



Min Xin Holdings Limited
閩信集團有限公司

Stock Code 股份代號 : 222

Annual Report 2018 年報

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公司資料 CORPORATE INFORMATION

董事會

執行董事：

嚴正 (主席，2018年4月12日委任)
彭錦光 (主席，2018年4月12日辭任)
王非 (副主席)
陳宇 (總經理，2018年9月10日委任)
劉承 (總經理，2018年9月10日辭任)

非執行董事：

韓孝捷
楊敬朝 (2018年12月7日委任)
劉倫 (2018年11月15日辭任)

獨立非執行董事：

葉啟明
張文海
梁創順 (2018年5月3日委任)
史習陶 (2018年4月1日辭任)
蘇合成 (2018年6月13日退任)

審核委員會

張文海 (主席)
葉啟明
梁創順 (2018年5月3日委任)
史習陶 (2018年4月1日辭任)
蘇合成 (2018年6月13日退任)

薪酬委員會

葉啟明 (主席)
張文海 (2018年4月1日委任)
梁創順 (2018年5月3日委任)
史習陶 (2018年4月1日辭任)
蘇合成 (2018年6月13日退任)
陳宇 (2018年9月10日委任)
劉承 (2018年9月10日辭任)
陳廣宇

提名委員會

嚴正 (主席，2018年4月12日委任)
彭錦光 (主席，2018年4月12日辭任)
葉啟明
張文海 (2018年4月1日委任)
梁創順 (2018年5月3日委任)
史習陶 (2018年4月1日辭任)
蘇合成 (2018年6月13日退任)

BOARD OF DIRECTORS

Executive Directors:

YAN Zheng (Chairman, appointed on 12 April 2018)
PENG Jin Guang (Chairman, resigned on 12 April 2018)
WANG Fei (Vice Chairman)
CHEN Yu (General Manager, appointed on 10 September 2018)
LIU Cheng (General Manager, resigned on 10 September 2018)

Non-executive Directors:

HON Hau Chit
YANG Jingchao (appointed on 7 December 2018)
LIU Lun (resigned on 15 November 2018)

Independent Non-executive Directors:

IP Kai Ming
CHEUNG Man Hoi
LEUNG Chong Shun (appointed on 3 May 2018)
SZE Robert Tsai To (resigned on 1 April 2018)
SO Hop Shing (retired on 13 June 2018)

AUDIT COMMITTEE

CHEUNG Man Hoi (Chairman)
IP Kai Ming
LEUNG Chong Shun (appointed on 3 May 2018)
SZE Robert Tsai To (resigned on 1 April 2018)
SO Hop Shing (retired on 13 June 2018)

REMUNERATION COMMITTEE

IP Kai Ming (Chairman)
CHEUNG Man Hoi (appointed on 1 April 2018)
LEUNG Chong Shun (appointed on 3 May 2018)
SZE Robert Tsai To (resigned on 1 April 2018)
SO Hop Shing (retired on 13 June 2018)
CHEN Yu (appointed on 10 September 2018)
LIU Cheng (resigned on 10 September 2018)
CHAN Kwong Yu

NOMINATION COMMITTEE

YAN Zheng (Chairman, appointed on 12 April 2018)
PENG Jin Guang (Chairman, resigned on 12 April 2018)
IP Kai Ming
CHEUNG Man Hoi (appointed on 1 April 2018)
LEUNG Chong Shun (appointed on 3 May 2018)
SZE Robert Tsai To (resigned on 1 April 2018)
SO Hop Shing (retired on 13 June 2018)

授權代表

嚴正 (2018年4月12日委任)
彭錦光 (2018年4月12日辭任)
侯寶萍
葉啟明 (嚴正替任代表)

公司秘書

侯寶萍

核數師

畢馬威會計師事務所 (2018年6月13日委任)
羅兵咸永道會計師事務所 (2018年6月13日退任)

法律顧問

的近律師行

主要往來銀行

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

股份過戶登記處

卓佳標準有限公司
香港
皇后大道東183號
合和中心22樓

註冊辦事處

香港中環
紅棉路8號
東昌大廈17樓

股份代號

00222

公司網址

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

AUTHORISED REPRESENTATIVE

YAN Zheng (appointed on 12 April 2018)
PENG Jin Guang (resigned on 12 April 2018)
HAU Po Ping
IP Kai Ming (alternate to YAN Zheng)

COMPANY SECRETARY

HAU Po Ping

AUDITOR

KPMG (appointed on 13 June 2018)
PricewaterhouseCoopers (retired on 13 June 2018)

LEGAL ADVISOR

Deacons

PRINCIPAL BANKERS

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

SHARE REGISTRAR

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

REGISTERED OFFICE

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

STOCK CODE

00222

COMPANY'S WEBSITE

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

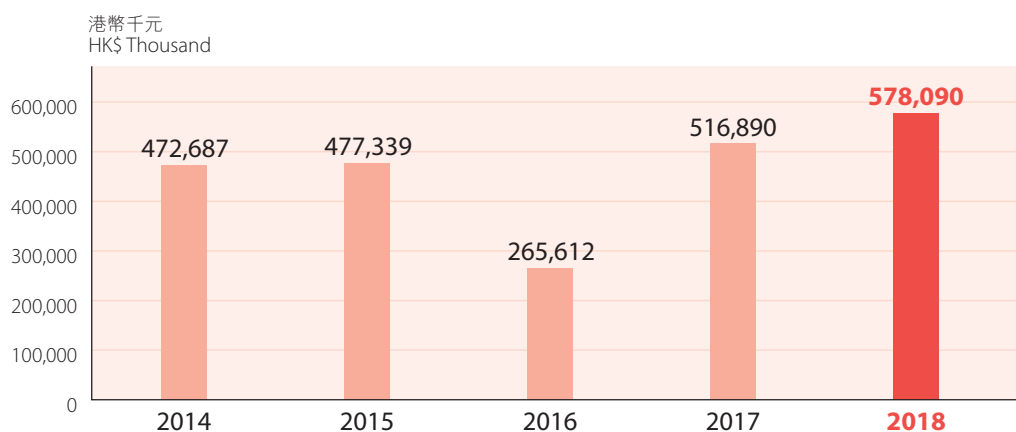
五年財務摘要

FIVE-YEAR FINANCIAL SUMMARY

		2014	2015	2016	2017	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
業績	Results					
除稅前溢利	Profit before taxation	491,202	486,020	272,087	536,923	610,526
所得稅支出	Income tax expense	(18,515)	(8,681)	(6,475)	(20,033)	(32,436)
本公司股東應佔溢利	Profit attributable to shareholders of the Company	<u>472,687</u>	<u>477,339</u>	<u>265,612</u>	<u>516,890</u>	<u>578,090</u>

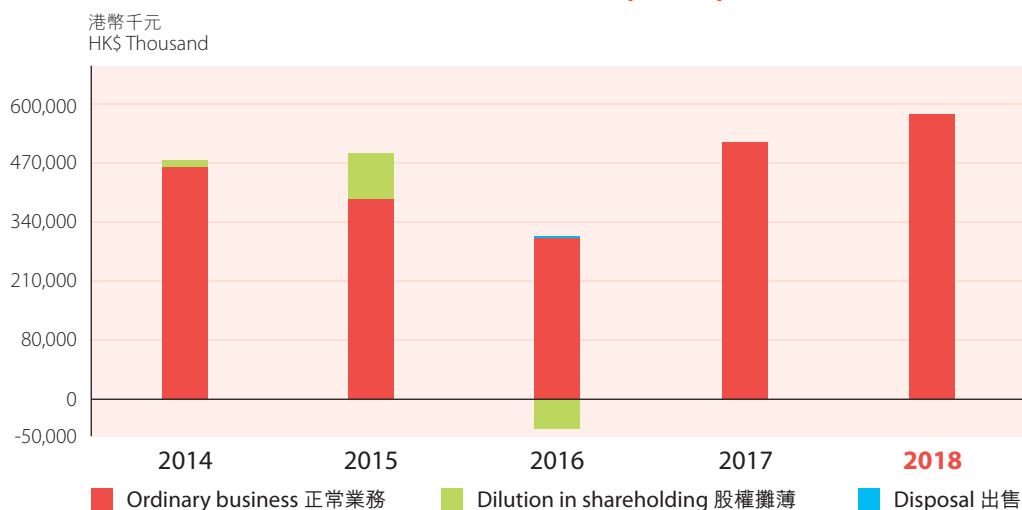
本公司股東應佔溢利

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY



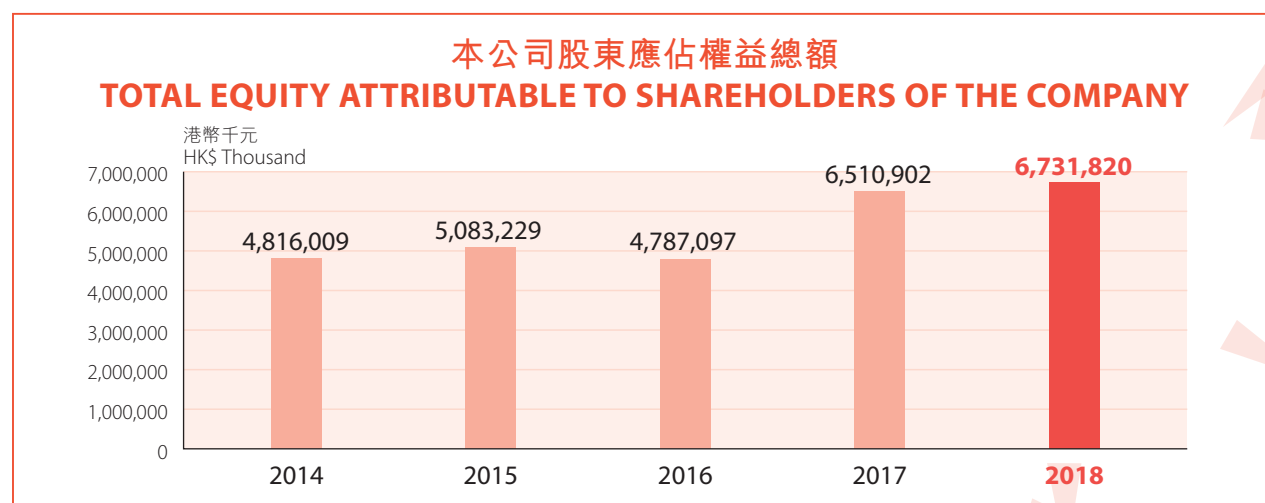
溢利／（虧損）性質

NATURE OF PROFIT/(LOSS)



五年財務摘要 FIVE-YEAR FINANCIAL SUMMARY

		2014	2015	2016	2017	2018
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
物業、機器及設備	Property, plant and equipment	20,122	19,061	17,999	16,878	20,935
無形資產	Intangible assets	-	-	-	2,504	1,573
投資物業	Investment properties	165,762	179,215	170,536	169,818	169,632
聯營公司	Associates	2,945,890	3,263,977	4,082,002	4,842,032	4,988,673
按公平值計入其他 全面收益的金融資產	Financial assets at fair value through other comprehensive income	-	-	-	-	570,417
可供出售金融資產	Available-for-sale financial assets	770,129	728,713	551,158	503,514	-
按攤銷成本計量的金融 資產	Financial assets at amortised cost	-	-	-	-	3,129
持至到期日金融資產	Held-to-maturity financial assets	-	-	3,091	3,119	-
客戶貸款及應收 利息	Loans to customers and interest receivable	-	1,519	436	39	-
再保險資產	Reinsurance assets	3,402	2,479	4,420	213	1,546
預付款	Prepayments	-	1,549	1,500	180	6
抵押銀行存款	Pledged bank deposit	-	-	-	-	227,800
遞延所得稅資產	Deferred income tax assets	4,281	6,746	10,767	10,150	535
流動資產	Current assets	1,668,361	1,684,713	1,497,393	1,693,972	1,312,644
流動負債	Current liabilities	(686,001)	(226,823)	(928,549)	(467,330)	(323,516)
銀行貸款	Bank borrowings	-	(502,116)	(552,774)	(198,131)	(199,966)
保險合約	Insurance contracts	(27,707)	(33,844)	(38,268)	(37,659)	(17,482)
遞延所得稅負債	Deferred income tax liabilities	(48,230)	(41,960)	(32,614)	(28,397)	(24,106)
資產淨值	Net assets	4,816,009	5,083,229	4,787,097	6,510,902	6,731,820
股本	Share capital	891,135	891,135	891,135	1,715,377	1,715,377
其他儲備金	Other reserves	1,716,858	1,501,099	1,036,270	1,628,236	1,504,672
保留溢利	Retained profits					
擬派股息	Proposed dividend	22,971	22,971	22,971	47,781	59,726
其他	Others	2,185,045	2,666,165	2,836,721	3,119,508	3,452,045
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	4,816,009	5,083,229	4,787,097	6,510,902	6,731,820



主席報告書 CHAIRMAN'S STATEMENT



本人欣然匯報本集團2018年度全年業績。本集團於2018年度錄得穩定業績，符合我們的合理預期。

全球經濟增長受到中美貿易爭端升級及報復性關稅的影響。國際貿易往來持續備受關注，加上環球金融市場愈趨波動，為2018年下半年的經營環境帶來重大挑戰。2018年全球經濟錄得溫和增長。

我們於2018年取得穩定業績。股東應佔溢利上升11.8%至港幣57,809萬元，由於2017年以供股方式增加了普通股股份總數，以致每股基本盈利上升0.5%至港幣96.79仙。

本集團的總資產為港幣73億元，比2017年年底的港幣72.4億元輕微上升0.8%。

於2018年底我們的銀行業務總資產佔本集團資產總額的67.7%。於2018年底本公司的每股淨資產值達港幣11.27元，超過70%來自廈銀的投資。銀行業務於2018年貢獻本集團股東應佔溢利的101.9%。

I am delighted to report the full-year results for 2018 of the Group. The Group recorded a stable results in 2018 which is within our reasonable expectation.

The global economic growth was affected by the escalation of Sino-US trade disputes and retaliatory tariffs. The continuing concerns over international trade flows and increased volatility in the world's financial markets posted significant challenges to the operating environment in the second half of 2018. The global economy recorded a moderate pace of expansion during 2018.

We achieved a stable results in 2018. Profit attributable to shareholders increased by 11.8% to HK\$578.09 million and basic earnings per share increased by 0.5% to 96.79 HK cents due to the increase in total numbers of ordinary shares issued by way of a rights issue in 2017.

Total assets of the Group stood at HK\$7.3 billion, representing a slight increase of 0.8% as compared to HK\$7.24 billion at the end of 2017.

Total assets of our banking business accounted for 67.7% of the Group's total assets at the end of 2018. The net asset value per share of the Company amounted to HK\$11.27 at the end of 2018, over 70% comes from the investment in XIB. The results contributed by banking business represented 101.9% of the Group's profit attributable to shareholders in 2018.

主席報告書 CHAIRMAN'S STATEMENT

董事會議決建議派發2018年度末期股息每股港幣10仙，比2017年度的每股港幣8仙上升25%。

本集團的最重要投資廈門國際銀行（「廈銀」）（連同集友銀行有限公司（「集友」）及澳門國際銀行（「澳銀」）統稱為「廈銀集團」）於2018年度貢獻本集團業績約101.9%。本集團於2018年度攤佔廈銀集團業績比2017年的港幣51,323萬元上升19.6%至港幣61,407萬元，主要通過廈銀集團的自身增長。

廈銀集團實現令人滿意的資產負債表增長，於2018年年底總資產增加13.2%至人民幣8,064.2億元。廈銀集團進一步投資以優化金融基礎服務平台，提升業務營運系統，滿足客戶不斷轉變的需求。

廈銀集團於年內持續於大中華地區擴大分行網絡。為通過覆蓋中國內地、香港及澳門的廣闊網絡實現長期增長策略，廈銀集團投資於科技、員工凝聚力和營運服務平台，致力於提供更佳的服務體驗。市場滲透率及作為首選城市商業銀行的地位得到鞏固。在2018年7月《銀行家》雜誌評選的“全球1000大銀行排名”中，廈銀以資產總額躍居全球第165位，及以一級資本總額位列全球第204位，以及“2018中國城市商業銀行100大排名”中，廈銀以綜合實力躍居第9位。廈銀將繼續發揮競爭優勢及維持良好的業務勢頭，為股東創造良好收入及盈利增長。

我們於2018年收回中國內地小額貸款業務的不良貸款本金人民幣858萬元。於2018年12月31日，減值準備對客戶貸款及應收利息總額比率為92.1%，比2017年年底的91.8%上升0.3個百分點。

The Directors have resolved to recommend a final dividend of 10 HK cents per share for 2018, an increase of 25% as compared with 8 HK cents per share in 2017.

Xiamen International Bank (“XIB”) (together with its subsidiaries, Chiyu Banking Corporation Limited (“CYB”) and Luso International Bank (“LIB”), are collectively referred to as “XIB Group”), the most significant investment of the Group, has contributed about 101.9% of the results of the Group in 2018. The Group's share of results of XIB Group was HK\$614.07 million in 2018, an increase of 19.6% as compared to HK\$513.23 million in 2017 mainly driven by organic growth of XIB Group.

XIB Group has achieved a satisfactory growth in its balance sheet and the total assets grew by 13.2% to RMB806.42 billion at the end of 2018. XIB Group invested further in building better technological financial services infrastructure to enhance operational systems and meet the changing needs of customers.

XIB Group continuously expanded its branch network in Greater China region during the year. To achieve long-term growth strategy through its extensive network in Mainland China, Hong Kong and Macau, XIB Group invested in technology, staff engagement and operational infrastructure in order to deliver its commitment to providing better service experience. The market penetration and status as a preferred city commercial bank were reinforced. XIB was ranked 165th in total assets and 204th in Tier-one Capital in the 2018 Top 1000 World Banks announced by The Banker in July 2018 and was ranked 9th in comprehensive strengths in the 2018 Top 100 China City Commercial Banks. XIB will continue to leverage its competitive strengths and sustain good business momentum to deliver a good income and profit growth for its shareholders.

We have recovered the non-performing loans of micro credit business in Mainland China of RMB8.58 million in 2018. The allowances to total loans to customers and interest receivable ratio was 92.1% at 31 December 2018, an increase of 0.3 percentage points as compared to 91.8% at the end of 2017.

主席報告書 CHAIRMAN'S STATEMENT

保費增長勢頭顯示我們的保險業務出現好轉。毛保費收入於2018年上升8.9%至港幣6,057萬元。我們於2018年實現扣除承保業務的管理費用後承保溢利港幣498萬元，主要因減少及撥回索償準備金令承保溢利大幅增加。

為支持保險業務的長遠發展，我們已於年內注入額外資本港幣6,000萬元，另一筆港幣6,000萬元預計將於2019年注入。我們的保險業務管理團隊將努力逐步實現批准的業務計劃。

我們已開始減少汽車貿易業務。本集團於2018年底的汽車庫存26輛。我們於2018年分別錄得汽車貿易銷售收益人民幣77,284萬元及稅後溢利人民幣483萬元。

本公司現為廈銀第二大股東及為集友小股東控權人之一。我們已重新檢視我們的核心價值並將繼續專注於強化金融服務的投資。我們有信心開拓新市場的機會，長遠而言擴大我們的投資組合。

展望明年，由於外圍經濟及地緣政治局勢不明朗因素影響，預期經濟增長將會放緩。我們將專注保險業務的自身增長策略以期進一步提升本集團的財務表現，並採取積極主動的舉措，在具挑戰性的市況中發掘新的金融服務投資商機，力求收入來源更多元化。我們採取的措施將確保達成持份者的長遠期望。

主席
嚴正

香港，2019年3月27日

The premiums growth momentum shows sign of a turnaround in our insurance business. Gross insurance premium increased by 8.9% to HK\$60.57 million in 2018. We have achieved an underwriting profit after charging management expenses for underwriting business of HK\$4.98 million in 2018, which was mainly due to the significant increase in underwriting profit resulted from the decrease in and write back of claims reserve.

To support the long-term development of our insurance business, we have injected additional capital of HK\$60 million during the year and another HK\$60 million is expected to be injected in 2019. The management team of our insurance business will make great efforts to gradually achieve the approved business plan.

We have begun the process to wind down the business of trading in motor vehicles. The Group had inventories of 26 motor vehicles at the end of 2018. We have recorded revenue from trading in motor vehicles of RMB772.84 million and a profit after tax of RMB4.83 million respectively in 2018.

The Company is the 2nd largest shareholder of XIB and one of the minority shareholder controllers of CYB. We have revisited our core values and will remain focused on strengthening our financial services investments. We have confidence to explore new market opportunities and expand our investments portfolio in the long term.

Looking at the year ahead, slower economic growth is expected due to uncertainties over external economic and geopolitical factors. We will focus on executing strategy for organic growth of our insurance business so as to further improve the financial performance of the Group and take a proactive approach to explore new financial services investment opportunities to diversify our income sources in the challenging market conditions. Our actions will ensure we meet the expectations of our stakeholders over the long term.

YAN Zheng
Chairman

Hong Kong, 27 March 2019

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧

中美貿易爭端的不確定性加上金融市場波動，困擾2018年的環球經濟，然而，其對環球經濟的實際影響仍未能充份反映。

經營業績

本集團於2018年取得穩定的業績，股東應佔溢利港幣57,809萬元，比2017年的港幣51,689萬元上升港幣6,120萬元或11.8%。由於2017年以供股方式增加了普通股股份總數，年內每股基本盈利港幣96.79仙，比2017年的港幣96.3仙增加港幣0.49仙或0.5%。

金融服務

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

本集團的金融服務業務於2018年錄得稅後利潤港幣58,500萬元，比2017年的港幣48,690萬元增加20.1%。該業績增長貢獻自攤佔廈銀集團的業績。

BUSINESS REVIEW

The uncertainties of Sino-US trade disputes coupled with volatile financial markets has plagued the global economy in 2018 and, however, its actual impact on global economy was still not fully revealed.

Operating Results

The Group achieved a stable results in 2018 and the profit attributable to shareholders was HK\$578.09 million, representing an increase of HK\$61.2 million or 11.8%, as compared to HK\$516.89 million in 2017. Basic earnings per share for the year was 96.79 HK cents, an increase of 0.49 HK cents or 0.5%, as compared to 96.3 HK cents in 2017 due to the increase in total numbers of ordinary shares issued by way of a rights issue in 2017.

Financial Services

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

The Group's financial services business reported a profit after tax of HK\$585 million in 2018, an increase of 20.1% as compared to HK\$486.9 million in 2017. Such increase in results was contributed from the share of results of XIB Group.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

金融服務 (續)

銀行業務

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

廈銀集團實現稅後利潤人民幣53.6億元，比2017年的人人民幣45.4億元，增加人民幣82,710萬元或18.2%。該增長主要通過廈銀集團於2018年的自身增長帶動。源於貸款組合的增長，2018年的淨利息收入比2017年上升13.5%，然而仍繼續受到息差收窄所影響。由於外匯兌換收入及金融產品未實現公平值收益扭虧為盈，2018年的非利息收入大幅增長。

廈銀集團的總資產於2018年再創新高達逾人民幣8,000億元，貸款業務及客戶存款同時錄得雙位數的增長。於2018年12月31日，總資產比2017年年底的人民幣7,124.1億元，上升13.2%至人民幣8,064.2億元。客戶貸款由2017年年底的人民幣2,850億元上升26.3%至人民幣3,598.6億元。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2017年年底的人民幣4,706.6億元，上升14.1%至人民幣5,371.6億元。

廈銀將繼續加大智慧網點及數碼銀行服務的投資，應對客戶日趨流動的生活模式。憑藉集友及澳銀在大中華地區相對繁榮的城市建立的新分行網絡，廈銀集團將擴大其跨境銀行服務，利用創新舉措及新數碼銀行服務改善顧客體驗。

BUSINESS REVIEW (Continued)

Financial Services (Continued)

Banking Business

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

XIB Group reported a profit after tax of RMB5.36 billion, an increase of RMB827.1 million or 18.2%, as compared to RMB4.54 billion in 2017. Such increase was mainly driven by the organic growth of XIB Group achieved in 2018. Net interest income grew by 13.5% in 2018 as compared with 2017, which was achieved by growth in loan portfolios, however, it continued to be affected by the narrowed interest margin. Non-interest income increased significantly in 2018 due to the turnaround in foreign exchange income and unrealised fair value gains of financial assets.

XIB Group achieved a record high in its total assets in 2018 of over RMB800 billion with double-digit annual growth in both loan books and customers' deposit. At 31 December 2018, the total assets grew by 13.2% to RMB806.42 billion as compared to RMB712.41 billion at the end of 2017. Gross loans to customers were RMB359.86 billion, an increase of 26.3% as compared to RMB285 billion at the end of 2017. 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 14.1% to RMB537.16 billion from RMB470.66 billion at the end of 2017.

XIB will continue to increase its investment in intelligent branches and digitalisation of banking services to cope with the increasingly mobile lifestyle of customers. With the new branch network set up by CYB and LIB in the more prosperous cities in the Greater China region, XIB Group will broaden its cross-border banking services and improve the customer experience through innovative initiatives and new digital banking services.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

金融服務 (續)

小額貸款業務

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」)，專門為福建省三明市的中小企業及個人提供小額貸款服務。

於2018年12月31日，不良貸款餘額為人民幣24,412萬元(等值港幣27,805萬元)，較2017年年底的人民幣25,282萬元(等值港幣30,362萬元)減少3.4%。於2018年12月31日，閩信小貸已計提貸款及應收利息減值準備總額人民幣23,435萬元(等值港幣26,693萬元)。於2018年12月31日，減值準備對貸款及應收利息總額比率為92.1%，比2017年年底的91.8%上升0.3個百分點。閩信小貸於年內向客戶收取利息收入人民幣4萬元(等值港幣4萬元)，比2017年的人人民幣30萬元(等值港幣35萬元)減少86.7%。閩信小貸於2018年撥回減值準備人民幣708萬元(等值港幣868萬元)，2017年則撥回減值準備人民幣815萬元(等值港幣938萬元)。年內撥回減值準備的益處已被撤銷確認遞延所得稅資產所抵消，閩信小貸於2018年錄得稅後虧損人民幣327萬元(等值港幣401萬元)，2017年則錄得稅後溢利人民幣377萬元(等值港幣434萬元)。

閩信小貸將繼續積極主動管理及採取所有措施收回不良貸款。

BUSINESS REVIEW (Continued)

Financial Services (Continued)

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.

At 31 December 2018, non-performing loan balances were RMB244.12 million (equivalent to HK\$278.05 million), a decrease of 3.4% from RMB252.82 million (equivalent to HK\$303.62 million) at the end of 2017. Minxin Micro Credit had made impairment allowances on loans and interest receivable totalling RMB234.35 million (equivalent to HK\$266.93 million) at 31 December 2018. The allowances to total loans and interest receivable ratio was 92.1% at 31 December 2018, an increase of 0.3 percentage points as compared to 91.8% at the end of 2017. Minxin Micro Credit received RMB0.04 million (equivalent to HK\$0.04 million) interest income from customers during the year, a decrease of 86.7% as compared to RMB0.3 million (equivalent to HK\$0.35 million) in 2017. Minxin Micro Credit had written back impairment allowances of RMB7.08 million (equivalent to HK\$8.68 million) in 2018, as compared to RMB8.15 million (equivalent to HK\$9.38 million) in 2017. The benefit of impairment allowances written back during the year was offset by the derecognition of deferred tax assets, Minxin Micro Credit recorded a loss after tax of RMB3.27 million (equivalent to HK\$4.01 million) in 2018, as compared to a profit after tax of RMB3.77 million (equivalent to HK\$4.34 million) in 2017.

Minxin Micro Credit will continue to proactively manage and use all measures to recover its non-performing loans.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

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2018年錄得毛保費收入港幣6,057萬元，比2017年的港幣5,564萬元增加8.9%。澳門保險業務於年內再次表現超越香港保險業務。憑藉高品質的銀保業務，澳門保險業務的毛保費收入錄得30.2%的增長至港幣5,327萬元；然而，香港保險業務受到優化承保策略的影響，毛保費收入下跌50.4%至港幣730萬元。

於扣除承保業務的管理費用前，承保溢利比2017年的港幣312萬元增加329.2%至港幣1,339萬元，主要為汽車保險業務的損失賠償減少，颱風天鴿對澳門造成的重大損失賠償減少及撥回以往年度計提的勞工保險業務預期最終索償成本所致。得益於減少及撥回索償準備金，於扣除承保業務的管理支出後，閩信保險於2018年錄得承保溢利港幣498萬元，2017年則錄得承保虧損港幣574萬元。

閩信保險於2018年錄得稅後溢利港幣830萬元，比2017年的稅後虧損港幣6萬元，實現扭虧為盈，主要因澳門的重大損失賠償減少及撥回索償準備金令承保溢利大幅增加，及投資物業重估收益增加港幣315萬元。

BUSINESS REVIEW (Continued)

Insurance Business

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

Min Xin Insurance recorded gross insurance premium of HK\$60.57 million in 2018, increased by 8.9% as compared to HK\$55.64 million in 2017. The Macau insurance business has again outperformed the Hong Kong insurance business during the year. The gross insurance premium of Macau insurance business registered a 30.2% growth to HK\$53.27 million supported by high-quality bancassurance business; however, the gross insurance premium of Hong Kong insurance business recorded a decline of 50.4% to HK\$7.3 million which was impacted by the optimization of underwriting strategy.

Underwriting profit before deducting management expenses for underwriting business increased by 329.2% to HK\$13.39 million as compared to HK\$3.12 million in 2017, mainly due to the decrease in damage claims of motor vehicle business, the decrease in major damage claims in Macau caused by typhoon Hato and the write back of the expected ultimate costs of claims of employees' compensation business made in previous years. Benefitted from the decrease and write back of claims reserve, Min Xin Insurance recorded an underwriting profit of HK\$4.98 million in 2018, as compared to an underwriting loss of HK\$5.74 million in 2017, after charging management expenses for underwriting business.

Min Xin Insurance recorded a profit after tax of HK\$8.3 million in 2018, achieved a turnaround as compared to a loss after tax of HK\$0.06 million in 2017, mainly due to the significant increase in underwriting profit resulted from the decrease in major damage claims in Macau and the write back of claims reserve, and the increase in gain on revaluation of investment properties of HK\$3.15 million.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

保險業務 (續)

閩信保險持續拓展分銷渠道及提高員工技能及系統以應對客戶需求及市場狀況。管理層及員工在解決澳門颱風相關索償及處理港珠澳大橋汽車保險的效率使閩信保險的服務聲譽得以提升。

為支持閩信保險的長遠發展，一筆額外資本金港幣6,000萬元已於年內注入，另一筆港幣6,000萬元將於2019年注入。閩信保險管理團隊有信心發展新分銷渠道及新細分市場，把握未來香港和地區性的新機遇。閩信保險管理團隊將努力逐步實現批准的業務計劃。

汽車貿易

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

福建閩信於2018年向獨立第三方購買汽車的代價總額為人民幣37,573萬元（等值港幣42,796萬元）。2018年汽車貿易的合同銷售達人民幣86,444萬元（等值港幣98,460萬元）。

BUSINESS REVIEW (Continued)

Insurance Business (Continued)

Min Xin Insurance continued to develop its distribution channels and enhance employee skills and systems to cope with clients' needs and market conditions. Min Xin Insurance's reputation for service was upheld by management and employees' efficiency in settling typhoon-related claims in Macau and handling motor insurance for using Hong Kong-Zhuhai-Macao Bridge.

In order to support the long-term development of Min Xin Insurance, an additional capital of HK\$60 million was injected during the year and another HK\$60 million will be injected in 2019. The management team of Min Xin Insurance has confidence to develop new distribution channels and new market segments and grasp new future opportunities in Hong Kong and regionally. The management team of Min Xin Insurance will make great efforts to gradually achieve the approved business plan.

Trading in Motor Vehicles

Fujian Minxin Investments Co., Ltd. ("Fujian Minxin"), a wholly-owned subsidiary of the Company, among others, engages in the trading in motor vehicles business. We have begun the process to wind down the business of trading in motor vehicles.

Fujian Minxin has acquired motor vehicles from independent third parties in the aggregate of RMB375.73 million (equivalent to HK\$427.96 million) in 2018. Contract sales for trading in motor vehicles were RMB864.44 million (equivalent to HK\$984.6 million) in 2018.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

汽車貿易 (續)

2018年的汽車銷售收益人民幣77,284萬元(等值港幣93,062萬元),比2017年的人人民幣70,503萬元(等值港幣82,711萬元)增加9.6%。2018年的汽車銷售成本人民幣76,255萬元(等值港幣91,822萬元),比2017年的人人民幣69,797萬元(等值港幣81,882萬元)增加9.3%。計入庫存減值及汽車貿易業務的直接成本後,2018年的毛利為人民幣849萬元(等值港幣1,023萬元),比2017年的人人民幣628萬元(等值港幣737萬元)增加35.2%。2018年的汽車貿易業務產生的稅後溢利為人民幣483萬元(等值港幣582萬元),比2017年的人人民幣396萬元(等值港幣465萬元)增加22%。

物業發展及投資

本集團的物業發展及投資業務主要包括中國內地的房地產開發業務及出租若干投資物業。物業發展及投資業務於2018年錄得稅後虧損港幣11萬元,比較2017年的稅後利潤港幣85萬元,當中主要原因為物業重估虧損增加。

福建省福州市寫字樓的市場租金於2018年持續造成下行風險。雖然本集團位於福州市的商業物業及車位(「福州物業」)的租用率有所改善,但新簽租約的月租金反映市場情況已出現下跌。本集團於2018年錄得租金收入人民幣392萬元,比2017年的人人民幣379萬元上升3.4%。於2018年12月31日,福州物業的公平值為港幣6,483萬元,比2017年年底的港幣7,302萬元下跌11.2%。本集團於2018年錄得公平值虧損港幣819萬元及扣除遞延稅後公平值虧損港幣307萬元,比較2017年的公平值虧損港幣562萬元及扣除遞延稅後公平值虧損港幣195萬元,分別上升45.7%及57.4%。

BUSINESS REVIEW (Continued)

Trading in Motor Vehicles (Continued)

The revenue from the sale of motor vehicles was RMB772.84 million (equivalent to HK\$930.62 million) in 2018, an increase of 9.6% as compared to RMB705.03 million (equivalent to HK\$827.11 million) in 2017. The cost of motor vehicles sold was RMB762.55 million (equivalent to HK\$918.22 million) in 2018, an increase of 9.3% as compared to RMB697.97 million (equivalent to HK\$818.82 million) in 2017. Gross profit amounted to RMB8.49 million (equivalent to HK\$10.23 million) in 2018, an increase of 35.2% as compared to RMB6.28 million (equivalent to HK\$7.37 million) in 2017, after taking into account write down of inventories and direct costs attributable to trading in motor vehicles business. The profit after tax generated from trading in motor vehicles business was RMB4.83 million (equivalent to HK\$5.82 million) in 2018, an increase of 22% as compared to RMB3.96 million (equivalent to HK\$4.65 million) in 2017.

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 2018, the property development and investment business reported a loss after tax of HK\$0.11 million as compared to a profit after tax of HK\$0.85 million in 2017, mainly due to an increase in the revaluation loss of investment properties.

The market rental of office space in Fuzhou, Fujian Province continues to pose downside risks in 2018. Although the occupancy rate of the commercial properties and parking spaces in Fuzhou (the "Fuzhou Property") of the Group improved, the monthly rental of new lettings declined reflecting the market conditions. The Group recorded a rental income of RMB3.92 million in 2018, up 3.4% as compared to RMB3.79 million in 2017. At 31 December 2018, the fair value of the Fuzhou Property was HK\$64.83 million, a decrease of 11.2% as compared to the fair value of HK\$73.02 million at the end of 2017. The Group recorded a fair value loss of HK\$8.19 million and a fair value loss after deferred tax of HK\$3.07 million in 2018, increased by 45.7% and 57.4% respectively as compared to a fair value loss of HK\$5.62 million and a fair value loss after deferred tax of HK\$1.95 million in 2017.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧 (續)

於華能國際電力股份有限公司的投資 (「華能A股」)

2018年12月31日上證綜合指數比2017年年底下跌約24.6%。然而，華能國際電力股份有限公司(「華能」)的A股收市競買價由2017年12月31日的每股人民幣6.17元上升至2018年12月31日的每股人民幣7.37元。根據華能A股收市競買價評估的華能A股之公平值為港幣57,042萬元(等值人民幣50,081萬元)。本集團於2018年錄得其公平淨值變動產生的收益港幣6,690萬元(2017年：虧損港幣3,000萬元)已於其他全面收益內確認，並在股東權益的公平值儲備金(不可循環)內分開累計。

本集團旨在長期持有華能A股。華能A股為本集團持續貢獻滿意的股息收益率。於2018年，華能派發2017年度末期股息每股人民幣0.1元。本集團於2018年錄得股息收入人民幣680萬元(等值港幣842萬元)，比2017年收取2016年度末期股息每股人民幣0.29元，錄得股息收入人民幣2,029萬元(等值港幣2,321萬元)，減少66.5%。

華能已公布按中國會計準則編制的2018年年度業績，營業收入及營業成本比2017年度分別上升11%。儘管年內煤炭市場價格仍然高企，惟燃料採購成本得到有效控制。華能於2018年錄得股東應佔溢利人民幣14.4億元，比2017年的人民幣17.4億元下降17.4%。年內每股收益人民幣0.07元，比2017年的每股收益人民幣0.11元下降36.4%。

BUSINESS REVIEW (Continued)

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

At 31 December 2018, the Shanghai Composite Index decreased by about 24.6% as compared to that at the end of 2017. However, the closing bid price per A-Share of Huaneng Power International, Inc. (“Huaneng”) as quoted on the Shanghai Stock Exchange increased from RMB6.17 per share at 31 December 2017 to RMB7.37 per share at 31 December 2018. The fair value of the Huaneng A-Shares measured with reference to the closing bid price per A-Share of Huaneng stood at HK\$570.42 million (equivalent to RMB500.81 million). In 2018, the Group recorded a gain of HK\$66.9 million (2017: loss of HK\$30 million) arising from the net movement in its fair value change in other comprehensive income and accumulated separately in equity in the fair value reserve (non-recycling).

The Group aimed to hold Huaneng A-Shares in the long-term purposes. Huaneng A-Shares continues to contribute a satisfactory dividend yield to the Group. In 2018, Huaneng paid a final dividend for 2017 of RMB0.1 per share. The Group recorded dividend income totalling RMB6.8 million (equivalent to HK\$8.42 million) in 2018, a decrease of 66.5% as compared to the final dividend for 2016 of RMB0.29 per share totalling RMB20.29 million (equivalent to HK\$23.21 million) recorded by the Group in 2017.

Huaneng has announced its 2018 annual results under the PRC Accounting Standards. Its operating revenue and operating expenses increased by 11% respectively as compared to those of 2017. The fuel cost has been controlled effectively although the market coal price remained high throughout the year. Its profit attributable to shareholders was RMB1.44 billion in 2018, decreased by 17.4% as compared to RMB1.74 billion in 2017. Earnings per share was RMB0.07 for the year, an decrease of 36.4% as compared to RMB0.11 per share in 2017.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧

每股資產淨值

本集團一直堅持並貫徹審慎的財務管理策略，以保持健康的財務狀況水平。按2018年12月31日的已發行股本597,257,252股（2017年：597,257,252股）計算，於2018年12月31日，每股資產淨值港幣11.27元（2017年：港幣10.9元）。

總負債佔權益比率及流動比率

於2018年12月31日，本集團總負債為港幣56,507萬元（2017年：港幣73,152萬元），總負債為本公司股東應佔權益的8.4%（2017年：11.2%）。於2018年12月31日，本集團流動資產及流動負債分別為港幣131,264萬元（2017年：港幣169,397萬元）及港幣32,352萬元（2017年：港幣46,733萬元），流動比率為4.1倍（2017年：3.6倍）。

借款及資產抵押

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

於2018年12月31日，本集團的借款包括本地銀行貸款合共港幣40,000萬元，比2017年年底的港幣55,688萬元減少28.2%。根據貸款文件所載的定期還款日期，一筆港幣20,000萬元的未償還金額將於一年內到期及償還，及餘額港幣20,000萬元將於三年內到期及償還。本集團將於適當時候考慮為該等借款安排重新融資。該等貸款均為港幣及以浮動利率計息。於2018年12月31日，實際年利率介乎3.1厘至5.2厘（2017年：4.2厘至4.3厘）。

FINANCIAL REVIEW

Net Asset Value per Share

The Group adheres to the principle of prudent financial management and strives to maintain a healthy financial position. Based on 597,257,252 shares in issue at 31 December 2018 (2017: 597,257,252 shares), the net asset value per share was HK\$11.27 at 31 December 2018 (2017: HK\$10.9).

Total Liabilities to Equity Ratio and Current Ratio

At 31 December 2018, the total liabilities of the Group were HK\$565.07 million (2017: HK\$731.52 million) and the ratio of total liabilities to total equity attributable to shareholders of the Company was 8.4% (2017: 11.2%). At 31 December 2018, the current assets and current liabilities of the Group were HK\$1,312.64 million (2017: HK\$1,693.97 million) and HK\$323.52 million (2017: HK\$467.33 million) respectively with a current ratio of 4.1 (2017: 3.6).

Borrowings and Charged Assets

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

At 31 December 2018, the Group's borrowings from local banks totalling HK\$400 million, decreased by 28.2% as compared to HK\$556.88 million at the end of 2017. Based on the scheduled repayment dates set out in the loan facilities, an outstanding amount of HK\$200 million will mature and is repayable in one year and the balance of HK\$200 million will mature and is repayable within three years. The Group will consider to arrange refinancing of the borrowings in due course. These bank loans are in Hong Kong dollars and subject to floating interest rates. The effective interest rate at 31 December 2018 ranged from 3.1% to 5.2% (2017: 4.2% to 4.3%) per annum.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧 (續)

借款及資產抵押 (續)

於2018年12月31日，有抵押部分的銀行貸款以本公司於中國內地的一家全資附屬公司存放一筆用於擔保以借款銀行為收益人的備用信用證的三年期銀行存款人民幣20,000萬元（等值港幣22,780萬元）作抵押。於2017年12月31日有抵押部分的銀行貸款以本集團存放於借款銀行的銀行存款人民幣4,100萬元（等值港幣4,924萬元），及賬面淨值港幣992萬元的自用辦事處物業作抵押。

除上述所披露之外，本集團的其他資產於2018年及2017年12月31日均無抵押。

負債比率

於2018年12月31日，本集團的資本負債比率（總銀行貸款除以資產淨值）為5.9%（2017年：8.5%）。

現金狀況

本集團之銀行存款附有當時市場利率之利息。於2018年12月31日，本集團之銀行存款總額為港幣140,537萬元（2017年：港幣130,058萬元），其中港幣存款佔12.7%，人民幣存款佔86.1%及其他貨幣存款佔1.2%（2017年：港幣存款佔18.8%，人民幣存款佔79.8%及其他貨幣存款佔1.4%）。

根據香港保險業監管局（「保監局」）之規定，受其監管的一家附屬公司需經常將為數不少於港幣1,600萬元之資金以保監局賬戶名義撥為銀行存款。於2018年12月31日，該附屬公司於香港一家銀行以保監局賬戶名義存放港幣1,600萬元（2017年：港幣1,600萬元）之定期存款以符合有關規定。該附屬公司亦維持澳門幣1,510萬元（等值港幣1,466萬元）及港幣1,710萬元（2017年：澳門幣1,410萬元，等值港幣1,369萬元、人民幣400萬元，等值港幣480萬元及港幣960萬元）之銀行存款以符合澳門《保險活動管制法例》之若干規定。

FINANCIAL REVIEW (Continued)

Borrowings and Charged Assets (Continued)

At 31 December 2018, the secured portion of the bank loans was secured by a three-years bank deposit of RMB200 million (equivalent to HK\$227.8 million) placed by a wholly-owned subsidiary of the Company in Mainland China to collateralise the issuance of a standby letter of credit in favour of the lending bank. The secured portion of the bank loans at 31 December 2017 was secured by the Group's bank deposits of RMB41 million (equivalent to HK\$49.24 million) placed with the lending banks and the self-use office building with a net book value of HK\$9.92 million.

Save for the above, no other assets of the Group were pledged at 31 December 2018 and 2017 respectively.

Gearing Ratio

At 31 December 2018, the gearing ratio of the Group (total bank borrowings divided by total net assets) was 5.9% (2017: 8.5%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. At 31 December 2018, the total bank deposits of the Group amounted to HK\$1,405.37 million (2017: HK\$1,300.58 million) of which 12.7% were in Hong Kong Dollars, 86.1% in Renminbi and 1.2% in other currencies (2017: 18.8% in Hong Kong Dollars, 79.8% in Renminbi and 1.4% in other currencies).

Pursuant to the requirements from the Insurance Authority (the "IA") in Hong Kong, a subsidiary shall maintain at all times a portion of its funds of not less than HK\$16 million in the name of IA account in bank deposits. At 31 December 2018, that subsidiary has placed fixed deposits of HK\$16 million (2017: HK\$16 million) in the name of IA account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP15.1 million (equivalent to HK\$14.66 million) and HK\$17.1 million (2017: MOP14.1 million, equivalent to HK\$13.69 million, RMB4 million, equivalent to HK\$4.8 million and HK\$9.6 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧 (續)

現金狀況 (續)

根據中國內地的法律及法規，一家附屬公司於2018年12月31日存放人民幣100萬元（等值港幣114萬元）（2017年：人民幣200萬元，等值港幣240萬元）的銀行存款作為向當地法院申請對違約客戶採取法律行動的保證金。

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2018年12月31日，本集團有關物業、機器及設備及投資物業的資本承擔總額港幣20萬元（2017年：港幣63萬元）。

或然負債

於2018年及2017年12月31日，本集團並無重大或然負債。

FINANCIAL REVIEW (Continued)

Cash Position (Continued)

Pursuant to the laws and regulations in Mainland China, a subsidiary has placed bank deposit of RMB1 million (equivalent to HK\$1.14 million) at 31 December 2018 (2017: RMB2 million, equivalent to HK\$2.4 million) to guarantee the application to the local court for legal actions against default customers.

Risk of Exchange Rate Fluctuation

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

Capital Commitments

At 31 December 2018, the Group's capital commitments relating to property, plant and equipment and investment properties amounted to HK\$0.2 million (2017: HK\$0.63 million).

Contingent Liabilities

At 31 December 2018 and 2017, the Group had no significant contingent liabilities.

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

僱員及薪酬政策

於2018年12月31日，本集團共有78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多元化的活動，包括聖誕聯歡會及公司全體旅行。

客戶關係

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

環境政策

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

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2018, the Group had 78 employees. The remuneration of the employees is based on individual merits and experience. The Group also provides other benefits to the employees including retirement benefits and medical scheme.

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

CUSTOMER RELATIONSHIPS

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

ENVIRONMENTAL POLICY

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

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

遵守法例及法規

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

主要風險及不明朗因素

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

保險及財務風險

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

業務風險

銀行業務

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

KEY RISKS AND UNCERTAINTIES

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

Insurance and Financial Risks

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

Business Risks

Banking Business

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

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

主要風險及不明朗因素 (續)

業務風險 (續)

小額貸款業務

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

保險業務

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

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

KEY RISKS AND UNCERTAINTIES (Continued)

Business Risks (Continued)

Micro Credit Business

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

Insurance Business

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

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

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

主要風險及不明朗因素 (續)

業務風險 (續)

汽車貿易

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

物業投資

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

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

華能A股

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

KEY RISKS AND UNCERTAINTIES (Continued)

Business Risks (Continued)

Trading in Motor Vehicles

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

Property Investment

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

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

Huaneng A-Shares

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

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

主要風險及不明朗因素 (續)

業務風險 (續)

華能A股 (續)

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

未來展望

中美貿易糾紛及地緣政治局勢緊張預示2019年全球經濟增長放緩，金融市場在可見將來仍有可能維持波動。儘管存在此等隱憂，中央政府頒布開放金融業及大灣區的措施，反而在充滿挑戰的經營環境中創造重大的市場機遇。

本集團將專注改善保險業務的經營及表現，在多變的經營環境中推行積極尋找並把握新金融服務投資商機的策略。本集團有信心銀行業務將繼續貢獻合理回報及長期資本增值。

作為以投資為基礎且財務狀況良好的公司，本集團將採取行動優化效率及秉承卓越，善用機遇及應對挑戰。本集團將確保達成符合股東期望的長期價值。

KEY RISKS AND UNCERTAINTIES (Continued)

Business Risks (Continued)

Huaneng A-Shares (Continued)

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

PROSPECTS

The Sino-US trade disputes and geopolitical tensions signalled slower global economic growth in 2019 and the financial markets are likely to remain volatile in the foreseeable future. Despite these concerns, the initiatives promulgated by Central Government to open up financial sector and the Greater Bay Area initiative have in turn, created significant market opportunities in the challenging operating conditions.

