayments		1,500	1,549
遞延所得稅資產	Deferred income tax assets	31	10,767	6,746
			4,841,909	4,203,259
流動資產	Current assets			
可供出售金融資產	Available-for-sale financial assets	18	6,592	-
遞延取得成本	Deferred acquisition costs	20	16,670	15,061
保險應收款	Insurance receivable	21	14,120	15,591
再保險資產	Reinsurance assets	22	3,527	2,376
客戶貸款及應收利息	Loans to customers and interest receivable	23	41,144	190,659
應收一家聯營公司股息	Dividend receivable from an associate		118,123	-
其他應收賬款	Other debtors		4,266	4,268
預付稅金	Prepaid taxes		-	1,253
預付貨款	Advance payment	24	8,216	-
其他預付款及按金	Other prepayments and deposits		2,652	2,606
抵債資產	Repossessed assets		2,566	-
按公平值透過損益列賬的金融資產	Financial assets at fair value through profit or loss	25	5,108	8,095
現金及銀行結存	Cash and bank balances	26	1,274,409	1,432,106
			1,497,393	1,672,015
分類為持作出售的資產	Assets classified as held for sale	27	-	12,698
			1,497,393	1,684,713
流動負債	Current liabilities			
保險合約	Insurance contracts	28	55,508	53,806
保險應付款	Insurance payable	29	10,904	8,818
其他應付賬款及應計費用	Other creditors and accruals		25,028	25,021
銀行貸款	Bank borrowings	30	800,645	113,734
應付本期稅項	Current income tax payable		36,464	25,444
			928,549	226,823
流動資產淨值	Net current assets		568,844	1,457,890
總資產減流動負債	Total assets less current liabilities		5,410,753	5,661,149

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2016年12月31日結算 As at 31 December 2016

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
	註釋 Note		
非流動負債	Non-current liabilities		
銀行貸款	Bank borrowings	552,774	502,116
保險合約	Insurance contracts	38,268	33,844
遞延所得稅負債	Deferred income tax liabilities	32,614	41,960
		<u>623,656</u>	<u>577,920</u>
資產淨值	Net assets	<u>4,787,097</u>	<u>5,083,229</u>
股本	Share capital	891,135	891,135
其他儲備金	Other reserves	1,036,270	1,501,099
保留溢利	Retained profits		
擬派股息	Proposed dividend	22,971	22,971
其他	Others	2,836,721	2,666,165
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	<u>4,787,097</u>	<u>5,083,229</u>

彭錦光
董事

PENG Jin Guang
Director

劉承
董事

LIU Cheng
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2016年12月31日止年度 For the year ended 31 December 2016

		其他儲備金 Other reserves								股東權益 總額 Total equity	
		股本 Share capital	法定 儲備金 Statutory reserve	普通 儲備金 General reserve	資本 儲備金 Capital reserve	投資重估 儲備金 Investment revaluation reserve	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 Other reserves		保留溢利 Retained profits
		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2015年1月1日	At 1 January 2015	891,135	523,663	45,785	479,960	574,954	861	91,635	1,716,858	2,208,016	4,816,009
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	(13,609)	2,331	(187,542)	(198,820)	477,339	278,519
股息	Dividend	-	-	-	-	-	-	-	-	(22,971)	(22,971)
聯營公司權益被攤薄時撥回(註釋17(c)及(f))	Released on dilution of interest in associates (Note 17(c) & (f))	-	(152,012)	(22,459)	(133,504)	-	-	-	(307,975)	307,975	-
應佔聯營公司持有之一家附屬公司權益被攤薄(註釋17(d))	Share of dilution of interest in a subsidiary held by an associate (Note 17(d))	-	-	-	11,672	-	-	-	11,672	-	11,672
調撥	Transfers	-	244,058	37,165	-	-	-	-	281,223	(281,223)	-
於2015年12月31日	At 31 December 2015	<u>891,135</u>	<u>615,709</u>	<u>60,491</u>	<u>358,128</u>	<u>561,345</u>	<u>3,192</u>	<u>(95,907)</u>	<u>1,502,958</u>	<u>2,689,136</u>	<u>5,083,229</u>
組成如下:	Representing:										
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	-	55	-	-	-	-	1,804	1,859	-	1,859
2015年擬派股息	2015 proposed dividend	-	-	-	-	-	-	-	-	22,971	22,971
其他	Others	<u>891,135</u>	<u>615,654</u>	<u>60,491</u>	<u>358,128</u>	<u>561,345</u>	<u>3,192</u>	<u>(97,711)</u>	<u>1,501,099</u>	<u>2,666,165</u>	<u>5,058,399</u>
於2015年12月31日	At 31 December 2015	<u>891,135</u>	<u>615,709</u>	<u>60,491</u>	<u>358,128</u>	<u>561,345</u>	<u>3,192</u>	<u>(95,907)</u>	<u>1,502,958</u>	<u>2,689,136</u>	<u>5,083,229</u>
於2016年1月1日	At 1 January 2016	891,135	615,709	60,491	358,128	561,345	3,192	(95,907)	1,502,958	2,689,136	5,083,229
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	(283,881)	-	(254,892)	(538,773)	265,612	(273,161)
股息	Dividend	-	-	-	-	-	-	-	-	(22,971)	(22,971)
出售一家分類為持作出售的聯營公司時撥回(註釋27)	Released on disposal of an associate classified as held for sale (Note 27)	-	(55)	-	-	-	-	-	(55)	55	-
一家聯營公司權益被攤薄時撥回(註釋17(g))	Released on dilution of interest in an associate (Note 17(g))	-	(62,587)	(5,824)	(28,646)	-	-	-	(97,057)	97,057	-
調撥	Transfers	-	154,895	14,302	-	-	-	-	169,197	(169,197)	-
於2016年12月31日	At 31 December 2016	<u>891,135</u>	<u>707,962</u>	<u>68,969</u>	<u>329,482</u>	<u>277,464</u>	<u>3,192</u>	<u>(350,799)</u>	<u>1,036,270</u>	<u>2,859,692</u>	<u>4,787,097</u>
組成如下:	Representing:										
2016年擬派股息	2016 proposed dividend	-	-	-	-	-	-	-	-	22,971	22,971
其他	Others	<u>891,135</u>	<u>707,962</u>	<u>68,969</u>	<u>329,482</u>	<u>277,464</u>	<u>3,192</u>	<u>(350,799)</u>	<u>1,036,270</u>	<u>2,836,721</u>	<u>4,764,126</u>
於2016年12月31日	At 31 December 2016	<u>891,135</u>	<u>707,962</u>	<u>68,969</u>	<u>329,482</u>	<u>277,464</u>	<u>3,192</u>	<u>(350,799)</u>	<u>1,036,270</u>	<u>2,859,692</u>	<u>4,787,097</u>

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至2016年12月31日止年度 For the year ended 31 December 2016

		2016	2015
	註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
經營活動現金	Net cash inflow/(outflow) from operations		
流入／(流出)淨額	35	22,413	(28,159)
已收利息	Interest received	23,117	34,829
已付利息	Interest paid	(28,278)	(13,511)
已付稅項	Tax paid	(5,973)	(19,687)
經營業務活動現金	Net cash inflow/(outflow) from operating activities	11,279	(26,528)
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	(1,526)	(7,434)
存放有限制之銀行存款(存放)／提取原到期日	Placement of restricted bank deposits (Placement)/withdrawal of bank deposits	(9,757)	-
超過三個月之銀行存款	with original maturity over three months	(30,586)	11,023
聯營公司增資擴股	Capital contribution in associates	(796,119)	-
成立一家聯營公司	Formation of an associate	-	(1,150)
購入可供出售金融資產	Purchase of available-for-sale financial assets	(94,458)	(864)
購入持至到期日金融資產	Purchase of held-to-maturity financial assets	(3,101)	-
購入物業、機器及設備	Purchase of property, plant and equipment	(430)	(1,063)
已收聯營公司股息	Dividend received from associates	-	142,490
一家聯營公司償還部份貸款	Loan partially repaid from an associate	-	5,617
貸款予一家無關連公司	Loan advanced to an unrelated company	-	(239)
收回貸予一家無關連公司之應收貸款	Recovery of loan advance to an unrelated company	-	239
出售一家聯營公司	Sale of an associate	2,174	-
出售一家分類為持作出售的聯營公司	Sale of an associate classified as held for sale	12,819	-
出售可供出售金融資產	Sale of available-for-sale financial assets	87,386	-
出售物業、機器及設備	Sale of property, plant and equipment	6	50
投資活動現金	Net cash (outflow)/inflow from investing activities	(833,592)	148,669
(流出)／流入淨額			
融資活動前現金	Net cash (outflow)/inflow before financing activities	(822,313)	122,141
(流出)／流入淨額			

綜合現金流量表 CONSOLIDATED STATEMENT OF CASH FLOWS

截至2016年12月31日止年度 For the year ended 31 December 2016

		2016	2015
	註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
融資活動	Financing activities		
取得銀行貸款	Bank loans obtained	853,795	486,233
償還銀行貸款	Bank loans repaid	(122,608)	(450,000)
取得保證金貸款	Margin loans obtained	-	145,451
償還保證金貸款	Margin loans repaid	-	(145,451)
提取有限制之銀行存款	Withdrawal of restricted bank deposits	-	337,719
派發股息	Dividend paid	(22,971)	(22,971)
融資活動現金流入淨額	Net cash inflow from financing activities	708,216	350,981
現金及現金等價物 (減少)／增加	(Decrease)/increase in cash and cash equivalents	(114,097)	473,122
1月1日結存之現金及 現金等價物	Cash and cash equivalents at 1 January	1,325,520	887,808
匯率變動之影響	Effect of foreign exchange rates changes	(82,312)	(35,410)
12月31日結存之現金及 現金等價物	Cash and cash equivalents at 31 December	1,129,111	1,325,520
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	26 1,274,409	1,432,106
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	26 (36,511)	(34,985)
有限制之銀行存款	Restricted bank deposits	26 (55,527)	(48,927)
原到期日超過三個月 之銀行存款	Bank deposits with original maturity over three months	(53,260)	(22,674)
		1,129,111	1,325,520

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 一般資料

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

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

本綜合財務報表已於2017年3月30日獲董事會批准刊發。

2 主要會計政策

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

2.1 編制基準

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

1 GENERAL INFORMATION

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

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

These consolidated financial statements have been approved for issue by the Board of Directors on 30 March 2017.

2 PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.1 編制基準 (續)

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

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

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更

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

- 香港財務報告準則第14號 監管遞延賬目
- 修訂香港會計準則第1號 披露動議
- 修訂香港會計準則第16號及香港會計準則第38號 澄清可接納之折舊及攤銷方法
- 修訂香港會計準則第16號及香港會計準則第41號 農業：生產性植物
- 修訂香港會計準則第27號 獨立財務報表之權益法
- 修訂香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號 投資實體：應用綜合入賬之例外情況
- 修訂香港財務報告準則第11號 收購共同經營企業權益之會計法
- 2012–2014週期的香港財務報告準則的年度改進

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

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

- HKFRS 14 Regulatory Deferral Accounts
- Amendments to HKAS 1 Disclosure Initiative
- Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants
- Amendments to HKAS 27 Equity Method in Separate Financial Statements
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception
- Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Annual Improvements to HKFRSs 2012 – 2014 Cycle

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更 (續)

截至本綜合財務報表刊發日，香港會計師公會已頒布下列多項新準則及準則修訂；該些新準則及準則修訂於截至2016年12月31日止會計年度尚未生效，亦沒有提早在本綜合財務報表內採納：

- | | |
|-----------------------------|---------------------------------------|
| - 香港財務報告準則第9號 | 金融工具 |
| - 香港財務報告準則第15號 | 來自客戶合約之收入 |
| - 香港財務報告準則第16號 | 租賃 |
| - 修訂香港會計準則第7號 | 披露動議 |
| - 修訂香港會計準則第12號 | 就未變現虧損確認遞延稅項資產 |
| - 修訂香港財務報告準則第2號 | 股份支付交易的分類和計量 |
| - 修訂香港財務報告準則第4號 | 應用香港財務報告準則第9號「金融工具」於香港財務報告準則第4號「保險合約」 |
| - 修訂香港財務報告準則第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 |
| - 2014-2016週期的香港財務報告準則的年度改進 | |

本集團尚在探討應用這些新準則及準則修訂的影響，於本綜合財務報表刊發時尚未能量化其影響。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

Up to the date of issuance of these consolidated financial statements, the HKICPA has issued a number of following new standards and amendments to standards which are not yet effective for the accounting year ended 31 December 2016 and which have not been early adopted in these consolidated financial statements:

- | | |
|---|---|
| - HKFRS 9 | Financial Instruments |
| - HKFRS 15 | Revenue from Contracts with Customers |
| - HKFRS 16 | Leases |
| - Amendments to HKAS 7 | Disclosure Initiative |
| - Amendments to HKAS 12 | Recognition of Deferred Tax Assets for Unrealised Losses |
| - Amendments to HKFRS 2 | Classification and Measurement of Share-Based Payment Transactions |
| - Amendments to HKFRS 4 | Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts |
| - Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| - Annual Improvements to HKFRSs 2014 – 2016 Cycle | |

The Group is presently studying the implications of applying these new standards and amendments to standards but it is impracticable to quantify the effect as at the date of issuance of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準

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

(a) 附屬公司及非控股權益

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation

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

(a) Subsidiaries and non-controlling interests

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

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

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

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(a) 附屬公司及非控股權益 (續)

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

當本集團失去附屬公司的控制權時，即以出售該附屬公司的整體權益入賬，相關收益或虧損於綜合損益表內確認。失去控制權當日於該前附屬公司之任何餘下權益需重新以公平值計量，此數額視為金融資產初始確認的公平值（註釋 2.8(a)），或（如適用）視為投資聯營公司的初始確認成本（註釋 2.3(b)）。另外，任何之前於綜合全面收益表內確認有關該附屬公司的數額將猶如本集團已直接出售相關資產或負債而記賬。這可理解為當本集團失去附屬公司的控制權時，之前於綜合全面收益表內確認的數額重新分類至綜合損益表或直接記入保留溢利。

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

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

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the changes in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised in the consolidated income statement.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in the consolidated income statement. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2.8(a)) or, when appropriate, the cost on initial recognition of an investment in an associate (Note 2.3(b)). In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in consolidated statement of comprehensive income are reclassified to the consolidated income statement or transferred directly to retained profits when the Group loses control of the subsidiary.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(a) 附屬公司及非控股權益 (續)

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

非控股權益在綜合財務狀況表之股東權益中列示，但與本公司權益持有人的應佔權益分開。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 2.20 或 2.21 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 2.10(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 2.17）的投資則除外。附屬公司之業績由本公司按已收及應收股息入賬。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

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

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity holders 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 2.20 or 2.21 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 2.10(b)), unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.17). 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2.17）則除外。根據權益會計法，有關投資初始以成本確認，並按本集團應佔投資對象於收購日的可識辨資產淨值的公平值超過投資成本（如有）的數額而調整。其後，有關投資按本集團於購入後應佔投資對象資產淨值的變動及有關投資減值虧損而調整（註釋2.4及2.10(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。

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。

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 2.17). Under the equity method, the investments are initially recognised at cost, adjusted for any excess of the Group's share of the acquisition-date fair value of the investees' identifiable net assets over the cost of the investments (if any). Thereafter, the investments are adjusted for the post-acquisition changes in the Group's share of the investees' net assets and any impairment losses relating to the investments (Notes 2.4 and 2.10(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.

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.

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)

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2.8(a)）。另外，任何之前於綜合全面收益表內確認有關該投資對象的數額將猶如本集團已直接出售相關資產或負債而記賬。

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2.10(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2.17）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 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates (Continued)

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 2.8(a)). In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that investee are accounted for as if the Group had directly disposed of the related assets or liabilities.

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 2.10(b)), unless they are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.17). The results of associates are accounted for by the Company on the basis of dividend received and receivable.

2 主要會計政策 (續)

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。

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2.10(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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

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 2.10(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.5 物業、機器及設備 (續)

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。

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

(a) 直線法

持作自用的租賃土地及土地使用權	按租約尚餘年期
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
電腦設備	20% - 50%

(b) 餘額遞減法

傢俬、裝修及辦事處設備	10% - 20%
汽車	20% - 25%

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

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.

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
Buildings held for own use	Over the shorter of the unexpired term of the lease and 30 years
Computer equipment	20% - 50%

(b) Reducing balance method

Furniture, fixtures and office equipment	10% - 20%
Motor vehicles	20% - 25%

2 主要會計政策 (續)

2.5 物業、機器及設備 (續)

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 2.10(b))。

2.6 投資物業

投資物業指為賺取租金收入或資本增值或兩者兼備而擁有或持有之土地或樓宇或兩者兼備，且並非由本集團內的公司佔用。投資物業包括以營業租約持有的土地及以融資租賃持有的樓宇。

以營業租約持有的土地，如符合投資物業其餘定義，會按每項物業的基準劃歸為投資物業。分類為投資物業的營業租約下的土地猶如其為融資租賃而記賬。

投資物業初始按其成本計量，包括相關的交易成本。在初始確認後，投資物業按公平值列賬。公平值根據活躍市場價格計算並在有需要時，就個別資產的性質、地點或狀況的任何差異作出調整。如沒有此項資料，本集團利用其他估值方法，例如較不活躍市場的近期價格或折現現金流預測法。為繼續用作為投資物業而正在重建或市場已變得不活躍的投資物業，繼續按公平值計量。

其後成本只有在與該項目有關的未來經濟利益很有可能流入本集團，而該項目的成本能可靠計量時，才計入在資產的賬面值中。所有其他維修及保養成本在產生的期間內於損益表內支銷。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

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 2.10(b)).

2.6 Investment properties

Investment properties are land or buildings, or both which are owned or held to earn rental income or for capital appreciation or both, and are not occupied by the companies within the Group. They comprise land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property on a property-by-property basis when the rest of the definition of investment property is met. The operating lease of land classified as investment property is accounted for as if it was a finance lease.

Investment properties are measured initially at their costs, including related transaction costs. After initial recognition, investment properties are carried at fair value. Fair value is based on active market prices and adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.6 投資物業 (續)

投資物業的公平值變動及出售收益或虧損在損益表的「其他收益／(虧損) - 淨額」內確認。

當一項持作自用的物業因用途變更而重新分類為投資物業時，於重新分類為投資物業之日，持作自用物業重新分類為投資物業前的賬面值與根據註釋2.5計量的公平值所產生的任何差額確認如下：

- (a) 若物業的賬面值於重估時增加，該增加於其他全面收益內確認，並在股東權益的租賃樓房重估儲備金內分開累計。
- (b) 若物業的賬面值於重估時減少，該減少於損益表內確認。

投資物業其後出售時，於租賃樓房重估儲備金確認的重估盈餘可直接撥入保留溢利。

若一項投資物業變為業主自用物業，該物業被重新分類為持作自用物業，根據註釋2.5其於重新分類之日的公平值作為會計入賬的等同成本。

2.7 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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.6 Investment properties (Continued)

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 differences arising at the date of reclassification between the carrying amount of the property held for own use immediately prior to the reclassification and its fair values measured in accordance with Note 2.5 is recognised as below:

- (a) If the carrying amount of the property is increased as a result of the revaluation, the increase shall be recognised in other comprehensive income and accumulated separately in equity in the leasehold buildings revaluation reserve.
- (b) If the carrying amount of the property is decreased as a result of the revaluation, the decrease shall be recognised in the income statement.

On subsequent disposal of the investment property, the revaluation surplus recognised in the leasehold buildings revaluation reserve may be transferred directly to retained profits.

If an investment property becomes owner-occupied, it is reclassified as a property held for own use and its fair value at the date of reclassification becomes its deemed cost for subsequent accounting in accordance with Note 2.5.

2.7 Repossessed assets

Reposessed assets are collateral assets taken by the Group through court proceedings or voluntary delivery of possession by the borrowers.

2 主要會計政策 (續)

2.7 抵債資產 (續)

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。

2.8 金融資產

(a) 初始確認

本集團將其金融資產分類如下：按公平值透過損益列賬、貸款及應收款、持至到期日及可供出售。分類方式視乎購入金融資產的目的而定。管理層在初始確認時釐定金融資產的分類。

當本集團成為金融工具合約其中一方時確認金融資產。定期購入及出售的金融資產在交易日確認，交易日指本集團承諾購入或出售該資產之日。

金融資產初始按公平值確認，而公平值一般與交易價相同。如金融資產不屬於按公平值透過損益列賬，則包括直接歸屬於購入之金融資產的交易成本。對於按公平值透過損益列賬的金融資產的交易成本於損益表內即時支銷。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Repossessed assets (Continued)

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.

2.8 Financial assets

(a) Initial recognition

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Group recognises financial assets on the date it becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the assets.

Financial assets are initially recognised at fair value, which normally will be equal to the transaction price plus, in case of financial assets not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets at fair value through profit or loss are expensed in the income statement immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.8 金融資產 (續)

(b) 分類及計量

(i) 按公平值透過損益列賬

此類別包括持作買賣及初始確認時被指定按公平值透過損益列賬的金融資產，但不包括沒有市場報價及其公平值不能可靠計量的股權工具的投資。

持作買賣的金融資產乃在購入時主要用作在短期內出售，或屬可識辨金融資產組合的一部分，而該組合是整體管理的，及有證據顯示近期有短期出售以賺取利潤的模式。

不符合採用對沖會計法（註釋 2.9）的衍生金融工具（「衍生工具」）以持作買賣工具入賬。衍生工具以本集團訂立衍生工具合約當日的公平值初始確認，其後按其公平值重新計量。衍生工具的公平值變動即時在損益表的「其他收益／（虧損）— 淨額」內確認。

金融資產在以下情況於初始確認時指定為按公平值透過損益列賬：

- 該資產在內部是按公平值管理、評估及呈報的；或
- 該指定可抵銷或大幅度減低可能產生的會計錯配。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(b) Classification and measurement

(i) At fair value through profit or loss

This category comprises financial assets held for trading, and those designated at fair value through profit or loss upon initial recognition, but exclude those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Financial assets held for trading are financial assets acquired principally for the purpose of selling in the short term, or are part of a portfolio of identified financial assets that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Derivative financial instruments (“derivatives”) that do not qualify for hedge accounting (Note 2.9) are accounted for as trading instruments. Derivatives are initially recognised at fair value on the date derivative contracts are entered into by the Group and are subsequently re-measured at their fair values. Changes in their fair values are recognised immediately in the income statement within “Other gains/(losses) – net”.

Financial assets are designated at fair value through profit or loss upon initial recognition when:

- the assets are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

2 主要會計政策 (續)

2.8 金融資產 (續)

(b) 分類及計量 (續)

(i) 按公平值透過損益列賬 (續)

若一項金融資產包含一項或多項嵌入式衍生工具，本集團可將該整個合成合約指定為一項按公平值透過損益列賬的金融資產，除非：

- 嵌入式衍生工具沒有重大地改變該金融資產應有的現金流；或者
- 將嵌入式衍生工具從金融資產內分開是被禁止的。

在此類別的金融資產其後按公平值列賬。公平值變動盈虧列入產生期間的損益表的「其他收益／(虧損) — 淨額」內。於出售時，出售所得款項淨額與賬面值的差額於產生期間列入損益表的「其他收益／(虧損) — 淨額」內。股息收入於本集團收取款項的權利被確立時在損益表內確認為「其他收入」部分。

在此類別的金融資產若為持作買賣或預期將於呈報日後十二個月內變現，則分類為流動資產。

(ii) 貸款及應收款

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等款項在本集團直接向債務人提供金錢、貨品或服務而無意買賣該應收款時產生。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(b) Classification and measurement (Continued)

(i) At fair value through profit or loss (Continued)

If a financial asset contains one or more embedded derivatives, the Group may designate the entire hybrid contract as a financial asset at fair value through profit or loss unless:

- the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the financial asset; or
- the separation of the embedded derivative(s) from the financial assets is prohibited.

Financial assets under this category are subsequently carried at fair value. Gains or losses arising from changes in the fair value are included in the income statement within "Other gains/(losses) – net" in the period in which they arise. Upon disposal, the difference between the net sale proceeds and the carrying value is included in the income statement within "Other gains/(losses) – net" in the period in which they arise. Dividend income is recognised in the income statement as part of "Other revenues" when the Group's right to receive payment is established.

Financial assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the reporting date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.8 金融資產 (續)

(b) 分類及計量 (續)

(ii) 貸款及應收款 (續)

貸款及應收款按實際利息法計算攤銷成本並扣除減值虧損 (如適用) 列賬 (註釋 2.10(a)(i))。

在此類別的金融資產分類為流動資產，但由呈報日起計超過十二個月到期或預期會變現者，則分類為非流動資產。

(iii) 持至到期日

持至到期日金融資產為有固定或可釐定付款以及固定到期日的非衍生金融資產，而本集團管理層有明確意向及能力持有至到期日。

持至到期日金融資產按實際利息法計算攤銷成本並扣除減值虧損 (如適用) 列賬 (註釋 2.10(a)(ii))。

在此類別的金融資產分類為流動資產，但到期日由呈報日起計超過十二個月者，則分類為非流動資產。

(iv) 可供出售

可供出售金融資產為被指定為此類別或並非分類為任何上述其他三種類別的非衍生金融資產。它包括計劃作不定期限持有的金融資產，但可能因應流動資金之需要或市場環境轉變而出售。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(b) Classification and measurement (Continued)

(ii) Loans and receivables (Continued)

Loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2.10(a)(i)).