The Group will focus on improving the operations and performance of our insurance business and executing the strategy for proactively look for and grasp new financial services investment opportunities in a dynamic operating environment. The Group is confident that the banking business will continue to deliver reasonable returns and capital appreciation over the long term.

As an investment-based company with sound financial position, the Group will take actions to optimise efficiency and uphold excellence in order to make the most of the opportunities and manage challenges. The Group will ensure to deliver long-term value that meet the expectations of our shareholders.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事

嚴正先生，57歲，自2018年4月起獲委任為本公司執行董事、董事會主席、常務董事委員會及提名委員會主席及本公司授權代表。嚴先生持有廈門大學經濟系財政金融專業大學本科學歷及持有中央黨校經濟學（經濟管理）研究生學歷。彼具中國大陸高級經濟師職稱。彼自2006年起為福建省高級經濟師評委會委員及自2018年起為第十三屆全國人民代表大會代表。嚴先生具有豐富的金融機構管理、企業管理及資本運作經驗。嚴先生現時為福建省投資開發集團有限責任公司之黨委書記、董事長及法定代表人，該公司為本公司之控股股東。彼亦為廈門國際銀行股份有限公司之黨委書記。嚴先生曾於中國農業銀行福建省分行自1987年至1991年擔任教育處副處長、自1991年至1995年擔任農商信貸處副處長及自1995年至1996年擔任國際業務部副總經理及總經理。自1996年至2000年，他曾擔任中國農業銀行福建省廈門分行副行長。自2000年至2005年，彼亦曾擔任中國長城資產管理公司福州分公司副總經理、黨委委員及紀委書記。嚴先生曾於福建省農村信用社聯合社自2005年至2009年擔任副主任及黨委委員及自2009年至2016年擔任主任、副理事長及黨委副書記。

EXECUTIVE DIRECTORS

Mr YAN Zheng, aged 57, has been appointed as an Executive Director, the Chairman of the Board, the Chairman of the Executive Committee and the Nomination Committee, and an Authorised Representative of the Company since April 2018. Mr Yan holds a Bachelor degree in Economics from Department of Economics of Xiamen University and a Postgraduate degree in Economics (Economics Management) from the Party School of the Central Committee of C.P.C.. He is a Senior Economist in Mainland China. He has been a member of Fujian Senior Economist Evaluation Committee since 2006 and the deputy to the 13th National People's Congress since 2018. Mr Yan has extensive experience in financial institutions management, corporate management and capital operations. Mr Yan is currently the Secretary of the Party Committee, the chairman of the board of directors and the legal representative of Fujian Investment & Development Group Co., Ltd., which is a controlling Shareholder of the Company. He is also the Secretary of Party Committee of Xiamen International Bank Co., Ltd.. Mr Yan was the deputy director of the Department of Education from 1987 to 1991, the deputy director of the Rural Commercial Credit Department from 1991 to 1995, and the deputy general manager and the general manager of the International Business Department from 1995 to 1996 at Fujian Branch of Agricultural Bank of China. From 1996 to 2000, he was the vice president and the deputy secretary of the Party Committee at Xiamen, Fujian Branch of Agricultural Bank of China. From 2000 to 2005, Mr Yan was also the deputy general manager, a member of the Party Committee and the secretary of Commission for Discipline Inspection at Fujian Branch of China Great Wall Asset Management Co., Ltd.. Mr Yan served as the deputy officer and a member of the Party Committee from 2005 to 2009, and the officer, the deputy director-general and the deputy secretary of the Party Committee from 2009 to 2016 of Fujian Rural Credit Union.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

執行董事 (續)

王非先生，52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。彼曾擔任海峽金橋財產保險股份有限公司之董事長、福建投資企業公司投資管理部副總經理、福建國際信託投資公司發展研究部副總經理、福建投資企業集團公司發展部總經理及金融投資管理部總經理、福建省投資開發集團有限責任公司總經理助理、廈門金龍汽車集團股份有限公司（證券代碼：600686）之董事以及多間創投公司之董事長。王先生現時為福建省投資開發集團有限責任公司之副總經理及曾擔任貴信有限公司之董事兼董事長，該兩間公司均為本公司之控股股東。王先生現時為興業證券股份有限公司（證券代碼：601377）之董事，一間上海證券交易所上市公司。王先生亦為廈門國際銀行股份有限公司之董事、海峽滙富產業投資基金管理有限公司之董事及副董事長、福建省創新創業投資管理有限公司之董事長、永誠財產保險股份有限公司之董事及福建省產業股權投資基金有限公司之董事長。

EXECUTIVE DIRECTORS (Continued)

Mr WANG Fei, aged 52, has been appointed as an Executive Director, the Vice Chairman and a member of the Executive Committee of the Company since August 2014. Mr Wang holds a Master's Degree in Business Administration and a Doctorate Degree in Economics. He is a Senior Economist in Mainland China. Mr Wang has extensive experience in corporate development and management, financial investment management as well as venture capital management. He had previously assumed the positions of the Chairman of 海峽金橋財產保險股份有限公司 (Haixia Goldenbridge Insurance Co., Ltd.*), the Deputy General Manager of Investment Management Department of Fujian Investment and Enterprise Corporation, the Deputy General Manager of Development and Research Department of Fujian International Trust and Investment Corporation, the General Manager of Development Department, the General Manager of Financial Investment Management Department of Fujian Investment & Enterprise Holdings Corporation, the Assistant to General Manager of Fujian Investment & Development Group Co., Ltd., a Director of Xiamen King Long Motor Group Co., Ltd. (Stock code: 600686) and the Chairman of various venture capital companies. Mr Wang is currently the Deputy General Manager of Fujian Investment & Development Group Co., Ltd. and was the Director and the Chairman of Vigour Fine Company Limited, both of which companies are controlling shareholders of the Company. Mr Wang is currently a Director of Industrial Securities Co., Ltd. (Stock code: 601377), a company listed on the Shanghai Stock Exchange. Mr Wang is also a Director of Xiamen International Bank, a Director and the Vice Chairman of 海峽滙富產業投資基金管理有限公司 (Haixia Capital Management Co., Ltd.*), the Chairman of Fujian Innovation Venture Investment Management Co., Ltd., the Director of Alltrust Property Insurance Company Ltd. and the Chairman of 福建省產業股權投資基金有限公司 (Fujian Property Investment Fund Company Ltd.*).

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)

陳宇先生，55歲，自2018年9月起獲委任為本公司執行董事、總經理、常務董事委員會及薪酬委員會成員。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長，以及本公司若干附屬公司之董事。陳先生曾於2018年8月獲委任為本公司常務副總經理。陳先生現時為貴信有限公司之總經理、董事兼董事長，該公司為本公司之控股股東。彼亦是Samba Limited之董事，該公司為本公司之主要股東。彼現時為福建省中小企業信用再擔保有限公司董事長及法定代表人。陳先生持有福州大學土木工程系水電工程專業本科學歷。彼具有中國大陸高級經濟師職稱。陳先生在金融科技、資本運作及融資再擔保具有豐富的經驗。

陳先生自1985年7月至2000年4月期間，曾擔任建設銀行福建省分行投資處科員、營業部科員、營業部信貸部副經理、業務拓展部經理及資產保全科科長。自2000年4月至2004年7月期間，他曾擔任中國光大銀行福州分行私人業務部副總經理、信貸管理部負責人及辦公室副總經理。自2004年7月至2007年4月期間，他曾擔任中國光大銀行福州分行鼓樓支行行長。自2007年4月至2007年12月期間，他曾擔任福建省農村信用社聯合社科技處副處長。自2008年2月至2009年9月期間，他曾擔任福建省農村信用社聯合社科技處處長及科技服務中心總經理。自2009年9月至2011年6月期間，他曾擔任福建省農村信用社聯合社科技處處長、科技服務中心總經理及寧德辦事處主任。自2011年6月至2015年2月期間，彼亦曾擔任福建省農村信用社聯合社科技處處長及科技服務中心總經理。自2015年2月至2018年2月期間，他曾擔任福建省農村信用社聯合社科技部（科技服務中心）總經理兼創新發展部總經理。自2018年2月至2018年8月期間，他曾擔任福建省中小企業信用再擔保有限公司總經理。以及自2018年2月至2018年9月期間，他曾擔任福建省農業信貸擔保有限公司董事長及法定代表人。

EXECUTIVE DIRECTORS (Continued)

Mr CHEN Yu, aged 55, has been appointed as an Executive Director, a General Manager, and a member of the Executive Committee and the Remuneration Committee of the Company since September 2018. He is currently the Chairman of Min Xin Insurance Company Limited and Fujian Minxin Investments Co., Ltd., and directors of certain subsidiaries of the Company. Mr Chen was appointed as an Executive Deputy General Manager of the Company in August 2018. Mr Chen is currently the general manager, the director and the chairman of Vigour Fine Company Limited, which is a controlling shareholder of the Company. He is also a director of Samba Limited, which is a substantial shareholder of the Company. He is the chairman and the legal representative of 福建省中小企業信用再擔保有限公司 (Fujian Province SMEs Credit Re-guarantee Co., Ltd. *). Mr Chen holds a Bachelor degree in Water Conservancy and Hydropower Engineering from Civil Architectural Engineering Department of Fuzhou University. He is a Senior Economist in Mainland China. He has extensive experience in financial technology, capital operations and financing re-guarantee.

From July 1985 to April 2000, Mr Chen worked for the Fujian Branch of Construction Bank of China as a clerk of the Investment Department, a clerk of the Sales Department, the deputy manager of the Credit Department, the deputy manager of the Sales Department, the manager of the Business Development Department, and the section chief of the Asset Preservation Department. From April 2000 to July 2004, he was the deputy general manager of the Private Business Department, the director of the Credit Management Department, and the deputy general manager of the Administration Office of the Fuzhou Branch of China Everbright Bank. From July 2004 to April 2007, he served as the sub-branch manager of the Gulou Branch in Fuzhou of China Everbright Bank. From April 2007 to December 2007, he served as the deputy director of the Science and Technology Department of Fujian Rural Credit Union. From February 2008 to September 2009, he worked for Fujian Rural Credit Union as the director of the Science and Technology Department and the general manager of the Science and Technology Service Center. From September 2009 to June 2011, he worked for Fujian Rural Credit Union as the director of Science and Technology Department, the general manager of Science and Technology Service Center, and the director of Ningde Office. From June 2011 to February 2015, he also worked for Fujian Rural Credit Union as the director of the Science and Technology Department and the general manager of the Science and Technology Service Center. From February 2015 to February 2018, he served as the general manager of the Science and Technology Department (Technology Service Center) and the general manager of the Innovation and Development Department of Fujian Rural Credit Union. From February 2018 to August 2018, he served as the general manager of 福建省中小企業信用再擔保有限公司 (Fujian Province SMEs Credit Re-guarantee Co., Ltd. *). And, from February 2018 to September 2018, he served as the chairman and the legal representative of 福建省農業信貸擔保有限公司 (Fujian Agricultural Credit Guarantee Co., Ltd. *).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

非執行董事

楊敬朝先生，53歲，自2018年12月起獲委任為本公司非執行董事。楊先生現時為福建省投資開發集團有限責任公司（「福建投資集團」）金融資本部總經理及貴信有限公司之董事，該兩家公司均為本公司之控股股東。楊先生持有中國人民大學財政系國際金融專業經濟學學士學位及澳大利亞拉籌伯大學工商管理碩士學位。彼具有中國大陸經濟師職稱。楊先生在金融投資及資本運作具有豐富的經驗。

楊先生自1987年7月至1992年9月，曾分別擔任福建投資企業集團公司（前稱「福建投資企業公司」）及「福建國際信托投資公司」（「福建投資企業」）金融部科員、外匯資金部科員及資金管理部科員。自1992年9月至1994年1月，彼曾擔任福建投資企業資金管理部副主任科員。自1994年1月至1995年12月，彼曾擔任福建投資企業資金部副經理。自1995年12月至2003年4月，彼曾擔任福建投資企業國際金融部副總經理。自2003年4月至2005年9月及自2006年9月至2009年5月，楊先生曾擔任福建投資企業金融投資部副總經理。自2009年5月至2015年1月，彼曾擔任福建投資集團燃氣投資部項目副經理及中海石油福建新能源有限公司副總經理。於2012年3月至2015年1月期間，楊先生亦擔任為福建中閩物流有限公司總經理及法定代表人。自2015年1月至2016年10月，彼曾擔任福建投資集團綜合投資部副總經理。自2016年10月至2018年9月，彼曾擔任福建投資集團金融資本部項目經理及平潭綜合實驗區金融控股集團有限公司（「平潭金控集團」）總經理。於2017年8月至2018年9月期間，楊先生亦曾擔任為平潭金控集團之黨委書記、董事長及法定代表人。彼現時分別為福建省創新創業投資管理有限公司、福建省產業股權投資基金有限公司及福建省國騰信息科技有限公司之董事，以及福建省石墨烯產業投資合夥企業之投資決策委員會委員。

NON-EXECUTIVE DIRECTORS

Mr YANG Jingchao, aged 53, has been appointed as a Non-executive Director of the Company since December 2018. Mr Yang is currently the general manager of the Ministry of Finance Capital Department of Fujian Investment & Development Group Co., Ltd. ("Fujian Investment Group") and the director of Vigour Fine Company Limited, both of which are controlling shareholders of the Company. Mr Yang holds a Bachelor degree in International Finance from School of Finance of Renmin University of China and a Master of Business Administration of La Trobe University. He is an economist in Mainland China. He has extensive experience in financial investment and capital operations.

From July 1987 to September 1992, Mr Yang was the clerk of the Finance Department, the Foreign Exchange Department and the Capital Management Department of 福建投資企業集團公司 (Fujian Investment Enterprise Group Corporation*) (formerly known as 福建投資企業公司 (Fujian Investment Enterprise Company*)) and 福建國際信托投資公司 (Fujian International Trust and Investment Company*) ("Fujian Investment Enterprise") respectively. From September 1992 to January 1994, he served as the deputy officer clerk of the Capital Management Department of Fujian Investment Enterprise. From January 1994 to December 1995, he served as the deputy general manager of the Treasury Department of Fujian Investment Enterprise. From December 1995 to April 2003, he served as the deputy general manager of the International Finance Department of Fujian Investment Enterprise. From April 2003 to September 2005 and from September 2006 to May 2009, Mr Yang served as the deputy general manager of the Financial Investment Department of Fujian Investment Enterprise. From May 2009 to January 2015, he served as the deputy project manager of the Gas Investment Department of Fujian Investment Group and was the deputy general manager of 中海石油福建新能源有限公司 (CNOOC Fujian New Energy Co., Ltd.*). During the period between March 2012 to January 2015, Mr Yang was also the general manager and legal representative of 福建中閩物流有限公司 (Fujian Zhongmin Logistics Co., Ltd.*). From January 2015 to October 2016, he served as the deputy general manager of the Integrated Investment Department of Fujian Investment Group. From October 2016 to September 2018, he served as the project manager of the Ministry of Finance Capital Department of Fujian Investment Group and was the general manager of 平潭綜合實驗區金融控股集團有限公司 (Pingtan Comprehensive Experimental Zone Financial Holding Group Co., Ltd.*) ("Pingtan Financial Holding"). During the period between August 2017 to September 2018, Mr Yang was also the secretary of the Party Committee, the chairman of the board of directors and the legal representative of Pingtan Financial Holding. He is currently a director of each of Fujian Innovation Venture Investment Management Co., Ltd., 福建省產業股權投資基金有限公司 (Fujian Property Investment Fund Company Ltd.*) and 福建省國騰信息科技有限公司 (Fujian Guoteng Information Technology Co., Ltd.*), and also a member of investment committee of 福建省石墨烯產業投資合夥企業 (Fujian Graphene Industry Investment Partnership*).

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

非執行董事 (續)

韓孝捷先生，44歲，於2016年3月起獲委任為本公司的非執行董事。韓先生現時是冠城大通股份有限公司（「冠城大通」，證券代碼：600067）之董事總經理，該公司於上海證券交易所上市。韓先生於2004年12月加入冠城大通擔任董事副總經理，並於2006年4月獲委任為冠城大通之董事總經理。韓先生現時為福建省青年商會副會長、福建省房地產協會開發委員會副會長及福州市政治協商委員會常委。

獨立非執行董事

葉啟明先生，67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員，於銀行界及財經界具逾40年豐富經驗。他亦為澳門中華總商會會董。葉先生持有香港浸會大學公司管治與董事學理學碩士學位。

NON-EXECUTIVE DIRECTORS (Continued)

Mr HON Hau Chit, aged 44, has been appointed as a Non-executive Director of the Company since March 2016. Mr Hon is currently the Managing Director of Citychamp Dartong Company Limited ("Citychamp Dartong", Stock code: 600067), a company listed in the Shanghai Stock Exchange. Mr Hon joined Citychamp Dartong in December 2004 as Deputy Managing Director and then appointed as the Managing Director since April 2006. Mr Hon is currently the Vice Chairman of Fujian Youth Chamber of Commerce, the Vice Chairman of Development Committee of Fujian Real Estate Association and a member of Standing Committee of Fuzhou Municipal Committee of Chinese People's Political Consultative Conference.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr IP Kai Ming, aged 67, 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. 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)

張文海先生，48歲，FCCA，CPA，自2017年4月起獲委任為本公司之獨立非執行董事，並為本公司審核委員會主席，彼亦自2018年4月起獲委任為本公司提名委員會及薪酬委員會成員。張先生於1993年畢業於香港理工大學，持有會計學(榮譽)文學士，並於2003年取得香港中文大學工商管理碩士學位。張先生亦為特許公認會計師公會資深會員及香港會計師公會會員。彼在專業會計、業務諮詢及企業管理方面擁有超過20年經驗。張先生曾擔任五洲國際控股有限公司(股份代號:1369)之首席財務官及公司秘書，一間於聯交所主板上市的公司。自2011年至2012年及自2009年至2012年，張先生分別擔任綠地香港控股有限公司(原名盛高置地(控股)有限公司)(股份代號:337)之執行董事及首席財務官。自2007年至2008年，張先生擔任玖龍紙業(控股)有限公司(股份代號:2689)之集團財務總監。自2000年至2003年，張先生擔任天津發展控股有限公司(股份代號:882)之集團財務總監及公司秘書，該等公司均於聯交所主版上市。

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr CHEUNG Man Hoi, aged 48, FCCA, CPA, has been appointed as an Independent Non-executive Director and the Chairman of the Audit Committee since April 2017 and has also been appointed as a member of the Nomination Committee and the Remuneration Committee of the Company since April 2018. Mr Cheung graduated from the Hong Kong Polytechnic University with a Bachelor of Arts (Hons) in Accountancy in 1993 and the Chinese University of Hong Kong with an Executive MBA degree in 2003. Mr Cheung is also a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has accumulated over 20 years of experience in professional accounting, business consulting and corporate management. Mr Cheung was the Chief Financial Officer and the Company Secretary of Wuzhou International Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code:1369). He was the Executive Director and the Chief Financial Officer of Greenland Hong Kong Holdings Limited (formerly known as SPG Land (Holdings) Limited) (Stock code: 337) from 2011 to 2012 and from 2009 to 2012 respectively, the Group Financial Controller of Nine Dragons Paper (Holdings) Limited (Stock code: 2689) from 2007 to 2008, and the Group Financial Controller and the Company Secretary of Tianjin Development Holdings Limited (Stock code: 882) from 2000 to 2003, all of which are listed on the Main Board of the Stock Exchange.

董事及高級管理人員個人簡歷

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

獨立非執行董事（續）

梁創順先生，53歲，自2018年5月起獲委任為本公司獨立非執行董事、審核委員會、提名委員會及薪酬委員會成員。梁先生現時為胡關李羅律師行的合夥人。彼自1991年起於香港成為執業律師。梁先生於1988年畢業於香港大學，獲得法學榮譽學士學位。彼具有香港及英國律師資格並為中國委託公證人。梁先生曾任胡關李羅律師行北京辦事處首席代表。彼分別自2011年1月至2017年11月擔任中國交通建設股份有限公司（股份代號：1800）及自2007年7月至2018年5月擔任中國中材股份有限公司（股份代號：1893）獨立非執行董事。梁先生現時擔任石四藥集團有限公司（原名利君國際醫藥（控股）有限公司）（股份代號：2005）、中國中煤能源股份有限公司（股份代號：1898）及康哲藥業控股有限公司（股份代號：867）的獨立非執行董事。上述公司均於聯交所主板上市。梁先生在企業融資、併購及商事法律方面具有豐富經驗，並曾參與多家中國H股及紅籌公司的上市及收購。

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr LEUNG Chong Shun, aged 53, has been appointed as an Independent Non-executive Director and a Member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company since May 2018. Mr Leung is currently a partner of Woo Kwan Lee & Lo. He has been a practicing solicitor in Hong Kong since 1991. Mr Leung graduated from the University of Hong Kong in 1988 and obtained a bachelor's degree in laws with honors. He is qualified as a solicitor in Hong Kong and England and an Attesting Officer appointed by the PRC. Mr Leung was the Chief Representative of Woo Kwan Lee & Lo Beijing Office. He was an Independent Non-executive Director of China Communications Construction Company Limited (Stock code: 1800) from January 2011 to November 2017 and China National Materials Company Limited (Stock code: 1893) from July 2007 to May 2018, respectively. Mr Leung is currently an Independent Non-executive Director of SSY Group Limited (formerly known as Lijun International Pharmaceutical (Holding) Co.,Ltd.)(Stock code: 2005), China Coal Energy Company Limited (Stock code: 1898) and China Medical System Holdings Limited (Stock code: 867). All the companies mentioned above are listed on the Main board of the Stock Exchange. Mr Leung has accumulated extensive experiences in corporate finance, mergers and acquisitions and commercial law and has been involved in various listing and acquisition transactions of Chinese H Share companies and red chip companies.

* 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.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

高級管理人員

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

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

翁衛建女士，於2018年1月加入本公司出任總稽核之職。她畢業於閩江大學財務專科及華東政法大學法學本科，並持有中國大陸高級會計師職稱。翁女士在風險管控、會計核算、資產管理和金融管理等方面逾25年豐富經驗。她現時為閩信保險有限公司、福建閩信投資有限公司及三明市三元區閩信小額貸款有限公司之監事，該等公司均為本公司全資附屬公司及本公司主要股東Samba Limited之董事。彼是閩港控股有限公司(股份代號:181)之非執行董事、亦分別擔任聯宏泰(香港)有限公司、建興財務有限公司、建興國際投資有限公司、輝達投資有限公司及華鑫(香港)控股有限公司之董事。

SENIOR MANAGEMENT

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

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

Ms WENG Wei Jian, joined the Company as Group Chief Auditor in January 2018. She graduated in the major of finance and accounting from Minjiang University and in the major of law from East China University of Political Science and Law. She is a Senior Accountant in Mainland China. Ms Weng has over 25 years' extensive experience in risk management and control, accounting, assets management and financial management. She is currently the Supervisor of Min Xin Insurance Company Limited, Fujian Minxin Investments Co., Ltd. and Sanming Sanyuan District Minxin Micro Credit Company Limited, all of which are wholly-owned subsidiaries of the Company and a Director of Samba Limited, the substantial shareholder of the Company. She is a Non-executive Director of Fujian Holdings Limited (Stock code:181), and also a Director of Land Hot (Hong Kong) Limited, Jian Xing Finance Limited, Jian Xing International Investments Limited, Fancy Time Investment Limited and Sino Earn Holdings Limited respectively.

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，除下文之偏離外，本公司於2018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。

企管守則第A.6.7條列明獨立非執行董事及其他非執行董事須出席股東大會。企管守則第E.1.2條亦列明董事會主席須出席股東週年大會。此外，其亦列明董事會轄下的獨立委員會（如有）的主席亦應在任何批准關連交易或任何其他須經獨立股東批准的交易的股東大會上回應問題。另外，董事會主席亦應邀請審核委員會、薪酬委員會、提名委員會及任何其他委員會（視何者適用而定）的主席出席股東週年大會。

獨立非執行董事蘇合成先生、非執行董事韓孝捷先生及董事會主席兼執行董事嚴正先生分別因其他公務或未預料的事務未能出席本公司於2018年6月13日舉行之股東週年大會。副主席兼執行董事王非先生已擔任上述股東週年大會的主席，彼有足夠的能力及知識於股東大會上回應問題。

董事會將繼續監控及檢討本公司之企業管治常規以確保遵守企管守則。

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 2018 except for the following deviations:

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

CG Code A.6.7 provides that independent non-executive directors and other non-executive directors should attend general meetings. CG Code E.1.2 also provides that the chairman of the Board should attend the annual general meeting. Further, it provides that the chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders’ approval. In addition, the chairman of the Board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting.

Mr SO Hop Shing, an Independent Non-executive Director, Mr HON Hau Chit, a Non-executive Director and Mr YAN Zheng, the Chairman of the Board and an Executive Director of the Company were unable to attend the annual general meeting of the Company held on 13 June 2018 respectively, due to other business commitments or unexpected engagements. Mr WANG Fei, the Vice Chairman and an Executive Director of the Company took the chair at the aforesaid annual general meeting of the Company, was of sufficient calibre and knowledge for answering questions at the general meeting.

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

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、兩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2018年12月31日的成員名單：

執行董事 Executive Directors	非執行董事 Non-executive Directors	獨立非執行董事 Independent Non-executive Directors
嚴正 (主席) (於2018年4月12日委任) YAN Zheng (Chairman) (appointed on 12 April 2018)	楊敬朝先生 (於2018年12月7日委任) YANG Jingchao (appointed on 7 December 2018)	葉啟明 IP Kai Ming
王非 (副主席) WANG Fei (Vice Chairman)	韓孝捷 HON Hau Chit	張文海 CHEUNG Man Hoi
陳宇 (總經理) (於2018年9月10日委任) CHEN Yu (General Manager) (appointed on 10 September 2018)		梁創順 (於2018年5月3日委任) LEUNG Chong Shun (appointed on 3 May 2018)

自2018年1月1日開始，董事會若干變動載列如下：

史習陶先生已辭任為獨立非執行董事，自2018年4月1日起生效。

嚴正先生獲委任為執行董事及董事會主席，自2018年4月12日起生效。

彭錦光先生已辭任為執行董事及董事會主席，自2018年4月12日起生效。

梁創順先生獲委任為獨立非執行董事，自2018年5月3日起生效。

蘇合成先生已退任為獨立非執行董事，自2018年6月13日起生效。

陳宇先生獲委任為執行董事兼總經理，自2018年9月10日起生效。

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 2018, the composition of the Board of the Company was as follow:

Since 1 January 2018, there have been a number of changes in the Board as set out below:

Mr SZE Robert Tsai To resigned as an Independent Non-executive Director with effect from 1 April 2018.

Mr YAN Zheng was appointed as an Executive Director and the Chairman of the Board with effect from 12 April 2018.

Mr PENG Jin Guang resigned as an Executive Director and the Chairman of the Board with effect from 12 April 2018.

Mr LEUNG Chong Shun was appointed as an Independent Non-executive Director with effect from 3 May 2018.

Mr SO Hop Shing retired as an Independent Non-executive Director with effect from 13 June 2018.

Mr CHEN Yu was appointed as an Executive Director and the General Manager with effect from 10 September 2018.

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董事會 (續)

董事會的組成及職能 (續)

劉承先生已辭任為執行董事兼總經理，自2018年9月10日起生效。

劉倫先生已辭任為非執行董事，自2018年11月15日起生效。

楊敬朝先生獲委任為非執行董事，自2018年12月7日起生效。

董事委員會

自2018年1月1日開始，董事委員會變動載列如下：

張文海先生獲委任為本公司提名委員會（「提名委員會」）及本公司薪酬委員會（「薪酬委員會」）成員，自2018年4月1日起生效。

史習陶先生辭任獨立非執行董事，自2018年4月1日起生效後，彼不再擔任審核委員會、提名委員會及薪酬委員會成員，自2018年4月1日起生效。

嚴正先生獲委任為常務董事委員會及提名委員會主席，自2018年4月12日起生效。

彭錦光先生辭任執行董事及董事會主席，自2018年4月12日起生效後，彼不再擔任常務董事委員會及提名委員會主席，自2018年4月12日起生效。

梁創順先生獲委任為審核委員會、提名委員會及薪酬委員會成員，自2018年5月3日起生效。

蘇合成先生退任獨立非執行董事，自2018年6月13日起生效後，彼不再擔任審核委員會、提名委員會及薪酬委員會成員，自2018年6月13日起生效。

BOARD OF DIRECTORS (Continued)

Board Composition and Functions (Continued)

Mr LIU Cheng resigned as an Executive Director and the General Manager with effect from 10 September 2018.

Mr LIU Lun resigned as a Non-executive Director with effect from 15 November 2018.

Mr YANG Jingchao was appointed as a Non-executive Director with effect from 7 December 2018.

BOARD COMMITTEES

Since 1 January 2018, there have been a number of changes in the Board Committees as set out below:

Mr CHEUNG Man Hoi was appointed as a member of the nomination committee of the Company (the "Nomination Committee") and the remuneration committee of the Company (the "Remuneration Committee") with effect from 1 April 2018.

Mr SZE Robert Tsai To ceased to be a member of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 1 April 2018, following his resignation as an Independent Non-executive Director with effect from 1 April 2018.

Mr YAN Zheng was appointed as the Chairman of the Executive Committee and the Nomination Committee with effect from 12 April 2018.

Mr PENG Jin Guang ceased to be the Chairman of the Executive Committee and the Nomination Committee with effect from 12 April 2018, following his resignation as an Executive Director and the Chairman of the Board with effect from 12 April 2018.

Mr LEUNG Chong Shun was appointed as a member of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 3 May 2018.

Mr SO Hop Shing ceased to be a member of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 13 June 2018, following his retirement as an Independent Non-executive Director with effect from 13 June 2018.

董事委員會 (續)

陳宇先生獲委任為常務董事委員會及薪酬委員會成員，自2018年9月10日起生效。

劉承先生自2018年9月10日起辭任為執行董事兼總經理，彼不再擔任為常務董事委員會及薪酬委員會成員，自2018年9月10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。本公司從多方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。

董事會所有委任均以用人唯才為原則。而所委任的人選，應能配合和拓展董事會整體技能、知識和經驗，令董事會能有效運作、支持其達到戰略目標及維持可持續發展。同時在考慮人選時以一系列多元化範疇為基準之客觀條件充分顧及董事會成員多元化的裨益。本公司提名委員會將每年匯報董事會在多元化層面的組成，並監察本政策的執行。本公司提名委員會將在適當時候檢討本政策，以確保本政策行之有效及會討論任何或需作出的修訂，再向董事會提出修訂建議，由董事會審批。

BOARD COMMITTEES (Continued)

Mr CHEN Yu was appointed as a member of the Executive Committee and the Remuneration Committee with effect from 10 September 2018.

Mr LIU Cheng ceased to be a member of the Executive Committee and the Remuneration Committee with effect from 10 September 2018, following his resignation as an Executive Director and the General Manager with effect from 10 September 2018.

The composition of the current Board members represents a balanced mixture of skills, experiences and qualifications. The Executive Directors and Non-executive Directors have extensive experiences in financial investment and management, corporate development and management whilst the 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.

All appointments of the Board are based on the principle of meritocracy. The appointees should be able to cope with and extend the overall skills, knowledge and experience of the Board so that the Board can operate effectively, supportive to achieve strategic goals and the sustainable development. Meanwhile the consideration has taken account of the mixed objective criteria for gaining the benefits of diversity of Board members. The Nomination Committee of the Company will report on the issues of Board's diversity annually and will monitor the implementation of the policy. The Nomination Committee of the Company will review the policy in due course to ensure its effectiveness and also for the discussion and proposal of the appropriate amendments to the Board's approval.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事委員會 (續)

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。

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 COMMITTEES (Continued)

The current Board consists of a diverse mixture of Board members appropriate to the requirement of the business of the Company.

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

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

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

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

董事委員會 (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 COMMITTEES (Continued)

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

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

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

企業管治報告 CORPORATE GOVERNANCE REPORT

董事委員會 (續)

於2018年，本公司共舉行了五次董事會會議及一次股東大會。各位董事之個別出席紀錄載列如下：

BOARD COMMITTEES (Continued)

In 2018, five Board meetings and one general meeting were held. The individual attendance of each Director is set out below:

		會議次數 出席／舉行 Number of Meeting attended/held	
		董事會 Board Meeting	股東大會 General Meeting
執行董事		Executive Directors	
嚴正先生 (主席及 提名委員會主席) (於2018年4月12日委任)	Mr YAN Zheng (Chairman and Chairman of Nomination Committee) (Appointed on 12 April 2018)	2/4	0/1
彭錦光先生 (主席及 提名委員會主席) (於2018年4月12日辭任)	Mr PENG Jin Guang (Chairman and Chairman of Nomination Committee) (Resigned on 12 April 2018)	1/1	不適用 N/A
王非先生 (副主席)	Mr WANG Fei (Vice Chairman)	3/5	1/1
陳宇先生 (總經理) (於2018年9月10日委任)	Mr CHEN Yu (General Manager) (Appointed on 10 September 2018)	2/2	不適用 N/A
劉承先生 (總經理) (於2018年9月10日辭任)	Mr LIU Cheng (General Manager) (Resigned on 10 September 2018)	3/3	1/1
非執行董事		Non-executive Directors	
韓孝捷先生	Mr HON Hau Chit	1/5	0/1
楊敬朝先生 (於2018年12月7日委任)	Mr YANG Jingchao (Appointed on 7 December 2018)	2/2	不適用 N/A
劉倫先生 (於2018年11月15日辭任)	Mr LIU Lun (Resigned on 15 November 2018)	3/3	1/1
獨立非執行董事		Independent Non-executive Directors	
葉啟明先生 (薪酬委員會主席)	Mr IP Kai Ming (Chairman of Remuneration Committee)	5/5	1/1
蘇合成先生 (於2018年6月13日退任)	Mr SO Hop Shing (Retired on 13 June 2018)	1/2	0/1
張文海先生 (審核委員會主席)	Mr CHEUNG Man Hoi (Chairman of Audit Committee)	5/5	1/1
史習陶先生 (於2018年4月1日辭任)	Mr SZE Robert Tsai To (Resigned on 1 April 2018)	1/1	不適用 N/A
梁創順先生 (於2018年5月3日委任)	Mr LEUNG Chong Shun (Appointed on 3 May 2018)	3/4	1/1

董事委員會 (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，包括但不限於股息政策，董事會多元化政策和董事提名政策；
- 檢討和監察董事和高級管理人員的培訓及持續專業發展；
- 檢討和監察本公司法律和監管要求的合規政策及常規；
- 制定、檢討及監察董事及僱員的行為守則及合規指引（如有）；及
- 檢討本公司的企業管治報告對企業管治守則及披露要求的合規情況。

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 COMMITTEES (Continued)

Corporate Governance Functions

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

- To develop and review the Company's policies and practices on corporate governance, including but not limited to the Dividend Policy, Board Diversity Policy and Director Nomination Policy;
- 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

董事委員會 (續)

主席及行政總裁 (續)

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

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

獨立非執行董事之獨立性

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

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

BOARD COMMITTEES (Continued)

Chairman and Chief Executive (Continued)

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

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

Independence of Independent Non-executive Directors

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

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

董事委員會 (續)

委任、重選和罷免

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

有關2019年股東週年大會上輪值告退的董事資料。將刊載於通函連同2019年股東週年大會通告內。

非執行董事的任期

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

董事的持續專業發展

本公司鼓勵所有董事參與持續專業發展，發展並更新其知識及技能，以確保其對董事會作出有見識及合適的貢獻。於2018年，本公司為董事及高級管理人員安排了一次研討會，主題涵蓋企業財務智能轉型 – 財務機器人解決方案。

BOARD COMMITTEES (Continued)

Appointment, Re-election and Removal

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

Details of retirement by rotation of the Director at the annual general meeting of the Company for the year 2019 (the "2019 AGM") will be stated in the circular and accompanied by the notice of the 2019 AGM.

Term of appointment of Non-executive Directors

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

Directors' Continuous Professional Development

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. In 2018, the Company has arranged one seminar for the Directors and senior management with topics covering the corporate financial intelligence transformation – robotic process automation solution.

企業管治報告 CORPORATE GOVERNANCE REPORT

董事委員會 (續)

BOARD COMMITTEES (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			
嚴正先生 (主席及提名委員會主席) (於2018年4月12日委任)	Mr YAN Zheng (Chairman and Chairman of Nomination Committee) (Appointed on 12 April 2018)	–	✓
彭錦光先生 (主席及提名委員會主席) (於2018年4月12日辭任)	Mr PENG Jin Guang (Chairman and Chairman of Nomination Committee) (Resigned on 12 April 2018)	–	✓
王非先生 (副主席)	Mr WANG Fei (Vice Chairman)	✓	✓
陳宇先生 (總經理) (於2018年9月10日委任)	Mr CHEN Yu (General Manager) (Appointed on 10 September 2018)	–	✓
劉承先生 (總經理) (於2018年9月10日辭任)	Mr LIU Cheng (General Manager) (Resigned on 10 September 2018)	✓	✓
非執行董事			
韓孝捷先生	Mr HON Hau Chit	–	✓
楊敬朝先生 (於2018年12月7日委任)	Mr YANG Jingchao (Appointed on 7 December 2018)	–	✓
劉倫先生 (於2018年11月15日辭任)	Mr LIU Lun (Resigned on 15 November 2018)	✓	✓
獨立非執行董事			
葉啟明先生 (薪酬委員會主席)	Mr IP Kai Ming (Chairman of Remuneration Committee)	✓	✓
蘇合成先生 (於2018年6月13日退任)	Mr SO Hop Shing (Retired on 13 June 2018)	–	✓
張文海先生 (審核委員會主席)	Mr CHEUNG Man Hoi (Chairman of Audit Committee)	✓	✓
史習陶先生 (於2018年4月1日辭任)	Mr SZE Robert Tsai To (Resigned on 1 April 2018)	–	✓
梁創順先生 (於2018年5月3日委任)	Mr LEUNG Chong Shun (Appointed on 3 May 2018)	✓	✓

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，即嚴正先生（主席）、王非先生及陳宇先生。

彭錦光先生不再擔任常務董事委員會主席，嚴正先生獲委任為常務董事委員會主席，均於2018年4月12日生效。

劉承先生不再擔任為常務董事委員會成員及陳宇先生獲委任為常務董事委員會成員，均於2018年9月10日生效。

審核委員會

審核委員會現時由三名獨立非執行董事組成，由張文海先生擔任主席。張文海先生在專業會計、業務諮詢及企業管理方面擁有超過20年經驗。其他成員包括葉啟明先生和梁創順先生（自2018年5月3日起獲委任為成員）。史習陶先生及蘇合成先生分別於2018年4月1日及2018年6月13日不再擔任為審核委員會成員。

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 YAN Zheng (Chairman), Mr WANG Fei and Mr CHEN Yu.

Mr PENG Jin Guang ceased to be the Chairman of the Executive Committee and Mr YAN Zheng was appointed as the Chairman of the Executive Committee, both with effect from 12 April 2018.

Mr LIU Cheng ceased to be a member of Executive Committee and Mr CHEN Yu was appointed as a member of Executive Committee, both with effect from 10 September 2018.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors and is chaired by Mr CHEUNG Man Hoi. Mr CHEUNG Man Hoi has accumulated over 20 years of experience in professional accounting, business consulting and corporate management. The other members are Mr IP Kai Ming and Mr LEUNG Chong Shun (appointed as a member with effect from 3 May 2018). Mr SZE Robert Tsai To and Mr SO Hop Shing ceased to be a member of the Audit Committee on 1 April 2018 and 13 June 2018 respectively.

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2017年12月31日止年度的全年業績和截至2018年6月30日止6個月期間的中期業績，並向董事會推薦建議審批；
- 檢討並從管理層獲得關於中期及全年業績的闡釋，當中包括與前會計期間變動的原因、採納新會計政策的影響以及上市規則及相關法規的合規情況；
- 檢討本集團內部審計部門的工作，以及有關內部審計報告提及之調查結果和建議；
- 審閱2018年度的內審工作計劃；
- 就本公司外聘核數師的委任向董事會提供建議；
- 審閱2018年度的審計工作計劃；

DELEGATION BY THE BOARD (Continued)

Audit Committee (Continued)

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

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

- reviewed and discussed with external auditor the annual results for the year ended 31 December 2017 and the interim results for the six months ended 30 June 2018 and recommended to the Board for approval respectively;
- reviewed and obtained explanation from management on the interim and annual results, including causes of changes from the previous accounting period, effects on the application of new accounting policies, and compliance with the Listing Rules and relevant legislation;
- reviewed the activities of the Group's internal audit function and its findings and recommendations as laid down in the internal audit reports;
- reviewed the internal audit plan for the year 2018;
- recommended to the Board regarding the appointment of the Company's external auditor;
- reviewed the audit plan for the year 2018;

董事會權力的轉授 (續)

審核委員會 (續)

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

審核委員會於2018年舉行了二次會議及通過一項書面決議案。每位成員之會議出席紀錄載列如下：

DELEGATION BY THE BOARD (Continued)

Audit Committee (Continued)

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

In 2018, the Audit Committee held two meetings and passed one written resolution. The meeting attendance records of individual committee members are set out below:

		會議次數 出席／舉行 Number of Meetings attended/held
張文海先生 (主席)	Mr CHEUNG Man Hoi (Chairman)	2/2
葉啟明先生	Mr IP Kai Ming	2/2
梁創順先生 (於2018年5月3日委任)	Mr LEUNG Chong Shun (Appointed on 3 May 2018)	1/1
史習陶先生 (於2018年4月1日辭任)	Mr SZE Robert Tsai To (Resigned on 1 April 2018)	1/1
蘇合成先生 (於2018年6月13日退任)	Mr SO Hop Shing (Retired on 13 June 2018)	1/1

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董事會權力的轉授 (續)

薪酬委員會

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

張文海先生、梁創順先生及陳宇先生分別自2018年4月1日、2018年5月3日及2018年9月10日起獲委任為薪酬委員會成員。

史習陶先生、蘇合成先生及劉承先生分別自2018年4月1日、2018年6月13日及2018年9月10日起不再擔任為薪酬委員會成員。

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。

於年內，薪酬委員會履行了(其中包括)以下職責：

- 檢討本公司員工薪酬調整之建議，並向董事會推薦審批；
- 檢討發放獎金予高級管理人員之建議，並向董事會推薦審批；
- 檢討2018年度董事袍金，並向董事會推薦審批；及
- 考慮新委任董事的董事袍金，並向董事會推薦審批。

DELEGATION BY THE BOARD (Continued)

Remuneration Committee

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

Mr CHEUNG Man Hoi, Mr LEUNG Chong Shun and Mr CHEN Yu were appointed as a member of the Remuneration Committee with effect from 1 April 2018, 3 May 2018 and 10 September 2018 respectively.

Mr SZE Robert Tsai To, Mr SO Hop Shing and Mr LIU Cheng ceased to be a member of the Remuneration Committee with effect from 1 April 2018, 13 June 2018 and 10 September 2018 respectively.

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.

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

- reviewed the proposal for salary adjustments to its employees and recommended the same to the Board for approval;
- reviewed the proposal for payment of bonus to senior management and recommended the same to the Board for approval;
- reviewed the Directors' fees for the year of 2018 and recommended the same to the Board for approval; and
- considered the Director's fee for the newly appointed Director and recommended the same to the Board for approval.

董事會權力的轉授 (續)

DELEGATION BY THE BOARD (Continued)

薪酬委員會 (續)

Remuneration Committee (Continued)

薪酬委員會於2018年度舉行了一次會議及通過四項書面決議案。每位成員之會議出席紀錄載列如下：

In 2018, the Remuneration Committee held one meeting and passed four written resolutions. The meeting attendance records of individual committee members are set out below:

		會議次數 出席／舉行 Number of Meetings attended/held
葉啟明先生 (主席)	Mr IP Kai Ming (Chairman)	1/1
張文海先生 (於2018年4月1日委任)	Mr CHEUNG Man Hoi (Appointed on 1 April 2018)	不適用 N/A
梁創順先生 (於2018年5月3日委任)	Mr LEUNG Chong Shun (Appointed on 3 May 2018)	不適用 N/A
史習陶先生 (於2018年4月1日辭任)	Mr SZE Robert Tsai To (Resigned on 1 April 2018)	1/1
蘇合成先生 (於2018年6月13日退任)	Mr SO Hop Shing (Retired on 13 June 2018)	0/1
陳宇先生 (於2018年9月10日委任)	Mr CHEN Yu (Appointed on 10 September 2018)	不適用 N/A
劉承先生 (於2018年9月10日辭任)	Mr LIU Cheng (Resigned on 10 September 2018)	1/1
陳廣宇先生	Mr CHAN Kwong Yu	1/1

有關董事之薪酬詳情已按個別基準披露，並載列於本集團綜合財務報表註釋10。截至2018年12月31日，本公司支付予高級管理人員的酬金按酬金範圍載列如下：

Details of the remuneration of Directors are disclosed on an individual basis and are set out in Note 10 to the consolidated financial statements of the Group. The remuneration payable to senior management of the Company by band for the year ended 31 December 2018 was as follows:

		人數 Number of Individuals
港幣 1,000,001 元 – 港幣 1,500,000 元	HK\$1,000,001 – HK\$1,500,000	2
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	1
港幣 3,500,001 元 – 港幣 4,000,000 元	HK\$3,500,001 – HK\$4,000,000	1

企業管治報告 CORPORATE GOVERNANCE REPORT

董事會權力的轉授 (續)

提名委員會

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

嚴正先生獲委任為提名委員會主席及成員，彭錦光先生不再擔任提名委員會主席及成員，均自2018年4月12日起生效。

張文海先生及梁創順先生分別自2018年4月1日及2018年5月3日起獲委任為提名委員會成員。

史習陶先生及蘇合成先生分別自2018年4月1日及2018年6月13日起不再擔任為提名委員會成員。

本公司於年內已採納提名政策（「提名政策」），該政策目的以制定提名合適的候選人加入為董事以滿足公司的業務需求和發展。提名和甄選權已下放於提名委員會。提名委員會審閱董事會的結構，規模和組成，並通過評估一系列因素來確定合適的人選，包括但不限於信譽、業務經驗和成就、專業資格、技能、可投入的時間及代表相關界別的利益之貢獻、及提升董事會多元化和獨立非執行董事的獨立性。關於確立獨立非執行董事的獨立性，建議人選需根據上市規則第13.51(2) (h)至(w)條須予披露的資料作出的聲明，或就此作出的適當否定聲明，另需根據上市規則第3.13條作出獨立性確認（包括他／她的直系親屬）。

DELEGATION BY THE BOARD (Continued)

Nomination Committee

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

Mr YAN Zheng was appointed as the chairman and a member of the Nomination Committee and Mr PENG Jin Guang ceased to be the chairman and a member of the Nomination Committee, both with effect from 12 April 2018.

Mr CHEUNG Man Hoi and Mr LEUNG Chong Shun were appointed as a member of the Nomination Committee with effect from 1 April 2018 and 3 May 2018 respectively.

Mr SZE Robert Tsai To and Mr SO Hop Shing ceased to be a member of the Nomination Committee with effect from 1 April 2018 and 13 June 2018 respectively.

The Company had adopted a nomination policy (the "Nomination Policy") during the year for the purpose of nominating suitable candidates to join the Company's directorship for the Company's business needs and development. The nomination and selection had delegated to the Nomination Committee. The Nomination Committee will review the structure, size and composition of the Board and to identify suitable individual by assessment of a number of factors, including but not limited to, reputation for integrity, business experience and accomplishment, professional qualification, skills, contribution in time commitment and relevant interests, enhancement in board diversity and the independence of independent non-executive directorship. In regarding to ensure the independence of independent non-executive director, the proposed candidate will be required to provide a declaration in respect of the information required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules, or an appropriate negative statement to that effect, in addition to, a confirmation of the independence under Rule 3.13 of the Listing Rules by the proposed candidate (including his/her immediate family members).

董事會權力的轉授 (續)

提名委員會 (續)

提名委員會需召開會議甄選適當之人選後，向董事會提名該等適當人選，以供董事會考慮及向股東推薦於股東大會上選任為董事，或供董事會批准以填補董事之臨時空缺。提名委員會提名的人選數目可（按其認為適當）超過將於股東大會上委任或重新委任的董事人數，或超過需要填補的臨時空缺數目。如在候選人的數目可能較空缺數目為多之情況下，「總票數」方法將會被採用去釐定哪一位候選人選任為董事，因此股東提出的議案與董事會推薦候選人的議案須採用相同的格式。提名委員會將酌情監察及檢討提名政策，以確保其與本公司的需要相關，並反映現時的監管規定及良好的企業管治常規。

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2018年股東週年大會上重選退任董事。

DELEGATION BY THE BOARD (Continued)

Nomination Committee (Continued)

The Nomination Committee will call a meeting for considering the suitable candidates who are then be nominated to the Board for it to consider and make recommendations to shareholders for election as Directors at general meetings or for the Board's approval in filling casual vacancies. The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled. In case of more candidates than the vacancies available, and the "gross-vote" method will be used to determine who shall be elected as a Director, shareholder proposed resolutions shall therefore take the same form as the resolutions proposed for the candidates recommended by the Board. The Nomination Committee will monitor and review the Nomination Policy as appropriate to ensure its relevance to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.

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

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

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

- reviewed the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board in accordance with the Board Diversity Policy and reported to the Board annually;
- reviewed and assessed the independence of the Independent Non-executive Directors;
- reviewed and recommended to the Board for appointment of new Directors; and
- reviewed and recommended to the Board for the proposed re-election of the retiring Directors at the annual general meeting held in 2018.

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2018年舉行了一次會議及分別通過六次書面決議案，其中五次書面決議案為與董事變更有關之事宜。各位成員之個別會議出席紀錄載列如下：

DELEGATION BY THE BOARD (Continued)

Nomination Committee (Continued)

In 2018, the Nomination Committee held one meeting and passed six separate written resolutions, amongst which five written resolutions were concerning matters related to change in Directors. The meeting attendance records of individual committee members are set out below:

	會議次數 出席／舉行 Number of Meetings attended/held
嚴正先生 (主席) (於2018年4月12日委任)	不適用 N/A
彭錦光先生 (於2018年4月12日辭任)	1/1
張文海先生 (於2018年4月1日委任)	不適用 N/A
葉啟明先生	1/1
梁創順先生 (於2018年5月3日委任)	不適用 N/A
史習陶先生 (於2018年4月1日辭任)	1/1
蘇合成先生 (於2018年6月13日退任)	0/1

授權代表

彭錦光先生辭任執行董事後，彼亦不再擔任上市規則第3.05條項下之本公司授權代表（「授權代表」），自2018年4月12日起生效。

嚴正先生接替彭先生獲委任為本公司授權代表，自2018年4月12日起生效。緊隨嚴先生之委任，葉啟明先生獲委任為嚴先生之替任授權代表，同日生效。

本公司授權代表，分別為嚴正先生，侯寶萍小姐，以及葉啟明先生（為嚴先生之替任授權代表）。

AUTHORISED REPRESENTATIVE

Subsequent to Mr PENG Jin Guang's resignation as an Executive Director, Mr. PENG ceased to act as an authorised representative of the Company (the "Authorised Representative") under Rule 3.05 of the Listing Rules with effect from 12 April 2018.

Mr YAN Zheng was appointed as an Authorised Representative in place of Mr PENG with effect from 12 April 2018. Following the appointment of Mr YAN, Mr. IP Kai Ming was appointed as an alternate Authorised Representative to Mr YAN with effect from the same day.

The Authorised Representative of the Company, namely Mr YAN Zheng, Ms HAU Po Ping and Mr IP Kai Ming (as an alternate Authorised Representative to Mr YAN).

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2018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2018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。

財務報告

董事知悉彼等須負責按持續經營基準編制財務報表，並於需要時輔以假設或條件。本公司之財務報表是根據上市規則、公司條例（香港法例第622章）公司條例），以及香港公認會計原則及慣例編制。董事選擇及貫徹應用合適的會計政策，並作出審慎及合理的判斷和估計。外聘核數師畢馬威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。

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 2018.

Share Interests of Directors

Details of Directors' interests in shares of the Company as at 31 December 2018 have been disclosed in the section headed "Directors' Interests" in the Report of the Directors of this Annual Report.

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, KPMG, 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.

企業管治報告 CORPORATE GOVERNANCE REPORT

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2018年，董事會通過審核委員會及內部審計部門，對本集團風險管理及內部監控系統進行了年度檢討。年度檢討由本集團內部審計部門統籌，透過高級管理人員及各業務和營運部門進行自我評估，內部審計部對檢討過程及結果進行獨立的檢查及後評工作。2018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59至65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。

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。

翁衛建女士於2018年1月31日起為本公司總稽核。

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board, with the assistance of the Audit Committee, has the responsibility for maintaining good and effective risk management and internal control system of the Group. In 2018, 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 2018 has been reported to the Audit Committee and the Board, details of which as set out in the "Risk Management and Internal Control Report" in pages 59 to 65 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.

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

Ms WENG Wei Jian was the Chief Auditor of the Company since 31 January 2018.

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2018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66至88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2018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1,813,000元，港幣273,000元，港幣346,000元及港幣114,000元。

核數師於財務報表之責任

畢馬威會計師事務所就其對股東之申報責任載於本年報第102至112頁之「獨立核數師報告」內。

公司秘書

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

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 2018, details of which as disclosed in the “Environmental, Social and Governance Report” on pages 66 to 88 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\$1,813,000, HK\$273,000, HK\$346,000 and HK\$114,000 respectively for the year 2018.

Auditor’s Responsibilities for Financial Statements

The reporting responsibilities of KPMG to the Shareholders are set out in the “Independent Auditor’s Report” on pages 102 to 112 of this Annual Report.

COMPANY SECRETARY

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

企業管治報告 CORPORATE GOVERNANCE REPORT

股東權利

召開股東大會（「股東大會」）

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

該要求：

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

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

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。

SHAREHOLDERS' RIGHTS

Convening a General Meeting ("GM")

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

The request:

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

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.

股東權利 (續)

召開股東大會 (「股東大會」) 續)

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。

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。

SHAREHOLDERS' RIGHTS (Continued)

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

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

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

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

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

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

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.

企業管治報告 CORPORATE GOVERNANCE REPORT

股東權利 (續)

動議股東週年大會的決議 (「股東週年大會」) 續)

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

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

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

於股東大會上傳閱陳述書

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

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

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。

SHAREHOLDERS' RIGHTS (Continued)

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

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

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

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

Circulation of Statement at General Meetings

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

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

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.

股東權利 (續)

於股東大會上傳閱陳述書 (續)

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)。

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。

SHAREHOLDERS' RIGHTS (Continued)

Circulation of Statement at General Meetings (Continued)

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

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

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

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

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

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.

企業管治報告 CORPORATE GOVERNANCE REPORT

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。

股息政策

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

憲章文件

本公司的組織章程細則已登載於本公司及聯交所網站內。截至2018年12月31日止年度內概無任何修訂。

SHAREHOLDERS COMMUNICATION POLICY

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

DIVIDEND POLICY

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

CONSTITUTIONAL DOCUMENTS

The 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 2018.

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

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

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

風險管理框架

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

風險管理架構及三道防線模式

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

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

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

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

RISK MANAGEMENT FRAMEWORK

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

RISK MANAGEMENT FRAMEWORK AND “THREE LINES OF DEFENSE” MODEL

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

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

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險管理架構及三道防線模式 (續)

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

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

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

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

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

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

風險管理架構及三道防線模式 (續) RISK MANAGEMENT FRAMEWORK AND
“THREE LINES OF DEFENSE” MODEL
(Continued)

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

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

風險偏好體系

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

風險管理流程

本集團採用下述風險管理步驟進行風險管理：

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

- 風險指標及限額的執行情況；
- 風險評估

RISK APPETITE FRAMEWORK

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

RISK MANAGEMENT PROCESS

The Group adopts the following risk management steps:

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

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

本集團所面臨的重大風險

根據本集團2018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-或以上的債券，本集團董事會及管理層為汽車貿易交易的交割風險制定了風險限額，嚴控交易對手的授信風險。

SIGNIFICANT RISKS FACED BY THE GROUP

According to the Group's risk management process, the following types of risks which are significant to the Group in 2018:

INVESTMENT RISK

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

INSURANCE RISK

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

CREDIT RISK

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

風險管理及內部監控披露報告

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

市場風險

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

操作風險

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

內幕消息及披露

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

內部監控

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

MARKET RISK

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

OPERATIONAL RISK

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

INSIDE INFORMATION AND DISCLOSURE

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

INTERNAL CONTROL

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

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

風險管理及內部監控的檢討

在遵守有關守則條文方面，董事會以及其下屬審核委員會就財務、營運及合規控制和風險管理功能等方面，對本集團及其附屬公司於截至2018年12月31日年度的內部監控系統進行檢討，具體如下：

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL REVIEW

The Board of Directors and the Audit Committee reviewed the internal control system of the Group and its subsidiaries for the year ended 31 December 2018 on the aspects of financial, operational, compliance and risk management functions, details of which are summarized below:

In 2018, the Board reviewed the Group's risk management framework which contained risk management objectives, risk appetite system, risk monitoring and risk reporting.

In 2018, the Board of directors was of the opinion that the Group had been improving its risk management and internal control systems which standardized the risk management practices in establishing the risk appetite, risk indicators, risk limits and risk monitoring.

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

關於本環境、社會及管治報告

本「環境、社會及管治報告」旨在回顧2018年閩信集團有限公司（以下簡稱「本集團」、「閩信集團」或「我們」）在環境、社會及企業管治方面所做的工作以及績效，披露集團承擔社會責任做出的實踐以及集團的可持續性發展理念，同時回應各權益人所關注的重要議題，為各權益人提供互動溝通平台，促進相互理解。

本環境、社會及管治報告編寫遵循香港聯交所主板上市規則附錄二十七「環境、社會及管治報告指引」，覆蓋時間由2018年1月1日至2018年12月31日。本環境、社會及管治報告所覆蓋的組織範圍主要為閩信集團及其下3家附屬公司。

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

ABOUT THIS ESG REPORT

This “Environmental, Social and Governance Report” (“ESG Report”) serves as a review on the efforts and achievements made by Min Xin Holdings Limited (the “Group”, “Min Xin Holdings” or “we”) for environmental, social and governance issues in 2018. This ESG Report discloses the Group’s practice for its commitment to social responsibilities and its philosophies of sustainable development. As a platform for communication with all equity owners, this ESG Report also makes responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

This ESG Report has been prepared in accordance with Appendix 27 of the Main Board Listing Rules “Environmental, Social and Governance Reporting Guide”, which covers the period from 1 January 2018 to 31 December 2018. The entities covered in this ESG Report mainly include Min Xin Holdings and its three subsidiaries.

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

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

權益人參與溝通及重要議題評估

STAKEHOLDER ENGAGEMENT AND COMMUNICATION AND MATERIALITY ASSESSMENT

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

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

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

權益人參與溝通及重要議題評估 (續)

STAKEHOLDER ENGAGEMENT AND COMMUNICATION AND MATERIALITY ASSESSMENT (Continued)

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

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

權益人參與溝通及重要議題評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

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

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

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

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。

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

環境、社會及管治報告

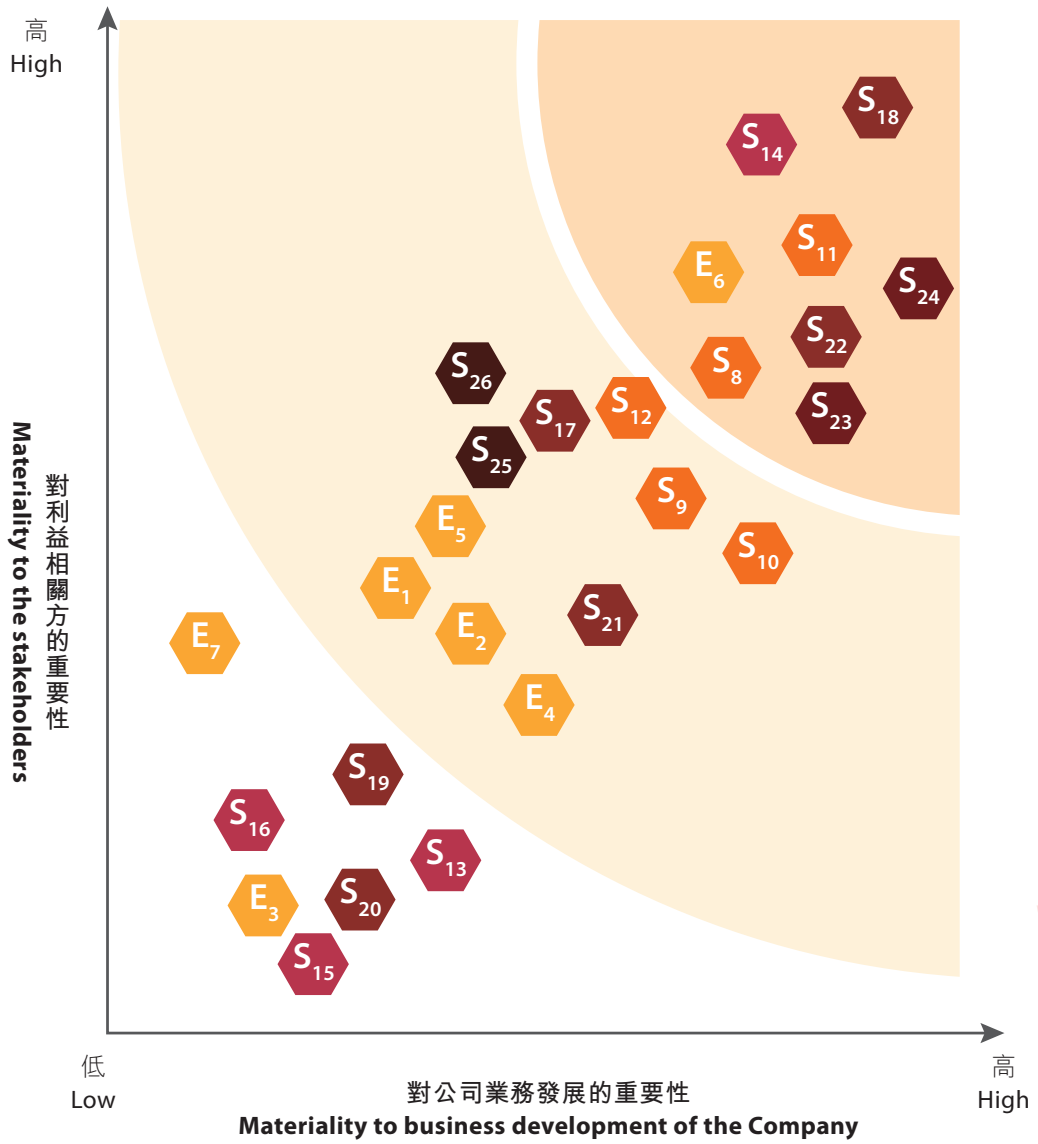
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

權益人參與溝通及重要議題評估
(續)

STAKEHOLDER ENGAGEMENT AND
COMMUNICATION AND MATERIALITY
ASSESSMENT (Continued)

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

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



環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

於2018年,本集團的主要業務及營商環境沒有重大變化,以下十大重要議題與2017年的相同:

There being no material change in the principal activities of the Group and operating environment in 2018, the below Ten Major Concerns are the same as 2017:

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

一. 環境

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

本集團嚴格遵守香港及其業務所在地區關於環境的法律及法規。於2018年內，並未發生任何環境相關的重大違規事宜。

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

廢氣及溫室氣體排放

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

I. ENVIRONMENT

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

The Group strictly complies with environmental laws and regulations of Hong Kong and areas where its business is carried out. There were no material non-compliance issues involving the Group with regard to environment during 2018.

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

Air and Greenhouse Gas Emissions

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

一. 環境 (續)

廢氣及溫室氣體排放 (續)

截至2018年12月31日止，本集團的溫室氣體排放量如下：

溫室氣體排放範圍 Scope of Greenhouse Gas Emissions	排放來源 Emission Sources	排放量 (以千克二氧化碳當量計) Emission (in kg of CO ₂ e)	
		2018	2017
範圍一			
<i>Scope 1</i>			
直接排放 Direct Emission	公司用車汽油排放 Company car gasoline emissions	38,290[#]	27,248 [#]
範圍二			
<i>Scope 2</i>			
間接排放 Indirect Emission	購電 Purchased electricity	75,329[#]	77,134 [#]
範圍三			
<i>Scope 3</i>			
其他間接排放 Other Indirect Emission	員工乘坐飛機出外公幹 Business air travel by employees	13,430	12,831
總計 Total		127,049[#]	117,213 [#]

於報告期內，本集團之主要業務營運所排放之二氧化碳當量溫室氣體為約127,049千克（2017年：約117,213千克）。年度購電排放強度為辦公室單位面積每平方米約59千克（2017年：約52千克）二氧化碳當量。

[#] 於本年度，本集團已修正及使用更準確的計算方法及披露範圍，所導致之呈列改變已追溯應用，以確保披露持續的有效性及其一致性。

I. ENVIRONMENT (Continued)

Air and Greenhouse Gas Emissions (Continued)

As at 31 December 2018, the Group's greenhouse gas emissions are as follows:

There were around 127,049kg (2017: around 117,213kg) of carbon dioxide equivalent (CO₂e) greenhouse gases emitted from the key operations of the Group in the reporting period. The annual purchased electricity emission in tensity was around 59kg (2017: around 52kg) of carbon dioxide equivalent per square meter of office area.

[#] During the year, the Group had revised and applied more accurate calculation method and scope of disclosure. The application has resulted in changes in presentation, which had applied retrospectively to ensure the continuing effectiveness and consistency in disclosure.

一. 環境 (續)

有害及無害廢棄物

本集團辦公室所在之主要業務營運並無涉及任何有害廢棄物，產生約3,314公斤(2017年：約3,394公斤)[#]無害廢棄物(主要為廢紙)，平均每名僱員產生約42公斤(2017年：約46公斤)[#]。香港辦公室產生約674公斤(2017年：約728公斤)[#]一般辦公室廢物，平均每名僱員產生約12.5公斤(2017年：約14.6公斤)[#]。

[#] 於本年度，本集團已修正及使用更準確的計算方法及披露範圍，所導致之呈列改變已追溯應用，以確保披露持續的有效性及其一致性。

排放物

本集團制定了「辦公室環保節能措施」以指導全體員工保護環境與節約資源，鼓勵踐行節能環保的企業文化。於2018年，本集團實施了以下環保措施：

- 為減少員工差旅出行對環境的影響，推行電話、視頻會議等溝通方式，減少不必要的公務旅程；
- 鼓勵員工乘坐公共交通上班，減少機動車的尾氣排放；
- 辦公室內擺放植物，淨化空氣，美化環境；
- 倡導垃圾分類，並定期清理辦公室垃圾。

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。

I. ENVIRONMENT (Continued)

Hazardous and Non-hazardous Wastes

No hazardous waste was involved with the key operations of the Group which was office based. Around 3,314kg (2017: around 3,394kg)[#] of non-hazardous waste (mainly paper waste) was generated, each employee generated around 42kg (2017: around 46kg)[#] on average. Around 674kg (2017: around 728kg)[#] of general office waste was generated in Hong Kong office, each employee generated around 12.5kg (2017: around 14.6kg)[#] on average.

[#] During the year, the Group had revised and applied more accurate calculation method and scope of disclosure. The application has resulted in changes in presentation, which had applied retrospectively to ensure the continuing effectiveness and consistency in disclosure.

Emissions

The Group formulated “Environmental Protection and Energy Saving Measures” to guide all staff to protect environment and save resources, encouraging the practice of enterprise culture of energy conservation and environmental protection. We have taken the following environmental protection measures in 2018:

- We reduced the environmental impact of the 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.
- The Group encouraged garbage classification and cleaned up ordinary garbage on a regular basis.

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.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

一. 環境 (續)

電力

本集團之主要業務營運於報告期內耗用電力約95,353千瓦時(2017年:約97,638千瓦時)[#]，每人耗用電力約1,222千瓦時(2017年:約1,319千瓦時)[#]，每平米辦公室單位面積耗電量為約75千瓦時(2017年:約66千瓦時)[#]。

水

於報告期內，本集團其中之一家內地子公司主要業務營運耗用約419立方米(2017年:約900立方米)[#]辦公室用水，人均耗水每人約為30立方米(2017年:約82立方米)[#]。每平米辦公室單位面積耗水約為2.8立方米(2017年:約2.5立方米)[#]。總耗水量的減少是由於水費是按面積計算而本年度之辦公室面積有顯著減少。

回收

本集團香港辦公室截至2018年12月31日止共回收廢紙約360公斤(2017年:1,404公斤)[#]。本集團2018年度共回收約50個碳粉盒/墨盒及0台電腦(2017年:約56個碳粉盒/墨盒及1台電腦)。2017年，為了節省存倉費用，本集團銷毀10年以上沒有留檔價值的舊文件，以致回收廢紙量增多。

[#] 於本年度，本集團已修正及使用更準確的計算方法及披露範圍，所導致之呈列改變已追溯應用，以確保披露持續的有效性及其一致性。

I. ENVIRONMENT (Continued)

Electricity

The key operations of the Group consumed around 95,353 kWh (2017: around 97,638 kWh)[#] of electricity during the reporting period, electricity consumption of each person was around 1,222 kWh (2017: around 1,319 kWh)[#], electricity consumption per square meter of office area was around 75 kWh (2017: around 66 kWh)[#].

Water

During the reporting period, the key operations of one of the Group's subsidiaries in Mainland China consumed approximately around 419 cubic meters (2017: around 900 cubic meters)[#] of water for office use, water consumption of each person was around 30 cubic meters (2017: around 82 cubic meters)[#]. Water consumption per square meter of office area was around 2.8 cubic meter (2017: around 2.5 cubic meters)[#]. The decrease in total water consumption was due to the substantial reduction in the office area in the current year as the water was charged at the size of area.

Recycling

As at 31 December 2018, Hong Kong office of the Group recycled around 360 kilograms (2017: 1,404 kilograms)[#] of waste paper. In 2018, the Group recycled around 50 toner cartridges/cartridges and 0 computer (2017: around 56 toner cartridges/cartridges and 1 computer). In 2017, in order to save the storage costs, the Group had destroyed documents of more than 10 years and without retention value which resulted in a large amount of recycled paper.

[#] During the year, the Group had revised and applied more accurate calculation method and scope of disclosure. The application has resulted in changes in presentation, which had applied retrospectively to ensure the continuing effectiveness and consistency in disclosure.

一. 環境 (續)

資源使用與環境保護 (續)

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；及
- 辦公區域安裝節水設備，並張貼節水標識，減少水資源浪費。

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

I. ENVIRONMENT (Continued)

Use of Resources and Environment Protection (Continued)

The Group 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 promote 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 eco-friendly tableware, avoiding the use of disposable tableware;
- We had LED lights installed in the office areas, which would help to further reduce energy consumption;
- The Group encouraged employees to recycle cartons, plastic bags and envelopes 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; and
- The Group installed water-saving equipment in the office, and posted water-saving logo to reduce the waste of water resources.

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會

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

僱傭

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

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

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

II. SOCIETY

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

Employment

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

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

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

二. 社會 (續)

僱傭 (續)

本集團秉持公正、公平及多元化的用人風格，逐步建立並完善了人才招聘機制，以工作經驗、技術技能、工作表現為關鍵指標決定人員的僱傭。不以性別、年齡、地域、國籍、種族、宗教信仰、性取向、身體殘疾、婚姻狀況等歧視員工。截至2018年12月31日，本集團及附屬子公司員工總數為78人，詳情如下：

II. SOCIETY (Continued)

Employment (Continued)

The Group gradually sets up and optimizes its evaluation mechanism for recruitment under the hiring principle of justice, equality and diversification, and decides who to hire basing 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 2018, the total number of the employees of the Group and its subsidiaries was 78 and the details are as below:

	2018	2017
僱員總數 Number of employees	78	74
<i>(按性別劃分) (By gender)</i>		
男 Male	39	39
女 Female	39	35
<i>(按年齡組別劃分) (By age group)</i>		
20-30 歲 years old	18	20
31-40 歲 years old	25	20
41-50 歲 years old	22	21
51-60 歲 years old	13	13
<i>(按地區) (By region)</i>		
香港及澳門 Hong Kong and Macau	54	50
中國大陸 Mainland China	24	24
<i>(按職級) (By grading)</i>		
高級管理層 Senior Management	9	11
中級管理層 Middle Management	16	14
普通職員 General Staff	53	49

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

僱傭 (續)

僱員流失

截至2018年12月31日止年度，本集團員工的流失情況如下：

僱員流失比率 Employee turnover rate
(按年齡組別劃分) (By age group)

	地區 Region			
	香港及澳門 Hong Kong and Macau		中國大陸 Mainland China	
	2018 %	2017 %	2018 %	2017 %
20-30 歲 years old	47	27	0	20
31-40 歲 years old	77	32	0	10
41-50 歲 years old	40	23	33	20
51-60 歲 years old	36	18	0	0

(按地區) (By region)

	性別 Gender			
	男 Male		女 Female	
	2018 %	2017 %	2018 %	2017 %
香港及澳門 Hong Kong and Macau	63	32	37	68
中國大陸 Mainland China	8	50	0	50

未來5年內合資格退休的僱員人數

Number of employees eligible to retire within the next 5 years

2018 2017

5 5

II. SOCIETY (Continued)

Employment (Continued)

Employee turnover

During the year ended 31 December 2018, the details of employee turnover are as follows:

二. 社會 (續)

健康與安全

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

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

為保障員工健康及安全，我們為全體僱員設立醫療保險計劃、提供流感疫苗接種服務及在辦公室內放置急救箱，並定期參與應急演習。

本集團鼓勵員工樹立良好的身心健康理念並參加健身活動，全方位幫助員工緩解壓力、改善情緒、樹立積極心態、建立良好的職場及家庭關係。

我們組織了多樣化的文體活動，增強了團隊凝聚力和積極性。例如集團在2018年組織了聖誕聯歡會及公司全體旅行，豐富了員工的日常生活。於11月根據勞工處的「工作地點防火指引」，安排公司員工參加消防走火演習，有效提高同事職業安全意識，以及緊急應變的能力。於2018年及2017年內，沒有因工作關係而死亡的個案。

發展及培訓

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

II. SOCIETY (Continued)

Health and Safety

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

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

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

The Group encourages employees to set up a good physical and mental health concept and join physical fitness activities, and to relieve stress, improve mood, build up a positive mental attitude, and establish a good relation between work and family.

We organized a variety of recreational activities to enhance the team cohesion and motivation. For example, the Group organized a Christmas party and company trip in 2018, enriching the daily life of employees. In November, according to the Labour Department's "Guidelines for Fire Prevention at Workplaces", employees of the Company were arranged to participate in fire-fighting fire drills to effectively improve their occupational safety awareness and their ability to respond urgently. During the year of 2018 and 2017, none of our employee was dead in the course of employment.

Development and Training

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

發展及培訓 (續)

本集團鼓勵員工參與培訓，令他們能夠培養及更新其知識及技能。截至2018年12月31日，本集團員工參與培訓的詳情如下：

	2018	2017
僱員完成培訓總時數 Total number of hours of training completed by employees	755	266
<i>(按培訓類別) (By type of training)</i>		
外辦培訓課程時數 Number of hours of external training	460	102
公司內部培訓時數 Number of hours of internal training	295	164

(按性別劃分) (By region)

	性別 Gender			
	男 Male		女 Female	
	2018	2017	2018	2017
每名僱員平均培訓時數 Average hours of training per employee	7.13	1.95	8.54	5.43
接受培訓僱員百分比 Percentage of employees who received training	77%	28%	74%	43%

(按僱員類別) (By employee category)

	高級管理層 Senior Management		中級管理層 Middle Management		普通職員 General Staff	
	2018	2017	2018	2017	2018	2017
	每名僱員平均培訓時數 Average hours of training per employee	11.86	9.27	17.95	2.43	6.82
接受培訓僱員百分比 Percentage of employees who received training	78%	64%	88%	21%	72%	33%

本集團通過組織培訓講座等形式，提升不同職級員工的通用與專業知識技能。本集團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。2018年，本集團不時舉辦合規及企業文化培訓講座，提高員工合規與風險意識。

II. SOCIETY (Continued)

Development and Training (Continued)

The Group encourages employees to participate in training so as to develop and refresh their knowledge and skills. As at 31 December 2018, the details of staff training participation of the Group are as follows:

	2018	2017
Total number of hours of training completed by employees	755	266
<i>(By type of training)</i>		
Number of hours of external training	460	102
Number of hours of internal training	295	164

	Gender			
	Male		Female	
	2018	2017	2018	2017
Average hours of training per employee	7.13	1.95	8.54	5.43
Percentage of employees who received training	77%	28%	74%	43%

	Senior Management		Middle Management		General Staff	
	2018	2017	2018	2017	2018	2017
	Average hours of training per employee	11.86	9.27	17.95	2.43	6.82
Percentage of employees who received training	78%	64%	88%	21%	72%	33%

The Group promotes general knowledge and professional skills of employees of different level by organizing training seminars and other forms of activities. The Group respects the staff development and career planning, and provides a platform to show talent and inspire potential for each employee. We encourage employees to give full play to their own advantages, achieving personal career aspirations combining development needs of the Group. Employees can enjoy one-on-one communication about personal career development plan with the head of department to get professional guidance. In 2018, the Group held various compliance and corporate culture training seminars to raise employees' compliance and risk awareness.

二. 社會 (續)

勞工準則

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

供應鏈管理

本集團倡導誠信經營，重視維護與供應商的良好合作關係，攜手共創未來。

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

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

II. SOCIETY (Continued)

Labour Standards

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

Supply Chain Management

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

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

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

供應鏈管理 (續)

同時，我們定期維護合格供應商名錄，確保供應鏈的有效運行。

我們主要的供應商包括太平再保險有限公司、畢馬威會計師事務所、的近律師行等公司。2018年，本集團及附屬子公司主要的供應商類型如下：

II. SOCIETY (Continued)

Supply Chain Management (Continued)

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

Our main suppliers include Taiping Reinsurance Company Limited, KPMG, Deacons and so on. The types of main suppliers of the Group and its subsidiaries in 2018 are as follows.

供應商類別 Types of Supplier	所採購的服務/產品 Services/Products	已識別的主要社會與環境影響因素 Main Social and Environmental Factors Identified
保險業務服務 Insurance business services	保險產品銷售、理賠、再保等 Insurance product sales, claims and reinsurance, etc.	合規、營運慣例 Compliance and operational practices
法律等專業諮詢服務 Legal and other professional advisory services	法律諮詢、審計等 Legal advice, audit, etc.	合規、營運慣例 Compliance and operational practices
電子產品等 Electronic products, etc.	硬件(電腦、打印機)及軟件等 Hardware (computer, printer) and software, etc.	環境 Environment
設計、印刷等 Design, printing, etc.	活動承辦、印刷品等 Activities to undertake, printing, etc.	合規、營運慣例 Compliance and operational practices
供應商數目(按地區) Number of supplier (By region)		2018 2017
香港及澳門 Hong Kong and Macau		14 15
中國大陸 Mainland China		7 9

二. 社會 (續)

產品責任

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

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

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

II. SOCIETY (Continued)

Product Responsibility

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

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

The Group attaches great importance to the protection of customer privacy. We ensure that our customers' personal data and business data are used only for authorised 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 unauthorised access, use and leakage.

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

產品責任 (續)

閩信集團附屬子公司依據各家公司業務特性規範並管理其產品質量。閩信保險有限公司嚴格按照香港及澳門的財產保險產品設立要求制定標準化產品，為客戶提供全面的財產保險業務，服務質量深受合作銀行與客戶的認同。三明市三元區閩信小額貸款有限公司以「敬業、樂群、共贏」為經營理念，以追求股東、員工、客戶和社會的共同滿意為目標。福建閩信投資有限公司按照本集團的經營戰略和發展目標，堅持誠信、務實、高效的經營理念和可持續發展的經營方針，以推進業務發展為主線，以企業盈利為目標及做好汽車貿易業務，實現公司穩健發展。

截至2018年12月31日止年度，本集團沒有任何因安全與健康理由而須回收的產品及沒有接獲任何關於產品及服務的投訴。

II. SOCIETY (Continued)

Product Responsibility (Continued)

The subsidiaries of Min Xin Holdings manage their product quality according to their business characteristics. Min Xin Insurance Company Limited develops standardized products and provides customers with comprehensive property insurance business in strict accordance with the Hong Kong and Macao property insurance product requirements. The quality of service is highly acknowledged by our co-operative banks and customers. Sanming Sanyuan District Minxin Micro Credit Company Limited takes "Dedicated, Friendly, Win-Win" as its business philosophy. The company is in pursuit of the common satisfaction of the Shareholders, employees, customers and the community. Fujian Minxin Investments Co., Ltd., following the business strategy and development goals of the Group, adheres to the business philosophy of honesty, pragmatism and high efficiency as well as the management policy of sustainable development as to promote business development as the main line, aim at corporate profits and make achievement in automobile trade to attain steady development of the company.

During the year ended 31 December 2018, the Group did not recall any product due to safety and health reasons and did not receive any complaint related to the product and service.

二. 社會 (續)

反貪污

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

於2018年，為了加強員工對常見的貪污陷阱的防範意識，本集團針對新員工舉行了「企業文化與合規培訓」，向新員工介紹《防止賄賂條例》以及相關法規，並提供防貪建議。

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

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

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

II. SOCIETY (Continued)

Anti-corruption

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

In 2018, to enhance staff awareness of the common pitfalls of corruption, the Group held Corporate Culture and Compliance Training for new employees to introduce them the Prevention of Bribery Ordinance and relevant laws and regulations and provide advice on corruption prevention.

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

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

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

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二. 社會 (續)

社區投資

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

於年內，本集團參與了香港公益金的「公益金便服日」，員工們身穿便服參加並捐款港幣5,000元（2017年：港幣5,000元）。本集團將繼續投放資源於社會活動，在不斷追求業務發展的同時，積極參與慈善活動。

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

II. SOCIETY (Continued)

Community Investment

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

During the year, the Group participated in the “Dress Casual Day” organised by the Community Chest of Hong Kong. Employees were wearing casual clothes to participate and made a donation of HK\$5,000 (2017: HK\$5,000). The Group will continue to commit resources to social activities and play an active role in participating in charitable activities while constantly pursuing business development.

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

董事會報告

REPORT OF THE DIRECTORS

董事會同寅謹將截至2018年12月31日止年度報告及已經審核財務報表呈覽。

主要業務

本公司之主要業務為投資控股，而本公司及其附屬公司（「本集團」）主要從事金融服務、保險、汽車貿易、物業發展及投資以及策略投資。本公司之主要附屬公司及聯營公司之主要業務及其他摘要分別載於綜合財務報表註釋39及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2018年12月31日止年度之業績載於第113頁。本公司董事會議決於2019年6月19日（星期三）舉行之股東週年大會（「2019年股東週年大會」）上建議派發截至2018年12月31日止年度之末期股息每股港幣10仙，合共港幣59,725,725.20元（2017年：末期股息每股港幣8仙，合共港幣47,780,580.16元）。如獲通過，上述股息將於2019年7月3日或之前派發。

The Directors hereby present their report together with the audited financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the Company and its subsidiaries (the "Group") are principally engaged in financial services, insurance, trading in motor vehicles, property development and investment and strategic investment. The principal activities and other particulars of the principal subsidiaries and associates are set out in Notes 39 and 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 2018 are set out on page 113. The Board of the Company has resolved to recommend at the forthcoming Annual General Meeting of the Company to be held on Wednesday, 19 June 2019 (the "2019 AGM") the payment of a final dividend of 10 HK cents per share totalling HK\$59,725,725.20 for the year ended 31 December 2018 (2017: final dividend of 8 HK cents per share totaling HK\$47,780,580.16). The proposed dividend, if approved, will be paid on or before 3 July 2019.

董事會報告 REPORT OF THE DIRECTORS

記錄日期

為確定出席2019年股東週年大會並在會上投票的資格，本公司將在2019年6月14日（星期五）至2019年6月19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2019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2019年6月13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2018年12月31日止年度的末期股息須待本公司股東在2019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2019年6月25日（星期二）至2019年6月26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2019年6月24日（星期一）下午4時30分前送達本公司股份過戶登記處卓佳標準有限公司辦理登記手續，地址為香港皇后大道東183號合和中心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。

物業、機器及設備

本集團之物業、機器及設備變動詳情載於綜合財務報表註釋14。

RECORD DATE

For the purpose of determining the entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Friday, 14 June 2019 to Wednesday, 19 June 2019, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2019 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, 13 June 2019.

CLOSURE OF REGISTER OF MEMBERS

The proposed final dividend for the year ended 31 December 2018 is subject to the approval by the Shareholders at the 2019 AGM. For the purpose of determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 25 June 2019 to Wednesday, 26 June 2019, 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 Monday, 24 June 2019.

FIVE-YEAR FINANCIAL SUMMARY

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

PROPERTY, PLANT AND EQUIPMENT

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

持有之主要物業權益

本集團持有之主要物業權益詳情載於第292頁。

股本

本公司之股本詳情載於綜合財務報表註釋33(a)。

儲備金

本集團及本公司於年內之儲備金變動分別載於第117頁及綜合財務報表註釋38(a)。

可供分配之儲備

於2018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634,435,000元（2017年：港幣560,460,000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，韓孝捷先生、葉啟明先生及張文海先生將於2019年股東週年大會上輪值退任，並符合資格且願意膺選連任。

按照本公司組織章程細則第88條規定，陳宇先生及楊敬朝先生為年內新委任董事，其董事任期將至本公司下屆股東大會為止，並符合資格且願意於2019年股東大會上膺選連任。

PRINCIPAL PROPERTY INTERESTS HELD

Details of the principal property interests held by the Group are set out on page 292.

SHARE CAPITAL

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

RESERVES

Movements in the reserves of the Group and the Company during the year are set out on page 117 and in Note 38(a) to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2018, calculated under Part 6 of the Companies Ordinance amounted to HK\$634,435,000 (2017: HK\$560,460,000).

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 HON Hau Chit, Mr IP Kai Ming and Mr CHEUNG Man Hoi will retire by rotation at the 2019 AGM and, being eligible, offer themselves for re-election.

Pursuant to Article 88 of the Articles of Association of the Company, Mr CHEN Yu and Mr YANG Jingchao who were appointed during the year shall hold office until the next general meeting, and shall then be eligible, offer themselves for re-election at the 2019 AGM.

董事會報告 REPORT OF THE DIRECTORS

董事 (續)

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。

擬於2019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2018年中期報告刊發後，有關須予披露之本公司之董事資料之變更詳列如下：

王非先生為本公司之執行董事及董事會副主席，自2018年12月10日起辭任貴信有限公司（「貴信」）之董事及董事長，該公司為本公司之控股股東。

陳宇先生為本公司之執行董事及總經理，自2018年12月1日及2018年12月3日起分別獲委任為福建閩信投資有限公司及閩信保險有限公司之董事及董事長，自2018年9月10日起獲委任為本公司若干附屬公司之董事。彼自2018年9月13日起獲委任為貴信之總經理及自2018年12月10日起再獲委任為董事及董事長，該公司為本公司之控股股東。陳先生亦自2018年9月20日起獲委任為Samba Limited之董事，該公司為本公司之主要股東。

DIRECTORS (Continued)

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.

None of the Directors who are proposed for re-election at the 2019 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation.

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

BIOGRAPHICAL DETAILS OF DIRECTORS

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

CHANGE IN THE INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of the Directors of the Company required to be disclosed since the publication of 2018 interim report of the Company is set out below:

Mr WANG Fei, an Executive Director and the Vice Chairman of the Board of the Company, has resigned as a director and the chairman of Vigour Fine Company Limited (“Vigour Fine”), which is a controlling shareholder of the Company, with effect from 10 December 2018.

Mr CHEN Yu, an Executive Director and the General Manager of the Company, was appointed as a director and the chairman of Fujian Minxin Investments Co., Ltd. and Min Xin Insurance Company Limited with effect from 1 December 2018 and 3 December 2018 respectively, and the directors of certain subsidiaries of the Company with effect from 10 September 2018. He was appointed as the general manager, and was further appointed as a director and the chairman of Vigour Fine, which is a controlling shareholder of the Company, with effect from 13 September 2018 and 10 December 2018 respectively. Mr Chen was also appointed as a director of Samba Limited, which is a substantial shareholder of the Company, with effect from 20 September 2018.

董事資料的變更 (續)

楊敬朝先生為本公司之非執行董事，自2018年12月10日起獲委任為貴信之董事，該公司為本公司之控股股東。彼亦自2018年5月11日起獲委任為福建省創新創業投資管理有限公司，自2018年6月25日起獲委任為福建省產業股權投資基金有限公司及福建省國騰信息科技有限公司之董事，以及福建省石墨烯產業投資合夥企業之投資決策委員會委員。楊先生自2018年9月30日起辭任平潭金控集團之黨委書記、董事長及法定代表人。

附屬公司董事

於年內及截至本報告日期，出任本公司附屬公司董事會的董事芳名載列如下：

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

附註：

1. 劉承先生辭任董事，自2018年9月10日起生效。
2. 陳國光先生辭任董事，自2018年2月10日起生效。

CHANGE IN THE INFORMATION OF DIRECTOR (Continued)

Mr YANG Jingchao, a Non-executive Director of the Company, was appointed as a director of Vigour Fine, which is a controlling shareholder of the Company, with effect from 10 December 2018. He was also appointed as a director of Fujian Innovation Venture Investment Management Co., Ltd. with effect from 11 May 2018, 福建省產業股權投資基金有限公司 (Fujian Property Investment Fund Company Ltd.*), 福建省國騰信息科技有限公司 (Fujian Guoteng Information Technology Co., Ltd.*), and a member of investment committee of 福建省石墨烯產業投資合夥企業 (Fujian Graphene Industry Investment Partnership*) with effect from 25 June 2018. Mr Yang has resigned as the secretary of the Party Committee, the chairman of the board of directors and the legal representative of Pingtan Financial Holding with effect from 30 September 2018.

* 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.

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

Notes:

1. Mr LIU Cheng resigned as a director with effect from 10 September 2018.
2. Mr CHAN Kwok Kwong resigned as a director with effect from 10 February 2018.

董事會報告 REPORT OF THE DIRECTORS

董事權益

於2018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' INTEREST

At 31 December 2018, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules were as follows:

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

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

除上文所披露者外，於2018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。

Save as disclosed above, as at 31 December 2018, none of the Directors and Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and none of the Directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

本公司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。

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

董事於競爭業務之權益

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

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。

獲准許的彌償條文

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

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.

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.

董事會報告 REPORT OF THE DIRECTORS

主要股東權益

於2018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：

SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 31 December 2018, substantial Shareholders (other than Directors and Chief Executive of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follow:

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

主要股東權益 (續)

附註：

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

好：好倉

除上文所披露者外，於 2018 年 12 月 31 日止，本公司並無收到任何人士（本公司董事及行政總裁除外）知會其股份或相關股份擁有根據本公司按證券及期貨條例第 336 條須予備存的登記冊所記錄之淡倉。

購入、出售或贖回股份

本公司及其附屬公司於本年度內並無購回、出售或贖回任何本公司之已發行股份。

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Notes:

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

L: Long position

Save as disclosed above, at 31 December 2018, the Company had not been notified by any persons (other than Directors and Chief Executive of the Company) who had short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

董事會報告 REPORT OF THE DIRECTORS

管理合約

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

王非先生、劉承先生（於2018年9月10日辭任），於續訂管理協議之期間亦為貴信之董事而被視為於上述交易有利益關係。

陳宇先生及楊敬朝先生均為貴信現時之董事。

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

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，本集團分別源自主要供應商及客戶之採購及銷售如下：

	供應商 總採購之百分比	客戶 總銷售之百分比
五大	100.00%	93.60%
最大	50.21%	47.53%

銀行貸款

本集團於2018年12月31日之銀行貸款詳情載於綜合財務報表註釋31。

MANAGEMENT CONTRACTS

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

Mr WANG Fei and Mr LIU Cheng (who had resigned on 10 September 2018) were deemed to be interested in the above transaction by virtue of being directors of Vigour Fine at the then period of renewal of management agreement.

Currently, Mr CHEN Yu and Mr YANG Jingchao both are directors of Vigour Fine.

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's purchases and sales attributable to the major suppliers and customers respectively were as follows:

	Suppliers Percentage of total Purchases	Customers Percentage of total Sales
Five largest	100.00%	93.60%
The largest	50.21%	47.53%

BANK BORROWINGS

Details of the bank borrowings of the Group at 31 December 2018 are set out in Note 31 to the consolidated financial statements.

遵守保險業條例

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

關連交易

本集團於截至2018年12月31日止年度內進行的重大關連方交易詳情載於綜合財務報表註釋17(b), 17(c), 37(a), 37(b), 37(c)及37(d)內，惟此等關連方交易按上市規則規定不須披露為關連交易。

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

上市規則第13.21條之持續披露規定

根據本公司與若干本地銀行簽訂的（定期貸款授信函），本公司承諾將促使本公司的控股股東福建投資集團，且福建投資集團同意及確認，於定期貸款授信函期內維持持有本公司（無論直接或間接）已發行股本不少於35%的實益權益及管有對本公司之管理控制權。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。

COMPLIANCE WITH INSURANCE ORDINANCE

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

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2018, which are not required to be disclosed under the Listing Rules as connected transactions, are disclosed in Notes 17(b), 17(c), 37(a), 37(b), 37(c) and 37(d) to the consolidated financial statements.

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

CONTINUING DISCLOSURE REQUIREMENT PURSUANT TO RULE 13.21 OF THE LISTING RULES

Pursuant to the term loan facilities entered into between the Company and certain banks in Hong Kong, the Company undertook it will procure FIDG, the controlling shareholder of the Company, and FIDG agreed and confirmed, to maintain (whether directly or indirectly) not less than 35% beneficial interests in the issued share capital of the Company and management control right in 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.

董事會報告 REPORT OF THE DIRECTORS

其他資料

根據本公司控股股東貴信與一家香港銀行訂立之貸款融資，本公司收到貴信的通知，其已質押本公司已發行股本合共119,787,483股股份（「質押股份」）作為貸款融資的抵押品。已質押股份佔本公司已發行股本約20.06%。

貴信持有本公司已發行股本之40,850,000股股份就之前於2016年12月12日質押於另一家銀行已根據日期為2018年6月1日之解押契據予以解除。

根據本公司日期為2018年7月13日之公告，本公司之全資附屬公司福建閩信投資有限公司及本公司福州代表處（於中華人民共和國（「中國」）登記註冊的代表處）於2016年至2018年若干期間與中國多家持牌商業銀行存放若干結構性存款。每份簽訂之結構性存款均是本金被保證並且有較高預期利息收益率、高流動性及較低風險敞口。公告內披露的所有結構性存款均根據各自合約於到期時完全贖回。有關結構性存款交易的詳情請參閱本公司日期為2018年7月13日之公告。

報告日後事項

本集團已開始減少其汽車買賣業務。汽車買賣業務將終止於庫存售清，終止該業務雖導致本集團由該業務產生的收入減少，但終止該業務將不會對本集團之經營業績或財務狀況有任何重大不利影響。本集團將利用其資源於其他主營業務以及董事會不時認為適當的其他潛在新業務。上述詳情已列載於本公司日期2019年1月9日的公告內。

OTHER INFORMATION

Pursuant to a loan facility entered into between Vigour Fine, a controlling shareholder of the Company, and a bank in Hong Kong, the Company had received a notice from Vigour Fine that it had pledged an aggregate of 119,787,483 shares in the issued share capital of the Company (the "Pledged Shares") in favour of the bank as security for the loan facility. The Pledged Shares represent approximately 20.06% of the issued share capital of the Company.