Financial assets in this category are classified as current assets except for those with maturities greater than twelve months after the reporting date or are expected to be realised after twelve months from the reporting date which are classified as non-current assets.

(iii) Held-to-maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2.10(a)(ii)).

Financial assets in this category are classified as current assets except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other three categories above. They include financial assets intended to be held for an indefinite period of time, but which may be sold in response to need for liquidity or changes in the market environment.

2 主要會計政策 (續)

2.8 金融資產 (續)

(b) 分類及計量 (續)

(iv) 可供出售 (續)

可供出售金融資產按公平值列賬，但不包括沒有活躍市場報價且其公平值不能夠可靠計量的股權證券，其按成本扣除減值虧損（如適用）列賬（註釋 2.10(a)(iii)）。除減值虧損及貨幣性資產（如債務證券）的外匯盈虧須在損益表內確認外，因公平值變動而產生之未實現盈虧於其他全面收益內確認，並在股東權益的投資重估儲備金內分開累計。

可供出售金融資產於出售時，其出售盈虧包括出售所得款項淨額與賬面值的差額，以及曾經確認為其他全面收益之累計公平值調整須由股東權益重新分類而轉入損益表。

除非管理層有意在呈報日起計十二個月內出售該項金融資產，否則在此類別的金融資產分類為非流動資產。

(c) 終止確認

當從金融資產收取現金流量的權利經已到期或經已轉讓，及本集團已將擁有權的所有風險和回報實際轉讓後，金融資產即終止確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(b) Classification and measurement (Continued)

(iv) Available-for-sale (Continued)

Available-for-sale financial assets are carried at fair value except for investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less impairment losses, if any (Note 2.10(a)(iii)). Unrealised gains or losses arising from changes in the fair value are recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve, except for impairment losses and foreign exchange gains or losses on monetary items such as debt securities which are recognised in the income statement.

When the available-for-sale financial assets are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments which are previously recognised in other comprehensive income shall be reclassified from equity to the income statement.

Financial assets in this category are classified as non-current assets unless management intends to dispose of the financial assets within twelve months from the reporting date.

(c) De-recognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.8 金融資產 (續)

(d) 公平值的計量原則

金融工具的公平值是根據呈報日之市場報價(競買價)釐定，但未減除將來的估計出售成本。

如沒有公開的最新交易價格或認可交易所的市場報價，或從經紀／交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平值按估值模式估值，而該估值模式可提供與市場實際交易般可靠的估計價格。

當採用折現現金流模式，估計未來現金流按管理層的最佳估計及採用的折現率是在呈報日適用於類似條款的工具的市場利率。當採用其他定價模式時，輸入資料是在呈報日的市場價格資料。

2.9 對沖會計法

本集團並未對可能有資格符合作為現金流量對沖或公平值對沖之衍生工具採用對沖會計法。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(d) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices (bid prices) at the reporting date without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the reporting date.

2.9 Hedge Accounting

The Group does not adopt hedge accounting for derivatives which may qualify as eligible cash flow hedges or fair value hedges.

2 主要會計政策 (續)

2.10 資產減值

(a) 金融資產

本集團在各呈報日評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。惟當有客觀證據證明於初始確認資產後發生一宗或多宗事件導致減值情況出現(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產之估計未來現金流構成可合理估計的影響，有關金融資產才算出現減值及產生減值虧損。證明某項或某組金融資產已出現減值的客觀證據包括本集團察覺到有關以下虧損事件的明顯證據：

- 發行人或承擔人出現重大財政困難；
- 違反合約如逾期或拖欠支付利息或本金；
- 本集團向發行人或承擔人基於經濟或法律理由就其財政困難而給予在一般情況下放款人不予考慮的優惠條件；
- 發行人或承擔人很有可能破產或進行其他財務重組；
- 因財務困難而導致某項金融資產失去活躍市場；或
- 可觀察的資料顯示某組金融資產自初始確認入賬後，其估計之未來現金流量出現重大跌幅，儘管未能確定有關跌幅是來自組別內哪項個別金融資產，而有關資料包括：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of assets

(a) Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or a group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group granting to the issuer or obligor, for economic or legal reasons relating to their financial difficulty, a concession that a lender would not otherwise consider;
- it becoming probable that the issuer or obligor will enter into bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including:

2 主要會計政策 (續)

2.10 資產減值 (續)

(a) 金融資產 (續)

- 該組別內借款人的付款狀況出現逆轉；或
- 該組別內資產拖欠情況與有關的國家或當地經濟狀況配合。

(i) 貸款及應收款

若有客觀證據證明按攤銷成本列賬的貸款及應收款出現減值虧損，則以金融資產的賬面值與按金融資產原來的實際利率折算之估計未來現金流量（不包括未產生的日後信貸虧損）所得的現值差額計算減值虧損。倘貸款按浮動利率計息，用於計算任何減值虧損之折現率則為合約下釐定的當時實際利率。在實際運作上，本集團可能採用可觀察之市場價格來釐定工具的公平值。

此虧損會透過使用備付賬在金融資產之賬面值內扣除並於損益表內確認。

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連（例如債務人信貸評級改善），則以往確認的減值虧損透過調整備付賬撥回，撥回的金額於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of assets (Continued)

(a) Financial assets (Continued)

- adverse changes in the payment status of borrowers in the group; or
- national or local economic conditions that correlate with defaults on the assets in the group.

(i) Loans and receivables

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment loss on the basis of an instrument's fair value using an observable market price.

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

2 主要會計政策 (續)

2.10 資產減值 (續)

(a) 金融資產 (續)

(ii) 持至到期日

若有客觀證據證明按攤銷成本列賬的持至到期日金融資產出現減值虧損，則以金融資產的賬面值與按金融資產原來的實際利率折算之估計未來現金流量（不包括未產生的日後信貸虧損）所得的現值差額計算減值虧損。倘持至到期日金融資產按浮動利率計息，用於計算任何減值虧損之折現率則為合約下釐定的當時實際利率。在實際運作上，本集團可能採用可觀察之市場價格來釐定工具的公平值。

此虧損會透過使用備付賬在金融資產之賬面值內扣除並於損益表內確認。

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連（例如債務人信貸評級改善），則以往確認的減值虧損透過調整備付賬撥回，撥回的金額於損益表內確認。

(iii) 可供出售

對於分類為可供出售的股權證券，若股權證券公平值大幅度或長期跌至低於其成本值，會被考慮股權證券是否已經出現減值。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of assets (Continued)

(a) Financial assets (Continued)

(ii) Held-to-maturity

If there is objective evidence that an impairment loss on held-to-maturity financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a held-to-maturity financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment loss on the basis of an instrument's fair value using an observable market price.

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(iii) Available-for-sale

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the equity securities below their cost is considered in determining whether the assets are impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.10 資產減值 (續)

(a) 金融資產 (續)

(iii) 可供出售 (續)

若有客觀證據證明可供出售金融資產出現減值，已在投資重估儲備金內確認的累計虧損重新分類至損益表。在損益表內確認的累計虧損乃按收購成本（扣除任何本金償付及攤銷）與當時公平值的差額減該金融資產之前在損益表內確認的任何減值虧損計算。

就按成本列賬的無報價可供出售股權證券而言，減值虧損按股權證券的賬面值與類似金融資產按現時市場回報率折算之估計未來現金流量所得的現值（如折算的影響為重大）差額計算。

在損益表內確認的可供出售股權證券減值虧損不會從損益表撥回。其後該等資產的公平值出現任何增加均直接於全面收益表內確認，並在股東權益的投資重估儲備金內分開累計。再者，已於損益表內確認減值虧損後進一步出現的任何減值均即時於損益表內確認。

若在較後期間，可供出售債務證券的公平值增加，而該增加是可客觀地與損益表內確認減值虧損後發生的事件有關連，撥回的減值虧損於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of assets (Continued)

(a) Financial assets (Continued)

(iii) Available-for-sale (Continued)

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in the investment revaluation reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discount is material.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in statement of comprehensive income and accumulated separately in equity in the investment revaluation reserve. Furthermore, any further declines in value after an impairment loss had been recognised in the income statement should be recognised immediately in the income statement.

If, in a subsequent period, the fair value of an available-for-sale debt securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the reversal of impairment loss is recognised in the income statement.

2 主要會計政策 (續)

2.10 資產減值 (續)

(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。

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）。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of assets (Continued)

(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).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.10 資產減值 (續)

(b) 其他非金融資產 (續)

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2.10(a)及2.10(b)）。

於中期期間確認有關商譽和按成本值入賬之可供出售股權證券和無報價股權證券的減值虧損不會於下一期間轉回。即使若在中期期間相關的財政年度完結時評估減值，而毋須確認任何虧損或只有些微虧損，情況亦同樣不變。

2.11 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 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of assets (Continued)

(b) Other non-financial assets (Continued)

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 2.10(a) and 2.10(b)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2.11 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 主要會計政策 (續)

2.12 保險合約

(a) 分類

保險合約按風險年期，以及條款及條件是否固定作出分類。

本集團簽發的短期保險合約為意外傷亡及財產保險合約。

意外傷亡保險合約保障本集團客戶因進行合法活動而導致對第三者造成損害的風險。賠償包括合約及非合約事故，兩者皆受到保障。通常提供的保障是為僱主向受工傷僱員負起工傷意外的法定補償責任（僱主責任），及為個人及商業客戶向第三者的人身傷害或財物損毀負起的法定補償責任（公眾責任）。

財產保險合約主要向本集團客戶就其財產損毀或財產遺失的價值而作出賠償。客戶於其物業內進行商業活動，如因在承保物業內不能進行營業活動導致的盈利損失亦可得到賠償（營業中斷保障）。

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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Insurance contracts

(a) Classification

Insurance contracts are classified depending on the duration of risk and whether or not the terms and conditions are fixed.

Short-term insurance contracts issued by the Group are casualty and property insurance contracts.

Casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

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 cost of more complex claims that may be affected by external factors (such as court decisions).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.12 保險合約 (續)

(b) 遞延取得成本

佣金及其他取得成本與獲得新訂合約及續保現有合約相關，且因合約業務不同而有所差異，乃資本化為無形資產 - 遞延取得成本。所有其他成本於產生時列作開支。遞延取得成本其後於賺取保費之合約期內予以攤銷。

(c) 負債充足性測試

於各呈報日進行負債充足性測試是為保證扣除相關遞延取得成本後的合約負債的充足性。進行該等測試時，按未來合約現金流量、賠付處理及行政費用的現時最佳估計予以評估。任何不足額隨即於損益表內扣除，而扣除方式為先沖銷遞延取得成本，再為負債充足性測試產生的損失作出撥備（未滿期風險撥備）。任何因上述測試而沖銷的遞延取得成本不可於其後復原。

(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 2.11 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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Insurance contracts (Continued)

(b) Deferred acquisition costs (“DAC”)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset, DAC. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts as premium is earned.

(c) Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses are used. Any deficiency is immediately charged to the income statement initially by writing off DAC and subsequently by establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision). Any DAC written off as a result of this test cannot subsequently be reinstated.

(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 2.11 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.

2 主要會計政策 (續)

2.12 保險合約 (續)

(d) 持有再保險合約 (續)

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 2.10(a)(i) 貸款及應收款採用的相同程序計算。

(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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Insurance contracts (Continued)

(d) Reinsurance contracts held (Continued)

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 reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance 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 income statement. The Group gathers the objective evidence that a reinsurance asset is impaired and calculates the impairment losses using the same processes adopted for loans and receivables as described in Note 2.10(a)(i).

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.12 保險合約 (續)

(e) 與保險合約有關的應收款及應付款 (續)

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 2.10(a)(i) 貸款及應收款採用的相同程序計算。

(f) 損餘及代位權付還

若干保險合約容許本集團出售已取得財產 (通常已損毀) 以結清索償 (損餘)。本集團亦有權向第三者追索部分或全部費用 (代位權)。

估計損餘追償於計量索償保險責任時作為備抵項目，而損餘財產則於保險責任結清時確認為其他資產。備抵項目的金額為出售財產時可合理收回的金額。

代位權付還亦於計量索償保險責任時作為備抵項目，並於保險責任結清時確認為其他資產。備抵項目的金額為評估透過訴訟可向第三責任人收回的金額。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Insurance contracts (Continued)

(e) Receivables and payables related to insurance contracts (Continued)

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable to its recoverable amount and recognises that impairment loss in the consolidated income statement. The Group gathers the objective evidence that an insurance receivable is impaired and calculates the impairment losses using the same processes adopted for loans and receivables as described in Note 2.10(a)(i).

(f) Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (salvage). The Group may also have the right to pursue third parties for payment of some or all costs (subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the amount assessed that can be recovered from the action against the liable third party.

2 主要會計政策 (續)

2.13 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。

2.14 土地使用權

中國內地的所有土地均屬國有，並不存在個人擁有權。根據香港會計準則第2號「存貨」的規定，持作發展供出售的土地使用權的地價款分類為存貨，並按成本或可變現淨值兩者中之較低者列賬。土地使用權於開始發展時調撥入供出售發展中物業。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 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.

2.14 Land use rights

All land in Mainland China is state-owned and no individual ownership right existed. The premiums paid for the land use rights held for development for sale are classified as inventories in accordance with HKAS 2 "Inventories" and measured at lower of cost and net realisable value. Land use rights are transferred to properties under development for sale upon commencement of development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.15 供出售發展中物業

供出售發展中物業列入流動資產並按成本或可變現淨值兩者中之較低者列賬。可變現淨值乃參考以日常業務過程中出售物業的估計銷售所得款項減去估計浮動營銷費用及預期落成成本或管理層根據現行市場情況估計後釐定。

物業開發成本包括土地使用權、於正常營運週期內開發期間產生的建築成本、資本化融資成本及專業費用。物業開發成本於落成時調撥入已落成供出售物業。

2.16 已落成供出售物業

於呈報日仍未出售的已落成供出售物業按成本或可變現淨值兩者中之較低者列賬。

成本包括未售出物業應佔發展成本。可變現淨值乃參考以日常業務過程中出售物業的估計銷售所得款項減去估計浮動營銷費用或管理層根據現行市場情況估計後釐定。

2.17 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 Properties under development for sale

Properties under development for sale are included in current assets and stated at the lower of cost and net realisable value. Net realisable value is determined by reference to estimated sale proceeds of the properties sold in the ordinary course of business less estimated variable selling expenses and anticipated costs to completion, or by management's estimates based on prevailing market conditions.

Development costs of properties comprise land use rights, construction costs, capitalised finance costs and professional fees incurred during the development period of a normal operating cycle. On completion, the development costs of properties are transferred to completed properties held for sale.

2.16 Completed properties held for sale

Completed properties held for sale are completed properties remaining unsold at the reporting date and are stated at the lower of cost and net realisable value.

Cost comprises development cost attributable to the unsold properties. Net realisable value is determined by reference to estimated sale proceeds of the properties sold in the ordinary course of business less estimated variable selling expenses, or by management's estimates based on prevailing market conditions.

2.17 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.

2 主要會計政策 (續)

2.17 持作出售的非流動資產 (或出售組合) (續)

在初始分類為持作出售類別前，非流動資產 (及在出售組合內所有每項資產及負債) 的賬面值按適用的香港財務報告準則計量。資產初始分類為持作出售類別及至售出時，非流動資產 (以下所述之若干資產除外) 或出售組合會以賬面值或公平值扣除出售成本兩者中之較低者入賬。遞延稅項資產、金融資產 (於附屬公司及聯營公司的投資除外)、保險合約及投資物業，即使分類為持作出售，亦會繼續按註釋2的會計政策計量。

只要非流動資產被分類為持作出售，或被列入分類為持作出售之出售組合，該非流動資產即不予計提折舊或攤銷。

若先前已分類為持作出售類別或被列入分類為持作出售之出售組合的非流動資產不再符合上述確認標準，本集團以該資產未分類為持作出售類別前的賬面值 (經調整該資產假設未分類為持作出售類別而應已入賬的折舊、攤銷或重估的數額) 或其後決定不出售之日該資產的可收回金額兩者中之較低者計量。

本集團就停止分類為持作出售的非流動資產於其後決定不出售之日，在持續營運所得的收入內計入任何所需調整。

2.18 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 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.17 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.

2.18 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.19 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。

2.20 金融負債 – 貸款

貸款初步按公平值並扣除產生的交易成本確認。交易成本為取得、發行或出售某項金融負債直接所佔的新增成本，包括支付予借款人的費用和佣金。貸款其後按實際利息法計量的攤銷成本列賬；初步確認的公平值與贖回價值的任何差額，連同任何利息及應付費用，於貸款期間內在損益表內確認。

除非本集團有無條件權利將負債的結算遞延至呈報日後最少十二個月，否則貸款分類為流動負債。

2.21 金融負債 – 應付賬款及應付款

應付賬款及應付款初步以公平值確認。除了財務擔保負債根據註釋2.22計量外，應付賬款及應付款其後按實際利息法計量的攤銷成本列賬。

2.22 財務擔保負債

財務擔保合約是指發行人（即擔保人）須於擔保受益人（「持有人」）因某一指定債務人未能根據債務工具的條款支付到期債務而蒙受損失時，向持有人償付指定款項的合約。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.19 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.

2.20 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 liability for at least twelve months after the reporting date.

2.21 Financial liabilities – Creditors and payables

Creditors and payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with Note 2.22, creditors and payables are subsequently measured at amortised cost using the effective interest method.

2.22 Financial guarantee liabilities

Financial guarantees are contracts that require the issuer (i.e., the guarantor) to make specified payments to reimburse beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

2 主要會計政策 (續)

2.22 財務擔保負債 (續)

財務擔保合約以合約簽發當日的公平值加上直接歸屬於簽發擔保的交易成本於財務報表內初始確認。其後本集團之責任按根據香港會計準則第37號「撥備、或然負債及或然資產」釐定需償付現有責任的最佳估計開支的現值與初始確認之金額減確認之累計攤銷，兩者中之較高者計量。財務擔保合約負債的變動則於損益表內確認。

2.23 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)

2.22 Financial guarantee liabilities (Continued)

Financial guarantees are initially recognised in the financial statements at fair value plus transaction costs that are directly attributable to the issue of the guarantees on the date that the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less cumulative amortisation recognised. Any changes in the liabilities relating to financial guarantees are taken to the income statement.

2.23 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.24 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。

2.25 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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.24 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.

2.25 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.

2 主要會計政策 (續)

2.25 外幣換算 (續)

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計價的貨幣資產和負債以收市匯率換算產生的匯兌盈虧在損益表內確認。

非貨幣金融資產及負債(例如持有按公平值透過損益列賬的股權工具)的換算差額在損益表內呈報為公平值盈虧的一部分。非貨幣項目(例如分類為可供出售金融資產的股權投資)的換算差額包括在其他全面收益內,並在股東權益的投資重估儲備金內分開累計。

(c) 集團公司

所有集團實體的功能貨幣(當中沒有嚴重通脹貨幣經濟體的貨幣)與本公司的列賬貨幣不同的,其業績和財務狀況按如下方法換算為列賬貨幣:

- 財務狀況表內的資產和負債按該財務狀況表日期的收市匯率換算;
- 損益表內的收入和支出按平均匯率換算,除非此平均匯率並不代表交易日期匯率的累計影響的合理約數。在此情況下,收支項目按交易日期的匯率換算;及
- 所有由此產生的匯兌差額確認為權益的獨立組成部分。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.25 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss in the income statement. Translation differences on non-monetary items, such as equity investments classified as available-for-sale financial assets, are included in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.25 外幣換算 (續)

(c) 集團公司 (續)

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。

2.26 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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.25 Foreign currency translation (Continued)

(c) Group companies (Continued)

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.

2.26 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.

2 主要會計政策 (續)

2.26 所得稅 (續)

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。

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；而就就可扣稅差異而言，除非該差異在可見將來很可能會轉回。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the 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.

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.

2 主要會計政策 (續)

2.26 所得稅 (續)

就根據註釋 2.6 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：

- 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 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Income tax (Continued)

Where investment property is carried at its fair value in accordance with the accounting policy set out in Note 2.6, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of that investment property at its carrying value at the reporting date unless that investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in that investment property over time, rather than through sale. In all other case, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on the same taxable entity.

2 主要會計政策 (續)

2.27 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)。

2.28 收入確認

收入按已收或應收對價的公平值計量。收入不包括增值稅或其他銷售稅，並根據估計的客戶退貨、折扣和其他類似折扣減少。如果經濟利益很有可能流向本集團，且收入和成本能夠可靠地計量，則收入在損益表內確認如下：

(a) 利息收入

利息收入採用實際利息法按時間比例基準確認。倘應收款出現減值，本集團會將賬面值減至可收回款額，即估計的未來現金流量按該工具之原實際利率貼現，並繼續將貼現計算並確認為利息收入。

(b) 投資物業租金收入

除非有更具代表性的基準衡量從租賃資產獲取利益的模式，否則營業租約之租金收入按該租期所涵蓋的年期以等額分期於損益表內確認。營業租約協議所涉及的獎勵措施均在損益表內確認為租賃淨收款總額的組成部分。

(c) 股息收入

股息收入在股東收取款項的權利被確立時予以確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.27 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.

2.28 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue excludes value added tax or other sales taxes and is reduced for estimated customer returns, rebates and other similar allowances. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(a) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(b) Rental income from investment properties

Rental income receivable under operating leases is recognised in the income statement in equal installments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable.

(c) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.28 收入確認 (續)

(d) 短期保險合約

短期保險合約的毛保費於承保日確認收入。

已賺保費於承保期間按比例以收入入賬。於合約生效期內已收取與呈報日未滿期風險有關的部分保費列為未滿期保費責任。保費以扣除佣金前之數額列賬。

(e) 管理費

管理費在提供服務時入賬。

(f) 銷售貨品

當貨品擁有權的重大風險和回報已轉移給買方，只要本集團既不保留管理權（管理層的參與程度通常與擁有權相關），也沒有已售貨品的有效控制權，銷售貨品的收入予以確認。

(g) 物業銷售

在日常業務過程中所得的物業銷售收入於有關物業的回報和風險轉移予買家時（即當有關物業的建築已經完成及該等物業已移交予買家，以及可合理地確保收回有關應收款）予以確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.28 Revenue recognition (Continued)

(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 goods

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

(g) Sales of properties

Revenue from sales of properties in the ordinary course of business is recognised when the risks and rewards of the respective properties are transferred to the buyers, which is when the construction of relevant properties has been completed and the properties have been delivered to the buyers and collectability of related receivables is reasonably assured.

2 主要會計政策 (續)

2.29 借貸成本

借貸成本於產生年度在損益表內支銷，但如該等成本是直接因收購、興建或製造需時甚久方可達到其預定用途或出售的資產，則會轉化為資本性開支入賬。

作為合資格資產成本一部分的借貸成本在該資產的開支正在產生、借貸成本正在產生及為準備該資產作為預定用途或出售的所需活動正在進行時開始資本化。當大部分為準備該合資格資產作為預定用途或出售的所需活動已被中斷或完成時，借貸成本資本化亦暫停或終止。

2.30 營業租約

營業租約是指擁有資產之所有回報及風險實質上由出租人保留之租約。營業租賃（包括租賃土地）款額在扣除收取自出租人之任何優惠金後，於租約期內以直線法在損益表內支銷。

2.31 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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.29 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.

2.30 Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases (including those for leasehold land) net of any incentives received from the lessor are charged to the income statement on a straight-line basis over the lease periods.

2.31 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.31 僱員福利 (續)

(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。

(c) 僱員假期福利

僱員應享有的年假於累計予僱員時確認。截至呈報日已計提因僱員已提供服務而享有之年假所引致的估計負債。

僱員應享有的病假及分娩假於發生時才予以確認。

(d) 以股份為基礎的補償

本集團一家聯營公司營運一項現金結算的股份支付計劃（「股權增值權計劃」）。根據該計劃，股權增值權計劃在完成等待期內的服務和達到規定業績條件以後才可行權。該聯營公司承擔的負債的公平值變動已於其損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.31 Employee benefits (Continued)

(b) Retirement benefit costs

The Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. These pension plans are defined contribution schemes which the Group pays fixed contributions and has no further payment obligations once the contributions have been paid. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services rendered in the current and prior periods.

The Group's contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Share-based compensation

An associate of the Group sets up a cash-settled share-based payment plan, namely Share Appreciation Rights ("SAR"). According to the plan, SAR is not vested until fulfilling services in the vesting period and meeting required performance. The changes in fair value of liability incurred have been recognised in the income statement by that associate.

2 主要會計政策 (續)

2.31 僱員福利 (續)

(e) 終止服務權益

當本集團在僱員正常退休日期前終止其聘用，或當僱員接受自願遣散以換取有關福利時，終止服務權益即須支付。本集團在可證明承諾如下時確認終止服務權益：根據一項詳細的正式計劃終止現有僱員的僱用；或因為提出一項要約以鼓勵自願遣散而提供的終止服務權益（沒有撤回的實際可能性）。超過呈報日後十二個月支付的福利貼現為現值。

2.32 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表現。

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。

2.33 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 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.31 Employee benefits (Continued)

(e) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan or providing termination benefits as a result of an offer made to encourage voluntary redundancy without realistic possibility of withdrawal. Benefits falling due more than twelve months after the reporting date are discounted to present value.

2.32 Segment reporting

Operating segments, and the amounts of each segment item reported in these consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products or services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2.33 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.34 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。
- (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2.34(a)定義的人士所控制或共同控制。
 - (vii) 在註釋2.34(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)

2.34 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.
- (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 2.34(a).
 - (vii) a person identified in Note 2.34(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 關鍵會計估計及判斷

在編制財務報表時，管理層必須對未來作出估計和假設，此等估計和假設將影響本綜合財務報表呈報的資產、負債、收入及支出。估計和假設的應用如因管理層的判斷有所改變或因應實際環境的演變而有所改變，會引致本集團的財務狀況及業績有所不同。

估計和判斷會被持續評估，並根據過往經驗和其他因素（包括在有關情況下相信為合理的對未來事件的預測）進行評價。本集團認為，於編制本綜合財務報表時已作出適當假設和估計，因此在各個重要層面，本綜合財務報表均能公平地反映本集團的財務狀況和業績。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets, liabilities, revenues and expenses in these consolidated financial statements. The application of assumptions and estimates means that any changes of them, either due to changes of management's judgement or the evolvement of the actual circumstances, would cause the Group's financial position and results to differ.

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group believes that the assumptions and estimates that have been made in the preparation of these consolidated financial statements are appropriate and that these consolidated financial statements therefore present fairly the Group's financial position and results in all material respects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

在未來十二個月很大機會導致資產和負債的賬面值作出重大調整風險的估計和假設討論如下。

(a) 投資物業公平值的估計

本集團所持投資物業公平值的最佳證據為在活躍市場相類似的租賃或其他合約的當時價格。若沒有此等資料，本集團在一系列合理的公平值估計範圍內釐定有關金額。在作出判斷時，本集團會考慮多方面的資料，包括在活躍市場不同性質、狀況或地點的物業的當時價格（或受限於不同租賃或其他合約），經調整以反映此等差別；或在較不活躍市場相類似物業的近期價格，附帶調整以反映該等價格出現的交易日期後經濟狀況的任何變動。於2016年12月31日，本集團的投資物業公平值約港幣17,054萬元（註釋16）。

(b) 於廈銀的投資

本公司持有廈銀約9.7635%股權。儘管本公司持有廈銀的投票權少於20%，但本公司於廈銀董事會內有兩名代表，以及透過在廈銀董事會設立的委員會代表參與政策制定程序，因此本公司認為其有能力對廈銀的財務及營運決策行使重大影響力。因此，本公司認為廈銀將繼續被分類為本公司的聯營公司，而其所持廈銀的權益將繼續按照香港財務報告準則以權益會計法入賬（註釋17）。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are discussed below.

(a) Estimate of fair value of investment properties

The best evidence of fair value of investment properties held by the Group is current prices in an active market for similar lease or other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making this judgement, the Group considers information including current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences or recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. As at 31 December 2016, the fair value of the Group's investment properties was approximately HK\$170.54 million (Note 16).

(b) Investment in XIB

The Company holds approximately 9.7635% shareholding in XIB. The Company considered that it has the ability to exercise significant influence over the financial and operating policy decisions of XIB through its two representatives on the board of directors of XIB as well as the participation in policy-making processes through the representations in committees set up by the board of directors of XIB even though the Company holds less than 20% of the voting power of XIB. Accordingly, the Company considers that XIB will continue to be classified as an associate of the Company and the Company's interest in XIB will continue to be accounted for using equity method in accordance with the HKFRSs (Note 17).

3 關鍵會計估計及判斷 (續)

(c) 貸款及墊款減值準備

本集團定期審閱貸款組合，並評估其是否出現減值情況，並在出現減值情況時評估減值的具體情況。減值的客觀證據包括顯示單筆貸款預計未來現金流出現大幅減少的可觀察資料、顯示貸款組合借款人的支付狀況發生不利變化的可觀察資料（例如，借款人不按規定還款），或出現了可能導致組合內貸款違約的國家或地方經濟狀況的不利變化等。個別貸款的減值準備金額為預期可收取的未來現金流按原實際利率貼現的現值。當運用組合方式評估貸款組合的減值準備時，對具有相類似的信用風險特徵和客觀減值證據的貸款組合資產，本集團管理層根據與該貸款組合具有類似信用風險特徵的資產的歷史虧損經驗確定，並根據反映當前經濟狀況的可觀察資料進行調整。本集團管理層定期審閱對未來現金流的金額和時間進行估計所使用的方法和假設，以減少估計貸款減值準備和實際貸款減值準備情況之間的差異。在實際運作上，本集團可能採用組合方式並根據市場過往的經驗來評估貸款組合的減值準備。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(c) Impairment allowances on loans and advances

The Group reviews its loan portfolios to assess impairment regularly, and would further assess impairment when there are indications of impairment. Objective evidence of impairment includes observable data indicating that there is a measurable decrease in the estimated future cash flows from an individual loan, observable data indicating that there has been an adverse change in the payment status of borrowers in a group (e.g., payment delinquency or default), or national or local economic conditions that correlated with defaults on assets in the group. The individual impairment allowance is based upon best estimate of the present value of cash flows which are expected to be received discounted at the original effective interest rate. When assessing the impairment allowances of a loan portfolio under the collective evaluation method, management of the Group uses estimates based on historical loss experience, which subjects to adjustments according to observable data to reflect the current economic conditions, for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when estimating expected future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between estimated impairment allowances and actual impairment allowances. As a practical expedient, the Group may assess the impairment allowances of a loan portfolio under the collective evaluation method on the basis of the market historical experience.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

(d) 意外傷亡及財產保險合約負債

就意外傷亡及財產保險合約而言，須對於呈報日已呈報索償預期最終成本及於呈報日已發生但未呈報（「已發生但未呈報」）索償預期最終成本作出估計。確立最終賠償的成本可能耗時甚長，故就若干保單而言，已發生但未呈報索償責任構成了綜合財務狀況表中保險責任的主要部分。未決賠償的最終成本乃通過使用多種標準的保險精算賠款預測方法作出估計，如 Bornhuetter-Ferguson（「BF」）法。

與該等方法相關的主要假設為過往的賠償發展經驗可用於預測未來的賠償發展，從而得出最終賠償成本。因此，該等方法根據分析過往年度的發展及預期虧損比率來推斷已付及已發生的虧損發展、平均每宗賠償的成本及賠償數目。歷史賠償發展主要按事故年度、重大業務類別及賠償種類作出分析。重大賠償通常單獨作出考慮，按照理賠師估計的金額計提或進行單獨預測，以反映其未來發展。使用的假設隱含在歷史賠償發展數據並用於預測。為評估過往趨勢在多大程度上不適用於未來（例如反映一次性事件，公眾對賠償的態度、經濟條件、賠償通脹水平、司法決定及立法等外部或市場因素的變動，以及產品組合、保單條件及賠償處理程序等內部因素的變動），會使用額外定性判斷，以在考慮了所有涉及的不確定因素後，在各種可能的結果中呈列出很可能的估計最終賠償成本。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(d) Casualty and property insurance contract liabilities

For casualty and property insurance contracts, estimates have to be made for both the expected ultimate costs of claims reported at the reporting date and for the expected ultimate costs of claims incurred but not reported ("IBNR") at the reporting date. It may take a significant period of time before the ultimate claims costs can be established with certainty and for some type of policies, IBNR claims form the majority of the insurance liability in the consolidated statement of financial position. The ultimate costs of outstanding claims are estimated by using a range of standard actuarial claims projection techniques, such as the Bornhuetter-Ferguson ("BF") method.

The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average cost per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident year, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value if loss adjuster estimates or separately projected in order to reflect their future development. The assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (for example to reflect one-off occurrence, changes in external or market factors such as public attitudes of claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures), so as to arrive at the estimated ultimate costs of claims that present the likely outcome from the range of possible outcomes, taking into account of all the uncertainties involved.

3 關鍵會計估計及判斷 (續)

(e) 當期所得稅及遞延所得稅

本集團須在不同司法權區繳納所得稅。在釐定所得稅撥備及繳納有關稅金的時間安排時，需要作出重大判斷。於日常業務過程中，可能出現多項涉及未能確切釐定最終稅務的交易及計算。如此等事件的最終稅務結果與最初記錄的金額不同，此等差額將影響稅務釐定期內的所得稅和遞延所得稅撥備。於2016年12月31日，本集團的遞延所得稅負債約港幣3,261萬元（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115萬元。

(f) 一家聯營金融機構的關鍵會計估計及判斷

本集團的主要聯營金融機構，廈銀集團，主要在中國內地及澳門經營銀行業務（註釋17）。其根據中國會計準則編制法定綜合財務報表時採用的若干關鍵會計估計及判斷敘述如下：

– 金融工具公平值

對於無法獲得活躍市場報價的金融工具，廈銀集團使用了估值模式計算其公平值。估值模式包括折現現金流分析和模式等。在實際操作中，折現現金流模式盡可能地只使用可觀察資料，但是廈銀集團管理層仍需要對如交易雙方信貸風險、市場波動性及相關性等因素進行估計。若上述因素的假設發生變化，金融工具公平值的評估將受到影響。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(e) Current income tax and deferred income tax

The Group is subject to income tax in various jurisdictions. Significant judgement is required in determining the amounts of the provision for income tax and the timing of the payment of the related income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provisions for current income tax and deferred income tax in the period in which such determination is made. As at 31 December 2016, the Group had deferred income tax liabilities of approximately HK\$32.61 million (Note 31). The deferred income tax liabilities will increase or decrease by approximately HK\$1.15 million if the actual applicable tax rate differs by 1%.

(f) Critical accounting estimates and judgement of an associated financial institution

The Group's major associated financial institution, XIB Group, is principally conducted banking business in Mainland China and Macau (Note 17). In preparing its statutory consolidated financial statements in accordance with the PRC Accounting Standards, certain critical accounting estimates and judgement have been applied as described below:

– Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by XIB Group using valuation techniques. Valuation techniques used include discounted cash flows analysis and models. To the extent practical, models use only observable data, however areas such as credit risk (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

(f) 一家聯營金融機構的關鍵會計估計及判斷 (續)

- 貸款及墊款及應收款項類投資減值準備

廈銀集團定期審閱貸款及墊款及應收款項類投資組合，並評估其是否出現減值情況，並在出現減值情況時評估減值的具體情況。減值的客觀證據包括顯示單筆貸款及墊款或應收款項類投資預計未來現金流出現大幅減少之可觀察資料、顯示貸款及墊款及應收款項類投資組合借款人的支付狀況發生不利變化的可觀察資料（例如，借款人不按規定還款），或出現了可能導致組合內貸款及墊款及應收款項類投資違約的國家或地方經濟狀況的不利變化等。個別貸款及墊款及應收款項類投資的減值準備金額為預期可收取的未來現金流按原實際利率貼現的現值。當運用組合方式評估貸款及墊款及應收款項類投資組合的減值準備時，對具有相類似的信用風險特徵和客觀減值證據的貸款及墊款及應收款項類投資組合資產，廈銀集團管理層根據與該貸款及墊款及應收款項類投資組合具有類似信用風險特徵的資產的歷史虧損經驗確定，並根據反映當前經濟狀況的可觀察資料進行調整。廈銀集團管理層定期審閱對未來現金流的金額和時間進行估計所使用的方法和假設，以減少估計貸款及墊款及應收款項類投資減值準備和實際貸款及墊款及應收款項類投資減值準備情況之間的差異。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(f) Critical accounting estimates and judgement of an associated financial institution (Continued)

- *Impairment allowances on loans and advances and investments in receivable*

XIB Group reviews its loans and advances and investments in receivable portfolios to assess impairment regularly, and would further assess impairment when there are indications of impairment. Objective evidence of impairment includes observable data indicating that there is a measurable decrease in the estimated future cash flows from an individual loan and advance or investment in receivable, observable data indicating that there has been an adverse change in the payment status of borrowers in a group (e.g., payment delinquency or default), or national or local economic conditions that correlated with defaults on assets in the group. The individual impairment allowance is based upon best estimate of the present value of cash flows which are expected to be received discounted at the original effective interest rate. When assessing the impairment allowances of a loan and advance and investment in receivable portfolio under the collective evaluation method, management of XIB Group uses estimates based on historical loss experience, which subjects to adjustments according to observable data to reflect the current economic conditions, for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when estimating expected future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between estimated impairment allowances and actual impairment allowances.

3 關鍵會計估計及判斷 (續)

(f) 一家聯營金融機構的關鍵會計估計及判斷 (續)

- 分類為可供出售的股權投資估值

非上市股權投資的公平值由一家獨立專業評估師採用市場比較法作出估值。根據與投資對象從事相類似行業的多家上市公司的市場比率 (例如市盈率及市賬率) 及投資對象的歷史財務資料, 廈銀集團管理層為公平值的估值目的, 對反映投資對象情況所需的適當調整作出估計和判斷, 包括投資對象的繳足股本與上市公司股份比較下的流動貼現率。公平值變動已記入綜合全面收益表內, 並在股東權益的投資重估儲備金內分開累計。

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。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(f) Critical accounting estimates and judgement of an associated financial institution (Continued)

- Valuation of equity investments classified as available-for-sale

The fair value of an unlisted equity investment has been estimated using a market comparison approach by an independent professional valuer. Based on the market ratio (e.g., price/earning and price/book ratios) of a number of listed companies engaged in similar industries as the investee and the investee's historical financial information, management of XIB Group makes estimates and judgement on the appropriate adjustments required to reflect the circumstances of the investee, including the liquidity discount applicable to the paid-up capital of the investee as compared to those of the shares of a listed company, for fair value estimation purposes. The fair value changes is accounted for in the consolidated statement of comprehensive income and accumulated separately in equity in the investment revaluation reserve.

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.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

董事會代表著股東的利益，是本集團風險管理的最高決策機構，並對風險管理負最終責任。董事會已採納評估及批准重大投資決定的程序。基於其金融資產及金融負債的性質，本集團主要按質量方式監察其所承擔的風險。

總經理（「總經理」）負責管理本集團各類風險，審批詳細的風險管理政策，並在董事會授權範圍內審批重大風險承擔或交易。其他管理團隊成員負責協助總經理履行對各類風險的日常管理職責。

本集團建立了一套內部控制系統，包括設立權責分立清晰的組織架構，以監察業務運作是否符合既定政策、程序及限額。適當的匯報機制足以確保監控職能獨立於業務範疇，同時機構內有足夠的職責分工，有助營造適當的內部控制環境。

(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。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

The Board, representing the interest of shareholders, is the highest decision making authority of the Group and has the ultimate responsibility for risk management. The Board has adopted procedures for evaluating and approving significant investment decisions. Given the nature of the Group's financial assets and liabilities, their risk exposures are monitored by the Group primarily on a qualitative basis.

The General Manager ("GM") is responsible for managing the Group's various types of risks, approving detailed risk management policies, and approving material risk exposures or transactions within his authority delegated by the Board. The other members of the management team assist the GM in fulfilling his responsibilities for the day-to-day management of risks.

The Group has put in place an internal control system, including establishment of the Group's organisation structure that sets adequately clear lines of authority and responsibility for monitoring compliance with policies, procedures and limits. Proper reporting lines also provide sufficient independence of the control functions from the business areas, as well as adequate segregation of duties throughout the organisation which helps to promote appropriate internal control environment.

(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 risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

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)

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。

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。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

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 actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual numbers and amounts of claims will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(i) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered and the increase in number of cases coming to court that were inactive or latent for a long period of time. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

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.

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)

(i) 賠償的頻率及嚴重程度 (續)

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。

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)

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.

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)

(i) 賠償的頻率及嚴重程度 (續)

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 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 amount of the insurance liabilities (gross and net of reinsurance) arising from insurance contracts:

		2016				
		汽車 Motor	一般 法律責任 General liability	意外 及健康 Accident and health	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross					
香港	Hong Kong	23,245	43,898	407	391	67,941
澳門	Macau	3,698	1,345	1,685	19,107	25,835
保險責任總值，毛額	Total insurance liabilities, gross	<u>26,943</u>	<u>45,243</u>	<u>2,092</u>	<u>19,498</u>	<u>93,776</u>
淨額	Net					
香港	Hong Kong	20,816	40,000	406	246	61,468
澳門	Macau	3,174	1,391	1,626	18,170	24,361
保險責任總值，淨額	Total insurance liabilities, net	<u>23,990</u>	<u>41,391</u>	<u>2,032</u>	<u>18,416</u>	<u>85,829</u>

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)

(i) 賠償的頻率及嚴重程度 (續)

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)

		2015				
		汽車 Motor	一般 法律責任 General liability	意外 及健康 Accident and health	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross					
香港	Hong Kong	23,838	41,810	341	101	66,090
澳門	Macau	1,679	693	1,228	17,960	21,560
保險責任總值，毛額	Total insurance liabilities, gross	<u>25,517</u>	<u>42,503</u>	<u>1,569</u>	<u>18,061</u>	<u>87,650</u>
淨額	Net					
香港	Hong Kong	21,898	40,259	341	64	62,562
澳門	Macau	1,515	675	1,170	16,873	20,233
保險責任總值，淨額	Total insurance liabilities, net	<u>23,413</u>	<u>40,934</u>	<u>1,511</u>	<u>16,937</u>	<u>82,795</u>

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源

保險合約的賠償於發生索償時支付。本集團須為所有於合約期內發生的保險事故負責，即使損失於合約期完結後才發現。由於賠償於一段長時間才能結清，故此對已發生但未呈報的索償提撥較大的準備金。此等合約的現金流量的金額及產生的時間受到若干變數的影響。此等變數主要與個別合約持有人的潛在風險及採用的風險管理程序有關。此等合約的賠償為給予蒙受人身傷害的金錢賠償。有關賠償為一次整筆清付的付款，按受傷人士因意外而損失的收入及康復費用的現值計算。

估計賠償成本包括結清索償產生的直接費用，扣除預計代位權價值及其他可收回款項。本集團採取所有合理措施確保其對所承擔的賠償風險獲得適當的資料。但是，由於提撥賠償準備金的不確定性，最終結果可能證明與最初提撥的責任不同。此等合約的責任包括於呈報日就已發生但未呈報的索償提撥的準備金、就已呈報但未賠付的索償提撥的準備金，及就未滿期風險提撥的準備金。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments

Claims on insurance contracts are payable on a claim-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a larger element of claims provision relates to incurred but not reported claims. There are several variables that affect the amounts and timing of cash flows from these contracts. These mainly relate to the inherent risks by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered. Such awards are lump-sum payments that are calculated as the present value of the lost of earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated costs of claims include direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liabilities established. The liabilities for these contracts comprise provisions for IBNR, provisions for reported claims not yet paid and provisions for unexpired risks at the reporting date.

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 or not), 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 cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and estimates based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the costs of settling claims already notified to the Group, where information about the claim event is available. In estimating the amounts of IBNR which make reasonable provisions for the claims and the unexpired risks, it is necessary to project future claims costs and associated claims expenses and simulate the outcomes of claims liabilities using models. These models are simplified representation of many legal, social and economic forces and may not be entirely appropriate for the types of insurance business being analysed. It is certain that actual future claims and claims expenses will not develop exactly as projected and may vary significantly from the projections.

In estimating the liabilities for the costs of reported claims not yet paid the Group considers any information available from loss adjusters and information on the costs of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源 (續)

在可能的情況下，本集團採用多項技術對所需撥備程度作出估計。這對預計趨勢的固有經驗提供較佳的理解。利用多種方法作出的預計亦有助於估計可能發生的結果。選取最合適的估計技巧已計入業務類別的特性及每個意外年度的發展程度。

(iii) 決定假設的方法

本集團使用多項統計方法，考慮不同的假設以估計最終賠償成本。每個業務類別於每一事故年度所採用的結果，取決於評估最適合分析歷史發展的方法。在若干情況下，同一業務類別於個別事故年度或事故年度組別會選用不同的方法或綜合不同方法從而作出估計。

於估計本集團的汽車及勞工保險組合的賠償責任時，應用已付及已發生的損失發展法，並以BF法增補。至於其他保險組合類別，預測賠償責任的方法採用已發生的損失發展法。

預測最終賠償成本採用已付及已發生的損失發展模式，而BF法則依據從估計損失比率至經驗比率逐步發展的預測。BF法應用於較近期的事故年度，因為採用已付及已發生的損失發展模式，可能產生不太準確的結果。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments (Continued)

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

(iii) Process used to decide on assumptions

The Group uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate costs of claims. The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, different techniques or combination of techniques have been selected for individual accident year or group of accident years within the same class of business.

In estimating the claims liabilities of the Group's motor and employees' compensation insurance portfolio, the paid and incurred loss development methods supplemented by BF method are applied. For other classes of insurance portfolio, the incurred loss development method is used to project the claim liabilities.

The paid and incurred loss development methods are used to project the ultimate costs of the claims, and the BF method relies on a gradual transition from an estimated loss ratio to an experience-rated development. BF method is applied to the more recent accident years, for which the paid and incurred loss development methods may yield less accurate results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表

估計方法的合理性以不同情況的敏感度分析進行測試。給予蒙受人身傷害的金錢賠償及僱主責任賠償的改變對估計此等保險合約所使用的假設最為關鍵。

本集團相信就此等賠償計提的責任於呈報日是足夠的。但此等賠償的成本如增加百分之十將需要確認額外損失約港幣510萬元(2015年：約港幣460萬元)(已扣除再保險)。

上述對除稅前溢利的影響並未計入其他變數的改變，此乃由於此等變數被視為較不重要。有關評估及個別變數的相對重要性可能於將來有所改變。

除了進行情況測試外，保險責任的發展提供了本集團估計最終賠償價值能力的基準。下表闡明本集團的汽車及勞工保險組合於每一事故年度估計未決賠償淨額於接續呈報日的變動情況。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables

The reasonableness of the estimation process is tested by an analysis of sensitivity around different scenarios. The change in the monetary awards granted for bodily injury suffered and also the employers' liability claims is the most critical to the assumptions used to estimate the liabilities for these insurance contracts.

The Group believes that the liabilities for these claims carried at the reporting date are adequate. However, an increase of 10% in the costs of these claims would require the recognition of an additional loss of approximately HK\$5.1 million (2015: approximately HK\$4.6 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 variables may change in the future.

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of net claims outstanding of the Group's motor and employees' compensation insurance portfolio for each accident year has changed at successive reporting dates.

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	2012	2013	2014	2015	2016	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
估計最終賠償成本 於事故年底	Estimate of ultimate claims costs at end of accident year	8,199	7,427	7,359	7,549	10,067	
一年後	one year later	7,892	6,642	6,324	6,831		
二年後	two years later	8,089	6,074	5,274			
三年後	three years later	8,238	4,512				
四年後	four years later	7,644					
當期估計之累計賠償	Current estimate of cumulative claims	7,644	4,512	5,274	6,831	10,067	34,328
至今累計付款	Cumulative payment to date	(6,798)	(3,977)	(3,738)	(3,061)	(3,401)	(20,975)
		846	535	1,536	3,770	6,666	13,353
2012年度前之責任	Liabilities in respect of prior years before 2012						1,012
							14,365

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	2012	2013	2014	2015	2016	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
估計最終賠償成本 於事故年底	Estimate of ultimate claims costs at end of accident year	567	6,577	9,294	11,965	8,981	
一年後	one year later	2,066	5,972	10,214	12,051		
二年後	two years later	2,405	4,948	7,210			
三年後	three years later	3,942	5,890				
四年後	four years later	8,051					
當前估計之累計賠償 至今累計付款	Current estimate of cumulative claims Cumulative payment to date	8,051 (1,647)	5,890 (3,290)	7,210 (1,977)	12,051 (1,244)	8,981 (318)	42,183 (8,476)
2012年度前之責任	Liabilities in respect of prior years before 2012	6,404	2,600	5,233	10,807	8,663	33,707
							606
							34,313

本集團為若干短期保險產品訂立一系列有效的分保合同，且近數年一直保持不變。

The Group has in place a series of effective reinsurance covers on a number of short-term insurance products that have remained unchanged in recent years.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險

市場風險是指因為市場息率及價格波動導致出現虧損的風險。本集團對抵債資產，分類為持至到期日金融資產、可供出售金融資產或按公平值透過損益列賬的金融資產的投資承受市場風險。風險包括因為外匯匯率、利率及股票價格波動引致的潛在損失。

本集團的風險管理目標是在提高股東價值的同時，確保風險控制在可接受的水平之內。本集團規定必須在董事會批准的限定交易工具類別內進行投資，從而控制市場風險，並確保全面識別、正確量度及充分監控所有的風險。

(i) 外匯風險

外匯風險是因匯率之不利變動導致以外幣計價的投資出現虧損的風險。本集團主要在香港及中國內地營運，故此承受已確認以人民幣計量的資產和負債以及海外業務的淨投資產生的外匯風險。

對於並非按有關業務的功能貨幣列賬的應收款、應付款及現金結存而言，本集團於有需要時會以即期匯率買賣外幣來應付短期失衡，確保應收款、應付款及現金結存的風險淨值維持於可接受水平。

本集團的貸款按貸款實體的功能貨幣計價。因此，管理層預期本集團的貸款不涉及任何重大貨幣風險。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk

Market risk is the risk of loss that results from movements in market rates and prices. The Group is exposed to market risk because of its repossessed assets, investments classified as held-to-maturity financial assets, available-for-sale financial assets or financial assets at fair value through profit or loss. The risk includes potential losses arising from changes in foreign exchange rates, interest rates and equity prices.