On 12 December 2016, a charge over 40,850,000 shares in the issued capital of the Company held by Vigour Fine, which had previously been pledged to another bank was released pursuant to the deed of release dated 1 June 2018.

Reference was made to the announcement of the Company dated 13 July 2018, Fujian Minxin Investments Co., Ltd., a wholly-owned subsidiary of the Company and Fuzhou Representative Office of the Company, a representative office registered in the People's Republic of China (the "PRC"), made deposits as structured savings with various licensed commercial banks in the PRC during certain periods from 2016 to 2018. The structured savings were principals guaranteed by the banks with higher expected interest yields, high liquidity and relative low risk exposure. All the structured savings as disclosed in the announcement were fully redeemed at maturity in accordance with their respective contracts. Details of the structured savings transactions were disclosed in the announcement of the Company dated 13 July 2018.

EVENT AFTER REPORTING DATE

The Group had begun the process to wind down its business of trading in motor vehicles. After the inventory has sold out, the business of trading in motor vehicles will be ceased and which will result in a reduction in the revenue of the Group generated from such business, however, the cessation of such business would not have any material adverse effect on the operating results or the financial position of the Group. The Group will utilize its resources on other principal businesses as well as other potential new businesses as the Board may consider appropriate from time to time. Details of the abovementioned information were set out in the Company's announcement dated 9 January 2019.

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

羅兵咸永道會計師事務所已於2018年6月13日舉行之2018年股東週年大會結束起退任為本公司之核數師，而畢馬威會計師事務所則獲委任為本公司之核數師。畢馬威會計師事務所已經審核本年度綜合財務報表，其將輪值告退，惟彼合符資格，願膺聘連任。重聘畢馬威會計師事務所為本公司核數師之決議案，將於本公司應屆股東週年大會上提呈。

董事會代表

主席
嚴正

香港，2019年3月27日

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

PricewaterhouseCoopers retired as the auditor of the Company with effect from the conclusion of the 2018 AGM held on 13 June 2018 and KPMG was then appointed as the auditor of the Company. The consolidated financial statements have been audited by KPMG who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

YAN Zheng
Chairman

HONG KONG, 27 March 2019

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

致閩信集團有限公司成員
(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第113至291頁閩信集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表註釋,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

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

關鍵審計事項

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

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

Opinion

We have audited the consolidated financial statements of Min Xin Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 113 to 291, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

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

對聯營公司權益的會計核算

Accounting for interest in an associate

請參閱綜合財務報表註釋 17 及第 137 至 139 頁的會計政策

Refer to note 17 to the consolidated financial statements and the accounting policies on pages 137 to 139.

關鍵審計事項

The Key Audit Matter

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

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

截至二零一八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 61,407 萬元；貴集團於廈銀集團權益的帳面價值為約港幣 494,275 萬元。上述數額約佔截至二零一八年度貴集團股東應佔溢利的 106.22% 及截至二零一八年十二月三十一日貴集團總資產的 67.74%。

The Group's share of the profit after tax from XIB Group for the year ended 31 December 2018 was approximately HK\$614.07 million and the carrying value of the Group's interest in XIB Group was approximately HK\$4,942.75 million. This represented approximately 106.22% of the Group's profit attributable to equity shareholders of the Company for the year ended 31 December 2018 and approximately 67.74% of the Group's total assets as at 31 December 2018.

我們於審計中處理該事項的方法

How the matter was addressed in our audit

我們用於評估於廈銀集團的權益的會計核算的審計程序包括以下各項：

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

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

關鍵審計事項 The Key Audit Matter

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

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

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

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

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

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減值準備
Impairment allowances on loans to customers and interest receivable of Sanming Sanyuan District
Minxin Micro Credit Company Limited (“Minxin Micro Credit”)

請參閱綜合財務報表註釋26及第157至165頁的會計政策

Refer to note 26 to the consolidated financial statements and the accounting policies on pages 157 to 165.

關鍵審計事項
The Key Audit Matter

截止二零一八年十二月三十一日，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約為人民幣25,444萬元（等值約港幣28,980萬元），佔貴集團總資產比例約為3.97%。管理層就客戶貸款及應收利息計提的減值準備約為人民幣23,435萬元（等值約港幣26,693萬元）。減值準備佔客戶貸款及應收利息總額的比率為92.11%。

As at 31 December 2018, the balance of total loans to customers and interest receivable of Minxin Micro Credit, a wholly-owned subsidiary of the Company, amounted to approximately RMB254.44 million (equivalent to approximately HK\$289.8 million), representing approximately 3.97% of the Group's total assets. Impairment allowances on loans to customers and interest receivable amounting to approximately RMB234.35 million (equivalent to approximately HK\$266.93 million), were provided by management. The impairment allowances to total loans to customers and interest receivable ratio was 92.11%.

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

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

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

與評估閩信小貸客戶貸款及應收利息減值準備的相關審計程序包括以下程序：

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

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

關鍵審計事項 The Key Audit Matter

在運用判斷確定違約損失率時，管理層會考慮多種因素。這些因素包括可收回金額、借款人的財務狀況、抵押物可收回金額、索賠受償順序、是否存在其他債權人及其配合程度。管理層在評估抵押房產的價值時，會參考合資格的第三方評估機構出具的抵押物評估報告，並同時考慮抵押物的市場價格、地理位置及用途。另外，抵押物變現的可執行性、時間和方式也會影響抵押物可收回金額。

Management exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held as collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of loss allowances as at the end of the reporting period.

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

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

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

首次採用香港財務報告準則第9號-金融工具（「香港財務報告準則第9號」）的過渡性調整和披露 Transitional adjustments and disclosures in relation to the adoption of Hong Kong Financial Reporting Standard 9: Financial Instruments (“HKFRS 9”)

請參閱集團綜合財務報表註釋2.2及第123至133頁的會計政策

Refer to note 2.2 to the consolidated financial statements and the accounting policies on pages 123-133.

關鍵審計事項 The Key Audit Matter

貴集團於二零一八年一月一日起適用HKFRS 9。HKFRS 9修改了之前使用的金融工具分類與計量框架，並且引入了更為複雜的預期信用損失模型評估減值。此外貴集團需要按照HKFRS 9的規定，對金融工具的分類和計量（包括減值）進行追溯調整，將金融工具原帳面價值和在HKFRS 9初次應用日（即二零一八年一月一日）的新帳面價值之間的差額計入二零一八年年初保留溢利或其他綜合收益。

The Group has applied HKFRS 9 since 1 January 2018. HKFRS 9 has amended the previous classification and measurement framework of financial instruments and introduced a more complex expected credit loss model to assess impairment. The Group is required to retrospectively apply the classification and measurement (including impairment) requirements and recognise any difference between the original carrying amount and new carrying amount at the date of initial application (i.e. 1 January 2018) in the opening retained earnings or other comprehensive income.

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

我們評估與貴集團香港財務報告準則第9號轉換的過渡調整相關的審計程序包括以下：

Our audit procedures to assess the Group's transition adjustments in relation to the adoption of HKFRS 9 included the following:

- 了解和評估與香港財務報告準則第9號轉換相關的關鍵內部控制；
understanding and assessing the key internal controls of the financial reporting process related to the transition to the HKFRS 9;
- 獲取了貴集團管理層於二零一八年一月一日的金融工具分類清單，選取樣本，進行合同現金流測試並查閱業務模式相關文檔，以評估分類的判斷邏輯和結果的準確性；
assessing the logic and accuracy of the classification of financial instruments, including obtaining a list of financial instruments classified by the Group management as at 1 January 2018, selecting samples to check the contractual cash flow terms and inspecting relevant documents in relation to the business model evaluation;
- 對於因分類改變而需以公允價值計量的金融資產，我們獲取金融資產的估值方法和關鍵參數的選用，並由我們內部專業評估人員參與選取樣本以評價其估值方法及關鍵參數選用的合理性；
for financial assets that are measured at fair value due to changes in classification, obtaining information on the valuation method and key parameters used, selecting samples to evaluate the validity of the valuation method and key parameters with the involvement of our internal valuation specialists;

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

首次採用香港財務報告準則第9號-金融工具（「香港財務報告準則第9號」）的過渡性調整和披露（續）

Transitional adjustments and disclosures in relation to the adoption of Hong Kong Financial Reporting Standard 9: Financial Instruments (“HKFRS 9”) (Continued)

關鍵審計事項

The Key Audit Matter

由於香港財務報告準則第9號轉換的過渡調整是一個複雜的流程，涉及到與其相關的財務報告內部控制流程及會計核算的變更、新資料的採用及管理層判斷，因此我們將香港財務報告準則第9號轉換的過渡調整及披露識別為關鍵審計事項。

We identified the transition adjustments and disclosures in relation to the adoption of HKFRS 9 as a key audit matter, because of the complexity of the transition process which involved changes in internal controls of the financial reporting process, accounting treatment, application of new data and management judgment.

我們於審計中處理該事項的方法

How the matter was addressed in our audit

- 獲取香港財務報告準則第9號轉換時做出的賬務調整分錄，將該賬務調整分錄與金融工具分類清單、原本賬面值、調整分類清單及金融工具的新賬面值進行比對，評估調整分錄的完整性和準確性；
obtaining journal entries relating to adjustments made on transition to HKFRS 9 and comparing the list of classification of financial instruments, the original carrying amounts, the list of journal entries and new carrying amounts of the financial instruments to assess if the journal entries have been entirely put through the system accurately;
- 選取樣本重新測算相關金融工具的帳面價值，評估於初次應用日（即二零一八年一月一日）帳面值的準確性，以評估會計處理是否符合香港財務報告準則第9號；
selecting samples to recalculate the new carrying amount of the financial instruments and assessing the accuracy of the opening balance at the date of initial application (i.e. 1 January 2018) to assess if the accounting treatments were in compliance with HKFRS 9;
- 指導組成部分核數師根據我們發佈的集團審計指引評估廈銀集團關於香港財務報告準則第9號轉換的過渡調整，並通過審閱組成部分核數師的工作底稿，評估相關的審計證據對於我們就綜合財務報表進行審計是否充足和恰當；及
instructing the component auditors to assess the XIB Group's transition adjustments in relation to the adoption of HKFRS 9 in accordance with the Group Audit Instructions issued by us, and evaluating the sufficiency and appropriateness of the audit evidence for purpose of our audit of the consolidated financial statements by reviewing the component auditor's working papers; and
- 評價財務報表中與金融工具準則轉換相關的披露是否符合現行會計準則的披露要求。
assessing whether the relevant disclosures in relation to the change in financial instruments standards are in compliance with the prevailing accounting standards.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

綜合財務報表及其核數師報告以外的信息

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

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

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

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

董事就綜合財務報表須承擔的責任

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

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

審核委員會協助董事履行監督貴集團財務報告過程的責任。

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

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

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

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表承擔的責任

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

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

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

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

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

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

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

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表承擔的責任 (續)

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

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

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

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

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

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

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

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計項目合夥人是李嘉林。

畢馬威會計師事務所
執業會計師

香港中環
遮打道十號
太子大廈八樓
二零一九年三月二十七日

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

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

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

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
27 March 2019

綜合損益表

CONSOLIDATED INCOME STATEMENT

截至2018年12月31日止年度 For the year ended 31 December 2018

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
	註釋 Note		
收益總額	Total revenues	5	1,038,698
其他(虧損)/收益 – 淨額	Other (losses)/gains – net	6	(11,427)
銷售成本	Costs of sales		(920,394)
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	(36,973)
客戶貸款及應收利息 減值虧損撥回	Write back of impairment loss on loans to customers and interest receivable	26	4,016
銷售及分銷成本	Selling and distribution costs		(2,332)
行政及其他費用	Administrative and other expenses		(52,260)
營業溢利	Operating profit	8	19,328
融資成本	Finance costs	9	(26,165)
應佔聯營公司業績	Share of results of associates		617,363
除稅前溢利	Profit before taxation		610,526
所得稅支出	Income tax expense	11	(32,436)
本年度溢利	Profit for the year		578,090
股息	Dividend		
末期股息	Final dividend	12	59,726
			47,781
			港仙 HK CENTS
			港仙 HK CENTS
每股盈利	Earnings per share		
基本及攤薄	Basic and diluted	13	96.79
			96.30
每股股息	Dividend per share		
末期股息	Final dividend		10
			8

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2018年12月31日止年度 For the year ended 31 December 2018

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
本年度溢利	Profit for the year	578,090	516,890
其他全面收益	Other comprehensive income		
不會重新分類至損益表的項目：	Items that will not be reclassified to income statement:		
按公平值計入其他全面收益的股權投資－公平值儲備金（不可循環）變動淨額	Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	66,903	–
應佔聯營公司的其他全面收益	Share of other comprehensive income of associates	(171)	–
		66,732	–
其後可能重新分類至損益表的項目：	Items that may be reclassified subsequently to income statement:		
可供出售金融資產－公平值儲備金（可循環）變動淨額	Available-for-sale financial assets – net movement in fair value reserve (recycling)		
公平值變動	Fair value changes	–	(29,946)
遞延所得稅	Deferred income tax	–	(41)
出售時撥回	Released on disposal	–	(10,265)
		–	(40,252)
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	(311,630)	399,654
應佔聯營公司的其他全面收益	Share of other comprehensive income of associates	191,041	(139,080)
		(120,589)	220,322
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	(53,857)	220,322
本年度全面收益總額	Total comprehensive income for the year	524,233	737,212

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2018年12月31日結算 As at 31 December 2018

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
	註釋 Note		
非流動資產	Non-current assets		
物業、機器及設備	Property, plant and equipment	20,935	16,878
無形資產	Intangible assets	1,573	2,504
投資物業	Investment properties	169,632	169,818
聯營公司	Associates	4,988,673	4,842,032
按公平值計入其他全面收益 的金融資產	Financial assets at fair value through other comprehensive income	570,417	-
可供出售金融資產	Available-for-sale financial assets	-	503,514
按攤銷成本計量的金融資產	Financial assets at amortised cost	3,129	-
持至到期日金融資產	Held-to-maturity financial assets	-	3,119
客戶貸款及應收利息	Loans to customers and interest receivable	-	39
再保險資產	Reinsurance assets	1,546	213
預付款	Prepayments	6	180
抵押銀行存款	Pledged bank deposit	227,800	-
遞延所得稅資產	Deferred income tax assets	535	10,150
		5,984,246	5,548,447
流動資產	Current assets		
存貨	Inventories	10,668	89,946
應收款項類投資	Investments in receivables	-	132,105
遞延取得成本	Deferred acquisition costs	21,242	16,868
保險應收款	Insurance receivable	13,134	10,854
再保險資產	Reinsurance assets	4,791	6,099
客戶貸款及應收利息	Loans to customers and interest receivable	22,875	26,026
銀行承兌匯票	Banker's acceptance	56,186	-
其他應收賬款	Other debtors	2,927	6,324
預付貨款	Advance payment	1,387	99,480
其他預付款及按金	Other prepayments and deposits	1,548	1,437
抵債資產	Repossessed assets	-	3,940
按公平值透過損益列賬 的金融資產	Financial assets at fair value through profit or loss	306	304
現金及銀行結存	Cash and bank balances	1,177,580	1,300,589
		1,312,644	1,693,972
流動負債	Current liabilities		
保險合約	Insurance contracts	65,523	49,991
保險應付款	Insurance payable	9,196	7,250
其他應付賬款及應計費用	Other creditors and accruals	24,498	29,579
銀行貸款	Bank borrowings	198,804	354,141
應付本期稅項	Current income tax payable	25,495	26,369
		323,516	467,330
流動資產淨值	Net current assets	989,128	1,226,642
總資產減流動負債	Total assets less current liabilities	6,973,374	6,775,089

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2018年12月31日結算 As at 31 December 2018

			2018	2017
		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	31	199,966	198,131
保險合約	Insurance contracts	29	17,482	37,659
遞延所得稅負債	Deferred income tax liabilities	32	24,106	28,397
			<u>241,554</u>	<u>264,187</u>
資產淨值	Net assets		<u>6,731,820</u>	<u>6,510,902</u>
權益	Equity			
股本	Share capital	33(a)	1,715,377	1,715,377
其他儲備金	Other reserves		1,504,672	1,628,236
保留溢利	Retained profits		3,511,771	3,167,289
本公司股東應佔權益 總額	Total equity attributable to shareholders of the Company		<u>6,731,820</u>	<u>6,510,902</u>

嚴正
董事

YAN Zheng
Director

陳宇
董事

CHEN Yu
Director

綜合權益變動表 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2018年12月31日止年度 For the year ended 31 December 2018

		其他儲備金 Other reserves											
		額外 權益工具	法定 儲備金	普通 儲備金	資本 儲備金	公平值 儲備金 (可循環) (i)	公平值 儲備金 (不可循環)	租賃樓房 重估儲備金 Leasehold buildings revaluation reserve	外匯折算 儲備金	其他 儲備金 總額	保留溢利	股東權益 總額	
股本	Share capital	Additional equity instrument	Statutory reserve	General reserve	Capital reserve	Fair value reserve (recycling) (i)	Fair value reserve (non-recycling)	reserves	Exchange translation reserve	Total other reserves	Retained profits	Total equity	
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
於2017年12月31日， 原呈列	At 31 December 2017, as originally presented	1,715,377	192,214	871,411	84,476	329,956	127,336	-	3,192	19,651	1,628,236	3,167,289	6,510,902
初始應用香港財務報告準則 第9號的影響(註釋2.2)	Impact on initial application of HKFRS 9 (Note 2.2)	-	-	-	-	-	(307,435)	281,765	-	-	(25,670)	(38,848)	(64,518)
調整分類的一致性	Adjustment to align the classification	-	(192,214)	-	-	-	-	-	-	-	(192,214)	-	(192,214)
於2018年1月1日，經重列	At 1 January 2018, as restated	1,715,377	-	871,411	84,476	329,956	(180,099)	281,765	3,192	19,651	1,410,352	3,128,441	6,254,170
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	-	578,090	578,090
其他全面收益	Other comprehensive income	-	-	-	-	-	172,154	66,732	-	(292,743)	(53,857)	-	(53,857)
股息	Dividend	-	-	-	-	-	-	-	-	-	-	(47,781)	(47,781)
一家聯營公司出售按公平值 計入其他全面收益的 股權證券時撥回	Released on disposal of equity investments at fair value through other comprehensive income by an associate	-	-	-	-	-	-	(13)	-	-	(13)	13	-
應佔一家聯營公司的資本 儲備金變動	Share of movement in capital reserve of an associate	-	-	-	-	1,198	-	-	-	-	1,198	-	1,198
調撥	Transfers	-	-	99,235	47,757	-	-	-	-	-	146,992	(146,992)	-
於2018年12月31日	At 31 December 2018	1,715,377	-	970,646	132,233	331,154	(7,945)	348,484	3,192	(273,092)	1,504,672	3,511,771	6,731,820
組成如下： 2018年擬派股息	Representing: 2018 proposed dividend	-	-	-	-	-	-	-	-	-	-	59,726	59,726
其他	Others	1,715,377	-	970,646	132,233	331,154	(7,945)	348,484	3,192	(273,092)	1,504,672	3,452,045	6,672,094
於2018年12月31日	At 31 December 2018	1,715,377	-	970,646	132,233	331,154	(7,945)	348,484	3,192	(273,092)	1,504,672	3,511,771	6,731,820

(i) 公平值儲備金(可循環)於2017年12月31日的結餘為根據香港會計準則第39號基準的投資重估儲備金。

(i) The balance of fair value reserve (recycling) at 31 December 2017 represents the investment revaluation reserve under HKAS 39 basis.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2018年12月31日止年度 For the year ended 31 December 2018

		其他儲備金									股東權益 總額	
		股本	額外 權益工具	法定 儲備金	普通 儲備金	資本 儲備金	投資重估 儲備金	租賃樓房 重估儲備金	外匯折算 儲備金	其他 儲備金 總額		保留溢利
		Share capital	Additional equity instrument	Statutory reserve	General reserve	Capital reserve	Investment revaluation reserve	Leasehold buildings revaluation reserve	Exchange translation reserve	Total other reserves	Retained profits	Total equity
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2017年1月1日	At 1 January 2017	891,135	-	707,962	68,969	329,482	277,464	3,192	(350,799)	1,036,270	2,859,692	4,787,097
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	516,890	516,890
其他全面收益	Other comprehensive income	-	-	-	-	-	(150,128)	-	370,450	220,322	-	220,322
以供股方式發行之新普通 股股份，扣除股份發行 費用後之淨額 (註釋33(a)(ii))	Issuance of new ordinary shares by way of rights issue, net of share issue expenses (Note 33(a)(ii))	824,242	-	-	-	-	-	-	-	-	-	824,242
一家聯營公司之附屬公司 發行次級額外一級資本 債券	Issuance of subordinated additional tier 1 capital securities by a subsidiary of an associate	-	192,214	-	-	-	-	-	-	192,214	-	192,214
股息	Dividend	-	-	-	-	-	-	-	-	-	(29,863)	(29,863)
一家聯營公司註銷一家 附屬公司時撥回	Released on dissolution of a subsidiary by an associate	-	-	-	(70)	474	-	-	-	404	(404)	-
調撥	Transfers	-	-	163,449	15,577	-	-	-	-	179,026	(179,026)	-
於2017年12月31日	At 31 December 2017	<u>1,715,377</u>	<u>192,214</u>	<u>871,411</u>	<u>84,476</u>	<u>329,956</u>	<u>127,336</u>	<u>3,192</u>	<u>19,651</u>	<u>1,628,236</u>	<u>3,167,289</u>	<u>6,510,902</u>
組成如下：	Representing:											
2017年擬派股息	2017 proposed dividend	-	-	-	-	-	-	-	-	-	47,781	47,781
其他	Others	<u>1,715,377</u>	<u>192,214</u>	<u>871,411</u>	<u>84,476</u>	<u>329,956</u>	<u>127,336</u>	<u>3,192</u>	<u>19,651</u>	<u>1,628,236</u>	<u>3,119,508</u>	<u>6,463,121</u>
於2017年12月31日	At 31 December 2017	<u>1,715,377</u>	<u>192,214</u>	<u>871,411</u>	<u>84,476</u>	<u>329,956</u>	<u>127,336</u>	<u>3,192</u>	<u>19,651</u>	<u>1,628,236</u>	<u>3,167,289</u>	<u>6,510,902</u>

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至2018年12月31日止年度 For the year ended 31 December 2018

		2018	2017
	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	36(a)	101,231	(161,979)
已收利息	Interest received	36,703	34,421
已付利息	Interest paid	(21,626)	(31,482)
已付其他借貸成本	Other borrowing costs paid	(1,234)	(1,400)
已付稅項	Tax paid	(26,000)	(35,357)
經營業務活動現金	Net cash inflow/(outflow) from operating activities	89,074	(195,797)
流入／(流出)淨額			
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	(3,667)	(7,582)
提取有限制之銀行存款(存放)／提取原到期日超過三個月之銀行存款	Withdrawal of restricted bank deposits (Placement)/withdrawal of bank deposits with original maturity over three months	1,133	8,100
購入可供出售金融資產	Purchase of available-for-sale financial assets	(104,942)	32,946
購入應收款項類投資	Purchase of investment receivables	-	(27,060)
購入物業、機器及設備	Purchase of property, plant and equipment	-	(129,215)
購入無形資產	Purchase of intangible assets	(1,902)	(205)
已收一家聯營公司股息	Dividend received from an associate	(1,080)	-
贖回應收款項類投資	Redemption of investment receivables	153,195	250,075
出售可供出售金融資產	Sale of available-for-sale financial assets	136,666	-
出售物業、機器及設備	Sale of property, plant and equipment	-	50,887
		12	17
投資活動現金流入淨額	Net cash inflow from investing activities	179,415	177,963
融資活動前現金	Net cash inflow/(outflow) before financing activities	268,489	(17,834)
流入／(流出)淨額			

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至2018年12月31日止年度 For the year ended 31 December 2018

		2018	2017
	註釋 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
融資活動	Financing activities		
以供股方式發行之新普通股 股份所得款項淨額	Net proceeds from issuance of new ordinary shares by way of rights issue	–	824,242
取得銀行貸款	Bank loans obtained 36(b)	200,000	–
償還銀行貸款	Bank loans repaid 36(b)	(356,880)	(806,352)
派發股息	Dividend paid	(47,781)	(29,863)
存放有限制之銀行存款	Placement of restricted bank deposit 36(b)	(227,800)	–
提取有限制之銀行存款	Withdrawal of restricted bank deposits 36(b)	46,699	–
融資活動現金流出淨額	Net cash outflow from financing activities	(385,762)	(11,973)
現金及現金等價物減少	Decrease in cash and cash equivalents	(117,273)	(29,807)
1月1日結存之現金及 現金等價物	Cash and cash equivalents at 1 January	1,184,547	1,129,111
匯率變動之影響	Effect of foreign exchange rates changes	(63,849)	85,243
12月31日結存之現金及 現金等價物	Cash and cash equivalents at 31 December	1,003,425	1,184,547
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 28	1,405,380	1,300,589
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 28	(47,760)	(44,093)
有限制之銀行存款	Restricted bank deposits 28	(228,939)	(51,635)
原到期日超過三個月 之銀行存款	Bank deposits with original maturity over three months	(125,256)	(20,314)
		1,003,425	1,184,547

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。本公司的股份在香港聯交所主板上市。

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

本綜合財務報表已於2019年3月27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 Hong Kong Stock Exchange.

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

These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2019.

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：

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

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更

本集團已採納下列香港會計師公會頒布的新準則及準則修訂：

- 香港財務報告準則第9號 金融工具
- 香港財務報告準則第15號 來自客戶合約之收益
- 修訂香港會計準則第40號 投資物業轉讓
- 修訂香港財務報告準則第2號 股份支付交易的分類和計量
- 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」
- 香港（國際財務報告詮釋委員會）— 外幣交易及預付代價 詮釋第22號
- 2014—2016週期的香港財務報告準則的年度改進
 - 修訂香港財務報告準則第1號，首次採納香港財務報告準則
 - 修訂香港會計準則第28號，投資聯營公司及合營公司

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

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

- HKFRS 9 Financial Instruments
- HKFRS 15 Revenue from Contracts with Customers
- Amendments to HKAS 40 Transfers of Investment Property
- 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
- HK(IFRIC) – Foreign Currency Transactions and Advance Consideration Interpretation 22
- Annual Improvements to HKFRSs 2014 – 2016 Cycle
 - Amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards
 - Amendments to HKAS 28, Investments in Associates and Joint Ventures

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)

本集團有關金融資產分類與計量及信貸虧損計量受香港財務報告準則第9號的影響。採納其他新準則及準則修訂對本綜合財務報表並沒有構成重大影響或並無影響。

有關會計政策變動詳情如下。

香港財務報告準則第9號取代香港會計準則第39號「金融工具：確認及計量」。該準則載列確認及計量金融資產、金融負債和一些買賣非金融項目合約的要求。

根據過渡要求，本集團已追溯應用香港財務報告準則第9號至2018年1月1日存在的項目。根據選擇的過渡法，本集團已將初始應用的累計影響確認為2018年1月1日權益期初結餘的調整。因此，比較資料繼續按香港會計準則第39號呈報及沒有重列。

截至本綜合財務報表刊發日期，香港會計師公會已頒布多項新準則及準則修訂；該等新準則及準則修訂於截至2018年12月31日止會計年度尚未生效，亦沒有在本綜合財務報表內提早採納如下：

- 香港財務報告準則 租賃
第16號
- 香港財務報告準則 保險合約
第17號
- 修訂香港會計準則 重大的定義
第1號及香港
會計準則第8號

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

The Group has been impacted by HKFRS 9 in relation to classification and measurement of financial assets and measurement of credit losses. The adoption of other new standards and amendments to standards had insignificant or no effect on these consolidated financial statements.

Details of the changes in accounting policies are discussed below.

HKFRS 9 replaces HKAS 39 “Financial Instruments: Recognition and Measurement”. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. Under the transition method chosen, the Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39 and not restated.

Up to the date of issuance of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards which are not yet effective for the accounting year ended 31 December 2018 and which have not been early adopted in these consolidated financial statements as follows:

- HKFRS 16 Leases
- HKFRS 17 Insurance Contracts
- Amendments to HKAS 1 and HKAS 8 Definition of Material

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更 (續)

- 修訂香港會計準則第19號 計劃修訂、縮減或結算
- 修訂香港會計準則第28號 於聯營公司及合營公司之長期權益
- 修訂香港財務報告準則第3號 業務的定義
- 修訂香港財務報告準則第9號 具有負補償之預付款項特性
- 修訂香港財務報告準則第10號及香港會計準則第28號 投資者與其聯營公司或合營公司之間之資產出售及注資
- 香港(國際財務報告詮釋委員會) – 詮釋第23號 所得稅處理的不確定性
- 2015–2017週期的香港財務報告準則的年度改進
- 2018年度財務報告的概念框架

本集團正評估初始應用該等新準則及準則修訂對相關期間的影響，除於下文所披露初步採納香港財務報告準則第16號的影響外，於本綜合財務報表刊發日期仍未量化其影響。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

- Amendments to HKAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures
- Amendments to HKFRS 3 Definition of a Business
- Amendments to HKFRS 9 Prepayment Features with Negative Compensation
- Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- HK(IFRIC) – Interpretation 23 Uncertainty over Income Tax Treatments
- Annual Improvements to HKFRSs 2015 – 2017 Cycle
- Conceptual Framework for Financial Reporting 2018

The Group is in the process of making an assessment of what the impact of these new standards and amendments to standards is expected to be in the period of initial application, except for the impact on the initial adoption of HKFRS 16 as disclosed below, it is impracticable to quantify the effect as at the date of issuance of these consolidated financial statements.

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)

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會)－詮釋第15號「經營租賃－優惠」及香港(準則詮釋委員會)－詮釋第27號「評估涉及租賃法律形式交易的內容」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項可選擇的租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即使用權資產)。除非使用權資產符合香港會計準則第40號內投資物業的定義，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人實際運作上可選擇不將此會計模式應用於短期租賃(即租賃期為12個月或以下)和低價值資產租賃，在該等情況下，租金開支將繼續於租期內按系統基準確認。

香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為營業租約及融資租賃。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases – Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to re-measure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更 (續)

於2018年12月31日，本集團擁有不可撤銷營業租約承擔港幣104,000元（載於財務報表註釋35(a)），該等營業租約均於呈報期後一年內支付。經考慮實際運作的適用性，本公司董事認為初始採納香港財務報告準則第16號將不會對本集團的財務狀況及經營業績有重大影響。

下表概述在綜合財務狀況表中受香港財務報告準則第9號影響的各個項目確認的期初結餘調整：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

At 31 December 2018, the Group had non-cancellable operating lease commitments of HK\$104,000 as set out in Note 35(a), which are all payable within 1 year after the reporting date. The Directors of the Company do not consider the initial adoption of HKFRS 16 will have significant impact on the financial position and operating results of the Group, after taking into account the applicability of the practical expedient.

The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been impacted by HKFRS 9:

		12月31日 31 December 2017	初始應用香港 財務報告準則 第9號的影響 Impact on initial application of HKFRS 9	1月1日 1 January 2018
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
聯營公司	Associates	4,842,032	(64,518)	4,777,514
按公平值計入其他 全面收益的金融 資產	Financial assets at fair value through other comprehensive income	–	503,514	503,514
可供出售金融資產	Available-for-sale financial assets	503,514	(503,514)	–
非流動資產	Non-current assets	5,548,447	(64,518)	5,483,929
應收款項類投資	Investments in receivables	132,105	(132,105)	–
其他應收賬款	Other debtors	6,324	(1,497)	4,827
按公平值透過損益 列賬的金融資產	Financial assets at fair value through profit or loss	304	133,602	133,906
流動資產	Current assets	1,693,972	–	1,693,972
資產淨值	Net assets	6,510,902	(64,518)	6,446,384
其他儲備金	Other reserves	1,628,236	(25,670)	1,602,566
公平值儲備金 (可循環)(i)	Fair value reserve (recycling) (i)	127,336	(307,435)	(180,099)
公平值儲備金 (不可循環)	Fair value reserve (non-recycling)	–	281,765	281,765
保留溢利	Retained profits	3,167,289	(38,848)	3,128,441
本公司股東應佔權益 總額	Total equity attributable to shareholders of the Company	6,510,902	(64,518)	6,446,384

(i) 公平值儲備金(可循環)於2017年12月31日的結餘為根據香港會計準則第39號基準的投資重估儲備金。

(i) The balance of fair value reserve (recycling) at 31 December 2017 represents the investment revaluation reserve under HKAS 39 basis.

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)

下表概述過渡至香港財務報告準則第9號對於2018年1月1日保留溢利及其他儲備金的影響，以及相關稅務影響：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

The following table summarises the impact of transition to HKFRS 9 on retained profits and other reserves and the related tax impact at 1 January 2018:

港幣千元
HK\$'000

保留溢利	Retained profits
<p>確認應佔一家聯營公司業績／資產：</p> <p> 確認按攤銷成本及按公平值計入 其他全面收益計量的金融資產 的額外預期信貸虧損</p> <p>現按公平值透過損益列賬的 金融資產相關的儲備金從 公平值儲備金(可循環)撥出</p> <p>按攤銷成本計量的金融資產重新分類 為按公平值透過損益列賬而重新計量 相關稅項影響</p>	<p>Recognition of share of results/assets of an associate:</p> <p>Recognition of additional expected credit losses on financial assets measured at amortised cost and FVOCI (67,996)</p> <p>Transferred from fair value reserve (recycling) relating to financial assets now measured at FVPL 38,825</p> <p>Remeasurement upon reclassification of financial assets from amortised cost to FVPL (17,984)</p> <p>Related tax impact 8,307</p>
2018年1月1日的保留溢利減少淨額	Net decrease in retained profits at 1 January 2018 <u>(38,848)</u>
<p>公平值儲備金(可循環)</p> <p>現按公平值計入其他全面收益的股權 投資相關的儲備金撥入公平值 儲備金(不可循環)</p> <p>確認應佔聯營公司業績／資產：</p> <p> 現按公平值透過損益列賬的金融資產 相關的儲備金撥入保留溢利</p> <p> 現按公平值計入其他全面收益的 股權投資相關的儲備金撥入 公平值儲備金(不可循環)</p> <p> 確認按公平值計入其他全面收益的 債務證券的額外預期信貸虧損</p> <p> 按攤銷成本計量的金融資產重新分類為 按公平值計入其他全面收益而重新計量 相關稅項影響</p>	<p>Fair value reserve (recycling)</p> <p>Transferred to fair value reserve (non-recycling) relating to equity investments now measured at FVOCI (280,128)</p> <p>Recognition of share of results/assets of associates:</p> <p>Transferred to retained profits relating to financial assets now measured at FVPL (38,825)</p> <p>Transferred to fair value reserve (non-recycling) relating to equity investments now measured at FVOCI (1,637)</p> <p>Recognition of additional expected credit losses on debt securities measured at FVOCI 3,142</p> <p>Remeasurement upon reclassification of financial assets from amortised cost to FVOCI (22)</p> <p>Related tax impact 10,035</p>
2018年1月1日的公平值儲備金(可循環) 減少淨額	Net decrease in fair value reserve (recycling) at 1 January 2018 <u>(307,435)</u>
<p>公平值儲備金(不可循環)</p> <p>現按公平值計入其他全面收益的 股權投資相關的儲備金從 公平值儲備金(可循環)撥出</p> <p>確認應佔聯營公司業績／資產：</p> <p> 現按公平值計入其他全面收益 的股權投資相關的儲備金從 公平值儲備金(可循環)撥出</p>	<p>Fair value reserve (non-recycling)</p> <p>Transferred from fair value reserve (recycling) relating to equity investments now measured at FVOCI 280,128</p> <p>Recognition of share of results/assets of associates:</p> <p>Transferred from fair value reserve (recycling) relating to equity investments now measured at FVOCI 1,637</p>
2018年1月1日的公平值儲備金 (不可循環)增加淨額	Net increase in fair value reserve (non-recycling) at 1 January 2018 <u>281,765</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.2 會計政策變更 (續)

有關原來的會計政策變動的性質和影響以及過渡法的進一步詳情載列如下：

(i) 金融資產及金融負債的分類

香港財務報告準則第9號將金融資產分為三個主要類別：按攤銷成本、按公平值計入其他全面收益（「按公平值計入其他全面收益」）及按公平值透過損益列賬（「按公平值透過損益列賬」）計量。該等類別取代香港會計準則第39號定義的按公平值透過損益列賬、貸款及應收款項、持至到期日及可供出售等類別。香港財務報告準則第9號對金融資產的分類乃基於管理金融資產的業務模式及其合約現金流量特徵而定。

倘主合約為香港財務報告準則第9號範圍內的金融資產，則嵌入式合約中的衍生工具不會與主合約分開。相反，混合式工具須整體評估分類。

下表顯示本集團根據香港會計準則第39號釐定各個類別的金融資產的原來計量分類，及根據香港會計準則第39號釐定該等金融資產的賬面值與根據香港財務報告準則第9號釐定的賬面值之間的對賬：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede categories of at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale under HKAS 39. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Derivatives embedded in contracts where the host is a financial asset in the scope of HKFRS 9 are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9:

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)

(i) 金融資產及金融負債的分類 (續)

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(i) Classification of financial assets and financial liabilities (Continued)

	香港會計準則 第39號 2017年12月31日 的賬面值 HKAS 39 carrying amounts at 31 December 2017	重新分類 Reclassification	香港財務報告 準則第9號 2018年1月1日 的賬面值 HKFRS 9 carrying amounts at 1 January 2018
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
金融資產計量按：	Financial assets measured at:		
攤銷成本	Amortised cost		
按攤銷成本計量的金融資產 (註(i))	Financial assets at amortised cost (Note (i))		
持至到期日金融資產 (註(ii))	Held-to-maturity financial assets (Note (ii))		
客戶貸款及應收利息	Loans to customers and interest receivable		
應收款項類投資 (註(ii))	Investments in receivables (Note (ii))		
其他應收賬款 (註(ii))	Other debtors (Note (ii))		
現金及銀行結存	Cash and bank balances		
	1,300,589	-	1,300,589
	<u>1,468,202</u>	<u>(133,602)</u>	<u>1,334,600</u>
按公平值透過損益列賬	FVPL		
應收款項類投資 (註(ii))	Investments in receivables (Note (ii))		
按公平值透過損益列賬 的金融資產	Financial assets at fair value through profit or loss		
持作買賣的股權證券	Equity securities held for trading		
	304	-	304
	<u>304</u>	<u>133,602</u>	<u>133,906</u>
按公平值計入其他全面收益 (不可循環)	FVOCI (non-recycling)		
非持作買賣的股權證券 (註(iii))	Equity securities not held for trading (Note (iii))		
	-	503,514	503,514
可供出售	Available-for-sale		
非持作買賣的股權證券 (註(iii))	Equity securities not held for trading (Note (iii))		
	503,514	(503,514)	-

2 主要會計政策 (續)

2.2 會計政策變更 (續)

(i) 金融資產及金融負債的分類 (續)

註(i) 根據香港財務報告準則第9號，香港會計準則第39號項下的持至到期日的類別不再使用。於2018年1月1日，本集團將持至到期日的金融資產重新分類至按攤銷成本計量的金融資產，其計量方法維持不變。

註(ii) 應收款項類投資為中國內地一家銀行發行的固定期限及保本的理財產品。該等金融資產的合約現金流量並非純粹支付本金及利息，因此，根據香港財務報告準則第9號按公平值透過損益列賬。於2018年1月1日，該等金融資產及相關應收利息重新分類為按公平值透過損益列賬。

註(iii) 根據香港會計準則第39號，非持作買賣的股權證券分類為可供出售金融資產。根據香港財務報告準則第9號，該等股權證券分類為按公平值透過損益列賬，但如符合選擇及指定為按公平值計入其他全面收益則除外。於2018年1月1日，本集團指定其華能A股投資按公平值計入其他全面收益(不可循環)，此乃由於有關投資為長期持有及具策略目的。

本集團所有金融負債的計量分類保持不變。於2018年1月1日，所有金融負債的賬面值並無受初始應用香港財務報告準則第9號的影響。

於2018年1月1日，本集團並無指定或取消指定任何金融資產或金融負債按公平值透過損益列賬。

有關本集團根據香港財務報告準則第9號就金融資產如何分類及計量，以及就相關損益如何入賬的闡釋，分別載於註釋2.9及2.11(i)。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(i) Classification of financial assets and financial liabilities (Continued)

Note (i) The category of held-to-maturity under HKAS 39 was no longer used under HKFRS 9. At 1 January 2018, the Group reclassified held-to-maturity financial assets to financial assets at amortised cost, and its measurement remained unchanged.

Note (ii) The investments in receivables represented fixed-term and principal guaranteed wealth management products issued by a bank in Mainland China. These financial assets have contractual cash flows that are not solely payments of principal and interest and are therefore measured at FVPL under HKFRS 9. These financial assets and related interest receivable are reclassified to FVPL at 1 January 2018.

Note (iii) Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as FVPL under HKFRS 9, unless they are eligible for election and designation as FVOCI. At 1 January 2018, the Group designated its investment in Huaneng A-Shares as FVOCI (non-recycling) as the investment is held for long term and strategic purposes.

The measurement categories for all financial liabilities of the Group remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 January 2018.

An explanation of how the Group classifies and measures financial instruments and accounts for related gains and losses under HKFRS 9 is described in Notes 2.9 and 2.11(i) respectively.

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)

(ii) 信貸虧損

香港財務報告準則第9號以「預期信貸虧損」(「預期信貸虧損」)模式取代香港會計準則第39號的「已產生虧損」模式。預期信貸虧損模式需要持續計量金融資產的信貸風險，因此，確認預期信貸虧損的時間較香港會計準則第39號的「已產生虧損」會計模式確認的時間為早。

本集團應用新的預期信貸虧損模式於下列項目：

- 按攤銷成本計量的金融資產(包括債務證券、客戶貸款及應收利息、保險應收款、再保險資產、其他應收賬款、現金及銀行結存)；及
- 按公平值計入其他全面收益(可循環)的債務證券。

由於這項會計政策的變動，本集團已確認應佔本集團一家聯營公司，廈銀集團的額外預期信貸虧損港幣67,996,000元，以致於2018年1月1日的保留溢利及聯營公司減少港幣67,996,000元。

本集團於2018年1月1日根據香港財務報告準則第9號釐定的期初減值準備，與本集團於2017年12月31日根據香港會計準則第39號釐定的期末減值準備相同。

有關本集團如何計量減值準備的補充信息載於註釋2.11(i)。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(ii) Credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the expected credit loss (“ECL”) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises expected credit losses (“ECLs”) earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECL model to the following items:

- financial assets measured at amortised cost (including debt securities, loans to customers and interest receivable, insurance receivable, reinsurance assets, other debtors, cash and bank balances); and
- debt securities measured at FVOCI (recycling).

As a result of this change in accounting policy, the Group has recognised share of additional ECLs of XIB Group, an associate of the Group, amounted to HK\$67,996,000, which decreased both retained profits and associates by HK\$67,996,000 at 1 January 2018.

The opening impairment allowances of the Group determined in accordance with HKFRS 9 at 1 January 2018 remain the same as the closing impairment allowances of the Group determined in accordance with HKAS 39 at 31 December 2017.

Additional information about how the Group measures the allowance for impairment is described in Note 2.11(i).

2 主要會計政策 (續)

2.2 會計政策變更 (續)

(iii) 過渡

除下文所述者外，採納香港財務報告準則第9號產生的會計政策變動已追溯應用：

- 比較期間的資料沒有重列。採納香港財務報告準則第9號產生的金融資產賬面值差額於2018年1月1日的保留溢利和其他儲備內確認。因此，2017年呈列的資料將繼續根據香港會計準則第39號呈報，故不可與當前期間的資料比較。
- 已根據於2018年1月1日(本集團初始應用香港財務報告準則第9號的日期)存在的事實及情況作出下列評估：
 - 釐定金融資產的業務模式；及
 - 指定若干非持作買賣的股權工具投資分類為按公平值計入其他全面收益(不可循環)。
- 於初始應用日期，倘評估信貸風險自初始確認後有否顯著增加涉及過度成本及努力，則該金融工具以整個存續期的預期信貸虧損確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(iii) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained profits and other reserves at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.
- The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group):
 - the determination of the business model within which a financial asset is held; and
 - the designation of certain investments in equity instruments not held for trading to be classified as measured at FVOCI (non-recycling).
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

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

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

(a) 附屬公司及非控股權益

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

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 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.

2 主要會計政策 (續)

2.3 綜合基準 (續)

(a) 附屬公司及非控股權益 (續)

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

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

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

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in the consolidated income statement. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2.9) or, when appropriate, the cost on initial recognition of an investment in an associate (Note 2.3(b)). In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in consolidated statement of comprehensive income are reclassified to the consolidated income statement or transferred directly to retained profits when the Group loses control of the subsidiary.

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

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)

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

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

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

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

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

Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2.21 or 2.22 depending on the nature of the liability.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates

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

Investments in associates are accounted for in the consolidated financial statements under the equity method, unless they are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2.18). Under the equity method, the investments are initially recognised at cost, adjusted for any excess of the Group's share of the acquisition-date fair value of the investees' identifiable net assets over the cost of the investments (if any). The cost of the investments include purchase price, other costs directly attributable to the acquisition of the investments, and any direct investment into the associates that forms part of the Group's equity investments. Thereafter, the investments are adjusted for the post-acquisition changes in the Group's share of the investees' net assets and any impairment losses relating to the investments (Notes 2.4 and 2.11(ii)). 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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司 (續)

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates (Continued)

When the Group's share of losses exceeds its interests in an associate, the Group's interests are reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interests in an associate are the carrying amount of the investments under the equity method together with the Group's long-term interests that in substance form part of the Group's net investments in the associate.

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

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in the consolidated income statement. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2.9). 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.

2 主要會計政策 (續)

2.3 綜合基準 (續)

(b) 聯營公司 (續)

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

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

2.4 商譽

商譽指：

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

(b) Associates (Continued)

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

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

2.4 Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in the consolidated income statement as a gain on a bargain purchase.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.4 商譽 (續)

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

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

2.5 物業、機器及設備

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

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

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.4 Goodwill (Continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2.11(ii)).

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

2.5 Property, plant and equipment

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.5 物業、機器及設備 (續)

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

(a) 直線法

持作自用的租賃土地及土地使用權	按租約尚餘年期
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%

資產的剩餘價值及可使用年期於各呈報日審閱及進行適當調整。若資產賬面值高於其估計可收回價值，將立即調減至可收回價值（註釋 2.11(ii)）。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

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

(a) Straight line method

Leasehold land and land use rights held for own use	Over the unexpired term of the lease
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%

An asset's residual value and useful life are reviewed, and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11(ii)).

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.6 無形資產

無形資產(包括軟件)皆按歷史成本值扣除累計攤銷和減值虧損列賬。歷史成本包括收購該資產直接應佔的開支。

與保養電腦系統相關的成本在產生的期間於損益表內支銷。

無形資產的攤銷按其估計可用年期3至4年內按直線法確認。

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

無形資產的攤銷期限及攤銷方法於各呈報日審閱及進行適當調整。若無形資產賬面值高於其估計可收回價值，將立即調減至可收回價值(註釋2.11(ii))。

2.7 投資物業

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.6 Intangible assets

Intangible assets which comprise software are stated at historical cost less accumulated amortisation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Costs associated with maintaining computer system are expensed in the income statement during the period in which they are incurred.