The Group's risk management objective is to enhance shareholder's value by maintaining risk exposures within acceptable limits. The Group's control of market risk is based on restricting individual operations to invest within a list of permissible instruments authorised by the Board to ensure all risks arising are thoroughly identified, properly measured and adequately controlled.

(i) Foreign exchange risk

Foreign exchange risk is the risk of loss due to adverse movements in foreign exchange rates relating to investments denominated in foreign currencies. The Group mainly operates in Hong Kong and Mainland China and is exposed to foreign exchange risk arising from recognised assets and liabilities and net investments in foreign operations measured in Renminbi ("RMB").

In respect of receivables, payables and cash balances held in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Group's borrowings are in the functional currency of the entity taking out the loans. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 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：

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:

		2016	2015
		人民幣千元 RMB '000	人民幣千元 RMB '000
可供出售金融資產	Available-for-sale financial assets	499,066	609,980
應收一家聯營公司股息	Dividend receivable from an associate	105,812	-
其他應收賬款	Other debtors	1,345	1,725
現金及銀行結存	Cash and bank balances	165,688	248,108
其他應付賬款及應計費用	Other creditors and accruals	(8,847)	(6,548)
應付本期稅項	Current income tax payable	(31,510)	(20,929)
		731,554	832,336

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險 (續)

下表列示本集團於呈報日因應匯率出現的合理可能變動而承受重大風險對本集團的除稅後溢利 (及保留溢利) 及權益其他組成部分產生的大約影響：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The following table indicates the approximate change 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:

		2016			2015		
		外匯兌換率 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響	外匯兌換率 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響
		Increase/ (decrease) in foreign exchange rate	Effect on profit after taxation and retained profits	Effect on other components of equity	Increase/ (decrease) in foreign exchange rate	Effect on profit after taxation and retained profits	Effect on other components of equity
		百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000
人民幣	Renminbi	5 (5)	12,977 (12,977)	27,857 (27,857)	5 (5)	13,267 (13,267)	36,396 (36,396)

上述敏感度分析乃假設匯率變動已於呈報日發生及已於呈報日重新計量本集團持有的金融工具之外匯風險，而所有其他變數 (特別是利率) 則維持不變。

The sensitivity analysis above has been determined assuming that the change in foreign exchange rate had occurred and had been applied to re-measure those financial instruments held by the Group which expose to foreign exchange risk at the reporting date, and that all other variables, in particular interest rate, remained constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險 (續)

所載變動指管理層對直至下一個年度呈報日止期間匯率出現的合理可能變動的評估。就此而言，管理層假設港元與美元間的聯繫匯率將不會受到美元兌其他貨幣任何重大匯率變動的影響。上表呈列的分析結果代表本集團各實體按各自功能貨幣計量的除稅後溢利及權益，為呈列目的而按呈報日的匯率換算為港元時的整體影響。2015年的分析按相同基準進行。

就以人民幣計價的投資對象的投資，本集團也承受所產生的外匯風險。

(ii) 價格風險

本集團對在綜合財務狀況表內分類為持至到期日金融資產、可供出售金融資產或按公平值透過損益列賬的金融資產的投資承受股權證券的價格風險。

本集團持作買賣的股權投資於聯交所上市。購入或出售買賣證券的決定乃根據個別證券相對於有關指數的表現及本集團對流動資金的需要。可供出售組合內的投資包括於聯交所及上海證券交易所上市的股權投資。上市股權投資的選擇乃根據其長期升值潛力，並定期監察其實際表現是否符合預期。

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 change represents management's assessment of reasonably possible changes in foreign exchange rate 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 2015.

The Group is also exposed to foreign exchange rate risk from its investments in investees which are in Renminbi.

(ii) Price risk

The Group is exposed to equity price risk on investments held by the Group classified in the consolidated statement of financial position as held-to-maturity financial assets, available-for-sale financial assets or as financial assets at fair value through profit or loss.

The Group's equity investments held for trading are listed on the Stock Exchange. Decisions to buy or sell trading securities are based on the performance of individual securities compared to that of the index and the Group's liquidity needs. Investments held in the available-for-sale portfolio comprise equity investments listed on the Stock Exchange and the Shanghai Stock Exchange. The listed equity investments have been chosen based on their long term growth potential and are monitored regularly for performance against expectations.

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)

下表列示本集團於呈報日因應相關股票市場指數出現的合理可能變動而承受重大風險對本集團的除稅後溢利 (及保留溢利) 及權益其他組成部分產生的大約影響：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(ii) Price risk (Continued)

The following table indicates the approximate change 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:

	2016			2015		
	相關風險變數 上升/(下跌) Increase/ (decrease) in the relevant risk variance	對除稅後溢利及 保留溢利的影響 Effect on profit after taxation and retained profits	對權益其他 組成部分的影響 Effect on other components of equity	相關風險變數 上升/(下跌) Increase/ (decrease) in the relevant risk variance	對除稅後溢利及 保留溢利的影響 Effect on profit after taxation and retained profits	對權益其他 組成部分的影響 Effect on other components of equity
	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000
上市投資之 相關股市 指數 Stock market index in respect of listed investments						
恒生指數 Hang Seng Index	5 (5)	252 (252)	30 (30)	5 (5)	410 (410)	40 (40)
上海綜合指數 Shanghai Composite Index	5 (5)	- -	27,332 (27,332)	5 (5)	- -	36,730 (36,730)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(ii) 價格風險 (續)

敏感度分析已假設相關股票市場指數的合理可能變動已於呈報日發生及已於呈報日計量存在之股權證券之價格風險。在假設所有其他變數維持不變下，本集團的股權投資的公平值將根據與相關股票市場指數之歷史掛鈎關係而變動，本集團持有的所有可供出售投資不會因為相關股票市場指數可能出現的合理下跌（所有其他變數維持不變）而被視為出現減值。所載變動指管理層對直至下一個年度呈報日止期間相關股票市場指數出現的合理可能變動的評估。2015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」）及銀行貸款，令本集團承擔公平值利率風險及現金流量利率風險。本集團主要透過將此等資產及負債的到期日維持於短期至中期內以控制有關風險，並監控市場利率走勢以便本集團能於利率變動逆轉時作出相應反應。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(ii) Price risk (Continued)

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index had occurred and had been applied to the exposure to equity price risk in existence at the reporting date. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index, that none of the Group's available-for-sale investments would be considered impaired as a result of a reasonably possible decrease in the relevant stock market index, and that all other variables remained constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index over the period until the next reporting date. The analysis is performed on the same basis for 2015.

(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 and bank borrowings bore in fixed or floating rates which expose the Group to fair value interest rate risk and cash flow interest rate risk. The Group manages these risks primarily through maintaining the maturity profile of these assets and liabilities within a short to medium period and monitoring the market interest rate movements so that the Group can react accordingly when there are adverse interest rate movements.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(iii) 現金流量及公平值利率風險 (續)

下表列示本集團於呈報日的借貸淨額的利率概況。為此，本集團將「借貸淨額」定義為有息金融負債減有息投資（不包括持作短期流動資金的現金）：

		2016		2015	
		實際利率 Effective interest rate	賬面值 Carrying amount	實際利率 Effective interest rate	賬面值 Carrying amount
		厘 %	港幣千元 HK\$'000	厘 %	港幣千元 HK\$'000
浮動利率	Variable rate				
港元銀行貸款	HK Dollars bank borrowings	3.3 - 4.0	1,353,419	3.1 - 3.4	615,850
減：已抵押人民幣 存款	Less: Renminbi bank deposits pledged	2.9 - 3.0	(45,770)	3.2 - 3.3	(48,927)
			<u>1,307,649</u>		<u>566,923</u>

於2016年12月31日，如浮動利率銀行貸款的利率整體上調或下調100個基點，而所有其他變數維持不變，估計本集團之除稅後溢利及保留溢利將會減少或增加約港幣749萬元（2015年：約港幣495萬元）。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

The following table details the interest rate profile of the Group's net borrowings at the reporting date. For this purpose the Group defines "net borrowings" as being interest-bearing financial liabilities less interest-bearing investments (excluding cash held for short-term working capital purposes):

		2016		2015	
		實際利率 Effective interest rate	賬面值 Carrying amount	實際利率 Effective interest rate	賬面值 Carrying amount
		厘 %	港幣千元 HK\$'000	厘 %	港幣千元 HK\$'000
浮動利率	Variable rate				
港元銀行貸款	HK Dollars bank borrowings	3.3 - 4.0	1,353,419	3.1 - 3.4	615,850
減：已抵押人民幣 存款	Less: Renminbi bank deposits pledged	2.9 - 3.0	(45,770)	3.2 - 3.3	(48,927)
			<u>1,307,649</u>		<u>566,923</u>

At 31 December 2016, it is estimated that a general increase or decrease of 100 basis points in interest rates of variable rate bank borrowings, with all other variables held constant, would decrease or increase the Group's profit after taxation and retained profits by approximately HK\$7.49 million (2015: approximately HK\$4.95 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(iii) 現金流量及公平值利率風險 (續)

上述敏感度分析已假設利率變動已於呈報日發生及已於呈報日計量本集團持有的浮動利率金融工具之利率風險。上調或下調100個基點為管理層對直至下一個年度呈報日止期間利率出現的合理可能變動的評估。2015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、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。

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。

為減低本集團承受客戶貸款產生的信貸風險及交易對手風險，本集團制定有關小額貸款業務的目標、信貸管理政策、監察及管理該等風險的程序，同時制定貸款審批程序的詳細政策及手續。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

The sensitivity analysis above has been determined assuming that the changes in interest rates had occurred and had been applied to the exposure to interest rate risk for financial instruments with variable interest rate held by the Group at the reporting date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next reporting date. The analysis is performed on the same basis for 2015.

(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, 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.

In respect of the insurance related receivables and other receivables, the Group limits its exposure to credit risk by screening the counterparties, on-going monitoring and acquiring collateral from counterparties.

Those receivables are required to meet the Group's established financial requirements and the Group will obtain third party guarantees when it considered necessary.

In order to mitigate the Group's exposure to credit risks and counterparty risks from loans to customers, the Group has set out its objectives, credit policies, processes for monitoring and managing those risks as well as the detailed policies and procedures for credit approval process related to the micro credit business.

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)

因應小額貸款的業務性質，本集團已就貸款審批事項設立三級貸款審批委員會制度，各級貸款審批委員會按既定權限負責審批貸款。業務部負責貸款組合的日常監管，參考不同標準，包括客戶的經營業績、財務狀況及信譽程度，提供的擔保，抵押品種類及金額，客戶風險集中情況，同時根據信貸管理政策對客戶進行定期現場檢查。風險控制部負責監控及評估客戶的信貸風險、客戶提供的擔保及抵押物的登記，及不定期進行現場檢查，以及對逾期貸款進行催收工作。本集團內部稽核負責審查貸款審批程序及信貸控制政策及程序的有效性。

本集團根據中國銀行業監督管理委員會（「中國銀監會」）制定的《貸款風險分類指引》衡量與管理貸款組合質量。《貸款風險分類指引》要求將貸款組合分為正常、關注、次級、可疑及損失五類，其中次級、可疑及損失類被視為不良貸款。為提高貸款風險管理的精細化水平，本集團對客戶貸款實施八級風險分類。本集團採取定期審查、逐戶監控，及時通報逾期貸款情況，調整風險分類結果，客觀地反映資產質量及準確計提撥備。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

By the nature of the micro credit business, the Group has set up three layers of Credit Committees for the approval of loans with different authorisation limits. Business Department is responsible for the daily monitor and management of loans portfolio with reference to the various criteria such as the operating results, financial condition and creditworthiness of the clients, guarantee provided, type and amount of collateral pledged, and risk concentration of the clients as well as the regular site visit according to the credit policies. The Risk Control Department is responsible for monitoring and evaluating the credit risks of clients, the registration of the guarantee and collaterals provided by clients as well as the irregular site visit and debts collection for the disputed loans. The Internal Audit Department of the Group is responsible for the internal review of the loans approval process and the efficiency of the credit control policies and procedures.

The Group measured and managed the quality of its loan portfolios based on the guideline for Loan Credit Risk Classification issued by the China Banking Regulatory Commission (the "CBRC"), which requires to classify loans into the following five categories: pass, special mention, substandard, doubtful and loss, among which loans classified as substandard, doubtful and loss are recognised as non-performing loans. In order to enhance the accuracy level of its credit risk management, the Group used a 8-tier risk classification criterion for loans to customers. The Group carried out regular investigations and one-by-one monitoring, reported overdue loans and adjusted risk classification results in a timely manner, so as to reflect asset quality objectively and set aside provisions accurately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(c) 信貸風險 (續)

五個類別的定義列示如下：

正常：借款人能夠履行合同，沒有足夠理由懷疑貸款本息不能按時足額償還。

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

次級：借款人的還款能力出現明顯問題，完全依靠其正常營業收入無法足額償還貸款本息，即使處置抵押物及執行擔保，也可能會造成一定損失。

可疑：借款人無法足額償還貸款本息，即使處置抵押物及執行擔保，也將會造成重大損失。

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

若有客觀證據證明客戶貸款及應收利息的預計未來現金流量出現重大跌幅，該客戶貸款及應收利息被視為出現減值，並計提減值準備。本集團按照審慎、真實的原則，及時、足額地計提貸款減值準備。客戶貸款及應收利息減值準備包括按個別方式評估的準備和按組合方式評估的準備。於2016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27,880萬元（2015年：港幣16,213萬元），減值準備對貸款總額（包括應收利息）比率為87.02%（2015年：45.76%）。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

The definitions of the five categories are set out below:

Pass: Borrowers can honour the terms of their loans. There is no reason to doubt their ability to repay principal and interest in full on a timely basis.

Special mention: Borrowers are currently able to service their loans and interest, although repayment may be adversely affected by specific factors.

Substandard: Borrowers' ability to service their loans is apparently in question and they cannot rely entirely on normal business revenues to repay principal and interest. Certain losses might be incurred even when collaterals or guarantees are executed.

Doubtful: Borrowers cannot repay principal and interest in full and significant losses will be incurred even when collaterals or guarantees are executed.

Loss: Principal and interest of loans cannot be recovered or only a small portion can be recovered after taking all possible measures or resorting to necessary legal procedures.

Loans to customers and interest receivable are considered impaired and allowances are made if there is objective evidence of impairment resulting in a measurable decrease in estimated future cash flows from loans to customers and interest receivable. The Group makes adequate and timely allowances for impairment losses in accordance with prudent and authentic principles. Allowances for impairment losses on loans to customers and interest receivable consist of individually assessed and collectively assessed allowance. At 31 December 2016, the Group's impairment allowances on loans to customers and interest receivable were HK\$278.8 million (2015: HK\$162.13 million) and impairment allowances to total loans (included interest receivable) ratio was 87.02% (2015: 45.76%).

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(c) 信貸風險 (續)

就場外債券而言，本集團只會投資於具有投資級別的債券，並須符合若干挑選準則。

於2016年12月31日，銀行結存分散存放於信譽良好的金融機構。

本集團未有出具任何會導致本集團承受信貸風險的擔保。

如不計入任何持有的抵押品或其他改善信貸條件，財政年度末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值扣除任何減值準備。信貸風險的最高值概述如下：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

In respect of the OTC bond, the Group will only invest in investment grade bond with certain selection criterion imposed.

At 31 December 2016, bank balances were placed with reputable financial institutions with diversification.

The Group does not provide any guarantees which would expose the Group to credit risk.

The maximum exposure to credit risk at the end of the financial year without taking into account of any collateral held or other credit enhancement is represented by the carrying amount of the financial assets in the consolidated statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
持至到期日金融資產	Held-to-maturity financial assets	3,091	-
保險應收款	Insurance receivable	14,120	15,591
再保險資產	Reinsurance assets	7,947	4,855
客戶貸款及應收利息	Loans to customers and interest receivable	41,580	192,178
其他應收賬款	Other debtors	4,266	4,268
現金及銀行結存	Cash and bank balances	1,274,409	1,432,106
		1,345,413	1,648,998

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籌集新資金以滿足其現金流量需要或承擔的風險。導致出現流動資金風險的原因可能是無法快速地籌集新資金、按公平值將金融資產出售、交易對手未能履行合約償付責任或保險責任較預期提早到期支付。

本集團的政策為定期監控其流動資金需要及是否符合貸款協議，確保本集團維持充裕的現金儲備、可即時變現的有價證券及從主要財務機構取得足夠的承諾信貸融資，以應付其短期及較長期的流動資金需要。

本集團旗下之獨立營運實體自行負責現金管理工作，包括現金盈餘之短期投資及籌措貸款以應付預期現金需求。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising new funds to meet its cash flow needs or commitments. Liquidity risk may result from either inability to raise new funds, sell financial assets quickly at their fair value, a counterparty failing on repayment of a contractual obligation or an insurance liability falling due for payment earlier than expected.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Individual operating entities within the Group are responsible for their 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:

		2016				2015			
		合約未折現 現金流總額 Total	第一年内 或按要求 Within one year or on demand	第二年至 第五年内 (包括 首尾兩年) In the second to fifth year inclusive	賬面值 Carrying amount	合約未折現 現金流總額 Total	第一年内 或按要求 Within one year or on demand	第二年至 第五年内 (包括 首尾兩年) In the second to fifth year inclusive	賬面值 Carrying amount
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產	Assets								
再保險資產	Reinsurance assets	7,947	7,947	3,527	4,420	4,855	4,855	2,376	2,479
負債	Liabilities								
保險合約	Insurance contracts	93,776	93,776	55,508	38,268	87,650	87,650	53,806	33,844
保險應付款	Insurance payable	10,904	10,904	10,904	-	8,818	8,818	8,818	-
其他應付賬款及應計費用	Other creditors and accruals	25,028	25,028	25,028	-	25,021	25,021	25,021	-
銀行貸款	Bank borrowings	1,353,419	1,416,602	839,035	577,567	615,850	664,062	133,875	530,187
		<u>1,483,127</u>	<u>1,546,310</u>	<u>930,475</u>	<u>615,835</u>	<u>737,339</u>	<u>785,551</u>	<u>221,520</u>	<u>564,031</u>

於呈報日後,本公司建議供股以籌集不少於約港幣82,700萬元的所得款項總額(扣除開支前)(註釋39)以償還一年內到期的銀行貸款。

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:

To repay the bank loans payable within one year, the Company proposed rights issue to raise gross proceeds of not less than approximately HK\$827 million before expenses subsequent to the reporting date (Note 39).

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 institutions, XIB Group, are summarised as below:

(i) Overview

The activities of XIB Group expose it to a variety of financial risks including credit risk, liquidity risk and market risk (including foreign exchange risk, price risk and interest rate risk). XIB Group continuously identifies, evaluates and monitors these risks. XIB Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

The board of directors of XIB Group ("XIB Board") provides strategy for overall risk management. Its senior management establishes related risk management policies and procedures under the strategy approved by the XIB Board, including written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. Those risk management policies and procedures are implemented by various departments after XIB Board's approval. In addition, its internal audit department is responsible for the independent review of risk management and control environment.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(ii) 信用風險

信用風險是廈銀集團在其經營活動中所面臨的最重要的風險之一，信用風險主要來自貸款及墊款、投資組合、貿易融資、擔保及其他支付承諾。

廈銀集團採用標準化的授信政策和流程。廈銀集團通過信用評級、風險度計量、經濟資本、差異化貸後管理、指標控制、組合監測、風險預警、風險報告等手段和方法管理信用風險。

(iii) 流動性風險

流動性風險是指廈銀集團需確保隨時備有充足的資金來源，以滿足存款提取及償還到期負債的需要，同時應付客戶貸款的要求及把握新的投資機會的風險。

廈銀集團採用了一系列流動性指標來評估和監控其流動性風險，並及時檢討該等指標。

(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）。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(ii) Credit risk

Credit risk is one of the main risks that XIB Group faces in its operations which arises primarily from loans and advances, investment portfolios, trade finance, guarantees and other payment acceptance.

The credit approval policies and procedures of XIB Group are standardised. Credit rating, credit measurement, economic capital, various post-lending management, indicator control, collective assessment, risk warning and risk reporting are measures for managing credit risks.

(iii) Liquidity risk

Liquidity risk is the risk that XIB Group has to ensure the availability of adequate funding to meet its needs to fund deposit withdrawals and other liabilities as they fall due, as well as being able to meet its obligations to fund 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.

(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).

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 (續)

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。

- 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、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。

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)

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 exposures to foreign exchange risk through management of its net foreign currency position.

- Interest rate risk

Interest rate risk is the risk that XIB Group's assets, 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.

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 (續)

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。

(v) 資本管理

廈銀集團的資本管理目標包括：(i) 遵守廈銀集團所在地監管機構設定的資本要求；(ii) 保障廈銀集團持續經營的能力，以便繼續為股東提供回報，和維護其他利益相關者的利益；及 (iii) 保持雄厚的資本基礎，支持廈銀集團的業務發展。

廈銀集團管理層根據中國銀監會制定的監管指引，監控資本的充足性及監管資本。

4.2 資本風險管理

本集團的資本管理政策，是保障本集團能繼續營運，為本公司股東提供回報及為其他利益相關者帶來得益，同時維持最佳的資本架構以減低資金成本。

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 (Continued)

XIB Group mainly manages its exposures 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.

(v) Capital management

XIB Group's objectives when managing capital are: (i) to comply with the capital requirements set by the regulators of the markets where the entities within XIB Group operate; (ii) to safeguard the ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and (iii) to maintain a strong capital base to support the development of its business.

Capital adequacy and regulatory capital are monitored by XIB Group's management, employing techniques based on the guidelines developed by the CBRC, for supervisory purposes.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

4 保險及財務風險管理 (續)

4.2 資本風險管理 (續)

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。此比率按照總借貸除以總資產淨值計算。為此，本集團將總借貸定義為綜合財務狀況表內所列的總銀行貸款和短期墊款（如有）。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2016年，本集團的策略與2015年一樣維持不變，致力將資本負債比率維持在25%至30%之內。為了維持或調整資本架構，本集團可能調節分派予本公司股東的股息數額、發行新股份、籌集新的債務融資或出售資產以減少債務。

於2016年及2015年12月31日，本集團的資本負債比率如下

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
總借貸	Total borrowings and advances	1,353,419	615,850
總資產淨值	Total net assets	4,787,097	5,083,229
資本負債比率	Gearing ratio	28.3%	12.1%

資本負債比率上升主要因2016年12月31日的未償還銀行貸款增加淨額，主要由於年內提取新的銀行貸款港幣86,000萬元（註釋30）所致。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings and advances divided by total net assets. For this purpose the Group defines total borrowings and advances as total bank borrowings and short-term advances (if any) 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 2016, the Group's strategy, which was unchanged from 2015, was to maintain the gearing ratio within 25% to 30%. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders of the Company, issue new shares, raise new debt financing or sell assets to reduce debt.

The gearing ratio of the Group at 31 December 2016 and 2015 were as follows:

The increase in the gearing ratio resulted primarily from the net increase in bank loans outstanding at 31 December 2016 mainly due to the drawdown of new bank loans of HK\$860 million during the year (Note 30).

4 保險及財務風險管理 (續)

4.2 資本風險管理 (續)

根據香港保監處訂明的資本規定，本公司一家附屬公司，閩信保險，需根據《保險公司條例》的規定，維持其經調整資產淨值不少於港幣2,000萬元。為符合有關規定，閩信保險可能調節其分派予本公司的股息或發行新股份予本公司。假若閩信保險未能維持訂明的資本規定，香港保監處可能對閩信保險的營運予以限制。

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。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management (Continued)

Pursuant to the capital requirements imposed by the HKOCI, a subsidiary of the Company, Min Xin Insurance, should maintain at least HK\$20 million in its adjusted net assets calculated according to the requirements set out in the Insurance Companies Ordinance. In order to fulfill these requirements, Min Xin Insurance may adjust the dividend paid to the Company or issue new shares to the Company. If Min Xin Insurance cannot maintain the capital requirements imposed, the HKOCI may place restrictions on the operations of Min Xin Insurance.