Amortisation of intangible assets is recognised on a straight-line basis over their estimated useful lives of 3 to 4 years.

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

The amortisation period and the amortisation method for an intangible asset are reviewed, and adjusted, if appropriate, at each reporting date. An intangible asset's carrying amount is written down immediately to its recoverable amount if the intangible asset's carrying amount is greater than its estimated recoverable amount (Note 2.11(ii)).

2.7 Investment properties

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.7 投資物業 (續)

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

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

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

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

當一項持作自用的物業因用途變更而重新分類為投資物業時，於重新分類為投資物業之日，持作自用物業重新分類為投資物業前的賬面值與重估時公平值變動產生的任何差額確認如下：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Investment properties (Continued)

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

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

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

Changes in fair value and gain or loss on disposal of an investment property are recognised in the income statement as part of "Other gains/(losses) – net".

When a property held for own use is reclassified to investment property following a change in its use, any difference arising at the date of reclassification between the carrying amount of the property held for own use immediately prior to the reclassification and the change in fair value as a result of revaluation is recognised as below:

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.7 投資物業 (續)

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

投資物業其後出售時，於租賃樓房重估儲備金確認的重估盈餘將會直接撥入保留溢利。

若一項投資物業變為業主自用物業，該物業被重新分類為持作自用物業，根據註釋2.5的會計方法，其於重新分類當日的公平值作為日後的等同成本入賬。

2.8 抵債資產

抵債資產乃本集團通過法庭程序或借款人自願交出擁有權收回的抵押品資產。

抵債資產初始按公平值入賬。相關未償還貸款及應收利息，連同相關的減值準備於綜合財務狀況表內終止確認。抵債資產毋須計算折舊或攤銷。

抵債資產其後按資產賬面值與公平值扣除出售成本兩者中之較低者計量。當一項抵債資產的公平值扣除出售成本低於其賬面值時，減值虧損於損益表內確認。

當一項抵債資產出售時，銷售所得款項淨額與資產賬面值之間的差額於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Investment properties (Continued)

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

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

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

2.8 Repossessed assets

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

Repossessed assets are initially recognised at fair value, and the related outstanding loans and interest receivable together with the related impairment allowances are derecognised from the consolidated statement of financial position. Repossessed assets are not depreciated or amortised.

Repossessed assets are subsequently measured at the lower of carrying amount and fair value less costs to sell. When the fair value less costs to sell is lower than the carrying amount of a repossessed asset, an impairment loss is recognised in the income statement.

When a repossessed asset is disposed of, the difference between the net sale proceeds and the carrying amount is recognised in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.9 金融工具

(i) 確認及初始計量

應收款及客戶貸款於產生時初始確認。所有其他金融資產(包括一般買賣的金融資產)及金融負債,在本集團成為金融工具合同條款的一方時初始確認。

金融資產(除非是沒有重大融資成分的應收款)或金融負債初始按公平值計量及,對於非按公平值透過損益列賬的項目,包括直接歸屬於其收購或發行的交易成本計量。沒有重大融資成分的應收款初始按交易價格計量。

(ii) 分類

金融資產 – 2018年1月1日起適用的政策

於初始確認時,金融資產分類為按攤銷成本、按公平值計入其他全面收益或按公平值透過損益列賬來計量。

金融資產在初始確認後不會重新分類,除非本集團更改管理金融資產的業務模式,在此情況下,所有受影響的金融資產在業務模式變更後的首個報告期間的第一天重新分類。

倘金融資產同時符合下列條件且未被指定為按公平值透過損益列賬,則按攤銷成本計量:

- 其持有資產的商業模式為以收取合約現金流為目標;及
- 其合約條款在指定日期產生現金流量,該現金流量純粹為支付本金和未償還本金的利息。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments

(i) Recognition and initial measurement

Trade receivables and loans to customers are initially recognised when they are originated. All other financial assets (including regular-way purchases and sales of financial assets) and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification

Financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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(ii) 分類 (續)

倘債務投資同時符合下列條件且未指定為按公平值透過損益列賬，則以按公平值計入其他全面收益計量：

- 其持有的商業模式為以收取合約現金流量及出售金融資產為目標；及
- 其合約條款在指定日期產生現金流量，該現金流量純粹為支付本金和未償還本金的利息。

於初始確認非持作買賣的股權投資時，本集團可不可撤銷地選擇於其他全面收益確認該項投資隨後的公平值變動。有關選擇按個別投資為基準而作出。

不符合上述分類為以攤銷成本計量或按公平值計入其他全面收益計量的所有金融資產，均按公平值透過損益列賬計量。這包括所有衍生金融資產。於初始確認時，倘可抵銷或大幅度減低可能產生的會計錯配，本集團可以將符合以攤銷成本或按公平值計入其他全面收益計量的金融資產不可撤銷地指定為按公平值透過損益列賬計量。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(ii) Classification (Continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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2 主要會計政策 (續)

2.9 金融工具 (續)

(ii) 分類 (續)

業務模式評估

本集團以組合層面評估持有的金融資產的業務模式目標，因為這最能反映業務的管理方式和提供予管理層的信息。考慮的信息包括：

- 組合的既定政策和目標以及該等政策的實施情況。這包括管理層的策略是否著重於賺取合約利息收益，維持特定利率概況，調配金融資產和任何相關負債或預期現金流出的期限，或通過出售資產實現現金流量；
- 如何評估組合的表現並向本集團管理層匯報；
- 影響業務模式（以及該業務模式中持有的金融資產）表現的風險及如何管理該等風險；
- 如何補償業務經理 — 例如補償是基於所管理資產的公平值或是所收取的合約現金流量；及
- 於以往期間出售金融資產的頻率、數量和時間，出售原因以及對未來出售活動的預期。然而，有關出售活動的信息不會獨立考慮，而是作為對本集團如何實現管理金融資產的既定目標及如何實現現金流的整體評估的一部分。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(ii) Classification (Continued)

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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2 主要會計政策 (續)

2.9 金融工具 (續)

(ii) 分類 (續)

金融資產轉移至第三方的交易若不符合終止確認條件不會被視為出售，與本集團持續確認資產的政策一致。

持作買賣或按公平值管理及評估表現的金融資產按公平值透過損益列賬計量。

評估合約現金流量是否純粹為支付本金及利息

就該評估而言，「本金」定義為初始確認時金融資產的公平值。「利息」定義為貨幣時間值、於特定時期內未償還本金金額相關的信用風險以及其他基本貸款風險和成本（如流動資金風險和行政費用）的代價，以及利潤率。

於評估合約現金流量是否純粹為支付本金及利息時，本集團考慮該工具的合約條款。這包括評估該金融資產是否包含可以改變合約現金流量時間或金額的合約條款，以使其不符合此條件。於作出評估時，本集團考慮：

- 可以改變現金流量金額或時間的或有事件；
- 槓桿特點；
- 可能調整合約票面息率的條款，包括浮動利率特徵；

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(ii) Classification (Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- terms that may adjust the contractual coupon rate, including variable-rate features;

2 主要會計政策 (續)

2.9 金融工具 (續)

(ii) 分類 (續)

- 預付款和延期特性；
- 限制本集團對指定資產的現金流量索賠的條款（例如無追索權特徵）；及
- 修改貨幣時間值代價的特點（例如，定期重設利率）。

若預付款金額實質為支付本金和未償還本金的利息，則預付款特性與純粹為支付本金及利息的標準一致，這可能包括提前終止合約的合理額外補償。另外，對於以合約面值折讓價或溢價收購的金融資產，倘預付款的公平值在初始確認時並不重大，則容許或要求實質為合約面值金額及應計（但未付）合約利息（可能亦包括提前終止的合理額外補償）的預付金額的特性將被視為與此標準一致。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(ii) Classification (Continued)

- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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2 主要會計政策 (續)

2.9 金融工具 (續)

(ii) 分類 (續)

其後計量及盈虧

按公平值透過損益列賬的金融資產：該等資產其後按公平值計量。收益及虧損淨額（包括任何利息或股息收益）於損益內確認。

按攤銷成本計量的金融資產：該等資產其後按實際利息法計算攤銷成本。攤銷成本扣除減值虧損列賬。利息收益、外匯盈虧及減值於損益內確認。終止確認的任何盈虧於損益內確認。

按公平值計入其他全面收益的債務投資：該等資產其後按公平值計量。按實際利息法計算的利息收益、外匯盈虧及減值在損益內確認。其他收益及虧損淨額在其他全面收益內確認。於終止確認時，其他全面收益的累計盈虧重新分類至損益內。

按公平值計入其他全面收益的股權投資：該等資產其後按公平值計量。除非股息明確為部分投資成本的回收，否則股息在損益內確認為收益。其他收益及虧損淨額在其他全面收益內確認，決不會重新分類至損益。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(ii) Classification (Continued)

Subsequent measurement and gains and losses

Financial assets at FVPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

2 主要會計政策 (續)

2.9 金融工具 (續)

(ii) 分類 (續)

金融資產 – 2018年1月1日前適用的政策

本集團將金融資產分類為下列類別：

- 貸款及應收款項；
- 持至到期日；
- 可供出售；及
- 按公平值透過損益列賬，於此類別內為：
 - 持作買賣；
 - 對沖衍生工具；或
 - 指定為按公平值透過損益列賬。

其後計量及盈虧

按公平值透過損益列賬的金融資產：按公平值計量，其變動（包括任何利息收益或股息收益）在損益內確認。

持至到期日金融資產：按實際利息法計量攤銷成本。

貸款及應收款項：按實際利息法計量攤銷成本。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(ii) Classification (Continued)

Financial assets – Policy applicable before 1 January 2018

The Group classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVPL, and within this category as:
 - held for trading;
 - derivative hedging instruments; or
 - designated as at FVPL.

Subsequent measurement and gains and losses

Financial assets at FVPL: Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.

Held-to-maturity financial assets: Measured at amortised cost using the effective interest method.

Loans and receivables: Measured at amortised cost using the effective interest method.

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2 主要會計政策 (續)

2.9 金融工具 (續)

(ii) 分類 (續)

可供出售金融資產：以公平值計量，除減值虧損、利息收益和債務工具的外幣差異在損益內確認外，其變動在其他全面收益內確認，並在公平值儲備金累計。當該等資產終止確認時，在股東權益累計的收益或虧損將重新分類至損益。

金融負債 – 分類、其後計量及盈虧

金融負債分類為按攤銷成本或按公平值透過損益列賬計量。倘金融負債分類為持作買賣、金融負債為衍生工具或於初始確認時被指定為衍生工具，將按公平值透過損益列賬。按公平值透過損益列賬的金融負債按公平值計量，收益及虧損淨額（包括任何利息支出）在損益內確認。其他金融負債其後按實際利息法計量攤銷成本。利息支出及外匯盈虧於損益內確認。終止確認的任何收益或虧損亦於損益內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(ii) Classification (Continued)

Available-for-sale financial assets: Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments which were recognised in profit or loss, were recognised in other comprehensive income and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2 主要會計政策 (續)

2.9 金融工具 (續)

(iii) 終止確認

金融資產

當從金融資產收取現金流量的合約權利經已到期，或經已轉讓交易中收取現金流量的合約權利，而金融資產擁有權的所有風險和回報已實質上轉讓，或本集團概無轉讓或保留擁有權實質上的所有風險和回報，亦無保留對該金融資產的控制權，本集團即終止確認金融資產。

本集團進行交易轉讓於財務狀況表內確認的資產，但保留轉讓資產的所有或實質上所有風險及回報。在此等情況下，轉讓的資產不會被終止確認。

本集團在交易中概無保留或轉讓金融資產擁有權實質上的所有風險和回報，但仍保留對該資產的控制時，本集團按持續參與的部分繼續確認該資產，並按承受轉讓資產價值變動的幅度釐定。

金融資產終止確認時，該資產的賬面值（或分配至終止確認資產部分的賬面值）與 (i) 所收取的代價（包括取得的任何新資產減去所承擔的任何新負債）及 (ii) 已於其他全面收益確認的任何累計收益或虧損的總和的差額於損益內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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2 主要會計政策 (續)

2.9 金融工具 (續)

(iii) 終止確認 (續)

從2018年1月1日起，指定為按公平值計入其他全面收益的股權投資證券於其他全面收益確認的任何累計收益／虧損，於終止確認該等證券時不會於損益內確認。本集團建立或保留符合終止確認條件的已轉讓金融資產的任何權益均確認為獨立資產或負債。

金融負債

當金融負債的合約義務經已解除或取消或屆滿時，本集團即終止確認金融負債。當金融負債的條款被修改且經修改的負債的現金流量大不相同時，本集團即終止確認金融負債，在此情況下，基於修訂條款的新金融負債按公平值確認。

金融負債於終止確認時，已終止的賬面值與已付代價（包括已轉讓的任何非現金資產或承擔的負債）之間的差額於損益內確認。

(iv) 抵銷

本集團只會在目前有合法權利可將金融資產與金融負債抵銷，並計劃以淨額基準結算，或同時間將資產變現及償還負債的情況下，才會將金融資產與金融負債作出抵銷，並將抵銷淨額於財務狀況表內列賬。

只有在香港財務報告準則所准許，或收益及虧損由類似交易組別所產生（如本集團買賣活動）時，收益及開支才以淨額基準呈列。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(iii) Derecognition (Continued)

From 1 January 2018 any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under HKFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

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2 主要會計政策 (續)

2.9 金融工具 (續)

(v) 公平值計量

「公平值」是指在計量日期本集團已進入的主要交易市場或如沒有主要交易市場的情況下的最有利的市場，市場參與者進行有序交易出售資產將收到的價格或轉讓負債將支付的價格。負債的公平值反映其不履約風險。

當可用時，本集團使用該工具的活躍市場中的報價來計量工具的公平值。若資產或負債的交易頻率和交易量足以持續提供定價信息，則該市場被視為「活躍」。

如活躍市場沒有報價，本集團採用估值模式，並盡量利用相關可觀察數據及減少使用不可觀察數據。所選擇的估值模式包含市場參與者對交易定價時考慮的所有因素。

金融工具初始確認的公平值的最佳證據一般為交易價格 — 即付出或收到的代價的公平值。如本集團釐定初始確認的公平值與交易價格不同，而該公平值的釐定並非就相同資產或負債在活躍市場取得的報價，亦不是使用估值模式，而所用的不可觀察數據於計量時並不重大，則金融工具初始按公平值計量，調整以推遲初始確認的公平值與交易價格之間的差額。其後，該差額在該金融工具有效期內在適當的基礎上在損益內確認，但不遲於估值完全由可觀察市場數據支持或交易結束時。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(v) Fair value measurement

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.9 金融工具 (續)

(v) 公平值計量 (續)

如按公平值計量的資產或負債具有買入價和賣出價，則本集團以買入價計算資產及好倉，以賣出價計算負債及淡倉。

本集團管理的金融資產及金融負債組合承受市場風險及信貸風險，對市場風險或信貸風險的承擔淨值乃根據出售淨好倉將收到的價格（或支付以轉讓淨淡倉）計量。投資組合水平調整 – 例如根據承擔淨值反映計量的買賣調整或信貸風險調整 – 根據投資組合內個別工具的相關風險調整分配予個別資產和負債。

具需求特點的金融負債的公平值不低於按要求支付的金額，從可能需要支付金額的第一天貼現。

本集團於發生轉移的呈報期末確認公平值架構各等級間的轉移。

2.10 對沖會計法

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

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial instruments (Continued)

(v) Fair value measurement (Continued)

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2.10 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)

2.11 減值

(i) 非衍生金融資產

2018年1月1日起適用的政策

金融工具

本集團確認預期信貸虧損的虧損準備於：

- 按攤銷成本計量的金融資產(包括債務投資、客戶貸款及應收利息、保險應收款、再保險資產、其他應收賬款、現金及銀行結存)；及
- 按公平值計入其他全面收益的債務投資。

本集團按相等於整個存續期的預期信貸虧損金額計量虧損準備，下列按12個月預期信貸虧損計量者除外：

- 於呈報日確定具低信貸風險的債務證券；及
- 其他債務證券和銀行結存，其信貸風險(即金融工具的預計年期內發生的違約風險)自初始確認後並未顯著增加。

當一項債務證券的信貸風險評級等同於全球理解的「投資級別」定義時，本集團認為該債務證券具低信貸風險。

儘管現金和銀行結存亦須進行預期信貸虧損評估，惟已確定的虧損準備並不重大。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment

(i) Non-derivative financial assets

Policy applicable from 1 January 2018

Financial instruments

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost (including debt investments, loans to customers and interest receivable, insurance receivable, reinsurance assets, other debtors, cash and bank balances); and
- debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of “investment grade”.

While cash and bank balances are also subject to the ECL assessment, the identified loss allowance was immaterial.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.11 減值 (續)

(i) 非衍生金融資產 (續)

貿易應收款的虧損準備一直按相等於整個存續期的預期信貸虧損金額計量。

保險應收款、再保險資產及其他應收賬款的虧損準備一直按相等於整個存續期的預期信貸虧損金額計量。於呈報日，該等金融資產的預期信貸虧損根據本集團過往的信貸虧損經驗採用撥備矩陣法計量，並就債務人的特定因素及評估當前及預測整體經濟狀況予以調整。

就客戶貸款、應收利息及所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損準備，惟若該項金融工具的信貸風險自初始確認後有顯著增加，則須以相等於整個存續期的預期信貸虧損的金額計量虧損準備。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Loss allowances for insurance receivable, reinsurance assets and other debtors are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For loans to customers, interest receivable and all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 主要會計政策 (續)

2.11 減值 (續)

(i) 非衍生金融資產 (續)

信貸風險顯著增加

於釐定金融資產的信貸風險自初始確認後是否有顯著增加及於計量預期信貸虧損時，本集團考慮在無需付出過度成本及努力下可獲得的合理可靠資料。這包括根據本集團過往經驗、知情信貸評估及前瞻性信息而獲得的定量和定性的信息及分析。

在評估信貸風險自初始確認後有否顯著增加時，尤其考慮下列信息：

- 合約到期時無法支付本金或利息；
- 金融工具的外部或內部信貸評級（如有）出現實際或預期的顯著惡化；
- 債務人經營業績出現實際或預期的顯著惡化；及
- 科技、市場、經濟或法律環境現有或預測的變化，對債務人履行其對本集團的義務的能力產生重大不利影響。

視乎金融資產的性質，按個別或組合基準評估信貸風險有否顯著增加。按組合基準評估時，金融資產根據共享信貸風險特徵（如逾期狀況、信貸風險評級和抵押品類型）進行分組。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial assets, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial assets are grouped based on shared credit risk characteristics, such as past due status, credit risk ratings and collateral types.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.11 減值 (續)

(i) 非衍生金融資產 (續)

如金融資產逾期超過30天，本集團假設該金融資產的信貸風險有顯著增加。

本集團認為下列情況下金融資產屬違約：

- 不借助本集團資源作出行動如以變現抵押品（如持有）的情況下，借款人無法向本集團悉數償還其信貸責任；或
- 金融資產逾期超過90天。

預期信貸虧損的計量

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損以所有預期現金短缺（即根據合約應償還予本集團的現金流量與本集團預計收到的現金流量之間的差額）的現值計量。

整個存續期的預期信貸虧損指於預計存續期內所有可能發生違約事件而導致的預期信貸虧損。

12個月預期信貸虧損指預期呈報日後12個月內（或較短期間，如工具預計年期少於12個月）可能發生違約事件而導致的預期信貸虧損。

預期信貸虧損以金融資產的實際利率折算。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are discounted at the effective interest rate of the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.11 減值 (續)

(i) 非衍生金融資產 (續)

估計預期信貸虧損時考慮的最長期限為本集團承受信貸風險的最長合約期間。

預期信貸虧損於各呈報日重新計量，以反映金融工具自初始確認後的信貸風險變動。預期信貸虧損的變動金額於損益內確認為減值收益或虧損。

信貸減值金融資產

於各呈報日，本集團評估按攤銷成本計量的金融資產及按公平值計入其他全面收益計量的債務證券是否出現信貸減值。當發生一宗或多宗事件對金融資產估計的未來現金流量有不利影響，金融資產出現信貸減值。

金融資產出現信貸減值的證據包括以下的可觀察事項：

- 債務人或主發行人出現重大財政困難；
- 違反合約如逾期或逾期超過90天；
- 本集團給予的貸款或墊款重組，一般情況下本集團不予考慮的條款；
- 科技、市場、經濟或法律環境出現重大變化而對債務人產生不利影響；

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are remeasured at each reporting date to reflect changes in the financial assets' credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower;

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.11 減值 (續)

(i) 非衍生金融資產 (續)

- 借款人很有可能破產或進行其他財務重組；或
- 因財務困難而導致一項抵押品失去活躍市場。

信貸減值金融資產利息收益的計算基準

根據註釋 2.28(a) 確認的金融資產利息收益按其總賬面值計算，除非金融資產出現信貸減值，在此情況下，金融資產利息收益按攤銷成本計算（即總賬面值減虧損準備）。

在財務狀況表中列示預期信貸虧損的虧損準備

按攤銷成本計量的金融資產，虧損準備從資產的總賬面值扣除。

按公平值計入其他全面收益計量的債務證券，虧損準備於損益內支銷並於其他全面收益確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Basis of calculation of interest income on credit-impaired financial assets

Interest income recognised in accordance with Note 2.28(a) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in other comprehensive income.

2 主要會計政策 (續)

2.11 減值 (續)

(i) 非衍生金融資產 (續)

撇銷

當本集團沒有合理預期收回全部或部分金融資產時，金融資產總賬面值將予以撇銷。本集團根據是否有合理預期收回，分別就撇銷的時間及金額作出評估。本集團預期不會自撇銷金額大幅收回。然而，已撇銷金融資產仍然可能受到執法活動的約束，以遵守本集團收回欠款的程序。

2018年1月1日前適用的政策

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；

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

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;

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2 主要會計政策 (續)

2.11 減值 (續)

(i) 非衍生金融資產 (續)

- 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：
 - 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。

如任何此等證據存在，則釐定減值虧損並確認如下：

按攤銷成本列賬的貸款及應收款及其他金融資產，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所得的現值差額計算減值虧損。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，則以往確認的減值虧損透過調整備付賬撥回，撥回的金額於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

- 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:
 - 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.

If any such evidence existed, an impairment loss was determined and recognised as follows:

For loans and receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. 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, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

2 主要會計政策 (續)

2.11 減值 (續)

(i) 非衍生金融資產 (續)

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。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。於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於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。於損益表內確認的可供出售股權證券減值虧損不會從損益表撥回。其後該等資產的公平值出現任何增加均直接於全面收益表內確認，並在股東權益的投資重估儲備金內分開累計。再者，已於損益表內確認減值虧損後進一步出現的任何減值均即時於損益表內確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

For 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. The cumulative loss that had been recognised in the investment revaluation reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement. For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discount is material. Impairment losses recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in statement of comprehensive income and accumulated separately in equity in the investment revaluation reserve. Furthermore, any further decline in value after an impairment loss had been recognised in the income statement should be recognised immediately in the income statement.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.11 減值 (續)

(ii) 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)

2.11 Impairment (Continued)

(ii) 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)

2.11 減值 (續)

(ii) 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。

(iii) 中期財務報告及減值

根據上市規則，本集團須按香港會計準則第34號「中期財務報告」編制有關年度首六個月的中期財務報告。於中期期末，本集團採用的減值測試、確認方法以及撥回準則皆與財政年度完結時所用的相同（註釋2.11(i)及2.11(ii)）。

於中期期間確認有關商譽和按成本值入賬之可供出售股權證券和無報價股權證券的減值虧損不會於下一期間轉回。即使若在中期期間相關的財政年度完結時評估減值，而毋須確認任何虧損或只有些微虧損，情況亦同樣不變。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Impairment (Continued)

(ii) 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.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting", in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year (Notes 2.11(i) and 2.11(ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.12 保險合約分類

本集團簽發轉移保險風險的合約。

保險合約乃轉移重大保險風險的合約。本集團界定重大保險風險為有可能須於投保事件發生時支付的賠償較並無發生投保事件時須支付的賠償高最少 10% 以上。

2.13 保險合約

(a) 分類

保險合約按風險年期，以及條款及條件是否固定作出分類。

本集團簽發的短期保險合約為意外傷亡及財產保險合約。

意外傷亡保險合約保障本集團客戶因進行合法活動而導致對第三者造成損害而產生財務損失的風險。賠償包括合約及非合約事故，兩者皆受到保障。通常提供的保障是為僱主向受工傷僱員負起工傷意外的法定補償責任（僱主責任），及為個人及商業客戶向第三者的人身傷害或財物損毀負起的法定補償責任（公眾責任）。

財產保險合約主要向本集團客戶就其財產損毀或財產遺失的價值而作出賠償。客戶於其物業內進行商業活動，如因在承保物業內不能進行營業活動導致的盈利損失亦可得到賠償（營業中斷保障）。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.12 Insurance contracts classification

The Group issues contracts that transfer insurance risk.

Insurance contracts are those contracts that transfer significant insurance risk. The Group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

2.13 Insurance contracts

(a) Classification

Insurance contracts are classified depending on the duration of risk and whether or not the terms and conditions are fixed.

Short-term insurance contracts issued by the Group are casualty and property insurance contracts.

Casualty insurance contracts protect the Group's customers against the risk of financial loss arising from causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

2 主要會計政策 (續)

2.13 保險合約 (續)

(a) 分類 (續)

賠償及損失調整費用於發生時於損益表內扣減，有關數額乃根據對合約持有人或第三者（因合約持有人引致損害）負上的估計賠償責任。此等費用包括截至呈報日為止已發生事故（即使仍未呈報予本集團）所產生的直接及間接理賠成本。本集團不以貼現方法計算其未付賠償責任。未付賠償責任根據對已呈報本集團的個別個案進行評估，而已發生但未呈報的索償則就統計分析作出估計，至於較為複雜的索償，會估計可能受外來因素（例如法庭裁決）影響的預期最終成本。

(b) 遞延取得成本

佣金及其他取得成本與獲得新訂合約及續保現有合約相關，且因合約業務不同而有所差異，乃資本化為資產－遞延取得成本。所有其他成本於產生時列作開支。遞延取得成本其後於賺取保費之合約期內予以攤銷。

(c) 負債充足性測試

於各呈報日進行負債充足性測試是為保證扣除相關遞延取得成本後的合約負債的充足性。進行該等測試時，按未來合約現金流量、賠付處理及行政費用的現時最佳估計予以評估。任何不足額隨即於損益表內扣除，而扣除方式為先沖銷遞延取得成本，再為負債充足性測試產生的損失作出撥備（未滿期風險撥備）。任何因上述測試而沖銷的遞延取得成本不可於其後復原。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 Insurance contracts (Continued)

(a) Classification (Continued)

Claims and loss adjustment expenses are charged to the income statement as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the reporting date even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate costs of more complex claims that may be affected by external factors (such as court decisions).

(b) Deferred acquisition costs (“DAC”)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an asset, DAC. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts as premium is earned.

(c) Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses are used. Any deficiency is immediately charged to the income statement initially by writing off DAC and subsequently by establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision). Any DAC written off as a result of this test cannot subsequently be reinstated.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.13 保險合約 (續)

(d) 持有再保險合約

本集團與再保險人訂立合約，據此本集團簽發的一項或多項合約獲損失補償，並符合註釋2.12保險合約分類的要求，此等合約分類為持有再保險合約。不符合此項分類要求的合約分類為金融資產。本集團簽發的保險合約，其合約持有人為另一保險人（分入再保險）的列入綜合財務狀況表的「保險合約」內。

本集團根據其再保險合約享有的利益以再保險資產入賬。此等資產包括再保險人短期欠款，以及相關再保險合約產生的預期賠償及利益的較長期應收款。可向再保險人攤回的款項或欠再保險人款項的計量方法與再保險合約相關的款項一致，並根據每項再保險合約的條款計算。再保險責任主要為再保險合約的應付保費，並按再保險合約條款列作開支，並列入綜合財務狀況表的「保險應付款」內。

本集團定期評估其再保險資產有否減值。若再保險資產已減值的客觀證據存在的話，本集團將其再保險資產賬面值減至其可收回金額，並於綜合損益表內確認減值虧損。本集團收集客觀證據以確定其再保險資產有否減值，減值虧損依據註釋2.11(i)採用的相同程序計算。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 Insurance contracts (Continued)

(d) Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts in Note 2.12 are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included as "Insurance contracts" in the consolidated statement of financial position.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense over the terms of reinsurance contracts and are included as "Insurance payable" in the consolidated statement of financial position.

The Group assesses its reinsurance assets for impairment on a regular basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the consolidated income statement. The Group gathers the objective evidence that a reinsurance asset is impaired and calculates the impairment losses using the same processes adopted as described in Note 2.11(i).

2 主要會計政策 (續)

2.13 保險合約 (續)

(e) 與保險合約有關的應收款及應付款

應收款及應付款於到期時入賬。此等款額包括欠代理人、經紀及保險合約持有人款項或此等人士的欠款。

若保險應收款已減值的客觀證據存在的話，本集團將其保險應收款賬面值減至其可收回金額，並於綜合損益表內確認減值虧損。本集團收集客觀證據以確定其保險應收款有否減值，減值虧損依據註釋 2.11(i) 採用的相同程序計算。

(f) 損餘及代位權付還

若干保險合約容許本集團出售已取得財產 (通常已損毀) 以結清索償 (損餘)。本集團亦有權向第三者追索部分或全部費用 (代位權)。

估計損餘追償於計量索償保險責任時作為備抵項目，而損餘財產則於保險責任結清時確認為其他資產。備抵項目的金額為出售財產時可合理收回的金額。

代位權付還亦於計量索償保險責任時作為備抵項目，並於保險責任結清時確認為其他資產。備抵項目的金額為評估透過訴訟可向第三責任人收回的金額。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.13 Insurance contracts (Continued)

(e) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable to its recoverable amount and recognises that impairment loss in the consolidated income statement. The Group gathers the objective evidence that an insurance receivable is impaired and calculates the impairment losses using the same processes adopted as described in Note 2.11(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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.14 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。

成本按適當的特定辨識基準計算，並包括所有採購成本及其他促使存貨達致其目前所在地及狀況之費用。

可變現淨值乃根據日常業務過程中之估計售價，扣除完工及銷售所需之估計成本。

當存貨出售時，其賬面值於相關收益確認期間列作開支。存貨撇減至可變現淨值之任何金額及所有存貨虧損均於撇減或虧損發生期間列作開支。任何撥回金額於撥回發生期間內確認為開支之扣減。

2.15 土地使用權

中國內地的所有土地均屬國有，並不存在個人擁有權。根據香港會計準則第2號「存貨」的規定，持作發展供出售的土地使用權的地價款分類為存貨，並按成本或可變現淨值兩者中之較低者列賬。土地使用權於開始發展時調撥入供出售發展中物業。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated on specific identification basis as appropriate and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is based on the estimated selling price in the ordinary course of business less the estimated costs to be incurred to completion and disposal.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal is recognised as a reduction in the amount of the expense in the period in which the reversal occurs.

2.15 Land use rights

All land in Mainland China is state-owned and no individual ownership right existed. The premiums paid for the land use rights held for development for sale are classified as inventories in accordance with HKAS 2 "Inventories" and measured at the lower of cost and net realisable value. Land use rights are transferred to properties under development for sale upon commencement of development.

2 主要會計政策 (續)

2.16 供出售發展中物業

供出售發展中物業列入流動資產並按成本或可變現淨值兩者中之較低者列賬。可變現淨值乃參考以日常業務過程中出售物業的估計銷售所得款項減去估計浮動營銷費用及預期落成成本或管理層根據現行市場情況估計後釐定。

物業開發成本包括土地使用權、於正常營運週期內開發期間產生的建築成本、資本化融資成本及專業費用。物業開發成本於落成時調撥入已落成供出售物業。

2.17 已落成供出售物業

於呈報日仍未出售的已落成供出售物業按成本或可變現淨值兩者中之較低者列賬。

成本包括未售出物業應佔發展成本。可變現淨值乃參考以日常業務過程中出售物業的估計銷售所得款項減去估計浮動營銷費用或管理層根據現行市場情況估計後釐定。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.16 Properties under development for sale

Properties under development for sale are included in current assets and stated at the lower of cost and net realisable value. Net realisable value is determined by reference to estimated sale proceeds of the properties sold in the ordinary course of business less estimated variable selling expenses and anticipated costs to completion, or by management's estimates based on prevailing market conditions.

Development costs of properties comprise land use rights, construction costs, capitalised finance costs and professional fees incurred during the development period of a normal operating cycle. On completion, the development costs of properties are transferred to completed properties held for sale.

2.17 Completed properties held for sale

Completed properties held for sale are completed properties remaining unsold at the reporting date and are stated at the lower of cost and net realisable value.

Cost comprises development cost attributable to the unsold properties. Net realisable value is determined by reference to estimated sale proceeds of the properties sold in the ordinary course of business less estimated variable selling expenses, or by management's estimates based on prevailing market conditions.

2 主要會計政策 (續)

2.18 持作出售的非流動資產 (或出售組合)

若非流動資產 (或出售組合) 的賬面值主要透過出售收回而並非透過繼續使用收回，及該資產 (或出售組合) 可在現況下出售的話，則分類為持作出售類別。

於初始分類為持作出售類別前，非流動資產 (及在出售組合內所有每項資產及負債) 的賬面值按適用的香港財務報告準則計量。資產初始分類為持作出售類別及至售出時，非流動資產 (以下所述之若干資產除外) 或出售組合會以賬面值或公平值扣除出售成本兩者中之較低者入賬。遞延稅項資產、金融資產 (於附屬公司及聯營公司的投資除外)、保險合約及投資物業，即使分類為持作出售，亦會繼續按註釋2的會計政策計量。

只要非流動資產被分類為持作出售，或被列入分類為持作出售之出售組合，該非流動資產即不予計提折舊或攤銷。

若先前已分類為持作出售類別或被列入分類為持作出售之出售組合的非流動資產不再符合上述確認標準，本集團以該資產未分類為持作出售類別前的賬面值 (經調整該資產假設未分類為持作出售類別而應已入賬的折舊、攤銷或重估的數額) 或其後決定不出售之日該資產的可收回金額兩者中之較低者計量。

本集團就停止分類為持作出售的非流動資產於其後決定不出售之日，在持續營運所得的收入內計入任何所需調整。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.18 Non-current assets (or disposal groups) held for sale

A non-current asset (or disposal group) is classified as held for sale if the carrying amount is recovered principally through a sale transaction rather than through a continuing use and the asset (or disposal group) is available for sale in its present condition.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets (and all individual assets and liabilities in the disposal group) shall be measured in accordance with applicable HKFRSs. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. Deferred tax assets, financial assets (other than investments in subsidiaries and associates), insurance contracts and investment properties, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

If a non-current asset previously classified as held for sale, or included in a disposal group that is classified as held for sale no longer met the recognition criteria stated above, the Group measures that asset at the lower of its carrying amount before that asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluation that would have been recognised had that asset not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell.

The Group includes any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale in income from continuing operations at the date of the subsequent decision not to sell.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.19 其他應收賬款

其他應收賬款初步以公平值確認，其後按實際利息法計量的攤銷成本，扣除減值虧損列賬（如有）。

2.20 現金及現金等價物

現金及現金等價物包括銀行結存、庫存現金、銀行通知存款、由投資日起計原到期日為三個月或以下的現金投資，扣除銀行透支。

2.21 金融負債 — 貸款

貸款初步按公平值並扣除產生的交易成本確認。交易成本為取得、發行或出售某項金融負債直接所佔的新增成本，包括支付予借款人的費用和佣金。貸款其後按實際利息法計量的攤銷成本列賬；初步確認的公平值與贖回價值的任何差額，連同任何利息及應付費用，於貸款期間內在損益表內確認。

除非本集團有無條件權利將負債的結算遞延至呈報日後最少十二個月，否則貸款分類為流動負債。

2.22 金融負債 — 應付賬款及應付款

應付賬款及應付款初步以公平值確認，其後按實際利息法計量的攤銷成本列賬。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.19 Other debtors

Other debtors are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less impairment losses, if any.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, deposits held at call with banks, cash investments with original maturity of three months or less from the date of investment less bank overdrafts.

2.21 Financial liabilities – Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial liability, including fees and commissions paid to the borrowers. Borrowings are subsequently stated at amortised cost with any difference between the amount initially recognised and redemption value is recognised in the income statement over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

2.22 Financial liabilities – Creditors and payables

Creditors and payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.23 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)

2.23 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.

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 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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

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。

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計價的貨幣資產和負債以收市匯率換算產生的匯兌盈虧在損益表內確認。

非貨幣金融資產及負債（例如持有按公平值透過損益列賬的股權工具）的換算差額在損益表內呈報為公平值盈虧的一部分。非貨幣項目（例如按公平值計入其他全面收益的股權投資）的換算差額包括在其他全面收益內，並在股東權益內分開累計。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.25 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.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gains or losses in the income statement. Translation differences on non-monetary items, such as equity investments at FVOCI, are included in other comprehensive income and accumulated separately in 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

所有集團實體的功能貨幣(當中沒有嚴重通脹貨幣經濟體的貨幣)與本公司的列賬貨幣不同的,其業績和財務狀況按以下方法換算為列賬貨幣:

- 財務狀況表內的資產和負債按該財務狀況表日期的收市匯率換算;
- 損益表內的收入和支出按平均匯率換算,除非此平均匯率並不代表交易日期匯率的累計影響的合理約數。在此情況下,收支項目按交易日期的匯率換算;及
- 所有由此產生的匯兌差額確認為權益的獨立組成部分。

換算海外業務的淨投資所產生的匯兌差額在其他全面收益內確認,並在股東權益的外匯折算儲備金內分開累計。當一項海外業務作出部分處置或出售時,與該出售的海外業務有關的累計匯兌差額由股東權益重新分類至損益表,並計入出售盈虧的一部分。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債,並按收市匯率換算。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.25 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- assets and liabilities in their statement of financial position are translated at the closing rate at the date of that statement of financial position;
- income and expenses in their income statement are translated at average exchange rates, unless these average exchange rates are not a reasonable approximation of the cumulative effect of the rates prevailing at the transaction dates. In such case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of the net investments in foreign operations are recognised in other comprehensive income and accumulated separately in equity in the exchange translation reserve. When a foreign operation is partially disposed of or sold, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of that foreign entity and translated at the closing rate.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

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。

除了某些有限的例外情況外，所有遞延稅項負債及未來很可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在該可扣稅之暫時性差異預期轉回之同一期間內轉回，或在由該遞延稅項資產產生的稅損可以收回或留存之期間內轉回。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計該稅損或稅免可使用之期間內轉回時，會計入該等差異。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 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.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the assets can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 主要會計政策 (續)

2.26 所得稅 (續)

在有限的例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始確認時不影響會計及應課稅溢利的資產或負債（須不是業務合併的一部分）、及有關投資附屬公司的暫時性差異，就應課稅差異而言，本集團可控制該差異轉回的時間而該差異在可見將來不大可能會轉回；而就扣稅差異而言，除非該差異在可見將來很可能會轉回。

就根據註釋2.7的會計政策以公平值列賬的投資物業而言，本集團按該物業在呈報日以賬面值出售的適用稅率計算其遞延稅項，但如該物業為可折舊，且按其差不多全部經濟利益可隨時間過去而非通過出售而消耗的商業模式持有則除外。在其他所有情況下，確認遞延稅項的金額是根據該資產及負債的賬面值的預期收回或結算的方式，按在呈報日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作貼現。

遞延稅項資產的賬面值於各呈報日重新檢視，對很可能不再有足夠的應課稅溢利以實現相關稅務利益時予以扣減。被扣減的遞延稅項資產於很可能有足夠的應課稅溢利時轉回。

本期稅項與遞延稅項結餘及其變動之數額會分別列示而不會相互抵銷。本集團只會在有合法權利可將本期稅項資產與負債抵銷及符合以下附帶條件的情況下，才會將本期稅項資產與負債作出抵銷及將遞延稅項資產與負債作出抵銷：

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment property is carried at its fair value in accordance with the accounting policy set out in Note 2.7, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of that investment property at its carrying value at the reporting date unless that investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in that investment property over time, rather than through sale. In all other case, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

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:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.26 所得稅 (續)

- 就本期稅項資產及負債而言，本集團計劃以淨額基準結算，或同時將資產變現及償還負債；或
- 就遞延稅項資產及負債而言，其涉及同一稅務機關對同一個應課稅實體徵收所得稅所產生。

2.27 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 收益確認

本集團將其日常業務過程中源自銷售貨品、提供服務或租賃項下其他人士使用本集團資產的收益分類為收益。

當產品或服務的控制權按本集團預期有權獲取的承諾代價款項（不包括代表第三方收取的款項）轉移至客戶或承租人有權使用資產時，收益予以確認。收益不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

如對貨物和服務的控制權隨時間的推移而轉移，則在合約期間參照完全履行履約義務的進度確認收益。否則，收益在客戶獲得對商品和服務的控制權的時間點確認。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Income tax (Continued)

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on the same taxable entity.

2.27 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

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.28 收益確認 (續)

如合約包含為客戶提供超過12個月的重大融資利益的融資成分，則收益按應收款項的現值計量，並使用與客戶的個別融資交易中反映的折現率折算，利息收益按實際利息法分開計提。如合約包含為本集團提供重大融資利益的融資成分，則根據該合約確認的收益，包括根據合約負債按實際利息法計算的利息支出。本集團利用香港財務報告準則第15號，在實際運作上，如融資期限為12個月或以下，則不會就重大融資成分的任何影響調整代價。

有關本集團收益確認政策的進一步詳情載列如下：

(a) 利息收入

利息收入採用實際利息法按時間比例基準確認。按攤銷成本或按公平值計入其他全面收益(可循環)計量而未信貸減值的金融資產，以其總賬面值按實際利率計算利息。就信貸減值的金融資產，以攤銷成本(即總賬面值減虧損準備)按實際利率計算利息。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.28 Revenue recognition (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue recognition policies are as follows:

(a) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. For financial assets measured at amortised cost or at FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.28 收益確認 (續)

(b) 投資物業租金收入

除非有更具代表性的基準衡量從租賃資產獲取利益的模式，否則營業租約之租金收入按該租期所涵蓋的年期以等額分期於損益表內確認。營業租約協議所涉及的獎勵措施均在損益表內確認為租賃淨收款總額的組成部分。

(c) 股息收入

股息收入在股東收取款項的權利被確立時予以確認。

(d) 短期保險合約

短期保險合約的毛保費於承保日確認收益。

已賺保費於承保期間按比例以收益入賬。於合約生效期內已收取與呈報日未滿期風險有關的部分保費列為未滿期保費責任。保費以扣除佣金前之數額列賬。

(e) 管理費

管理費在提供服務時入賬。

(f) 銷售汽車

收益於客戶控制並接受汽車時確認。於比較期間，當汽車擁有權的重大風險和回報已轉移給買方，只要本集團既不保留管理權（管理層的參與程度通常與擁有權相關），也沒有已售汽車的有效控制權，銷售汽車的收益予以確認。這對2018年1月1日的期初結餘並無影響。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.28 Revenue recognition (Continued)

(b) Rental income from investment properties

Rental income receivable under operating leases is recognised in the income statement in equal installments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable.

(c) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(d) Short-term insurance contracts

Gross premiums from the sale of short-term insurance contracts are recorded when written.

Earned premiums are recognised as revenue proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

(e) Management fee

Management fee is recognised upon the provision of services.

(f) Sales of motor vehicles

Revenue is recognised when the customer takes control of and accepts the motor vehicles. In the comparative period, revenue from sales of motor vehicles was recognised when the significant risks and rewards of ownership of the motor vehicles had been transferred to the buyer, provided that the Group maintained neither managerial involvement to the degree usually associated with ownership, nor effective control over the motor vehicles sold. There is no impact on opening balance at 1 January 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.28 收益確認 (續)

(g) 物業銷售

在日常業務過程中所得的物業銷售收益於有關物業的回報和風險轉移予買家時(即當有關物業的建築已經完成及該等物業已移交予買家, 以及可合理地確保收回有關應收款) 予以確認。

(h) 政府補貼

於能夠合理確定本集團將會獲得政府補貼, 並且將符合所有附帶條件時, 政府補貼初步於綜合財務狀況表內確認。補償本集團開支的補貼按系統基準在開支發生的同一期間於綜合損益表內確認為收入。

2.29 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進行時開始資本化。當大部分為準備該合資格資產作為預定用途或出售的所需活動已被中斷或完成時, 借貸成本資本化亦暫停或終止。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.28 Revenue recognition (Continued)

(g) Sales of properties

Revenue from sales of properties in the ordinary course of business is recognised when the risks and rewards of the respective properties are transferred to the buyers, which is when the construction of relevant properties has been completed and the properties have been delivered to the buyers and collectability of related receivables is reasonably assured.

(h) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in the consolidated income statement on a systematic basis in the same periods in which the expenses are incurred.

2.29 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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.30 營業租約

所有回報及風險實質上轉讓予承租人的租賃列為融資租賃。除此以外的其他租賃為營業租賃。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。

(b) 退休福利成本

本集團以強制性、合約性或自願性方式向公開或私人管理的退休計劃供款。此等計劃是本集團支付固定供款的界定供款退休計劃，本集團作出供款後，即無額外付款責任。若該基金並無持有足夠資產向所有僱員就其在當期及以往期間的服務支付福利，本集團亦無法定或推定責任支付額外供款。

本集團的供款在應付時確認為僱員福利開支，且可由全數歸屬供款前離開計劃的僱員所放棄的供款而減少。預付供款若可現金退款或可減少未來付款則確認為資產。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.30 Operating leases

Leases where substantially all the risks and rewards of ownership of assets transferred to the lessee are accounted for as finance leases. All other leases are operating leases. 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.31 僱員福利 (續)

(c) 僱員假期福利

僱員應享有的年假於累計予僱員時確認。截至呈報日已計提因僱員已提供服務而享有之年假所引致的估計負債。

僱員應享有的病假及分娩假於發生時才予以確認。

(d) 終止服務權益

當本集團在僱員正常退休日期前終止其聘用，或當僱員接受自願遣散以換取有關福利時，終止服務權益即須支付。本集團在可證明承諾如下時確認終止服務權益：根據一項詳細的正式計劃終止現有僱員的僱用；或因為提出一項要約以鼓勵自願遣散而提供的終止服務權益（沒有撤回的實際可能性）。超過呈報日後十二個月支付的福利貼現為現值。

2.32 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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.31 Employee benefits (Continued)

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) 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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.32 分部報告 (續)

就財務報表而言，個別重大的經營分部不會總計，惟分部有類似經濟特性及在產品或服務性質、生產程序性質、客戶類別和等級、用作銷售產品或提供服務之方法以及監管環境性質方面相類似則除外。並非個別重大的經營分部倘符合大部分此等標準，則該等經營分部可能會總計。

2.33 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。

2.34 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。

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.32 Segment reporting (Continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products or services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2.33 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 主要會計政策 (續)

2.34 關聯方 (續)

- (b) 如符合任何下列情況，某實體被視為與本集團有關連：
- (i) 該實體與本集團皆為同一集團的成員（指各自的母公司、附屬公司及同系附屬公司互相有關連）。
 - (ii) 某實體為另一實體的聯營公司或合營公司（或為某集團成員的聯營公司或合營公司，而另一實體為該集團的成員）。
 - (iii) 兩個實體皆為同一第三方的合營公司。
 - (iv) 某實體為第三實體的合營公司，而另一實體為該第三實體的聯營公司。
 - (v) 該實體為提供福利予本集團僱員或本集團關聯實體的僱員的離職後福利計劃。
 - (vi) 該實體由註釋 2.34(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 (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in Note 2.34(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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷

在編制財務報表時，管理層必須對未來作出估計和假設，此等估計和假設將影響本綜合財務報表呈報的資產、負債、收益及支出。估計和假設的應用如因管理層的判斷有所改變或因應實際環境的演變而有所改變，會引致本集團的財務狀況及業績有所不同。

估計和判斷會被持續評估，並根據過往經驗和其他因素（包括在有關情況下相信為合理的對未來事件的預測）進行評價。本集團認為，於編制本綜合財務報表時已作出適當假設和估計，因此在各個重要層面，本綜合財務報表均能公平地反映本集團的財務狀況和業績。

在未來十二個月很大機會導致資產和負債的賬面值作出重大調整風險的估計和假設討論如下。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets, liabilities, revenues and expenses in these consolidated financial statements. The application of assumptions and estimates means that any changes of them, either due to changes of management's judgement or the 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are discussed below.