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.

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)

- 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。

於活躍市場買賣的金融工具（如持作買賣及可供出售股權證券）的公平值根據呈報日的市場報價計量。本集團持有的金融資產採用的市場報價為當時的競買價。此等金融工具計入公平值架構的第一等級。

中國內地銀行發行的理財產品於呈報日的公平值接近其成本加預期的利息收入，該等金融工具包括在公平值架構的第三等級內。

年內金融工具並沒有於公平值架構的第一等級及第二等級之間轉移，或轉入或轉出公平值架構的第三等級。本集團的政策為於發生轉移的呈報期末確認公平值架構各等級間的轉移。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments (Continued)

(a) Financial instruments carried at fair value (Continued)

- 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.

The fair value of financial instruments traded in active markets (such as held for trading and available-for-sale equity securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These financial instruments are included in Level 1 of the fair value hierarchy.

The fair value of wealth management product issued by banks in Mainland China was approximate to their costs plus expected interest income at the reporting date and these financial instruments are included in Level 3 of the fair value hierarchy.

During the year there was no transfer of financial instruments between Level 1 and Level 2 of the fair value hierarchy, or transfer of financial instruments into or out of Level 3 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

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)

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：

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:

	2016				2015			
	第一等級 Level 1	第二等級 Level 2	第三等級 Level 3	總額 Total	第一等級 Level 1	第二等級 Level 2	第三等級 Level 3	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
經常性的公平值計量	Recurring fair value measurement							
資產	Assets							
可供出售金融資產	Available-for-sale financial assets							
- 上市股權證券	551,158	-	-	551,158	728,713	-	-	728,713
- 非上市理財產品	-	-	6,592	6,592	-	-	-	-
持作買賣的上市股權證券	5,108	-	-	5,108	8,095	-	-	8,095
	556,266	-	6,592	562,858	736,808	-	-	736,808

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)

年內該等公平值架構第三等級的結餘變動如下：

The movements in the balance of Level 3 of the fair value hierarchy during the year are as follows:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
可供出售金融資產 非上市理財產品	Available-for-sale financial assets Unlisted wealth management product		
於1月1日	At 1 January	-	-
增添	Additions	94,458	-
於投資重估儲備金內 記賬之公平值收益	Fair value gain recognised in investment revaluation reserve	213	-
出售	Disposal	(88,079)	-
於12月31日	At 31 December	<u>6,592</u>	-
年內於出售時撥回及重新 分類至損益表之總收益	Total gain released on disposal and reclassified to income statement during the year	<u>207</u>	-

可供出售金融資產的出售收益或虧損列入損益表的「其他收益／(虧損) — 淨額」內。因公平值變動而產生的未實現盈虧於其他全面收益內確認，並在股東權益的投資重估儲備金內分開累計。

The gains or losses arising from the disposal of the available-for-sale financial assets are included within "Other gains/(losses) – net" in the income statement. The unrealised gains or losses arising from changes in the fair value of the available-for-sale financial assets are recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

4 保險及財務風險管理 (續)

4.3 金融工具公平值 (續)

(b) 非以公平值列賬的金融工具公平值

持至到期日金融資產、應收款扣除減值虧損 (如有) 及應付款的賬面值乃假定與其公平值相若。金融負債的公平值按本集團類似金融工具可得之現有市場利率折現未來合約現金流作出估算。

估計和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

董事認為本集團的金融資產及金融負債的公平值約相等於其於呈報日的賬面值。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments (Continued)

(b) Fair value of financial instruments carried at other than fair value

The carrying value of held-to-maturity financial assets, trade receivables less impairment losses (if any) and trade payables are assumed to approximate their fair value. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the Directors' opinion, the fair values of financial assets and financial liabilities of the Group approximate their carrying values at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料

5 TURNOVER AND SEGMENTAL INFORMATION

本年內入賬的主要類別收入如下：

The amount of each significant category of revenue recognised during the year is as follows:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
營業額	Turnover		
毛保費收入	Gross insurance premiums	61,328	61,916
客戶貸款利息收入 (a)	Interest income from loans to customers (a)	25,481	38,721
投資物業租金收入	Rental income from investment properties	9,245	10,216
可供出售金融資產股息收入	Dividend income from available-for-sale financial assets	38,325	33,222
		<u>134,379</u>	<u>144,075</u>
未滿期保費變動	Movement in unearned insurance premiums	<u>2,592</u>	<u>(4,749)</u>
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	<u>(6,547)</u>	<u>(5,602)</u>
其他收入	Other revenues		
管理費	Management fees	48	90
銀行存款利息收入	Interest income from bank deposits	23,027	33,868
持至到期日金融資產 利息收入	Interest income from held-to-maturity financial assets	89	-
持作買賣的上市股權 證券股息收入	Dividend income from listed equity securities held for trading	260	336
其他	Others	715	556
		<u>24,139</u>	<u>34,850</u>
收入總額	Total revenues	<u>154,563</u>	<u>168,574</u>

(a) 於年內，客戶貸款利息收入包括應計減值客戶貸款利息收入港幣 20,611,000 元（2015 年：港幣 6,825,000 元）。

(a) The interest income from loans to customers for the year comprised an interest income accrued for impaired loans to customers of HK\$20,611,000 (2015: HK\$6,825,000).

5 營業額及分部資料 (續)

本集團按向包括常務董事會及總經理之主要營運決策人就策略性決策、資源分配及評估表現之內部呈報資料方式一致的基礎上確定須呈報的分部資料。

向主要營運決策人呈報之資料，乃按企業實體、持有之投資及投資對象而分類。對於企業實體及持有之投資，評估營運表現和資源分配是以個別企業實體的經營業務及本集團持有之投資為基礎。對於投資對象，本集團按個別投資對象評估其營運表現。

本集團有下列須呈報分部：

- 金融服務：包括於中國內地經營小額貸款業務及透過本集團持有的主要聯營公司廈銀及澳銀分別於中國內地及澳門經營銀行業務。
- 保險：包括本集團於香港及澳門的一般保險業務。
- 汽車貿易：包括本集團從事的汽車貿易業務。
- 物業發展及投資：包括於中國內地的房地產開發業務及出租優質寫字樓。
- 策略投資：本集團於華能國際電力股份有限公司（「華能」）的A股的投資。
- 其他：包括沒有直接確定為其他呈報分部的營運業績及總部業務項下的活動。總部的業務可提供獨立財務資料，因此總部亦被視為一個分部。

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

The Group identifies its operating segments based on the reports reviewed internally by the chief operating decision-makers which include the Executive Board Committee and General Manager that are used to make strategic decisions, allocate resources and assess performance.

The reports to the chief operating decision-makers are analysed on the basis of business entities, investments held and investees. For business entities and investments held, operating performance evaluation and resources allocation are based on individual business activity operated and investment held by the Group. For investees, operating performance evaluation is based on individual investee of the Group.

The Group has the following reportable operating segments:

- Financial services: this segment includes the provision of micro credit business in Mainland China and the engagement of banking business through the Group's major associates, XIB in Mainland China and LIB in Macau.
- Insurance: this segment includes the Group's general insurance business in Hong Kong and Macau.
- Trading in motor vehicles: this segment includes the Group's trading in motor vehicles business.
- Property development and investment: this segment includes the real estate development business and the leasing of high quality office space in Mainland China.
- Strategic investment: this segment represents the Group's investment in A-Share of Huaneng Power International, Inc. ("Huaneng").
- Others: this segment includes results of operations not directly identified under other reportable segments and head office activities. Head office is also considered to be a segment as discrete financial information is available for the head office activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料 (續)

(a) 分部業績、資產及負債

在評估分部表現及分配分部間的資源時，本集團主要營運決策人按下列基準監控各呈報分部的業績、資產及負債：

可直接確定為各個別分部之源自客戶、產品及服務的收入將直接呈報於有關分部。不同分部的所有直接開支將歸類於有關分部。不能合理地分配至其他分部、產品及服務之總部活動開支如間接開支及支援部門開支呈列於總部項下。分部間之交易乃依據授予第三者或與第三者交易之同類條款定價。分部間之收入或支出於綜合賬內抵銷。呈報分部溢利以「本年度溢利」計量，即企業實體的除稅後溢利、持有投資產生的淨收入及應佔投資對象的業績。

分部資產包括企業實體持有的有形資產、無形資產及流動資產、持有投資的賬面淨值及應佔投資對象的資產淨值及給予投資對象的貸款。分部負債包括保險責任、應付賬款及應計費用、歸屬於個別分部的應付所得稅及遞延稅項負債以及分部直接管理或與該分部直接相關的銀行貸款。若負債是以資產作為抵押，該項資產及負債將歸類於同一分部。應付予本公司股東的股息於呈報分部資產及負債時列為未分配負債。

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision-makers monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenues derived from customers, products and services directly identifiable with individual segment are reported directly under respective segments. All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions' costs related to head office activities that cannot be reasonably allocated to other segments, products and services are grouped under head office. Transactions between segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income and expenses are eliminated on consolidation. The measure used for reporting segment profit is "profit for the year", i.e. profit after taxation of the business entities, net income generated from investments held and share of results of investees.

Segment assets include all tangible, intangible and current assets held by the business entities, net book value of investments held and share of net assets of and loans to investees. Segment liabilities include insurance liabilities, creditors and accruals, income tax payable and deferred tax liabilities attributable to respective segments and bank borrowings managed directly by the segments or directly related to those segments. An asset and a liability are grouped under same segment if the liability is collateralised by the asset. Dividend payable to shareholders of the Company is treated as unallocated liabilities in reporting segment assets and liabilities.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料 (續)

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

(a) 分部業績、資產及負債 (續)

(a) Segment results, assets and liabilities (Continued)

	金融服務		保險		汽車貿易		物業發展及投資		策略投資		其他		分部抵銷		綜合		
	Financial services		Insurance		Trading in motor vehicles		Property development and investment		Strategic investment		Others		Inter-segment elimination		Consolidated		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	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																
營業額	Turnover																
外界客戶	25,481	38,721	65,351	65,516	-	-	5,238	6,616	38,309	33,222	-	-	-	-	134,379	144,075	
跨分部	-	-	-	-	-	-	-	-	-	-	3,807	3,952	(3,807)	(3,952)	-	-	
	25,481	38,721	65,351	65,516	-	-	5,238	6,616	38,309	33,222	3,807	3,952	(3,807)	(3,952)	134,379	144,075	
未滿期保費淨額 變動及再保費 分出	Movement in net unearned insurance premiums and reinsurance premiums ceded		-	-	(3,955)	(10,351)	-	-	-	-	-	-	-	-	(3,955)	(10,351)	
其他收入	Other revenues		1,352	7,515	1,844	1,798	-	-	323	415	-	-	20,620	25,122	-	24,139	
收入總額	Total revenues		26,833	46,236	63,240	56,963	-	-	5,561	7,031	38,309	33,222	24,427	29,074	(3,807)	(3,952)	154,563
其他(虧損)/ 收益-淨額	Other (losses)/ gains - net		(40,118)	65,940	7,680	10,663	-	-	(16,812)	(11,693)	-	-	(15,698)	(21,178)	-	-	(64,948)
營業收入總額	Total operating income		(13,285)	112,176	70,920	67,626	-	-	(11,251)	(4,662)	38,309	33,222	8,729	7,896	(3,807)	(3,952)	89,615
客戶貸款及 應收利息 減值虧損	Impairment loss on loans to customers and interest receivable		(154,777)	(136,785)	-	-	-	-	-	-	-	-	-	-	-	-	(154,777)
營業開支	Operating expenses		(5,795)	(7,934)	(65,676)	(61,167)	-	-	(2,123)	(2,757)	-	-	(29,664)	(29,537)	3,807	3,952	(99,451)
營業(虧損)/ 溢利	Operating (loss)/ profit		(173,857)	(32,543)	5,244	6,459	-	-	(13,374)	(7,419)	38,309	33,222	(20,935)	(21,641)	-	-	(164,613)
融資成本	Finance costs		(13,844)	(3,475)	-	(89)	-	-	-	-	-	-	(21,157)	(9,394)	-	-	(35,001)
應佔聯營公司 業績	Share of results of associates		470,922	517,973	-	-	-	-	-	-	-	-	779	2,927	-	-	471,701
除稅前溢利/ (虧損)	Profit/(loss) before taxation		283,221	481,955	5,244	6,370	(((13,374)	(7,419)	38,309	33,222	(41,313)	(28,108)	-	-	272,087
所得稅(支出)/ 抵免	Income tax (expense)/ credit		(7,604)	(9,461)	(1,401)	(940)	-	-	10,342	7,634	(3,831)	(3,322)	(3,981)	(2,592)	-	-	(6,475)
本年度溢利/ (虧損)	Profit/(loss) for the year		275,617	472,494	3,843	5,430	-	-	(3,032)	215	34,478	29,900	(45,294)	(30,700)	-	-	265,612
利息收入	Interest income		26,548	46,195	1,446	1,286	-	-	-	-	-	-	20,603	25,108	-	-	48,597
本年度折舊	Depreciation for the year		431	474	215	172	-	-	-	-	-	-	777	771	-	-	1,423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料 (續)

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

(a) 分部業績、資產及負債 (續)

(a) Segment results, assets and liabilities (Continued)

		金融服務 Financial services		保險 Insurance		汽車貿易 Trading in motor vehicles		物業發展及投資 Property development and investment		策略投資 Strategic investment		其他 Others		綜合 Consolidated	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於12月31日	At 31 December														
本公司及 附屬公司	The Company and subsidiaries	241,864	263,051	228,904	215,626	111,635	-	78,649	95,694	550,540	727,920	1,045,708	1,321,704	2,257,300	2,623,995
投資聯營公司	Investments in associates	4,043,936	3,224,389	-	-	-	-	-	-	-	-	38,066	39,588	4,082,002	3,263,977
總資產	Total assets	4,285,800	3,487,440	228,904	215,626	111,635	-	78,649	95,694	550,540	727,920	1,083,774	1,361,292	6,339,302	5,887,972
本公司及 附屬公司	The Company and subsidiaries	829,127	27,304	112,200	102,594	-	-	31,087	41,874	-	-	579,791	632,971	1,552,205	804,743
總負債	Total liabilities	829,127	27,304	112,200	102,594	-	-	31,087	41,874	-	-	579,791	632,971	1,552,205	804,743
本年度資本 開支	Capital expenditure incurred during the year	2	20	390	259	-	-	-	-	-	-	38	784	430	1,063

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 營業額及分部資料 (續)

(b) 地區資料

下表載列有關(i)本集團源自外界客戶的收入及(ii)本集團的物業、機器及設備、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，投資聯營公司則以營運所在地劃分。

5 TURNOVER AND SEGMENTAL INFORMATION (Continued)

(b) Geographical information

The following table sets out the information about the geographical location of (i) the Group's revenues from external customers and (ii) the Group's property, plant and equipment, 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 investments in associates.

	香港		中國內地		澳門		綜合		
	Hong Kong		Mainland China		Macau		Consolidated		
	2016	2015	2016	2015	2016	2015	2016	2015	
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
截至12月31日止年度	Year ended 31 December								
外界客戶收入	Revenues from external customers	<u>28,653</u>	<u>32,241</u>	<u>69,067</u>	<u>78,585</u>	<u>36,659</u>	<u>33,249</u>	<u>134,379</u>	<u>144,075</u>
於12月31日	At 31 December								
本公司及附屬公司	The Company and subsidiaries	107,138	99,592	81,314	98,586	83	98	188,535	198,276
投資聯營公司	Investments in associates	-	-	4,082,002	3,263,977	-	-	4,082,002	3,263,977
指定非流動資產	Specified non-current assets	<u>107,138</u>	<u>99,592</u>	<u>4,163,316</u>	<u>3,362,563</u>	<u>83</u>	<u>98</u>	<u>4,270,537</u>	<u>3,462,253</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 其他(虧損)/收益 – 淨額

6 OTHER (LOSSES)/GAINS – NET

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
按公平值透過損益列賬的 上市股權證券公平值 收益/(虧損)	Fair value gains/(losses) on listed equity securities measured at fair value through profit or loss	317	(1,451)
出售按公平值透過損益 列賬的上市股權證券 收益/(虧損)	Gains/(losses) on disposal of listed equity securities measured at fair value through profit or loss	613	(8,819)
投資物業重估公平值 (虧損)/收益	Fair value (losses)/gains on revaluation of investment properties	(8,679)	10,178
聯營公司權益被攤薄的 (虧損)/收益 (註釋 17(c)、17(f) 及 17(g))	(Losses)/gains on dilution of interest in associates (Notes 17(c),17(f) and 17(g))	(40,424)	73,333
出售一家聯營公司權益的 收益(註釋 17(h))	Gain on disposal of interest in an associate (Note 17(h))	438	–
出售一家分類為持作出售 的聯營公司的收益 (註釋 27)	Gain on disposal of an associate classified as held for sale (Note 27)	1,824	–
出售可供出售金融資產 收益	Gain on disposal of available-for-sale financial assets	306	–
匯兌虧損淨額	Net exchange losses	(19,343)	(29,509)
		(64,948)	43,732

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

		2016	2015
		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)	19,560	21,045
保險業務產生的淨佣金 費用(b)	Net commission expenses incurred on insurance business (b)	28,466	24,119
		48,026	45,164

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 保險業務產生的賠償淨額及佣金費用 (續)

7 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS (Continued)

(a) 保險業務產生的賠償淨額

(a) Net insurance claims incurred on insurance business

		2016		
		毛額	再保險	淨額
		Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000
本年度賠償及損失調整費用	Current year claims and loss adjustment expenses	12,083	(129)	11,954
往年度賠償及損失調整費用的額外成本／(殘存責任剩餘)	Additional cost/(run-off savings) for prior years' claims and loss adjustment expenses	2,984	(3,705)	(721)
已發生但未呈報的索償增加	Increase in claims incurred but not reported	6,491	619	7,110
未滿期風險之預計賠償成本增加	Increase in the expected cost of claims for unexpired risks	1,217	-	1,217
		22,775	(3,215)	19,560
		2015		
		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	11,033	(393)	10,640
往年度賠償及損失調整費用的額外成本／(殘存責任剩餘)	Additional cost/(run-off savings) for prior years' claims and loss adjustment expenses	7,787	(179)	7,608
已發生但未呈報的索償增加	Increase in claims incurred but not reported	1,357	1,030	2,387
未滿期風險之預計賠償成本增加	Increase in the expected cost of claims for unexpired risks	410	-	410
		20,587	458	21,045

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 保險業務產生的賠償淨額及佣金費用 (續)

7 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS (Continued)

(b) 保險業務產生的淨佣金費用

(b) Net commission expenses incurred on insurance business

		2016	2015
		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	28,933	24,392
減：已收及應收再保 險人佣金	Less: Commissions received and receivable from reinsurers	(467)	(273)
佣金費用淨額	Net commission expenses	<u>28,466</u>	<u>24,119</u>

8 營業虧損

8 OPERATING LOSS

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
營業虧損已計入並扣除 下列各項：	Operating loss 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	7,960	8,451
扣除	Charging		
核數師酬金	Auditor's remuneration	2,573	2,923
- 當年準備	- provision for current year	2,388	2,523
- 往年度準備過多	- over provision in prior year	(175)	-
- 中期查證工作	- interim attestation work	360	400
折舊	Depreciation	1,423	1,417
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	20	174
匯兌虧損淨額	Net exchange losses	19,343	29,509
房地產之營業租約租金	Operating lease rentals in respect of land and buildings	638	605
退休福利成本 (a)	Retirement benefit costs (a)	<u>1,072</u>	<u>1,016</u>

8 營業虧損 (續)

- (a) 在2000年11月30日前，本集團向一項界定供款計劃（「界定供款計劃」）供款，所有合資格之香港僱員皆可參加。界定供款計劃之資產與本集團之資產分開持有，由獨立管理基金保管。直至2000年11月30日界定供款計劃由根據香港強制性公積金計劃條例成立的強制性公積金計劃（「強積金計劃」）所取代當日止，本集團及僱員對界定供款計劃之供款額以僱員基本月薪之百分之十五計算。

本集團每月向強積金計劃之供款額（強制及自願）按僱員基本月薪百分之十（2000年9月30日後加入的僱員之供款額則為其基本月薪百分之六）或僱員每月總收入的百分之五以較高者為準計算（以最高供款港幣2,000元至港幣4,000元為限）。僱員在取得全數供款利益前離開退休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供款。於2016年及2015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 LOSS (Continued)

- (a) The Group contributed to a defined contribution scheme (“DC Scheme”) which was available to all eligible Hong Kong employees prior to 30 November 2000. The assets of the DC Scheme were held separately from those of the Group in an independently administered fund. Contributions to the DC Scheme by the Group and employees were calculated at 15% of the employees’ basic salary until 30 November 2000 when the DC Scheme was replaced by a mandatory provident fund scheme (“MPF Scheme”) set up under the Hong Kong Mandatory Provident Fund Schemes Ordinance.

The Group’s monthly contributions (mandatory and voluntary) to the MPF Scheme for each employee are calculated at the higher of 10% (or 6% for employees who joined after 30 September 2000) of the monthly basic salary and 5% of the monthly total income, subject to a maximum contributions from HK\$2,000 to HK\$4,000. 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 schemes prior to vesting fully in the contributions. At 31 December 2016 and 2015, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 融資成本

9 FINANCE COSTS

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
銀行貸款利息支出	Interest on bank loans	35,001	12,869
保證金貸款利息支出	Interest on margin loans	-	89
		35,001	12,958

10 高級行政人員酬金及五名最高酬金之個別人士

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) 董事酬金

(a) Directors' emoluments

		作為董事 (i) As director (i)	作為管理層 (ii) As management (ii)	2016 總額 Total
		董事袍金 Directors' fees	薪俸、房屋 及其他津貼、 及實物利益 Salaries, housing, other allowances and benefits in kind	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
執行董事	Executive Directors			
彭錦光先生 (主席) ¹	Mr Peng Jin Guang (Chairman) ¹	-	-	-
翁若同先生 (主席) ²	Mr Weng Ruo Tong (Chairman) ²	48	-	48
王非先生 (副主席)	Mr Wang Fei (Vice Chairman)	-	-	-
劉承先生	Mr Liu Cheng	100	1,382	1,482
非執行董事	Non-executive Directors			
劉倫先生	Mr Liu Lun	60	-	60
韓孝捷先生 ³	Mr Hon Hau Chit ³	45	-	45
楊方先生 ⁴	Mr Yang Fang ⁴	-	-	-
獨立非執行董事	Independent Non-executive Directors			
葉啟明先生	Mr Ip Kai Ming	250	-	250
史習陶先生	Mr Sze Robert Tsai To	350	-	350
蘇合成先生	Mr So Hop Shing	250	-	250
		1,103	1,382	2,485

1 於2016年4月25日委任為主席及執行董事

2 分別於2016年4月25日及2016年10月19日
辭任主席及執行董事

3 於2016年3月30日委任為非執行董事

4 於2016年4月25日辭任為非執行董事

1 Appointed as Chairman and Executive Director on 25 April 2016

2 Resigned as Chairman and Executive Director on 25 April 2016 and
9 October 2016 respectively

3 Appointed as Non-executive Director on 30 March 2016

4 Resigned as Non-executive Director on 25 April 2016

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

(a) 董事酬金 (續)

		作為董事 (i) As director (i)	作為管理層 (ii) As management (ii)	
		董事袍金 Directors' fees	薪俸、房屋 及其他津貼、 及實物利益 Salaries, housing, other allowances and benefits in kind	2015 總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
執行董事	Executive Directors			
翁若同先生 (主席)	Mr Weng Ruo Tong (Chairman)	60	-	60
王非先生 (副主席)	Mr Wang Fei (Vice Chairman)	60	-	60
劉承先生	Mr Liu Cheng	100	1,328	1,428
李錦華先生 ¹	Mr Li Jin Hua ¹	58	-	58
張榮輝先生 ²	Mr Zhang Rong Hui ²	14	-	14
非執行董事	Non-executive Directors			
楊方先生 ³	Mr Yang Fang ³	46	-	46
劉倫先生 ⁴	Mr Liu Lun ⁴	2	-	2
獨立非執行董事	Independent Non-executive Directors			
葉啟明先生	Mr Ip Kai Ming	250	-	250
史習陶先生	Mr Sze Robert Tsai To	350	-	350
蘇合成先生	Mr So Hop Shing	250	-	250
		<u>1,190</u>	<u>1,328</u>	<u>2,518</u>

1 於 2015 年 12 月 18 日辭任執行董事

2 於 2015 年 3 月 26 日辭任執行董事

3 於 2015 年 3 月 26 日委任為非執行董事

4 於 2015 年 12 月 18 日委任為非執行董事

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

		作為董事 (i) As director (i)	作為管理層 (ii) As management (ii)	
		Directors' fees	Salaries, housing, other allowances and benefits in kind	Total
		HK\$'000	HK\$'000	HK\$'000
Executive Directors				
Mr Weng Ruo Tong (Chairman)		60	-	60
Mr Wang Fei (Vice Chairman)		60	-	60
Mr Liu Cheng		100	1,328	1,428
Mr Li Jin Hua ¹		58	-	58
Mr Zhang Rong Hui ²		14	-	14
Non-executive Directors				
Mr Yang Fang ³		46	-	46
Mr Liu Lun ⁴		2	-	2
Independent Non-executive Directors				
Mr Ip Kai Ming		250	-	250
Mr Sze Robert Tsai To		350	-	350
Mr So Hop Shing		250	-	250
		<u>1,190</u>	<u>1,328</u>	<u>2,518</u>

1 Resigned as Executive Director on 18 December 2015
 2 Resigned as Executive Director on 26 March 2015
 3 Appointed as Non-executive Director on 26 March 2015
 4 Appointed as Non-executive Director on 18 December 2015

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) 就某位人士作為本公司或其附屬公司的董事而提供的服務，支付或應付予該人士的薪酬。
- (ii) 與管理本公司的事務有關連的情況下提供的其他服務，支付或應付的薪酬。
- (iii) 本公司向一控股股東貴信支付管理費港幣 188 萬元 (2015 年：港幣 188 萬元)，作為其根據一份管理協議提供一些管理服務，包括提供董事予本公司董事會之費用。

(b) 五名最高酬金之個別人士

上述註(a)之分析並未計入董事以外而其酬金是本集團前五名最高酬金之個別人士，支付予此等人士之酬金詳情如下：

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

- (i) The amounts represented emoluments paid or payable for the services as a director of the Company or its subsidiaries.
- (ii) The amounts represented emoluments paid or payable for other services in connection with the management of the affairs of the Company.
- (iii) An amount of HK\$1.88 million (2015: HK\$1.88 million) was paid to Vigour Fine, a controlling shareholder of the Company, for the provision of certain management services which include the provision of directors to the Board of Directors of the Company pursuant to a management agreement.

(b) Five highest paid individuals

The analysis in note (a) above does not include those individuals who are not directors but whose emoluments are among the five highest in the Group. Details of the emoluments paid to those individuals are as follows:

	2016	2015
	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	4,622	4,430
退休福利計劃供款	48	48
花紅	6,000	5,950
	10,670	10,428

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) 五名最高酬金之個別人士 (續)

(b) Five highest paid individuals (Continued)

酬金範圍	Emoluments Band	2016	2015
		人數 <i>Number of Individuals</i>	人數 <i>Number of Individuals</i>
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	1	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 3,000,001 元 – 港幣 3,500,000 元	HK\$3,000,001 – HK\$3,500,000	2	2

(c) 高級管理人員

(c) Senior management

應付予本公司高級管理人員之酬金 (按範圍) 詳情如下:

Details of the emoluments payable to senior management of the Company by band are as follows:

酬金範圍	Emoluments Band	2016	2015
		人數 <i>Number of Individuals</i>	人數 <i>Number of Individuals</i>
港幣 1 元 – 港幣 500,000 元	HK\$1 – HK\$500,000	–	1
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	1	1
港幣 3,000,001 元 – 港幣 3,500,000 元	HK\$3,000,001 – HK\$3,500,000	2	2

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:

		2016	2015
		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	466	464
中國內地企業所得稅	Mainland China corporate income tax	3,474	2,085
中國內地預提所得稅	Mainland China withholding tax	16,160	15,344
澳門稅項	Macau taxation	370	138
		<u>20,470</u>	<u>18,031</u>
往年度準備過少／(過多)	Under/(over) provision in prior year		
中國內地企業所得稅	Mainland China corporate income tax	-	227
澳門稅項	Macau taxation	6	(53)
		<u>6</u>	<u>174</u>
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	(14,001)	(9,524)
所得稅支出	Income tax expense	<u>6,475</u>	<u>8,681</u>

香港利得稅乃按照年內估計應課稅溢利依稅率 16.5% (2015 年：16.5%) 提撥準備。

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for 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% (2015 年：25%) 計算。

Mainland China corporate income tax has been calculated at the rate of 25% (2015: 25%) on the estimated taxable profits for the year.

於中國內地成立的投資對象就 2008 年 1 月 1 日後賺取的利潤宣派股息時，本集團須就股息收入的 10% 繳納中國內地預提所得稅。

Mainland China withholding tax is levied at 10% on dividend income received from investees incorporated in Mainland China when these investees declared dividend out of profits earned after 1 January 2008.

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:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
除稅前溢利	Profit before taxation	272,087	486,020
按稅率 16.5% 計算之稅項	Calculated at a taxation rate of 16.5%	44,895	80,193
其他徵稅地區不同稅率 之影響	Effect of different taxation rates in other tax jurisdictions	(8,041)	(4,159)
無須課稅之收入	Income not subject to taxation	(80,383)	(103,437)
不可扣稅之支出	Expenses not deductible for taxation purposes	18,399	9,560
未確認稅損及可扣減 暫時差異增加	Increase in unrecognised tax losses and deductible temporary differences	31,619	26,388
確認以前年度未確認 之可扣減及應課稅 暫時差異	Recognition of prior year's unrecognised deductible and taxable temporary difference	-	5,178
抵扣前期未確認之稅項 虧損	Utilisation of tax losses previously not recognised	-	(5,196)
往年度準備過少	Under provision in prior year	6	174
其他	Others	(20)	(20)
所得稅支出	Income tax expenses	6,475	8,681

12 本公司股東應佔溢利

本公司股東應佔綜合溢利包括已計入本公司財務報表內的虧損港幣 6,547 萬元 (2015 年：港幣 183 萬元)。

12 PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to shareholders of the Company includes a loss of HK\$65.47 million (2015: HK\$1.83 million) which has been dealt with in the financial statements of the Company.

13 股息

13 DIVIDEND

	2016	2015
	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5仙 (2015年：港幣5仙)	Final dividend proposed after the reporting date of 5 HK cents (2015: 5 HK cents) per share 22,971	22,971

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2017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 2017.

14 每股盈利

14 EARNINGS PER SHARE

每股基本盈利是根據截至2016年12月31日止年度本公司股東應佔溢利港幣26,561.2萬元(2015年：港幣47,733.9萬元)及年內已發行股份之加權平均數459,428,656(2015年：459,428,656)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 2016 of HK\$265,612,000 (2015: HK\$477,339,000) and the weighted average of 459,428,656 (2015: 459,428,656) 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

15 物業、機器及設備

15 PROPERTY, PLANT AND EQUIPMENT

		租賃土地及 土地使用權 Leasehold lands and land use rights	持作 自用樓宇 Buildings held for own use	傢俬、裝修、 辦事處及 電腦設備 Furniture, fixtures, office and computer equipment	汽車 Motor vehicles	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2015年1月1日	At 1 January 2015					
成本	Cost	29,313	8,727	9,436	3,352	50,828
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(13,727)	(7,570)	(7,250)	(2,159)	(30,706)
賬面淨值	Net book value	<u>15,586</u>	<u>1,157</u>	<u>2,186</u>	<u>1,193</u>	<u>20,122</u>
截至2015年12月31日 止年度	Year ended 31 December 2015					
期初賬面淨值	Opening net book value	15,586	1,157	2,186	1,193	20,122
匯兌差額	Translation differences	-	-	(31)	(32)	(63)
增添	Additions	-	-	310	753	1,063
本年度折舊	Charge for the year	(314)	(79)	(626)	(398)	(1,417)
出售	Disposals	-	-	(118)	(103)	(221)
記入租賃樓房重估儲備金 之公平值收益(a)	Fair value gains credited to leasehold buildings revaluation reserve (a)	1,688	1,164	-	-	2,852
重新分類為投資物業(a)	Reclassified to investment properties (a)	(2,111)	(1,164)	-	-	(3,275)
期末賬面淨值	Closing net book value	<u>14,849</u>	<u>1,078</u>	<u>1,721</u>	<u>1,413</u>	<u>19,061</u>
於2015年12月31日及 2016年1月1日	At 31 December 2015 and 1 January 2016					
成本	Cost	28,621	8,511	8,915	3,044	49,091
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(13,772)	(7,433)	(7,194)	(1,631)	(30,030)
賬面淨值	Net book value	<u>14,849</u>	<u>1,078</u>	<u>1,721</u>	<u>1,413</u>	<u>19,061</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 物業、機器及設備 (續)

15 PROPERTY, PLANT AND EQUIPMENT
(Continued)

		租賃土地及 土地使用權 Leasehold lands and land use rights	持作 自用樓宇 Buildings held for own use	傢俬、裝修、 辦事處及 電腦設備 Furniture, fixtures, office and computer equipment	汽車 Motor vehicles	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
截至2016年12月31日	Year ended					
止年度	31 December 2016					
期初賬面淨值	Opening net book value	14,849	1,078	1,721	1,413	19,061
匯兌差額	Translation differences	-	-	(18)	(25)	(43)
增添	Additions	-	-	430	-	430
本年度折舊	Charge for the year	(283)	(81)	(604)	(455)	(1,423)
出售	Disposals	-	-	(26)	-	(26)
期末賬面淨值	Closing net book value	14,566	997	1,503	933	17,999
於2016年12月31日	At 31 December 2016					
成本	Cost	28,621	8,511	9,163	2,960	49,255
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(14,055)	(7,514)	(7,660)	(2,027)	(31,256)
賬面淨值	Net book value	14,566	997	1,503	933	17,999

15 物業、機器及設備 (續)

(a) 有關金額為於2015年位於中國內地的一項業主自用物業重新分類為投資物業前的公平值重估收益。該公平值收益已於租賃樓房重估儲備金內確認。

(b) 租賃土地及土地使用權的賬面淨值分析如下：

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) The amounts represented the fair value gains on revaluation of an owner-occupied property located in Mainland China immediately before the reclassification from owner-occupied property to investment properties in 2015. The fair value gains were recognised in leasehold buildings revaluation reserve.

(b) The net book values of leasehold lands and land use rights are analysed as follows:

		2016	2015
		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	4,361	4,382
10年至50年	Between 10 and 50 years	10,182	10,441
在香港以外持有租約	Leases held outside Hong Kong		
10年至50年	Between 10 and 50 years	23	26
		14,566	14,849

本集團的租賃土地及土地使用權的成本為港幣2,862萬元(2015年：港幣2,862萬元)。

The cost of the leasehold lands and land use rights of the Group was HK\$28.62 million (2015: HK\$28.62 million).

16 投資物業

16 INVESTMENT PROPERTIES

		2016	2015
		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	179,215	165,762
自物業、機器及設備 重新分類(註釋15(a))	Reclassified from property, plant and equipment (Note 15(a))	-	3,275
公平值(虧損)/收益	Fair value (losses)/gains	(8,679)	10,178
於12月31日	At 31 December	170,536	179,215

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:

		2016	2015
		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	90,000	82,000
在香港以外持有租約 10年至50年	Leases held outside Hong Kong Between 10 and 50 years	80,536	97,215
		170,536	179,215

一家附屬公司持有的公平值港幣9,000萬元(2015年：港幣8,200萬元)的一項位於香港的投資物業的業權契約由香港保監處託管，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\$90 million (2015: HK\$82 million) held by a subsidiary are placed in the custody of the HKOCI pursuant to the relevant regulatory requirements.

16 投資物業 (續)

投資物業公平值計量

(a) 公平值架構

下表呈列於2016年12月31日按經常性基準計量的本集團投資物業的公平值，有關的公平值採納三級分類法（定義見香港財務報告準則第13號「公平值計量」）分類。公平值計量分類的等級乃參考估值方法所用數據的可觀察性及重要性後釐定。

16 INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties

(a) Fair value hierarchy

The following table presents the fair value of investment properties held by the Group measured at 31 December 2016 on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique.

		2016	2015
		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	76,303	92,687
住宅物業	Residential properties	1,900	1,700
車位	Car parks	2,333	2,828
		80,536	97,215
香港	Hong Kong		
商業物業	Commercial properties	90,000	82,000
		170,536	179,215

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)

投資物業公平值計量 (續)

(b) 公平值架構第三等級資料

投資物業由獨立專業評估師，第一太平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2016年12月31日的公平值基準重估。本集團已於各中期及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(2015年：5厘)，市場月租金介乎每平方米人民幣55元至人民幣91元(2015年：介乎人民幣58元至人民幣110元)，(ii)車位的資本化率為2.8厘(2015年：3厘)，市場月租金為每車位人民幣781元(2015年：人民幣880元)。公平值計量與資本化率呈反比關係，與市場月租金呈正比關係。

位於中國內地的住宅物業的公平值採用市場比較法釐定，並參考可比較物業近期按每平方米基準計算的銷售價格，並就本集團的物業與可比較物業比較時的特定因素(例如位置及質量)作出溢價或折讓的調整。應用於估值計量時，折讓率的不可觀察數據並不重要。

位於香港的商業物業的公平值乃採用市場比較法釐定，並參考可比較物業近期按每平方呎基準計算的銷售價格，並就本集團的物業與可比較物業比較時的特定因素(例如較長租期及較大樓層面積)作出溢價或折讓的調整。折讓率越大，公平值越低。應用於估值計量時，折讓率的重要不可觀察數據約為17.5%(2015年：約20%)。

16 INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties (Continued)

(b) Information about Level 3 of the fair value hierarchy

The investment properties were revalued based on their fair values at 31 December 2016 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 interim and annual reporting date.

The fair value of commercial properties and car parks located in Mainland China was determined by income capitalisation approach. The significant unobservable inputs applied in valuation measurement are (i) capitalisation rates ranged from 4.3% to 4.5% (2015: 5%) and monthly market rent ranged from RMB55 to RMB91 (2015: ranged from RMB58 to RMB110) per square meter for commercial properties and (ii) capitalisation rate of 2.8% (2015: 3%) and monthly market rent of RMB781 (2015: RMB880) per unit for car parks respectively. The fair value measurement is negatively correlated to the capitalisation rate and positively correlated to the monthly market rent.

The fair value of residential properties located in Mainland China was determined by market comparison approach with reference to recent sales price of comparable properties on a price per square meter basis, adjusted for a premium or a discount specific to the factors such as the location and quality of the Group's properties while compared to the comparable properties. The unobservable input for discount applied in valuation measurement was immaterial.

The fair value of commercial properties located in Hong Kong was determined by market comparison approach with reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the factors such as the longer period of tenancy and the larger floor area of the Group's properties while compared to the comparable properties. Larger discount will result in a lower fair value measurement. The significant unobservable input for discount applied in valuation measurement was approximately 17.5% (2015: approximately 20%).

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 投資物業 (續)

投資物業公平值計量 (續)

(b) 公平值架構第三等級資料 (續)

年內該等公平值架構第三等級的結餘變動如下：

16 INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties (Continued)

(b) Information about Level 3 of the fair value hierarchy (Continued)

The movements in the balance of Level 3 of the fair value hierarchy during the year are as follows:

		2016				2015			
		商業物業 Commercial properties	車位 Car parks	住宅物業 Residential properties	總額 Total	商業物業 Commercial properties	車位 Car parks	住宅物業 Residential properties	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	174,687	2,828	1,700	179,215	160,959	3,024	1,779	165,762
自物業、機器及設備 重新分類	Reclassified from property, plant and equipment	-	-	-	-	3,275	-	-	3,275
公平值(虧損)/收益	Fair value (losses)/gains	(8,384)	(495)	200	(8,679)	10,453	(196)	(79)	10,178
於12月31日	At 31 December	166,303	2,333	1,900	170,536	174,687	2,828	1,700	179,215
年內於綜合損益表的 「其他(虧損)/收益 - 淨額」內確認的未 變現公平值收益/ (虧損)總額	Total unrealised fair value (losses)/ gains for the year recognised in the consolidated income statement as part of "Other gains/(losses) - net"	(8,384)	(495)	200	(8,679)	10,453	(196)	(79)	10,178

17 聯營公司

17 ASSOCIATES

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
貸款予一家聯營公司 (b)	Loan to an associate (b)	10,717	10,717
應佔資產淨值	Share of net assets	4,072,858	3,266,559
		4,083,575	3,277,276
出售一家聯營公司 (h)	Disposal of an associate (h)	(1,573)	-
重新分類為持作出售 的資產 (註釋 27)	Reclassified to assets classified as held for sale (Note 27)	-	(13,299)
		4,082,002	3,263,977
投資總值 (a)	Total investments (a)	4,082,002	3,263,977
非上市股份，按成本	Unlisted investments, at cost	972,776	178,950

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2015年1月1日	At 1 January 2015	2,865,697	80,193	2,945,890
匯兌差額	Translation differences	(132,382)	(1,211)	(133,593)
成立一家聯營公司	Formation of an associate	-	1,150	1,150
應佔除稅後溢利	Share of profit after taxation			
除稅前溢利	Profit before taxation	710,844	3,267	714,111
所得稅支出	Income tax expense	(192,871)	(340)	(193,211)
已宣派股息	Dividend declared	(120,227)	(22,325)	(142,552)
投資重估儲備金 增加/(減少)	Increase/(decrease) in investment revaluation reserve	48,908	(2,206)	46,702
攤薄權益	Dilution of interest			
於綜合損益表內 確認之攤薄收益	Gain on dilution recognised in consolidated income statement	73,037	296	73,333
從外匯折算儲備金 及投資重估儲備 金撥回	Release of exchange translation reserve and investment revaluation reserve	(40,289)	(320)	(40,609)
應佔聯營公司持有之 一家附屬公司權益 被攤薄	Dilution of interest in a subsidiary held by an associate	11,672	-	11,672
償還部分貸款	Loan partially repaid	-	(5,617)	(5,617)
重新分類為持作出售 的資產	Reclassified to assets classified as held for sale	-	(13,299)	(13,299)
		3,224,389	39,588	3,263,977
於2015年12月31日及 2016年1月1日	At 31 December 2015 and 1 January 2016	(198,571)	(1,885)	(200,456)
匯兌差額	Translation differences	794,976	1,143	796,119
增資擴股	Capital contributions			
應佔除稅後溢利	Share of profit after taxation			
除稅前溢利	Profit before taxation	624,137	1,124	625,261
所得稅支出	Income tax expense	(153,215)	(345)	(153,560)
已宣派股息	Dividend declared	(123,292)	-	(123,292)
投資重估儲備金 (減少)/增加	(Decrease)/increase in investment revaluation reserve	(110,168)	14	(110,154)
出售一家聯營公司	Disposal of an associate	-	(1,573)	(1,573)
攤薄權益	Dilution of interest			
於綜合損益表內 確認之攤薄虧損	Loss on dilution recognised in consolidated income statement	(40,424)	-	(40,424)
從外匯折算儲備金 及投資重估儲備 金撥回	Release of exchange translation reserve and investment revaluation reserve	26,104	-	26,104
		4,043,936	38,066	4,082,002
於2016年12月31日	At 31 December 2016			

17 聯營公司 (續)

- (b) 此貸款為本集團對該聯營公司之投資，並且為無抵押、免息及無固定還款期。
- (c) 廈銀已於2015年6月完成向第三方發行新股份擴大其股本，以致本公司所持廈銀的股權由約14.8005%被攤薄至約10.6289%。因此，本集團於2015年6月錄得攤薄收益約港幣7,304萬元（註釋6），並同時將廈銀的股權被攤薄至約10.6289%應佔的法定儲備金、普通儲備金及資本儲備金合共約港幣30,797萬元直接調撥至保留溢利。

本公司在廈銀完成發行新股份後，已即時評估其所持廈銀約10.6289%股權的適用會計處理方法，認為本公司將繼續對廈銀的財務及營運決策有行使重大影響力的能力。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。

- (d) 於2015年12月，廈銀一家附屬公司，澳銀完成發行新股份擴大其股本，在未有失去澳銀控制權的情況下，廈銀所持澳銀的股權由100%被攤薄至約49.04%。因此，本集團將應佔廈銀於澳銀的股權被攤薄收益港幣1,167萬元撥入綜合權益變動表的資本儲備金內。

17 ASSOCIATES (Continued)

- (b) The loan represented the Group's investments in that associate and was unsecured, interest free and had no fixed repayment terms.
- (c) XIB completed the issuance of new shares to third parties to enlarge its share capital in June 2015, which resulted in the dilution of the Company's shareholding in XIB from approximately 14.8005% to approximately 10.6289%. Accordingly, the Group recorded a gain on dilution of approximately HK\$73.04 million (Note 6). The Group also transferred directly to retained profits in total of approximately HK\$307.97 million from statutory reserve, general reserve and capital reserve attributable to the dilution of the shareholding in XIB to approximately 10.6289%.

The Company had evaluated the applicable accounting treatment in respect of its approximately 10.6289% shareholding in XIB immediately after the completion of the issuance of the new shares and considered that the Company will continue to have the ability to exercise significant influence over the financial and operating policy decisions of XIB. Accordingly, the Company considered 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.

- (d) In December 2015, LIB, a subsidiary of XIB, completed the issuance of new shares to enlarge its share capital, which resulted in the dilution of XIB's shareholding in LIB from 100% to approximately 49.04% without losing its control in LIB. Accordingly, the Group's share of the gain on dilution of XIB's interest in LIB of HK\$11.67 million was credited to capital reserve in the consolidated statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

- (e) 於2015年12月，廈銀完成發行紅股，按每10股現有股份獲發10股新股為基準，以每股面值人民幣1元，將資本公積約人民幣319,313萬元（等值約港幣381,052萬元）轉為廈銀的已發行股本。
- (f) 於2015年2月，福建省華源城建設環保股份有限公司（「華源」）已完成發行新股份擴大其股本，以致本公司所持華源的股權由25%被攤薄至21.05%。因此，本集團於2015年2月錄得攤薄收益約港幣30萬元（註釋6），並同時將華源的股權被攤薄至21.05%應佔的法定儲備金港幣1萬元直接調撥至保留溢利。
- (g) 於2016年6月21日，本公司與廈銀訂立增資協議，據此，本公司有條件同意以發行價每股人民幣4.8元（等值約港幣5.68元）認購14,000萬股廈銀股份（「增資擴股」）。本公司已於2016年6月支付增資擴股代價總額人民幣67,200萬元（等值約港幣79,498萬元）予廈銀。

17 ASSOCIATES (Continued)

- (e) In December 2015, XIB completed the issuance of bonus shares on the basis of 10 new shares for every 10 existing shares with nominal value of RMB1 per share, an amount of approximately RMB3,193.13 million (equivalent to approximately HK\$3,810.52 million) was transferred from capital reserve to issued share capital of XIB.
- (f) In February 2015, Fujian Hua Yuan City Construction Environment Protection Co., Ltd. ("Hua Yuan") completed the issuance of new shares to enlarge its share capital, which resulted in the dilution of the Company's shareholding in Hua Yuan from 25% to 21.05%. Accordingly, the Group recorded a gain on dilution of approximately HK\$0.3 million (Note 6). The Group also transferred directly to retained profits of HK\$0.01 million from statutory reserve attributable to the dilution of the shareholding in Hua Yuan to 21.05%.
- (g) On 21 June 2016, the Company entered into a capital contribution agreement with XIB, pursuant to which the Company agreed to conditionally subscribe for 140 million shares of XIB at the issue price of RMB4.8 (equivalent to approximately HK\$5.68) per share of XIB (the "Capital Contribution"). The total amount of the consideration of the Capital Contribution of RMB672 million (equivalent to approximately HK\$794.98 million) had been paid by the Company to XIB in June 2016.

17 聯營公司 (續)

廈銀已於2016年12月完成向本公司及第三方發行新股份擴大其股本，以致本公司所持廈銀的股權由約10.6289%被攤薄至約9.7635%。主要由於人民幣兌換港幣的貶值，本集團因此於年內錄得攤薄虧損約港幣4,042萬元（註釋6），此乃根據本集團截至2016年12月31日止的經審核綜合財務資料及廈銀編制截至2016年12月31日止的經審核綜合財務資料（經調整以符合本集團的會計政策）計算。本集團同時將廈銀的股權被攤薄至約9.7635%應佔的法定儲備金、普通儲備金及資本儲備金合共約港幣9,706萬元直接調撥至保留溢利。

本公司在廈銀完成發行新股份後，已即時評估其所持廈銀約9.7635%股權的適用會計處理方法，認為本公司將繼續對廈銀的財務及營運決策有行使重大影響力的能力。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。

- (h) 於2016年10月，本集團與一獨立第三方訂立買賣協議，據此，本集團同意以現金代價人民幣190萬元（等值約港幣217萬元）出售本集團持有一家聯營公司深圳前海維盟網絡科技有限公司19%股權（「股權」），有關交易於2016年10月完成。因此，經計入撥回股權應佔外匯折算儲備金約港幣14萬元，本集團於年內錄得出售收益約港幣44萬元（註釋6）。

17 ASSOCIATES (Continued)

The issuance of new shares to the Company and third parties by XIB to enlarge its share capital was completed in December 2016, which resulted in the dilution of the Company's shareholding in XIB from approximately 10.6289% to approximately 9.7635%. Accordingly, the Group recorded a loss on dilution of approximately HK\$40.42 million (Note 6) during the year mainly due to the depreciation of Renminbi against Hong Kong Dollars based on the audited consolidated financial information of the Group for the year ended 31 December 2016 and the audited consolidated financial information of XIB for the year ended 31 December 2016 as adjusted to conform with the Group's accounting policies. The Group also transferred directly to retained profits in total of approximately HK\$97.06 million from statutory reserve, general reserve and capital reserve attributable to the dilution of the shareholding in XIB to approximately 9.7635%.