3 關鍵會計估計及判斷 (續)

(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2018年12月31日，本集團的投資物業公平值約港幣16,963萬元（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)

(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 2018, the fair value of the Group's investment properties was approximately HK\$169.63 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).

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

(c) 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)

(c) Casualty and property insurance contract liabilities

For casualty and property insurance contracts, estimates have to be made for both the expected ultimate costs of claims reported at the reporting date and for the expected ultimate costs of claims incurred but not reported ("IBNR") at the reporting date. It may take a significant period of time before the ultimate claims costs can be established with certainty and for some type of policies, IBNR claims form the majority of the insurance liabilities in the consolidated statement of financial position. The ultimate costs of outstanding claims are estimated by using a range of standard actuarial claims projection techniques, such as the Bornhuetter-Ferguson ("BF") method.

The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average cost per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident year, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value based on loss adjustors' estimates or separately projected in order to reflect their future development. The assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (for example to reflect one-off occurrence, changes in external or market factors such as public attitudes of claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures), so as to arrive at the estimated ultimate costs of claims that present the likely outcome from the range of possible outcomes, taking into account all of the uncertainties involved.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

(d) 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2018年12月31日，本集團的遞延所得稅負債約港幣2,411萬元(註釋32)。若實際適用稅率差異為1%，遞延所得稅負債將增加或減少約港幣103萬元。

(e) 一家聯營金融機構的關鍵會計估計及判斷

本集團的主要聯營金融機構，廈銀集團，主要在中國內地、香港及澳門經營銀行業務(註釋17)。廈銀集團管理層已編制一套綜合財務報表供本集團財務報表之用。廈銀集團的會計政策已按需要於綜合財務報表內作出調整，以確保與本集團採用的會計政策一致。廈銀集團應用的若干關鍵會計估計及判斷敘述如下：

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(d) 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 2018, the Group had deferred income tax liabilities of approximately HK\$24.11 million (Note 32). The deferred income tax liabilities will increase or decrease by approximately HK\$1.03 million if the actual applicable tax rate differs by 1%.

(e) Critical accounting estimates and judgement of an associated financial institution

The Group's major associated financial institution, XIB Group, is principally conducted banking business in Mainland China, Hong Kong and Macau (Note 17). The management of XIB Group has prepared a set of consolidated financial statements for the Group's reporting purposes. In preparing its consolidated financial statements, the accounting policies of XIB Group have been aligned, where necessary, in the consolidated financial statements to ensure consistency with those accounting policies adopted by the Group. Certain critical accounting estimates and judgement have been applied by XIB Group as described below:

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

(e) 一家聯營金融機構的關鍵會計估計及判斷 (續)

— 金融資產的分類

金融資產按兩個標準分類：管理金融資產的業務模式；及金融資產的合約現金流量是否純粹為支付本金和未償還本金的利息。業務模式的評估於初始應用日期作出，即2018年1月1日，並追溯應用至2018年1月1日前未被終止確認的金融資產。廈銀集團管理層已評估組合內持有的金融資產的業務模式的目標，因為這最能反映業務的管理方式和提供予管理層的信息。於評估合約現金流量是否純粹為支付本金及利息時，廈銀集團已根據該資產初始確認時存在的事實及情況而作出。於評估合約現金流量是否純粹為支付本金及利息時，廈銀集團考慮金融資產的合約條款。這包括評估該金融資產是否包含可以改變合約現金流量時間或金額的合約條款，以使其不符合此條件。

— 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) Critical accounting estimates and judgement of an associated financial institution (Continued)

— Classification of financial assets

The classification of financial assets is based on two criteria: the business model for managing the financial assets; and whether the financial assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. The assessment of business model was made as of the date of initial application, i.e. 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The management of XIB Group has made an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflected the way the business is managed and information is provided to management. The assessment of whether the contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. In assessing whether the contractual cash flows are solely payments of principal and interest, XIB Group considered the contractual terms of the financial asset. This included assessing whether the financial asset contained a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

— Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by XIB Group using valuation techniques. Valuation techniques used include discounted cash flows analysis and models. To the extent practical, models use only observable data, however areas such as credit risks (both own and counterparty), volatilities and correlations require management of XIB Group to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

3 關鍵會計估計及判斷 (續)

(e) 一家聯營金融機構的關鍵會計估計及判斷 (續)

— 貸款及墊款減值準備

廈銀集團採納預期信貸虧損計量貸款及墊款減值準備。預期信貸虧損是信貸虧損的概率加權估計。採用預期信貸虧損模式時，不再需要出現虧損事件才確認減值虧損。因此，廈銀集團於根據事實及情況而確認的貸款及墊款的信貸虧損可能出現提早將信貸虧損確認為12個月預期信貸虧損或整個存續期的預期信貸虧損。於釐定貸款及墊款的信貸風險自初始確認後有否顯著增加及估計預期信貸虧損時，廈銀集團考慮根據其過往經驗、知情信貸評估及前瞻性信息獲得的定量和定性的信息及分析。信貸虧損以所有預期現金短缺（即根據合約應償還予實體的現金流量與廈銀集團預計收到的現金流量之間的差額）的現值計量，並以貸款及墊款的實際利率折算。於各呈報期末檢視評估信貸風險所使用的方法和假設及釐定貸款及墊款是否出現信貸減值，以及確認預期信貸虧的金額。預期信貸虧損的變動金額於損益內確認為減值收益或虧損。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(e) Critical accounting estimates and judgement of an associated financial institution (Continued)

— Impairment allowances on loans and advances

XIB Group adopts ECL model for measurement of impairment allowances on loans and advances. ECLs are a probability-weighted estimate of credit losses. It will no longer be necessary for a loss event to occur before an impairment loss is recognised under ECL model. Therefore it may result in earlier recognition of credit losses as either 12 month ECLs or lifetime ECLs on XIB Group's loans and advances depending on the facts and circumstances. When determining whether the credit risk of a loan and advance has increased significantly since initial recognition and when estimating ECLs, XIB Group considers both quantitative and qualitative information and analysis, based on XIB Group's historical experience and informed credit assessment and including forward-looking information. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that XIB Group expects to receive) which are discounted at the effective interest rate of the individual loan and advance. The methodology and assumptions used in assessing the credit risk and determining whether a loan and advance is credit-impaired and the amount of ECLs recognised are reviewed at each reporting date. Any change in the amount of ECL is recognised as an impairment gain or loss in profit or loss.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 關鍵會計估計及判斷 (續)

(e) 一家聯營金融機構的關鍵會計估計及判斷 (續)

- 分類為按公平值透過損益列賬的金融資產的股權投資估值

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。公平值變動已記入損益表內。

- 商譽減值準備的估計

根據收購成本及集友可識辨淨資產的公平值, 廈銀集團確認收購集友約 64.31% 股權於收購日產生綜合商譽。在評估綜合商譽的減值時, 集友現金產生單位的可收回金額根據使用價值計算確定。計算使用價值時, 廈銀集團須估計集友現金產生單位的未來現金流預測(根據高級管理層作出的判斷和假設所擬定的財務預算而釐定)和稅前折現率, 從而計算現值。根據廈銀集團管理層於 2018 年 12 月 31 日作出的評估, 該綜合商譽並無減值虧損。然而, 由於廈銀集團管理層就未來現金流預測而作出的關鍵假設可能會有變動, 因此, 有關假設的不利變動或會導致賬面值超過其可收回金額。

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

(e) Critical accounting estimates and judgement of an associated financial institution (Continued)

- Valuation of equity investments measured at FVPL

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-to-earnings and price-to-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 change is recognised in profit or loss.

- Estimation of impairment allowance on goodwill

XIB Group has recognised a consolidated goodwill on acquisition of approximately 64.31% shareholding in CYB at the date of acquisition based on the costs of acquisition and the fair value of identifiable net assets of CYB. In assessing the impairment of the consolidated goodwill, the recoverable amount of CYB cash-generating units is determined based on the value in use calculation. The value in use calculation requires XIB Group to estimate the future cash flow projections of CYB cash-generating units based on financial budgets covering judgment and assumptions made by senior management and the pre-tax discount rate in order to calculate the present value. Based on the impairment assessment performed by XIB Group on such consolidated goodwill at 31 December 2018, no impairment loss was recognised. However, as key assumptions on which XIB Group's management has made in respect of future cash flow projections are subject to change, an adverse change in the assumptions could cause the carrying amount to exceed its recoverable amount.

4 保險及財務風險管理

4.1 保險及財務風險因素

本集團的營業活動承受著多種的保險風險及財務風險，包括市場風險（包括外匯風險、價格風險及利率風險）、信貸風險及流動資金風險。本註釋總結本集團的這些風險承擔，以及其管理的目標、政策與程序及量度這些風險的方法。

本集團的投資政策是在可控制的風險水平內，以既能滿足本集團流動資金需要，又能取得最佳投資回報的方式，審慎投資其資金。本集團的整體風險管理專注於財務市場的難預測性及尋求儘量減低對本集團財務表現的潛在不利影響。

董事會代表著股東的利益，是本集團風險管理的最高決策機構，並對風險管理負最終責任。董事會已採納評估及批准重大投資決定的程序。基於其金融資產及金融負債的性質，本集團主要按質量方式監察其所承擔的風險。

總經理（「總經理」）負責管理本集團各類風險，審批詳細的風險管理政策，並在董事會授權範圍內審批重大風險承擔或交易。其他管理團隊成員負責協助總經理履行對各類風險的日常管理職責。

本集團建立了一套內部控制系統，包括設立權責分立清晰的組織架構，以監察業務運作是否符合既定政策、程序及限額。適當的匯報機制足以確保監控職能獨立於業務範疇，同時機構內有足夠的職責分工，有助營造適當的內部控制環境。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT

4.1 Insurance and financial risk factors

The Group's business activities expose it to a variety of insurance risk and financial risks including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. This note summarises the Group's exposure to these risks, as well as its objectives, policies and processes for managing and the methods used to measure these risks.

The Group's investment policy is to prudently invest its funds in a manner which satisfies the Group's liquidity requirements and generates optimal returns to the Group within a manageable risk level. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance.

The Board, representing the interest of shareholders, is the highest decision making authority of the Group and has the ultimate responsibility for risk management. The Board has adopted procedures for evaluating and approving significant investment decisions. Given the nature of the Group's financial assets and liabilities, their risk exposures are monitored by the Group primarily on a qualitative basis.

The General Manager ("GM") is responsible for managing the Group's various types of risks, approving detailed risk management policies, and approving material risk exposures or transactions within his authority delegated by the Board. The other members of the management team assist the GM in fulfilling his responsibilities for the day-to-day management of risks.

The Group has put in place an internal control system, including establishment of the Group's organisation structure that sets adequately clear lines of authority and responsibility for monitoring compliance with policies, procedures and limits. Proper reporting lines also provide sufficient independence of the control functions from the business areas, as well as adequate segregation of duties throughout the organisation which helps to promote appropriate internal control environment.

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

本集團簽發轉移保險風險的合約。本節概括說明此等風險及本集團對有關風險控制的方式。

任何一份保險合約的風險是指發生保險事故的可能性及由此產生的賠償金額的不確定性的風險。由於保險合約的特有的性質，其風險屬不規則的風險，因此為不可預料的風險。

如保險合約組合應用定價及撥備的或然性原則，本集團面臨的主要風險是實際賠償金額超過已計提保險責任的賬面值。這種風險在索賠頻率或賠付的嚴重程度超過估計的情況下均可能出現。由於保險事故屬不規則的，故此實際賠償宗數及金額將與採用統計技術設定的水平每年均有所不同。

經驗證明相類似的保險合約組合越大，其相對之預期結果可變性越低。另外，較多元化的合約組合較不容易受組合中某部分的變動而使整體受到影響。

保險風險上升的因素包括未有將風險的種類及金額、地區以及覆蓋行業分散所致。

(i) 賠償的頻率及嚴重程度

賠償的頻率及嚴重程度可以受多項因素影響。最主要為蒙受損毀的賠償程度增加，及向法院提出申訴的不活躍或長時期潛在的個案增加。估計的通貨膨脹亦為一重大因素，此乃由於此等個案一般需要頗長時間才得以解決。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk

The Group issues contracts that transfer insurance risk. This section summarises these risks and the way the Group manages such risks.

The risks under any one insurance contract are the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, these risks are random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the amount of the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(a) 保險風險 (續)

(a) Insurance risk (Continued)

(i) 賠償的頻率及嚴重程度 (續)

(i) Frequency and severity of claims (Continued)

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。

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and claims handling.

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。

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.

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。

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.

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。

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.

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：

The concentration of insurance risk before and after reinsurance by territory in relation to type of insurance accepted is summarised below, with reference to the carrying amounts of the insurance liabilities (gross and net of reinsurance) arising from insurance contracts:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(a) 保險風險 (續)

(a) Insurance risk (Continued)

(i) 賠償的頻率及嚴重程度 (續)

(i) Frequency and severity of claims (Continued)

		2018				
		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	19,423	23,029	491	108	43,051
澳門	Macau	5,323	1,015	2,375	31,241	39,954
保險責任總值，毛額	Total insurance liabilities, gross	24,746	24,044	2,866	31,349	83,005
淨額	Net					
香港	Hong Kong	17,236	21,487	485	60	39,268
澳門	Macau	5,184	920	2,076	29,220	37,400
保險責任總值，淨額	Total insurance liabilities, net	22,420	22,407	2,561	29,280	76,668
		2017				
		汽車 Motor	一般 法律責任 General liability	意外 及健康 Accident and health	其他 Others	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
毛額	Gross					
香港	Hong Kong	23,270	33,103	484	211	57,068
澳門	Macau	6,112	974	2,196	21,300	30,582
保險責任總值，毛額	Total insurance liabilities, gross	29,382	34,077	2,680	21,511	87,650
淨額	Net					
香港	Hong Kong	20,679	29,851	481	139	51,150
澳門	Macau	6,009	925	1,911	21,343	30,188
保險責任總值，淨額	Total insurance liabilities, net	26,688	30,776	2,392	21,482	81,338

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源 (續)

於計算未付賠償 (已呈報及未呈報) 的估計成本時，本集團的估計技術以損失率基準估計 (損失率定義為於某一特定財政年度內與此等索償有關的保險賠償的最終成本與已賺保費之間的比率) 結合採用根據實際賠償經驗預先釐定的公式作出的估計，而實際賠償經驗的比重將隨著時間的流逝增加。

對已發生但未呈報的索償的估計，比已呈報予本集團的索償 (索償事故資料為可知的) 的成本估計，受到不確定性程度的限制較大。在估計已發生但未呈報的索償金額時，是需要預估未來賠償成本、相關賠償費用及運用模式模擬賠償責任結果從而計算合理的賠償準備金及未滿期風險。這些模式是很多法律、社會和經濟影響力的縮影，但可能未必完全適合所分析的保險業務種類。可以確定的是將來真正的賠款和賠償費用不會完全如預計般吻合，並有可能嚴重偏離估計。

於估計已呈報但未賠付的索償成本責任時，本集團考慮從理賠師所得知的任何資料及於以往期間相類似特性的已結清索償成本資料而作出估計。考慮到大額索償的發展及發生率對組合內其他索償的潛在破壞影響，大額索償以個別個案作出獨立評估或預計。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments (Continued)

In calculating the estimated costs of unpaid claims (both reported and not reported), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate costs of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and estimates based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the costs of settling claims already notified to the Group, where information about the claim event is available. In estimating the amounts of IBNR which make reasonable provisions for the claims and the unexpired risks, it is necessary to project future claims costs and associated claims expenses and simulate the outcomes of claims liabilities using models. These models are simplified representation of many legal, social and economic forces and may not be entirely appropriate for the types of insurance business being analysed. It is certain that actual future claims and claims expenses will not develop exactly as projected and may vary significantly from the projections.

In estimating the liabilities for the costs of reported claims not yet paid the Group considers any information available from loss adjusters and information on the costs of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(ii) 估計未來賠償款項的不確定性來源 (續)

在可能的情況下，本集團採用多項技術對所需撥備程度作出估計。這對預計趨勢的固有經驗提供較佳的理解。利用多種方法作出的預計亦有助於估計可能發生的結果。選取最合適的估計技巧已計入業務類別的特性及每個意外年度的發展程度。

(iii) 決定假設的方法

本集團使用多項統計方法，考慮不同的假設以估計最終賠償成本。每個業務類別於每一事故年度所採用的結果，取決於評估最適合分析歷史發展的方法。在若干情況下，同一業務類別於個別事故年度或事故年度組別會選用不同的方法或綜合不同方法從而作出估計。

於估計本集團的汽車、勞工及財物損毀保險組合的賠償責任時，應用已付及已發生的損失發展法，並以BF法增補。至於其他保險組合類別，預測賠償責任的方法採用已發生的損失發展法。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(ii) Sources of uncertainty in the estimation of future claims payments (Continued)

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

(iii) Process used to decide on assumptions

The Group uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate costs of claims. The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, different techniques or combination of techniques have been selected for individual accident year or group of accident years within the same class of business.

In estimating the claims liabilities of the Group's motor, employees' compensation and property damage insurance portfolio, the paid and incurred loss development methods supplemented by BF method are applied. For other classes of insurance portfolio, the incurred loss development method is used to project the claims liabilities.

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4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iii) 決定假設的方法 (續)

預測最終賠償成本採用已付及已發生的損失發展模式，而BF法則依據從估計損失比率至經驗比率逐步發展的預測。BF法應用於較近期的事故年度，因為採用已付及已發生的損失發展模式，可能產生不太準確的結果。

(iv) 敏感度分析 – 保險賠償發展的敏感度報表

估計方法的合理性以不同情況的敏感度分析進行測試。給予蒙受人身傷害的金錢賠償及僱主責任賠償的改變對估計此等保險合約所使用的假設最為關鍵。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iii) Process used to decide on assumptions (Continued)

The paid and incurred loss development methods are used to project the ultimate costs of the claims, and the BF method relies on a gradual transition from an estimated loss ratio to an experience-rated development. BF method is applied to the more recent accident years, for which the paid and incurred loss development methods may yield less accurate results.

(iv) Sensitivity analysis – sensitivity of insurance claims development tables

The reasonableness of the estimation process is tested by an analysis of sensitivity around different scenarios. The change in the monetary awards granted for bodily injury suffered and also the employers' liabilities claims are the most critical to the assumptions used to estimate the liabilities for these insurance contracts.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表 (續)

本集團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420萬元(2017年：約港幣520萬元)(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、勞工及財物損毀保險組合於每一事故年度估計未決賠償淨額於接續呈報日的變動情況。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables (Continued)

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\$4.2 million (2017: approximately HK\$5.2 million) net of reinsurance.

The impact on the profit before taxation described above does not take into account of changes in other variables, as they are considered to be less material. Such an assessment and the relative materiality of individual variable may change in the future.

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of net claims outstanding of the Group's motor, employees' compensation and property damage insurance portfolio for each accident year has changed at successive reporting dates.

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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)

汽車保險

Motor insurance

事故年度	Accident year	2014	2015	2016	2017	2018	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
估計最終賠償成本 於事故年底	Estimate of ultimate claims costs at end of accident year	7,359	7,549	10,067	16,561	11,950	
一年後	one year later	6,324	6,831	7,468	10,122		
二年後	two years later	5,274	5,189	6,970			
三年後	three years later	3,947	4,563				
四年後	four years later	3,625					
當期估計之累計賠償	Current estimate of cumulative claims	3,625	4,563	6,970	10,122	11,950	37,230
至今累計付款	Cumulative payment to date	(3,491)	(3,929)	(5,662)	(4,898)	(2,623)	(20,603)
		134	634	1,308	5,224	9,327	16,627
2014年度前之責任	Liabilities in respect of prior years before 2014						218
							16,845

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	2014	2015	2016	2017	2018	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	9,294	11,965	8,981	19,720	15,515	
一年後	one year later	10,214	12,051	6,225	1,175		
二年後	two years later	7,210	7,496	6,628			
三年後	three years later	5,950	7,637				
四年後	four years later	6,012					
當期估計之累計賠償 至今累計付款	Current estimate of cumulative claims Cumulative payment to date	6,012 (5,077)	7,637 (5,033)	6,628 (5,402)	1,175 (763)	15,515 (85)	36,967 (16,360)
		935	2,604	1,226	412	15,430	20,607
2014年度前之責任	Liabilities in respect of prior years before 2014						1,038
							21,645

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(a) 保險風險 (續)

(iv) 敏感度分析 – 保險賠償發展的敏感度報表 (續)

財物損毀保險

事故年度	Accident year	2014	2015	2016	2017	2018	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	-	5	301	7,902	4,263	
一年後	one year later	-	5	211	7,875		
二年後	two years later	-	6	249			
三年後	three years later	-	3				
四年後	four years later	-					
當期估計之累計賠償 至今累計付款	Current estimate of cumulative claims Cumulative payment to date	-	3	249	7,875	4,263	12,390
		-	(3)	(236)	(7,875)	(1,075)	(9,189)
2014年度前之責任	Liabilities in respect of prior years before 2014	-	-	13	-	3,188	3,201
							-
							3,201

本集團為若干短期保險產品訂立一系列有效的分保合同，且近數年一直保持不變。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(a) Insurance risk (Continued)

(iv) Sensitivity analysis – sensitivity of insurance claims development tables (Continued)

Property damage insurance

The Group has in place a series of effective reinsurance covers on a number of short-term insurance products that have remained unchanged in recent years.

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

(b) Market risk

市場風險是指因為市場息率及價格波動導致出現虧損的風險。風險包括因為外匯匯率、利率、股票價格及商品價格波動引致的潛在損失。

Market risk is the risk of loss that results from movements in market rates and prices. The risk includes potential losses arising from changes in foreign exchange rates, interest rates, equity prices and commodity prices.

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。

The Group's risk management objective is to enhance shareholders' value by maintaining risk exposures within acceptable limits. The Group's control of market risk is based on restricting individual operation to invest within a list of permissible instruments authorised by the Board to ensure all risks arising are thoroughly identified, properly measured and adequately controlled.

(i) 外匯風險

(i) Foreign exchange risk

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。

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").

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。

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.

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。

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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險 (續)

下表列示本集團於呈報日確認的並非以有關實體的功能貨幣計量的資產和負債所承受的外匯風險：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The following table details the Group's exposure to foreign exchange risk arising from recognised assets and liabilities measured in a currency other than the functional currency of the entity to which they relate at the reporting date:

		2018	2017
		人民幣千元 RMB'000	人民幣千元 RMB'000
按公平值計入其他全面 收益的金融資產	Financial assets at fair value through other comprehensive income	500,805	-
可供出售金融資產	Available-for-sale financial assets	-	419,263
其他應收賬款	Other debtors	1,252	2,093
現金及銀行結存	Cash and bank balances	176,714	182,838
其他應付賬款及應計費用	Other creditors and accruals	(8,787)	(9,075)
應付本期稅項	Current income tax payable	(20,929)	(20,929)
		649,055	574,190

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(b) 市場風險 (續)

(b) Market risk (Continued)

(i) 外匯風險 (續)

(i) Foreign exchange risk (Continued)

下表列示本集團於呈報日因應匯率出現的合理可能變動而承受重大風險對本集團的除稅後溢利 (及保留溢利) 及權益其他組成部分產生的大約影響：

The following table indicates the approximate changes in the Group's profit after taxation (and retained profits) and other components of equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the reporting date:

		2018			2017		
		外匯兌換率 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響	外匯兌換率 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響
		Increase/ (decrease) in foreign exchange rate	Effect on profit after taxation and retained profits	Effect on other components of equity	(decrease) in foreign exchange rate	Effect on profit after taxation and retained profits	Effect on other components of equity
		百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000
人民幣	Renminbi	5 (5)	8,443 (8,443)	28,521 (28,521)	5 (5)	9,303 (9,303)	25,176 (25,176)

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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(i) 外匯風險 (續)

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。2017年的分析按相同基準進行。

就以人民幣計價的投資對象的投資，本集團也承受所產生的外匯風險。

(ii) 價格風險

本集團對在綜合財務狀況表內分類為按攤銷成本計量、按公平值計入其他全面收益或按公平值透過損益列賬的金融資產的投資承受價格風險。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date. In this respect, it is assumed that the pegged rate between the Hong Kong Dollars and the United States Dollars would be materially unaffected by any changes in movement in value of the United States Dollars against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on profit after taxation and equity of each of the Group's entities measured in the respective functional currencies, translated into Hong Kong Dollars at the exchange rate ruling at the reporting date for presentation purposes. The analysis is performed on the same basis for 2017.

The Group is also exposed to foreign exchange risk from its investments in investees which are in Renminbi.

(ii) Price risk

The Group is exposed to price risk on investments held by the Group classified in the consolidated statement of financial position as financial assets at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 保險及財務風險因素 (續)

4.1 Insurance and financial risk factors (Continued)

(b) 市場風險 (續)

(b) Market risk (Continued)

(ii) 價格風險 (續)

(ii) Price risk (Continued)

本集團持作買賣的股權投資於香港聯交所上市。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。非持作買賣的投資於上海證券交易所上市。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。

The Group's equity investments held for trading are listed on the Hong Kong Stock Exchange. Decisions to buy or sell trading securities are based on the performance of individual security compared to that of the index and the Group's liquidity needs. Investments not held for trading are listed on the Shanghai Stock Exchange and have been chosen based on their long term growth potential and are monitored regularly for performance against expectation.

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：

The following table indicates the approximate changes in the Group's profit after taxation (and retained profits) and other components of equity in response to reasonably possible changes in the relevant stock market index for listed investments to which the Group has significant exposure at the reporting date:

	2018			2017		
	相關風險變數 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響	相關風險變數 上升/(下跌)	對除稅後溢利及 保留溢利的影響	對權益其他 組成部分的影響
	Increase/ (decrease) in the relevant risk variance	Effect on profit after taxation and retained profits	Effect on other components of equity	Increase/ (decrease) in the relevant risk variance	Effect on profit after taxation and retained profits	Effect on other components of equity
	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000	百分比 %	港幣千元 HK\$'000	港幣千元 HK\$'000
上市投資之 相關股市 指數	Stock market index in respect of listed investments					
恆生指數	Hang Seng Index	5 (5)	16 (16)	- -	5 (5)	15 (15)
上海綜合指數	Shanghai Composite Index	5 (5)	- -	28,637 (28,637)	5 (5)	- -
						25,298 (25,298)

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(b) 市場風險 (續)

(ii) 價格風險 (續)

敏感度分析已假設相關股票市場指數的合理可能變動已於呈報日發生及已於呈報日計量存在之股權證券之價格風險。在假設所有其他變數維持不變下，本集團的股權投資的公平值將根據與相關股票市場指數之歷史掛鈎關係而變動及所有其他變數維持不變。所載變動指管理層對直至下一個年度呈報日止期間相關股票市場指數出現的合理可能變動的評估。2017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 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 2017.

(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.

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)

(iii) 現金流量及公平值利率風險 (續)

(iii) Cash flow and fair value interest rate risks (Continued)

下表列示本集團於呈報日的借貸淨額的利率概況。為此，本集團將「借貸淨額」定義為有息金融負債減相關有息投資（不包括持作短期流動資金的現金）：

The following table details the interest rate profile of the Group's net borrowings at the reporting date. For this purpose the Group defines "net borrowings" as being interest-bearing financial liabilities less related interest-bearing investments (excluding cash held for short term working capital purposes):

		2018		2017	
		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	3.1 – 5.2	398,770	4.2 – 4.3	552,272
減：已抵押人民幣 存款	Less: Renminbi bank deposits pledged	4.1	(227,800)	3.7 – 3.8	(49,239)
			<u>170,970</u>		<u>503,033</u>

於2018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205萬元（2017年：約港幣422萬元）。

At 31 December 2018, it is estimated that a general increase or decrease of 100 basis points in interest rates of floating rates bank borrowings, with all other variables held constant, would decrease or increase the Group's profit after taxation and retained profits by approximately HK\$2.05 million (2017: approximately HK\$4.22 million).

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)

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。2017年的分析按相同基準進行。

(c) 信貸風險

本集團承受的信貸風險，是指顧客或交易對手將無法或不願意履行其責任償還欠付本集團款項的風險。本集團的信貸風險主要歸屬於客戶貸款及應收利息、保險相關應收款、場外債券、銀行承兌匯票、其他應收款及預付貨款。

本集團承受的信貸風險主要受各顧客的個別特性影響，因此，重大信貸風險集中主要於本集團對個別客戶承受重大風險時產生。

就保險相關應收款、銀行承兌匯票及其他應收款而言，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。

該等應收款及預付貨款須符合本集團設定之財務要求，並於有需要時由第三者向本集團出具擔保。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(b) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

The sensitivity analysis above has been determined assuming that the changes in interest rates had occurred and had been applied to the exposure to interest rate risk for financial instruments with variable interest rates held by the Group at the reporting date. The 100 basis points increase or decrease represents management's assessment of the reasonably possible changes in interest rates over the period until the next reporting date. The analysis is performed on the same basis for 2017.

(c) Credit risk

The Group is exposed to credit risk, which is the risk that a customer or counterparty will be unable to or unwilling to fulfill its repayment obligations for amounts due to the Group. The Group's credit risk is primarily attributable to loans to customers and interest receivable, insurance related receivables, OTC bond, banker's acceptance, other receivables and advance payment.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

In respect of the insurance related receivables, banker's acceptance 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 and advance payment are required to meet the Group's established financial requirements and the Group will obtain third party guarantees when it considered necessary.

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)

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。

本集團將貸款組合按正常、關注、次級、可疑及損失五類別分類及計量，其中次級、可疑及損失類被視為不良貸款。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。

本集團對客戶貸款及應收利息確認相等於整個存續期的預期信貸虧損的虧損準備。於2018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26,693萬元(2017年：港幣28,995萬元)，減值準備對客戶貸款及應收利息比率為92.11%(2017年：91.75%)。

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2018年12月31日，銀行結存分散存放於信譽良好的金融機構。

本集團未有出具任何會導致本集團承受信貸風險的擔保。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

In order to mitigate the Group's exposure to credit risk and counterparty risk 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.

The Group classified and measured its loans portfolio 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. 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.

The Group recognises an impairment allowance at an amount equal to lifetime ECLs for loans to customers and interest receivable. At 31 December 2018, the Group's impairment allowances on loans to customers and interest receivable were HK\$266.93 million (2017: HK\$289.95 million) and impairment allowances to loans to customers and interest receivable ratio was 92.11% (2017: 91.75%).

In respect of the OTC bond, the Group will only invest in investment grade bond with certain selection criterion imposed.

At 31 December 2018, bank balances were placed with reputable financial institutions with diversification.

The Group does not provide any guarantees which would expose the Group to credit risk.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(c) 信貸風險 (續)

如不計入任何持有的抵押品或其他改善信貸條件，於呈報日的信貸風險的最高值相當於綜合財務狀況表內金融資產的賬面淨值。信貸風險的最高值概述如下：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(c) Credit risk (Continued)

The maximum exposure to credit risk at the reporting date without taking into account of any collateral held or other credit enhancement is the net carrying amount of the financial assets stated in the consolidated statement of financial position. A summary of the maximum exposure is as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
按攤銷成本計量的 金融資產	Financial assets at amortised cost	3,129	-
持至到期日金融資產	Held-to-maturity financial assets	-	3,119
應收款項類投資	Investments in receivables	-	132,105
保險應收款	Insurance receivable	13,134	10,854
再保險資產	Reinsurance assets	6,337	6,312
客戶貸款及應收利息	Loans to customers and interest receivable	22,875	26,065
銀行承兌匯票	Banker's acceptance	56,186	-
其他應收賬款	Other debtors	2,927	6,324
現金及銀行結存	Cash and bank balances	1,405,380	1,300,589
		1,509,968	1,485,368

有關本集團保險應收款信貸風險的進一步數據披露載於註釋 24，而客戶貸款及應收利息信貸風險的進一步數據披露載於註釋 26。

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from insurance receivable are set out in Note 24 and that arising from loans to customers and interest receivable are set out in Note 26.

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(d) 流動資金風險

流動資金風險指實體難以滿足其現金流量需要或承擔的風險。導致出現流動資金風險的原因可能是無法快速地籌集新資金、按公平值將金融資產出售、交易對手未能履行合約償付責任或保險責任較預期提早到期支付。

本集團的政策為定期監控其流動資金需要及是否符合貸款協議，確保本集團維持充裕的現金儲備、可即時變現的有價證券及從信譽良好的財務機構取得足夠的承諾信貸融資，以應付其短期及較長期的流動資金需要。

本集團旗下之獨立營運實體自行負責現金管理工作，包括現金盈餘之短期投資及籌措貸款以應付預期現金需求。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its cash flow needs or commitments. Liquidity risk may result from either inability to raise new funds, sell financial assets quickly at their fair value, a counterparty failing on repayment of a contractual obligation or an insurance liability falling due for payment earlier than expected.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from reputable financial institutions to meet its liquidity requirements in the short and longer term.

Individual operating entity within the Group is responsible for its own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(d) 流動資金風險 (續)

下表列示於呈報日本集團的再保險資產及金融負債按合約未折現現金流(包括按合約利率或如屬浮息則根據呈報日通行之利率計算之利息)計算之剩餘合約到期值,以及本集團或須償還有關款項之最早日期詳情:

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(d) Liquidity risk (Continued)

The following table details the remaining contractual maturity value at the reporting date of the Group's reinsurance assets and financial liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

		2018				2017			
		合約未折現 現金流總額 Total	第一年内 或按要求 Within one year or on demand	第二年至 第五年内 (包括 首尾兩年) In the second to fifth year inclusive	賬面值 Carrying amount	合約未折現 現金流總額 Total	第一年内 或按要求 Within one year or on demand	第二年至 第五年内 (包括 首尾兩年) In the second to fifth year inclusive	賬面值 Carrying amount
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產	Assets								
再保險資產	Reinsurance assets	6,337	6,337	4,791	1,546	6,312	6,312	6,099	213
負債	Liabilities								
保險合約	Insurance contracts	83,005	83,005	65,523	17,482	87,650	87,650	49,991	37,659
保險應付款	Insurance payable	9,196	9,196	9,196	-	7,250	7,250	7,250	-
其他應付賬款及應計費用	Other creditors and accruals	24,498	24,498	24,498	-	29,579	29,579	29,579	-
銀行貸款	Bank borrowings	398,770	422,968	210,619	212,349	552,272	579,491	376,149	203,342
		515,469	539,667	309,836	229,831	676,751	703,970	462,969	241,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理

本集團的聯營金融機構，廈銀集團的財務風險及管理目標和政策概述如下：

(i) 概述

廈銀集團的經營活動使其承擔各種各樣的財務風險，主要為信用風險、流動性風險和市場風險（包括外匯風險、價格風險及利率風險）。廈銀集團持續地識別、評估和監控此等風險。廈銀集團的目標是達到風險與效益之間適當的平衡，同時儘量減少對其財務表現的不利影響。

廈銀集團的董事會（「廈銀董事會」）制定風險管理戰略。其高級管理層根據廈銀董事會核准的風險管理戰略，制定相應的風險管理政策及程序，包括外匯風險、利率風險、信用風險、使用衍生金融工具及非衍生金融工具等專項風險管理政策。這些風險管理政策及程序經廈銀董事會批准後由各部門負責執行。此外，其內部審計部門負責對於風險管理和控制環境進行獨立的審查。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution

The financial risks exposure and management objectives and policies of the Group's associated financial institution, XIB Group, are summarised as below:

(i) Overview

The activities of XIB Group expose it to a variety of financial risks including credit risk, liquidity risk and market risk (including foreign exchange risk, price risk and interest rate risk). XIB Group continuously identifies, evaluates and monitors these risks. XIB Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

The board of directors of XIB Group ("XIB Board") provides strategy for overall risk management. Its senior management establishes related risk management policies and procedures under the strategy approved by the XIB Board, including written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. Those risk management policies and procedures are implemented by various departments after XIB Board's approval. In addition, its internal audit department is responsible for the independent review of risk management and control environment.

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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）

(ii) 信用風險

信用風險是廈銀集團在其經營活動中所面臨的最重要的風險之一，信用風險主要來自貸款及墊款、投資組合、貿易融資、擔保及其他支付承諾。

廈銀集團採用標準化的授信政策和流程。廈銀集團通過信用評級、風險度計量、經濟資本、差異化貸後管理、指標控制、組合監測、風險預警、風險報告等手段和方法管理信用風險。

(iii) 流動性風險

流動性風險是指廈銀集團需確保隨時備有充足的資金來源，以滿足存款提取及償還到期負債的需要，同時應付客戶貸款的要求及把握新的投資機會的風險。

廈銀集團採用了一系列流動性指標來評估和監控其流動性風險，並及時檢討該等指標。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(ii) Credit risk

Credit risk is one of the main risks that XIB Group faces in its operations which arises primarily from loans and advances, investment portfolios, trade finance, guarantees and other payment acceptance.

The credit approval policies and procedures of XIB Group are standardised. Credit rating, risk measurement, economic capital, various post-lending management, indicator control, collective assessment, risk warning and risk reporting are measures for managing credit risk.

(iii) Liquidity risk

Liquidity risk is the risk that XIB Group has to ensure the availability of adequate funds to meet its needs to funding deposit withdrawals and other liabilities as they fall due, as well as being able to meet its obligations to funding loan originations and commitments and to take advantage of new investment opportunities.

XIB Group has set up a series of liquidity indices to assess and monitor its liquidity risk and reviewed such indices on a timely basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.1 保險及財務風險因素 (續)

(e) 聯營金融機構的財務風險管理 (續)

(iv) 市場風險

廈銀集團承擔由交易帳戶及銀行帳戶在利率、匯率、股票價格及商品價格產生的市場風險。交易帳戶包括由以交易為目的持有及為規避交易帳戶市場風險而持有的可以自由交易的金融工具及商品頭寸。銀行帳戶包括除交易帳戶外的金融工具 (包括廈銀集團運用剩餘資金購買金融工具所形成的投資帳戶)。

廈銀集團目前建立了包括監管限額、頭寸限額、風險限額在內的限額結構體系以實施對市場風險的識別、監測及控制。廈銀集團定期通過敏感度分析來評估其交易帳戶和銀行帳戶所承受的利率及外匯風險。

— 外匯風險

廈銀集團大部分業務是人民幣業務，此外也有外幣業務，因此，匯率波動使廈銀集團的財務狀況及現金流量受到影響。廈銀集團通過控制外幣敞口淨額進行外匯風險的管理。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(iv) Market risk

XIB Group's market risk arises from open positions in the trading book and banking book in interest rate, foreign exchange rate, equities and commodities. The trading book consists of financial instruments and commodities that are free of any restrictive covenants on their tradability and held with trading intent, and in order to or for the purpose of hedging market risk of the trading book. The banking book consists of financial instruments not included in the trading book (including those financial instruments purchased with surplus funds and managed in the investment book).

XIB Group has established a structural system of limit controls including regulatory limits, position limits and risk limits to identify, monitor and control market risk. XIB Group performs sensitivity analysis on a regular basis to assess the interest rate risk and foreign exchange risk of its trading book and banking book.

— Foreign exchange risk

XIB Group conducts the majority of its business in Renminbi with other transactions in foreign currencies, therefore XIB Group is exposed to the fluctuations in the prevailing foreign exchange rates on its financial position and cash flows. XIB Group manages its exposure to foreign exchange risk through management of its net foreign currency position.

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)

(e) 聯營金融機構的財務風險管理 (續)

(iv) 市場風險 (續)

– 利率風險

利率風險是指因為利率水平和利率結構變動導致廈銀集團的資產、負債、收益和經濟價值遭受或有損失的風險。重新定價風險是最主要和最常見的利率風險形式，來源於廈銀集團資產、負債和表外承擔的到期期限（就固定利率而言）或重新定價條款（就浮動利率而言）所存在的差異。現金流量的利率風險是指金融工具的未來現金流量隨著市場利率的變化而波動的風險。

廈銀集團需要管理的利率風險敞口主要來自當前市場利率在重新定價、公允價值和現金流波動的風險。廈銀集團在中國內地遵照中國人民銀行規定的利率體系經營業務。廈銀集團主要通過控制貸款及存款的到期日分佈、重新定價日及重新定價日資產負債缺口狀況等方式來控制其利率風險。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.1 Insurance and financial risk factors (Continued)

(e) Financial risk management of associated financial institution (Continued)

(iv) Market risk (Continued)

– Interest rate risk

Interest rate risk is the risk that XIB Group's assets, liabilities, revenue and economic value would suffer losses or have the risk of contingent losses due to fluctuations of interest rates and changes of interest rates structure. The re-pricing risk, the primary and most common interest rate risk, arises from the difference between maturity terms (for fixed interest rates) or between the re-pricing terms (for floating interest rates) of XIB Group's assets, liabilities and off balance sheet commitments. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

XIB Group mainly manages its exposure to the interest rate risk arising from fluctuations in the prevailing market interest rates on re-pricing, fair value and cash flows. XIB Group's business in Mainland China operates under the interest rate scheme regulated by the People's Bank of China. XIB Group controls its interest rate risk primarily through controlling the distribution of the maturity date or re-pricing date of loans and deposits and the asset-liability re-pricing gap.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.2 資本風險管理

本集團的資本管理政策，是保障本集團能繼續營運，為本公司股東提供回報及為其他利益相關者帶來得益，同時維持最佳的資本架構以減低資金成本。

與業內其他公司一樣，本集團利用資本負債比率監察其資本。此比率按照總銀行貸款除以總資產淨值計算。總銀行貸款包括在綜合財務狀況表內所列的所有銀行貸款。總資產淨值包括在綜合財務狀況表內列為本公司股東應佔權益總額的所有組成部分。

於2018年，本集團的策略與2017年一樣維持不變，致力將資本負債比率維持在30%或以下的穩健水平。為了維持或調整資本架構，本集團可能調節分派予本公司股東的股息數額、發行新股份、籌集新的債務融資或出售資產以減少債務。

於2018年及2017年12月31日，本集團的資本負債比率如下：

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
總銀行貸款	Total bank borrowings	398,770	552,272
總資產淨值	Total net assets	6,731,820	6,510,902
資本負債比率	Gearing ratio	5.9%	8.5%

資本負債比率下降主要因2018年12月31日的未償還銀行貸款減少（註釋31）所致。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total net assets. Total bank borrowings comprise all bank borrowings as shown in the consolidated statement of financial position. Total net assets comprise all components of equity attributable to shareholders of the Company as shown in the consolidated statement of financial position.

During 2018, the Group's strategy, which was unchanged from 2017, was to maintain the gearing ratio at a healthy level of 30% or below. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders of the Company, issue new shares, raise new debt financing or sell assets to reduce debt.

The gearing ratio of the Group at 31 December 2018 and 2017 were as follows:

The decrease in the gearing ratio resulted primarily from the decrease in bank loans outstanding at 31 December 2018 (Note 31).

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.2 資本風險管理 (續)

根據保監局訂明的資本規定，本公司一家附屬公司，閩信保險，需根據《保險業條例》的規定，維持其經調整資產淨值不少於港幣2,000萬元。為符合有關規定，閩信保險可能調節其分派予本公司的股息或發行新股份予本公司。假若閩信保險未能維持訂明的資本規定，保監局可能對閩信保險的營運予以限制。

聯營金融機構的資本風險管理

廈銀集團的資本管理目標包括：(i) 遵守廈銀集團所在地監管機構設定的資本要求；(ii) 保障廈銀集團持續經營的能力，以便繼續為股東提供回報，和維護其他利益相關者的利益；及(iii) 保持雄厚的資本基礎，支持廈銀集團的業務發展。

廈銀集團管理層根據中國銀行保險監督管理委員會制定的監管指引，監控資本的充足性及監管資本。

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital risk management (Continued)

Pursuant to the capital requirements imposed by the IA, a subsidiary of the Company, Min Xin Insurance, should maintain at least HK\$20 million in its adjusted net assets calculated in accordance with the requirements set out in the Insurance Ordinance. In order to fulfill these requirements, Min Xin Insurance may adjust the dividend paid to the Company or issue new shares to the Company. If Min Xin Insurance cannot maintain the capital requirements imposed, the IA may place restrictions on the operations of Min Xin Insurance.

Capital risk management of associated financial institution

XIB Group's objectives when managing capital are: (i) to comply with the capital requirements set by the regulators of the markets where the entities within XIB Group operate; (ii) to safeguard the ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and (iii) to maintain a strong capital base to support the development of its business.

Capital adequacy and regulatory capital are monitored by XIB Group's management, employing techniques based on the guidelines developed by China Banking and Insurance Regulatory Commission, for supervisory purposes.

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

4.3 Fair value of financial instruments

(a) 以公平值列賬的金融工具

(a) Financial instruments carried at fair value

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：

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:

- 第一等級：僅使用於計量日相同資產或負債於活躍市場的未經調整報價計量公平值。
- 第二等級：使用包含於第一等級的直接（即價格）或間接（即來自價格）可觀察報價以外的數據計量公平值。為此等級估值的工具包括以下方式：就類似工具在活躍市場取得的市場報價；就相同或類似工具在較不活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的所有重要數據是可直接或間接從市場觀察所得的數據。
- 第三等級：使用並非根據可觀察市場數據的數據（不可觀察數據）計量公平值。為此等級估值的工具，其使用的數據並非根據可觀察市場數據，惟該等不可觀察數據可以對估值產生重大影響。為此等級估值的工具為類似金融工具的市場報價，當中需要作出不可觀察的調整或假設，以反映不同金融工具之間的差別。

- Level 1: fair value measured using only unadjusted quoted prices in active markets for identical instruments at the measurement date.
- Level 2: fair value measured using inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: fair value measured using inputs that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4.3 金融工具公平值 (續)

(a) 以公平值列賬的金融工具 (續)

於活躍市場買賣的金融工具 (如持作買賣和按公平值計入其他全面收益的股權證券) 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。

年內金融工具並沒有於公平值架構的第一等級及第二等級之間轉移，或轉入或轉出公平值架構的第三等級。本集團的政策為於發生轉移的呈報期末確認公平值架構各等級間的轉移。

下表為根據三級分類法於呈報日以公平值計量本集團持有的金融工具賬面值，每項金融工具的公平值按根據最低級別且對公平值計量為重要的數據計量的公平值整體分類：

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value of financial instruments (Continued)

(a) Financial instruments carried at fair value (Continued)

The fair value of financial instruments traded in active markets (such as equity securities held for trading and measured at FVOCI) 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.

During the year there was no transfer of financial instruments between Level 1 and Level 2 of the fair value hierarchy, or transfer of financial instruments into or out of Level 3 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

The following table presents the carrying value of financial instruments held by the Group at the reporting date measured at fair value across the three levels of the fair value hierarchy, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 保險及財務風險管理 (續)

4 INSURANCE AND FINANCIAL RISK MANAGEMENT (Continued)

4.3 金融工具公平值 (續)

4.3 Fair value of financial instruments (Continued)

(a) 以公平值列賬的金融工具 (續)

(a) Financial instruments carried at fair value (Continued)

	2018				2017			
	第一等級	第二等級	第三等級	總額	第一等級	第二等級	第三等級	總額
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
經常性的公平值計量	Recurring fair value measurement							
資產	Assets							
按公平值計入其他全面收益的上市股權證券	Listed equity securities at fair value through other comprehensive income							
可供出售金融資產	Available-for-sale financial assets							
按公平值透過損益列賬的上市股權證券	Listed equity securities at fair value through profit or loss							
	570,417	-	-	570,417	-	-	-	-
	-	-	-	-	503,514	-	-	503,514
	306	-	-	306	304	-	-	304
	<u>570,723</u>	<u>-</u>	<u>-</u>	<u>570,723</u>	<u>503,818</u>	<u>-</u>	<u>-</u>	<u>503,818</u>

(b) 非以公平值列賬的金融工具公平值

(b) Fair value of financial instruments carried at other than fair value

按攤銷成本計量的金融資產、應收款扣除減值虧損（如有）及應付款的賬面值乃假定與其公平值相若。金融負債的公平值按本集團類似金融工具可得之現有市場利率折現未來合約現金流作出估算。

The carrying value of financial assets at amortised cost, trade receivables less impairment losses (if any) and trade payables are assumed to approximate their fair value. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

估計和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

董事認為本集團的金融資產及金融負債的公平值約相等於其於呈報日的賬面值。

In the Directors' opinion, the fair values of financial assets and financial liabilities of the Group approximate their carrying values at the reporting date.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料

5 REVENUE AND SEGMENTAL INFORMATION

本年內入賬的主要類別收益如下：

The amount of each significant category of revenue recognised during the year is as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
汽車銷售收益	Sales of motor vehicles	930,621	827,105
客戶貸款利息收入 (a)	Interest income from loans to customers (a)	4,708	6,334
投資物業租金收入	Rental income from investment properties	9,245	9,205
按公平值計入其他全面 收益的金融資產股息 收入	Dividend income from financial assets at fair value through other comprehensive income	8,420	-
可供出售金融資產股息 收入	Dividend income from available-for-sale financial assets	-	23,224
		952,994	865,868
滿期保費淨額	Net earned insurance premiums		
毛保費收入	Gross insurance premiums	60,573	55,642
未滿期保費變動	Movement in unearned insurance premiums	(5,310)	5,890
再保費分出及再保 險人應佔未滿期 保費變動	Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	(5,372)	(5,122)
		49,891	56,410
其他收益	Other revenues		
管理費	Management fee	4	48
銀行存款利息收入	Interest income from bank deposits	33,197	35,046
按攤銷成本計量的 金融資產利息收入	Interest income from financial assets at amortised cost	101	-
持至到期日金融資產 利息收入	Interest income from held-to-maturity financial assets	-	99
應收款項類投資利息 收入	Interest income from investments in receivables	-	1,379
持作買賣的上市股權 證券股息收入	Dividend income from listed equity securities held for trading	20	171
政府補貼 (b)	Government grants (b)	2,229	693
其他	Others	262	332
		35,813	37,768
收益總額	Total revenues	1,038,698	960,046

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料 (續)

源自中國內地兩位客戶的汽車銷售收益超過本集團收益的10%。年內由此兩位客戶產生的汽車貿易分部收益分別約港幣471,101,000元及港幣420,965,000元(2017年：港幣391,675,000元及港幣413,211,000元)。

- (a) 於年內，客戶貸款利息收入包括應計已減值之客戶貸款利息收入港幣4,664,000元(2017年：港幣5,986,000元)。
- (b) 本集團一家全資附屬公司收取中國內地地方政府給予的政府補貼，此乃平潭綜合實驗區為鼓勵企業發展提供的獎勵性補償。

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。

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

Revenues from sales of motor vehicles to two customers in Mainland China have exceeded 10% of the Group's revenue. The segment revenue of trading in motor vehicles generated from these two customers amounted to approximately HK\$471,101,000 and HK\$420,965,000 (2017: HK\$391,675,000 and HK\$413,211,000) respectively during the year.

- (a) The interest income from loans to customers for the year included an interest income accrued for impaired loans to customers of HK\$4,664,000 (2017: HK\$5,986,000).
- (b) The government grants received by a wholly-owned subsidiary of the Group from the local government in Mainland China represented incentive compensations for development of enterprise in Pingtan Comprehensive Experimental Area.

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 the 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.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料 (續)

本集團有下列須呈報分部：

- 金融服務：包括於中國內地經營小額貸款業務及透過本集團持有的主要聯營公司廈銀、集友及澳銀分別於中國內地、香港及澳門經營銀行業務。
- 保險：包括於香港及澳門的一般保險業務。
- 汽車貿易：包括汽車貿易業務。
- 物業發展及投資：包括於中國內地的房地產開發業務及出租優質寫字樓。
- 策略投資：本集團持有的華能A股。
- 其他：包括沒有直接確定為其他呈報分部的營運業績及公司的業務活動。

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

The Group has the following reportable operating segments:

- Financial services: this segment includes the provision of micro credit business in Mainland China and the engagement of banking business through the Group's major associates, XIB, CYB and LIB in Mainland China, Hong Kong and Macau respectively.
- Insurance: this segment includes the general insurance business in Hong Kong and Macau.
- Trading in motor vehicles: this segment includes the trading in motor vehicles business.
- Property development and investment: this segment includes the real estate development business and the leasing of high quality office space in Mainland China.
- Strategic investment: this segment represents the Huaneng A-Shares held by the Group.
- Others: this segment includes results of operations not directly identified under other reportable segments and corporate activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料 (續)

(a) 分部業績、資產及負債

在評估分部表現及分配分部間的資源時，本集團主要營運決策人按下列基準監控各呈報分部的業績、資產及負債：

可直接確定為各個別分部之源自客戶、產品及服務的收益將直接呈報於有關分部。不同分部的所有直接開支將歸類於有關分部。與本集團的策略性決策、日常業務管理及公司活動相關而不能合理地分配至其他分部、產品及服務的間接開支及支援部門開支呈列於其他項下。分部間之交易乃依據授予第三者或與第三者交易之同類條款定價。分部間之收益或支出於綜合賬內抵銷。呈報分部溢利以「本年度溢利」計量，即企業實體的除稅後溢利、持有投資產生的淨收入及應佔投資對象的業績。

分部資產包括企業實體持有的有形資產、無形資產及流動資產、持有投資的賬面淨值及應佔投資對象的資產淨值及給予投資對象的貸款。分部負債包括保險責任、應付賬款及應計費用、歸屬於個別分部的應付所得稅及遞延稅項負債以及分部直接管理或與該分部直接相關的銀行貸款。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 REVENUE AND SEGMENTAL INFORMATION (Continued)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision-makers monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenues derived from customers, products and services directly identifiable with individual segment are reported directly under respective segments. All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions' costs related to the strategic decision making and day-to-day management of the business of the Group and corporate activities that cannot be reasonably allocated to other segments, products and services are grouped under others. Transactions between segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income and expenses are eliminated on consolidation. The measure used for reporting segment profit is "profit for the year", i.e. profit after taxation of the business entities, net income generated from investments held and share of results of investees.

Segment assets include all tangible, intangible and current assets held by the business entities, net book value of investments held and share of net assets of and loans to investees. Segment liabilities include insurance liabilities, creditors and accruals, income tax payable and deferred tax liabilities attributable to respective segments and 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 收益及分部資料 (續)

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

(a) 分部業績、資產及負債 (續)

(a) Segment results, assets and liabilities (Continued)

	截至12月31日止年度 Year ended 31 December	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		分部抵銷 Inter-segment elimination		綜合 Consolidated	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	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
收益	Revenue																
根據香港財務報告準則第15號按收益確認時間分拆	Disaggregated by timing of revenue recognition under HKFRS 15																
時間點	Point in time	-	-	-	-	930,621	827,105	-	-	-	-	-	-	-	-	930,621	827,105
隨時間	Over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	930,621	827,105	-	-	-	-	-	-	-	-	930,621	827,105
客戶貸款	Interest income from loans to customers	4,708	6,334	-	-	-	-	-	-	-	-	-	-	-	-	4,708	6,334
滿期保費淨額	Net earned insurance premiums	-	-	49,891	56,410	-	-	-	-	-	-	-	-	-	49,891	56,410	
股息收入	Dividend income	-	-	-	17	-	-	-	8,420	23,207	-	-	-	-	-	8,420	23,224
租金收入	Rental income	-	-	4,653	4,649	-	-	4,592	4,556	-	-	-	-	-	-	9,245	9,205
其他收益	Other revenues	2,305	1,478	1,737	1,854	72	37	60	34	-	-	31,639	34,365	-	-	35,813	37,768
外界客戶收益	Revenue from external customers	7,013	7,812	56,281	62,930	930,693	827,142	4,652	4,590	8,420	23,207	31,639	34,365	-	-	1,038,698	960,046
跨分部	Inter-segments	-	-	197	-	-	-	-	-	-	-	3,486	3,649	(3,683)	(3,649)	-	-
可呈報分部收益	Reportable segment revenue	7,013	7,812	56,478	62,930	930,693	827,142	4,652	4,590	8,420	23,207	35,125	38,014	(3,683)	(3,649)	1,038,698	960,046
其他(虧損)/收益 - 淨額	Other (losses)/gains - net	(390)	564	7,061	6,752	(5)	-	(8,141)	(5,674)	-	9,944	(9,952)	14,217	-	-	(11,427)	25,803
客戶貸款及應收利息減值虧損撥回	Write back of impairment loss on loans to customers and interest receivable	4,016	3,393	-	-	-	-	-	-	-	-	-	-	-	-	4,016	3,393
營業開支	Operating expenses	(4,508)	(6,110)	(53,972)	(70,320)	(923,851)	(826,444)	(1,733)	(1,737)	-	-	(31,578)	(32,225)	3,683	3,649	(1,011,959)	(933,187)
營業溢利/(虧損)	Operating profit/(loss)	6,131	5,659	9,567	(638)	6,837	698	(5,222)	(2,821)	8,420	33,151	(6,405)	20,006	-	-	19,328	56,055
融資成本	Finance costs	(9,737)	(17,781)	-	-	-	-	-	-	-	-	(16,428)	(19,275)	-	-	(26,165)	(37,056)
應佔聯營公司業績	Share of results of associates	614,071	513,233	-	-	-	-	-	-	-	-	3,292	4,691	-	-	617,363	517,924
除稅前溢利/(虧損)	Profit/(loss) before taxation	610,465	501,111	9,567	(638)	6,837	698	(5,222)	(2,821)	8,420	33,151	(19,541)	5,422	-	-	610,526	536,923
所得稅(支出)/抵免	Income tax (expense)/credit	(25,462)	(14,212)	(1,264)	582	(1,939)	(637)	5,114	3,672	(842)	(2,321)	(8,043)	(7,117)	-	-	(32,436)	(20,033)
本年度溢利/(虧損)	Profit/(loss) for the year	585,003	486,899	8,303	(56)	4,898	61	(108)	851	7,578	30,830	(27,584)	(1,695)	-	-	578,090	516,890
利息收入	Interest income	7,009	7,742	1,632	1,463	-	-	-	-	-	-	29,365	33,653	-	-	38,006	42,858
本年度折舊及攤銷	Depreciation and amortisation for the year	171	323	1,146	536	14	9	-	-	-	-	668	772	-	-	1,999	1,640

5 收益及分部資料 (續)

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

(a) 分部業績、資產及負債 (續)

(a) Segment results, assets and liabilities (Continued)

		金融服務		保險		汽車貿易		物業發展及投資		策略投資		其他		綜合	
		Financial services		Insurance		Trading in motor vehicles		Property development and investment		Strategic investment		Others		Consolidated	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		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
於12月31日	At 31 December														
本公司及	The Company and														
附屬公司	subsidiaries	126,644	136,815	300,349	235,656	68,608	189,426	65,051	73,248	570,417	503,514	1,177,148	1,261,728	2,308,217	2,400,387
投資聯營公司	Investments in associates	4,942,748	4,797,639	-	-	-	-	-	-	-	-	45,925	44,393	4,988,673	4,842,032
總資產	Total assets	5,069,392	4,934,454	300,349	235,656	68,608	189,426	65,051	73,248	570,417	503,514	1,223,073	1,306,121	7,296,890	7,242,419
本公司及	The Company and														
附屬公司	subsidiaries	224,422	224,461	100,257	103,842	1,706	3,650	22,253	27,753	-	-	216,432	371,811	565,070	731,517
總負債	Total liabilities	224,422	224,461	100,257	103,842	1,706	3,650	22,253	27,753	-	-	216,432	371,811	565,070	731,517
本年度增添 非流動分部 資產	Additions to non-current segment assets during the year	4,140	11	81	2,946	-	-	-	-	-	-	966	98	5,187	3,055

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 收益及分部資料 (續)

(b) 地區資料

下表載列有關(i)本集團源自外界客戶的收益及(ii)本集團的物業、機器及設備、無形資產、投資物業及投資聯營公司(「指定非流動資產」)所在地區的資料。客戶所在地區按提供服務或貨物送達所在地劃分。指定非流動資產所在地區的劃分，物業、機器及設備及投資物業按資產實際所在地劃分，無形資產及投資聯營公司則以營運所在地劃分。

5 REVENUE AND SEGMENTAL INFORMATION (Continued)

(b) Geographical information

The following table sets out the information about the geographical location of (i) the Group's revenues from external customers and (ii) the Group's property, plant and equipment, intangible assets, investment properties and investments in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties and the location of operations, in the case of intangible assets and investments in associates.

		香港 Hong Kong		中國內地 Mainland China		澳門 Macau		綜合 Consolidated	
		2018	2017	2018	2017	2018	2017	2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
截至12月31日止年度	Year ended 31 December								
外界客戶收益	Revenues from external customers	<u>16,317</u>	<u>27,934</u>	<u>976,784</u>	<u>893,125</u>	<u>45,597</u>	<u>38,987</u>	<u>1,038,698</u>	<u>960,046</u>
於12月31日	At 31 December								
本公司及附屬公司	The Company and subsidiaries	119,448	112,214	71,983	75,699	709	1,287	192,140	189,200
投資聯營公司	Investments in associates	-	-	4,988,673	4,842,032	-	-	4,988,673	4,842,032
指定非流動資產	Specified non-current assets	<u>119,448</u>	<u>112,214</u>	<u>5,060,656</u>	<u>4,917,731</u>	<u>709</u>	<u>1,287</u>	<u>5,180,813</u>	<u>5,031,232</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 其他(虧損)/收益 — 淨額

6 OTHER (LOSSES)/GAINS – NET

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
按公平值透過損益列賬 的金融資產的已變現 及未變現收益淨額	Net realised and unrealised gains on financial assets at fair value through profit or loss	1,547	635
投資物業重估公平值 虧損	Fair value losses on revaluation of investment properties	(186)	(718)
出售可供出售金融資產 收益淨額	Net gains on disposal of available-for-sale financial assets	–	9,802
出售抵債資產(虧損)/ 收益	(Loss)/gain on disposal of repossessed assets	(390)	548
匯兌(虧損)/收益淨額	Net exchange (losses)/gains	(12,398)	15,536
		(11,427)	25,803

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

		2018	2017
		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)	5,125	23,140
保險業務產生的淨佣金 費用(b)	Net commission expenses incurred on insurance business (b)	31,848	30,153
		36,973	53,293

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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

		2018		
		毛額	再保險	淨額
		Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000
本年度賠償及損失調整費用	Current year claims and loss adjustment expenses	7,827	(1,552)	6,275
往年度賠償及損失調整費用的額外成本	Additional cost for prior years' claims and loss adjustment expenses	1,466	135	1,601
已發生但未呈報的索償減少	Decrease in claims incurred but not reported	(717)	(1,752)	(2,469)
未滿期風險之預計賠償成本減少	Decrease in the expected cost of claims for unexpired risks	(282)	-	(282)
		8,294	(3,169)	5,125
		2017		
		毛額	再保險	淨額
		Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000
本年度賠償及損失調整費用	Current year claims and loss adjustment expenses	17,501	(4,417)	13,084
往年度賠償及損失調整費用的額外成本／(殘存責任剩餘)	Additional cost/(run-off savings) for prior years' claims and loss adjustment expenses	12,763	(2,314)	10,449
已發生但未呈報的索償增加／(減少)	Increase/(decrease) in claims incurred but not reported	989	(604)	385
未滿期風險之預計賠償成本減少	Decrease in the expected cost of claims for unexpired risks	(778)	-	(778)
		30,475	(7,335)	23,140

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

		2018	2017
		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	32,654	30,669
減：已收及應收再保 險人佣金	Less: Commissions received and receivable from reinsurers	(806)	(516)
佣金費用淨額	Net commission expenses	31,848	30,153

8 營業溢利

8 OPERATING PROFIT

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
營業溢利已計入並扣除 下列各項：	Operating profit is stated after crediting and charging the following:		
計入	Crediting		
匯兌收益淨額	Net exchange gains	-	15,536
投資物業已收及應收 租金，扣除直接費用	Rentals received and receivable from investment properties less direct outgoings	8,227	8,159
扣除	Charging		
員工成本，包括董事酬金	Staff costs, including directors' emoluments	36,625	34,947
— 薪金、津貼及花紅	— Salaries, allowances and bonus	35,161	33,837
— 退休福利成本 (a)	— Retirement benefit costs (a)	1,464	1,110
核數師酬金	Auditor's remuneration	2,086	2,748
— 當年準備	— provision for current year	1,813	2,388
— 中期查證工作	— interim attestation work	273	360
銷售成本	Costs of sales	920,394	819,733
— 存貨成本	— Cost of inventories	918,224	818,825
— 存貨減值	— Write down of inventories	1,552	-
— 其他	— Others	618	908
折舊及攤銷	Depreciation and amortisation	1,999	1,640
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	57	38
匯兌虧損淨額	Net exchange losses	12,398	-
房地產之營業租約租金	Operating lease rentals in respect of land and buildings	520	658

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 營業溢利 (續)

- (a) 在2000年11月30日前，本集團向一項界定供款計劃（「界定供款計劃」）供款，所有合資格之香港僱員皆可參加。界定供款計劃之資產與本集團之資產分開持有，由獨立管理基金保管。直至2000年11月30日界定供款計劃由根據香港強制性公積金計劃條例成立的強制性公積金計劃（「強積金計劃」）所取代當日止，本集團及僱員對界定供款計劃之供款額以僱員基本月薪之百分之十五計算。

本集團每月向強積金計劃之供款額（強制及自願）按僱員基本月薪百分之十（2000年9月30日後加入的僱員之供款額則為其基本月薪百分之六）或僱員每月總收入的百分之五以較高者為準計算（按內部評級制度釐定最高供款額為港幣2,000元、港幣3,000元或港幣4,000元）。僱員在取得全數供款利益前離開強積金計劃所被沒收之供款額可以用作減少本集團向強積金計劃之自願供款。於2018年及2017年12月31日並無任何重大未動用之沒收供款。

就中國內地的僱員而言，本集團亦有為其在中國內地各個經營業務地區參加當地市政府的僱員退休計劃。本集團按僱員薪金之百分比向此等計劃作出每月供款，而當地市政府亦保證承擔本集團所有僱員的退休福利責任。

8 OPERATING PROFIT (Continued)

- (a) The Group contributed to a defined contribution scheme (“DC Scheme”) which was available to all eligible Hong Kong employees prior to 30 November 2000. The assets of the DC Scheme were held separately from those of the Group in an independently administered fund. Contributions to the DC Scheme by the Group and employees were calculated at 15% of the employees’ basic salary until 30 November 2000 when the DC Scheme was replaced by a mandatory provident fund scheme (“MPF Scheme”) set up under the Hong Kong Mandatory Provident Fund Schemes Ordinance.

The Group’s monthly contributions (mandatory and voluntary) to the MPF Scheme for each employee are calculated at the higher of 10% (or 6% for employees who joined after 30 September 2000) of the monthly basic salary and 5% of the monthly total income, subject to a maximum contribution of HK\$2,000, HK\$3,000 or HK\$4,000 based on the internal grading system. The Group’s contributions to the MPF Scheme can be reduced by the Group’s voluntary contributions forfeited in relation to those employees who leave the MPF Scheme prior to vesting fully in the contributions. At 31 December 2018 and 2017, there were no material unutilised forfeited contributions.

For Mainland China employees, the Group participates in the employee pension schemes administered by the respective municipal government in various locations in Mainland China where the Group operates. The Group makes monthly contributions calculated at a percentage of the monthly payroll costs to these schemes and the respective municipal government undertakes to assume the retirement benefit obligations of the employees of the Group.

9 融資成本

9 FINANCE COSTS

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
銀行貸款利息支出	Interest expenses on bank loans	26,165	37,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) 董事酬金

(a) Directors' emoluments

		作為董事 (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 and other allowances, and benefits in kind	獎金 Bonus	2018 總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
執行董事	Executive Directors				
嚴正先生 (主席) ¹	Mr Yan Zheng (Chairman) ¹	-	-	-	-
彭錦光先生 (主席) ²	Mr Peng Jin Guang (Chairman) ²	-	-	-	-
王非先生 (副主席)	Mr Wang Fei (Vice Chairman)	-	-	-	-
陳宇先生 ³	Mr Chen Yu ³	22	582	220	824
劉承先生 ⁴	Mr Liu Cheng ⁴	78	1,090	390	1,558
非執行董事	Non-executive Directors				
楊敬朝先生 ⁵	Mr Yang Jingchao ⁵	-	-	-	-
韓孝捷先生	Mr Hon Hau Chit	60	-	-	60
劉倫先生 ⁶	Mr Liu Lun ⁶	-	-	-	-
獨立非執行董事	Independent Non-executive Directors				
葉啟明先生	Mr Ip Kai Ming	250	-	-	250
張文海先生	Mr Cheung Man Hoi	350	-	-	350
梁創順先生 ⁷	Mr Leung Chong Shun ⁷	167	-	-	167
史習陶先生 ⁸	Mr Sze Robert Tsai To ⁸	86	-	-	86
蘇合成先生 ⁹	Mr So Hop Shing ⁹	112	-	-	112
		1,125	1,672	610	3,407

1 於2018年4月12日委任為主席及執行董事

2 於2018年4月12日辭任為主席及執行董事

3 於2018年9月10日委任為執行董事

4 於2018年9月10日辭任為執行董事

5 於2018年12月7日委任為非執行董事

6 於2018年11月15日辭任為非執行董事

7 於2018年5月3日委任為獨立非執行董事

8 於2018年4月1日辭任為獨立非執行董事

9 於2018年6月13日退任為獨立非執行董事

1 Appointed as Chairman and Executive Director on 12 April 2018

2 Resigned as Chairman and Executive Director on 12 April 2018

3 Appointed as Executive Director on 10 September 2018

4 Resigned as Executive Director on 10 September 2018

5 Appointed as Non-executive Director on 7 December 2018

6 Resigned as Non-executive Director on 15 November 2018

7 Appointed as Independent Non-executive Director on 3 May 2018

8 Resigned as Independent Non-executive Director on 1 April 2018

9 Retired as Independent Non-executive Director on 13 June 2018

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

10 SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) 董事酬金 (續)

(a) Directors' emoluments (Continued)

		作為董事 (i)	作為管理層 (ii)		2017 總額 Total
		As director (i)	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 and other allowances, and benefits in kind	獎金 Bonus	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
執行董事	Executive Directors				
彭錦光先生 (主席)	Mr Peng Jin Guang (Chairman)	-	-	-	-
王非先生 (副主席)	Mr Wang Fei (Vice Chairman)	-	-	-	-
劉承先生	Mr Liu Cheng	100	1,335	520	1,955
非執行董事	Non-executive Directors				
劉倫先生	Mr Liu Lun	-	-	-	-
韓孝捷先生	Mr Hon Hau Chit	60	-	-	60
獨立非執行董事	Independent Non-executive Directors				
葉啟明先生	Mr Ip Kai Ming	250	-	-	250
史習陶先生	Mr Sze Robert Tsai To	350	-	-	350
蘇合成先生	Mr So Hop Shing	250	-	-	250
張文海先生 ¹	Mr Cheung Man Hoi ¹	188	-	-	188
		<u>1,198</u>	<u>1,335</u>	<u>520</u>	<u>3,053</u>

1 於 2017 年 4 月 1 日委任為獨立非執行董事

1 Appointed as Independent Non-executive Director on 1 April 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 高級行政人員酬金及五名最高酬金之個別人士 (續)

(a) 董事酬金 (續)

- (i) 該等款項指作為本公司或其附屬公司的董事所提供的服務而支付或應付的酬金。
- (ii) 該等款項指有關管理本公司事務所提供的其他服務而支付或應付的酬金。
- (iii) 本公司向一控股股東貴信支付管理費港幣188萬元(2017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 (2017: HK\$1.88 million) was paid to Vigour Fine, the controlling shareholder of the Company, for the provision of certain management services which include the provision of directors to the Board of Directors of the Company pursuant to a management agreement.

(b) Five highest paid individuals

The analysis in note (a) above does not include those individuals who are not directors but whose emoluments are among the five highest in the Group. Details of the emoluments paid to those individuals are as follows:

	2018	2017
	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	4,427	4,572
退休福利計劃供款	96	48
獎金	5,126	5,346
	9,649	9,966

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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	2018	2017
		人數 <i>Number of Individuals</i>	人數 <i>Number of Individuals</i>
港幣 1,000,001 元 – 港幣 1,500,000 元	HK\$1,000,001 – HK\$1,500,000	1	–
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	1	2
港幣 2,500,001 元 – 港幣 3,000,000 元	HK\$2,500,001 – HK\$3,000,000	1	–
港幣 3,000,001 元 – 港幣 3,500,000 元	HK\$3,000,001 – HK\$3,500,000	–	2
港幣 3,500,001 元 – 港幣 4,000,000 元	HK\$3,500,001 – HK\$4,000,000	1	–

(c) 高級管理人員

(c) Senior management

應付予本公司高級管理人員之酬金 (按範圍) 詳情如下：

Details of the emoluments payable to senior management of the Company by band are as follows:

酬金範圍	Emoluments Band	2018	2017
		人數 <i>Number of Individuals</i>	人數 <i>Number of Individuals</i>
港幣 500,001 元 – 港幣 1,000,000 元	HK\$500,001 – HK\$1,000,000	–	1
港幣 1,000,001 元 – 港幣 1,500,000 元	HK\$1,000,001 – HK\$1,500,000	2	–
港幣 1,500,001 元 – 港幣 2,000,000 元	HK\$1,500,001 – HK\$2,000,000	1	1
港幣 3,000,001 元 – 港幣 3,500,000 元	HK\$3,000,001 – HK\$3,500,000	–	2
港幣 3,500,001 元 – 港幣 4,000,000 元	HK\$3,500,001 – HK\$4,000,000	1	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 所得稅支出

11 INCOME TAX EXPENSE

在綜合損益表支銷之稅項如下：

The amount of taxation charged to the consolidated income statement represents:

		2018	2017
		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	281	465
中國內地企業所得稅	Mainland China corporate income tax	8,184	7,249
中國內地預提所得稅	Mainland China withholding tax	18,016	15,217
澳門稅項	Macau taxation	441	-
		26,922	22,931
往年度準備過少	Under provision in prior year		
澳門稅項	Macau taxation	-	4
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	5,514	(2,902)
所得稅支出	Income tax expense	32,436	20,033

香港利得稅乃按照年內估計應課稅溢利分別依兩級利得稅稅率8.25%及16.5% (2017年：16.5%) 提撥準備。

Hong Kong profits tax has been provided at the rate of 8.25% and 16.5% respectively under the Two-tiered Rates of Profits Tax (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

中國內地企業所得稅乃按照年內估計應納稅所得額依稅率25% (2017年：25%) 計算。

Mainland China corporate income tax has been calculated at the rate of 25% (2017: 25%) on the estimated taxable profits for the year.

於中國內地成立的附屬公司及投資對象就2008年1月1日後賺取的利潤宣派股息時，本集團須分別就股息收入的5%及10%繳納中國內地預提所得稅。

Mainland China withholding tax is levied at 5% and 10% on dividend income received from subsidiaries and investees incorporated in Mainland China respectively when these subsidiaries and investees declared dividend out of profits earned after 1 January 2008.

澳門盈利之稅款則按照年內估計應納稅所得額依澳門之現行稅率計算。

Taxation on Macau profits has been calculated on the estimated taxable profits for the year at the rates of taxation prevailing in Macau.

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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:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
除稅前溢利	Profit before taxation	610,526	536,923
按照在相關稅務管轄區之適用稅率計算除稅前溢利之名義稅項	Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	116,358	100,919
無須課稅之收入	Income not subject to taxation	(104,237)	(91,395)
不可扣稅之支出	Expenses not deductible for taxation purposes	9,224	9,099
未確認稅損及可扣減暫時差異增加	Increase in unrecognised tax losses and deductible temporary differences	11,121	1,426
往年度準備過少	Under provision in prior year	-	4
其他	Others	(30)	(20)
所得稅支出	Income tax expenses	32,436	20,033

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 股息

12 DIVIDEND

	2018	2017
	港幣千元 HK\$'000	港幣千元 HK\$'000
於呈報日後擬派末期股息 每股港幣 10 仙 (2017 年：港幣 8 仙)	Final dividend proposed after the reporting date of 10 HK cents (2017: 8 HK cents) per share	Final dividend proposed after the reporting date of 8 HK cents (2017: 8 HK cents) per share
	59,726	47,781

於呈報日後擬派的股息並無於本綜合財務報表內列作負債，惟將於截至 2019 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 2019.

13 每股盈利

13 EARNINGS PER SHARE

每股基本盈利是根據截至 2018 年 12 月 31 日止年度本公司股東應佔溢利港幣 57,809 萬元 (2017 年：港幣 51,689 萬元) 及年內已發行股份之加權平均數 597,257,252 (2017 年：536,725,670) 股計算。計算截至 2017 年 12 月 31 日止年度每股盈利之股份加權平均數已就 2017 年 6 月 14 日供股完成後 (註釋 33(a)(i)) 供股之紅利部份作出調整。

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the year ended 31 December 2018 of HK\$578,090,000 (2017: HK\$516,890,000) and the weighted average of 597,257,252 (2017: 536,725,670) shares in issue during the year. The weighted average number of shares used in the calculation of earnings per share for the year ended 31 December 2017 had been adjusted for the bonus element of the rights issue following the completion of the rights issue on 14 June 2017 (Note 33(a)(i)).

本集團本年度及過往年度均無已發行具攤薄潛力之股份，因此於披露年度的每股攤薄盈利與每股基本盈利相同。

The Group has no dilutive potential shares in issue during the current and prior years and therefore diluted earnings per share is the same as basic earnings per share for the years presented.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 物業、機器及設備

14 PROPERTY, PLANT AND EQUIPMENT

		租賃土地及 土地使用權 Leasehold lands and land use rights	持作 自用樓宇 Buildings held for own use	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2017年1月1日	At 1 January 2017					
成本	Cost	28,621	8,511	9,163	2,960	49,255
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(14,055)	(7,514)	(7,660)	(2,027)	(31,256)
賬面淨值	Net book value	14,566	997	1,503	933	17,999
截至2017年12月31日 止年度	Year ended 31 December 2017					
期初賬面淨值	Opening net book value	14,566	997	1,503	933	17,999
匯兌差額	Translation differences	-	-	12	11	23
增添	Additions	-	-	205	-	205
本年度折舊	Charge for the year	(283)	(80)	(497)	(434)	(1,294)
出售	Disposals	-	-	(55)	-	(55)
期末賬面淨值	Closing net book value	14,283	917	1,168	510	16,878
於2017年12月31日及 2018年1月1日	At 31 December 2017 and 1 January 2018					
成本	Cost	28,621	8,511	9,149	3,052	49,333
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(14,338)	(7,594)	(7,981)	(2,542)	(32,455)
賬面淨值	Net book value	14,283	917	1,168	510	16,878

14 物業、機器及設備 (續)

14 PROPERTY, PLANT AND EQUIPMENT
(Continued)

		租賃土地及 土地使用權 Leasehold lands and land use rights	持作 自用樓宇 Buildings held for own use	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2018年12月31日	Year ended					
止年度	31 December 2018					
期初賬面淨值	Opening net book value	14,283	917	1,168	510	16,878
匯兌差額	Translation differences	-	4	3	-	7
增添	Additions	-	1,019	511	607	2,137
自抵債資產重新 分類 (a)	Reclassified from repossessed assets (a)	-	3,050	-	-	3,050
本年度折舊	Charge for the year	(284)	(135)	(448)	(201)	(1,068)
出售	Disposals	-	-	(8)	(61)	(69)
期末賬面淨值	Closing net book value	13,999	4,855	1,226	855	20,935
於2018年12月31日	At 31 December 2018					
成本	Cost	28,621	12,580	8,928	2,591	52,720
累計折舊及減值 虧損	Accumulated depreciation and impairment losses	(14,622)	(7,725)	(7,702)	(1,736)	(31,785)
賬面淨值	Net book value	13,999	4,855	1,226	855	20,935

(a) 有關金額為位於中國內地的一項抵債商業物業於年內由抵債資產重新分類為自用物業之前的賬面值。

(a) The amount represents the carrying amount of a repossessed commercial property located in Mainland China immediately before the reclassification from repossessed assets to owner-occupied property during the year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 物業、機器及設備 (續)

14 PROPERTY, PLANT AND EQUIPMENT
(Continued)

(b) 租賃土地及土地使用權的賬面淨值分析如下：

(b) The net book values of leasehold lands and land use rights are analysed as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
在香港持有租約 50年以上	Leases held in Hong Kong Over 50 years	4,317	4,340
10年至50年	Between 10 and 50 years	9,664	9,923
在香港以外持有租約 10年至50年	Leases held outside Hong Kong Between 10 and 50 years	18	20
		13,999	14,283

15 無形資產

15 INTANGIBLE ASSETS

		軟件 Software
		港幣千元 HK\$'000
截至2017年12月31日止年度 增添	Year ended 31 December 2017 Additions	2,850
本年度攤銷	Charge for the year	(346)
期末賬面淨值	Closing net book value	<u>2,504</u>
於2017年12月31日及 2018年1月1日	At 31 December 2017 and 1 January 2018	
成本	Cost	2,850
累計攤銷	Accumulated amortisation	(346)
賬面淨值	Net book value	<u>2,504</u>
截至2018年12月31日止年度	Year ended 31 December 2018	
期初賬面淨值	Opening net book value	2,504
本年度攤銷	Charge for the year	(931)
期末賬面淨值	Closing net book value	<u>1,573</u>
於2018年12月31日	At 31 December 2018	
成本	Cost	2,850
累計攤銷	Accumulated amortisation	(1,277)
賬面淨值	Net book value	<u>1,573</u>

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16 投資物業

16 INVESTMENT PROPERTIES

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
公平值	At fair value		
於1月1日	At 1 January	169,818	170,536
公平值虧損	Fair value losses	(186)	(718)
於12月31日	At 31 December	169,632	169,818

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:

		2018	2017
		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	102,000	94,500
在香港以外持有租約 10年至50年	Leases held outside Hong Kong Between 10 and 50 years	67,632	75,318
		169,632	169,818

一家附屬公司持有的公平值港幣10,200萬元(2017年：港幣9,450萬元)的一項位於香港的投資物業的業權契約由保監局託管，以符合監管機構的有關規定。

The title deeds in respect of an investment property in Hong Kong with a fair value of HK\$102 million (2017: HK\$94.5 million) held by a subsidiary are placed in the custody of the IA pursuant to the relevant regulatory requirements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2018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（註釋4.3(a)）。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 2018 on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement (Note 4.3(a)). 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.

		2018	2017
		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	63,044	71,132
住宅物業	Residential properties	2,800	2,300
車位	Car parks	1,788	1,886
		67,632	75,318
香港	Hong Kong		
商業物業	Commercial properties	102,000	94,500
		169,632	169,818

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2018年12月31日的公平值基準重估。本集團已於各年度呈報日與獨立專業評估師討論有關估值假設及估值結果。

位於中國內地的商業物業及車位的公平值採用收入資本化法釐定。應用於估值計量時，該等商業物業及車位的重要不可觀察數據分別為資本化率及市場月租金，(i)商業物業的資本化率介乎4.3厘至4.5厘(2017年：4.3厘至4.5厘)，市場月租金介乎每平方米人民幣52元至人民幣77元(2017年：人民幣53元至人民幣80元)，(ii)車位的資本化率為2.8厘(2017年：2.8厘)，市場月租金為每車位人民幣640元(2017年：人民幣640元)。公平值計量與資本化率呈反比關係，與市場月租金呈正比關係。

位於中國內地的住宅物業的公平值採用市場比較法釐定，並參考可比較物業近期按每平方米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10%(2017年：約14.5%)。

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 2018 by independent professional valuers, namely Savills Valuation and Professional Services Limited and Vigers Appraisal & Consulting Limited. The Group has discussed with the independent professional valuers on the valuation assumptions and valuation results at each annual reporting date.

The fair values of commercial properties and car parks located in Mainland China were determined by income capitalisation approach. The significant unobservable inputs applied in valuation measurement are (i) capitalisation rates ranged from 4.3% to 4.5% (2017: 4.3% to 4.5%) and monthly market rental ranged from RMB52 to RMB77 (2017: RMB53 to RMB80) per square meter for commercial properties and (ii) capitalisation rate of 2.8% (2017: 2.8%) and monthly market rental of RMB640 (2017: RMB640) per unit for car parks respectively. The fair value measurement is negatively correlated to the capitalisation rate and positively correlated to the monthly market rental.

The fair value of residential properties located in Mainland China was determined by market comparison approach with reference to recent sales price 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 10% (2017: approximately 14.5%).

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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：

		2018				2017			
		商業物業 Commercial properties	住宅物業 Residential properties	車位 Car parks	總額 Total	商業物業 Commercial properties	住宅物業 Residential properties	車位 Car parks	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	165,632	2,300	1,886	169,818	166,303	1,900	2,333	170,536
公平值(虧損)/收益	Fair value (losses)/gains	(588)	500	(98)	(186)	(671)	400	(447)	(718)
於12月31日	At 31 December	165,044	2,800	1,788	169,632	165,632	2,300	1,886	169,818
年內於綜合損益表的「其他收益/(虧損) - 淨額」內確認的未變現公平值(虧損)/收益總額	Total unrealised fair value (losses)/gains for the year recognised in the consolidated income statement as part of "Other gains/(losses) - net"	(588)	500	(98)	(186)	(671)	400	(447)	(718)

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:

17 聯營公司

17 ASSOCIATES

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
應佔資產淨值	Share of net assets	4,977,956	4,831,315
貸款予一家聯營公司(b)	Loan to an associate (b)	10,717	10,717
		4,988,673	4,842,032

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2017年1月1日	At 1 January 2017	4,043,936	38,066	4,082,002
匯兌差額	Translation differences	287,098	2,082	289,180
應佔除稅後溢利	Share of profit after taxation			
除稅前溢利	Profit before taxation	661,401	5,239	666,640
所得稅支出	Income tax expense	(148,168)	(548)	(148,716)
已宣派股息	Dividend declared	(128,958)	-	(128,958)
發行次級額外一級 資本債券	Issuance of subordinated additional tier 1 capital securities	192,214	-	192,214
投資重估儲備金 (減少)/增加	(Decrease)/increase in investment revaluation reserve	(109,884)	8	(109,876)
註銷一家附屬公司時 撥回的外匯折算 儲備金	Release of exchange translation reserve on dissolution of a subsidiary	-	(454)	(454)
		4,797,639	44,393	4,842,032
於2017年12月31日， 原呈列	At 31 December 2017, as originally presented			
初始應用香港財務報告 準則第9號的影響	Impact on initial application of HKFRS 9	(64,518)	-	(64,518)
調整分類的一致性(i)	Adjustment to align the classification (i)	(192,214)	-	(192,214)
		4,540,907	44,393	4,585,300
於2018年1月1日， 經重列	At 1 January 2018, as restated			
匯兌差額	Translation differences	(232,232)	(1,744)	(233,976)
應佔除稅後溢利	Share of profit after taxation			
除稅前溢利	Profit before taxation	736,275	3,643	739,918
所得稅支出	Income tax expense	(122,204)	(351)	(122,555)
已宣派股息	Dividend declared	(153,195)	-	(153,195)
公平值儲備金 (可循環)增加	Increase in fair value reserve (recycling)	172,154	-	172,154
公平值儲備金 (不可循環)(減少)	Decrease in fair value reserve (non-recycling)	(155)	(16)	(171)
應佔一家聯營公司的 資本儲備金變動	Share of movement in capital reserve of an associate	1,198	-	1,198
		4,942,748	45,925	4,988,673
於2018年12月31日	At 31 December 2018			

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

- (i) 該調整旨在使本集團的財務報表與廈銀集團在非控股權益和廈銀股東應佔權益之間的分類保持一致而作出，該分類與廈銀一家附屬公司於2017年發行的次級額外一級資本債券有關。董事認為從本集團的財務報表而言，此調整金額並不重大。本集團因此調整2018年1月1日的期初結餘以反映重新分類。
- (b) 此貸款為本集團對該聯營公司之投資，並且為無抵押、免息及無限定還款期。
- (c) 本集團在正常業務範圍內存放銀行存款於聯營金融機構，此等存款包括在現金及銀行結存賬內（註釋37(a)）。

以下摘要只包括於2018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) The adjustment is being made to align the Group's financial statements with the classification of XIB Group between the non-controlling interests and equity attributable to shareholders of XIB in relation to the subordinated additional tier 1 capital securities issued by a subsidiary of XIB in 2017. The Directors consider the amount of the adjustment to be immaterial to the financial statements of the Group. The Group has therefore reflected the reclassification by adjusting the opening balances at 1 January 2018.
- (b) The loan represented the Group's investments in that associate and was unsecured, interest free and had no fixed repayment terms.
- (c) Bank deposits placed by the Group with associated financial institutions in the normal course of business are included in cash and bank balances (Note 37(a)).

The following list contains the particulars of those associates at 31 December 2018 which principally affected the results or assets of the Group. All of these entities are unlisted corporates and are accounted for using equity method.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 聯營公司 (續)

17 ASSOCIATES (Continued)

聯營公司名稱	Name of associates	註冊及 經營地點 Place of incorporation and operations	已發行及 繳足股本詳情 Particulars of issued and paid up capital	本集團的 有效權益 Group's effective interest	主要業務 Principal activities
直接持有	Directly held				
廈門國際銀行， 及其附屬公司	Xiamen International Bank, and its subsidiaries	中華人民共和國 The People's Republic of China	8,386.26 百萬股 (人民幣 83.8626 億元) 8,386.26 million shares (RMB8,386.26 million)	9.7635%	銀行及投資控股 Banking and investment holding
澳門國際銀行	Luso International Banking Limited	澳門 Macau	2.61 百萬股每股 (澳門幣 26.1 億元) 2.61 million shares (MOP2,610 million)	4.7880%	銀行 Banking
集友銀行有限公司	Chiyu Banking Corporation Limited	香港 Hong Kong	3.37 百萬股 (港幣 17.7299 億元) 3.37 million shares (HK\$1,772.99 million)	6.2916%	銀行 Banking
廈門國際投資 有限公司	Xiamen International Investment Limited	香港 Hong Kong	4,807.19 百萬股 (港幣 48.0719 億元) 4,807.19 million shares (HK\$4,807.19 million)	9.7635%	投資控股 Investment holding
間接持有	Indirectly held				
閩信昌輝投資 有限公司 ⁽¹⁾	Min Faith Investments Limited ⁽¹⁾	香港 Hong Kong	100 股 (港幣 100 元) 100 shares (HK\$100)	40%	投資控股 Investment holding

(1) 此聯營公司並非由畢馬威會計師事務所審核。應佔此聯營公司之資產淨值及除稅前溢利分別約佔本集團綜合總額之 0.7% 及 0.5%。

(1) This associate is not audited by KPMG. The aggregate net assets and profit before taxation attributable to this associate represent approximately 0.7% and 0.5% 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 (按本集團採納的會計政策編制, 並經與綜合財務報表的賬面值對賬) 披露如下:

17 ASSOCIATES (Continued)

Summarised financial information of the material associate prepared in accordance with the accounting policies adopted by the Group and reconciled to the carrying amount in the consolidated financial statements, is disclosed below:

		廈銀集團 XIB Group	
		2018	2017
		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	918,564,205	855,623,694
負債	Liabilities	(856,199,285)	(799,875,219)
非控股權益 (註釋 17(a)(i))	Non-controlling interests (Note 17(a)(i))	(11,740,161)	(6,609,962)
股東應佔權益 (註釋 17(a)(i))	Equity attributable to shareholders (Note 17(a)(i))	50,624,759	49,138,513
收益總額	Total revenues	38,160,897	30,666,711
聯營公司股東應佔 持續經營業務 溢利	Profit from continuing operations attributable to shareholders of the associate	6,289,451	5,256,658
聯營公司股東應佔 其他全面收益	Other comprehensive income attributable to shareholders of the associate	1,972,960	(1,441,251)
聯營公司股東應佔 全面收益總額	Total comprehensive income attributable to shareholders of the associate	8,262,411	3,815,407
宣派股息	Dividend declared	153,195	128,958
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	50,624,759	49,138,513
本集團的實際權益	Group's effective interest	9.7635%	9.7635%
綜合財務報表的 賬面值	Carrying amount in the consolidated financial statements	4,942,748	4,797,639

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:

		2018	2017
		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	45,925	44,393
本集團應佔該等聯營公司下列各項總額	Aggregate amount of the Group's share of those associates'		
持續經營業務溢利	Profit from continuing operations	3,292	4,691
其他全面收益	Other comprehensive income	(1,760)	1,636
全面收益總額	Total comprehensive income	1,532	6,327

18 按公平值計入其他全面收益的金融資產

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
於2017年12月31日 初始應用香港財務報告 準則第9號的影響	At 31 December 2017 Impact on initial application of HKFRS 9	-	-
於2018年1月1日， 經重列	At 1 January 2018, as restated	503,514	-
於公平值儲備金 (不可循環) 記賬 之公平值收益	Fair value gain recognised in fair value reserve (non-recycling)	66,903	-
按公平值	At fair value	570,417	-

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 按公平值計入其他全面收益的金融資產（續）

本集團於2018年及2017年12月31日持有的股權證券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	0.43% (約6,795萬股A股) (approximately 67.95 million A-Share)

於2018年1月1日，本集團指定其華能A股投資按公平值計入其他全面收益（不可循環），此乃由於有關投資為長期持有及具策略目的。該投資於2018年1月1日前按香港會計準則第39號分類為可供出售金融資產，並以公平值計量。

本公司於以前年度出售華能A股時取得中國內地北京市稅務局出具的所得收益免稅證明。因此，本集團沒有對於其他全面收益內確認，並在公平值儲備金（不可循環）內分開累計的公平值變動提撥稅項準備。

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

The equity securities listed in Mainland China held by the Group at 31 December 2018 and 2017 represented equity securities listed on the Shanghai Stock Exchange as follows:

At 1 January 2018, the Group designated its investment in Huaneng A-Shares as FVOCI (non-recycling) as the investment is held for long term and strategic purposes. The investment was classified as available-for-sale financial assets and measured at fair value prior to 1 January 2018 in accordance with HKAS 39.

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 fair value reserve (non-recycling).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 可供出售金融資產

19 AVAILABLE-FOR-SALE FINANCIAL ASSETS

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	–	557,750
增添 (b)	Additions (b)	–	27,060
於投資重估儲備金記賬 之公平值虧損	Fair value loss recognised in investment revaluation reserve	–	(29,946)
出售 (a, b 及 c)	Disposals (a, b & c)	–	(51,350)
於12月31日	At 31 December	–	503,514
按公平值 於中國內地上市之 股權證券 – 上海證券交易所	At fair value Equity securities listed in Mainland China – Shanghai Stock Exchange	–	503,514
於12月31日 (註釋 18)	At 31 December (Note 18)	–	503,514

(a) 本公司於2017年於上海證券交易所出售200萬股華能A股，代價淨值約人民幣1,424萬元（等值約港幣1,653萬元），經計入撥回之前於投資重估儲備金內確認有關已出售股份應佔的累計公平值變動後，錄得出售收益約港幣994萬元。

(b) 本集團於2017年購入及出售若干中國內地銀行發行的理財產品，分別為人民幣2,400萬元（等值約港幣2,706萬元）及約人民幣2,994萬元（等值約港幣3,377萬元）。

(c) 本公司一家全資附屬公司基於流動資金需要，於2017年出售在香港上市的所有股權證券，代價淨額約港幣58萬元，經計入撥回之前於投資重估儲備金內確認有關已出售股份應佔的累計公平值變動後，錄得出售虧損約港幣29萬元。

(a) The Company sold 2 million A-Share of Huaneng on the Shanghai Stock Exchange for a net consideration of approximately RMB14.24 million (equivalent to approximately HK\$16.53 million) and a gain on disposal of approximately HK\$9.94 million was recognised in 2017, taking into account the release of accumulated fair value changes attributable to the shares disposed of previously recognised in investment revaluation reserve.