The Company had evaluated the applicable accounting treatment in respect of its approximately 9.7635% shareholding in XIB immediately after the completion of the issuance of the new shares and considered that the Company will continue to have the ability to exercise significant influence over the financial and operating policy decisions of XIB. Accordingly, the Company considered 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.

- (h) In October 2016, the Group entered into a sale and purchase agreement with an independent third party to dispose of its 19% equity interest ("Equity Interest") in 深圳前海維盟網絡科技有限公司, an associate of the Group, at a cash consideration of RMB1.9 million (equivalent to approximately HK\$2.17 million) and the transaction was completed in October 2016. Accordingly, the Group recorded a gain on disposal of approximately HK\$0.44 million (Note 6) during the year, taking into account the release of exchange translation reserve attributable to the Equity Interest of approximately HK\$0.14 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

- (i) 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)）。

以下摘要只包括於2016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)

- (i) 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)).

The following list contains the particulars of those associates at 31 December 2016 which principally affected the results or assets of the Group. All of these entities are unlisted corporates and are accounted for using equity method.

聯營公司名稱	Name of associates	註冊及 經營地點 Place of incorporation and operations	已發行及 繳足股本詳情 Particulars of issued and paid up capital	本集團的 有效權益 Group's effective interest	主要業務 Principal activities
直接持有	Directly held				
廈門國際銀行， 及其附屬公司	Xiamen International Bank, and its subsidiaries	中華人民共和國 The People's Republic of China	8,386.26 百萬股 每股人民幣 1 元 8,386.26 million shares of RMB1 each	9.7635%	銀行及投資控股 Banking and investment holding
澳門國際銀行	Luso International Banking Limited	澳門 Macau	2,610,000 股每股 澳門幣 1,000 元 2.61 million shares of MOP1,000 each	4.7880%	銀行 Banking
廈門國際投資 有限公司	Xiamen International Investment Limited	香港 Hong Kong	1 萬股 (港幣 1 萬元) 10,000 shares (HK\$10,000)	9.7635%	投資控股 Investment holding
間接持有	Indirectly held				
閩信昌暉投資 有限公司 ⁽¹⁾	Min Faith Investments Limited ⁽¹⁾	香港 Hong Kong	100 股 (港幣 100 元) 100 shares (HK\$100)	40%	投資控股 Investment holding

- (1) 此聯營公司並非由羅兵咸永道會計師事務所審核。應佔此聯營公司之資產淨值及除稅前溢利分別約佔本集團綜合總額之 0.8% 及 0.4%。

- (1) This associate is not audited by PricewaterhouseCoopers. The aggregate net assets and profit before taxation attributable to this associate represent approximately 0.8% and 0.4% respectively 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)

重大聯營公司財務資料概要(經就會計政策的任何差異作出調整,並經與綜合財務報表的賬面值對賬)披露如下:

17 ASSOCIATES (Continued)

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

		廈銀集團 XIB Group	
		2016	2015
		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	629,148,394	548,051,749
負債	Liabilities	(584,450,051)	(514,826,229)
非控股權益	Non-controlling interests	(3,279,428)	(2,889,469)
聯營公司權益持有人 應佔權益	Equity attributable to equity holders of the associate	41,418,915	30,336,051
收入	Revenue	25,189,433	25,719,259
聯營公司權益持有人 應佔持續經營業務 溢利	Profit from continuing operations attributable to equity holders of the associate	4,430,587	4,098,965
聯營公司權益持有人 應佔其他全面收益	Other comprehensive income attributable to equity holders of the associate	(841,925)	527,303
聯營公司權益持有人 應佔全面收益總額	Total comprehensive income attributable to equity holders of the associate	3,588,662	4,626,268
宣派股息	Dividend declared	123,292	120,227
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	41,418,915	30,336,051
本集團的實際權益	Group's effective interest	9.7635%	10.6289%
綜合財務報表的 賬面值	Carrying amount in the consolidated financial statements	4,043,936	3,224,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

並非個別重大的聯營公司的匯總資料披露如下：

17 ASSOCIATES (Continued)

Aggregate information of associates that are not individually material is disclosed below:

		2016	2015
		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	38,066	39,588
本集團應佔該等聯營公司下列各項總額	Aggregate amounts of the Group's share of those associates'		
持續經營業務溢利	Profit from continuing operations	1,186	3,138
其他全面收益	Other comprehensive income	(1,746)	(3,407)
全面收益總額	Total comprehensive income	(560)	(269)

18 可供出售金融資產

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	728,713	770,129
增添 (b)	Additions (b)	94,458	864
於投資重估儲備金記賬之公平值虧損	Fair value loss recognised in investment revaluation reserve	(177,342)	(42,280)
出售 (b)	Disposals (b)	(88,079)	-
於12月31日	At 31 December	557,750	728,713
按公平值：	At fair value:		
股權證券	Equity securities listed		
– 於中國內地上市 (a)	– in Mainland China (a)	550,540	727,920
– 於香港上市	– in Hong Kong	618	793
非上市理財產品 (b)	Unlisted wealth management product (b)	6,592	-
於12月31日	At 31 December	557,750	728,713
為報告目的所作的分析	Analysed for reporting purposes		
– 非流動資產	– Non-current assets	551,158	728,713
– 流動資產	– Current assets	6,592	-
		557,750	728,713

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 可供出售金融資產 (續)

- (a) 本集團於2016年及2015年12月31日持有的可供出售金融資產為於上海證券交易所上市的股權證券如下：

公司名稱	Company name	註冊地點 Place of incorporation	主要業務 Principal activities	本集團的有效權益 Group's effective interest
華能國際電力股份有限公司 （「華能」）	Huaneng Power International, Inc. （"Huaneng"）	中華人民共和國 The People's Republic of China	發電及銷售電力 Generation and sale of electric power	0.5% (約6,995萬股A股) (approximately 69.95 million A-Share)

中國內地北京市稅務局於以前年度出具有關本公司出售華能A股所得收益的免稅證明。因此，本集團沒有對於其他全面收益內確認，並在投資重估儲備金內分開累計的公平值變動提撥稅項準備。

- (b) 有關金額為本集團於年內購入及出售中國內地銀行發行的理財產品。本集團於2016年12月31日持有之理財產品由本集團一家聯營公司廈銀發行。

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

- (a) The equity securities listed in Mainland China held by the Group at 31 December 2016 and 2015 represented equity securities listed on the Shanghai Stock Exchange 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	0.5% (約6,995萬股A股) (approximately 69.95 million A-Share)

The tax bureau in Beijing, Mainland China had issued certificate of tax exemption for the gain from the disposal of A-Share of Huaneng by the Company in previous year. Accordingly, the Group has not provided any tax provision against the fair value movements recognised in other comprehensive income and accumulated separately in the investment revaluation reserve.

- (b) The amounts represented wealth management product issued by banks in Mainland China and acquired and disposed of by the Group during the year. The wealth management product held by the Group at 31 December 2016 was issued by XIB, an associate of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 持至到期日金融資產

- (a) 有關金額為本集團於年內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2016年12月31日，場外債券按實際利息法計算攤銷成本，未逾期且未減值。
- (c) 場外債券用於符合澳門《保險活動管制法例》之若干規定。

19 HELD-TO-MATURITY FINANCIAL ASSETS

- (a) The amounts represented an investment grade OTC bond acquired by the Group during the year. 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 2016, the OTC bond carried at amortised cost using the effective interest method and has neither past due nor impaired.
- (c) The OTC bond was used for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

20 遞延取得成本

20 DEFERRED ACQUISITION COSTS

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	15,061	12,738
年內增加	Increase during the year	30,075	26,441
年內撥回	Release during the year	(28,466)	(24,118)
於12月31日	At 31 December	16,670	15,061

21 保險應收款

21 INSURANCE RECEIVABLE

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
代理、經紀及中介人欠款	Due from agents, brokers and intermediates	13,845	15,354
合約持有人欠款	Due from contract holders	181	108
再保險人欠款	Due from reinsurers	94	129
		14,120	15,591

保險應收款大部分之信貸期限一般由90天至120天不等。保險應收款之信貸條款（包括是否需要由第三者出具擔保）由高級管理人員決定。

The credit period for the majority of insurance receivable normally ranges from 90 to 120 days. The credit terms of insurance receivable, including whether guarantees from third parties are required, are determined by senior management.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 保險應收款 (續)

於2016年12月31日，保險應收款的賬齡分析（按發票日期）概述如下：

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	5,023	7,927
31至60日	31-60 days	3,724	2,793
61至90日	61-90 days	2,737	2,612
超過90日	Over 90 days	2,636	2,259
		14,120	15,591

於2016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：

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
90日內	Within 90 days	4,456	3,351
超過90日	Over 90 days	436	59
		4,892	3,410

21 INSURANCE RECEIVABLE (Continued)

At 31 December 2016, the ageing analysis of insurance receivable by invoice date was summarised as follows:

At 31 December 2016, the ageing analysis of the past due but not impaired insurance receivable was summarised as follows:

22 再保險資產

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
再保險人應佔保險責任 (註釋28)	Reinsurers' share of insurance liabilities (Note 28)	7,947	4,855

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 客戶貸款及應收利息

23 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

		2016	2015
		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	167,906	161,828
– 抵押貸款	– secured loans	123,543	162,057
– 質押及擔保貸款	– pledged and guaranteed loans	10,717	11,456
– 抵押、質押及擔保貸款	– secured, pledged and guaranteed loans	6,200	6,918
客戶貸款	Loans to customers	308,366	342,259
應收利息	Interest receivable	12,014	12,053
		320,380	354,312
減值準備	Impairment allowances		
– 個別評估	– individually assessed	(278,650)	(159,602)
– 組合評估	– collectively assessed	(150)	(2,532)
		(278,800)	(162,134)
		41,580	192,178
為報告目的所作的分析	Analysed for reporting purposes		
– 非流動資產	– Non-current assets	436	1,519
– 流動資產	– Current assets	41,144	190,659
		41,580	192,178

小額貸款業務產生的客戶貸款以人民幣計價，利息按固定年利率介乎4.8厘至21.6厘（2015年：年利率介乎9厘至21.6厘）計算。

Loans to customers arising from the micro credit business are in Renminbi and bore a fixed interest rate ranged from 4.8% to 21.6% per annum (2015: ranged from 9% to 21.6% per annum).

23 客戶貸款及應收利息 (續)

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

年內客戶貸款及應收利息減值準備變動如下：

23 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

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

The movement of impairment allowances on loans to customers and interest receivable during the year was as follows:

		2016			2015		
		個別評估	組合評估	總額	個別評估	組合評估	總額
		Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	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	159,602	2,532	162,134	33,512	5,165	38,677
匯兌差額	Translation differences	(17,460)	(40)	(17,500)	(6,362)	(141)	(6,503)
在當年度損益表扣除/(記賬)	Charged/(credited) to current year's income statement	157,859	(2,342)	155,517	139,277	(2,492)	136,785
撥回 (i)	Reversal (i)	(740)	-	(740)	-	-	-
因折現價值上升導致轉出	Unwinding of discount on allowance	(20,611)	-	(20,611)	(6,825)	-	(6,825)
於12月31日	At 31 December	278,650	150	278,800	159,602	2,532	162,134

(i) 於年內，本集團行使權利收回一位欠款客戶抵押的一項住宅物業。

(i) During the year, the Group has exercised its right to repossess a pledged residential property from a default customer.

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23 客戶貸款及應收利息 (續)

於2016年12月31日，客戶貸款信貸質量概述如下：

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
未逾期且未減值	Neither past due nor impaired	850	48,615
已逾期但未減值	Past due but not impaired	4,383	25,075
個別已減值	Individually impaired	303,133	268,569
		308,366	342,259

23 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

At 31 December 2016, the credit quality of the loans to customers was summarised as follows:

於2016年12月31日，已逾期但未減值的客戶貸款賬齡分析概述如下：

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	211	149
31至60日	31-60 days	-	164
61至90日	61-90 days	-	1,790
超過90日	Over 90 days	4,172	22,972
		4,383	25,075

At 31 December 2016, the ageing analysis of the past due but not impaired loans to customers was summarised as follows:

於2016年12月31日，個別已減值的客戶貸款賬齡分析概述如下：

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
90日內	Within 90 days	1,958	42,838
91至180日	91-180 days	1,898	24,046
181至365日	181-365 days	29,845	141,659
超過365日	Over 365 days	269,432	60,026
		303,133	268,569

At 31 December 2016, the ageing analysis of individually impaired loans to customers was summarised as follows:

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23 客戶貸款及應收利息（續）

於2016年12月31日，客戶貸款產生的逾期應收利息賬齡分析（按到期日）概述如下：

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	86	410
31至60日	31-60 days	-	583
61至90日	61-90 days	8	642
超過90日	Over 90 days	11,920	10,418
		12,014	12,053

於2016年12月31日，客戶貸款產生的應收利息（已逾期但未減值）賬齡分析概述如下：

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	67	25
31至60日	31-60 days	-	95
61至90日	61-90 days	-	93
超過90日	Over 90 days	-	836
		67	1,049

24 預付貨款

此款項為本公司一家附屬公司福建閩信以總代價人民幣2,025萬元（等值約港幣2,261萬元）向中國內地一獨立第三方購買50部汽車的預付款。

福建閩信主要業務包括從事汽車貿易業務。福建閩信於2016年12月開展其新的汽車貿易業務。

23 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

At 31 December 2016, the ageing analysis of overdue interest receivable arising from loans to customers by due date was summarised as follows:

At 31 December 2016, the ageing analysis of the past due but not impaired interest receivable arising from the loans to customers was summarised as follows:

24 ADVANCE PAYMENT

The balance represented an advance payment for acquisition of 50 motor vehicles at a total consideration of RMB20.25 million (equivalent to approximately HK\$22.61 million) from an independent third party in Mainland China paid by Fujian Minxin, a wholly-owned subsidiary of the Company.

The principal business of Fujian Minxin, among others, include the business of trading in motor vehicles. Fujian Minxin started its new business of trading in motor vehicles in December 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 按公平值透過損益列賬的金融資產

25 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
持作買賣股權證券， 於香港上市 – 按市值	Equity securities held for trading, listed in Hong Kong – at market value	5,108	8,095

26 現金及銀行結存

26 CASH AND BANK BALANCES

此現金及銀行結存包括本集團結存於中國內地，香港及澳門若干銀行之存款約人民幣106,564萬元（等值約港幣118,963萬元）（2015年：約人民幣113,653萬元，等值約港幣135,628萬元）。

Included in cash and bank balances are deposits of approximately RMB1,065.64 million (equivalent to approximately HK\$1,189.63 million) (2015: approximately RMB1,136.53 million, equivalent to approximately HK\$1,356.28 million) placed with certain banks in Mainland China, Hong Kong and Macau by the Group.

根據香港保監處之規定，受其監管的一家附屬公司需經常將為數不少於港幣1,600萬元之資金以保險業監督賬戶名義撥為銀行存款。於2016年12月31日，該附屬公司於香港一家銀行以保險業監督賬戶名義存放人民幣1,390萬元（等值約港幣1,552萬元）及港幣200萬元（2015年：人民幣1,390萬元，等值約港幣1,659萬元及港幣100萬元）之定期存款以符合有關規定。該附屬公司亦維持澳門幣1,410萬元（等值約港幣1,369萬元），約人民幣368萬元（等值約港幣410萬元）及港幣120萬元（2015年：澳門幣1,340萬元，等值約港幣1,301萬元及約人民幣368萬元，等值約港幣439萬元）之銀行存款以符合澳門《保險活動管制法例》之若干規定。

Pursuant to the requirements from the HKOCI, a subsidiary shall maintain at all times a portion of its funds of not less than HK\$16 million in the name of Insurance Authority account in bank deposits. At 31 December 2016, that subsidiary has placed a fixed deposit of RMB13.9 million (equivalent to approximately HK\$15.52 million) and HK\$2 million (2015: RMB13.9 million, equivalent to approximately HK\$16.59 million and HK\$1 million) in the name of Insurance Authority account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP14.1 million (equivalent to approximately HK\$13.69 million), approximately RMB3.68 million (equivalent to approximately HK\$4.1 million) and HK\$1.2 million (2015: MOP13.4 million, equivalent to approximately HK\$13.01 million and approximately RMB3.68 million, equivalent to approximately HK\$4.39 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

根據本公司簽訂的貸款額度（註釋30）的規定，本公司於2016年12月31日已抵押其銀行存款人民幣4,100萬元（等值約港幣4,577萬元）（2015年：人民幣4,100萬元，等值約港幣4,893萬元）予借款銀行作為抵押品以履行本公司的還款責任。

Pursuant to the requirements of the loan facilities (Note 30) entered into by the Company, the Company had charged its bank deposits of RMB41 million (equivalent to approximately HK\$45.77 million) at 31 December 2016 (2015: RMB41 million, equivalent to approximately HK\$48.93 million) to the lending banks as collaterals for the fulfillment of the Company's repayment obligations.

26 現金及銀行結存 (續)

根據中國內地的法律及法規，一家附屬公司於2016年12月31日存放人民幣874萬元（等值約港幣976萬元）（2015年：無）的銀行存款作為向當地法院申請保全違約客戶的財產的保證金。

27 分類為持作出售的資產

於2015年6月，本公司與一控股股東貴信訂立買賣協議，以現金代價約人民幣1,095萬元（等值約港幣1,306萬元）出售本公司持有一家聯營公司華源21.05%股權（「股權」）及於2016年4月，本公司與貴信訂立補充協議修訂現金代價為約人民幣1,094萬元（等值約港幣1,295萬元）。

本公司認為股權符合分類為持作出售類別的標準，此乃由於股權的賬面值主要透過出售收回而並非透過繼續使用收回，及股權可在現況下出售。因此，該股權重新分類為持作出售，而賬面值約人民幣1,064萬元（等值約港幣1,270萬元）於2015年12月31日在綜合財務狀況表內獨立呈列。

於中國內地相關審批機構登記股權轉讓的手續於2016年5月完成，而該項交易於年內亦告完成。因此，經計入撥回股權應佔的外匯折算儲備金約港幣180萬元後，本集團於年內錄得一次性稅後出售收益約港幣182萬元（註釋6）。

26 CASH AND BANK BALANCES (Continued)

Pursuant to the laws and regulations in Mainland China, a subsidiary has placed bank deposits of RMB8.74 million (equivalent to approximately HK\$9.76 million) at 31 December 2016 (2015: Nil) to guarantee the application to the local court for property preservation right against default customers.

27 ASSETS CLASSIFIED AS HELD FOR SALE

In June 2015, the Company entered into a sale and purchase agreement with Vigour Fine, a controlling shareholder of the Company, for the sale of its 21.05% equity interest ("Equity Interest") in Hua Yuan, an associate of the Company, at a cash consideration of approximately RMB10.95 million (equivalent to approximately HK\$13.06 million) and the cash consideration is subsequently revised to approximately RMB10.94 million (equivalent to approximately HK\$12.95 million) by a supplementary agreement entered into in April 2016.

The Company considered that the Equity Interest met the criteria to be classified as held for sale because the carrying amount was recovered principally through a sale transaction rather than through a continuing use and the Equity Interest was available for sale in its present condition. Accordingly, the Equity Interest was reclassified as held for sale and the carrying amount of approximately RMB10.64 million (equivalent to approximately HK\$12.7 million) was presented separately in the consolidated statement of financial position at 31 December 2015.

The registration of the transfer of the Equity Interest with the relevant approval authority in Mainland China was completed in May 2016 and the transaction was completed during the year. Accordingly, the Group recorded a one-off after-tax gain on disposal of approximately HK\$1.82 million (Note 6) during the year, taking into account the release of exchange translation reserve attributable to the Equity Interest of approximately HK\$1.8 million.

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28 保險合約及再保險資產

28 INSURANCE CONTRACTS AND REINSURANCE ASSETS

		2016	2015
		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	26,425	25,415
已發生但未呈報索償	Claims incurred but not reported	31,218	24,727
		57,643	50,142
未滿期保費	Unearned premiums	33,514	36,106
未滿期風險撥備	Unexpired risks provision	2,619	1,402
保險責任總值，毛額	Total insurance liabilities, gross	93,776	87,650
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	(3,809)	(22)
已發生但未呈報索償	Claims incurred but not reported	(3,163)	(3,782)
		(6,972)	(3,804)
未滿期保費	Unearned premiums	(975)	(1,051)
再保險人應佔保險責任總額（註釋22）	Total reinsurers' share of insurance liabilities (Note 22)	(7,947)	(4,855)
淨額	Net		
已呈報索償及損失調整費用	Claims reported and loss adjustment expenses	22,616	25,393
已發生但未呈報索償	Claims incurred but not reported	28,055	20,945
		50,671	46,338
未滿期保費	Unearned premiums	32,539	35,055
未滿期風險撥備	Unexpired risks provision	2,619	1,402
保險責任總值，淨額	Total insurance liabilities, net	85,829	82,795

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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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 保險合約及再保險資產 (續)

28 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

		2016			2015		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港元千元 HK\$'000	港元千元 HK\$'000	港元千元 HK\$'000
已呈報賠償	Notified claims	25,415	(22)	25,393	16,467	(254)	16,213
已發生但未呈報	Incurred but not reported	24,727	(3,782)	20,945	23,370	(4,812)	18,558
於1月1日	At 1 January	50,142	(3,804)	46,338	39,837	(5,066)	34,771
年內以現金償付的 賠償	Cash paid for claims settled during the year	(14,057)	47	(14,010)	(9,872)	804	(9,068)
責任增加/(減少)	Increase/(decrease) in liabilities						
當年產生賠償	arising from current year claims	12,083	(129)	11,954	11,033	(393)	10,640
往年產生賠償	arising from prior year claims	2,984	(3,705)	(721)	7,787	(179)	7,608
已發生但未呈報 準備金之變動	movement of provision for claims incurred but not reported	6,491	619	7,110	1,357	1,030	2,387
於12月31日	At 31 December	57,643	(6,972)	50,671	50,142	(3,804)	46,338
已呈報賠償	Notified claims	26,425	(3,809)	22,616	25,415	(22)	25,393
已發生但未呈報	Incurred but not reported	31,218	(3,163)	28,055	24,727	(3,782)	20,945
於12月31日	At 31 December	57,643	(6,972)	50,671	50,142	(3,804)	46,338

28 保險合約及再保險資產 (續)

28 INSURANCE CONTRACTS AND REINSURANCE ASSETS (Continued)

(b) 未滿期保費準備金變動

(b) Movement in provision for unearned premiums

		2016			2015		
		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	36,106	(1,051)	35,055	31,357	(601)	30,756
年內增加	Increase during the year	19,623	(812)	18,811	33,313	(1,051)	32,262
年內撥回	Release during the year	(22,215)	888	(21,327)	(28,564)	601	(27,963)
於12月31日	At 31 December	33,514	(975)	32,539	36,106	(1,051)	35,055

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 represents 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

		2016			2015		
		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	1,402	-	1,402	992	-	992
年內增加	Increase during the year	1,217	-	1,217	410	-	410
於12月31日	At 31 December	2,619	-	2,619	1,402	-	1,402

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 risk relates to the insurance contracts for which the Group expects to pay claims in excess of the related provision for unearned premiums.