(b) The Group purchased and sold several wealth management products issued by banks in Mainland China of RMB24 million (equivalent to approximately HK\$27.06 million) and approximately RMB29.94 million (equivalent to approximately HK\$33.77 million) respectively in 2017.

(c) A wholly-owned subsidiary of the Company sold all of the equity securities listed in Hong Kong for a net consideration of approximately HK\$0.58 million due to its liquidity needs and a loss on disposal of approximately HK\$0.29 million was recognised in 2017, taking into account the release of accumulated fair value changes attributable to the shares disposed of previously recognised in investment revaluation reserve.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 按攤銷成本計量的金融資產

- (a) 本集團持有的金融資產為2016年購入的投資級別場外債券。場外債券以美元計價，固定票面息率為年利率3.125厘，每半年支付利息，並將於2020年4月到期。
- (b) 於2018年及2017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。

20 FINANCIAL ASSETS AT AMORTISED COST

- (a) The financial asset held by the Group was an investment grade OTC bond acquired in 2016. The OTC bond is in United States Dollar, carries fixed coupon interest rate at 3.125% per annum payable half yearly and will mature in April 2020.
- (b) At 31 December 2018 and 2017, the OTC bond carried at amortised cost using the effective interest method and had neither past due nor impaired.

21 存貨

21 INVENTORIES

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
汽車	Motor vehicles	10,668	89,946

年內本集團已將汽車的賬面值調減至其可變現淨值。存貨調減的金額港幣1,552,000元（2017年：無）於損益表的「銷售成本」內確認。

The Group has written down the carrying amount of motor vehicles to net realisable value during the year. The amount of write down of inventories of HK\$1,552,000 (2017: Nil) was recognised in the income statement as part of "Cost of sales".

22 應收款項類投資

本集團於2017年購入中國內地一家銀行發行的兩份固定期限及保本的理財產品，該等投資已於年內贖回。

22 INVESTMENTS IN RECEIVABLES

The Group had acquired two fixed-term and principal guaranteed wealth management products issued by a bank in Mainland China in 2017 and these investments were redeemed by the Group during the year.

23 遞延取得成本

23 DEFERRED ACQUISITION COSTS

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	16,868	16,670
年內增加	Increase during the year	36,222	30,663
年內撥回	Release during the year	(31,848)	(30,465)
於12月31日	At 31 December	21,242	16,868

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 保險應收款

24 INSURANCE RECEIVABLE

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
保險中介人及合約持有人 欠款	Due from insurance intermediates and contract holders	11,276	10,350
再保險人欠款	Due from reinsurers	1,858	504
		13,134	10,854

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.

於 2018 年 12 月 31 日，保險應收款的賬齡分析 (按發票日期) 概述如下：

At 31 December 2018, the ageing analysis of insurance receivable by invoice date was summarised as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
30 日內	Within 30 days	4,245	3,575
31 至 60 日	31-60 days	5,751	3,511
61 至 90 日	61-90 days	2,746	2,498
超過 90 日	Over 90 days	392	1,270
		13,134	10,854

於 2018 年 12 月 31 日，已過期但未減值的保險應收款的賬齡分析概述如下：

At 31 December 2018, the ageing analysis of the past due but not impaired insurance receivable was summarised as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
90 日內	Within 90 days	2,744	3,183
超過 90 日	Over 90 days	316	340
		3,060	3,523

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 再保險資產

25 REINSURANCE ASSETS

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
再保險人應佔保險責任 (註釋 29)	Reinsurers' share of insurance liabilities (Note 29)	6,337	6,312

再保險人欠付本集團就分保合約已支付的賠償額的款項並未於再保險資產內確認。該款項計入保險應收款(註釋 24)內。

The amounts due from reinsurers in respect of claims already paid by the Group on the contracts that are reinsured are not recognised in the reinsurance assets. They are included in insurance receivable (Note 24).

26 客戶貸款及應收利息

26 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

		2018	2017
		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	161,479	175,307
– 抵押貸款	– secured loans	101,249	111,763
– 質押及擔保貸款	– pledged and guaranteed loans	10,934	11,529
– 抵押、質押及擔保貸款	– secured, pledged and guaranteed loans	4,387	5,025
客戶貸款	Loans to customers	278,049	303,624
應收利息	Interest receivable	11,753	12,386
		289,802	316,010
減值準備	Impairment allowances	(266,927)	(289,945)
		22,875	26,065
為報告目的所作的分析	Analysed for reporting purposes		
– 非流動資產	– Non-current assets	–	39
– 流動資產	– Current assets	22,875	26,026
		22,875	26,065

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 (2017 年：4.8 厘至 21.6 厘) 計算。

Loans to customers were in Renminbi and bore fixed interest rates ranged from 4.8% to 21.6% (2017: 4.8% to 21.6%) per annum.

26 客戶貸款及應收利息 (續)

本集團確認相等於12個月預期信貸虧損的虧損準備，惟若信貸風險自初始確認後有顯著增加，則須以相等於整個存續期的預期信貸虧損的金額計量虧損準備。

減值準備變動如下：

26 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

The Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The movement of impairment allowances was as follows:

		2018			2017		
		12個月預期 信貸虧損 ECL	整個存續期的 預期信貸虧損 信貸減值 Lifetime ECL credit impaired	總額 Total	個別評估 Individually assessed	組合評估 Collectively assessed	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	1	289,944	289,945	278,650	150	278,800
匯兌差額	Translation differences	1	(14,339)	(14,338)	20,718	4	20,722
在當年度損益表 記賬	Credited to current year's income statement	(2)	(4,014)	(4,016)	(1,209)	(153)	(1,362)
撥回減值準備	Write back of impairment allowances	-	-	-	(2,031)	-	(2,031)
於貸款核銷時 撥回	Reversal upon loans written off	-	-	-	(198)	-	(198)
因折現價值上升 導致轉出減值 準備確認為 「利息收入」	Unwinding of discount of impairment allowances recognised as "interest income"	-	(4,664)	(4,664)	(5,986)	-	(5,986)
於12月31日	At 31 December	-	266,927	266,927	289,944	1	289,945

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 客戶貸款及應收利息 (續)

於2018年12月31日，客戶貸款信貸質量及賬齡分析概述如下：

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
未逾期且未減值	Neither past due nor impaired	-	40
已逾期但未減值 - 181至365日	Past due but not impaired - 181-365 days	-	48
已逾期且減值 - 181至365日 - 超過365日	Past due and impaired - 181-365 days - Over 365 days	-	3,711
		278,049	299,825
		278,049	303,536
		278,049	303,624

26 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE (Continued)

At 31 December 2018, the credit quality and ageing analysis of the loans to customers were summarised as follows:

2018年12月31日，客戶貸款產生的應收利息的信貸質量及賬齡分析（按到期日）概述如下：

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
已逾期且減值 - 超過365日	Past due and impaired - Over 365 days	11,753	12,386

At 31 December 2018, the credit quality and ageing analysis of interest receivable arising from the loans to customers by due date was summarised as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 按公平值透過損益列賬的金融資產

27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
持作買賣股權證券， 於香港聯交所上市 － 按市值	Equity securities held for trading, listed on the Hong Kong Exchange － at market value	306	304

28 現金及銀行結存

28 CASH AND BANK BALANCES

本集團之現金及銀行結存包括結存於中國內地，香港及澳門若干銀行之存款約人民幣106,228萬元（等值約港幣120,994萬元）（2017年：約人民幣86,422萬元，等值約港幣103,788萬元）。

The cash and bank balances of the Group included deposits of approximately RMB1,062.28 million (equivalent to approximately HK\$1,209.94 million) (2017: approximately RMB864.22 million, equivalent to approximately HK\$1,037.88 million) placed with certain banks in Mainland China, Hong Kong and Macau by the Group.

根據保監局之規定，受其監管的一家附屬公司需經常將為數不少於港幣1,600萬元之資金以保監局賬戶名義撥為銀行存款。於2018年12月31日，該附屬公司於香港一家銀行以保監局賬戶名義存放港幣1,600萬元（2017年：港幣1,600萬元）之定期存款以符合有關規定。該附屬公司亦維持澳門幣1,510萬元（等值約港幣1,466萬元）及港幣1,710萬元（2017年：澳門幣1,410萬元，等值約港幣1,369萬元、人民幣400萬元，等值約港幣480萬元及港幣960萬元）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 IA, a subsidiary shall maintain at all times a portion of its funds of not less than HK\$16 million in the name of IA account in bank deposits. At 31 December 2018, that subsidiary has placed fixed deposits of HK\$16 million (2017: HK\$16 million) in the name of IA account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP15.1 million (equivalent to approximately HK\$14.66 million) and HK\$17.1 million (2017: MOP14.1 million, equivalent to approximately HK\$13.69 million, RMB4 million, equivalent to approximately HK\$4.8 million and HK\$9.6 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 現金及銀行結存 (續)

根據本公司於年內簽訂的貸款額度 (註釋 31) 的規定，一家附屬公司於 2018 年 12 月 31 日已質押其 3 年期銀行存款人民幣 20,000 萬元 (等值約港幣 22,780 萬元) 予借款銀行於中國內地一家分行，以使該分行簽發以借款銀行為收益人的備用信用證。

根據本公司簽訂的貸款額度 (註釋 31) 的規定，本公司於 2017 年 12 月 31 日已抵押其銀行存款人民幣 4,100 萬元 (等值約港幣 4,924 萬元) 予借款銀行作為抵押品以履行本公司的還款責任。本公司已於年內全數償還該銀行貸款未償還結餘。借款銀行其後解除該銀行存款的抵押。

根據中國內地的法律及法規，一家附屬公司於 2018 年 12 月 31 日存放約人民幣 100 萬元 (等值約港幣 114 萬元) (2017 年：約人民幣 200 萬元，等值約港幣 240 萬元) 的銀行存款作為向當地法院申請對違約客戶採取法律行動的保證金。

28 CASH AND BANK BALANCES (Continued)

Pursuant to the requirements of the loan facilities (Note 31) entered into by the Company during the year, a subsidiary had pledged its 3-years bank deposit of RMB200 million (equivalent to approximately HK\$227.8 million) to a branch of the lending bank in Mainland China at 31 December 2018 for the issuance of a standby letter of credit in favour of the lending bank.

Pursuant to the requirements of the loan facilities (Note 31) entered into by the Company, the Company had charged its bank deposits of RMB41 million (equivalent to approximately HK\$49.24 million) to the lending bank as collaterals for the fulfillment of the Company's repayment obligations at 31 December 2017. The Company has fully repaid the outstanding balance of the loan during the year and the bank deposits were subsequently released by the lending bank.

Pursuant to the laws and regulations in Mainland China, a subsidiary has placed a bank deposit of RMB1 million (equivalent to approximately HK\$1.14 million) (2017: approximately RMB2 million, equivalent to approximately HK\$2.4 million) to guarantee the application to the local court for legal actions against default customers at 31 December 2018.

29 保險合約及再保險資產

29 INSURANCE CONTRACTS AND REINSURANCE ASSETS

		2018	2017
		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	17,022	25,978
已發生但未呈報索償	Claims incurred but not reported	31,490	32,207
		48,512	58,185
未滿期保費	Unearned premiums	32,934	27,624
未滿期風險撥備	Unexpired risks provision	1,559	1,841
保險責任總值，毛額	Total insurance liabilities, gross	83,005	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	(572)	(2,339)
已發生但未呈報索償	Claims incurred but not reported	(5,519)	(3,767)
		(6,091)	(6,106)
未滿期保費	Unearned premiums	(246)	(206)
再保險人應佔保險責任總額（註釋25）	Total reinsurers' share of insurance liabilities (Note 25)	(6,337)	(6,312)
淨額	Net		
已呈報索償及損失調整費用	Claims reported and loss adjustment expenses	16,450	23,639
已發生但未呈報索償	Claims incurred but not reported	25,971	28,440
		42,421	52,079
未滿期保費	Unearned premiums	32,688	27,418
未滿期風險撥備	Unexpired risks provision	1,559	1,841
保險責任總值，淨額	Total insurance liabilities, net	76,668	81,338

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

29 保險合約及再保險資產 (續)

29 INSURANCE CONTRACTS AND REINSURANCE ASSETS (Continued)

(a) 賠償及損失調整費用變動

(a) Movement in claims and loss adjustment expenses

	2018			2017		
	毛額	再保險	淨額	毛額	再保險	淨額
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	港幣千元	港幣千元	港幣千元	港元千元	港元千元	港元千元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
已呈報賠償	25,978	(2,339)	23,639	26,425	(3,809)	22,616
已發生但未呈報	32,207	(3,767)	28,440	31,218	(3,163)	28,055
於1月1日	58,185	(6,106)	52,079	57,643	(6,972)	50,671
年內以現金償付的賠償	(18,249)	3,184	(15,065)	(30,711)	8,201	(22,510)
責任增加/(減少)						
當年產生賠償	7,827	(1,552)	6,275	17,501	(4,417)	13,084
往年產生賠償	1,466	135	1,601	12,763	(2,314)	10,449
已發生但未呈報準備金之變動	(717)	(1,752)	(2,469)	989	(604)	385
於12月31日	48,512	(6,091)	42,421	58,185	(6,106)	52,079
已呈報賠償	17,022	(572)	16,450	25,978	(2,339)	23,639
已發生但未呈報	31,490	(5,519)	25,971	32,207	(3,767)	28,440
於12月31日	48,512	(6,091)	42,421	58,185	(6,106)	52,079

29 保險合約及再保險資產 (續)

29 INSURANCE CONTRACTS AND REINSURANCE ASSETS (Continued)

(b) 未滿期保費準備金變動

(b) Movement in provision for unearned premiums

		2018			2017		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元	港元千元	港元千元	港元千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於1月1日	At 1 January	27,624	(206)	27,418	33,514	(975)	32,539
年內增加/(減少)	Increase/(decrease) during the year	39,657	(384)	39,273	26,688	(180)	26,508
年內撥回	Release during the year	(34,347)	344	(34,003)	(32,578)	949	(31,629)
於12月31日	At 31 December	32,934	(246)	32,688	27,624	(206)	27,418

未滿期保費準備金為本集團須承擔但於呈報日尚未到期的短期保險合約責任。

Provision for unearned premiums represented the liabilities for short-term insurance contracts for which the Group's obligations are not expired at the reporting date.

(c) 未滿期風險準備金變動

(c) Movement in provision for unexpired risks

		2018			2017		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		港幣千元	港幣千元	港幣千元	港元千元	港元千元	港元千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於1月1日	At 1 January	1,841	-	1,841	2,619	-	2,619
年內減少	Decrease during the year	(282)	-	(282)	(778)	-	(778)
於12月31日	At 31 December	1,559	-	1,559	1,841	-	1,841

未滿期風險準備金與本集團預期支付賠償額超出相關未滿期保費準備金的保險合約有關。

The provision for unexpired risks related to the insurance contracts for which the Group expected to pay claims in excess of the related provision for unearned premiums.

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30 保險應付款

於2018年12月31日，保險應付款的賬齡分析（按發票日期）概述如下：

30 INSURANCE PAYABLE

At 31 December 2018, the ageing analysis of the insurance payable by invoice date was summarised as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
30日內	Within 30 days	3,376	2,277
31至60日	31-60 days	2,863	2,249
61至90日	61-90 days	1,900	1,591
超過90日	Over 90 days	1,057	1,133
		9,196	7,250

31 銀行貸款

長期銀行貸款
有抵押，以港元為單位 (a & b)
無抵押，以港元為單位 (c)

減：包括於流動負債內
之一年內到期的款項

Long term bank loans
Secured, in HK Dollars (a & b)
Unsecured, in HK Dollars (c)

Less: Amounts due within one year
included in current liabilities

31 BANK BORROWINGS

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
		199,966	354,141
		198,804	198,131
		398,770	552,272
		(198,804)	(354,141)
		199,966	198,131

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：

The maturity profile of the bank loans based on the scheduled repayment dates set out in the loan facilities was summarised as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
第一年內	Within 1 year	198,804	354,141
多於一年但於兩年內	More than 1 year but within 2 years	-	198,131
多於兩年但於五年內	More than 2 years but within 5 years	199,966	-
		398,770	552,272

31 銀行貸款 (續)

- (a) 年內本公司向香港一家銀行提取浮息有期貸款港幣20,000萬元。根據該貸款額度的條款，有期貸款須於下列日期（以最早者為準）償還：(i)提取有期貸款後36個月；(ii)自本公司接納貸款額度日期起滿42個月當日；及(iii)借款銀行於中國內地一家分行簽發的備用信用證到期前5個營業日。直接歸屬於銀行貸款的交易成本約港幣3萬元。

該銀行貸款以借款銀行於中國內地一家分行簽發的備用信用證作抵押以履行本公司的還款責任。該備用信用證由本公司中國內地的一家全資附屬公司申請，並質押其3年期銀行存款人民幣20,000萬元（等值約港幣22,780萬元）予借款銀行於中國內地一家分行。

該銀行貸款的利息按香港銀行同業拆息加息差計算，於2018年12月31日，實際年利率為3.1厘。

根據該貸款額度的條款，本公司承諾促使福建投資集團須於該貸款額度期內維持持有本公司（無論直接或間接）已發行股本不少於35%的實益權益。

31 BANK BORROWINGS (Continued)

- (a) The Company has drawn down a floating rate term loan of HK\$200 million from a bank in Hong Kong during the year. Pursuant to the terms of the loan facility, the term loan shall be repayable on the earliest of (i) 36 months after the drawdown date of the term loan; (ii) the date falling 42 months from the date of the Company's acceptance of the loan facilities; and (iii) 5 business days prior to the expiry date of the standby letter of credit issued by a branch of the lending bank in Mainland China. Transaction costs directly attributable to the bank loan were approximately HK\$0.03 million.

The bank loan was secured by a standby letter of credit issued by a branch of the lending bank in Mainland China for the fulfilment of the Company's repayment obligations. The standby letter of credit was applied by a wholly-owned subsidiary of the Company in Mainland China and a 3-years bank deposit of RMB200 million (equivalent to approximately HK\$227.8 million) of that subsidiary was pledged to the branch of the lending bank in Mainland China.

The bank loan bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rate was 3.1% per annum at 31 December 2018.

Pursuant to the terms of the loan facility, the Company shall procure FIDG to maintain (whether directly or indirectly) not less than 35% beneficial interest in the issued share capital of the Company during the tenor of the loan facility.

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31 銀行貸款 (續)

- (b) 2017年12月31日的銀行貸款為本公司於過往年度根據香港一家銀行提供的信貸額度提取需於三年內償還之浮息有期貸款的未償還結餘。該銀行貸款以一家全資附屬公司擁有位於香港賬面淨值約港幣992萬元的自用辦事處物業及存放於借款銀行的本公司銀行存款人民幣4,100萬元(等值約港幣4,924萬元)作抵押,以履行本公司於2017年12月31日的還款責任。

本公司已於年內全數償還該銀行貸款未償還結餘。借款銀行其後於2018年12月解除銀行存款人民幣4,100萬元的抵押。由於本公司已開始與借款銀行就授予新銀行融資進行磋商,因此一家全資附屬公司擁有位於香港的自用辦事處物業於2018年12月31日尚未解押。

- (c) 銀行貸款為本公司於過往年度根據香港若干銀行提供的信貸額度提取需於提取日後三年內到期及償還之浮息有期貸款的未償還結餘。

該等銀行貸款的利息按香港銀行同業拆息加息差計算,於2018年12月31日,實際年利率為5.2厘(2017年:4.2厘)。

根據福建投資集團簽署的一份安慰函,福建投資集團同意並確認,當中包括,將直接或間接持有本公司已發行股本不少於35%的實益權益和擁有本公司的管理控制權。

31 BANK BORROWINGS (Continued)

- (b) The bank loan at 31 December 2017 represented the outstanding balance of floating rates term loan repayable within three years under a loan facility obtained from a bank in Hong Kong in prior year. The bank loan was secured by the self-use office building owned by a wholly-owned subsidiary in Hong Kong with a net book value of approximately HK\$9.92 million and the bank deposits of the Company of RMB41 million (equivalent to approximately HK\$49.24 million) placed with the lending bank for the fulfillment of the Company's repayment obligations at 31 December 2017.

The outstanding balance of the bank loan was fully repaid by the Company during the year. The bank deposits of RMB41 million were subsequently released by the lending bank in December 2018. As the Company has started to negotiate with the lending bank for granting a new banking facility, the self-use office building owned by a wholly-owned subsidiary in Hong Kong has not yet been released at 31 December 2018.

- (c) The bank loans represented the outstanding balance of floating rates term loans to be matured and repayable in three years from the date of drawdown under loan facilities obtained from certain banks in Hong Kong in prior year.

These bank loans bore interest at a spread over Hong Kong Interbank Offered Rate and the effective interest rate was 5.2% (2017: 4.2%) per annum at 31 December 2018.

Pursuant to a letter of comfort duly signed by FIDG, FIDG agreed and confirmed that, among other matters, it shall directly or indirectly own not less than 35% beneficial interest in the issued share capital of the Company and management control right in the Company.

32 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% (2017 年：16.5%) 及中國內地稅項之稅率 25% (2017 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：

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
於 1 月 1 日	At 1 January	(18,247)	(21,847)
匯兌差額	Translation differences	190	739
在當年度損益表(扣除)／ 記賬之遞延所得稅	Deferred income tax (charged)/credited to current year's income statement	(5,514)	2,902
在投資重估儲備金扣除 之遞延所得稅	Deferred income tax charged to investment revaluation reserve	-	(41)
於 12 月 31 日	At 31 December	(23,571)	(18,247)

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 2018 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 3.8 億元 (2017 年：約港幣 3.6 億元)，而此稅損並無限期。

32 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a taxation rate of 16.5% (2017: 16.5%) for Hong Kong taxation and 25% (2017: 25%) for Mainland China taxation. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on the same taxable entity.

The movement on the deferred income tax assets/(liabilities) was summarised as follows:

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. At 31 December 2018, the Group did not recognise tax losses of approximately HK\$380 million (2017: approximately HK\$360 million) that can be carried forward against future taxable income and have no expiry date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 遞延所得稅 (續)

於年內遞延所得稅資產及負債之變動 (與同一徵稅地區之結餘抵銷前) 概述如下:

遞延所得稅負債

		加速稅項折舊及 投資物業重估 Accelerated tax depreciation and revaluation of investment properties	
		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	39,328	41,969
匯兌差額	Translation differences	(1)	-
在當年度損益表 記賬	Credited to current year's income statement	(3,843)	(2,641)
於12月31日	At 31 December	35,484	39,328

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		客戶貸款及應收利息 減值準備 Impairment allowances on loans to customers and interest receivable		存貨減值 Write down of inventories		稅損 Tax losses		總額 Total	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日	At 1 January	(308)	(308)	-	(41)	(9,924)	(10,501)	-	-	(10,849)	(9,272)	(21,081)	(20,122)
匯兌差額	Translation differences	-	-	-	-	(210)	(739)	21	-	-	-	(189)	(739)
在當年度損益表 扣除/(記賬)	Charged/(credited) to current year's income statement	120	-	-	-	10,134	1,316	(388)	-	(509)	(1,577)	9,357	(261)
在投資重估儲備金 扣除	Charged to investment revaluation reserve	-	-	-	41	-	-	-	-	-	-	-	41
於12月31日	At 31 December	(188)	(308)	-	-	-	(9,924)	(367)	-	(11,358)	(10,849)	(11,913)	(21,081)

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 遞延所得稅 (續)

在計入適當抵銷遞延所得稅資產及負債後，下列金額在綜合財務狀況表內列示：

32 DEFERRED INCOME TAX (Continued)

The following amounts, determined after appropriate offsetting of deferred income tax assets and liabilities, are shown in the consolidated statement of financial position:

		2018	2017
		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	122	10,108
將於 12 個月內收回	To be recovered within 12 months	413	42
		535	10,150
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	(24,106)	(28,397)
		(23,571)	(18,247)

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 資本及儲備金

(a) 股本

		2018	2017
		股份數目 No. of shares	港幣千元 HK\$'000
已發行及繳足股本之普通股	Ordinary shares, issued and fully paid		
於1月1日	At 1 January	597,257,252	1,715,377
以供股方式發行之新普通股份，扣除發行股份費用後之淨額 (i)	Issuance of new ordinary shares by way of rights issue, net of share issue expenses (i)	-	-
於12月31日	At 31 December	597,257,252	1,715,377

根據香港公司條例第135條，本公司普通股股份並無票面值。

普通股持有人有權收取不時宣派的股息，並在本公司的股東會議上就每股有一票的投票權。所有普通股股份對本公司剩餘資產擁有同等權益。

- (i) 本公司於2017年6月14日透過以供股方式按每持有十股現有普通股股份獲發三股供股股份之基準，按每股供股股份港幣6元之認購價發行137,828,596股新普通股股份，於扣除股份發行費用後，本公司籌集所得款項淨額約港幣82,424萬元。配售及發行的新普通股股份在各方面與當時普通股股份享有同等地位。

33 CAPITAL AND RESERVES

(a) Share capital

		2018	2017
		No. of shares	港幣千元 HK\$'000
已發行及繳足股本之普通股	Ordinary shares, issued and fully paid		
於1月1日	At 1 January	459,428,656	891,135
以供股方式發行之新普通股份，扣除發行股份費用後之淨額 (i)	Issuance of new ordinary shares by way of rights issue, net of share issue expenses (i)	137,828,596	824,242
於12月31日	At 31 December	597,257,252	1,715,377

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (i) The Company had raised gross proceeds less share issue expenses of approximately HK\$824.24 million by way of rights issue of 137,828,596 new ordinary shares at a subscription price of HK\$6 per rights share on the basis of three rights shares for every ten existing ordinary shares on 14 June 2017. The new ordinary shares allotted and issued ranked pari passu in all respects with the then ordinary shares.

33 資本及儲備金 (續)

(b) 儲備金的性質及用途

(i) 法定儲備金

法定儲備金主要包括：

- 一家聯營金融機構根據《澳門地區金融體系之法律制度》從保留溢利撥出之不可分配的法定儲備金。
- 一家聯營金融機構根據財政部頒布的《金融企業準備金計提管理辦法》(財金[2012]20號)設立的一般準備。該一般準備作為利潤分配處理，並作為股東權益組成部分，用以彌補尚未識別的潛在減值虧損。
- 一家聯營金融機構根據香港金融管理局的規定從保留溢利撥出之監管儲備。

(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；

33 CAPITAL AND RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Statutory reserve

The statutory reserve mainly comprises the following:

- Non-distributable reserve set aside by an associated financial institution from its retained profits in accordance with the Financial System Act of Macau.
- General reserve established and maintained within shareholders' equity of an associated financial institution pursuant to Caijin [2012] No. 20 "Regulation on Management of Financial Institutions for Reserves" issued by Ministry of Finance. The general reserve was established through the appropriation of income to cover unidentified potential impairment losses.
- Regulatory reserve set aside by an associated financial institution from its retained profits in accordance with the requirements of the Hong Kong Monetary Authority.

(ii) General reserve

The general reserve is transferred from retained profits and is available for general use.

(iii) Capital reserve

The capital reserve comprises the following:

- goodwill and the excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of business combination and the investments in associates prior to 1 January 2001;
- capitalisation of retained profits and reserves for the purpose of increasing the share capital and capital reserve of associates and their subsidiaries;

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 資本及儲備金 (續)

(b) 儲備金的性質及用途 (續)

(iii) 資本儲備金 (續)

- 應佔聯營公司在不導致失去其附屬公司控股權的變動時記入權益的儲備金變動。

(iv) 公平值儲備金 (可循環)

公平值儲備金 (可循環) 包括於呈報期末持有按公平值計入其他全面收益計量的債務投資的累計公平值變動淨額 (扣減相關遞延稅項支出)。於2018年1月1日前，根據香港會計準則第39號，該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)。該金額於2018年1月1日初始應用香港財務報告準則第9號已分類為公平值儲備金 (不可循環)。

(v) 公平值儲備金 (不可循環)

公平值儲備金 (不可循環) 包括於呈報期末持有按公平值計入其他全面收益計量的股權投資的累計公平值變動淨額 (扣減相關遞延稅項支出)。

(vi) 租賃樓房重估儲備金

租賃樓房重估儲備金包括租賃樓房從業主自用物業重新分類為投資物業之日所產生的公平值變動淨值。

(vii) 外匯折算儲備金

外匯折算儲備金包括換算海外附屬公司及聯營公司的財務報表至本公司呈報貨幣所產生的所有匯兌差額。

33 CAPITAL AND RESERVES (CONTINUED)

(b) Nature and purpose of reserves (Continued)

(iii) Capital reserve (Continued)

- share of movement in reserves recorded in equity of associates for the change in the interest in their subsidiaries that do not result in a loss of control.

(iv) Fair value reserve (recycling)

The fair value reserve (recycling) comprises the cumulative net change in the fair value of debt investments measured at FVOCI (less related deferred tax charge) held at the end of the reporting period. Prior to 1 January 2018, this reserve comprised 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 in accordance with HKAS 39. This amount has been reclassified to fair value reserve (non-recycling) on initial application of HKFRS 9 at 1 January 2018.

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI (less related deferred tax charge) held at the end of the reporting period.

(vi) Leasehold buildings revaluation reserve

The leasehold buildings revaluation reserve comprises the net change in the fair value of leasehold buildings at the date of reclassification from owner-occupied property to investment property.

(vii) Exchange translation reserve

The exchange translation reserve comprises all foreign exchange differences arising on translation of the financial statements of foreign subsidiaries and associates into the reporting currency of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 承擔

於2018年12月31日，本集團的承擔如下：

34 COMMITMENTS

At 31 December 2018, the Group had commitments as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
已簽約但未撥備	Contracted but not provided for		
– 物業、機器及設備	– property, plant and equipment	13	427
– 投資物業	– investment properties	189	199
		202	626

35 租約承擔

(a) 承租人

於2018年12月31日，本集團根據不可撤銷之經營租賃而須於未來支付之最低租賃付款如下：

35 LEASE COMMITMENTS

(a) As lessee

At 31 December 2018, the Group had future aggregate minimum lease payments payable under non-cancellable operating leases as follows:

		2018	2017
		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	104	326
第二年至第五年內 (包括首尾兩年)	In the second to fifth year inclusive	–	53
		104	379

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 租約承擔 (續)

(b) 出租人

於2018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：

		2018	2017
		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	8,880	9,505
第二年至第五年內 (包括首尾兩年)	In the second to fifth year inclusive	8,237	13,462
		17,117	22,967

本集團出租之商業物業之租賃年期由一年至八年不等，租賃期內之租金乃固定租金。

35 LEASE COMMITMENTS (Continued)

(b) As lessor

At 31 December 2018, the Group had future aggregate minimum lease payments receivable under non-cancellable operating leases as follows:

The lease terms for commercial properties leased out by the Group range from one to eight years and with fixed rentals throughout the lease periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 綜合現金流量表註釋

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) 除稅前溢利與經營活動現金
流入／(流出) 淨額對賬(a) Reconciliation of profit before taxation to net
cash inflow/(outflow) from operations

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
除稅前溢利	Profit before taxation	610,526	536,923
調整：	Adjustments for:		
應佔聯營公司業績	Share of results of associates	(617,363)	(517,924)
投資物業重估公平值 虧損	Fair value losses on revaluation of investment properties	186	718
折舊及攤銷	Depreciation and amortisation	1,999	1,640
客戶貸款及應收利息 減值虧損撥回	Write back of impairment loss on loans to customers and interest receivable	(4,016)	(3,393)
存貨減值	Write down of inventories	1,552	-
出售可供出售金融資產 收益淨額	Net gains on disposal of available-for-sale financial assets	-	(9,802)
出售物業、機器及設備 虧損	Loss on disposal of property, plant and equipment	57	38
利息收入	Interest income	(33,298)	(36,524)
減值客戶貸款利息 收入	Interest income from impaired loans to customers	(4,664)	(5,986)
利息支出	Interest expenses	26,165	37,056
匯兌虧損／(收益) 淨額	Net exchange losses/(gains)	12,398	(15,536)
流動資金變動情況：	Changes in working capital:		
存貨減少／(增加)	Decrease/(increase) in inventories	73,170	(89,946)
遞延取得成本增加	Increase in deferred acquisition costs	(4,374)	(198)
保險應收款(增加)／減少	(Increase)/decrease in insurance receivable	(2,280)	3,266
再保險資產(增加)／減少	(Increase)/decrease in reinsurance assets	(25)	1,635
客戶貸款及應收利息 減少	Decrease in loans to customers and interest receivable	10,546	27,541
抵債資產減少／(增加)	Decrease/(increase) in repossessed assets	687	(1,180)
銀行承兌匯票增加	Increase in banker's acceptance	(56,186)	-
其他應收賬款(增加)／ 減少	(Increase)/decrease in other debtors	(16)	42
預款貨款減少／(增加)	Decrease/(increase) in advance payment	92,961	(90,641)
其他預付款及按金 (增加)／減少	(Increase)/decrease in other prepayments and deposits	(110)	1,036
按公平值透過損益列賬 的金融資產(增加)／減少	(Increase)/decrease in financial assets at fair value through profit or loss	(2)	4,804
保險合約減少	Decrease in insurance contracts	(4,645)	(6,126)
保險應付款增加／(減少)	Increase/(decrease) in insurance payable	1,946	(3,654)
其他應付賬款及應計 費用(減少)／增加	(Decrease)/increase in other creditors and accruals	(3,983)	4,232
經營活動現金流入／ (流出) 淨額	Net cash inflow/(outflow) from operations	101,231	(161,979)

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 綜合現金流量表註釋 (續)

(b) 下表載列本集團因融資活動所產生負債的變動詳情，包括現金及非現金變動。

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

		2018			2017		
		銀行貸款	抵押 銀行存款	淨額	銀行貸款	抵押 銀行存款	淨額
		Bank borrowings	Pledged bank deposits	Net	Bank borrowings	Pledged bank deposits	Net
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於年1月1日	At 1 January	552,272	(49,239)	503,033	1,353,419	(45,770)	1,307,649
融資現金流變動：	Changes in financing cash flows:						
取得銀行貸款	Bank loans obtained	200,000	-	200,000	-	-	-
償還銀行貸款	Bank loans repaid	(356,880)	-	(356,880)	(806,352)	-	(806,352)
已付其他借貸成本	Other borrowing costs paid	(1,234)	-	(1,234)	(1,400)	-	(1,400)
存放抵押銀行存款	Placement of pledged bank deposit	-	(227,800)	(227,800)	-	-	-
提取抵押銀行存款	Withdrawal of pledged bank deposits	-	46,699	46,699	-	-	-
非現金變動：	Non-cash changes:						
匯兌差額	Translation differences	-	2,540	2,540	-	(3,469)	(3,469)
其他貸款費用攤銷	Amortisation of other borrowing costs	4,612	-	4,612	6,605	-	6,605
於12月31日	At 31 December	398,770	(227,800)	170,970	552,272	(49,239)	503,033

37 關聯方交易

除於本綜合財務報表其他部分披露外，本集團在正常業務範圍內進行之重大關聯方交易摘要如下：

- (a) 於2018年12月31日，本集團結存於慶銀、集友及澳銀（全部為本集團之聯營公司）的存款合計港幣26,004萬元（2017年：港幣45,971萬元）。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801萬元（2017年：港幣1,255萬元）。
- (b) 於2018年12月31日，本集團應付集友（本集團一家聯營金融機構）的未償還銀行貸款結餘總額為港幣10,000萬元（2017年：港幣10,000萬元）。此外，未償還銀行貸款結餘港幣35,688萬元已於年內全數償還予集友。於2017年12月31日，此銀行貸款以本集團一家全資附屬公司擁有位於香港賬面淨值約港幣992萬元的自用辦事處物業及以本公司存放於集友的存款人民幣4,100萬元（等值約港幣4,924萬元）作抵押。集友其後於2018年12月解除銀行存款人民幣4,100萬元的抵押。由於本公司已開始與集友就授予新銀行融資進行磋商，因此一家全資附屬公司擁有位於香港的自用辦事處物業於2018年12月31日尚未解押。

該等銀行貸款的利息按香港銀行同業拆息加息差計算。於2018年12月31日，實際年利率為5.2厘（2017年：4.2厘至4.3厘）。於年內相關利息支出港幣2,109萬元（2017年3月27日至2017年12月31日：港幣1,947萬元），而於2018年12月31日的相關應付利息港幣6萬元（2017年：港幣36萬元）。

37 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, significant related party transactions which were carried out in the normal course of the Group's business are as follows:

- (a) At 31 December 2018, the Group had deposits with XIB, CYB and LIB, all are associates of the Group, totalling HK\$260.04 million (2017: HK\$459.71 million). These deposits carried interest at normal commercial rates and had generated interest income of HK\$8.01 million (2017: HK\$12.55 million) to the Group during the year.
- (b) At 31 December 2018, the Group had outstanding unsecured bank loan of HK\$100 million (2017: HK\$100 million) from CYB, an associated financial institution of the Group. In addition, the Company had repaid the outstanding balance of HK\$356.88 million to CYB during the year. This loan was secured by the self-use office building owned by a wholly-owned subsidiary in Hong Kong with a net book value of approximately HK\$9.92 million and the bank deposits of the Company of RMB41 million (equivalent to approximately HK\$49.24 million) placed with CYB at 31 December 2017. The bank deposits of RMB41 million were subsequently released by CYB in December 2018. As the Company has started to negotiate with CYB for granting a new banking facility, the self-use office building owned by a wholly-owned subsidiary in Hong Kong has not yet been released at 31 December 2018.

These bank loans bore interest at a spread over Hong Kong Interbank Offered Rate. The effective interest rate of the bank loan was 5.2% (2017: 4.2% to 4.3%) per annum at 31 December 2018. The related interest expense of these bank loans was HK\$21.09 million (from 27 March to 31 December 2017: HK\$19.47 million) for the year and the related interest payable was HK\$0.06 million (2017: HK\$0.36 million) at 31 December 2018.

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 關聯方交易 (續)

- (c) 於年內，本集團一家附屬公司承保一家聯營金融機構的保險而收取扣除折扣後的毛保費收入合計港幣432萬元(2017年：港幣382萬元)，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629萬元(2017年：港幣518萬元)。

(d) 主要管理人員

高級行政人員截至2018年及2017年12月31日止年度之酬金如下：

37 RELATED PARTY TRANSACTIONS (Continued)

- (c) A subsidiary of the Group underwrote insurance policies with gross insurance premiums less discounts of HK\$4.32 million (2017: HK\$3.82 million) to an associated financial institution of the Group at prices and terms not less favourable than those contracted with other third party customers of the Group during the year. That subsidiary also paid commissions of HK\$6.29 million (2017: HK\$5.18 million) to the aforementioned associate for business referred to the Group during the year.

(d) Key management personnel

The senior executives' emoluments for the year ended 31 December 2018 and 2017 are detailed as follows:

		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
董事袍金	Directors' fees	1,125	1,198
薪俸、房屋及其他津貼、 及實物利益	Salaries, housing and other allowances, and benefits in kind	6,036	5,803
退休福利計劃供款	Contributions to retirement benefit scheme	96	76
獎金	Bonus	4,135	4,840
		<u>11,392</u>	<u>11,917</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 本公司財務狀況表

有關本公司於呈報年末的財務狀況表資料如下：

38 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting year is as follows:

		2018	2017
	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	3,657	3,402
投資物業	Investment properties	64,832	73,018
附屬公司	Subsidiaries	1,364,631	1,314,909
聯營公司	Associates	972,776	972,776
按公平值計入其他全面 收益的金融資產	Financial assets at fair value through other comprehensive income	570,417	-
可供出售金融資產	Available-for-sale financial assets	-	503,514
預付款	Prepayments	6	180
		2,976,319	2,867,799
流動資產	Current assets		
其他應收賬款	Other debtors	1,197	2,351
預付款及按金	Prepayments and deposits	774	735
按公平值透過損益列賬 的金融資產	Financial assets at fair value through profit or loss	306	304
現金及銀行結存	Cash and bank balances	248,495	385,203
		250,772	388,593
流動負債	Current liabilities		
其他應付賬款及應計費用	Other creditors and accruals	15,782	17,252
銀行貸款	Bank borrowings	198,804	354,141
應付本期稅項	Current income tax payable	23,838	25,135
		238,424	396,528
流動資產／(負債)淨值	Net current assets/(liabilities)	12,348	(7,935)
總資產減流動負債	Total assets less current liabilities	2,988,667	2,859,864

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 本公司財務狀況表 (續)

38 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

			2018	2017
		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		199,966	198,131
遞延所得稅負債	Deferred income tax liabilities		21,423	26,537
			<u>221,389</u>	<u>224,668</u>
資產淨值	Net assets		<u>2,767,278</u>	<u>2,635,196</u>
權益	Equity			
股本	Share capital		1,715,377	1,715,377
其他儲備金	Other reserves	(a)	349,371	282,468
保留溢利	Retained profits		702,530	637,351
權益總額	Total equity		<u>2,767,278</u>	<u>2,635,196</u>

嚴正
董事

YAN Zheng
Director

陳宇
董事

CHEN Yu
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 本公司財務狀況表 (續)

38 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) 有關年內股東權益總額變動資料如下：

(a) Information on the movement of the total equity during the year is as follows:

		其他儲備金				保留溢利	股東權益總額	
		公平值儲備金 (可循環) (i)	公平值儲備金 (不可循環)	租賃樓房重估儲備金 Leasehold buildings revaluation reserve	其他儲備金總額			
	股本 Share capital	Fair value reserve (recycling) (i)	Fair value reserve (non-recycling)	Leasehold buildings revaluation reserve	Total other reserves	Retained profits	Total equity	
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
於2017年12月31日，原呈列	At 31 December 2017, as originally presented	1,715,377	280,128	-	2,340	282,468	637,351	2,635,196
初始應用香港財務報告準則第9號的影響 (註釋2.2)	Impact on initial application of HKFRS 9 (Note 2.2)	-	(280,128)	280,128	-	-	-	-
於2018年1月1日，經重列	At 1 January 2018, as restated	1,715,377	-	280,128	2,340	282,468	637,351	2,635,196
本年度溢利	Profit for the year	-	-	-	-	-	112,960	112,960
其他全面收益	Other comprehensive income	-	-	66,903	-	66,903	-	66,903
股息	Dividend	-	-	-	-	-	(47,781)	(47,781)
於2018年12月31日	At 31 December 2018	1,715,377	-	347,031	2,340	349,371	702,530	2,767,278

(i) 公平值儲備金 (可循環) 於2017年12月31日的結餘為根據香港會計準則第39號基準的投資重估儲備金。

(i) The balance of fair value reserve (recycling) at 31 December 2017 represents the investment revaluation reserve under HKAS 39 basis.

		其他儲備金				保留溢利	股東權益總額
		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		
	股本 Share capital	Investment revaluation reserve	Leasehold buildings revaluation reserve	Total other reserves	Retained profits	Total equity	
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
於2017年1月1日	At 1 January 2017	891,135	320,585	2,340	322,925	550,588	1,764,648
本年度溢利	Profit for the year	-	-	-	-	116,626	116,626
其他全面收益	Other comprehensive income	-	(40,457)	-	(40,457)	-	(40,457)
以供股方式發行之新普通股份，扣除股份發行費用後之淨額 (註釋33(a)(i))	Issuance of new ordinary shares by way of rights issue, net of share issue expenses (Note 33(a)(i))	824,242	-	-	-	-	824,242
股息	Dividend	-	-	-	-	(29,863)	(29,863)
於2017年12月31日	At 31 December 2017	1,715,377	280,128	2,340	282,468	637,351	2,635,196

綜合財務報表註釋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39 附屬公司

以下摘要只包括於2018年12月31日對本集團的業績、資產或負債有重大影響的附屬公司。

39 SUBSIDIARIES

The following list contains the particulars of those subsidiaries at 31 December 2018 which principally affected the results, assets or liabilities of the Group.

公司名稱	Name of company	註冊及 經營地點 Place of incorporation and operation	已發行及繳 足股本詳情 Particulars of issued and paid up capital	本集團 所佔權益 Group's equity interest	主要業務 Principal activity
直接持有	Directly held				
多創發展有限公司	Dorfine Development Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
福建閩信投資有限公司	Fujian Minxin Investments Co., Ltd.	中華人民共和國 The People's Republic of China	實收資本 (港幣1,010,536,200元) Paid-in capital (HK\$1,010,536,200)	100%	投資控股 及汽車貿易 Investment holding and trading in motor vehicles
閩信(中國)投資有限公司	Min Xin (China) Investment Limited	英屬處女群島 British Virgin Islands	1股(1美元) 1 share (US\$1)	100%	投資控股 Investment holding
閩信保險有限公司	Min Xin Insurance Company Limited	香港 Hong Kong	5,500萬股 (港幣1.75億元) 55 million shares (HK\$175 million)	100%	承保 一般保險業務 Writing of general insurance business
三明市三元區閩信小額貸款有限公司	Sanming Sanyuan District Minxin Micro Credit Company Limited	中華人民共和國 The People's Republic of China	實收資本 (人民幣3億元) Paid-in capital (RMB300 million)	100%	提供小額貸款 及委託貸款業務 Provision of micro credit and entrusted loans
允智有限公司	Take Chance Company Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
騰勝有限公司	Thousand Limited	香港 Hong Kong	1股(港幣1元) 1 share (HK\$1)	100%	投資控股 Investment holding
宏湛發展有限公司	Welljet Development Limited	香港 Hong Kong	2股(港幣2元) 2 shares (HK\$2)	100%	物業投資 Property investment
間接持有	Indirectly held				
閩信地產有限公司	Min Xin Properties Limited	香港 Hong Kong	500萬股 (港幣500萬元) 5 million shares (HK\$5 million)	100%	投資控股 Investment holding

40 比較數字

本集團於2018年1月1日初始應用香港財務報告準則第9號。根據選擇的過渡法，比較資料沒有重列。有關會計政策變動的進一步詳情載於註釋2.2內。

41 報告期後事項

除於本綜合財務報表其他部分披露外，報告期後的重要事項的摘要披露如下：

本公司於2019年1月9日公佈，本集團已開始減少其汽車買賣業務。董事會認為雖然終止汽車買賣業務將導致本集團由該業務產生的收入減少，但終止該業務將不會對本集團之經營業績或財務狀況有任何重大不利影響。截至本綜合財務報表刊發日期，本集團已將2018年12月31日庫存的26架汽車全部出售。

40 COMPARATIVE FIGURES

The Group has initially applied HKFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in Note 2.2.

41 EVENTS AFTER THE REPORTING PERIOD

In addition to those disclosed elsewhere in these consolidated financial statements, a summary of significant events after the reporting period are disclosed as follows:

The Company announced on 9 January 2019 that the Group has begun the process to wind down its business of trading in motor vehicles. The Board was of the view that while the cessation of the business of trading in motor vehicles will result in a reduction in the revenue of the Group generated from such business, the cessation of such business would not have any material adverse effect on the operating results or the financial position of the Group. Up to the date of issuance of these consolidated financial statements, the Group has sold out 26 motor vehicles remaining in its inventory at 31 December 2018.

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2018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 2018 are as follows:

位置	Location	租約 屆滿期 Lease expiry	本集團 應佔權益 Group's attributable interest	概約建築 總面積 Approximate gross floor area	現時用途 Existing use
			百分比%	平方呎sq. ft.	
1	九龍油麻地廣東道847-865號永發大廈地下舖位7號及8號連8號舖之閣樓、1樓及2樓全層	2049	100	17,190	商業 Commercial
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	3,025	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



Min Xin Holdings Limited
閩信集團有限公司

17th Floor, Fairmont House,
8 Cotton Tree Drive
Central, Hong Kong
香港中環紅棉路8號東昌大廈17樓

Tel 電話：2521-5671
Fax 傳真：2530-5488

Website 網址：www.minxin.com.hk