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29 保險應付款

於2016年12月31日，保險應付款的賬齡分析（按發票日期）概述如下：

29 INSURANCE PAYABLE

At 31 December 2016, the ageing analysis of the insurance payable by invoice date was summarised as follows:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	3,330	3,880
31至60日	31-60 days	1,752	1,915
61至90日	61-90 days	1,522	1,801
超過90日	Over 90 days	4,300	1,222
		10,904	8,818

30 銀行貸款

長期銀行貸款
有抵押，以港元為單位 (a)
無抵押，以港元為單位 (b)

短期銀行貸款
無抵押，以港元為單位 (b)

減：包括於流動負債內之
一年內到期的款項

30 BANK BORROWINGS

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
Long term bank loans			
Secured, in HK Dollars (a)		502,112	615,850
Unsecured, in HK Dollars (b)		198,635	-
Short term bank loans			
Unsecured, in HK Dollars (b)		652,672	-
		1,353,419	615,850
Less: Amounts due within one year included in current liabilities		(800,645)	(113,734)
		552,774	502,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 銀行貸款 (續)

根據貸款額度所載的定期還款日期，銀行貸款到期日概述如下：

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
第一年內	Within 1 year	800,645	113,734
多於一年但於兩年內	More than 1 year but within 2 years	354,139	147,968
多於兩年但於五年內	More than 2 years but within 5 years	198,635	354,148
		1,353,419	615,850

30 BANK BORROWINGS (Continued)

The maturity profile of the bank loans based on the scheduled repayment dates set out in the loan facilities is summarised as follows:

(a) 銀行貸款為本公司分別於2014年及2015年根據香港一家銀行提供的信貸額度提取需於三年內償還之浮息有期貸款未償還結餘港幣8,000萬元及港幣42,826萬元。該兩項銀行貸款均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2016年12月31日的賬面淨值約港幣1,018萬元（2015年：約港幣1,044萬元）；港幣42,826萬元的銀行貸款亦以本公司於2016年12月31日存放於借款銀行的銀行存款人民幣4,100萬元（等值約港幣4,577萬元）（2015年：人民幣4,100萬元，等值約港幣4,893萬元）作抵押以履行本公司的還款責任。

銀行貸款的利息按香港銀行同業拆息加息差計算，於2016年12月31日，實際年利率介乎3.3厘至4厘（2015年：年利率介乎3.1厘至3.4厘）。

(a) The bank loans represented the outstanding balance of floating rate term loans of HK\$80 million and HK\$428.26 million payable within three years under loan facilities obtained from a bank in Hong Kong in 2014 and 2015 respectively. Both of these bank loans were secured by the self-use office building owned by a wholly-owned subsidiary in Hong Kong with a net book value of approximately HK\$10.18 million at 31 December 2016 (2015: approximately HK\$10.44 million) and the bank loan of HK\$428.26 million was also secured by bank deposits of RMB41 million (equivalent to approximately HK\$45.77 million) at 31 December 2016 (2015: RMB41 million, equivalent to approximately HK\$48.93 million) placed with the lending bank for the fulfillment of the Company's repayment obligations.

These bank loans bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rates at 31 December 2016 ranged from 3.3% to 4% per annum (2015: ranged from 3.1% to 3.4% per annum).

30 銀行貸款 (續)

- (b) 於年內，本公司向香港的銀行提取總額港幣86,000萬元的浮息有期貸款，其中港幣66,000萬元將於提取日後一年內到期及償還，港幣20,000萬元將於提取日後三年內到期及償還。直接歸屬於銀行貸款的交易成本約港幣621萬元於提取貸款時由該等銀行扣除。

本公司已於年內提前償還上述一年內到期的浮息有期貸款本金約港幣502萬元。

銀行貸款的利息按香港銀行同業拆息加息差計算，於2016年12月31日，實際年利率介乎3.4厘至3.9厘。

- (c) 根據於2015年及年內取得的信貸額度，本公司承諾促使本公司的控股股東福建投資集團須於該等信貸額度期內維持持有本公司（無論直接或間接）已發行股本不少於35%的實益權益。

此外，年內授予提取總額港幣79,498萬元的授信額度為有條件額度，福建投資集團需簽署一份安慰函，據此，福建投資集團同意並確認(i)將直接或間接持有本公司已發行股本不少於35%的實益權益和擁有本公司的管理控制權；及(ii)融資協議授予的授信額度將用於增資擴股，而本公司可能實施不少於港幣9億元的供股計劃，並以籌集所得資金作為償還一年期浮息有期貸款港幣59,498萬元的主要來源。福建投資集團亦同意及確認其將包銷該項供股中未獲本公司其他股東認購的供股股份。

30 BANK BORROWINGS (Continued)

- (b) During the year, the Company drew down floating rate term loans in the aggregate amount of HK\$860 million from banks in Hong Kong, of which HK\$660 million will become mature and payable in one year from the date of drawdown, and HK\$200 million will become mature and payable in three years from the date of drawdown. Transaction costs directly attributable to the bank loans of approximately HK\$6.21 million were deducted by those banks when the loans were drawn down.

The Company had repaid approximately HK\$5.02 million of the principal of the above floating rate term loan payable in one year before maturity during the year.

These bank loans bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rates at 31 December 2016 ranged from 3.4% to 3.9% per annum.

- (c) Pursuant to the loan facilities obtained in 2015 and during the year, the Company shall procure FIDG, a controlling shareholder of the Company, to maintain (whether directly or indirectly) not less than 35% beneficial interest in the issued share capital of the Company during the term of these loan facilities.

In addition, a letter of comfort duly signed by FIDG was a condition precedent for the granting of the loan facilities in the aggregate amount of HK\$794.98 million obtained during the year. Pursuant to the duly signed letter of comfort, FIDG agreed and confirmed that (i) it shall directly or indirectly own not less than 35% beneficial interest in the issued share capital of the Company and management control right in the Company; and (ii) the loans granted pursuant to the loan facilities shall be used for the Capital Contribution and the principal source of funding for repayment of the one year floating rate term loan of HK\$594.98 million shall be funds raised through a possible rights issue of the Company of not less than HK\$900 million. FIDG also agreed and confirmed that it shall underwrite the rights issue to the extent that such rights shares were not subscribed by other shareholders of the Company.

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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% (2015 年：16.5%) 及中國內地稅項之稅率 25% (2015 年：25%) 作全數撥備。當有法定權利可將當期稅項資產與當期稅項負債抵銷，而遞延所得稅涉及同一稅務機關對同一個應課稅實體，則可將遞延所得稅資產與遞延所得稅負債互相抵銷。

遞延所得稅資產／(負債) 之變動概述如下：

31 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a taxation rate of 16.5% (2015: 16.5%) for Hong Kong taxation and 25% (2015: 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) is summarised as follows:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
於 1 月 1 日	At 1 January	(35,214)	(43,949)
匯兌差額	Translation differences	(663)	(280)
在當年度損益表記賬之遞延所得稅	Deferred income tax credited to current year's income statement	14,001	9,524
在投資重估儲備金記賬之遞延所得稅	Deferred income tax credited to investment revaluation reserve	29	12
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	-	(521)
於 12 月 31 日	At 31 December	(21,847)	(35,214)

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31 遞延所得稅 (續)

遞延所得稅資產乃因應相關稅務利益很有可能透過未來應課稅溢利變現而就所結轉之稅損作確認。於2016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3.44億元（2015年：約港幣3.3億元），而此稅損並無限期。

於年內遞延所得稅資產及負債之變動（與同一徵稅地區之結餘抵銷前）概述如下：

遞延所得稅負債

31 DEFERRED INCOME TAX (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. At 31 December 2016, the Group did not recognise tax losses of approximately HK\$344 million (2015: approximately HK\$330 million) that can be carried forward against future taxable income and have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is summarised as follows:

Deferred income tax liabilities

		加速稅項折舊及 投資物業重估 Accelerated tax depreciation and revaluation of investment properties	
		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	50,876	48,912
在當年度損益表 (記賬) / 扣除	(Credited)/charged to current year's income statement	(8,907)	1,443
在租賃樓房重估儲備 金扣除	Charged to leasehold buildings revaluation reserve	-	521
於12月31日	At 31 December	41,969	50,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 遞延所得稅 (續)

31 DEFERRED INCOME TAX (Continued)

遞延所得稅資產

Deferred income tax assets

		應計費用 Accrued expenses		可供出售金融資產 公平值調整 Fair value adjustment for available-for-sale financial assets		貸款及應收利息 減值準備 Loans and interest receivable impairment allowances		稅損 Tax losses		總額 Total	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		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	(299)	(326)	(12)	-	(6,438)	(3,930)	(8,913)	(707)	(15,662)	(4,963)
匯兌差額	Translation differences	-	-	-	-	663	280	-	-	663	280
在當年度損益表 (記賬)/扣除	(Credited)/charged to current year's income statement	(9)	27	-	-	(4,726)	(2,788)	(359)	(8,206)	(5,094)	(10,967)
在投資重估儲備 金記賬	Credited to investment revaluation reserve	-	-	(29)	(12)	-	-	-	-	(29)	(12)
於12月31日	At 31 December	(308)	(299)	(41)	(12)	(10,501)	(6,438)	(9,272)	(8,913)	(20,122)	(15,662)

在計入適當抵銷遞延所得稅資產及負債後，下列金額在綜合財務狀況表內列示：

The following amounts, determined after appropriate offsetting of deferred income tax assets and liabilities, are shown in the consolidated statement of financial position:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
遞延所得稅資產	Deferred income tax assets		
將於12個月後收回	To be recovered after 12 months	10,715	6,440
將於12個月內收回	To be recovered within 12 months	52	306
		10,767	6,746
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	(32,614)	(41,960)
		(21,847)	(35,214)

32 資本及儲備金

(a) 股本

	2016		2015	
	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	459,428,656	891,135	459,428,656	891,135

股本於2016年及2015年12月31日內並無任何變動。

根據香港公司條例第135條，本公司普通股股份並無票面值。

普通股持有人有權收取不時宣派的股息，並在本公司的股東會議上就每股有一票的投票權。所有普通股股份對本公司剩餘資產擁有同等權益。

(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《金融企業呆賬準備提取管理辦法》（財金200549號）設立的一般準備。該一般準備作為利潤分配處理，並作為所有者權益組成部分，用以彌補尚未識辨的潛在減值虧損。

32 CAPITAL AND RESERVES

(a) Share capital

	2016		2015	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Ordinary shares, issued and fully paid	459,428,656	891,135	459,428,656	891,135

There was no movement in share capital during the year ended 31 December 2016 and 2015.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(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 equity holders' equity of an associated financial institution pursuant to Caijin 2005 No. 49 "Measures on General Provision for Bad and Doubtful Debts for Financial Institutions" issued by Ministry of Finance. The general reserve was established through the appropriation of income to cover unidentified potential impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 資本及儲備金 (續)

(b) 儲備金的性質及用途 (續)

(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；
- 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) 投資重估儲備金

投資重估儲備金包括於呈報期末持有的可供出售金融資產的累計公平值變動淨額（扣減相關遞延稅項支出）。

(v) 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。

32 CAPITAL AND RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(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;
- 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) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets (less related deferred tax charge) held at the end of the reporting period.

(v) 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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 資本及儲備金 (續)

(b) 儲備金的性質及用途 (續)

(vi) 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)

(vi) 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.

33 承擔

於2016年12月31日，本集團的承擔如下：

33 COMMITMENTS

At 31 December 2016, the Group had commitments as follows:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
已簽約但未撥備	Contracted but not provided for		
- 投資物業	- investment properties	185	198
- 無形資產 - 電腦系統	- intangible assets - computer systems	1,500	1,632
- 投資於一家聯營公司	- investment in an associate	-	10,203
		<u>1,685</u>	<u>12,033</u>

34 租約承擔

(a) 承租人

於2016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

At 31 December 2016, the Group had future aggregate minimum lease payments payable under non-cancellable operating leases as follows:

		2016	2015
		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	576	677
第二年至第五年內 (包括首尾兩年)	In the second to fifth year inclusive	174	801
		<u>750</u>	<u>1,478</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 租約承擔 (續)

(b) 出租人

於2016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：

		2016	2015
		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	7,279	9,475
第二年至第五年內 (包括首尾兩年)	In the second to fifth year inclusive	14,099	22,539
		21,378	32,014

本集團出租之商業物業之租賃年期由一年至八年不等，租賃期內之租金乃非固定租金。

34 LEASE COMMITMENTS (Continued)

(b) As lessor

At 31 December 2016, 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 unfixed rentals throughout the lease periods.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 綜合現金流量表註釋

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

除稅前溢利與經營業務現金流入／（流出）淨額對賬

Reconciliation of profit before taxation to net cash inflow/(outflow) from operations

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
除稅前溢利	Profit before taxation	272,087	486,020
調整：	Adjustments for:		
應佔聯營公司業績	Share of results of associates	(471,701)	(520,900)
聯營公司權益被攤薄的虧損／（收益）	Losses/(gains) on dilution of interest in associates	40,424	(73,333)
投資物業重估公平值虧損／（收益）	Fair value losses/(gains) on revaluation of investment properties	8,679	(10,178)
折舊	Depreciation	1,423	1,417
客戶貸款及應收利息減值虧損	Impairment loss on loans to customers and interest receivable	154,777	136,785
保險應收款減值虧損撥回	Written back of impairment loss on insurance receivable	-	(7)
出售一家聯營公司權益的收益	Gain on disposal of interest in an associate	(438)	-
出售一家分類為持作出售的聯營公司的收益	Gain on disposal of an associate classified as held for sale	(1,824)	-
出售可供出售金融資產收益	Gain on disposal of available-for-sale financial assets	(306)	-
出售物業、機器及設備虧損	Loss on disposal of property, plant and equipment	20	174
利息收入	Interest income	(23,116)	(33,868)
減值客戶貸款利息收入	Interest income from impaired loans to customers	(20,611)	(6,825)
利息支出	Interest expenses	35,001	12,958
匯兌虧損淨額	Net exchange losses	19,343	29,509
流動資金變動情況：	Changes in working capital:		
遞延取得成本增加	Increase in deferred acquisition costs	(1,609)	(2,323)
保險應收款減少／（增加）	Decrease/(increase) in insurance receivable	1,471	(4,940)
再保險資產（增加）／減少	(Increase)/decrease in reinsurance assets	(3,092)	812
客戶貸款及應收利息減少／（增加）	Decrease/(increase) in loans to customers and interest receivable	9,282	(54,171)
其他應收賬款增加	Increase in other debtors	(2)	(44)
預款貸款增加	Increase in advance payment	(8,216)	-
其他預付款及按金增加	Increase in other prepayments and deposits	(44)	(3,250)
按公平值透過損益列賬的金融資產減少／（增加）	Decrease/(increase) in financial assets at fair value through profit or loss	2,987	(901)
保險合約增加	Increase in insurance contracts	6,126	15,464
保險應付款增加	Increase in insurance payable	2,086	2,759
其他應付賬款及應計費用減少	Decrease in other creditors and accruals	(334)	(3,317)
經營活動現金流入／（流出）淨額	Net cash inflow/(outflow) from operations	22,413	(28,159)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2016年12月31日，本集團結存於廈銀及澳銀（本集團之聯營公司）的存款合計港幣73,966萬元（2015年：港幣61,053萬元）。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1,001萬元（2015年：港幣1,125萬元）。
- (b) 於年內，本集團一家附屬公司承保一家聯營公司的保險而收取扣除折扣後的毛保費收入合計港幣286萬元（2015年：港幣378萬元），此等保單與本集團承保其他第三者客戶所簽訂之合同和收取的費用無異。該附屬公司亦於年內就上述聯營公司轉介業務予本集團向其支付佣金港幣525萬元（2015年：港幣485萬元）。
- (c) 本公司於往年度將中國內地的寫字樓租予一控股股東福建投資集團持有30%權益的一家公司。於2015年6月，本公司訂立一份更新的房屋租賃合同，租賃期限自2015年6月1日起為期兩個月，每月租金為人民幣71,280元。此房屋租賃合同於到期時沒有再續訂。於2015年，本公司收取租金約人民幣53萬元（等值約港幣66萬元）。

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 2016, the Group had deposits with XIB and LIB, associates of the Group, totaling HK\$739.66 million (2015: HK\$610.53 million). These deposits carried interest at normal commercial rates and had generated interest income of HK\$10.01 million (2015: HK\$11.25 million) to the Group during the year.
- (b) A subsidiary of the Group underwrote insurance policies with gross insurance premium less discount of HK\$2.86 million (2015: HK\$3.78 million) to an associate of the Group at prices and terms not less favourable than those contracted with other third party customers of the Group during the year. That subsidiary also paid commission of HK\$5.25 million (2015: HK\$4.85 million) to the aforementioned associate for business referred to the Group during the year.
- (c) The Company had leased office space in Mainland China to a company with 30% equity interest held by FIDG, a controlling shareholder of the Company in prior year. A renewal tenancy agreement was entered into by the Company in June 2015 with term of lease of two months commenced from 1 June 2015 with monthly rental of RMB71,280 and it was not further renewed upon expiry. A rental income of approximately RMB0.53 million (equivalent to approximately HK\$0.66 million) was received by the Company in 2015.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 關聯方交易 (續)

(d) 主要管理人員

高級行政人員截至2016年及2015年12月31日止年度之酬金如下：

36 RELATED PARTY TRANSACTIONS
(Continued)

(d) Key management personnel

The senior executives' emolument for the year ended 31 December 2016 and 2015 are detailed as follows:

		2016	2015
		港幣千元 HK\$'000	港幣千元 HK\$'000
董事袍金	Directors' fees	1,103	1,190
薪俸、房屋及其他津貼、 及實物利益	Salaries, housing and other allowances, and benefits in kind	5,198	5,136
退休福利計劃供款	Contributions to retirement benefit scheme	48	52
獎金	Bonus	4,220	4,220
		<u>10,569</u>	<u>10,598</u>

37 公司財務狀況表

37 COMPANY STATEMENT OF FINANCIAL POSITION

		2016	2015
	註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
非流動資產	Non-current assets		
物業、機器及設備	Property, plant and equipment	3,702	4,033
投資物業	Investment properties	78,636	95,515
附屬公司	Subsidiaries	1,285,644	1,423,985
聯營公司	Associates	972,776	177,800
可供出售金融資產	Available-for-sale financial assets	550,540	727,920
		<u>2,891,298</u>	<u>2,429,253</u>
流動資產	Current assets		
可供出售金融資產	Available-for-sale financial assets	6,592	-
其他應收賬款	Other debtors	1,079	1,480
預付款及按金	Prepayments and deposits	464	670
應收一家聯營公司股息	Dividend receivable from an associate	118,123	-
按公平值透過損益列賬的金融資產	Financial assets at fair value through profit or loss	282	303
現金及銀行結存	Cash and bank balances	183,709	287,579
		<u>310,249</u>	<u>290,032</u>
分類為持作出售的資產	Assets classified as held for sale	-	10,746
		<u>310,249</u>	<u>300,778</u>
流動負債	Current liabilities		
其他應付賬款及應計費用	Other creditors and accruals	18,095	17,518
銀行貸款	Bank borrowings	800,645	113,734
應付本期稅項	Current income tax payable	35,176	24,976
		<u>853,916</u>	<u>156,228</u>
流動(負債)/資產淨值	Net current (liabilities)/assets	<u>(543,667)</u>	<u>144,550</u>
總資產減流動負債	Total assets less current liabilities	<u>2,347,631</u>	<u>2,573,803</u>

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 公司財務狀況表 (續)

37 COMPANY STATEMENT OF FINANCIAL POSITION (Continued)

			2016	2015
		註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
非流動負債	Non-current liabilities			
銀行貸款	Bank borrowings		552,774	502,116
遞延所得稅負債	Deferred income tax liabilities		30,209	40,551
			<u>582,983</u>	<u>542,667</u>
資產淨值	Net assets		<u>1,764,648</u>	<u>2,031,136</u>
股本	Share capital		891,135	891,135
其他儲備金	Other reserves	(a)	322,925	500,299
保留溢利	Retained profits			
擬派股息	Proposed dividend		22,971	22,971
其他	Others		527,617	616,055
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		-	676
權益總額	Total equity		<u>1,764,648</u>	<u>2,031,136</u>

彭錦光
董事

PENG Jin Guang
Director

劉承
董事

LIU Cheng
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 公司財務狀況表 (續)

37 COMPANY STATEMENT OF FINANCIAL POSITION (Continued)

(a) 年內其他儲備金變動詳述如下：

(a) The movement of other reserves during the year was detailed as follows:

		其他儲備金 Other reserves					股東權益 總額 Total equity
		股本 Share capital	投資重估 儲備金 Investment revaluation reserve	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	
		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2015年1月1日	At 1 January 2015	891,135	540,844	9	540,853	663,832	2,095,820
本年度全面收益總額	Total comprehensive income for the year	-	(42,209)	2,331	(39,878)	(1,835)	(41,713)
股息	Dividend	-	-	-	-	(22,971)	(22,971)
於2015年12月31日	At 31 December 2015	891,135	498,635	2,340	500,975	639,026	2,031,136
組成如下：	Representing:						
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	-	676	-	676	-	676
2015年擬派股息	2015 proposed dividend	-	-	-	-	22,971	22,971
其他	Others	891,135	497,959	2,340	500,299	616,055	2,007,489
於2015年12月31日	At 31 December 2015	891,135	498,635	2,340	500,975	639,026	2,031,136
於2016年1月1日	At 1 January 2016	891,135	498,635	2,340	500,975	639,026	2,031,136
本年度全面收益總額	Total comprehensive income for the year	-	(178,050)	-	(178,050)	(65,467)	(243,517)
股息	Dividend	-	-	-	-	(22,971)	(22,971)
於2016年12月31日	At 31 December 2016	891,135	320,585	2,340	322,925	550,588	1,764,648
組成如下：	Representing:						
2016年擬派股息	2016 proposed dividend	-	-	-	-	22,971	22,971
其他	Others	891,135	320,585	2,340	322,925	527,617	1,741,677
於2016年12月31日	At 31 December 2016	891,135	320,585	2,340	322,925	550,588	1,764,648

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2016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 2016 which principally affected the results, assets or liabilities of the Group.

公司名稱	Name of company	註冊及 經營地點 Place of incorporation and operations	已發行及繳 足股本詳情 Particulars of issued and paid up capital	本集團 所佔權益 Group's equity interest	主要業務 Principal activities
直接持有	Directly held				
多創發展有限公司	Dorfine Development Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
福建閩信投資有限公司	Fujian Minxin Investments Co., Ltd.	中華人民共和國 The People's Republic of China	註冊資本 港幣12億元 實收資本 港幣10.11億元 Registered capital of HK\$1,200 million Paid-in capital of HK\$1,011 million	100%	投資控股 及汽車貿易 Investment holding and trading in motor vehicles
閩信(中國)投資有限公司	Min Xin (China) Investment Limited	英屬處女群島 British Virgin Islands	1股每股1美元 1 share of US\$1	100%	投資控股 Investment holding
閩信保險有限公司	Min Xin Insurance Company Limited	香港 Hong Kong	5,500萬股 (港幣1億元) 55 million shares (HK\$100 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 of 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
宏港發展有限公司	Welljet Development Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
間接持有	Indirectly held				
閩信地產有限公司	Min Xin Properties Limited	香港 Hong Kong	500萬股 (港幣500萬元) 5 million shares (HK\$5 million)	100%	投資控股 Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 報告期後事項

除於本綜合財務報表其他部分披露外，重要的報告期後事項的摘要披露如下：

茲提述本公司於2017年3月17日刊發的公告，按於2017年5月12日合資格股東每持有十股現有股份獲發三股供股股份之基準，以供股方式按每股供股股份港幣6元發行137,828,596股供股股份，以籌集約港幣82,700萬元的所得款項總額（扣除開支前）。本公司控股股東貴信已向本公司不可撤回地承諾接納及／或促使接納貴信之承諾股份。根據包銷協議，貴信亦已向本公司承諾其將根據及受限於包銷協議的條款及條件，全數包銷認購包銷股份。

供股須待包銷協議於2017年6月2日下午5時正或之前成為無條件，且包銷協議沒有於2017年6月2日下午5時正或之前被貴信終止方告作實。

39 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:

Reference is made to the announcement of the Company on 17 March 2017 for a proposed rights issue to raise gross proceeds of approximately HK\$827 million before expenses by way of a rights issue of 137,828,596 Rights Shares at a price of HK\$6 per Rights Share on the basis of three Rights Shares for every ten existing Shares held by the Qualifying Shareholders on 12 May 2017. Vigour Fine, a controlling shareholder of the Company, has irrevocably undertaken to the Company to accept and/or procure the acceptance of the Vigour Fine Committed Shares. Pursuant to the Underwriting Agreement, Vigour Fine has also undertaken to the Company that it will fully underwrite the subscription of the Underwritten Shares on and subject to the terms and conditions of the Underwriting Agreement.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated by Vigour Fine at or before 5:00 p.m. on 2 June 2017.

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2016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 2016 are as follows:

位置	Location	租約屆滿期 Lease expiry	本集團應佔權益 Group's attributable interest	概約建築總面積 Approximate gross floor area	現時用途 Existing use
			百分比%	平方呎sq. ft.	
1	九龍油麻地廣東道847-865號永發大廈地下舖位7號及8號連8號舖之閣樓、1樓及2樓全層	2049	100	14,841	商業 Commercial
2	中華人民共和國福建省福州市五四路158號環球廣場22樓及23樓	2044	100	41,288	商業 Commercial
3	中華人民共和國福建省福州市五四路158號環球廣場地下三層車位號碼#24至#28及#42至#48	2044	100	5,227	商業 Commercial
4	中華人民共和國福建省福州市五四路119號嘉信大廈14樓西半層	2043	100	281	商業 Commercial
5	中華人民共和國福建省福州市古田路121號華福大廈25樓D2單元	2063	100	1,225	住宅 Residential



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